

**CONSUMER PERCEPTION ABOUT
PROMOTIONAL STRATEGIES ADOPTED BY
MARKETERS : A STUDY WITH REFERENCE
TO FAST MOVING CONSUMER GOODS
IN KERALA**

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for the award of the Degree of*
DOCTOR OF PHILOSOPHY IN COMMERCE

By

KRISHNA KUMAR K.M.

Under the Supervision of

Dr. K.P. MURALEEDHARAN

**Professor, Department of Commerce and Management Studies
University of Calicut**

**DEPARTMENT OF COMMERCE AND MANAGEMENT STUDIES
UNIVERSITY OF CALICUT
KERALA**

APRIL 2006

D E C L A R A T I O N

I, Krishna Kumar K.M., do hereby declare that this thesis entitled **Consumer Perception About Promotional Strategies Adopted by Marketers: A Study with Reference to Fast Moving Consumer Goods in Kerala** is a bonafide record of the research work done by me under the guidance of Dr. K.P. Muraleedharan, Professor, Department of Commerce and Management Studies, University of Calicut. I further declare that this thesis has not previously formed the basis for the award of any degree, diploma, associateship, fellowship or other similar title of recognition.

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Date: 19.04.2006.



KRISHNA KUMAR K.M.

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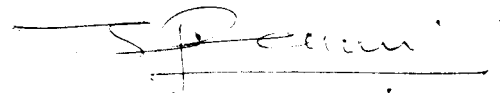
**DEPARTMENT OF COMMERCE AND
MANAGEMENT STUDIES
UNIVERSITY OF CALICUT**

**Dr. K.P. Muraleedharan
Professor**

Date: 19.04.2006.

C E R T I F I C A T E

Certified that this thesis, **Consumer Perception About Promotional Strategies Adopted by Marketers: A Study with Reference to Fast Moving Consumer Goods in Kerala** is a bonafide record of the research work carried out by **Mr. Krishna Kumar K.M.** under my supervision and guidance. No part of this has been submitted earlier for any other purpose.



Dr. K.P. Muraleedharan

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CHAPTER I

INTRODUCTION

All marketing strategies and tactics are based on explicit or implicit beliefs about consumer behaviour. Needless to say that all marketing decisions and strategies are based on assumptions about consumer behaviour. Marketing success, in this increasingly competitive and global markets of today depends on understanding the decision making processes used by consumers. It is very essential for every marketer to have a clear idea as to how the consumers perceive and respond to the various marketing efforts the company might use.

As opined by Philip Kotler marketers can study consumer purchase to find answers to questions about what they buy where and how much. But learning about the 'whys' of consumer buying behaviour is not easy - the answers are often locked deep within the consumer's head. Understanding how consumers interpret their product or service needs or desires in relation to their perceived life circumstances is a pressing strategic issue in the current market climate.

The liberalization programme initiated during the last few years has made tremendous changes in the competitive scenario of the economy of our country. The simplification of the licensing procedure, delicensing of large number of items, reduction of tariffs, removal of entry barriers etc., have made tremendous impact on the business activity of the nation in terms of expansion of capacity of domestic players, access to state of art technology and flow of foreign capital to India. All these measures have solved the supply side of the problem of our economy to a good extent. But the demand side of the problem still remains. In the present competitive market where

there is cut throat competition among the concerns, a marketer to win over others, should formulate some promotion strategies. Different promotion strategies are being used by different companies to liquidate the large volume of finished goods inventory. In addition to the conventional Mass advertising and Publicity, marketers all over the world have also been experimenting with a wide range of alternate methods to catch up with the changing consumer behaviours. One of the most prominent among these is 'Sales Promotion'.

Decision Making by Buyers

It is very important for any marketing researcher to study how individuals and organizations make decisions, along with promotional implications of the process. Consumer decision making is influenced by external factors, that is the socio culture, demographics, social class and family and internal factors, that is psychological characteristics such as motivation, learning, personality and attitudes.

External factors (Socio cultural environment)

The topic socio cultural environment is so vast. So our discussion has to be restricted to those factors that have bearing on promotional strategy.

Cultures and Subcultures: The sum of learned beliefs, values and customs that regulate the behaviour of members of a particular society is called culture. The three components of culture are beliefs, values and customs. Belief is a proposition that reflects a person's particular knowledge and assessment of something. Values are general statements that guide behaviour and influence beliefs and attitudes. It has been stated that the function of a value system is to help a person to choose between alternatives in every day life¹. Marketers have a special interest in values, because values are influential in shaping behaviour. Practical considerations force the marketer to be more interested in cultural values than personal values.² If a culture

begins to value family and personal health and relaxation over achievement and material success, this cultural trend would be of interest to many marketers.³ Customs are overt modes of behaviour that constitute culturally approved ways of behaving in specific situations. Customs do vary from region to region, from country to country and even from family to family.

The emergence of sub cultures is a natural evolution that occurs in any culture. Although, the core values in culture are held by virtually the entire population, secondary values are not. Sub culture refers to a sub group of the people who share a set of secondary values. According to Philip Cateora, the factors that can place an individual in one subculture are material culture, social institutions, belief systems, aesthetics and language.⁴

Demographics

Demographic traits such as age, sex and income obviously mould values and behaviour. Changes are occurring constantly in the demographic make up of the people of every country. These changes are often dramatic, and the adjustments they require are far reaching. The demographic environment with important implications for promotion include the baby boom, senior citizens, migration patterns, education and occupation, the employed women, distribution of income and ethnic surge. Most of these elements are easily monitored and should be watched by promotion managers. Promoters have to design advertising campaigns, discounts, off season reductions, contests and product samples for different segments of the population.

The demographic environment of every country is subject to change. The promoters have to watch constantly the changes occurring in the demographic environment of the country and to formulate promotional devices in accordance with these changes. For eg: a baby boom occurred

during the period 1946 - 1964 in the United States. Seventy six million babies were born during this period. 70 million of them are still alive. They are now between 28 and 46 years of age and make up about one third of the total population.⁵ The point is that this largest group in the American population will go through predictable stages, and wise managers will be sensitive to these patterns.

High mobility and migration rates also suggest problems for the promotion managers. For example, an organization may customize its messages or promotional offers for different regions. People who move from one region to another may become confused when they see different messages.⁶ Like wise, direct mail promoters find it extremely difficult to maintain accurate mailing lists.

Continually rising level of education is another change of considerable significance to marketers. The educational gap between men and women is narrowing. While the share of young men with four or more years of college has dropped since 1980, the share of young women with four or more years of college has grown.⁷

The prevalence of workingwomen has been one of the key economic and social development of our times. The overall percentage of working women will continue to increase, with 61% expected to be in the works force by 2010.⁸ In USA, women now head 28% of America's 91 million households.⁹ For the promotion manager, the increase in working women offers problems as well as opportunities. Home delivery and guarantees are two sales promotion techniques that appeal to working women.

Distribution of income and wealth is another factor to be considered by marketers while formulating promotional devices. For example, a few years ago, middle income consumers could be counted on to go to a middle priced

store for most of their purchases. However, as they have become more astute shoppers, they are more likely to purchase a microwave oven with a brand name from a discounter.

Now a days consumers are seen to be more demanding. They need qualitative improvement in the case of every product they use. Producers/marketers should try to understand the demands of the consumers so that necessary changes and improvements can be made by them on their products. Those who fail to do this will have to quit market.

The emergence of debt loving consumers is another problem faced by the marketers. Consumers prefer purchasing things, especially durables, in instalment and hire purchase systems. Consumers belonging to middle income group are seen to be reluctant to invest huge amounts in durables. At the same time these items are no more luxuries for them. They need car, refrigerator, etc. But they are not ready to pay the price in full at the time of purchase. This problem is somehow tackled by marketers by having tie up with banks and such other financial institutions.

Above all these, the coming into existence of a large number of shopping companies has made the consumers selective and choosy. Hence, every marketer, to win over his competitors has to be very careful in the make up of the product both in quality and appearance.

Marketing - Meaning And Definition

Marketing is a function which assesses consumer needs and then satisfies them by creating an effective demand for, and providing the goods and services at a profit. It involves identifying the needs and wants of consumers, translating these into products and services and achieve transfers of ownership of products and enjoyment of services in a better way than the competitors do. A furniture company, for example, expects its marketing

experts to provide information on consumer preferences as to furniture types and styles, the location of prospective buyers, and the relative strengths and weaknesses of competitors' products; tell prospective consumers about its products and where to buy them; make furniture available where consumers can buy them conveniently, and provide recommendations on prices that will sell the products and yield a satisfactory profit. Marketing plays the same basic role for all producers of goods, whether they produce steel for industrial buyers, pencils for school children or fresh fruits and vegetables for household consumption.

Over the years many definitions of marketing have been put forth, a brief review of which may facilitate an understanding of what marketing is all about. The American Marketing Association defined marketing as "the performance of business activities that direct the flow of goods and services from producer to consumer or user."¹⁰ But there is still considerable room for doubt concerning exactly what business activities are included in marketing. Also, the definition fails to point out other ways of looking at the management of marketing activities.

As per the definition put forth by Paul Mazur "marketing is the delivery of a standard of living to society"¹¹. As it is consumer oriented, this definition has much to recommend. It stresses marketing's major function of satisfying society's desire for material goods and services. Product planning falls within this definition because a vital factor in delivering to society its desired standard of living is the interpretation of the products and product features it demands. In essence, this definition makes the entire business firm, a marketing organization, because its every action should be directed toward satisfying some needs or desires of the society. This definition, however, fails to clarify the nature of activities included in marketing.

Ray. R. Eppert defined marketing from the view point of the firm. According to him "It is marketing's responsibility to generate revenue at a cost that will allow a profit to be realized from operations"¹². Under this definition of marketing, any activity connected with obtaining income is a marketing action.

In connection with the generation of revenue approach, marketing can be defined as the art of getting the right product to the right people at the right place through the right channels by the right promotion.

Clarence, E. Eldridge, in his series of sixteen essays on marketing made an interesting combination of the standard of living and revenue definitions when he said "Marketing is ascertaining, creating and satisfying the wants of the people and doing it at a profit."¹³

According to Huegy and Mitchell "Marketing is the performance of business activities that direct the flow of goods and services from the producer to consumer or user".¹⁴ As per this definition all activities that are undertaken to facilitate the flow of good and services come under marketing.

Now let us go through some of the later definitions. According to the American Marketing Association, "Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives".¹⁵

Marketing has been defined by Stanton and Futrell as "a total system of business activities designed to plan, price, promote and distribute want satisfying products, services and ideas to target markets in order to achieve organizational objectives".¹⁶

According to Kotler Marketing is "a human activity directed at satisfying needs and wants through exchange processes".¹⁷

The Chartered Institute of Marketing defines marketing as "the management process responsible for identifying, anticipating and satisfying customer requirements profitably".¹⁸

The term marketing was redefined by the American Marketing Association as "the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives"¹⁹.

This new definition highlights the central marketing function, that is the process of exchange.

According to Sarah White marketing is "the process of creating a product, then planning and carrying out the pricing, promotion and placement of that product by stimulating buying exchanges in which both buyer and seller make profit in some way."²⁰ Importance of the four Ps i.e., product, price, promotions and place for the success of marketing is pinpointed in her definition. In the view of Paul A. Herbig marketing attempts to understand customers in terms of what they buy, when they buy, why they buy, how much they buy, where they buy and with what they buy.²¹

From the above definitions it can be understood that marketing is the managerial process by which products and services are matched with markets and ownership transfers are effected. Marketing activities are those most directly concerned with the demand-stimulating and demand-fulfilling efforts of the enterprise. These activities interlock and interact with one another as components of the total system by which a company develops and makes its products available, distributes them through marketing channels, promotes them, and prices them. Hence marketing is the managerial process by which

products are matched with markets and through which the consumer is enabled to use or enjoy the product.

Promotion - Meaning And Definition

Promotion is concerned with effectively communicating the results of the marketing strategy to the target audiences. Promotion is an active, explicit form of marketing communication. Promotion highlights the marketing elements in order to increase the odds that consumers will buy and become committed to a product. It is "the marketing function concerned with persuasively communicating to target audiences the components of the marketing programme in order to facilitate exchange between the marketer and the customer and to help them to satisfy the objectives of both".²²

Four types of activities provide the key tools to reach the goals of promotion.

1. Advertising is any paid form of non-personal communication and promotion of ideas, goods or services by an identified sponsor. Although some advertising is directed at specific individual, most advertising messages are tailored to a group and use mass media such as radio, television, newspapers and magazines and outdoor.
2. Personal selling is the interpersonal communication with one or more prospective purchasers for the sake of making sales. Examples include sales calls to business by a field representative (field selling), in store assistance of a salesman (retail selling) and representative calling at homes (door to door selling).
3. Public relations is a coordinated attempt to create a favourable product image in the mind of public by supporting certain activities or programmes, publishing commercially significant news in a widely

circulated medium, or obtaining favourable publicity - that is, favourable presentations on radio, television or stage that are not paid for by the sponsor.

4. Sales promotion consists of marketing activities that add to the basic value of the product or service for a limited period and directly stimulate consumer purchasing (for example, coupons and product sampling) stimulate the distributors to carry the product and to promote the product or service (for example, trade deals and spiffs) or stimulate the effort of the sales force (for example, contests and meetings).

These four activities are the most common active forms of marketing communication. Clearly, both productive and reactive forms of communication are crucial. Ideally, they work together. Promotion gets the consumer to the front door of the store equipped with brand awareness, product information, a positive attitude and an extra incentive to buy.

Sales Promotion - Meaning and Definition

People often confuse 'Sales Promotion' with the broader term 'Promotion'. Promotion is one of the four major elements of a company's marketing mix, the others being 'Product' 'Price and 'Place'. 'Sales Promotion' consists of those marketing activities other than personal selling, advertising and publicity that stimulate consumer purchasing and dealer effectiveness such as price offs, premium offer, gifts, coupons, displays, shows and expositions, demonstrations and various non recurrent selling efforts not in the ordinary routine. Every thing that we commonly think of as advertising, but which do not use mass media falls in to the category of sales promotion. Sales promotion is used to motivate consumers at the point of purchase.

What is left over after one account for advertising, personal selling and public relations was viewed as sales promotion once (three decades ago). In the ensuing years, definitions were developed by looking at what sales promotion agencies did. John F. Luick and William L. Ziegler²³ define. "Sales promotion' includes those activities which enhance and support mass selling and personal selling and which help compete and/or coordinate the entire promotional mix and make the marketing mix more effective". As per this definition sales promotion is only an ancillary element of the promotional strategy, less important than advertising and personal selling. This perspective is no longer valid. Sales promotion has grown substantially in recent years. Donnelley Marketing estimates that spending on sales promotion hit \$135 billion in 1989²⁴. This amount is greater than the amount spent on media billing. More promotion dollars are being spent on sales promotion than on advertising (65% verses 35%). Sales promotion is growing at a 9% annual rate while the growth rate for advertising is approximately 6%.²⁵

The American Marketing Association defines sales promotion as "media and non media marketing pressure applied for a pre-determined, limited period of time in order to stimulate trial, increase consumer demand or improve product quality"²⁶. This definition does not capture all the elements of modern sales promotion. Sales promotion is actually a marketing activity that adds to the basic value of the product for a limited time and directly stimulates consumer purchasing, seller effectiveness or the effort of the sales force.

Importance and relevance of the study

Various sales promotion devices are seen used by the marketers of Fast Moving Consumer Goods as well as durable in order to motivate consumers. They offer strong incentives by providing inducements or contributions that

give additional value to consumers. Sales promotion tools are used by companies to create stronger and quicker responses. The most distinguishing characteristic of sales promotion when compared to advertising is that they have immediate and quantifiable effects. While managers might disagree on the strategic value of sales promotion, most will agree that they typically represent the largest share of the total promotion target. In the opinion of Philip Kotler where as advertising says "buy our product", sales promotion says "buy it now". But he also explains that sales promotion effects are short lived and sale promotion tools are not effective in building long run brand preference.

This research project proposes to make a detailed study of the perception of the consumers in Kerala about one of the various sales promotional tools adopted by the marketers of FMCGs, that is "offers". Now a days markets are using 'offers' intensively as a sale promotion activity. They give different kinds of offers which include premium offer, gifts, prices discounts, buy back or exchange offer etc, in order to motivate consumers.

In the opinion of Mc Alister (1996) the use of promotional offers as a marketing and managerial tool has increased by twelve fold over the last decade.²⁷ As Managers' use of promotions has escalated, academic researchers have become more interested in knowing how promotions work. Unfortunately some conflicting empirical results are observed as to the long-term (or post promotion) effect of promotions on sales. Most researchers agree that promotions increase sales in short term. Bawa, Shoemaker, Dodson, Tybout. Sternthal, Rothschild, Gaidis and Winner are some of them. But there is disagreement as to how these short term gains effect long term sales.

There are rival hypotheses about the asymmetry of consumer response to price deviations, which are based on a variety of factors such as innate

psychological reaction to gains versus losses²⁸ (Kahneman and Tversky, 1979. Ulil and Brown, 1971), switching costs²⁹ (Bultez, 1975) and regular versus impulse purchases³⁰ (Kalwani, Rinne and Sugita, 1986).

It is observed that there are no much comprehensive and detailed studies about consumer behaviour available in our country. In Kerala, very few studies have been conducted on consumer behaviour. No study is seen to have been conducted about the promotion sensitivity and about the consumer perception about the sales promotion strategies.

In this research it is intended to find out how the consumers of Kerala perceive and respond to one of the sales promotion tools used by marketers, that is 'offers' with regard to Fast Moving Consumer Goods.

Scope and Coverage of the Study

This research proposes to make a detailed study about the consumer perception about sales promotion strategies adopted by marketers. Coverage of this study is limited to FMCGs only. It is intended to study the consumers belonging to middle income group only. Geographically, the study is limited to the whole Kerala. Even though there are different kinds of sales promotion strategies, the coverage of this study is limited to sale promotion offers only.

Statement of the Problem

Sales promotion constitute a major share of promotion expenditure for packaged goods manufacturers than advertising does. Currently the ratio of sale promotions to advertising is approximately two to one.³¹ In many frequently purchased product categories more than 50% of the total sales volume is sold on promotion. Trade promotions account for 50% of \$70 billion budget of consumer packaged goods manufacturers in the whole US.³² Forbers (1991) also reports an increase in consumer and trade promotional

spending for consumer packaged goods manufacturers from 50% to 75% of marketing budgets during 1985-90.³³ It is a fact that price promotions in consumer packaged goods market have been growing rapidly in the last decade.

One reason for the increase in the use of sales promotions is that the markets for most consumer products are in a mature stage, with little or no growth in primary demand. There is also a lack of product differentiation, which makes it difficult for advertising to influence consumers by touting unique product features. Promotions have therefore become the key influences in many product categories, because they are a mechanism to bring the product to the attention of the consumers.

Promotions are designed to directly influence behaviour which is immediately observable where as advertising is often considered to affect attitudes, an antecedent of behaviour. Hence, the results of advertising may not be observable until some time after the expenditure. Therefore, managers pressed for immediate results turn to promotional tools.

Consumers routinely face the decision of what brand to buy and in what quantity. The decision is complicated by temporary price reductions for various brands and by the fact that the size of the price reduction varies across deals. Common sense and formal economic analysis suggest that consumer's decision on brand and purchase quantity may depend on the size of the price reduction and the time until the next price reduction.

Promotions are being used with increasing frequency by marketers facing highly competitive markets which is causing concern among some marketers who feel that frequent promotions can hurt a brand. Two potential negative effects of promotions that have been mentioned are an increase in

price sensitivity and a decrease in brand loyalty. The literature, however, does not provide concrete empirical evidence regarding such effects.

This study is undertaken mainly with a view to study the buyers perceptions about the sales promotion strategies adopted by the marketers of FMCGS in Kerala.

Objectives of the Study

Although Kerala is a small state in size, it is considered as a good market by the marketers of FMCGS as well as durables for their products. For every product there are several competitors in this market trying to enhance their market share. They have been trying different types of marketing strategies to influence the purchase decision of the consumers. But it is really surprising to note that no comprehensive study has been conducted on consumer behaviour and about the consumer perception about the various marketing strategies. An analysis of the various promotion activities adopted by the marketers and their impact on the consumer's decision-making process will expose whether the promotion strategies used by the various companies are ideal ones and whether they create any influence on consumers. The specific objectives of the study are

1. To examine the level of awareness of the consumers of Kerala about the various sales promotion strategies adopted by the marketers of FMCGs.
2. To study the attractiveness of the various sales promotion tools used by the marketers of FMCGs.
3. To analyse the effectiveness of the various promotion tools used by the marketers of FMCGs in creating (a) Brand Awareness (b) Trial Purchase (c) Repeat Purchase and (d) Brand Loyalty.

4. To study the impact of the various sales promotion tools used by the marketers of FMCGs on the consumer decision making process.
5. To examine in detail the consumer perception about the different aspects of the various sales promotion strategies adopted by the marketers of FMCGs in general and sales promotion offers in particular and
6. To offer suggestions for improving the efficiency of sales promotion devices in achieving the specific marketing objectives of FMCGs in the context of Kerala.

Hypotheses

The following null-hypotheses have been formulated for the study.

1. The level of awareness about the various sales promotion strategies adopted by the marketers of FMCGs is independent of the consumers' gender, income level and place of domicile.
2. The perception of consumers as regards 'attractiveness of the various sales promotion tools' applied by the marketers is independent of their gender, income level and place of domicile.
3. The perception of consumers regarding the effectiveness or impact of the various sales promotion methods is independent of their gender, income level and place of domicile.
4. All consumers, irrespective of their gender, income level and place of domicile, consider alike the importance of the various factors affecting the purchase of beverages.
5. Price changes do not have any impact on Consumer Brand Choice in the case of beverages.

