



EFFECT ON SALES ON SALES PROMOTION IN FMGC PRODUCTS

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Abstract:

Every organization requires sales promotion and distribution to promote their product and services through their sales person. Sales promotions and distribution are playing a vital role in today's market. So it is important to know how far these promotional activities are creating brand awareness in the minds of the customer and influencing them to go for the products and services and also the need to increase the quality, creativity and utilization of technology in the distribution and sales promotions. The main objective of the study is to study the advertising and promotional techniques of FMCG companies on the service provided and to identify the most effective sales promotion technique for selected products marketed at based on the companies. For this purpose a sample of 150 was collected from the respondents were percentage analysis, mean rank and chi square were used as statistical tools to analyse the data and the conclusion is that the companies have a reach towards the advertisement made by them but some effective measure has to be taken by the to make the advertisement more effective in future period of time

Key Words: FMCG, Sales Promotion & Creativity

Introduction:

Organizations are shifting their focus from traditional advertising to other marketing strategies and communication tools, in order to get the attention of consumers in the highly competitive market place. Sales promotion is the process of persuading a potential customer to buy the product. Sales promotion is designed to be used as a short-term tactic to boost sales – it is not really designed to build long-term customer loyalty. Every organization requires sales promotion and distribution to promote their product and services through their sales person. Sales promotions and distribution are playing a vital role in today's market. So it is important to know how far these promotional activities are creating brand awareness in the minds of the customer and influencing them to go for the products and services and also the need to increase the quality, creativity and utilization of technology in the distribution and sales promotions.

Promotion Concept Development Process:

- Promotion concepts are never developed in isolation. It is only with a clear understanding of each of the following components of the overall assignment, can the right "Concept" be created.
- Brand or Corporate Objectives
- Promotional Objectives
- Brand Profile, Image and Personality
- Knowledge of the Target Audience
- Promotion Strategies

Tools of Sales Promotion:

Sales promotions are short-term marketing techniques used by a manufacturer for a specific purpose, like increasing market share or to encourage sales during off-peak periods. Sales promotions are often one component in an advertising or marketing campaign. A variety of sales promotion tools are available, such as price reductions, product giveaways and special trial periods.

Free Samples:

Free samples are a no-risk way for a customer to try a new product before making a buying decision. A common method used by manufacturers is to send a small package of a new laundry detergent to households via postal mail. The manufacturer typically includes coupons as a way to encourage purchases in the future.

Promotional Periods:

A promotional period allows a customer to use a product for free for a specified period of time, such as 30 days. Television infomercials use promotional or guarantee periods as an inducement to purchase a product. If the buyer takes no action to cancel the purchase or return the product during the promotional period, the customer is billed automatically or a charge is made to her credit card.

Point of Purchase Displays:

Points of purchase displays are used in retail stores to catch the attention of a shopper. The selected products may be sale items but may also be seasonal or high-demand merchandise. The displays are built in a prominent location such as on an aisle end or at the front of the store near the entrance. The store may also place signs at the product's normal shelf locations

Literature Review:

Close Finney, lacey & sneath (2006) corporations are using events marketing in order to accomplish a variety of objective. The most common objectives are higher brand awareness, increased sales and image enhancement. Dawes (2004) A sales promotion that attracted some new users can have positive after- effect if the new users repeatedly re purchase later. However there is evidence speaking for no long term favorable effects for establishment brands . the prime reason is that price promotion most of the times attract in frequent buyers and that the small number of attracted new buyers has low tendency to repeat the purchase. Hellam (2005) sales promotional activities where the product in question is critical to a prospects business can be centralized on the product itself. Promotion like this could be free samples , visit to a factory, free value - added training, etc. these different activities are known as intrinsic and are most direct, economical and effective approach , this because, a product makes the strongest sales pitch for itself.

