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### A STUDY ON EFFECT OF SALES PROMOTION ON CONSUMER IN FMCG GOODS AT VELLORE CITY

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#### ABSTRACT

The importance of sales promotion in modern marketing has increased mainly on account of its ability in promoting sales and preparing the ground for future expansion. Sales promotion plays a vital role in marketing. In this research paper the effect of sales promotion on consumers of FMCG product are analyzed. There are lot of tools in sales promotion it is broadly classified into dealers, consumer and Salesforce sales promotion. This research focus on sales promotion tools attract the customer most, in which category the consumer need sales promotion and whether the sales promotion influence brand switching. 200 samples were collected from the consumers of FMCG products using structured questionnaire and the result were analyzed.

**Keywords:** Sales Promotion, FMCG product, Consumer, Effect.

#### 1. INTRODUCTION

The main objective of sales promotion is to attract the prospective buyer towards the product, and induce him to buy the product at the point of purchase. At the salesman's level, its object is to achieve more sales. At the retailer's level, the purpose is to sell a particular product of a manufacturer. At the customer's level, the main idea is to enable the consumer to buy more of a product more frequently and also to introduce new uses for the product. Sales promotion refers to "those marketing activities that stimulate consumer shows and expositions. According to American marketing Association "Those marketing activities, other than personal selling, advertising, and publicity that stimulate consumer purchasing and dealing effectiveness, such as displays, shows and exhibitions, demonstration and various non- recurrent efforts not in the ordinary routine is known as sales promotion." There are three types of sales promotion, dealers, consumer and Salesforce sales promotion. This study focus on consumer sales promotion. The tools used for consumer sales promotion are Price off, Premium Gifts, Extra quantity with same price or less, Contest, Free samples, Buy 1 get +1 free and Coupons.

#### 2. REVIEW OF LITERATURE

**Ali Akbar Balaghar et al (2012)** The main objective of the study is to analyze the promotional mix that is advertising, personal selling, direct selling, sales promotion and its impact on sales volume of tractor company in Iran. It is very large company with more than six thousand employees. The sampling method of the study is simple random sampling and tools used for data collection is questionnaire were sent through email and received. Sample size is 127. Based on the ranking this study proves that sales promotion is in first position. Advertisement scores second position. Public relation scores third position. Direct marketing scores fourth position and direct selling is the least position.

**Aurangzeb Mughal et al (2014)** The objectives of the research article is to find out whether the sales promotion influence consumer buying behavior and also the atmosphere that helps the consumer buying decision. The researcher research design is descriptive type. The sampling method is simple random sampling. The sample size is 200. Tools used for data collection is questionnaire. Coupons does not influence consumer buying decision making. But buy one get one free influence consumer buying decision making. The study mainly helps the company to identify the most attractive tools so that it can attract more number of people. With the result the company can produce a better strategy promotional plan and get success.

**Garima Malik and Amit Jain (2015)** The lifestyle of the people living in urban area is totally differ from the lifestyle of the people live in rural area. In the developing country like India 70% of the people live in rural area. An assumption says that urban people use branded while rural people not using branded products but it is not the true. The rural market have lot of scope and opportunity for branded products. To introduce the new brand



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in rural area the marketer should analyze the consumer in such area. The FMCG industry focus mainly on rural area. The study is based on descriptive research design. The sampling method is convenient sampling. And the sample size is 50. Data was collected through interview method with structured questionnaire. According to the study television ads deliver information about sales promotion schemes. 50% of the respondents watch TV Ad regularly.

**Kush Kr. Patwa, Love Kr. Patwa (2013)** The main motto of the research article is to find out whether the sales promotion offered at a particular period give a rise to sales volume and also to analyze the basic characteristics features of sales promotion schemes in Delhi. The sample size is 450. This study proves that 35 percentage of the respondents have an impact of sales promotion. Price offs and discounts is the best tool in sales promotion. The other techniques are used by the industry to push sales strategy. Majority of the respondents felt that sales promotion is an impact tools to increase volume of sales of an industry. This study is conducted on sales promotion techniques to identify the best tool in promotional techniques to identify the best tool in promotional activities. And the impact of promotion in consumer buying attitude.

