

Impact of Sales Promotion Techniques on Consumers towards FMCG

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Abstract – Sales promotion, which is one of the key components of special blend, is being utilized broadly by the marketers to contend and support the competitive advantage and thusly increase the deals by animating the consumers' purchase decision. Consumer sales promotion take up a vast share of the total marketing expenditure in spite of which it remains a range that still pulls in consideration as a key part of the promotion mix intended to build short term sales. It is accordingly not astounding that the vast majority of the marketers resort to sales promotions to pull in the contender's market share. The present paper reports the effect of sales promotion techniques on consumers towards FMCG. This study has endeavored to investigate which sales promotional techniques going to be overwhelm on personal care products in Fast Moving Consumer Goods.

Keywords: Sales Promotion, Techniques, Consumers, Consumer Behavior, FMCG

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1. INTRODUCTION

Sales promotion has been characterized as 'an immediate affectation that offers an additional esteem or incentive for the product to the sales force, distributors, or the final consumer with the primary objective of making an immediate sale' (Haugh 1983). Burp and Belch (2003) have proposed a comparable definition. The numerous meanings of sales promotion have a typical perspective: they all include an impermanent and unmistakable adjustment of supply, for a definitive objective of direct effect on the behavior of the consumer, retailer or sales force. Inside the marketing mix, sales promotion has one of the most grounded effects on transient consumption behavior (Laroche Et al . 2003). It is an 'activity centered' marketing event (Blattberg and Neslin1990).

Sales promotion' indicates the few sorts of selling incentives and strategies which focus on the customers to reap the prompt sales effects. These motivations and techniques might be as free examples, rebate coupons, demo appears, sweepstake and so forth. There are different promotion strategies undertaken by retailers to heighten the sales. Thus retailers promote sales in the markets with promotion incentives, for example, "Winter sale", "Summer time sale", "Great Exchange offer", "Trade fairs", "Discount rate up to 70%" and different procedures and techniques, for example, coupons, sweepstakes and store markdowns.

Sales promotion as a crucial segment of marketing mix has been intensely utilized as a noteworthy incentive

tool to pull consumers to stores and increment short-run sales volumes. Since 1980s, scientists have always proposed an assortment of ideas to show how deals promotion might influence consumer purchase conduct by means of defeating "consumer entropy" (Beem and Shaffer 1981), inviting consumers to participate in exchanges (Kotler 1988), elevating the mental esteem connected with the exchanges (Thaler 1983), or by providing consumers with a script of purchase behavior (Gardner and Strang 1984). Regardless of what impacts of sales promotion would be, every one of the feelings affirmed by the former studies demonstrate that sales promotion may actuate or encourage certain consumer psychological mechanism in light of the idea that sales promotion "affects consumer by following up on essential mental procedures basic to all choices" (Schindler and Rothaus 1985).

2. REVIEW OF LITERATURE:

Paragi kuntal shah and Bijalnishantmethta (2012) in their article "effect of sales promotion and their accessibility on consumers buying behavior: a point of view on personal care products" opined that today's close to home care customers are extraordinarily impact of notice. The sales promotions promptly hit the sales volume and face the rivalries. The sales promotion invigorates to consumers buying behavior in, for example, sales promotions promotion, and gets one get one free and store communications.

Gopal das (2011) in his study "impact of retail sales promotion on buying behavior of customers: an

observational study" said that price promotions are expanding consumers buying behaviors. This paper highlighted sales promotion, for example, coordinate value markdown, get one get one free, get one get another product free, media advertisement, store publicities are stimulate consumers buying decision in FMCG products.

Abhigyan bhattacharjee (2011) described FMCG items impacted to Medias are both visual and print medias. Commercial and Medias and in addition reputations are making new request of products. It is reasonable for both rural and urban areas.

Garima malik (2011) in his study demonstrate that strong distribution and moderateness additionally street shows are utilization of customer retention and invigorate to purchase dabur products in rural market.

Robert P.Hamlin and Andreainshch (2011) in their article "Retailer branding of consumer's sales promotion" this article indicates that food industry customers are like price promotions. The value cut quick hit the sales as well as make request in food products. The scientist said that manufactures and retailers are may have power relationships. These paper most extreme highlighted promotions are coupons, price discount and 20 rate price offers.

3. OBJECTIVES OF THE STUDY:

The objectives of the study are:

- To identify the various sales promotion techniques those influence the customer impulse buying decision.
- To study the impact of various sales promotion techniques towards customers apparel impulse buying behavior.
- To identify the most effective sales promotion technique that influences the customers' impulse purchase decision.