6. Frequent sales promotion offers do not have any impact on Consumer Brand Choice.
7. Consumers believe that marketers intentionally reduce the quality of the product or fix a higher price to it before introducing a promotional offer to compensate the cost of the sales promotion offer.
8. Sales promotions have no impact on consumers' price sensitivity and brand loyalty.

Methodology

The study is designed as a descriptive one based on both secondary and primary data.

Source of secondary data

The secondary data necessary for the study have been collected from the following sources.

1. Journal of Marketing Research
2. Journal of Advertising Research
3. Journal of Consumer Research
4. Advertising and Marketing Journal (A & M)
5. Journal of Marketing
6. Merketology
7. Business Today and
8. Data published by Marketing Research Organisations like ORG, MARG, HRA etc.

Primary Data

Since most of the information necessary to fulfill the objectives of the study are not available from secondary source, the researcher mainly based

his study on relevant primary data collected by conducting a field survey from the selected sample respondents in Kerala.

Sample Design

For the purpose of sampling the whole state has been divided into three regions viz; the southern region covering four southern districts viz; Thiruvananthapuram, Kollam, Pathanamthitta and Alappuzha, the Central Region covering Ernakulam, Kottayam, Idukky, Thrissur Palakkad and Malappuram and the northern region covering Kozhikode, Wayanad, Kannur and Kasaragode.

From each region one district has been selected at random as first stage sample as follows.

From Southern Region	-	Thiruvananthapuram
From Central Region	-	Malappuram
From Northern Region	-	Kannur

As the second stage sample one urban taluk and one rural taluk have been selected at random from each of the selected districts as follows.

From Thiruvananthapuram

Urban	-	Thiruvananthapuram
Rural	-	Chirayan Keezhu

From Malappuram

Urban	-	Malappuram
Rural	-	Thirurangadi

From Kannur

Urban	-	Kannur
Rural	-	Thalipparamba

By this way there are three urban taluks and three rural taluks selected for the study. Originally it was decided to collect 100 households from each taluk with an aim to collect 600 samples altogether. But, having analysed the 25 samples collected as part of the pilot survey (representing people from various parts of the state) the researcher could see no much variations in the perception of respondents and in consultation with statisticians and experts in this field decided to reduce the number of samples from 600 to 300 ie., @ 50 samples from each taluk. Thus altogether 300 samples have been collected for the study.

Research instruments used: Keeping in mind the objectives of the study, an interview schedule covering all aspects of the study was developed taking into account the valuable suggestions of the experts in the field. It was pre-tested on a small trial group (consisting of 25 samples from the Malappuram District) to check the variability in the perception of the consumers and the validity and reliability of the questions in the schedule. On the basis of the response to the pilot study, necessary modifications were made in the schedule and the modified interview schedule was used for the collection of primary data. The schedule contains 56 questions in two sections A and B. Section A deals with the personal profile of the respondents. The questions in section B are mainly meant to collect details about the perception of consumers about the various sales promotion strategies adopted by the marketers of FMCGs and to study how they perceive these promotional activities of the marketers. Each part of the interview schedule contains many questions and sub questions. A copy of the interview schedule is appended.

Method of data collection

Undisguised direct personal interview method was used for the collection of primary data. The researcher himself conducted the interview during a period from 1st March 2004 to 1st August 2004.

Variables used for the study

Following are the variables used by the researcher to fulfill the objectives of the study.

List of Variables analysed

Sl. No.	Purpose	No. of Variables	Sl. No.	Name of Variables
1	To prepare the profile of respondents	6	1	Gender
			2	Age
			3	Domicile
			4	Occupation
			5	Income of the consumer
			6	Religion
2	To analyse the consumption habits of consumers as regards beverages	3	1	Rate of consumption of beverages
			2	Level of awareness about the various sales promotion strategies
			3	Attractiveness of sales promotion strategies
3	To study the impact of promotional tools on consumer behaviour	4	1	Role of various sales promotion tools in creating brand awareness
			2	Role of various sales promotion tools in creating Trial Purchase
			3	Role of sales promotion strategies in creating repeat purchase

		4	Role of sales promotion strategies in creating brand loyalty
4	To identify the factors affecting purchase of beverages	5	1 Price of the product 2 Quality of the product 3 Taste 4 Offers 5 Brand Image
5	To study the impact of sales promotion offers on Consumer Brand Choice	4	Chance of switching over 1 from a long used brand to a new one to avail of promotional offers 2 from a short used brand to a new one to avail of promotional offers 3 from a 'high price high quality' brand to a 'low price low quality brand' to avail of promotional offers 4 from a 'low price low quality' brand to a 'high price high quality' brand to avail of promotional offers
6	To identify the factors preventing consumers from purchasing 'high price high quality' brands	3	1 High price of the brand 2 Non availability of the brand 3 Other reasons
7	To study the consumer perception about other aspects of sales	3	1 Intentional reduction of quality to compensate the cost of sales promotion

	promotion offers		2	Intentional hike in the price of the product before introducing a promotional offer
			3	Reluctance on the part of retailers to give the offers to the final consumers
8	To analyse the factors which attracted the consumers to prefer the present brand	7	1	Quality of the brand
			2	Cheapness of the brand
			3	Brand Image
			4	Attractiveness of packaging
			5	Influence of Advertisement
			6	Attractiveness of offers
			7	Other reasons
9	To study the response of consumers towards sales promotion strategies of new comers	3	1	Attractive gifts and compliments
			2	Reduced price/premium
			3	Attractive packets
10	To study the impact of price oriented and non price oriented promotions on consumers' price sensitivity and their brand loyalty	4	1	Impact of price oriented promotions on consumers' price sensitivity
			2	Impact of non price-oriented promotions on consumers' price sensitivity
			3	Impact of price oriented promotions on consumers' brand loyalty
			4	Impact of non price oriented promotions on consumers' brand loyalty

Tools used for data analysis

Sl. No.	Tools Used	Purpose
1.	Standard Deviation and coefficient of variation	<ul style="list-style-type: none"> (a) To study the attractiveness of sales promotion offers (b) To study the role of various sales promotion tools in creating brand awareness (c) To study the role of various sales promotion tools in creating trial purchase (d) To study the role of various sales promotion tools in creating repeat purchase (e) To study the role of various sales promotion tools in creating brand loyalty (f) To identify the factors affecting the purchase of beverages (g) To identify the factors which attract the consumers to prefer the present brand
2.	Mode	To assess the level of awareness of consumers about the various sales promotion strategies and to test the perception of consumers about the various aspects of sales promotion strategies
3.	Chi-square test	To test the statistical significance in various cases
4.	t-test	To test the statistical significance in various cases (In gender wise and domicile wise analyses)
5.	ANOVA	To test the statistical significance in various cases (In Income wise analysis)
6.	DUNCAN test	To test the significance of differences in the attitudes of consumers pertaining to the various aspects of sales promotion strategies of marketers

Classification of data

With an intention to analyse the data gender wise, place of domicile wise and income wise the respondents in the study were grouped as follows:

Gender wise the respondents were grouped as male and female consumers. On the basis of place of domicile the respondents were grouped as people belonging to rural areas and those belonging to urban areas.

On the basis of the annual income, the respondents were grouped into 3 classes; people belonging to low income group, i.e., those whose annual income is less than Rs.50,000/-, people belonging to middle income group, i.e., those whose annual income is between Rs.50,000/- and Rs.1,50,000/- and people belonging to high income group, i.e., those whose annual income is more than Rs.1,50,000/-.

Limitations of the study

This study is also not free from limitations. The following are the limitations that the researcher could find in his study.

1. There were so many technical and marketing terms in the schedule which the researcher had to explain to the respondents to get correct answers from them. Hence the job of data collection was quite tiresome. The respondents also had to spend one or two hours with the researcher which might create unrest in the minds of them. The situation was somehow tackled by the researcher by sharing bits of knowledge about the various aspects of sales promotion with the respondents.
2. The constant sum scaling method used for evaluating the variables in many cases created some doubts for respondents while allotting weightage to the variables. The researcher has solved this problem upto

a certain extent by giving the appropriate explanation and demonstration to the respondents in a befitting manner.

3. Answers to the various questions in the schedule were given by the respondents from their memory. So there is every possibility for recall errors in the given information. The researcher, however, was very careful to ensure that the informations collected were very close to reality.

Chapter Scheme

The whole study is structured in five chapters.

Chapter One, the introductory chapter, highlights the importance of sales promotion as a marketing strategy in the hands of marketing of FMCGs. It also outlines the scope, objectives, hypotheses, sampling design, procedure of data collection, variables used for the study, tools of data analysis and limitations of the study.

Chapter Two contains a brief review of literature related to the topic under study.

Chapter Three provides the theoretical background of 'Promotion' and 'Sales Promotion'.

Chapter Four deals with a brief account of the profile of the sample units followed by analysis and interpretation of the data.

Chapter Five, the last chapter, summarises the whole study, lists the findings and offers a few suggestions.

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CHAPTER 2

REVIEW OF LITERATURE

As opined by Leon. G. Schiffman and Leslie Lazar Kanuk, the study of consumer behaviour is the study of how individuals make decisions to spend their available resources (time, money and effort) on consumption-related items. It includes the study of what they buy, why they buy it, how often they use it. According to Philip Kotler learning about the 'whys' of consumer behaviour is not so easy as the answers are often locked deep within the consumer's head.

There are a number of studies about consumer behaviour world-wide. But only a few studies are there which have been conducted in the Indian context. A comprehensive study is yet to be done in Kerala.

The researcher has gone through most of the available literature on consumer behaviour in India and abroad and a brief review of various studies is given below. They are broadly divided under four heads namely;

1. Studies relating to the internal influences on Consumer behaviour
2. Studies relating to the external influences on Consumer behaviour
3. Studies relating to Consumer decision making
4. Studies relating to Consumer perception about promotion strategies

2.1. Studies relating to Internal Influences on Consumer Behaviour

In this section studies pertaining to the internal influences on consumer behaviour are given. The internal influences consist of perception, learning, memory, motives, personality, emotions and attitudes.

According to Nelson (1970)¹, for experience goods whose attributes are determined through use, the seller knows the quality of the goods, but the buyers do not. If the buyers cannot identify a seller's product quality, they may rely on some signal to influence their purchase decision, for e.g. price.

As per Howard's findings (1977)² the served market is expected to have expectations and that reflect consumers' ability to learn from experience and predict the levels of quality and value they receive.

In the opinion of Oliver (1980)³ the satisfaction appraisal of consumers is believed to occur as a two stage process. In the first stage, post usage beliefs about the product attributes or outcomes actually realised are compared with pre-purchase expectations yielding a new belief about the expectation disconfirmation. In the second stage expectancy disconfirmation beliefs and initial expectation beliefs as recalled from memory are combined additively to produce satisfaction evaluation.

In their study Etgar and Malhotra (1981)⁴ opine that 'Price' is often used as clue for predicting brand quality as price is almost always available and is easy to understand.

Duncan and Olshavesky (1982)⁵, in their study, report that customer market beliefs influence the degree of external information search and store type choices.

In the opinion of Holbrook *et al.* (1982)⁶ the variety seeking or exploratory purchase behaviours are thought to be explained by experimental

or hedonic motives rather than by utilitarian aspects of consumption. Variety seeking has been identified as a determinant factor in brand switching and is relevant to brand managers interested in developing strategies to increase brand share and has played a key role in the modelling of purchase pattern from consumer choice data.

Consumer perception of certain product features of steel almirach was studied by Manmohan and Prabhakar (1989)⁷. It was found that Godrej was perceived to be the most expensive and most durable almirah with good quality and best locking system. Best after sales service, best finish, maximum security and easy availability were the special features found by consumers in the product of Godrej, as per their study.

According to Jacobson and Obermiller (1990)⁸ price expectations serve as an important frame of reference used by consumers in evaluating price information prior to purchase. The lower the price of the product, the lower the economic cost to the consumer and the higher the likelihood of purchase.

In the opinion of Bhasker (1990)⁹ markets and advertisers ignore the fact that when the level of involvement of the target segment with the product category is low, there is very little pre-purchase decision making, low awareness of brand images and consequently no brand search or brand evaluation.

Shocker *et al.* (1991)¹⁰ propose that choice set information in the low involvement categories is rooted in difference of salience across brands.

The concept of brand exclusivity was introduced by John and Stephan (1993)¹¹ to describe the attainment of "exclusive value" status by a product or service. They opine that price itself can be one of the factors which reinforces a positive, even exclusive brand image in the mind of the customer. According to them certain underlying perceived consumer needs or value

assignments give rise to perception of exclusive values. As a consequence certain needs or motivators called psychic factors associated with the product result in the exclusive value premium for the product.

A number of consumer market beliefs related to key dimensions of products and marketing were studied by Frank Alpert (1993)¹². According to him one reason for the confidence that consumers have in national brands is their strong belief that a brand's quality is the most important determinant of its success. Majority of the respondents believe that higher prices do not indicate better quality and they believe in brand loyalty. They disagree that the most heavily advertised brand are usually among the best brands. However, they are not averse to sales promotion methods.

Holbrook and Schindler (1994)¹³ in their study using data pertaining to tastes for popular culture, supported and extended their previous finding that consumers tend to form enduring preferences during sensitive period in their lives. They used psychographic measure of the consumers' attitude towards the past to moderate this tendency. The difference between male and female respondents suggest that the experience of strong positive feelings plays the causal role.

A theory of evolution of choice decisions for consumer durable products was developed by William and Narasimham (1994)¹⁴ which addressed information acquisition behaviour and the duration of the purchase deliberative process itself.

Hans *et al.* (1996)¹⁵ separated variety seeking from other causes of purchase exploration such as the decision strategy, situational variables and normative factors. The distinction between true variety seeking behaviour and derived varied behaviour depends on whether observed switching behaviour is intrinsically or extrinsically motivated. The key point is that

even though 'intrinsic and extrinsic motivation lead to the same behaviour, i.e., brand switching, the underlying causes are different.

Bronnenberg *et al.* (1996)¹⁶ opine that a consumer's brand choice decision in low involvement categories does not involve full search, evaluation and comparison of price information of all brands available at the point of purchase. They propose a two stage choice process in which the consumer first identifies a subset of brands within the universal set of brands called the choice set and then evaluates only those brands that are in the choice set relative to one another to select a single brand.

Richard *et al.* (1996)¹⁷ proposed a new model of satisfaction information process that builds on the disconfirmation paradigm by specifying a more comprehensive model that includes two standards in a single model and specifically incorporated the impact of marketing communication. The model proposes that feelings of satisfaction arise when consumers compare their perceptions of the performance of a product and service to both their desires and expectations. The comparison process produces not only feelings of satisfaction with the information often supplied by marketers in such forms as advertising, package information and sales person communication on which these expectations are based.

2.2. Studies relating to the External Influences on Consumer Behaviour

Studies pertaining to the external influences on consumer behaviour are given in this section. External influences consists of culture, subculture, demographics, social status, reference groups, family and marketing activities.

Davis and Rignaux in their study conducted in 1974 on husband-wife influence on problem recognition, information search and final decision phases of customer choices, observed a clear pattern of wife dominance in

decision making regarding kitchen ware, household cleaning products, foods and clothing of wife and children.¹⁸

Consumers attitude towards advertising was studied by Kishore Chandra Raut (1987).¹⁹ As per this study consumers believe that advertising makes them buy things which they really do not need, advertising increases the cost of the product, sex appeals in advertisements adversely affect the moral attitude of the society. Majority favour restriction on advertising.

Bhavani Prasad and Sita Kumari (1987)²⁰ in their study on the impact of advertising on consumer durables market found that friends are the main influencers followed by relatives in the purchase of refrigerators. Most of the consumers interviewed had purchased their refrigerators after consulting only on shop through dealers. According to them in cities purchase decisions are influenced by advertisements than other factors.

Namasivayam (1988)²¹ in his study on advertising media preferences and the influences of socio-economic factors revealed that illiterate consumers prefer the medium of cinema for advertising of toilet soaps, educated consumers prefer television and news paper as the medium for advertisement and the contributing factor responsible for the selection of a particular brand of toilet soap is the image that producers have created in the minds of the public.

As per the study conducted by Shanmugha Sundaram and Reginald James (1990)²², to determine the demographic and psychological factors that influence the pattern and selection of soft drinks and tetra pack drinks, the television has the most impact with regard to advertisement. Convenience in carrying and hygienic factors are the contributory factors in the purchase of soft drinks.

In his article Rao (1991)²³ opines that regarding the rise of middle class in Indian market a revolution is taking place in both rural and urban India. The NCEAR market structure studies show fantastic growth in purchase of all kinds of consumer durables and consumer products in rural and so called 'low income' families- Labels such as necessities and luxuries that have so long been attached to many things are no longer valid. Knowing the customer, his wants, needs, habits, attitudes and competition has now become of paramount importance.

In their study on age difference in children's choice behaviour, Debroah and Ramnath (1992)²⁴ have examined how children of different ages respond to the addition of new alternatives in to an existing choice set. The findings indicate that younger children respond differently than older children to the expansion of choice set and this pattern is related in part to age differences in children's ability to incorporate similarity judgements in to the choice process.

A study was conducted by Shivaram Dass (1993)²⁵ on consumption and demand for pulses by various income groups for rural and urban India. It was found that the per capita consumption of pulses declined for all income groups, for all states and for rural and urban areas even though there was an increase in the real percapita income and expenditure during 1960-61 to 1990-91 at an annual rate of 1.7 per cent. The per capita monthly consumption of pulses was approximately equal for rural areas than for urban areas. For the lower income groups of rural and urban areas, the consumption of pulses was a luxury, but for higher income groups it was a necessity.

Meenakshi, in her study (1996)²⁶ reports that food demand in India has clearly been characterised by changing preferences. These shifts appear to be better characterised by time dependent marginal budget shares than by changing subsistence parameters. The changes in preference appear to be in a

direction away from cereals and towards the more expensive milk, poultry and meat products.

2.3. Studies relating to Consumer Decision Making

Traditionally, market researchers were content with gathering quantitative information and surveying shoppers in stores or through the mail.

How individuals and organisations make decisions, along with the promotional implications of the process, is the subject of studies conducted by many researchers. The gist of such studies is given below.

In his study, Singh (1980)²⁷ analysed consumer's store loyalty and preference and the nearness, reputation of the store and acquaintance with the store owner were found to be the reasons for store loyalty. While analysing the correlation between store loyalty and brand loyalty, store loyalty was found stronger than the other.

Dhumma (1984)²⁸ in his study on consumers preferences for soft drinks found that taste and refreshing ability were the major factors influencing for preferring a particular brand. According to him non-availability of the most preferred brand results in brand shifts.

Thomas Exter (1986)²⁹ opines that greater the number of acceptable brands in a specific product category, the less likely is the consumer to be brand loyal to one specific brand. Conversely, the products having a few competitors as well as those purchased with greater frequency are likely to have greater brand loyalty.

In their research on buyer behaviour towards generic products in United States, David and Paul (1987)³⁰ revealed a strong relationship of perceived product quality and price in the propensity of consumers to buy

generic products. Demographic, psychographic and shopping behaviour variables were found to be weakly correlated with the purchasing of generics.

Venkiteswarulu *et al.*, in their study (1987)³¹ on factors influencing consumer decision making process towards biscuits found that the consumers in the sample used to purchase biscuits at least once in a week. Packed biscuits were found to be preferred by them to loose ones and small packets to big ones. In decision making, parents and children were found more or less equally involved and consumers were found to be brand loyal. Perceived quality and taste were found to be the important influencing variables.

In his study on demand potential of mechanical utensil cleaners, Verma (1987)³² observed the following. House wives are willing to buy cleaner and they wish to possess a cleaner with a drier. The most preferred colour is cream. Older ladies are lesser receptive for the mechanical appliances. Educated women are more receptive. House wives are more interested in the purchase than working women. Price is of no consideration in the case of institutional buyers like hotels, restaurants etc.

Hundal and Sandhu (1987)³³ in their study on the influencing factors in the purchase of television found that big events of the sort of Asian Games has influence on the timing of purchase of television. Reasonable price and dependable service were found to be reasons for buying- Consumers were found to be brand loyal. Joint decision making was shown by majority of the buyers.

Gathiawala (1987)³⁴ in his study on demand variables of middle class house wives at Ahmedabad on purchasing of textile products observed the following. Majority of house wives tend to go for purchasing, along with their husbands. Aged, better educated and employed women prefer to go alone- greater proportions of house wives prefer to purchase their

requirements as and when the need arises and that too in needed lots. Colour, quality, design, price, skin complexion, aesthetics of body, social acceptance, advertisement, persuasion by traders, fashions and professional requirements were found to be the factors which influence their purchase.

Majority of the consumers were found to possess black and white Televisions by Gupta and Singh (1989)³⁵ in their study on consumer brand choice behaviour for television. Durability, brand image and price were found to be the reasons for preference followed by family liking and after sales service.

Pradeep Kumar (1989)³⁶ in his study on consumer behaviour with respect to tonics, reports that people in all age groups take tonics. He observes that specific correlation between the respondents' profession and the consumption pattern of tonics among family members. People use tonics for curative as well as prophylactic reasons. According to him family physicians are the major information sources and quite a large number of consumers are favourably influenced by advertisement and other promotion strategies.

While studying the awareness of consumers towards food products, drugs, cosmetics and certain services like banking services, life insurances etc, Thamilingam and Kokkadai (1989)³⁷ observed that consumers make purchase decisions before buying food items, look for the label on food products, demand products information at the time of purchase and give importance to trade marks and quality.

Kamakura *et al* (1989)³⁸ observed that consumers generally switch among brands in certain price range.