**Mahsa Familmaleki et al (2015)** The main purpose of promotion is to influence the target buyer and make them to purchase the product. The objective of the study is to find out the impact of sales promotion on purchase decision of a consumer. Due to sales promotion sales volume increases and finally the profit of the organization also increase. The type of study is theoretical study. The researcher various articles and books and analyze about sales promotion. The researcher conclude that price offers are very attractive tool in sales promotion. The short time rise in price offers will increase the sales by new users of the brand who switch over from other brand. After the price off are over instead of purchasing a new brand in full price they may switch over to their own brand where they switch from.

**Muthukrishna. C and Dr.P Ravi (2013)** Fast moving consumer goods is abbreviated as FMCG goods. People use this product in day to day life. The sampling method is convenient sampling methods and the sample size is 120. Area of the study are Arasan, Aryas, Anantha, Pothys supermarket in Tirunelveli city. Tools used for data collection is interview schedules. According to the study income of the respondents influence the buyer purchasing place and type of promotion. Female are the major customers in super market and most of them are home makers. Extra quantity meet the consumer satisfaction regarding promotion. Customer expects 10 to 20% of price discounts. Price deals, extra quantity and display in the stores are the three main tools that satisfies consumer expectation on promotional schemes.

**Nagadeepa. C (2015)** In promotional mix sales promotion plays a vital role in market. There are various sales promotion elements the study aims to find out which one of the sales promotion tool is effective and influence the buying behavior of the consumer. The research took five types of consumer sales promotion tools. Research area is 5 malls in Bangalore city and the sample size is 125. Tools used for data collection is questionnaire. Based on the research findings sales promotion activities gave positive impact on consumer buying behavior. It increases the sales volume of the company. Rebate and discount plays a major role and highest role in promotional activities among other 5 promotions.

**Shallu, Sangeeta Gupta (2013)** this study mainly focus on factors that affect the consumer buying decision and behavior. The study concentrate or target on cosmetic industry in India. To analyze the various promotional tools are used by marketers to influence the buying decision of the consumer. It is the trillion dollar business industry. Everyone in the world want to look beautiful. The research design is descriptive research design. Sampling method used was simple random sampling and the sample size is 200. Tools used for data collection is questionnaire. As per the study the promotional activity have positive impact on consumer buying decision making. The consumer choose the brand by TV ads and by newspaper. Recommendation from their friends also plays an important role.

**Soni Neha, Verghese Manoj (2013)** In growing business trends marketers are using many techniques of sales promotion to influence the buying idea of the consumers. This study focus on various sales promotion techniques offered to refrigerator and its impact on purchase decision of the consumer. The researcher adopt descriptive research design. The researcher chose convenient sampling method and the sample size is 109. The study area was Bhilai, Delhi. The study reveals that price deals has no impact on consumer while purchasing



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refrigerator. Rebate also has no impact on consumer purchase decision. Offers, premium gifts and contest has much impact on refrigerator consumers while purchasing.

**Syed Ali Ahmed et al (2015)** The purpose of the study is mainly to analyze the impact of sales promotion in purchase attitude of Pakistan peoples. The study location was Bahawalpur. The sampling method is systematic random sampling method and the sample size is 105. Tools used for data collection is questionnaire. This study proves that gender does not influence buying behavior. Annual income of the family also influence buying behavior of the consumer. According to the study the respondents are attracted towards price deals, coupons, free samples and buy one get one free.

### 3. OBJECTIVES OF THE STUDY

- To analyze the impact of sales promotion on consumer buying behavior
- To find out the whether the sales promotion influence the purchase volume of a consumer.
- To find out whether sales promotion create new customer.
- To find out whether sales promotion induce brand switching in FMCG goods.
- To find out most influencing sales promotion tools on purchase decision.