4. RESEARCH HYPOTHESIS:

For this research, the following hypotheses are developed:

H1: Rebates and Discount offer has a significant impact on consumers' buying behavior.

H2: Price packs have a significant impact on consumers' buying behavior.

H3: Contests have a significant impact on consumers' impulse buying behavior.

5. SALES PROMOTION FOR FMCG

Sales promotion in FMCG industries is utilized to make a temporary stimulus on the sales of a brand by making consumers a special offer. This promotional stimulus is a piece of the marketing offer made up of variables, for example, product features and benefits, price, availability, customer service and quality. Consumers are anticipated that would follow up on this offer, which, thus, has an immediate effect on the sales rate of an organization.

The fast-moving consumer goods sector (FMCG) is seeing developing utilization of sales promotion activities all over the world. The segment is portrayed by products having low unit esteem, requiring continuous buys, purchaser conduct reflecting less devotion, drive purchasing, and low inclusion with respect to a consumer. As the risk of purchase is moderately less contrasted with high involvement buying situation, consumers do wouldn't fret testing distinctive brands while benefiting sales promotion. A consumer's choice of which brand to purchase and how much amount of that brand to purchase relies on upon brand-particular variables (e.g. cost and advancement of different brands) and consumer specific variables (e.g. consumer's brand devotion, consumption rate, product inventory, and sensitivity to value and promotion). Further, long haul marketing activities of brands may change consumers 'sensitivity to transient showcasing activities. For instance, broad publicizing throughout the years may make consumers less delicate to transient price discounts. Additionally frequent promotions of brands make it pointless for loyal consumers to switch brands (as it turns out to be progressively likely that an arrangement on the favored brand will be anticipated) however makes them more prone to stockpile when their most loved brand is on promotion (since they satisfy a more noteworthy bit of their request in advanced periods). Yet, in the event that there are a few brands in a thought set a purchaser does wouldn't fret exchanging among these brands. Blattberg and Neslin (1997) demonstrate that greater part (more than 60 percent) expansion in deals owing to sales promotion comes from brand exchanging when incremental sales are decayed into brand switching, stock-heaping, and buy speeding up. The FMCG class is additionally seeing extreme rivalry like Indian markets, various sales promotion offers are made going from basic value offs to imaginative challenges and blessing offer to bait bargain prone consumers. A wide range of brands (international, national, regional and local) in a given classification plan imaginative sales promotion offers to pull in consumers. For case: in toilet soap classification Lux International, Hamam(national), Tulsi Neem (territorial) and local brands (unbranded) battle for market share through creative sales promotion efforts. It would bear some significance with both professionals and also academicians to discover

what motivating forces are offered to consumers and how much expense is normal from consumer depending on the terms and states of the offer, what sort of connections exist between size of impetus and brand, its market share, whether a brand is recently presented in the classification or not relies on upon brand-particular variables (e.g. price and promotion of different brands) and shopper specific factors (e.g. consumer's brand loyalty, consumption rate, product inventory, and request in promoted periods). However, in the event that there are a few brands in a thought set a purchaser does wouldn't fret exchanging among these brands. Blattberg and Neslin (1997) demonstrate that lion's share market share through inventive sales promotion efforts. It would bear some significance with both professionals and also academicians to discover what motivating forces are offered to consumers and how much expense is normal from consumer depending on the terms and conditions of the offer, what sort of relationships exist between size of incentive and brand, its market share, whether a brand is recently presented in the category or not.

6. IMPACT OF SALES PROMOTION ON CONSUMER BUYING BEHAVIOR:

According to Banks & Moorthy (1999), sales promotion led to sudden increase of sales experienced by retailers due to price-consciousness of consumers. Sinha & Smith (2000), opinioned that consumer would be easily swayed to buy products as there is no extra cost by consumers. Blackwell et al (2001) identified that price discounts play a significant role in influencing consumer product trial behavior which indirectly attracts new consumer. According to Shilpa Aggrawal & Amit Aggrawal (2012), pricing of product has an impact in deriving consumer perception and the extent to which perception is influenced, is derived from the nature of consumer behavior.

➤ **Rebate & Discount offer**

Blackwell et al (2001) reported that price discounts influence the consumers to go for product trial by which retailers indirectly attract and gain new consumer. Janet Hoek & Leon Roelants (1991) concluded that, this small scale study raises the possibility that a product's susceptibility to stockpiling may affect the extent to which price discounting increases its sales, at least in the medium term. Priti Salvi (2013) said that the discount and price off scheme induced the customers to visit store and influenced their purchase decision. And also buy one get one free has been found effective in their purchase decision. Soni Neha et al (2013) found that the most popular sales promotion technique discount price offer plays significant role in consumer's purchase behavior.