In the opinion of Natarajan (1990)³⁹ consumers have better awareness about ISI mark and its benefits. They have favourable attitude about the quality, performance and dependability of goods with ISI mark.

Economy, price, brightness and durability of the tubes were found to be the reasons for purchase of fluorescent tubes by Raviprakash *et al* (1991)⁴⁰ in their study on consumers behaviour with respect to fluorescent tubes.

Ravidhar and Itamar (1992)⁴¹ suggest that attractiveness and choice probability of an alternative can be enhanced by making it the focus of comparison with competing alternative. This proposition is supported in choice problems involving alternatives about which consumers have information in memory. When description of alternative features were provided, a manipulation of the focal option had a weaker and less consistent effect on preferences.

While assessing the cement market, Venkateshwarlu and Sekhar (1992)⁴² found that consumer awareness is very high for certain brands like Rasi, ACC, Orient, Priya and KCP. Consumers by and large are unequivocal in their response. The main reason to select a brand of cement is quality which is judged by its colour and setting time.

In his article, Takeshiyamada (1992)⁴³ opines that in order to increase the level of customer satisfaction we need to surpass the customers' original expectations. Customers' expectations vary with social environment and national character of each nation and also because of different service conditions and quality standards of the industry in the nation.

In the opinion of Tridip (1993)⁴⁴ consumers do not evaluate a new product in isolation, instead the evaluations are made relative to a reference product which is the consumers' next best alternative to the new product. For potential adopters to perceive the benefit of the adoption, a new product must offer certain additional need satisfying properties relative to those offered by the reference product.

Husband and wife influence in family decision making was the subject of the study of Maryline Lavin (1993).⁴⁵ She states that the couples are not eager to change fundamentally traditional buying roles.

Anandha Krishna (1994)⁴⁶ built a purchase quantity model to contrast normative behaviour of consumers who have knowledge of the future price deals with that of those who do not. Consumers with knowledge of future deals could be more likely to purchase on low value deals and deals on less preferred brands compared with consumers with out knowledge of future deals.

In their study on buying behaviour for two wheelers, Shukla and Bang (1994)⁴⁷ infer that people generally try two wheeler for their personal conveyance. People rely mostly on their personal experience, mechanic's advice and word of mouth publicity as the sources of information. Safety, required maintenance and mileage are the important criteria in purchase decision. People in general perceive big differences in the prices, suitability to lady drivers, mileage and resale value amongst various models available in the market.

In his research paper Metwally (1994)⁴⁸ attempted to determine the main factors affecting the decisions of import agents in the Middle East to import consumer goods from a specific country using discriminant analysis. It was found that quality, price, and credit facilities were the most important discriminators between the two groups of agents.

While examining the consumers preference for factors which affect walnut consumption, Gurusharan (1995)⁴⁹ found that nutritive value emerged as the factor of highest importance followed by medical value. Easy digestibility and keeping quality were ranked the lowest. The consumption of walnut in rich families (average upper middle class) was found to be four

times more than that of poor people. Influence of factors like education and family size was found to be insignificant and disposable income was found to be a significant determining factor towards consumption of walnut.

As per the study of Mani and Jose (1995)⁵⁰ younger age groups are more attracted towards exhibitions. They also found that majority of respondents were from low income groups and had secondary education and they had increase desire to visit exhibitions and similar mass shows. Clothing, kitchen wares, seeds, eatables, cosmetics, bangles and toys were found to be at the top in the list of priority items of purchase. Rare nature of product, better selection and fancy value were found to be the prompting reasons for purchase for the rural and urban people.

According to Freda (1995)⁵¹ for a consumer durable good, the family members together decide on the product to be purchased, brand and shop.

Purchasing practices of consumers of Parbhani town was the subject of the study conducted by Kulkarni and Murali (1996).⁵² As per their observations in majority of households, purchases are done by husbands alone or jointly with wives. Most of the consumers prefer quality of goods while purchasing. They usually buy goods from retail shop for cash.

The brand name, picture quality, price, availability, service, design, sound system and number of channels were found by Abdul Azees (1996)⁵³ to be the factors that influence purchase of televisions. He could see slight difference of opinion between dealers and customers with regard to important features of television. In his opinion the consumers are aware of the multinational companies (MNCs), but majority are willing to purchase an Indian brand. The analysis also reveals that Indian TV choice is made mostly on quality basis but multinational TV choice is made mainly on brand name basis.

In his study, Wansink (1996)⁵⁴ focused on packaging influences on usage behaviour of two different products in two different package sizes. As per his study, the larger a package size, the more of a product a person uses. The study also showed an inverse relationship between package size and inference about unit costs.

In their study, Katy and Dipika (1997)⁵⁵ attempted to analyse consumers' purchase behaviour over two time periods in the cities of Mumbai, Calcutta and Delhi. The study shows that while segmenting markets on the basis of consumption patterns of various product categories, Calcutta seems to be a market of 'light users' as compared to the other two cities. More number of houses seem to be opting for reduced consumption as a way to economising rather than down grading of product quality.

According to Nathan (1997)⁵⁶ neither spouse is completely dominant in either of the product purchase. In his study on dimensions of marital roles in consumer decision making, it is observed that it is not possible to generalise about roles with out reference to the product being purchased. In his study, husbands were found to dominate in automobile decisions and wives in furniture decisions.

2.4. Studies relating to Consumer perception about promotion strategies

The perception of consumers about promotion strategies was the focus of attention in many studies.

According to Martin R. Warshaw (1961)⁵⁷ almost all wholesalers do use sales promotion devices. The most common is the distribution of product catalogs. Since wholesalers usually carry a great many product lines, it is imperative that their sales people have catalogs to refer to and distribute to

customers. Wholesalers may also participate in trade shows by setting up booths and demonstrations.

Kachn and Rohloff (1967)⁵⁸ examined whether a promotion converts a customer into a user, indicating a positive conversion effect; that is, the average post deal purchase probability is higher than the pre-deal purchase probability of the brand for both users and non users.

According to Doob *et al.* (1969)⁵⁹ if frequent in store price promotions change the perceived fair price of the brand subsequent sales of the brand will be lower. Customers tend to think of the product in terms of the price they initially paid for it. If the price increases in subsequent weeks, these customers see the product as overpaid and are not inclined to buy it at the higher price. Introducing a product at a discounted price and then raising the price to its regular level is likely to undermine product sales. Their explanation is that once customers have adopted a low introductory price and now it is the real price, they may consider the new product's regular price to be acceptably high.

In the opinion of Pradeep K. Korgaonkar (1975)⁶⁰ people working in public relations are to be kept aware of new products, product demonstrations, new product applications and so forth. It is important to provide enough lead time so that the public relations effort can be effectively incorporated into the campaign.

Scott (1976)⁶¹ reports results similar to those of Doob *et al.* at the individual level from a field experiment. She found that increasing the level of sales incentive tends to enhance the likelihood of accepting a trial offer of weekly newspaper, but a substantive incentive undermines the likelihood of purchasing a subscription when the incentive is retracted.

The explanations offered for the negative effect of promotions by Dodson Tybout and Sternthal (1978)⁶² are based on the theory of self perception which postulates that consumers' search for explanation for their own behaviour. Following a promotional purchase consumers may conclude that they purchased the promoted brand because it was on promotion, rather than because of a favourable attitude towards the brand. This conclusion may lead to a negative attitude towards the brand and result in reduced repurchase probability.

Dodson, Sternthal and Tybout (1978)⁶³ found that retraction of media distributed coupons and in-store cents-off pricing undermined long term repeat purchasing. However, they did not find this effect with coupons. According to them a promotional purchase decreases the likelihood of a subsequent purchase of the brand because either consumers are stock piling goods or the deal itself has an effect on the perceived value of the brand. It has also been proposed by them that the mere presence of a promotion leads to perceptions of lower quality.

Cotton and Bable (1978)⁶⁴ have proposed and found empirically that if consumers have been satisfied with the promoted brand their satisfaction is re-inforcing and leads to an increase in the probability of choosing the brand again after the promotion is withdrawn, particularly for previous non users of the brand.

According to Blattberg, Robert C. Thomas and Buesing Peter Peacock (1978)⁶⁵ commonsense and formal economic analysis suggest that a consumer's decision on brand and purchase quantity may depend on the size of the price reduction and the time until the next price reduction.

It the negative and positive deviation of the retail price from the expected price are taken to represent perceived gains and losses, the prospect

theory of Kahneman and Tversky (1979)⁶⁶ suggests that the response to a positive price deviation (loss) is likely to be stronger than the response to a negative price deviation (gain)

Della Bitta, Manroe and Mc Ginnis (1981)⁶⁷ in their study opine that price promotions offer an economic incentive to purchase of a brand. The effect of coupon value predominantly has been demonstrated to be positive in terms of increasing perceived offer value, decreasing the intent to search and increasing the interest in a brand.

According to the findings of Guadagni and Little (1983)⁶⁸ consumers who switch to a brand have a higher likelihood of repurchasing the brand they switched voluntarily than if they did so in response to a promotion.

The explanations proposed by Neslin and Shoe maker (1983)⁶⁹ are based on the statistical aggregation namely a promotion is likely to attract "many consumers who under non promotion circumstances would have a very low probability of buying the brand. Consequently, at the next purchase occasion there may be lower average repurchase rates among all promotion purchases though repeat rates of regular customers may not have declined. This results in an indication of negative effects of promotional purchases on repurchase probabilities.

According to Narasimhan (1984)⁷⁰ deal-prone customers may expect a lower price than other customers do because of lower transaction costs. In his study he tries to prove that deal proneness has a negative impact on an individual customer's expected price.

Johnson (1984)⁷¹ in his study of the long term effect of advertising and promotions analyses 20 product categories to examine changes in brand loyalty over the period 1975-83. He finds no significant changes in a brand's share. He says that if promotions have increased over time, then it is difficult

to say if a brand's share is high because of consumer loyalty for the brand or increased brand promotions.

Mc Alister (1986)⁷² in his study pointed that the use of price promotions as a marketing and managerial tool had increased by twelve fold over the last decade.

Winner (1986)⁷³ suggests that consumers set reference prices for brands and that those prices are updated continually as a function of advertising, coupons and other factors. When coupons or other price discounts are offered consumers react positively by purchasing the discounted brand. Retraction of the deal, however, disappoints consumers and they may wait until the product is on discount again to repurchase.

Customers expect such incentives as rebates, low interest rate financing etc., once they have been made available for some length of time (Business Week, 1986)⁷⁴. In the opinion of Bawa and Shoemaker (1987)⁷⁵ though coupons produce a short term increase in sales, consumers revert to their pre-coupon choice behaviour after their retraction. They also opine that higher coupon values make an increase in redemption rates and sales.

In their study about the subsequent choice-behaviour, Bawa & Shoemaker (1987)⁷⁶ test four hypotheses. They point out that the largest increase in the purchase probability of a couponed brand is among new triers or households who are infrequent users or non users of the brand. They find that there is a significant increase in the purchase probability among non users of a promoted brand who bought the brand on promotion. However, there is significant change in the probability of purchase of the brand for users. They find some evidence of positive effects only for new customers.

Lattin (1987)⁷⁷ assesses the net effect of the "positive reinforcement of previous purchase behaviour and negative effects of past promotional

purchase and exposure" and finds a small but insignificant positive change in purchase probability following a promotional purchase. Lattin arrives at this conclusion without separating promotional purchases into current users and non-users. Thus his finding implies that promotions may have positive effects for both retained and attracted consumers.

In the opinion of Gupta and Sunil (1988)⁷⁸ buyers' perceptions of deal frequency for a specific brand size have several implications. If most consumers perceive that specific brand size is promoted frequently they might not feel a need to stock pile the brand (i.e., accelerate purchases) when it is promoted.

In the opinion of Dean Foust (1988)⁷⁹ the typical retailer is eager to advertise in local media. If the manufacturer is willing to supplement this advertising either financially or through technical expertise all the better. The retailers' main concern is that the advertising be directed at their own customers. The media used, the copy employed, the size and frequency of ads, and so on will vary from one retailer to another.

Sue Woodman (1988)⁸⁰ reports, "For over 20 years, U.S. motorcycle manufacturers have been steadily losing market share to Japanese manufacturers such as Honda and Suzuki. Harley management determined to stay in business, redesigned its product line to compete with Japanese competitors. The company also produced television and print ads that emphasised the new designs and had a "made in America" appeal. Public relations was also successful with the placement of sympathetic stories in 'Fortune' and 'Business Week' and on "60 Minutes". Market share doubled within ten months after Harley made these changes".

According to Philip Kotler (1988)⁸¹, the most important part of marketing plan is the marketing strategy. A marketing strategy represents the

broad principles by which the business unit expects to achieve its marketing objectives in the target market. It consists of basic decisions on total marketing expenditure, marketing mix and marketing allocation".

According to Mark Ivey (1989)⁸² one of the techniques that can be used for communicating prices is price bundling, which refers to a special price (usually lower) charged, when certain products are bundled together. The bundling may include items that are difficult to be sold alone. Heart surgeon Dr. Denton Cooley bundled a complete surgical procedure for fifteen thousand dollars, about 40% less than the national average for the same techniques priced separately.

According to Blattberg, Gary D. Eppen and Joshua Liberman (1989)⁸³ if promotions for a brand are perceived as occurring frequently, retailers may not be able to use deals to reduce their inventory holding costs. Also, a large proportion of purchases for the brand size may be made on deal, decreasing the brand's profitability. In addition if most consumers perceive that their preferred brands are often on deal, they may be less willing to respond to deals on less preferred brands.

Blattberg and Wisniewski (1989)⁸⁴ propose a distribution of consumer preferences, which suggests that when the higher priced higher quality brands promote on price, consumers of the lower-priced lower quality brands will switch to the promoted higher-quality brand. However, when the lower-priced, lower quality brands promote on price, consumers of higher-priced, higher quality brands will switch to the promoted lower-quality brand because they would perceive a large quality difference. The implication of this price tier theory for aggregate sales is that when higher-priced brands promote on price they will draw sales from lower priced brands, but not vice versa. They apply this theory to understand the asymmetries in aggregate cross-price effects in store level data on four product categories.

According to Lattin James. M and Randolph. E. Bucklin (1989)⁸⁵ consumers' expectations of deal frequency and sale price are determined largely by their perceptions of the frequency and discounts of past promotions.

One objective in a study conducted by Dickson and Sawyer (1990)⁸⁶ was to determine whether, or not consumers knew whether an item they had just selected was being offered on a special or at the regular price. The researchers also determined consumer perceptions of prices for certain brand that the consumer had just selected from the shelf.

In a study to test the effectiveness of packaging conducted by Howard Schlossburg (1990)⁸⁷ the interviewers asked comparable groups of people a number of questions about the crackers, but each group preferred only one kind of package. The groups did not know that they were participating in a packaging test. Except for the package, all test variables remained constant, and reactions were obtained both before and after product testing. The "after" evaluation indicated that red was more effective than yellow as a background colour; those interviewed thought crackers in the red box tasted better. The crackers in both packages were identical, but, because of packaging, consumers perceived a difference.

In the opinion of Manohar-U Kulkarni, Chi-Kin- Yin, Heikki-J-Ruine and Yoshi Sugita (1990)⁸⁸ expected price of a brand is influenced by the past prices of the brand, frequency of sales promotion, economic conditions, customers' characteristics and type of retail shopping outlet. Besides acquisition utility, transaction utility plays an important role in determining customer-brand choice behaviour. The frequency with which a brand is promoted has a negative impact on its expected price. Though promotions help to increase the short term sales of a brand they may erode the long run profitability of the brand if used too often. They say that the problem may be

aggravated if one or more competitors retaliated with frequent promotions of their own, leading to a further escalation in the brand's promotion frequency. They suggest that the elasticity of price loss is greater than the elasticity of price gain implying that the market response to a one percent perceived price reduction in a sales promotion yields a sales gain that is smaller than the corresponding sales loss following a one per cent perceived price increase after the retail price returns to its regular price.

They also suggest that the behaviour of households that buy a brand size only when it is on promotion is readily explained in a price expectations frame work if it is assumed that their expected price is close to the deal price and they derive greater utility by purchasing an alternate brand size when the given brand size is not price promoted.

Barbara-E-Khan and Theriese-A Louie (1990)⁸⁹ in their study, suggest that a buyer who desires high quality in a market with asymmetric information will be influenced by a price quality relationship and would assume that a frequently promoted brand is of lower quality. Hence even if the promotions work as an incentive for the promotional period, they would signal that the brand is of inferior quality and the consumer would switch after the promotional period ends. According to them, consumers who switch among brands over time are less apt to react negatively to promotions than are consumers who do not switch frequently among brands because they are likely to be more familiar with a larger array of brands than last-purchase loyal consumers. They found that, for last purchase loyal customers, a promoted brand's share decreased after the promotions were retracted.

In the study conducted by Rockney-G Walters (1991)⁹⁰ he investigates the impact of retail price promotions on consumer purchasing patterns and the performance of competing retailers. Though retail price promotions are frequently conducted to satisfy trade agreements between retailers and

manufactures or to reduce retailer inventories most researchers and retailers agree that the primary function of promotion is to increase retailer sales and in turn retailer profit.

Ortmeyer, Lattin and Montgomery (1991)⁹¹ examine the mediating effect of preferences and hypothesis that prior promotional purchases have (1) a strong negative effect when the customer does not prefer the brand and (2) little or no impact when the customer has a strong preference for the brand. This hypothesis is supported by the parameter estimates of their model for the instant coffee category. Furthermore, though not statistically significant, these estimates suggests that "there may be a positive impact of lagged promotional purchase at high levels of brand preferences".

Rao's model (1991)⁹² suggests that the effect of a change in a competitor's price on the focal brand's sales can be meaningfully separated into three effects due to three types of consumer segments: (1) the effect due to those consumers who would pay a positive premium for the competitor brand (competitor brand preferrers) (2) the effect due to those who would not pay a premium for either brand (price shoppers) and (3) the effect due to those who would pay a premium for the focal brand (focal brand preferrers).

According to Aradhna Krishna, Imran. S Currim and Robert.W. Shoemaker (1991)⁹³ consumers routinely face the decision of what brand to buy and in what quantity. The decision is complicated by temporary price reductions for various brands and by the fact that the size of the price reductions varies across deals. Their empirical findings suggest that deals on frequently promoted brand sizes are not viewed as surprises by many consumers. These knowledgeable consumers are in a position to purchase from deal to deal or make many of their purchases on deal.

Bucklin and Gupta (1992)⁹⁴ hypothesize that there may be different segments in the population with some segments being more price sensitive and more responsive to sales promotions than other segments. Furthermore, the differences may be in more than one dimension, namely brand choice and category purchase. Thus one segment may be responsive to sales promotions on the brand-choice dimension but may not be as responsive on the category purchase dimension and vice versa. Using a latent class approach, they identify four such segments in the liquid detergent category (high/low response on the brand choice dimension combined with high/low response on the category choice dimension). Their results confirm their hypothesis that there are segments that differ in promotion response.

Some companies now believe that promotions have made consumers more price sensitive, which consequently has lowered the effective price which companies can charge (Brand Week, 1993)⁹⁵.

According to Innman, Mc. Alister and Hoyer (1993)⁹⁶ promotion signals have a positive impact on the choice behaviour of 'low need for cognition' people who react to a promotion signal only when it is accompanied by a substantive price reduction. Loyal consumers are more habitual buyers and respond less to price and promotions. They will be less motivated to process non-price oriented promotion information actively. Non-price oriented promotions are likely to divert the attention of loyal consumers away from price but in fact the non-loyal consumers focus on price even more.

Ehrenberg, Hammond and Good Hardt (1994)⁹⁷ conclude that consumer promotions for established brands have no noticeable effect on either subsequent sales or brand loyalty.

Boulding Lee and Staelin (1994)⁹⁸ use PIMS data at the business unit level to conclude that advertising decreases and promotion increases consumers' price sensitivity for large brands.

According to Purushottam Papatla and Lakshman Krishna Murthi (1996)⁹⁹ promotions can have both negative and positive dynamic effects. The negative effects they find are decreased loyalty for the promoted brand and increased price sensitivity due to coupon purchases. They also find that prior purchases made on display and feature promotions, as well as purchase made when price cuts are paired with displays or features improve subsequent response to such promotions.

According to the Wall Street Journal (1996)¹⁰⁰ some companies now believe that promotions have made consumers more price sensitive, which consequently has lowered the effective price that companies can charge. As a result of this belief, Colgate Palmolive, Rabston Purima, Quaker Oats and Procter and Gamble recently have curtailed the frequency of their price promotions.

Raj Sethuraman (1996)¹⁰¹ presents a Separate Effects Model that separates the total discount effect of a competing high priced brand on the sales of the focal low priced brand into (1) discount effect in the region where the price of the competing brand is above the price of the focal brand (2) discount effect in the region where the price of the competing brand equals the price of the focal brand and (3) discount effect in the region where the price of the competing brand is below the price of the focal brand.

Carl F. Mela, Sunil Gupta and Donald R. Lehman (1997)¹⁰² tested a model to understand the long term impact of advertising and promotion on consumers' brand choice behaviour. They found two segments of consumers-loyal or price sensitive consumers. Their results show that the size of the

non-loyal segment has grown over time. A larger number of consumers have become increasingly more price and promotion sensitive over time. Their results confirm the conventional wisdom that in the long run advertising reduces consumers' price sensitivity and promotions increase consumers' price and promotion sensitivity.

Priya Raghuber (1998)¹⁰³ in her study suggests that coupon value may signal the price of the product i.e., the higher the coupon value, the higher the perception of price, and this indirect informational effect can undercut the positive economic effect of providing a discount. She gives an example- if a customer receives a \$5 coupon to visit a museum and does not know the price of the admission, but is aware of its quality, then to the extent the \$5 value will signal that the ticket price is closer to \$20 than \$10 and the consumer may be less likely to visit the museum.