### 4. RESEARCH METHODOLOGY

The researcher chooses descriptive research design method in this study. In this research, non - Probability sampling was adopted, under that convenient sampling method was used. Sample size is 200. Target respondents are workers consumers of FMCG products. The research collect data from two sources Primary data and Secondary data. Tools used for data collection is Questionnaire. Primary data was collected using structured questionnaire distributed to the 200 respondents. Secondary data were collected from journals and online articles. Tools used for data analysis were Chi-Square, Anova test, correlation, regression and independent t test was applied in this study to reveal relationships among variables from the data.

#### Research Hypothesis of the study

- $H_0$  - There is no association between qualification of the respondents and communication source through which sales promotion in FMCG goods is communicated.
- $H_0$  - There is no significant relation between monthly income of the respondents and frequency of purchase of FMCG goods.
- $H_0$  - There is no significant association between age of the respondents and brand switching due to sales promotion.
- $H_0$  - There is no significant association between price conscious consumers with brand switching due to price off offer.
- $H_0$  - There is no difference between opinion among male and female in paying attention towards sales promotion in FMCG goods.
- $H_0$  - There is no significant association between quantity conscious consumers with brand switching due to extra quantity offer.
- $H_0$  - There is no significant association between monthly income of the respondents and brand preference of the respondents

#### Data analysis

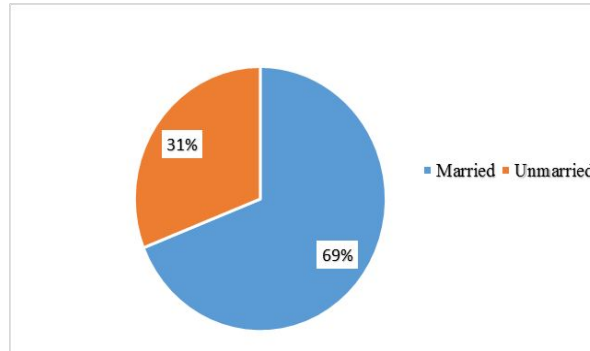
*Table .No.1*  
*Marital status of the respondents*

Marital status	No. of respondents	Percentage
Married	126	63
Unmarried	74	37
Total	200	100

Source- Primary data



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*Chart. No. 1 Marital status of the respondents*

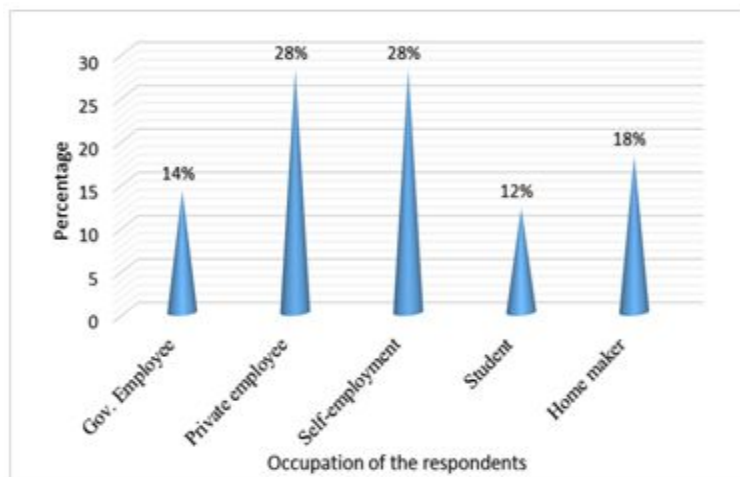
### Interpretation

From the above table it is clear that 63% of the respondents are married which was the highest recorded percentage. This is followed by 37% of the respondents were unmarried.