➤ **Coupon**

Few of the earlier studies like Gilbert & Jackaria (2002) have found that coupon promotions had no significant effect on volume of products purchased by the consumer, but a study conducted by Ndubisi & Chew (2006) at Malaysia has disproved this statement. Later Gilbert & Jackaria's (2002) and Syuhaily Osman et al (2011) in their study reported that coupon promotion was among the least used and ranked last promotional tools by consumers. However, the results in Dotson's (2001) in his research proved that women are likely to use coupons than men.

➤ **Loyalty Program**

According to Arunmuhil & Arumugam (2013), consumers do not have a propensity to make more purchases from a particular store just because they possess loyalty card of the store. They also shop in stores that provide them with better discount options, whether they have loyalty card of the same or not.

➤ **Price Packs**

Gopal Das (2011) in his study said that price promotions are increasing consumers buying behavior. This paper highlighted sales promotion such as direct price discount, Buy-One-Get-One-Free, Buy-One-Get-Another-Product-Free, media advertisement, store publicities stimulate consumers buying decision. Muhammad Rizwan et al (2013) proved that price discount and Buy-One-Get-One-Free technique had a significant effect than other techniques on consumer-buying behavior in their research. Priti Salvi (2013) said that the Buy-One-Get-One-Free scheme has been found effective on consumer purchase decision.

➤ **Contests**

The sales promotion technique has a limited research attention, anyway sweepstakes and games are a very popular form of sales promotion in many places. Liao et al (2009) identified that sales promotional techniques of instant rewards like Buy-One-Get-One-Free, price off and free samples motivates the reminder impulse buying than the delayed rewards like sweepstakes, loyalty reward points and competitions.

7. TECHNIQUES OF CONSUMER SALES PROMOTION

Consumer sales promotions encompass an assortment of transient promotional techniques intended to induce customers to react somehow. The most prevalent consumer sales promotions are specifically connected with product purchasing. These promotions are proposed to improve the

estimation of a product purchase by either lessening the general cost of the product (i.e., get same product however for less money) or by adding more advantage to the customary purchase price (i.e., get more for the cash).

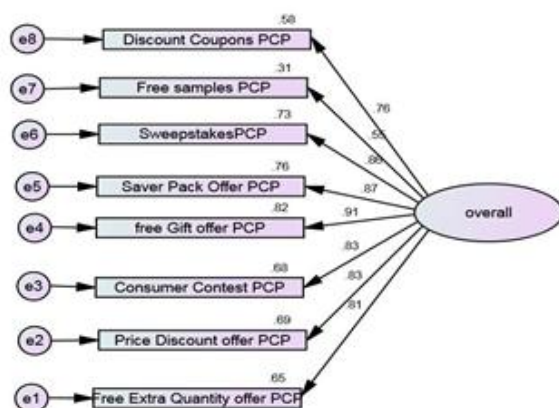
While tying a promotion to a prompt buy is a noteworthy utilization of consumer sales promotion, it is not alone. As specialists noted above, promotion techniques can be utilized to accomplish different destinations, for example, building brand loyalty or creating product awareness. Consequently, an advertiser's promotional toolbox contains a substantial assortment of consumer promotions. The following techniques are followed when all is said in done that are Coupons

- Free gift offer
- Saver packs offer
- Sampling and free trials
- Free extra product
- Premiums
- Contests and sweepstakes

8. RESEARCH AND ANALYSIS:

Regression Measurement Model-Overall Sales Promotional Impact

The below portion of the output shows how Amos arrives at degrees of freedom as the difference between the number of distinct sample moments and the number of distinct parameters that have to be estimated.



Based on the regression measurement model, researchers tested products which reveals that free gift offer dominate among other sales promotional techniques for consumers.

CONCLUSION

The marketing scenario in India is experiencing an ocean change tuned in to the new patterns and developments in the field of global business and economic situations. Globalizations has realized a circumstance where competition is extremely exceptional with the section of multinational companies, worldwide meeting of consumer's brand preference, global marking and publicizing and expanded routine of cross boarder buying and selling. Indian market began flooding with various brands of various types of products. Interest for packaged consumer goods started expanding significantly. Customers became more quality conscious and price sensitive as they are currently uncovered to international marketing conditions and opportunities.

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