CONCLUSION

What has been attempted above is a brief and comprehensive survey of the existing literature on various aspects of consumers' buying behaviour. Consumer decision making is influenced by various factors such as socio cultural environment, the marketing mix and individual characteristics which can be classified into internal influences and external influences. Internal influences are the psychological characteristics as motivation, learning, personality and attitudes. External influences consist of the socio-cultural environment. Promotional strategists who plan to operate and survive in the dynamic marketing environment must continuously monitor and evaluate both these influences. This itself is the reason why the researcher has grouped the literature collected under four heads viz; (1) Internal influences of consumer behaviour (2) External influences of consumer behaviour (3) Consumer decision making and (4) Consumer perception about sales promotion strategies. Having gone through the studies it could be understood that very

few studies had been conducted on consumer behaviour in the context of Kerala even though there are a number of studies world wide and some researches in the Indian context also. Hence the relevance of the proposed study.

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CHAPTER 3

PROMOTION MANAGEMENT - AN OVERVIEW

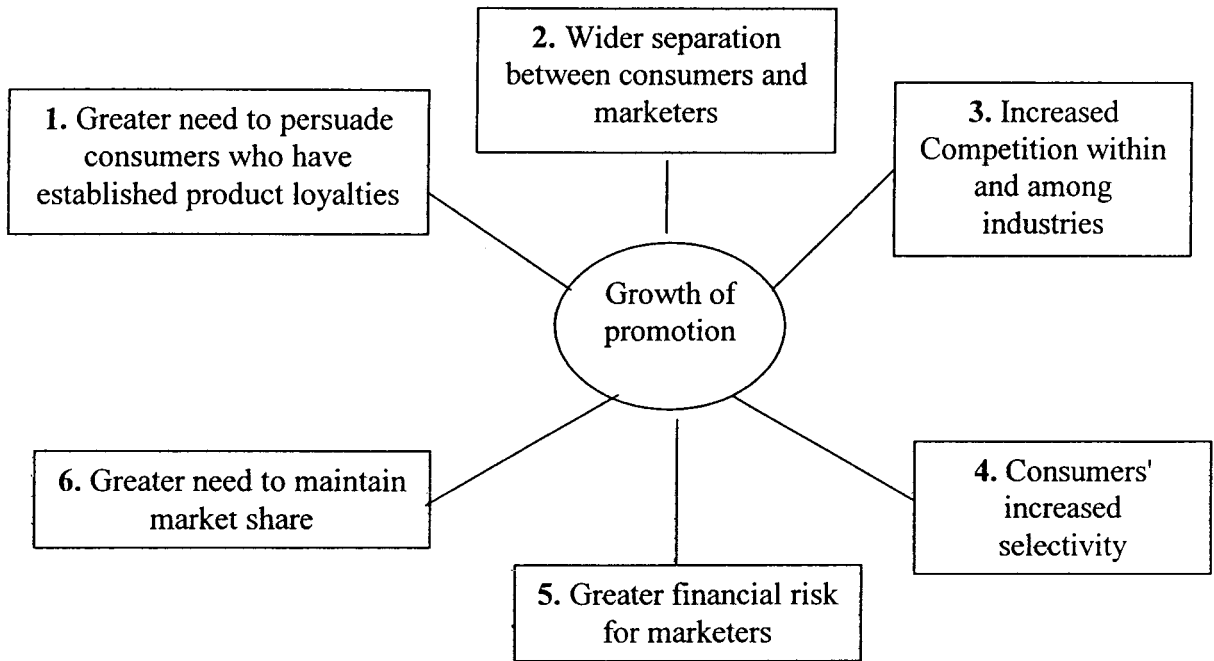
The term 'Promotion ' is originated from the Latin word 'promovere' which means to move forward. Marketers use the word 'promotion' as a communicative activity, the purpose of which is to move forward a product, service or idea in a channel of distribution. Promotion is concerned with effectively communicating the results of the marketing strategy to target audiences. Promotion is an active explicit form of marketing communication.

Promotion highlights the marketing elements in order to increase the odds that consumers will buy and become committed to a product. Thus promotion can be defined as "the marketing function concerned with persuasively communicating to target audiences the components of the marketing program in order to facilitate exchange between the marketer and the consumer and to help satisfy the objectives of both"¹. The basic purpose of promotion is to facilitate the movement of products and product-related information through the marketing network.

Need for Promotion

As a key part of the marketing program promotion is essential in order to create customer awareness of a product and its characteristics. Many factors have increased the importance of promotion, but we can isolate six key factors as illustrated by the following figure.

Fig. 3.1. Factors contributing to the increased importance of promotion



- 1) Promotion is essential to persuade consumers who have established product loyalties. As there are so many product choices consumers often settle on a particular 'satisfactory brand' and purchase it repeatedly to reduce the effort involved in choosing another product. Thus, the target market often includes people who have established product loyalties. To change the buying habits of such people promotion becomes essential for the marketer.
- 2) A second reason for the rising importance of promotion is the widening physical and emotional distance between producers and consumers. Once marketing intermediaries are involved it is not enough for a producer to communicate only with the ultimate consumers. Marketing intermediaries must also be informed about products. Wholesalers must promote products to retailers, and retailers must promote products to consumers.

- 3) Intense competition within and between industries has placed pressure on the promotional programs of individual sellers. Most colleges and universities, for eg., must deal directly with other colleges and universities as well as with all other organizations that offer people educational and vocational alternatives.
- 4) Consumers are beyond the need to fulfill their basic physiological requirements and are moving toward fulfilling their desires. As they allocate their limited resources to the purchase of desires rather than basic needs, they become more selective in their choices. A good promotional program helps consumers make these choices in a more satisfying way.
- 5) The promotional effort is usually the largest part of the total marketing expense. Managers must be certain that the high level of expenditure produces the desired results.
- 6) Finally, during times of economic decline, product planning, distribution channels, and pricing structure change little.² Promotion is needed in order to maintain the level of sales and profit required for a firm's survival. Redesigning messages, advertising differently and smarter, and improving sales promotion offers are some of the ways to stimulate consumer.

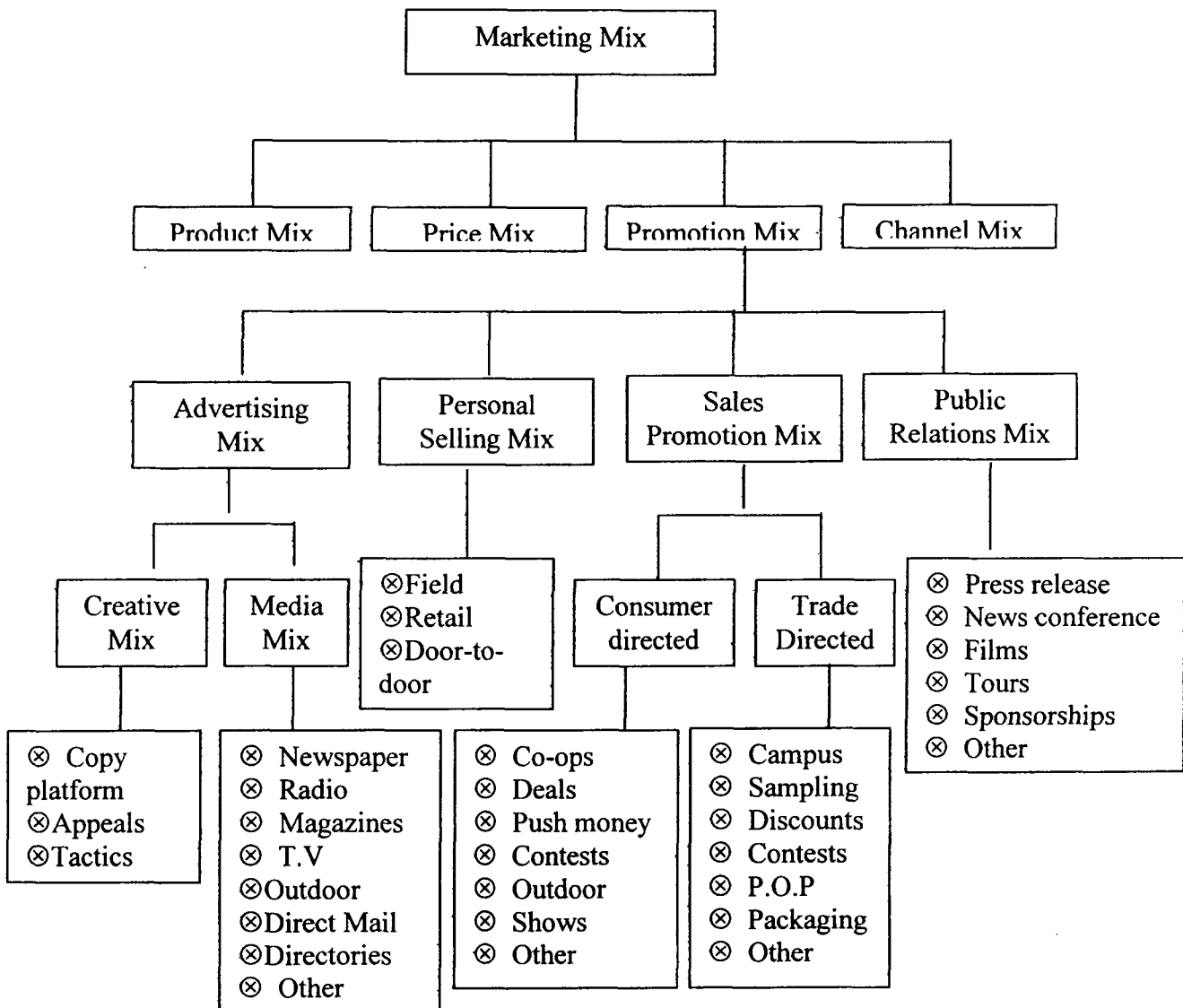
The Promotional Mix

The utilization of the common forms of promotion viz., advertising, personal selling public relations and sales promotion, in a manner that helps to achieve promotional objectives is referred to as the promotional mix. The concept of promotional mix assumes that there is variety of means for communicating with consumers and the final selection of them will depend on the jobs assigned to promotion and the environment in which these jobs are to

be performed. The concept further assumes that while certain promotional types may be better suited for some task than others all promotional types are compatible and interchangeable.

From the following figure, it can be seen that the promotional mix is one of the four major parts of the marketing mix.

Fig. 3.2. Components of the Promotion Mix



The components of a promotional mix are variable depending on such matters as the task assigned to promotion and the environment in which the promotion

must operate. The above figure is a generalization of the promotional mix. It shows that the promotional mix consists of four basic constituents (1) advertising (2) personal selling (3) sales promotion and (4) public relations. All focus upon consumer. A brief discussion of each of these four elements will give some idea of the possible extent and complexity of the promotional mix.

Advertising: Advertising is any paid form of non-personal communication and promotion of ideas, goods or services by an identified sponsor. Although some advertising (such as direct mail) is directed at specific individuals, most advertising messages are tailored to a group and use mass media such as radio, television, newspapers, magazines and outdoor. According to the American Marketing Association advertising may be defined as, "any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor."³ It is non-personal as contrasted with personal selling, it is paid for by identified sponsor as contrasted with publicity.

Advertising is employed for promotion to large audiences. In fact, it is often referred to as mass selling. An important characteristic of advertising that usually distinguishes it from personal selling is the high degree of control that can be maintained over its promotional efforts.

The means through which advertisement may be presented are countless. The most expensive media are newspapers, direct mail, television, magazines and radio. The impact however, of such media as the programs of football games and outdoor signs may be just as great as that of the above five.

The nature of the company's product will determine to a great extent the degree to which advertising is employed in the promotional mix. Very expensive product as well as highly complex products are not very adaptable

to advertising as a primary means of promotion. In general advertising is a good basic promotional tool for low-cost, mass consumed products.

Personal Selling

Personal selling, as contrasted to advertising, lends itself to the promotion of complex and expensive products. This type of promotion is unique, in as its name suggests, it is presented on a personal basis. Since it is personal, it has the highly desirable characteristic of flexibility. From the stand point of the nation's business expenditure, it is the most important type of promotion.

Personal selling is actually a general term, because there are different types of salesmen. They range from the cashier at the supermarket to the very aggressive door-to-door salesmen. Some salesmen, usually termed supporting salesmen, do no selling at all in the sense of actually accepting an order for their companies. Again, generalizing, it is usually desirable to have a highly trained, aggressive salesman for selling costly or specialty products. A clerk-type salesman is more suitable for selling conventional goods. Supporting salesmen, or missionary salesmen, may be employed to pave the way for the regular salesman or to aid him in his presentation or other tasks such as installing point-of-purchase displays.

Like advertising, its degree of use in the promotional mix is variable and depends on such factors as the value of the product and its market. Employing personal salesmanship as the basic element of the promotional mix is a major undertaking. The recruitment, selection and hiring of salesmen usually entail extra personnel for performing these tasks. In addition, the functions of training, compensating and motivating the salesmen must be planned for.

Sales Promotion

Sales promotion is the term used in the business world to refer to any promotion, other than advertisement, personal selling and publicity, that supports and enhances advertising and personal selling activities. The term is misleading and has a general ring to it.⁴ A more appropriate term that can be used is 'supporting promotion'.

Often it is difficult to distinguish between sales promotion and advertising or between sales promotion and personal selling. Actually either the advertising or the sales organization could and often does handle the sales promotion task. But, more and more, sales promotion, like packaging, is gaining an independent status in firms, and specialists are developing in the field.

Sales promotion activities can be categorized on the basis of the market at whom they are aimed at. From this viewpoint, there is sales promotion to (1) consumers (2) dealers and (3) the company's own sales force.

1. Consumer Sales promotion

A good example of consumer sales promotion is sampling, ie., placing a sample of a product in the hands of potential consumers at no charge. This activity supports both advertising and personal selling. It helps to convince consumers that what advertisements say about the product is true. And it, hopefully, causes consumers to go to the retailer for more, which in turn, makes it easier for manufacturers' salesmen to sell the product to retailers. Other types of consumer sales promotion by manufacturers include premiums attached to products, contests and demonstrations. Consumer sales promotion is also practiced by retailers and range from offering trading stamps to 'playing games' with the customers.

2. Dealer Sales Promotion

Producers rely on sales promotion to make selling and advertising to their middlemen more effective. Good retailers are often given premiums, for example, for each case of goods they buy. This promotion is intended to encourage large orders and repeat orders from the retailers. Trade shows, another type of dealer sales promotion, allow dealers and potential dealers to get a first hand look at products that have been referred to in the manufacturer's sales and advertising efforts. Contests, special store fixtures, and sings are also good examples of sales promotion aimed at increasing sales to dealers.

3. Sales force Sales promotion

A significant amount of a company's sales promotional efforts often are aimed at the company's own sales force. The idea behind such activity is of course, to make the salesmen's efforts more effective. Sales promotion to the sales force may include contests, premiums, sales portfolios and visual aids to be used in sales presentations. Even sales meetings designed to spark interest in new products could be considered as sales promotion function.

Public Relations

Often the terms 'Public Relations' and 'Publicity' are used interchangeably. While such practice is understandable, it may not be entirely correct. Publicity is a function of public relations. Public Relations is the broader term that "connotes the entire being of an organization with respect to its self expression to the world"⁵ Public relations is concerned with creating and maintaining a favourable public attitude towards a company, its products, ideas, and personnel. Publicity is only one of the several ways of performing this task. Since both publicity and advertising may appear in the same media and both are developed to promote a company and its products, it may be

difficult to distinguish between the two. Actually, the distinction between publicity and advertising is rather simple. According to Wright and Warner, "Publicity is information placed in media because of its news worthiness; the company benefiting there from does not pay for its appearance, nor is the company identified as the source. Advertising on the other hand, appears in the same media but the sponsor is identified and pays for the privilege of telling his story there".⁶

Publicity is information about a company and its products that appears as a news article in such media as newspapers, magazines and radio and T.V. broadcasts. Unlike the other types of promotion, publicity is rarely placed in the hands of the marketing organization. As a rule, it is located at the top of a business organization, reporting to the president or one of his aids.

Probably the greatest benefit of publicity lies in the people's reactions to it. Because it is viewed as a news item, and not as advertising, it possesses a high degree of believability. Because of this value, a company introducing a new product that possesses some unique characteristic usually will make a strong effort to get this characteristics talked about in news casts, newspapers and so on.

Co-ordination of promotional efforts

Promotion managers usually visualize promotion in the context of a campaign, which is defined as "a planned, co-ordinated series of promotional efforts built around a single theme or idea and designed to reach a predetermined goal".⁷ In this context, the term 'campaign' refers to the entire promotional effort. It is a planning tool that co-ordinates the delivery of the message to the various audiences. It is unified by a central idea or focal point called a theme. The theme is the central issue or idea that is carried on every promotion device. Since all the promotional tools employed have a common

objective, ie; to promote or move forward goods and services, co-ordination of them is an obvious necessity.

Co-ordination of promotional efforts occurs at three different stages of the marketing operation. The first stage coordination consists of defining the tasks of each type of promotion, inventorying the tasks to make sure that all jobs necessary for achieving the basic promotional objectives are being done, and comparing the tasks of each promotional type to minimize duplication. In this stage the necessary promotional tools are selected and placed in a compatible relationship.

Second stage co-ordination of promotion might better be termed *integration*. At this point the promotional mix is integrated with the marketing mix. All the promotional elements are examined in light of such marketing mix elements as pricing practices, product design, and the channels of distribution to be employed. Again, compatibility is sought, and any conflicts between the promotion mix and the other mixes are removed. This often entails a reorganization of the promotion mix. For example, strong reliance on personal salesmanship will not be possible, although it may have been planned, if discount houses are to be the major type of retail outlet. An adjustment in the promotional mix will be necessary.

In practice, the first and second stages of promotional coordination are performed as a single operation wherever possible. And it is quite possible that some second stage coordination will take place first. Nevertheless, the two steps of coordination must be recognized and accomplished if there is to be effective co-existence among the elements of the marketing mix.

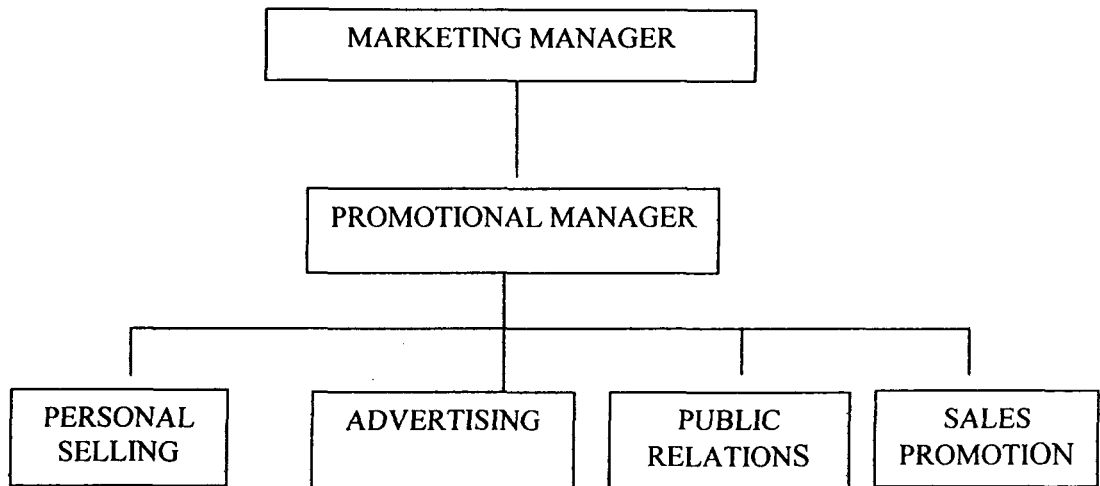
The third stage of promotional coordination occurs in the implementation of the results of the other two stages-when the marketing mix is put into action. Up to this point the operation has been one of moderlizing

promotional behaviour and marketing behaviour. Now, the *real* operations begin when the product or service is commercialized. In this stage the managers of the various promotional elements continually observe and control the promotional operation to make sure that its parts are working in harmony as planned. Salesmen, for example, are kept informed about the nature of new advertisements and their time schedule. And all promotional elements are checked to see that they are each conveying the same brand image.

For most effective achievement of promotional objective, all three coordinative stages beg for a single promotional organization that is responsible to the chief marketing executive. In this organization there is an executive responsible for each major type of promotion. These executives have similar organizational status and work closely together. They, in turn, report to and are coordinated by a chief promotional executive who answers to the chief marketing executive. Such an organization would permit the highest degree of inter-coordination and inter-ordination of the promotion mix.

The ideal promotion organization is highly unlikely to occur. As noted earlier, for instance, the publicity function is rarely placed in the marketing department. Also, such an organization as this one would probably be viewed as diminishing the powers of the marketing manager. Last, the complex organizations of today that are oriented to such factors as geography, products, and customers, could, at best, adopt only a modified version of his organization.

Fig. 3.3. Promotion Organisation



EVALUATION OF PROMOTIONAL EFFORT

After the promotion mix is planned and placed into action, it is logical to see if it is doing what it is supposed to do, i.e., achieving certain objectives. The basic objective, of course, is to move merchandise. An evaluation is needed, however, to see how much merchandise is moved at what cost, in what length of time, and in what geographic area. This should be a major matter for the promotion manager.

In order to achieve, the basic objective, the various promotional elements are given more specific objectives. For example, personal selling may be expected to sell a certain amount of goods per time unit in certain territories while remaining within a certain cost range per sale. A check should be made to see if it, in fact, is doing this.

It is more difficult to determine the amount of sales that are created by advertising. For this reason, the specific objectives of advertising are usually stated in terms other than sales. To change people's attitudes toward a product, for example, might be one of the aims of advertising. In such a case,

people's attitudes can be examined after the advertisements are presented to see if changes have resulted or not.