*Table .No.2  
 Occupation of the respondents*

Occupation	No. of respondents	Percentage
Gov. Employee	28	14
Private employee	56	28
Self-employment	56	28
Student	24	12
Home maker	36	18
Total	200	100.0

Source- Primary data



*Chart.No.2 Occupation of the respondent*

### Interpretation

From the above table it is depicted that 28% of the respondents belong to self-employment and private employees, which is the highest recorded percentage. 18% of the respondents were fall under the category of



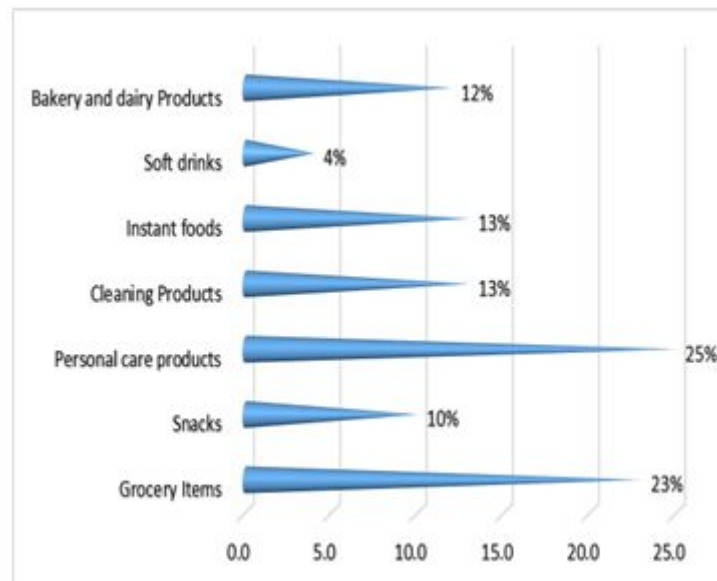
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Home maker. This is followed by 14% of the respondents who were government employees. Finally the least percentage of 12% of the respondents was government employees.

**Table .No.3**  
*Preferred type of goods for sales promotion*

Preferred type of goods for sales promotion	No. of respondents	Percentage
Grocery Items	46	23.0
Snacks	20	10.0
Personal care products	50	25.0
Cleaning Products	26	13.0
Instant foods	26	13.0
Soft drinks	8	4.0
Bakery and dairy Products	24	12.0
Total	200	100.0

Source- Primary data



**Chart.No.3 Preferred type of goods for promotion**

### Interpretation

From the above table it is depicted that 25% of the respondents preferred to buy personal care products in sales promotional schemes, which is the highest recorded percentage. 23% of the respondents preferred to buy grocery items in sales promotional schemes. 13% of the respondents preferred to buy cleaning products and instant food respectively in sales promotional schemes. 12% of the respondents preferred to buy Bakery and dairy Products in sales promotional schemes. 10% of the respondents preferred to buy Snacks in sales promotional schemes. Finally 4% of the respondents preferred to buy soft drinks in sales promotional scheme

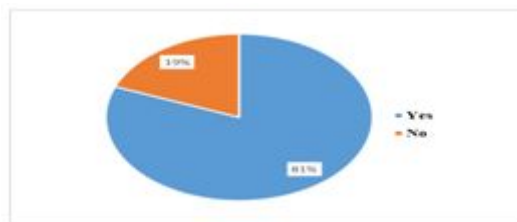


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*Table .No.4  
 Sales promotion is beneficiary*

Sales promotion is beneficiary	No. of respondents	Percentage
Yes	162	81.0
No	38	19.0
Total	200	100.0

Source- Primary data



*Chart.No.4 Sales promotion is beneficiary*

### Interpretation

From the above table it is depicted that 81% of the respondents felt sales promotion scheme is beneficial to them. 19% of the respondents felt sales promotion scheme is not beneficial to them.

### Hypothesis testing

*Age with brand switching due to sales promotion*

*Table .No.5  
 ANOVA for age with brand switching due to sales promotion*

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	76.297	4	19.074	20.828	<b>.000</b>
Within Groups	178.583	195	.916		
Total	254.880	199			

Source- Primary data

### Interpretation

From the above table shows that the output of the ANOVA analysis and whether there is a statistically significant association between our group means. The sum of square between groups is 76.297 and within groups is 178.583 and the F value is 20.828. We can see that the significance value is 0.000 (i.e.,  $p = .000$ ), which is below 0.05. And therefore, there is significant association between age of the respondents and brand switching due to sales promotion.