Statement of the Problem:

Advertising is a part of the communication or the promotion mix. Advertising is a short-term incentive to encourage purchase of a good or service. Advertising consists of marketing activities that add to the basic value of the product or service for a limited time and directly stimulate consumer purchasing, stimulate the distributors to carry the product and/or promote the product or stimulate the effort of the sales force through sales person. Effective advertising increases the sales turnover, profits, market share and also improves the good will of the organization. This has motivated the researcher to undertake a research on the topic “A Study on Customer Perception with regard to Advertising techniques by FMCG companies

Objectives of the Study:

- To study the advertising and promotional techniques of FMCG companies based on the service provided.
- To analyses the relationship between the demographic variables of the respondents and the service provided by FMCG companies.
- To identify the most effective sales promotion technique for selected products marketed at based on the companies.
- To know about the level of satisfaction of customers towards various brand.

Scope of the Study:

The study is conducted with customers of various service providers of mobile network. The study aims to analyze the various sales promotion techniques, customer perception, relationship between delivery of service FMCG companies and customer perception. It also analyses the most effective sales promotion technique for selected products marketed by the companies based on various strategies.

Significance of the Study:

Advertising deserves more serious academic attention than it sometimes receives. Like psychology, political science and economics, it deals with people and how they react to the world about them. Advertising is the most persuasive force in the world today. Firms in promoting their products through advertising spend a sizeable amount Even then only a few products are successful. Intensive survey should be conducted to unearth as to why very few people use a particular product in.

Research Methodology:

To fulfill any task, it is necessary to follow systematic method. The Methodology followed in this study is detailed here.

Type of Study:

The type of the study was descriptive in nature. Descriptive studies aim at portraying accurately the attitudes or views of a particular group of people towards any situation.

Source of Information:

The relevant data in the subject under study was collected from the following sources. Primary data: These data were collected from the customers of the store through questionnaire and interview schedule.

Sampling Design: For the research, convenience sampling method was adopted.

Sample Size: Sample size is 150 and the respondents are the customers of FMCG companies.

Tools for Data Collection and Analysis:

The tools used for data analysis include, percentage analysis and chi square test.

Limitations:

- During certain time of the day, most of these outlets would be very busy with their business, as they would not encourage all these research activities.
- The Survey was limited to Coimbatore only.

- The respondents were less interested in answering the questionnaire as they felt that it was an interruption to their regular work.

Analysis and Interpretation:

Personal Factors	Particular	No. of Respondent	Percentage
Gender	Male	52	34.7
	Female	98	65.33
	Total	150	100
Age	21-30	66	44
	31-40	37	24.7
	41-50	30	20
	Above50	17	11.33
	Total	150	100
Marital Status	Married	58	38.7
	Unmarried	92	61.33
	Total	150	100
Educational Qualification	School level	38	25.33
	College level	112	74.7
	Total	150	100
Occupation	Agriculturalist	19	12.7
	Businessman	45	30
	Professional	30	20
	Private Employee	35	23.33
	Government Employee	21	14
	Total	150	100
Income Level	Below 10000	30	20
	10001-20000	29	19.33
	20001 –30000	17	11.33
	30001 –40000	27	18
	Above 40000	47	31.33
	Total	150	100
No of Members in the Family	Up to 3 members	33	22
	4 - 6members	67	44.7
	Above 6 members	50	33.33
	Total	150	100
Type of Family	Joint family	39	26
	Nuclear family	111	74
	Total	150	100

Interpretation:

Out of 150 respondents 65.33% of the respondents are female and remaining 34.7% of the respondents are male. 44% of the respondents are comes under 21-30years and 24% of the respondents are 31-40 age group and 20% of respondents are 41-50 age group,11% respondents Above 50 age group. 61% of the respondents are comes unmarried and reaming 38% of the respondents Married. 74% of the respondents are comes school level educated and remaining 25% of the respondents college level educated. and 23% of the respondents are private employee, and 20% of respondents are professional,14% respondents Government employee 12% of respondents are Agriculturalist. 31% of the respondents earned Above 40000, and 20% of the respondents are earned Below 10000, and 19% of respondents are Rs10000 to Rs20000, 18% respondents earned 30000 to 40000. 11% of respondents are earned Rs 20000 to Rs30000. 44% of the respondents are 4-6 members, and 33% of the respondents are Above 6 members, and 22% of respondents are Up to 3 members. 74% of the respondents are Nuclear family, and 26% of the respondents are Joint family.