All evaluation of promotion can not be as objective as is suggested above. Determining how well certain sales promotion is supporting personal selling, for example, is a difficult and often subjective task. The promotional value of packaging and publicity is just as difficult to ascertain. To the extent that promotion is given specific tasks to achieve, some measurement of how well it performs them can be determined. All the efforts of coordination would be futile without this measure.

ENVIRONMENT OF PROMOTION

When developing a promotional mix and integrating it into the marketing mix, the promotional manager must give consideration to the environment in which the promotional mix must function. The environment contains forces which can greatly influence the success of promotional efforts, and unfortunately, the promotional manager has little control over them. These forces, or at least the major ones, are: (1) life styles, (2) legal action, (3) competitive action and (4) economic conditions.

Life Styles

A life style is a "distinctive or characteristic mode of living, in its aggregative and broadest sense, of a whole society or a segment thereof."⁸ Thus, we may speak of consumer life styles, family life styles, or even the life styles of specific groups such as a social class or an age group.

A promotional mix is developed in view of certain life styles. These life styles can change. Consumer behaviour patterns change, family behaviour patterns change, and so on. Changes in life styles, even minor ones, usually require changes in the promotional mix.⁹ In fact, life styles can

change even during the time between the conception of a promotional program and its introduction. It has been suggested that consumer life styles changed between the conception and introduction of the Edsel automobile.¹⁰

Legal Action

The promotional mix also must be developed in terms of given legal restraints. For example, the package must be designed so as not to be misleading or deceptive, advertising must pass tests for truthfulness, and personal selling messages must not misrepresent the product.

Further, legal restraints, like the styles, change and often necessitate adjustments in the promotional mix. For example, Government introduced the requirement that cigarette manufacturers indicate on their respective packages that cigarettes smoking may be injurious to health. This law forces each cigarette manufacturer to redesign his package so as to include this notice. It is conceivable that this statement will reduce the promotional effectiveness of the package.

Competitive Action

It is very rare that a company does not have competitors and their reactions must be anticipated when a promotional program is structured. Competitors may copy a promotional campaign, introduce a countering campaign, or even try to sabotage a campaign. All these competitive actions have the result of reducing the effectiveness of one's promotional efforts.

Unfortunately, it is impossible to accurately forecast competitive action. Consequently, after one introduces a promotional program, changes in it can be expected to be made as competitive action takes place and reduces the effectiveness of the program.

Economic Conditions

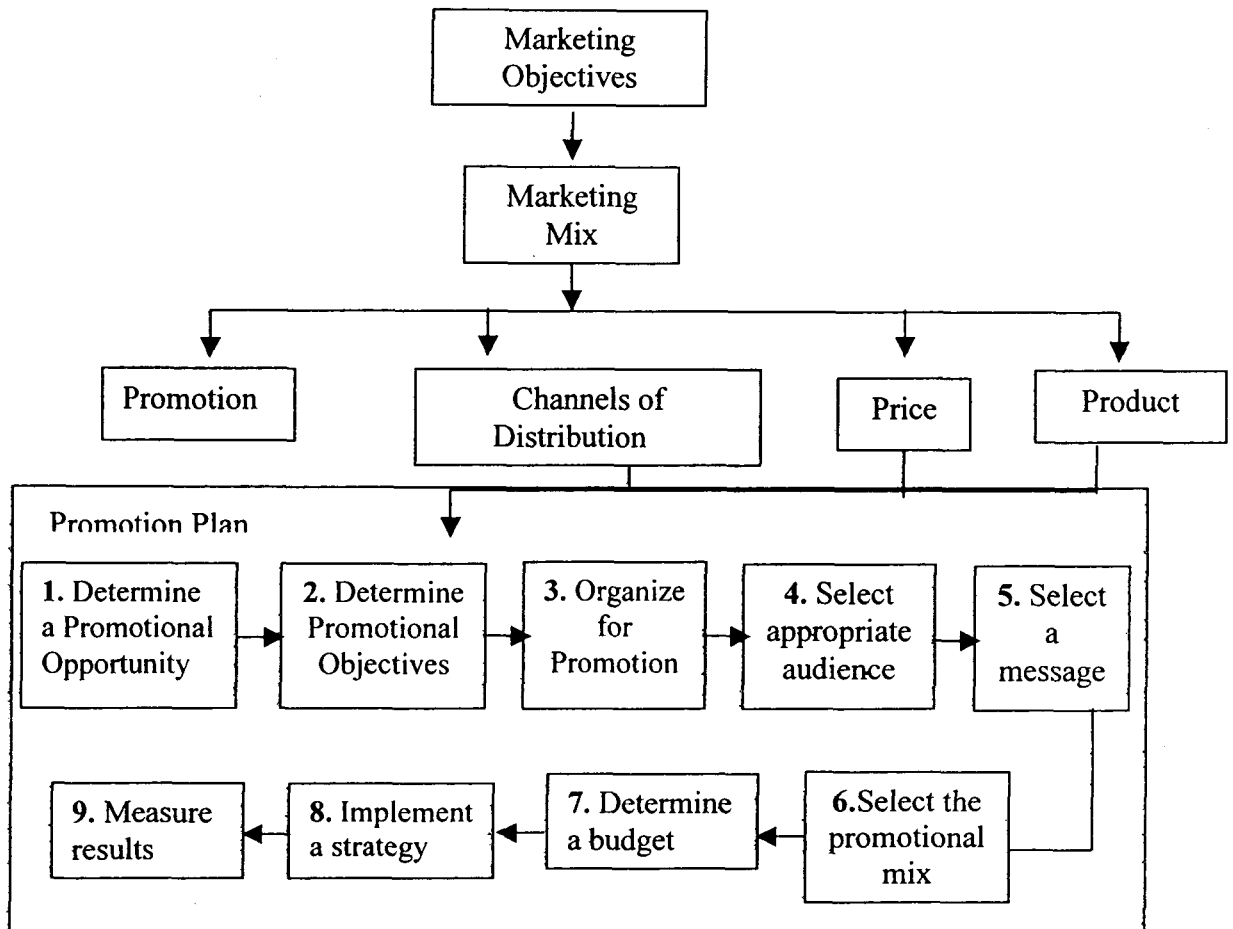
General economic conditions can influence consumer purchases.¹¹ Therefore, a level of economic activity must be forecasted for the period in which a promotional program will function. This forecast may be the task of the company or the company may rely on the forecasts of others such as the government or consultants. Rarely the promotional manager is responsible for the forecast.

Once the economic conditions is ascertained, the promotional mix can be developed. After the promotional program is operating, close observation of economic conditions must continue. Behaviour of our country's leaders, troubles with foreign countries, and changes in interest rates, are just a few of the factors that may cause economic conditions to change. Another result of such activities may be a change in consumer behaviour patterns which would necessitate a change in promotional strategy.

Steps in Promotion Planning

John J. Burnett, in his book 'Promotion Management' has discussed six steps involved in creating a promotion plan as shown in the following figure.

Fig. 3.4. Promotion Planning is derived from the marketing plan and parallels it in many ways



Step I: Determining a Promotional Opportunity

Whether or not the marketing program should rely heavily on its promotional ingredient depends on the nature and extent of the promotional opportunity. Several conditions indicate a favourable opportunity for promotion such as (a) a favourable trend in demand (b) strong product differentiation (c) hidden product qualities (d) existence of emotional laying motives, (e) adequate funds etc. To identify promotional opportunities, a promotion manager should look into three general areas such as (1) the secondary elements of communication: Product, price and channel of distribution (2) the macro environment, which includes demographic , social

and cultural trends, the economic environment, the ecological environment, and the technological environment and (3) the customer and his wants and needs.

Step 2: Determining the Promotional Objectives

Most promotional objectives can be traced to corporate marketing objectives or to particular marketing problems. It is also possible for external factors to shape promotional objectives. Both internal and external forces may dictate a firm's promotional objectives. Most promotional objectives fall into five general categories.

1. Creating awareness
2. Creating understanding
3. Creating changes in attitudes
4. Creating changes in behaviour
5. Creating reinforcement

Step 3: Organizing for Promotion

Unless the company is new or the use of promotion is new to the company, some sort of organization supporting promotion is already in place. Nonetheless, each time a new or revised set of promotional objectives is developed, the existing organization must be evaluated to determine whether it can achieve these objectives. Typically, modifications are minor, and the existing organization is deemed capable. Until the end of promotional planning process, organizational adjustments will continue.

Step 4: Selecting the Audience

Selecting the appropriate audience is undoubtedly one of the most important parts of the promotional strategy. Promotional messages should be directed at the specific target for which the overall marketing program is

being designed. There is a subtle difference, however, between the target, market and the target audience. For eg; the target market for children's toys is primarily children. Yet the target audiences might include the child, his parents, various govt. agencies concerned with product safety, the consumer groups concerned with the well being of children etc. For the promotion manager to properly delineate the appropriate target audience, familiarity with the product, who uses it, how it is used, and who influences its purchase and use is a necessary starting point.

Step 5: Selecting the Message

Determining exactly what to say to the chosen audience is a difficult and important process. The key is the theme that is going to be conveyed. The theme must tap into the most important needs and wants felt by the target audiences. It must be delivered clearly and in a timely manner.

Step 6: Selecting the Promotional Mix

The utilization of the four common forms of promotion in a manner that helps to achieve promotional objectives is referred to as the promotional mix. Determining the most effective promotional mix is difficult. Management does not know the exact extent to which advertising, personal selling, or any other promotional tool will help to achieve the goals of the marketing program. Each element of the promotional mix has its particular strengths and limitations. Moreover, these inherent strengths and limitations can be increased or diminished by the capabilities of the company, the competitive situation, the other marketing elements, and so forth.

Despite the advantages and disadvantages associated with each promotional tool, they can be substituted for each other to some extent. When the promotion manager recognizes a case in which two or more tools possess

the same strength, the manager gains flexibility. Flexibility is especially important because of the limited budgets most promotion managers deal with.

Step 7: Determining a Budget

Promotional effort is expensive and is becoming more so every day. A variety of tools are used to determine a budget, none of which is full proof. Ideally, the budget should not enter the promotional planning process until after the major strategic decisions have been made. In reality, the budget is often the starting point for the planning process, and everything else is dictated by this fixed amount. Regardless of whether the budget has been predetermined or not, the major part of this stage is to cost out the amounts to be spent on each of the promotional components. The final budget is often much greater than the amount the company intended to spend. Cuts are made and compromises are introduced. Objectives are modified.

Step 8: Implementing the Promotional Strategy

The success of any promotional strategy is largely a function of how well it is implemented. Highly talented and experienced people greatly improve the likelihood of effective implementation. Implementation itself involves three separate stages. First, the promotion manager and his associates must make specific decisions about all the elements of the plan, including specific media, dates, times, sizes, talent, photographers and artists and production schedules. Next the promotion manager must make sure all these decisions can be implemented and that there are people assigned to each task. Finally, the promotion manager must check to be sure that all decisions were implemented correctly.

Step 9: Measuring the Results and Taking Corrective Action

Finally, the promotion manager must determine if the promotional effort reached the stated objectives. The job often falls to the advertising agency, since its members have greater expertise with the measurement techniques. Three tasks must be completed in order to measure the results of promotion. First, standards for promotional effectiveness must be established. Second, actual promotional performance must be monitored. The third step in measuring promotional efficiency is to compare performance measures against the standards. By doing so, it is theoretically possible to determine the most effective methods of promotion. Once the promotional strategy is evaluated, the information becomes part of the evaluation for the total marketing plan. The marketing manager is then able to prioritize any deficiencies and prescribe a corrective action for each.

SALES PROMOTION

Once, sales promotion was viewed as everything that is left over after one accounts for advertising, personal selling and public relations. Later definitions were developed by looking at what sales promotion agencies did. One definition held that "Sales promotion includes those activities which enhance and support mass selling and personal selling and which help compete and/or co-ordinate the entire promotional mix and make the marketing mix more effective."¹² This definition positions sales promotion as an ancillary element of the promotional strategy. This perspective is no longer valid. Today, sales promotion and advertising are equivalent and complementary promotional strategies. A better definition comes from the American Marketing Association: "Sales promotion is media and non media marketing pressure applied for a predetermined, limited period of time in order to stimulate trial, increase consumer demand, or improve product quality".¹³ Unfortunately, this definition does not capture all the elements of modern

sales promotion. It is, actually, a marketing activity that adds to the basic value of the product for a limited time and directly stimulates consumer purchasing, seller effectiveness, or the effort of the sales force. Sales promotion activities can be categorized on the basis of the markets to whom they are aimed. From this view point, there is sales promotion to: (1) consumers (2) dealers and (3) the sales force.¹⁴

I. CONSUMER SALES PROMOTION

Consumer sales promotions are directed at the ultimate users of the product. Typically, the subjects of these promotions are products used by individuals especially the products in the local supermarket. The primary strengths of consumer sales promotions are variety, flexibility, and motivation to action. Many techniques can be combined to meet almost any objective of the sales promotion plan. Any target market can be reached through some type of sales promotion. Thus flexibility means that sales promotion can be employed by all kinds of businesses, small and large, those selling goods or services, those that are for profit or non-profit. Finally sales promotion causes people to act in a predictable manner. The following sections describe some of the key techniques in the arsenal of varied consumer oriented sales promotions.

1. Price Deals

A consumer price deal saves the customer money when he purchases the product. The price deal is designed to encourage trial use of a new product or line extension, to induce new users to try a mature product, or to persuade existing customers to continue to purchase, increase multiple units of an existing brand. Price deals work least when price is the primary criterion considered by the consumer and when brand loyalty is low. There

are four principal types of consumer price deals such as (a) price discounts (b) price pack deals (c) refunds (rebates) and (d) coupons.

(a) Price discounts: The primary advantage of price discounts are ease of implementation and flexibility. Determining how much of discount to offer is difficult. Experts recommend atleast 15% to 20% of the regular price, but the exact amount may differ across product categories. Consumers learn about price discounts either at the point of sale or through advertising.

The increased volume produced by a discount may generate more profit, because of economies of scale; in other words, the marginal cost is lower for each additional unit sold.¹⁵ The main drawback of price discounts is that the consumers perceive a strong relationship between price and quality. A reduction in price may make them suspicious about the quality of the item and they may reject the product.¹⁶

(b) Price Pack Deals: A price pack deal may take the form of a bonus pack or a banded pack. When a bonus pack is offered, an additional quantity of the product is free when a standard size of the product is purchased at the regular price. This technique is commonly used in marketing for the stock of contain products such as food, cloth and health and beauty aids. A bonus pack rewards present users but has little appeal to users of competitive brands. When two or more units of a product are sold at a reduced price compared to the regular single-unit price a banded pack offer is being made. Sometimes the products are physically banded together, as is the case with tooth brush-and-tooth paste offers. The branded pack offers essentially the same advantages and disadvantages as the bonus pack.

(c) Refunds and Rebates: A refund promotion is an offer by marketer to give back a certain amount of money when the product is purchased alone or in a combination with other products. Refunds are used to increase the

quantity or frequency of purchase, to encourage customers to load up, to dampen competition by temporarily taking consumers out of the market, to stimulate purchase of postponable goods and to create on-shelf excitement or encourage special displays. *Relate*, a term made popular by the automobile industry, means the same thing as refund. Unlike price discounts, there is evidence that consumers look at refunds and rebates as a reward for purchase. This after-the-fact experience appears to build brand loyalty rather than diminish it.¹⁷ An interesting aspect of refunds is slippage. Among the reasons people cited for not sending for the refund were that they forgot, they lost the forms, it was too costly in time and postage, and it would take too long to receive the refund.¹⁸

(d) Coupons: Coupons are legal certificates offered by manufactures and retailers that grant specific savings on selected products when presented for redemption at the point of purchase. Manufactures bear the cost of advertising and distributing their coupons redeeming their face values, and paying retailers a handling fee. Retailers who offer double or triple the amount of the coupon bear the extra cost themselves. Retailers who offer their own coupons incur the total cost, including paying the face value of the coupon. Retail coupons are equivalent to cents-off deal. Coupons have an obvious attraction to consumers who are sensitive to price. Consumers say that using coupons relieves the boredom of shopping by creating a game like situation.¹⁹ Research has shown that the tendency to use coupons rises if consumers (1) need to lighten their budgets, (2) like to experiment with new products, or (3) often use products that are purchased at regular intervals throughout the year.²⁰

According to Donnelley Marketing, Spanish-speaking Americans form the market segment that is the highest user of coupons.²¹ Customers least

likely to use coupons are shoppers with strong brand loyalty or those who feel that the cost of clipping coupons is greater than the savings.²

2. Contests and Sweepstakes

A contest requires the entrant, in order to be deemed a winner to perform some task (for eg: draw a picture, write a poem etc) whereas a sweepstake is a random drawing which may or may not require a consideration such as buying a ticket or purchasing a product. A contest requires a judging process; a sweepstake does not. The use of sweepstakes has grown dramatically in recent decades. Contests are expensive procedures. In addition, the level of participation in contests is very low. As a result, contests have largely yielded to sweepstakes. Contests require participants to compete for a prize based on some sort of skill or ability. Sweepstakes require only that participants submit their names for a drawing or another type of chance selection. Although the figures are sketchy, it is estimated that in United States \$87 million was spent on contests and sweepstakes in 1977, and \$175 million in 1989.²³ Fewer than 20% of all households have ever entered a contest or sweepstakes in the United States.

There are many criticisms leveled at the use of contests and sweepstakes. Most notably, designing an effective contest or sweepstake is costly and selecting appropriate prizes is particularly difficult. The prize must be attractive to the consumer, yet it must not overshadow the product. The relative attractiveness of cash, merchandise, or travel as a prize often depends on the particular market segment targeted. Critics suggest that contests generate more illwill than goodwill and losers may become opinion leaders against the company.

A good contest has, however, the ability to gain a high degree of consumer involvement, revive lagging sales, help to obtain on-floor displays,

furnish merchandising excitement for dealers and sales people, give vitality and a theme to advertising, add interest to an ad, and create enthusiasm for a low interest product.²⁴

3. Event Sponsorship

Nowadays big companies are spending huge amounts for sponsoring events such as car races, golf tournaments etc. In fact, big companies have separate divisions or departments that handle the special events. One of the world's largest agencies Saatchi & Saatchi DFS Compton, has a group called HMG Sports that manages sports events, including the Olympics.²⁵

There are several good reasons why so many marketers have jumped on the special events bandwagon. First, events tend to attract a homogenous audience that is very appreciative of the sponsors of the events. Second, events sponsorship may build support from trade and from employees. Finally, compared to producing a series of ads, event management is simple.

Events sponsorship does have two pitfalls. The first is the poor match between the event and the company. For eg; Cigarette manufactures sponsor sports events that require high degree of physical fitness. Second, many uncontrollable factors such as poor planning, poor weather, an unpopular winner, or bad losers can ll destroy an event.

4. Premium Offers

A premium is a tangible reward received for performing a particular act, usually purchasing a product. Getting an extra amount of a product is a premium as is receiving a prize in a Cracker Jax--box, a free glass with a purchase of detergent etc. The premium industry generated an annual growth rate of nearly 83% in U.S. Consumer premiums represent approximately 45% of this total and trade premiums 55%.²⁵ Companies usually choose premiums

that tie in with their product or that appeal to their most obvious customers. The many varieties of premiums fall into two general categories: direct premiums and mail premiums.

(a) Direct Premiums: Incentives that are given free with the purchase at the time of the purchase are called direct premiums. There is no confusion about money, mailing, clipping, chance, packaging, saving things, or tearing off box tops. Best of all, there is no waiting. A direct premium provides an incentive given separately at the time of product purchase. In-packs are inserted into the package at the factory. On-packs are another form of factory pack that rides outside the package, firmly affixed to it by a plastic band. Container premiums reverse the idea of the in-pack, putting the product inside the premium.

(b) Mail premiums: Unlike direct premiums, mail premiums require the customer to take some action in order to receive the premium through the mail. The self-liquidator is the primary type of mail premium. It was invented during the Depression of 1930s, a time of enforced thrift.²⁷ A self-liquidation premium offered in return for one or more proofs of purchase and the payment of a charge that covers the cost of the item, handlings, mailing, packaging, and taxes (if any). The premium represent a bargain, since the consumer cannot buy this item in the market at the same amount. The major disadvantage of the self-liquidating premiums is the delay in receiving the premium.

Premiums may be used to attract customers to a particular store, to buy a particular product or to stimulate the purchase of larger amounts of a product. Marketers view premiums as a way of rewarding customers without cutting price.

5. Consumer sampling

If the product is new or is not a market leader, an effective strategy is consumer sampling ie, giving a product to the consumer free. The first rule of sampling is to use this technique only when the product virtually sells itself. That is, the product must possess benefits or features that are easily discerned by the consumer. Second, it is important to give the consumer enough of the product to accurately judge its quality. Products that are sampled tend to be low in price and have a high turn over such as gum, detergents etc. But more expensive products such as perfumes, wines etc. may also be sampled selectively with certain target markets.

There are several ways of distributing samples to consumers. The most popular is through the mail. An alternative is to use organizations specialized in door-to-door distribution. Samples may also be distributed in conjunction with, advertising. Products can also be sampled directly through the retailer, who simply sets up a display unit near the product or hires a person to give the product to the consumers as they pass by.

When sampling is used as a part of a co-ordinated promotional campaign to introduce a new product or to expand the trail of a current one, the effect on initial trial and subsequent repurchase can be strong enough to defray sampling expenses.

