

**A CRITICAL INVESTIGATION OF PROMOTIONAL STRATEGIES
USED IN UNIT TRUST INDUSTRY
IN SRI LANKA**

Submitted A Critical Investigation of Promotional Strategies used in Unit Trust Industry in Sri Lanka.

Accepted in partial fulfillment of the requirements for the Degree of Master of Business Administration.

By

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ABSTRACT

This study reveals the investigation of Promotional Strategies used in the Unit Trust Industry in Sri Lanka. Promotion is the most visible of the marketing Mix, and a conspicuously powerful component of the marketing mix. More broadly, promotion encompasses all aspects of informational and motivational communications with customers and intermediaries, including media-based advertising and public relations, action-oriented incentives and direct selling.

Unit Trusts provide a collective investment vehicle for the small savers, to access the growth opportunities in the capital markets and to maximize the returns on their investment through a professionally managed well diversified portfolio with wide – risk distribution. The main promotion objective of each Unit Trust Companies in the Industry is to frame customers' perceptions (making them aware of the Unit Trust product in its most favorable light) and stimulate Investments.

Considering the ideas given by the industry experts, the researcher has identified the problem is as “Why Unit Trust is unpopular among investors in Sri Lanka?”. Based on that, researcher has defined the research title as “***A critical investigation of Promotional Strategies used in Unit Trust Industry in Sri Lanka***”.

The main objective of this study was to evaluate the communication effect of the Promotional Strategies used in the Unit Trust Industry in Sri Lanka. Awareness, Product Knowledge, Product preference and Attitude are the variables investigated in this study.

This study was conducted among the sample of 200 respondents who were selected from four geographical clusters namely, Colombo, Kandy, Kurunegal and Matara. Questionnaires were administered through interview method until reaching the selected sample of 200. Data analysis was conducted by using Statistical Package SPSS version 12.0. Univariate Analysis was used to assess four variables such as Awareness, Product Knowledge, Product Preference and Attitude. Five hypotheses were tested.

The findings of the study revealed that the level of Awareness, Product Knowledge and Product Preference are in Moderate level. Attitude towards Promotional Strategies is also in moderate level. But the Attitude towards product is low. The results imply that more than 70% of the investors have negative attitude towards Unit Trust Investment.

Findings and information gathered in this study helped to improve Unit Trust Industry by identifying its strengths, weaknesses and problems.

It is hoped fervently that this research study would provide a significant step ahead in improving the Unit Trust Industry in Sri Lanka.

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