$H_0$  - There is no significant association between age of the respondents and brand switching due to sales promotion – Rejected.

$H_1$  - There is a significant association between age of the respondents and brand switching due to sales promotion – Accepted.



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## Frequency of purchase with price as an important factor

**Table .No.6**  
**ANOVA for frequency of purchase with price as an important factor**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	13.873	3	4.624	3.406	<b>.019</b>
Within Groups	266.127	196	1.358		
Total	280.000	199			

Source- Primary data

### Interpretation

From the above table shows that the output of the ANOVA analysis and whether there is a statistically significant association between our group means. The sum of square between groups is 13.878 and within groups is 266.127 and the F value is 3.406. We can see that the significance value is 0.019 (i.e.,  $p = .019$ ), which is below 0.05.

$H_0$  - There is no significant association between Frequency of purchase and price as an important factor while purchasing FMCG goods – Rejected.

$H_1$  - There is a significant association between Frequency of purchase and price as an important factor while purchasing FMCG goods – Accepted.

### Income of the respondents with frequency of purchase

**Table. No.7**

#### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	<b>112.030<sup>a</sup></b>	12	<b>.000</b>
Likelihood Ratio	115.694	12	.000
Linear-by-Linear Association	58.375	1	.000
N of Valid Cases	200		
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	<b>112.030<sup>a</sup></b>	12	<b>.000</b>
Likelihood Ratio	115.694	12	.000
Linear-by-Linear Association	58.375	1	.000
N of Valid Cases	200		

Source- Primary data

### Interpretation

From the above table it is depicted the null hypothesis is rejected. The null hypothesis is rejected because the Pearson chi-square value is 112.030. Significance value is .000 which is  $< .05$ , so null hypothesis is rejected. Therefore there is a significant relationship between monthly income and frequency of purchase.

$H_0$  - There is no significant relation between monthly income of the respondents and frequency of purchase of FMCG goods – Rejected.

$H_1$  - There is a significant relation between monthly income of the respondents and frequency of purchase of FMCG goods – Accepted.



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## Price with brand switching due to price off

*Table. No.8  
 Model Summary*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.766 <sup>a</sup>	.586	.584	.707

Source- Primary data

### Interpretation

From the above table provides the R and R<sup>2</sup> values. The R value represents the simple correlation and is 0.766 (the “R” Column), which indicates a high degree of correlation. The R<sup>2</sup> value (the “R Square” column) indicates how much of the total variation in the dependent variable, Price as an important factor, can be explained by the independent variable, brand switching due to price off. In this case, 58.6% can be explained.

*Table. No.9  
 ANOVA for regression*

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	140.014	1	140.014	280.423	<b>.000<sup>b</sup></b>
	Residual	98.861	198	.499		
	Total	238.875	199			

Source- Primary data

### Interpretation

From the above table is the ANOVA table, which reports how well the regression equation fits the data (i.e., predicts the dependent variable). This table indicates that the regression model predicts the dependent variable significantly well and also it indicates the statistical significance of the regression model that was run. Here,  $p < 0.000$ , which is less than 0.05, and indicates that, overall, the regression model statistically significantly predicts the outcome variable (i.e., it is a good fit for the data).

H<sub>0</sub> - There is no significant association between price conscious consumers with brand switching due to price off offer – Rejected.

H<sub>1</sub> - There is significant association between price conscious consumers with brand switching due to price off offer – Accepted.