II. TRADE PROMOTIONS (Promotion to wholesales and retailers)

A trade sales promotion is one which is directed at resellers who distribute products to ultimate consumers. The term 'trade' is traditionally used to refer to wholesalers and retailers who handle or distribute the marketer's product.²⁸

Usually, the senior marketing officer or product manager is responsible for planning the trade promotion. Decisions about the amount of the deal and its timing are made jointly by the marketing officer, sales manager and campaign manager. Since these deals have such direct bearing on the pricing strategy and ensuring profitability, they may have to be cleared by top management as well.

Types of Trade Sales Promotions:

Among the various trade promotional devices, the following are considered to be the prominent ones.

1. Point of Purchase Displays (POP displays)

In order to promote a particular brand or group products, manufactures usually provide POP displays free to the retailers. The varied forms of POP displays include special racks, display cartons, banners, signs, price cards etc. POP was an eighteen billion-dollar industry in 1989 in U.S.A and it is growing at approximately 10% annually. Product visibility is the basic purpose of POP displays. Several studies indicate that the percentage of consumer decisions made in the super market varied from 39% to 66%. POP displays can spark the impulse to buy. Beyond attracting attention to product, POP displays also provide important decision information. Since most retailing is totally or partially self service, displays play a big role in decision making.²⁹

2. Contests

For resellers as for sales people, contests can be effective motivators. The prizes tend to be the same. Typically, a prize is awarded to the organization or person who exceeds a quote by the largest percentage.³⁰ Great care is necessary in designing contests. The rewards may be so alluring that

contestants engage in activities that are detrimental to their companies. Sale clerks may push the product of the contest company to the total exclusion of competing brands, thereby creating serious conflict among channel members. Also, the length and quality of contests need to be carefully governed. If conducted properly, contests can provide short term benefits and improve the relationship with resellers.

3. Trade shows

Thousands of manufacturers display their wares at trade shows, regularly scheduled events at which manufacturers display their products and take orders. Companies spend more than nine billion dollars annually on these shows in USA. For many companies, all their planning efforts and much of their marketing budget and efforts are directed at the trade show. Success for the entire year may hinge on how well a company performs there. The Trade Show Bureau (TSB) surveyed more than nine thousand vice-presidents and found that they went to trade shows for 5 important reasons: to gather facts for upcoming purchases, enhance their professional education, view specific exhibits, visit other industry professionals or keep up with new product introductions.³¹

4. Sales Meetings

Somewhat related to trade meetings, but not nearly as elaborate, are sales meetings sponsored by manufacturers or wholesalers. Whereas trade meetings are open to potential customers, sales meetings are targeted towards the company sales force and independent sales agents who sell the company's products or services. These meetings are usually conducted at the regional level and are directed by sales managers and their field force. The purposes of these meetings are varied. Sales training is a major part of these meetings. Often the meetings occur just before the buying season and are used to

motivate sales agents, to explain the product or the promotional campaign, or simply to answer questions.

5. Push money

Push money is the extra payment given to sales people for meeting a specified sales goal. It is also known as spiffs or PM. It is most effective for products that have to be demonstrated or explained or that have a high unit cost. Push money can create a great deal of enthusiasm and motivation among wholesalers and retailers. Push money requires the complete cooperation of the retailer. If retailers feel that push money would be bad for morale or cause a disproportionate emphasis on a particular brand, they generally veto its use.

6. Dealer Loaders

A dealer loader is a premium that is given by a manufacturer to a retailer for buying a certain amount of product. Two types of dealer loaders are most common. The first is a buying loader, typically a gift given for buying a certain order size. The second is a display loader, in essence a display that is given to the retailer after it has been taken apart.

Both buying and display loaders can be successful in the right situation. The underlying motivation for both is to move large amounts of the product in a short period of time.

7. Trade Deals

Trade deals are usually special price-concessions, over and above the normal purchasing discounts, that are granted to the trade for a limited time. The money spent on trade deals is substantial. In many industries, trade deals are expected and may provide the primary incentive for retail support. There

are two general types of trade deals such as buying allowances and advertising and display allowances.

A buying allowance is a payment by a manufacturer to a reseller if a certain amount of product is purchased during a certain time. This practice is very common in grocery retailing. The retailers buy more merchandise than they need during the deal period. They store the extra merchandise and bring it out after the deal period, selling it at regular prices. The count and recount technique is another approach used as part of the buying allowance. This is the offer of a certain amount of money for each unit moved out of a reseller's warehouse. Buy-back allowance, slotting allowance and free goods allowance are also different forms of buying allowances.

An advertising allowance is a common technique employed primarily for consumer products. The manufacturer pays the wholesaler or retailer a certain amount for advertising the manufacturer's product. The money can only be used for advertising. Closely related to advertising allowance is cooperative advertising. This is a contractual arrangement between the manufacturer and the resellers where by the manufacturer agrees to pay part or all of the advertising expenses incurred. Manufacturers normally do not pay for the advertising until they get some verification from the medium or a copy of the ad.³² Dealer listing and display allowance are the other forms of advertising allowances.

III. SALES FORCE SALES PROMOTIONS

Sales promotions activities directed at the sales force are intended to motivate sales people to increase overall sales. Short term goals include securing new dealers, promoting sales of new or seasonal items, communicating special deals to retailers, increasing order size, and decreasing sales expense. In general, these activities build enthusiasm for the task at

hand. Often, they are aimed as much at raising the morale of the sales force as at creating a sale. Enthusiastic sales people usually work harder at supporting the marketing effort.

Sales promotion activities directed at the sales force are classified, into two categories.

1. Supportive programs

Supportive programs attempt to better prepare sales people to do their job. Such programs include the following.

- (a) Holding sales meetings
- (b) Supplying supportive materials (sales manuals, sales portfolios and product models) and
- (c) Distributing house organs

2. Motivational Programs

Motivational programs attempt to stimulate sales people to work harder. Steps in developing these programs are the following.

- (a) Determine the objectives
- (b) Decide which members of the sales force will participate
- (c) Communicate the basis of awards
- (d) Determine the campaign's break time, duration and lead time
- (e) Decide the type of awards and prizes and
- (f) Select a theme.

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CHAPTER IV

CONSUMER PERCEPTION ABOUT THE VARIOUS SALES PROMOTION STRATEGIES ADOPTED BY THE MARKETERS OF 'FAST MOVING CONSUMER GOODS' IN KERALA

Perception is the assignment of meaning to stimuli received through the senses. Perception is a three stage process consisting of selection, organisation and interpretation of stimuli. Perceptions are shaped by the physical characteristics of the stimuli, the context and the individual who is perceiving the stimuli. The term 'Perception' should not be confused with 'attitude' which is actually an enduring disposition, favourable or unfavourable, towards something which may be an idea, a person, a thing or a situation. Thus attitudes towards brands are tendencies to evaluate brands in a consistently favourable or unfavourable way.

In this chapter the consumer perception about the various sales promotion strategies adopted by the marketers of the fast moving consumer goods and how they respond to these strategies are studied. Beverages such as tea, coffee and health drinks, the most frequently used 'FMCG's have been taken for the study. As stated in the methodology section of the introduction chapter, the study is based on stratified random sampling. Three hundred households belonging to various sections of the society have been interviewed with the help of schedules consisting of 56 questions set with an aim to study their perception about the various sales promotion activities of the marketers and the buying behaviour of the consumers. This chapter is divided into two parts. In Part A, the profile of the sample is given. Of the total number of 300 persons selected, 199 are males and 101 are females. Fifty per cent of the sample population, i.e., 150 persons are belonging to urban areas and the rest 150 are belonging to rural areas. The sample consists of 1 illiterate, 37

literates, 66 undergraduates, 108 graduates, 75 post graduates and 13 professional degree holders. Of the total number, 160 persons are from service sector, 58 business people, 19 professionals, 10 agriculturists and 53 others. The sample population consists of 192 Hindus, 38 Christians and 70 Muslims. In Part B, the data are analysed with the help of mathematical and statistical tools.

PART A

Profile of the Sample

Genderwise distribution of the Sample Population

As the table below shows the sample population consists of 199 males and 101 females; in percentage 66.3 and 33.7 respectively.

TABLE 4.1

Gender wise Classification of the Sample

Sex	No. of respondents	% of total Sample
Male	199	66.3
Female	101	33.7
Total	300	100

Region wise distribution of the sample population

Three districts have been selected to represent the different geographical regions of Kerala as explained in the methodology viz., Thiruvananthapuram, Kannur and Malappuram. From each district two taluks have been selected and 50 households from each taluk have been interviewed as tabulated below.

TABLE 4.2

Region-wise classification of the sample

Districts	Taluks	No. of respondents	% of total sample
Thiruvananthapuram	Thiruvananthapuram	50	16.67
	Chirayinkizhu	50	16.67
Kannur	Kannur	50	16.67
	Talipparamba	50	16.67
Malappuram	Malappuram	50	16.67
	Thirurangadi	50	16.67
Total		300	100

Age wise distribution of the sample population

Of the 300 respondents interviewed 44 are youth below the age of 35 years, 166 middle aged ones between 35 and 50 years and 90 are persons above 50 years, in percentage 14.67, 55.33 and 30 respectively.

TABLE 4.3

Age wise classification of the sample

Age group	No. of respondents	% of total sample
Below 35 years	44	14.67
35 – 50 years	166	55.33
Above 50 years	90	30.00
Total	300	100

Place of Domicile wise distribution of the sample population

Of the 300 respondents 150 are from urban areas and 150 are from rural areas; i.e, 50% each from both areas.

TABLE 4.4

Place of Domicile wise classification of the sample

Area	No. of respondents	% of total sample
Rural	150	50
Urban	150	50
Total	300	100

Education wise distribution of the sample population

As the following table shows, of the 300 respondents there is only 1 illiterate and there are 37 literates, 66 under graduates, 108 graduates, 75 post graduates and 13 professional degree holders; in percentage 0.3, 12.3, 22, 36,25 and 4.3 respectively.

TABLE 4.5

Education wise classification of the sample

Qualification	No. of respondents	% of total sample
Illiterates	1	0.33
Literates	37	12.33
Undergraduates	66	22.0
Graduates	108	36.0
Post graduates	75	25.0
Professionals	13	4.33
Total	300	100

Occupation wise distribution of the sample population

Table 4.6 below shows the classification of the sample on the basis of the occupation of the respondents. It can be seen that 53.3% of the total sample population are working in the service sector (i.e., 160 persons) 19.3% belong to business, (ie 58 persons). There are also 19 professionals, 10 agriculturists and 53 others in the sample, in percentage terms they represent 6.3, 3.3 and 17.7 respectively.

TABLE 4.6

Occupation wise classification of the sample

Occupation	No. of respondents	% of total sample
Service	160	53.3
Business	58	19.3
Professional	19	6.3
Agriculture	10	3.3
Others	53	17.7
Total	300	100

Income wise distribution of the sample population

On the basis of the annual income, the respondents have been grouped into 3 classes as shown in Table 4.7; low income group, i.e., those whose annual income is less than Rs.50000/-, middle income group, i.e., those whose annual income is between Rs.50000 and Rs.150000/- and high income group, ie. those whose, annual income is more than Rs.150000/-. Of the 300 respondents 51 belong to the low income group, 187 to the middle income group and 62 to the high income group; in percentage, 17,62.3 and 20.7 respectively.

TABLE 4.7

Income wise classification of the sample

Income	No. of respondents	% of total sample
Low Income	51	17.0
Middle Income	187	62.3
High Income	62	20.7
Total	300	100

Religion wise distribution of the sample population

The sample consists of 192 Hindus, 38 Christians and 70 Muslims; in percentage they represent 64, 12.7 and 23.3 respectively. All the three important religions of Kerala have got due representation in the sample.

TABLE 4.8

Religion-wise classification of the sample

Religion	No. of respondents	% of total sample
Hindu	192	64.0
Christian	38	12.7
Muslim	70	23.3
Total	300	100

PART B

Consumer Perception about sales promotion strategies of Marketers of FMCGs

1. Consumption habits of consumers as regards beverages

Before studying the perception of consumers about the various sales promotion tools used by marketers of beverages, it is very important to study the rate of consumption of beverages of consumers, i.e., whether they are regularly using beverages or frequently or occasionally or rarely. On analysis it is seen that, of the total 300 respondents 261 are regular users of tea representing 87% total sample population, 29 persons (9.7%) use tea frequently and 10(3.3%) occasionally. As regards coffee 129 persons (43%) are regular users, 112 (37.3%) use it frequently, 54 (18%) occasionally and 5 (1.7%) rarely. From the above it is very clear that the people of Kerala prefer tea to coffee. At the same time coffee is also a favourite drink to Keralites as 37.3% of consumers use it frequently.

In the case of health drinks only 26 persons use it regularly (8.7%) 182 persons (60.7%) use health drinks rarely and 7 persons (2.3%) report that they have never used health drinks.

The findings of the analysis are given in Table 4.9.

TABLE 4.9

Rate of Consumption of beverages

Mode of Consumption	Tea		Coffee		Health drinks	
	No.	%	No.	%	No.	%
Regularly	261	87	129	43	26	8.7
Frequently	29	9.7	112	37.3	21	7
Occasionally	10	3.3	54	18	64	21.3
Rarely	--	--	5	1.7	182	60.7
Never	--	--	--	--	7	2.3
Total	300	100	300	100	300	100

To verify whether there are any significant differences in the consumption pattern of the different classes of consumers the data have been further analysed gender wise, place of domicile wise and income wise. The results are tabulated below.

TABLE 4.10

Gender wise classification of beverages' consumption habits of consumers

Mode of consumption		Regularly			Frequently			Occasionally			Rarely			Never		
		Tea	Coffee	Health drink	Tea	Coffee	Health drink	Tea	Coffee	Health drink	Tea	Coffee	Health drink	Tea	Coffee	Health drink
Male	No.	168	81	14	22	81	18	9	34	41	--	3	122	--	--	4
	%	84.42	40.7	7.04	11.05	40.7	9.05	4.5	17	20.6	--	1.5	61.31	--	--	0.04
Female	No.	93	48	12	7	31	3	1	20	23	--	2	60	--	--	3
	%	92	47.5	11.88	6.93	30.69	2.97	0.99	19.8	22.77	--	1.98	59.41	--	--	2.97

From the Table 4.10 it can be seen that 84.42% of men and 92% of women use tea regularly. The percentages of regular users of coffee are 40.7 and 47.5 respectively. So it is very clear that both men and women prefer tea

to coffee. At the same time coffee is also a favourite drink to both the groups as 40.7% men and 30.69% women frequently use it.

In the case of health drinks, a few persons 14 (7.04%) males and 12 (11.88%) females regularly use it. A major portion of the respondents use it rarely, i.e., 122 (61.3%) males and 60 (59.41%) females. There are also persons who have never used health drinks.

TABLE 4.11
Chi-square Values

	χ^2	d.f	Level of significance (%)	Table value
Tea	4.13865	2	5	5.991
Coffee	2.8874	3	5	7.815
Health drink	5.7995	4	5	9.488

To see whether there is significant difference in the consumption habits of males and females χ^2 values at 5% level have been derived. As is evident from the table, the values are less than the table values and hence it can be concluded that there is no significant difference between the consumption habits of males and females in the case of the above beverages.

Below is given a place of domicile wise analysis of the data to see whether there is any significant difference in the consumption pattern of rural and urban people.

TABLE 4.12

Place of Domicile wise classification of beverages' consumption habits of consumers

Mode of consumption Area		Regularly			Frequently			Occasionally			Rarely			Never		
		Tea	Coffee	Health drink	Tea	Coffee	Health drink	Tea	Coffee	Health drink	Tea	Coffee	Health drink	Tea	Coffee	Health drink
Rural	No.	133	63	11	12	52	13	5	33	27		2	95	--	--	4
	%	88.67	42	7.33	8	34.67	8.67	3.33	22	18	--	1.33	63.33	--	--	2.67
Urban	No.	128	66	15	17	60	8	5	21	37	--	3	87	--	--	3
	%	85.33	44	10	11.33	40	5.33	3.33	14	24.67	--	2	-58	--	--	2

When the data are analysed place of domicile wise it is seen that 88.67% of rural people and 85.33% of urban people use tea regularly. In the case of coffee the percentage of regular users are 42% and 44% respectively. But there are frequent users of coffee in both rural and urban areas; 34.67% and 40% respectively.

In the case of health drinks only 7.33% of rural people and 10% of urban people use it regularly. Majority, i.e., 66.33% rural people and 58% urban people use it rarely. There are 4 (2.67%) rural respondents and 3(2%) urban respondents who have never used health drinks.

TABLE 4.13

Chi-square Values

	χ^2	d.f	Level of significance (%)	Table value
Tea	0.05642	2	5	5.991
Coffee	3.50786	3	5	7.815
Health drink	5.07547	3	5	7.815

As the χ^2 values are very much less than the table values it can be concluded that there is no significant difference in the tastes of rural and urban people as far as beverages are concerned.

Table presented below (Table 4.14) is the classification of the data on the basis of the income of the consumers.

TABLE 4.14

Income wise classification of beverages' consumption habits of consumers

Mode of consumption		Regularly			Frequently			Occasionally			Rarely			Never		
		Tea	Coffee	Health drink	Tea	Coffee	Health drink	Tea	Coffee	Health drink	Tea	Coffee	Health drink	Tea	Coffee	Health drink
Low Income	No.	49	16	5	2	18	3	--	16	11	--	1	31	--	--	1
	%	96.08	31.37	9.8	3.92	35.29	5.88	--	31.37	21.57	--	1.96	60.78	--	--	1.96
Middle Income	No.	165	82	16	14	69	13	8	32	36	--	4	118	--	--	4
	%	88.24	43.85	8.56	7.49	36.9	6.95	4.28	17.1	19.25	--	2.14	63.1	--	--	2.14
High Income	No.	47	31	5	13	25	5	2	6	17			33			2
	%	75.81	50	8.06	20.97	40.32	8.06	3.22	9.68	27.42			53.23			3.23

From the table it can be observed that 96.08% of people belonging to the low income group, 88.24% of middle income group and 75.81% of high income group use tea regularly. Of people belonging to low income group 31.37%, of people belonging to middle income group 43.85% and of people belonging to high income group 50% use coffee regularly. A positive correlation can be noticed between the incomes of consumers and the rate of consumption of coffee whereas the correlation is negative in the case of tea. There are frequent users of coffee in all the income groups; 35.29%, 36.9% and 40.32% respectively.

In the case of health drinks, very few people use it regularly i.e, 9.8% of people belonging to the low income group, 8.56% of middle income group

and 8.06% of high income group only use it regularly. Majority, i.e., 60.78% of low income group 63.1% of middle income group and 53.23% of high income group use it rarely.

TABLE 4.15
Chi-square Values

	χ^2	d.f	Level of significance (%)	Table value
Tea	14.46378	4	5	9.448
Coffee	11.40068	6	5	12.592
Health drink	2.77537	8	5	15.57

In the case of tea the χ^2 value is more than the table value and it can be concluded that there are differences in the consumption habits among the various income groups where as the χ^2 values are less than the table values in the case of coffee and health drinks and hence no significant differences are there in the consumption habits of different income groups in the case of these beverages.

Level of awareness of consumers about the various sales promotion strategies

The important sales promotion strategies used by the marketers include both price-oriented promotions such as price off, free samples, price coupons, premium offers, contests and sweepstakes, gifts and compliments, trading stamps and non-price-oriented promotions or point of purchase promotions such as displays, signs, lights etc. Before introducing or trying any of these, the marketers should ensure that the one they are going to try in the market is popular among the consumers or they are well aware of it. To measure the level of awareness of consumers about the various sales promotion strategies,

they were asked questions directly and indirectly. The data collected are tabulated below (Table 4.16).

TABLE 4.16
Consumers level of awareness about the various sales promotion strategies

Level of awareness	Very much aware		Aware		Neutral		Not aware		Not at all aware		Mode
Value assigned	1		2		3		4		5		
Strategy	No.	%	No.	%	No.	%	No.	%	No.	%	
a. Price off	289	96.3	2	0.7	4	1.3	5	1.7	--	--	1
b. Free samples	247	82.3	48	16.0	3	1.0	1	0.3	1	0.3	1
c. Price coupons	105	35.0	182	60.7	12	4.0	1	0.3	--	--	2
d. Premium offers	199	66.3	85	28.3	13	4.3	3	1.0	--	--	1
e. Contests and sweepstakes	119	39.7	141	47.0	38	12.7	1	0.3	1	0.3	2
f. Gifts and compliments	226	75.3	39	13.0	29	9.7	5	1.7	1	0.3	1
g. Trading stamps	25	8.3	67	22.3	167	55.7	18	6.0	23	7.7	3
h. Point of purchase promotions	84	28.0	191	63.7	22	7.3	2	0.7	1	0.3	2

From the table it can be seen that the value of mode derived for the strategies 'Price off', 'Free samples', 'Premiums' and 'Gifts and Compliments' is 1 ie. most of the consumers are very much aware of these sales promotion devices. Out of 300 respondents 289 (96.3%) are well aware of 'Price off', 247 (82.3%) are well aware of 'Samples', 199 (66.3%) are well aware of 'Premiums' and 226 (75.3%) are well aware of 'Gifts and Compliments.' The model value derived for 'Trading Stamps' is 3 i.e., neutral. For all other strategies it is 2 ie, most of the consumers are aware of these strategies. The

data have been further analysed sex wise, place of domicile wise and income wise to see whether the different groups of the society are equally aware of the above promotional tools. The results are as tabulated below.