Classification of Respondents according to Advertisement Status Respondents:

Particular	No. of Respondents	Percentage
News papers and magazines	30	20
FM radio	22	14.7
Television	35	23.33
Internet	19	12.7
Cell phone	20	13.33
Others specify	24	16

Total	150	100
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Inference:

The above table shows that 23% of respondents by Television, 20% of the respondents by News papers and magazines, and 16% of the respondents by others specify 14% respondents by FM radio, and 13% respondents by Cell phone 12% respondents by Internet.

Classification of Respondents according to Advertisement related Respondents:

Particular	No. of Respondents	Percentage
Create an awareness of the cause and product	34	22.7
Create and maintain brand loyalty and price deal	39	26
Encourage the buyers to support good cause	26	17.4
Other if any (specify)	51	34
Total	150	100

Inference:

The above table shows that 34% of respondents by Others, 26% of the respondents by Create and maintain brand loyalty and price deal, and 22% of the respondents by Create an awareness of the cause and products, 17% respondents by Encourage the buyers to support good cause.

Classification of Respondents of Commercial Source:

Commercial Source	Mean	Std Deviation	Rank
Advertisement	2.3333	1.20773	4
Salesperson	2.4867	1.03455	2
Dealers	2.6333	1.07076	1
Packing	2.48	1.10957	3

Interpretation:

From the above table by considering Mean value we should conclude that 2.6333 of respondents are influenced by the source dealers, 2.4867 of respondents are influenced by the source sales promotion, 2.4800 of respondents are influenced by the source packing, 2.3333 of respondents are influenced by the source advertisement. Majority of the respondents (2.633) of respondents are influenced by the source.

Chi-Square Analysis:

Relationship between Gender and Family Income:

Monthly Income Gender	Below 10000	Rs 10001-Rs 20000	Rs 20001-Rs 30000	Rs 30001- Rs 40000	Above 400000	Total
Male	7	13	10	14	01	45
Female	10	50	17	23	05	105
Total	17	63	27	37	06	150

Inference:

In the above table, the calculate value is greater than the table value. Hence the null hypothesis is rejected it is founded that there is a significant relationship between gender and preference of monthly income.

Table value = 9.488 for degrees of freedom and 5% level of significance

Calculator value = 10.22

As calculator value > table value the null hypothesis is rejected.

Therefore, it is that there is a significant relationship between gender and monthly income

Findings:

- 65% of the respondents are female.
- 44% of the respondents are coming under 21-30years of age.
- FMCG companies 74% of the respondents have completed their school level
- % of the respondents are Business man.
- 31% of the respondents earned Above 40000.

Suggestions:

- Consumers prefer to get value added offers in the form of additional quantity of the same product they buy as incentives. Bonus pack schemes can be used more effectively than free gifts and compliments.
- Coupon distribution system should be streamlined, as consumers mostly prefer to get them through newspapers and magazines.
- Marketers may use Price-off or discount strategy to achieve the short-term objectives of promotion like brand switching, trial purchase, and stockpiling ahead of other schemes.
- The long-term effectiveness of sales promotion is very limited. Sales promotion does not lead to repeat buying or create brand loyalty in a satisfactory manner. It may be used as a short-term measure to reduce inventory or ward off competition.
- Sales promotion is more effective in the case of non-food categories like detergent, toothpaste, etc. These items can be more frequently promoted.

- Point-of-purchase displays and feature advertisements attract larger number of women than men. As the women shoppers are on the increase counter and window displays and feature advertisements may be increasingly used
- Sample of a new product may be distributed along with another product of the same marketer or through the retail counter to make it more effective.

Conclusion:

The conclusion is that the companies have a reach towards the advertisement made by them but some effective measure has to be taken by the to make the advertisement more effective in future period of time

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