## Gender with paying attention towards sales promotion schemes

*Table. No.10  
 Independent Samples Test*

		Respondents pay attention to sales promotion while purchasing FMCG goods	
		Equal variances assumed	Equal variances not assumed
Levene's Test for Equality of Variances	F	.111	
	Sig.	.739	





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t-test for Equality of Means	t		<b>15.330</b>	15.313
	df		198	195.681
	Sig. (2-tailed)		<b>.000</b>	<b>.000</b>
	Mean Difference		1.998	1.998
	Std. Error Difference		.130	.130
	95% Confidence Interval of the Difference	Lower	1.741	1.740
		Upper	2.255	2.255

Source- Primary data

### Interpretation

From the below table it is clearly depicted that this study found that female shows more attention on sales promotion ( because in group statistics the mean value is 1.97 and the standard deviation is .908), than male ( because in group statistics the mean value is 3.97 and the standard deviation is 0.934,  $t(198) = 15.330$ ,  $p = 0.000$ ).

$H_0$  - There is no difference between opinion among male and female in paying attention towards sales promotion in FMCG goods – Rejected.

$H_1$  - There is difference between opinion among male and female in paying attention towards sales promotion in FMCG goods – Accepted.

### Quantity with brand switching due to extra quantity

*Table. No.11*  
**Correlations**

		Respondents opinion about Extra quantity as an important factor.	Respondents opinion about brand switching on Extra quantity
Respondents opinion about Extra quantity as an important factor.	Pearson Correlation	1	<b>.860</b>
	Sig. (2-tailed)		<b>.000</b>
	N	200	200
Respondents opinion about brand switching on Extra quantity	Pearson Correlation	<b>.860</b>	1
	Sig. (2-tailed)	<b>.000</b>	
	N	200	200

Source- Primary data

### Interpretation

From the above table the Pearson correlation value  $r$  is .860 as it is near to 1.0 it has strong positive relationship between consumer who preferred quantity as an important factor and brand switching due to extra quantity offer. The significant value is .000 which is less than .005 hence null hypothesis is rejected.

$H_0$  - There is no significant association between quantity conscious consumers with brand switching due to extra quantity offer – Rejected.

$H_1$  - There is significant association between price conscious consumers with brand switching due to extra quantity offer – Accepted.



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## Monthly income with brand preference

*ANOVA for monthly income with brand preference*

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	196.488	4	49.122	35.321	<b>.000</b>
Within Groups	271.192	195	1.391		
Total	467.680	199			

Source- Primary data

### Interpretation

From the above table it shows that the output of the ANOVA analysis and whether there is a statistically significant association between our group means. The sum of square between groups is 196.488 and within groups is 271.192 and the F value is 35.321. We can see that the significance value is 0.000 (i.e.,  $p = .000$ ), which is below 0.05. And therefore, there is significant association between monthly incomes with brand preference. Hence null hypothesis rejected.

$H_0$  - There is no significant association between monthly income of the respondents and brand preference of the respondents – Rejected.

$H_1$  - There is a significant association between monthly income of the respondents and brand preference of the respondents – Accepted.

## 5. FINDINGS OF THE STUDY

There is an association between age of the respondents and brand switching due to sales promotion. Price is an important factor that affect the frequency of purchase of FMCG goods. The consumer whose income is low purchase the goods every day and more than once in a week. The price conscious consumers will switch brand due to price off. There is a difference in opinion between men and women in paying attention towards sales promotion schemes. The consumer who felt quantity as an important factor will switch brand for extra quantity offer. Monthly income affect the respondents opinion about brand as an important factor.

## 6. CONCLUSION

Sales promotion scheme is an important tool for the marketers in FMCG goods to increase the sales of the product. It always grab the attention of the consumers of FMCG products. This study is the over view of impact of sales promotion on consumer of FMCG products. From this study it is clearly understood that sales promotion attract more female consumers. The price off, extra quantity and buy one get one free offer are best deals on the point of view of consumers. If the consumer get best offer they are ready to switch from one brand to another. But they are not willing to switch brand for personal care products often. Retailer should have the offer product once the offer is communicated. The retailers should display the sales promotion offer products once offer is announced.

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