TABLE 4.17

Gender-wise classification of consumers level of awareness about the various sales promotion strategies

Level of awareness	Very much aware		Aware		Neutral		Not aware		Not at all aware	
	Male No. (%)	Female No. (%)	Male No. (%)	Female No. (%)	Male No. (%)	Female No. (%)	Male No. (%)	Female No. (%)	Male No. (%)	Female No. (%)
a. Price off	189 (95.5)	98 (97.3)	1 (0.5)	1 (0.99)	4 (2)	--	4 (2)	2 (1.98)	--	--
b. Free samples	170 (85.4)	79 (78.2)	26 (13.1)	22 (21.8)	3 (1.5)	--	--	--	--	--
c. Price coupons	81 (40.7)	25 (24.8)	111 (55.8)	71 (70.3)	7 (3.5)	5 (5)	--	--	--	--
d. Premium offers	148 (74.4)	54 (53.5)	44 (22.1)	41 (40.6)	7 (3.5)	6 (5.9)	--	--	--	--
e. Contests and sweepstakes	90 (45.2)	29 (28.7)	89 (44.7)	52 (51.5)	19 (9.5)	19 (18.8)	1 (0.5)	--	--	--
f. Gifts and compliments	156 (78.4)	70 (69.3)	22 (11.1)	17 (16.8)	19 (9.5)	10 (9.5)	2 (1)	3 (3)	--	1 (1)
g. Trading stamps	19 (9.5)	6 (5.9)	46 (23.1)	21 (20.8)	115 (57.8)	52 (51.5)	11 (5.5)	7 (6.9)	8 (4)	15 (14.9)
h. Point of purchase promotions	62 (31.2)	22 (21.8)	123 (61.8)	68 (67.3)	13 (6.5)	9 (8.9)	--	2 (2)	1 (0.5)	--

TABLE 4.18
Chi-square values

	χ^2	d.f	Table value
Price off	2.73220	3	7.815
Free samples	5.12379	2	5.991
Price coupons	7.49602	2	5.991
Premium offers	13.33504	2	5.991
Contests and sweep takes	12.27463	4	9.488
Gifts and compliments	5.98514	4	9.488
Trading stamps	12.15823	4	9.488
Point of purchase promotions	7.38759	4	9.488

From the table 4.18 it is seen that there are significant differences in the level of awareness of male and female consumers about the following sales promotion devices.

1. Price coupons (Male consumers are more aware of it)
2. Premium offers (Male consumers are more aware of it)
3. Contests and sweepstakes (Male consumers are more aware of it)
4. Trading stamps (Male consumers are more aware of it)

In all other cases the χ^2 values are less than the table values which means that both men and women are equally aware of them.

TABLE 4.19

**Place of Domicile wise classification of consumers level of awareness
about the various sales promotion strategies**

Level of awareness	Very much aware		Aware		Neutral		Not aware		Not at all aware	
	Rural No. (%)	Urban No. (%)	Rural No. (%)	Urban No. (%)	Rural No. (%)	Urban No. (%)	Rural No. (%)	Urban No. (%)	Rural No. (%)	Urban No. (%)
a. Price off	146 (97.3)	143 (95.3)	1 (0.7)	2 (1.3)	2 (1.3)	1 (0.7)	4 (2.7)	--	--	--
b. Free samples	122 (81.3)	127 (84.7)	28 (18.7)	20 (13.3)	--	3 (2.0)	--	--	--	--
c. Price coupons	52 (34.7)	54 (36.0)	89 (59.3)	93 (62.0)	9 (6.0)	3 (2.0)	--	--	--	--
d. Premium offers	98 (65.3)	104 (69.3)	45 (30.0)	40 (26.7)	7 (4.7)	6 (4.0)	--	--	--	--
e. Contests and sweepstakes	60 (40.0)	59 (39.3)	66 (44.0)	75 (50.0)	24 (16.0)	14 (9.3)	--	1 (0.7)	--	1 (0.7)
f. Gifts and compliments	115 (76.7)	111 (74.0)	17 (11.3)	22 (14.7)	14 (9.3)	15 (10.0)	3 (2.0)	2 (1.3)	1 (0.7)	--
g. Trading stamps	10 (6.7)	15 (10.0)	35 (23.3)	32 (21.3)	83 (55.3)	84 (56.0)	9 (6.0)	9 (6.0)	13 (8.7)	13 (8.7)
h. Point of purchase promotions	44 (29.3)	40 (26.7)	97 (64.7)	94 (62.7)	7 (4.7)	15 (10.0)	1 (0.7)	1 (0.7)	1 (0.7)	--

TABLE 4.20

Chi-square values

	Chi-square	d.f	Table value
Price off	1.83114	3	7.815
Free samples	4.43373	2	5.991
Price coupons	3.12565	2	5.991
Premium offers	0.54926	2	5.991
Contests and sweep takes	5.21445	4	9.488
Gifts and compliments	1.94630	4	9.488
Trading stamps	1.53162	4	9.488
Point of purchase promotions	4.14669	4	9.488

From the tables 4.19 and 4.20 above it can be noticed that, place of domicile wise, not much difference is observed in the respondents' level of awareness about various sales promotion methods. The chi-square test also confirm this result. The calculated values are less than the table value at 5% level of significance. Thus it can be concluded that there is no significant difference in the level of awareness of rural and urban consumers, about the various sales promotion strategies.

An income wise classification and analysis of the data are given below in Tables 4.21 and 4.22.

TABLE 4.21

Income wise classification of Consumers level of awareness about the various sales promotion strategies

Level of awareness Strategy	Very much aware			Aware			Neutral			Not aware			Not at all		
	Low income No. (%)	Middle income No. (%)	High income No. (%)	Low income No. (%)	Middle income No. (%)	High income No. (%)	Low income No. (%)	Middle income No. (%)	High income No. (%)	Low income No. (%)	Middle income No. (%)	High income No. (%)	Low income No. (%)	Middle income No. (%)	High income No. (%)
a. Price off	51 (100.0)	178 (95.2)	60 (96.8)	--	1 (0.5)	1 (1.6)	--	4 (2.1)	--	--	4 (2.1)	1 (1.6)	--	--	--
b. Free samples	36 (70.6)	161 (86.1)	52 (83.9)	15 (29.4)	24 (12.8)	9 (14.5)	--	2 (1.1)	1 (1.6)	--	--	--	--	--	--
c. price coupons	6 (11.8)	71 (38.0)	29 (46.8)	40 (78.4)	110 (58.8)	32 (51.6)	5 (9.8)	6 (3.2)	1 (1.6)	--	--	--	--	--	--
d. Premium offers	28 (54.9)	125 (66.8)	49 (79.0)	18 (35.3)	55 (29.4)	12 (19.4)	5 (9.8)	7 (3.7)	1 (1.6)	--	--	--	--	--	--
e. Contests and sweepstakes	9 (17.6)	76 (40.6)	34 (54.8)	30 (58.8)	92 (49.2)	19 (30.6)	12 (23.5)	44 (23.7)	9 (14.5)	--	1 (0.5)	--	--	1 (0.5)	--
f. Gifts and compliments	39 (76.5)	141 (75.4)	46 (74.2)	9 (17.6)	21 (11.2)	9 (14.5)	2 (3.9)	20 (10.7)	7 (11.3)	1 (2.0)	4 (2.1)	--	--	1 (0.5)	--
g. Trading stamps	--	14 (7.5)	11 (17.7)	3 (5.9)	50 (26.7)	14 (22.6)	36 (70.6)	95 (50.8)	36 (58.1)	4 (7.8)	14 (7.5)	--	8 (15.7)	14 (7.5)	1 (1.6)
h. Point of purchase promotions	6 (11.8)	55 (29.4)	23 (37.1)	43 (84.3)	116 (62.0)	32 (51.6)	1 (2.0)	14 (7.5)	7 (11.3)	1 (2.0)	1 (0.5)	--	--	1 (0.5)	--

TABLE 4.22
Chi-square Values

Strategy	χ^2	Df	Table value
Price off	4.83797	6	12.592
Free samples	8.91037	4	9.488
Price coupons	19.74833	4	9.488
Premium offers	9.88162	4	9.488
Contests and sweep takes	23.12894	8	15.507
Gifts and compliments	5.45659	8	15.507
Trading stamps	33.35947	8	15.507
Point of purchase – Promotions	17.35947	8	15.507

Significant differences are noticed in the level of awareness of the various income groups about the following sales promotion strategies.

1. Price Coupons (High income and middle income groups are more aware).
2. Premium offers (High income and middle income groups are more aware).
3. Contests and sweepstakes (High income and middle income groups are more aware).
4. Trading stamps (High income and middle income groups are more aware).
5. Point of purchase promotions (High income and middle income groups are more aware).

In the case of the above sales promotion strategies a positive correlation can be noticed between the income of consumers and their level of

awareness. In all other cases the χ^2 values are less than the table values, which shows that the awareness level is more or less the same for consumers across all income groups.

Attractiveness of the various sales promotion strategies

Before entering deep into the study it is very essential to measure the degree of attractiveness of each sales promotion tool to the target consumers. With an intention to study this aspect, the respondents were directed to distribute 100 points among the various sales promotion devices in the order of their preference. The relevant data is tabulated below.

TABLE 4.23

Attractiveness of sales promotion strategies

Strategy	Mean	Std. Deviation	Variance	Range
a. Price off	23.27	6.41	41.12	31
b. Free sample	8.51	8.54	72.89	48
c. Price coupons	8.43	3.05	9.32	17
d. Premium offers	18.62	4.68	27.87	25
e. Contents and sweepstakes	10.88	4.35	18.88	29
f. Gifts and compliments	22.84	6.41	41.03	40
g. Trading stamps	2.62	2.68	7.17	23
h. Point of purchase promotions	4.83	3.23	10.41	20

From the table 4.23 it can be seen that 'Price off' and 'Gifts and Compliments' are the most attractive sales promotion tools as far as the consumers in Kerala are concerned. The highest mean points scored is by 'Price off i.e., 23.27 points and 'Gifts and Compliments' stands second, scoring average points of 22.84 out of 100. Even though, in the level of awareness the position of 'free samples' is second, it doesn't seem to be an

attractive sales promotion technique to consumers while purchasing a product. Its mean points is only 8.51. Its high variance and range show that consumers have a wide range of opinions about this sales promotion technique. 'Price coupons' are also less attractive. In the level of attractiveness 'Premium offers' stands in the third position securing 18.62 as mean points. 'Trading stamps' is the least attractive sales promotion technique as far as consumers in Kerala are concerned (2.62 mean points). The 'point of purchase promotions' also do not seem to be very much attractive to the consumers.

The data have been further analysed to see whether the above sales promotion techniques are equally attractive to the different classes of consumers. With this aim the data have been analysed gender wise, place of domicile wise and income wise. The results are tabulated below.

TABLE 4.24
Gender wise analysis of the Attractiveness of
Sales Promotion Techniques

Strategy	Mean		S.D.		C.V.	
	Male	Female	Male	Female	Male	Female
Price off	22.98	24.54	6.279	6.679	27.32	27.22
Free samples	6.90	9.75	4.707	12.629	68.22	129.53
Price coupons	8.00	8.19	3.009	3.152	33.62	38.49
Premium Offers	18.55	18.39	4.627	4.781	24.93	25.99
Contests and sweepstakes	11.22	10.87	4.398	4.141	39.20	38.10
Gifts and compliments	23.90	21.42	6.768	5.409	28.32	25.25
Trading Stamps	2.78	2.04	2.776	2.450	99.85	131.02
Point of Purchase Promotions	5.67	4.80	3.068	3.509	54.11	73.10

An observation of the table 4.27 reveals that male consumers consider 'Gifts and Compliments' as the most attractive sales promotion device where as it is 'Price off' in the case of female consumers. 'Premium Offers' is also considered by both genders to be an effective sales promotion device that can be applied by the marketers to attract consumers. 'Trading Stamps' is considered to be the least attractive one. In the case of 'Free Samples' and 'Trading Stamps' there are very much differences in the opinions of consumers belonging to both genders as the C.Vs are very much high.

To test the significance of differences in the perception of consumers belonging to both genders t-tests have been applied and significant differences have been found in the cases of 'Free Samples', 'Contests and Sweepstakes', and 'Gifts and Compliments'. The following table will make the picture clear. In all other cases there are no significant differences between male and female consumers in their perception.

TABLE 4.25
t-test for equality of means

Strategy	t-value	d.f	Mean Difference	2-tail significance
Price off	-0.44	298	-0.3438	0.661
Free samples	-4.63	298	-4.6693	0.000
Price coupons	-0.36	298	-0.1329	0.722
Premium offers	0.83	298	0.4720	0.410
Contests and sweepstakes	2.33	298	1.2272	0.021
Gifts & compliments	3.11	298	2.4103	0.002
Trading stamps	1.60	298	0.5218	0.111
PPP	1.31	298	0.5149	0.192

A place of domicile wise classification and analysis of the data are given below in table 4.26.

TABLE 4.26

Domicile-wise analysis of Attractiveness of sales promotion techniques

Strategy	Mean		S.D.		C.V.	
	Rural	Urban	Rural	Urban	Rural	Urban
Price off	22.77	23.89	6.775	6.039	29.75	25.28
Free samples	8.69	8.33	9.318	7.662	107.23	91.98
Price coupons	8.43	8.43	3.109	3.000	36.88	35.59
Premium Offers	19.31	17.93	4.761	4.584	24.66	25.57
Contests and sweepstakes	11.39	10.37	4.329	4.373	38.01	42.17
Gifts compliments	21.67	24.04	6.797	6.047	31.37	25.15
Trading Stamps	2.37	2.87	2.804	2.555	118.31	89.02
Point of Purchase Promotions	5.37	4.14	3.457	2.990	63.21	63.21

From the table it can be observed that urban people consider 'Gifts and Compliments' as the most attractive promotional tool whereas it is 'Price off' in the case of rural people. It may be because of the fact that rural consumers are more price sensitive than urban consumers. 'Premium offers' stands next to the above methods in attractiveness in the case of both groups. Both the groups do not consider 'Trading stamps' as an attractive sales promotion tool. It's C.Vs are also very much high which show that much differences are there in the perception of consumers of both groups with in the groups. To test the significance of differences in the perception between the groups 't-tests' have been applied and no significant differences can be noticed in any case as is evident from the following table 4.27.

TABLE 4.27
t-test for equality of means

Strategy	t-value	d.f	Mean Difference	2-tail significance
Price off	0.22	298	0.1667	0.822
Free samples	1.25	298	1.2267	0.214
Price coupons	-0.833	298	-0.2933	0.406
Premium offers	-1.19	298	-0.6400	0.237
Contests and sweepstakes	0.38	298	0.1933	0.701
Gifts & compliments	-1.12	298	-0.8333	0.263
Trading stamps	0.28	298	0.0867	0.780
PPP	0.25	298	0.0933	0.803

The above data has been classified income wise and presented in table 4.28.

TABLE 4.28
Income wise analysis of Attractiveness of sales promotion techniques

Strategy	Mean			S.D			C.V		
	Low income	Middle income	High income	Low income	Middle income	High income	Low income	Middle income	High income
Price off	25.33	22.93	22.74	7.22	6.25	5.92	28.50	27.26	26.03
Free samples	12.94	8.10	6.20	13.22	7.81	2.24	102.16	96.42	36.72
Price coupons	8.43	8.28	8.98	3.44	2.98	2.96	40.81	35.99	99.33
Premium offers	17.47	19.01	18.39	3.98	4.80	4.74	22.78	25.25	25.77
Contests/ Sweepstakes	9.96	10.94	11.48	4.22	4.24	4.70	42.37	38.76	40.94
Gifts/Compliments	19.94	22.79	25.27	4.20	6.41	7.10	21.06	28.13	28.10
Trading stamps	1.86	2.91	2.37	2.34	2.50	3.29	125.81	85.91	138.82
PPP	4.07	5.04	4.57	2.69	3.33	3.27	66.26	65.94	68.55

A perusal of the table reveals that consumers belonging to low and middle income groups consider 'price off' as the most attractive sales promotion tool whereas as far as consumers belonging to high income group are concerned it is 'Gifts and Compliments'. All the groups give least importance to 'Trading Stamps' as a promotional tool in attracting consumers. 'Premium offers' is also considered by all the groups to be an important sales promotion device for attracting consumers.

F-values have been obtained to test the significance of differences in the overall perception of informants belonging to various income groups. Further to test whether there is significant differences exist in the perception between any two groups, 'Duncan test' has also been applied. The results of the analysis are tabulated below.

TABLE 4.29

Income wise analysis of the Attractiveness of Sales Promotion – ANOVA

Strategy	Source	d.f	Sum of squares	Mean squares	F-ratio	F-Prob.
Price off	Between Groups	2	256.4405	128.2202	3.1687	0.0435
	Within Groups	297	12018.1562	40.4652		
	Total	299	12274.5967			
Free Samples	Between Groups	2	1394.4764	697.2382	10.1507	0.0001
	Within Groups	297	20400-5103	68.6886		
	Total	299	21794.9867			
Coupons	Between Groups	2	16.3690	8.1845	0.8772	0.4170
	Within Groups	297	2771.0177	9.3300		
	Total	299	2787.3867			
Premium offers	Between Groups	2	99.2858	49.6429	2.2896	0.1031
	Within Groups	297	6439.3942	21.6815		
	Total	299	6538.6800			
Contests/ sweepstakes	Between Groups	2	66.2813	33.1406	1.7644	0.1731
	Within Groups	297	5578.6354	18.7833		
	Total	299	5644.9167			
Gifts & Compliments	Between Groups	2	796.3106	398.1553	10.2042	0.0001
	Within Groups	297	11588.6061	39.0189		
	Total	299	12384.9167			
Trading stamps	Between Groups	2	49.2987	24.6493	3.4942	0.0316
	Within Groups	297	2095.1380	7.0543		
	Total	299	2144.4367			
PPP	Between Groups	2	39.8592	19.9296	1.9261	0.1475
	Within Groups	297	3073.1275	10.3472		
	Total	299	3112.9867			

From the table 4.29 the following facts have been observed.

Premium offers: No significant differences are there in the perception of the people belonging to various income groups as the F-Prob-is more than 0.05. At the same time significant difference is there in the perception between low income and middle income groups as the differences between their means are >3.2925 . Range $\text{SQRT}\left(\frac{1}{N(1)} + \frac{1}{N(J)}\right)$ with ranges 2.79 and 2.93 for steps 2 and 3.

Contests & Sweepstakes: No significant differences are there in the perception of the various income groups as the F-Prob-is more than 0.05. No two groups are also significantly different at 0.05 level as the differences between the means are less than 3.0646. Range $\text{SQRT}\left(\frac{1}{N(1)} + \frac{1}{N(J)}\right)$ with ranges 2.79 and 2.93 for steps 2 and 3.

Gifts and Compliments: The differences in the perception of the various income groups have very much significance as the value of F-Prob is very much less than 0.05. Significant differences are also there in the perception between low income and middle income groups, low income and high income groups and middle income and high income groups as the difference between their means are >4.4196 . Range $\text{SQRT}\left(\frac{1}{N(1)} + \frac{1}{N(J)}\right)$ with ranges 2.79 and 2.93 for steps 2 and 3.

Price off: Significant differences are there in the perception of people belonging to various income groups as the F-prob is less than 0.05. Significant differences can also be noticed in the perception, between the low income and middle income groups and between the low income and high income groups because as per the Duncan test the differences between the

means are >4.981 . Range-SQRT $\left(\frac{1}{N(1)} + \frac{1}{N(J)}\right)$ with range 2.79 and 2.93 for steps 2 and 3.

Free Samples: Significant differences can be noticed in the perception of the people belonging to various income groups as the F-Prob- is less than 0.05. Significant differences are also there in the perception between low income and middle income groups and between the low income and high income groups as the differences between the means are >5.8604 . Range-SQRT $\left(\frac{1}{N(1)} + \frac{1}{N(J)}\right)$ with range 2.79 and 2.93 for steps 2 and 3.

Price coupons: No significant difference are there in the perception of people belonging to various income groups as the F-prob is more than 0.05. No two groups are also significantly different at the 0.05 level as the difference between the means are less than 2.1599. Range-SQRT $\left(\frac{1}{N(1)} + \frac{1}{N(J)}\right)$ with range 2.79 and 2.93 for steps 2 and 3.

Trading Stamps: Significant differences are there in the perception of people belonging to various income groups as the value of F-Prob. is less than 0.05. Significant differences can also be noticed in the perception between low and middle income groups as the differences between their means are >1.8781 – Range. SQRT $\left(\frac{1}{N(1)} + \frac{1}{N(J)}\right)$ with ranges 2.79 and 2.93 for steps 2 and 3.

Point of Purchase Promotion: No significant differences are there in the perception of people belonging to the various income groups as the value of F-Prob. is more than 0.05. No two groups are also significantly different at

0.05 level as the differences between the means are less than 2.2746. Range-SQRT $\left(\frac{1}{N(1)} + \frac{1}{N(J)} \right)$ with ranges 2.79 and 2.93 for steps 2 and 3.

Conclusions

1. 'Gifts and Compliments' seems to be the most attractive sales promotion device in the case of male consumers where as it is 'Price off' in the case of female consumers. The place of 'Price off' is next to 'Gifts and Compliments' in the case of males and the place of 'Gifts and Compliments' is next to 'Price off' in the case of females. 'Premium' stands in the third position in both cases. 'Trading Stamps' and 'Point of Purchase Promotions' are the least attractive ones in both cases.
2. While urban people see 'Gifts and Compliments' as the most attractive promotion device, it is 'Price off' in the case of rural people. The position of 'price off' is next to 'Gift and Compliments' in the case of urban people where as it is vice versa in the case of rural people. In both cases 'Premium' stands in the third position in attractiveness. 'Trading stamps' and 'Point of Purchase Promotions' are the least attractive ones in both cases.
3. High income group and middle income group consider 'Gifts and Compliments' as the most attractive sales promotion device where as it is 'Price off' in the case of low income group. 'Price off' stands next to 'Gifts and Compliments' in attractiveness in the case of middle and high income groups and the case is vice versa in the case of low income group. 'Premium' stands in the third position in attractiveness in the case of all income groups. 'Trading stamps and 'Point of Purchase promotions' are the least attractive promotion devices.

Effectiveness of sales promotion tools in creating brand awareness

How much the various sales promotion devices used by the marketers of FMCGs are effective in creating brand awareness among the consumers is studied here i.e., whether the various sales promotion strategies are effective in altering the existing perception about brands and thereby motivating consumers for a brand switching.

The persons interviewed were asked about the role of various sales promotion strategies in creating brand awareness. To ascertain their perception about this aspect, they were requested to distribute 100 points among the various tools of sales promotion. Given below in table 4.30 are the results of the study.

TABLE 4.30

Role of various sales promotion tools in creating brand awareness

Strategy	Mean	S.D	Variance	Range	C.V
Price off	17.07	7.92	62.78	30	46.40
Free Samples	10.70	7.05	49.74	45	65.89
Price Coupons	8.90	4.86	23.62	25	47.80
Premium Offers	14.29	6.83	46.71	25	47.80
Contests/Sweepstakes	16.58	8.35	69.68	50	50.36
Gifts/Compliments	18.14	11.37	129.21	50	62.70
Trading Stamps	2.77	4.27	18.24	30	154.15
Point of Purchase Promotion	11.55	7.18	51.55	30	63.20

According to the data “Gifts and Compliments” is the best sales promotion technique that can be tried by the marketers for creating brand awareness among consumers. The average points scored by this promotional tool is 18.14. The range of the points is 50 and its C.V. is 62.70. It shows that

there is no uniformity in the opinions of consumers and cannot be believed. The respondents give second place to 'Price off' as an effective tool for creating brand awareness. It secures 17.07 mean points. There is less variability in the opinions when compared to that of 'Gifts and Compliments'. Its range is 30 and C.V. is only 46.40. Contests and Sweepstakes and Premiums stand in the third and fourth places with 16.58 and 14.29 as mean points and 50 and 25 as ranges and 50.36 and 47.80 as coefficients of variations respectively. In their opinion the non-price oriented promotional devices viz., the point of purchase promotions also have an effective role in creating brand awareness. The mean points scored by it is 11.55. But there is less uniformity in the opinions as its C.V. is 63.20. Trading stamps is not at all an effective tool for the creation of brand awareness. It scored only 2.77 mean points. There is not at all uniformity in the opinions as its C.V. is 154.15. 'Free samples' and 'Coupons' are given less importance by the respondents. The mean points scored by these tools are 10.70 and 8.90 respectively with 65.89 and 54.61 as C.Vs.

Data have been analysed sex wise, place of domicile wise, and income wise and the results obtained are tabulated below. To test the significance of the values obtained the statistical tool t – test has been applied. In the case of income wise analysis F – values have been obtained as there are three groups.

Gender wise analysis of the role of sales promotion techniques in creating brand awareness

A gender wise analysis of the data given in table 4.31 shows the following results.

TABLE 4.31

Gender wise analysis of the Role of sales promotion techniques in creating brand awareness

Strategy	Mean		S.D		C.V	
	Male	Female	Male	Female	Male	Female
Price off	16.41	18.4	8.04	7.55	49.02	41.03
Free sample	9.68	12.69	4.96	9.70	51.24	76.44
Price Coupons	9.33	8.04	4.81	4.87	51.55	60.57
Premium offers	14.42	14.24	6.80	6.93	47.49	48.67
Contests & Sweepstakes	16.97	15.80	7.47	9.84	44.01	62.28
Gifts & Compliments	18.20	18.10	10.29	13.29	56.54	73.71
Trading Stamps	3.18	2.27	4.90	2.53	159.09	116.59
Point of purchase promotions	11.81	10.46	7.40	6.68	62.66	63.86

TABLE 4.32

t – test for equality of means

Strategy	t-value	d.f	Mean Difference	2-tail significance
Price off	- 2.08	298	-1.991	0.039
Free sample	- 3.56	298	-3.0097	0.000
Price Coupons	2.19	298	1.2921	0.029
Premium offers	0.09	298	0.790	0.925
Contests & Sweepstakes	1.15	298	1.1729	0.251
Gifts & Compliments	0.12	298	1.713	0.902
Trading Stamps	1.74	298	0.9071	0.082
Point of purchase promotions	1.55	298	1.3586	0.122

The above analysis shows that there is no significant difference in the perception of males and females except in the cases of Price off, free samples and price coupons. In all other cases 2-tail significance is more than 0.05.

Domicile wise Analysis of the role of Sales Promotion techniques in creating brand awareness

The same data have been analysed on the basis of the place of residence of the respondents and the results are presented below in table 4.33.

TABLE 4.33

Place of Domicile wise analysis of the Role of Sales Promotion Techniques in Creating Brand Awareness

Strategy	Mean		S.D		C.V	
	Rural	Urban	Rural	Urban	Rural	Urban
Price off	17.89	16.45	8.03	7.79	44.89	47.75
Free sample	10.85	10.65	7.49	6.61	69.03	62.65
Price Coupons	8.41	9.38	4.71	4.99	55.35	53.77
Premium offers	14.43	14.20	6.87	6.82	47.61	48.20
Contests & Sweepstakes	16.26	16.90	8.80	7.79	54.61	46.09
Gifts & Compliments	17.76	18.56	12.17	10.53	68.52	56.83
Trading Stamps	3.37	2.26	5.41	2.52	155.46	122.33
Point of purchase promotions	11.03	11.60	7.12	7.25	63.97	62.61

TABLE 4.34
t-test for equality of Means

Strategy	t-value	d.f	Mean difference	2 tail significance
Price off	1.81	298	1.6467	0.072
Free sample	0.37	298	0.3	0.713
Price Coupons	-1.37	298	-0.7667	0.172
Premium offers	0.35	298	-0.2733	0.730
Contests & Sweepstakes	-0.66	298	-0.6400	0.508
Gifts & Compliments	-0.58	298	-0.7667	0.560
Trading Stamps	2.91	298	1.2400	0.004
Point of purchase promotions	-0.54	298	-0.4467	0.830

From the above analysis it can be seen that there is no significant difference in the perception of urban and rural people regarding the effectiveness of the various sales promotion techniques in creating brand awareness. Difference can be noticed only in the case of 'Trading Stamps' as its 2-tail significance is less than 0.05.

Income wise analysis of the role of Sales Promotion techniques in creating brand awareness

An Income wise analysis of the same data presented in Table 4.35 below reveals that while high and middle income groups consider 'Gifts and compliments' as the most effective tool in creating brand awareness, low income group perceives 'Price off' to be the most effective one.

TABLE 4.35

**Income wise Analysis of the Role of Sales Promotion Techniques in
Creating Brand Awareness**

Sales Promotion techniques	Mean			S.D			C.V		
	Low income	Middle Income	High Income	Low income	Middle Income	High Income	Low income	Middle Income	High Income
Price off	21.43	17.93	15.76	8.02	7.56	8.13	39.29	44.65	55.08
Free sample	8.22	6.85	4.92	5.50	5.33	5.48	90.02	91.11	11.38
Price Coupons	9.24	9.96	10.26	5.27	4.62	5.22	63.96	51.56	56.37
Premium offers	16.49	15.17	14.66	7.10	6.69	7.05	45.84	47.21	51.61
Contests & Sweepstakes	15.02	17.33	19.26	8.23	8.54	7.45	58.70	51.08	40.80
Gifts & Compliments	16.24	18.80	19.54	12.13	11.41	10.35	79.59	60.69	55.83
Trading Stamps	2.87	2.79	3.16	4.70	3.63	5.53	211.71	130.11	175.00
Point of purchase promotions	10.49	11.17	12.44	7.09	7.06	7.56	67.59	63.21	59.76

To test the significance of differences in the perception of people belonging to various income groups F-values have been obtained and to test whether there is significant difference in the perception between any two groups within the three income groups 'Duncan test' has been applied. The results of the analysis are tabulated below in table 4.36.

TABLE 4.36

**Income wise analysis of the role of Sales Promotion techniques in
creating Brand Awareness
ANOVA**

Strategy	Source	d.f	Sum of squares	Mean squares	F-Ratio	F-Prob.
Price off	Between Groups	2	904.8542	452.427	7.5208	0.0007
	Within Groups	297	17866.6758	60.1572		
	Total	299	18771.5300			
Free Samples	Between Groups	2	148.3383	74.1691	2.5564	0.0793
	Within Groups	297	8617.0317	29.0136		
	Total	299	8765.3700			
Coupons	Between Groups	2	31.0915	15.5457	0.6567	0.5193
	Within Groups	297	7030.7052	23.6724		
	Total	299	7061.7967			
Premium	Between Groups	2	100.6137	50.3069	1.0776	0.3414
	Within Groups	297	13865.1563	46.6840		
	Total	299	13965.7700			
Contests and Sweepstakes	Between Groups	2	512.6885	256.3443	3.7463	0.0247
	Within Groups	297	20322.3915	68.4256		
	Total	299	20835.0800			
Gifts and Compliments	Between Groups	2	522.6262	261.3131	2.0365	0.1323
	Within Groups	297	38110.2105	128.3172		
	Total	299	38632.8367			
Trading Stamps	Between Groups	2	25.2491	12.6246	0.6905	0.5021
	Within Groups	297	5429.8809	18.2824		
	Total	299	5455.1300			
Point of Purchase Promotion	Between Groups	2	148.0371	74.0185	1.4401	0.2385
	Within Groups	297	15264.7996	51.3966		
	Total	299	15412.8367			

From the above table the following inferences can be observed:

Price off: Significant differences are there in the perception of people belonging to the various income groups about price off method of sales

promotion as the F-Probability is less than 0.05. Significant differences are there in the perception of high income and low income groups and middle income and low income groups as per the Duncan test with significance level 0.05 as the difference between their means are >5.4844 . Range SQRT $(1/N(1)+1/N(J))$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.

Free Samples: There are no significant differences in the perception of the various income groups about free samples as a promotional tool in creating brand awareness as the F-Probability is more than 0.05. However significant difference has been noticed between the attitudes of low income and high income groups as the difference between the means is >3.8088 . Range SQRT $(1/N(1)+1/N(J))$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.

Coupons: Regarding coupons discounting method of sales promotion, there are no significant differences in the perception of the various income groups as the F-probability is more than 0.05. No two groups are also significantly different at 0.05 level as the difference between the means are less than 3.4404. Range SQRT $(1/N(1)+1/N(J))$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.

Premium: In respect of premium offers there are no significant differences in the perception of the various income groups as the F-probability is >0.05 . No two groups are significantly different at 0.05 level as the difference between the means are less than 4.8314. Range SQRT $(1/N(1)+1/N(J))$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.

Contests and Sweepstakes: Significant difference are there in the perception of the various income groups about contests as a sales promotion method in FMCG items in creating brand awareness as the F-probability is less than 0.05. Significant differences can be noticed between the

means of low income and middle income groups and between the means of low income and high income groups as the differences are more than 5.9492. Range SQRT $(1/N(1)+1/N(J))$ with ranges 2.79 and 2.93 for steps 2 and 3.

Gifts and Compliments: Regarding gift offers there are no significant differences in the perception of the various income groups as the F-probability is more than 0.05. No two groups are significantly different at 0.05 level as the difference between the means are less than 8.0099. Range SQRT $(1/N(1)+1/N(J))$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.

Trading-Stamps: There is no significant difference in the perception of the various income groups about Trading stamps as the F-probability is more than 0.05. No two groups are significantly different at 0.05 level as the difference between the means are less than 3.0234. Range. SQRT $(1/N(1)+1/N(J))$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.

Point of Purchase Promotion: In respect of PPP significant differences are there in the perception of various income groups as the F-probability is more than 0.05. No two groups are significantly different at the 0.05 level as the differences between the means are less than 5.0694. Range. SQRT $(1/N(1)+1/N(J))$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.

Findings

1. Significant differences are there in the perception of males and females regarding the effectiveness of (a) Price off (b) Free samples and (c) Price coupons in creating brand awareness among consumers. While male respondents consider 'Gifts and Compliments' as the most effective promotion tool in creating brand awareness, females consider 'Price off' as the most effective one. Female respondents give an

average points of 12.69 to 'Free Samples' where as it is only '9.68' in the case of male respondents. In the case of 'Price coupons' male respondents give more importance to this tool than female respondents in creating brand awareness.

2. Between rural people and urban people there is no difference of opinion regarding the effectiveness of the various sales promotion strategies in creating brand awareness except in the case of 'Trading Stamps'.
3. No significant differences can be noticed in the perception of the various income groups as to the effectiveness of the different tools in creating brand awareness except in the cases of 'Price off' and 'contests and sweepstakes'. High income group and middle income group think alike where as low income group thinks differently. While high income and middle income groups consider 'Gifts and Compliments' as the most effective tool in creating brand awareness low income group perceives 'Price off' as the most effective tool.

Effectiveness of sales promotion tools in creating Trail Purchase

A price promotion typically reduces the price for a given quantity or increases the quantity available at the same price, thereby creating an economic incentive to purchase. Price promotions are often used to encourage trial among non users of products and services. Thus, it is important to understand the effects of promotions on evaluations made by consumers who do not have prior experience with the promoted brand. Such promotions include those for new brand introductions as well as those targeted at non users of an established brand. If promotions damage brand evaluations, they will under cut the positive economic and psychological incentives which promotions supply and reduce the likelihood of trial.

Furthermore, those who purchase for the first time in response to the promotions may be less likely to purchase again when the promotion ends.

The persons interviewed were directed to distribute 100 points among the various sales promotion tools in the order that they think important and effective in creating trail purchase. The results are tabulated and presented in table 4.37.

TABLE 4.37

Role of various sales promotion tools in creating Trail Purchase

Strategy	Mean	S.D	Variance	C.V
Price off	12.28	7.04	49.56	57.33
Free samples	27.39	9.25	85.56	33.77
Coupons	10.75	6.44	41.47	59.91
Premium	9	4.77	22.75	53.00
Contests/Sweepstakes	12.13	6.65	44.22	54.82
Gifts/compliments	19.64	6.29	39.56	32.03
Trading Stamps	2.8	4.51	20.34	161.07
Point of Purchase Promotion	6.01	6.18	38.19	84.89

From the table it can be observed that consumers see 'Free Samples' as the ideal sales promotion tool for creating trail purchase. The average points scored by this device is 27.39 out 100 points. Its CV. is also low (33.7) which shows that there is uniformity of opinion among the people. 'Gifts and compliments' are also considered to be an effective promotional device for creating trail purchase. The average points scored by this sales promotion tool is 19.64 with the lowest C.V. i.e., 32.03 which shows that there is uniformity in the perception of consumers about this promotional device. 'Contests and Sweepstakes', 'Coupons' and 'Premiums' are the other important sales promotion tools considered by the consumers as effective tools in creating

trial purchase giving 12.13, 10.75 and 9 respectively as mean score. ‘Trading Stamps’ is not seen by them as an effective tool for creating trail purchase.

The data have been further analysed sex wise, place of domicile wise and income wise to see whether there are significant differences in the opinions of the various groups mentioned above. For sex wise and domicile wise analyses t-test has been applied where as for income wise analysis F – values have been obtained as there are three variables.

Gender wise analysis of the role of sales promotion tools in creating Trial Purchase

Gender wise analysis of the same data is presented in tables 4.38 and 4.39 given below.

TABLE 4.38

Gender wise analysis of the role of sales promotion tools in creating Trial Purchase

Strategy	Mean		SD		CV	
	Male	Female	Male	Female	Male	Female
Price off	11.56	12.69	6.24	8.25	53.98	60.26
Free samples	25.89	30.34	6.31	12.80	24.37	42.19
Coupons	11.62	9.03	6.69	5.56	57.57	61.57
Premium	8.96	9.09	4.87	4.58	54.35	50.72
Contest/Sweepstakes	12.96	10.50	6.12	7.36	47.22	70.10
Gifts/Compliments	20.04	18.40	6.04	6.71	30.14	35.60
Trading stamps	2.87	2.65	4.79	3.93	166.90	148.30
Point of Purchase Promotions	6.10	7.30	5.02	7.93	74.15	95.54

TABLE 4.39
t-test for equality of means

Strategy	t-value	d.f	Mean difference	2 tail significance
Price off	-2.50	298	-2.1353	0.013
Free samples	-4.03	298	-4.4422	0.000
Coupons	3.35	298	2.5934	0.001
Premium	-0.22	298	-0.1293	0.825
Contest/Sweepstakes	3.07	298	2.4647	0.002
Gifts/Compliments	1.55	298	1.1887	0.122
Trading stamps	0.40	298	0.2209	0.689
Point of Purchase Promotions	-2.03	298	-1.5282	0.043

It can be observed from the tables that both male and female consumers see 'free samples' as the most effective sales promotion device for motivating consumers for a trial purchase of the product. The average points given by male and female consumers are 25.89 and 30.34 respectively. There is more uniformity in the perception of male consumers than that of female consumers as far as the effectiveness of this sales promotion device is concerned, for creating trail purchase. The tool of 'Gifts and compliments' is next to 'Free samples' for both men and women, in creating trail purchase. 'Contests and Sweepstakes' are seen as the third important sales promotion device by male consumers while female consumers give third position to 'Price off' for this purpose. 'Coupons', 'Premium' and 'Contests and Sweepstakes' are given more or less equal importance. The role of 'Trading stamps' is very insignificant in creating trail purchase.

Significant difference in the perception of male and female respondents can be noticed in the case of 'Price off', 'Free samples', 'Coupons', 'Contests and Sweepstakes' and 'Point of purchase promotions'.

Place of Domicile wise analysis of the role of sales promotion tools in creating Trial Purchases

Analysis of the data on the basis of the place of residence of consumers are tabulated below in table Nos. 4.40 and 4.41.

TABLE 4.40

Place of Domicile wise Analysis of the role of sales promotion tools in creating Trial Purchase

Strategy	Mean		S.D		C.V	
	Rural	Urban	Rural	Urban	Rural	Urban
Price off	13.27	11.28	8.09	5.67	60.96	50.26
Free sample	26.83	27.95	10.66	7.58	39.73	27.12
Price Coupons	10.61	10.89	6.93	5.93	65.32	54.45
Premium offers	9.07	8.94	4.94	4.61	54.47	51.57
Contests & Sweepstakes	11.66	12.60	6.88	5.67	35.25	28.69
Gifts & Compliments	19.03	19.76	6.88	5.67	35.25	28.69
Trading Stamps	3.28	2.32	5.30	3.51	161.59	151.29
Point of purchase promotions	6.25	6.26	7.11	5.12	98.07	70.04

TABLE 4.41
t-test for equality of means

Strategy	t-value	d.f	Mean difference	2 tail significance
Price off	2.47	298	1.9933	0.014
Free sample	-1.05	298	- 1.1267	0.292
Price Coupons	- 0.37	298	- 0.2733	0.714
Premium offers	0.23	298	0.1267	0.818
Contests & Sweepstakes	- 1.22	298	- 0.9400	0.222
Gifts & Compliments	- 0.33	298	- 0.2400	0.742
Trading Stamps	1.85	298	0.9600	0.065
Point of purchase promotions	- 0.08	298	- 0.0600	0.933

While analysing the data on the basis of the place of residence of the respondents it can be seen that there is uniformity in the perception of rural and urban consumers except in the case of 'Price off'. 'Free samples' is considered as the most effective sales promotion device by both rural and urban consumers for making trail purchase 'Gifts and compliments' stands next to 'Free samples'. 'Contests and sweepstakes', 'Coupons' and 'Premium offer' have more or less equal importance in creating trail purchase. The role of 'Trading stamps' is insignificant.

Income wise analysis of the role of sales promotion tools in creating trial purchase

Below is given an income wise analysis of the data regarding the effectiveness of the various sales promotion tools in creating trial purchase.

TABLE 4.42

Income wise Analysis of the role of Sales Promotion tools in creating Trial Purchase

Sales Promotion techniques	Mean			S.D			C.V		
	Low Income	Middle Income	High Income	Low Income	Middle Income	High Income	Low Income	Middle Income	High Income
Price off	16.5098	11.8235	10.1613	6.2269	7.1554	5.9235	37.73	60.58	58.27
Free sample	29.6471	27.4439	25.3710	13.1481	8.3409	7.5753	44.35	30.39	29.88
Price Coupons	7.6275	11.2086	11.9355	6.5543	6.2152	6.3346	85.85	55.49	53.02
Premium offers	9.6863	8.8770	8.8226	5.3422	4.5827	4.8503	55.11	51.58	54.99
Contests & Sweepstakes	9.0588	11.8824	15.4032	7.1649	6.4355	5.4546	79.03	54.21	35.39
Gifts & Compliments	18.0783	19.3100	19.6867	7.3549	5.8104	6.7434	39.67	29.18	34.14
Trading Stamps	1.2353	2.0856	2.4032	4.6972	4.5084	4.3700	209.82	145.95	182.08
Point of purchase promotions	8.1569	7.3690	6.3065	6.6011	6.5728	4.2757	80.88	89.15	67.83

Looking the data on the basis of the income level of the informants presented in table 4.42, it can be noticed that people in all income groups consider 'Free samples' as the most effective sales promotion tool in creating trail purchase. The second important sales promotion strategy is 'Gifts and Compliments'. The coefficient of variation is very low in the case of 'Free samples' which means that there is uniformity of opinions with in each group. In the case of 'Gifts and Compliments' also the C.V. is very low. As far as low income and middle income groups are concerned 'Price off' is the third

effective tool in creating trial purchase where as it is 'Coupons' in the case of high income group. All the income groups give least importance to Trading stamps' in this respect.

The data have been further analysed ascertaining F values. 'Duncan test' has been applied to see whether there are significant differences in the perception of any two groups among the three income groups.

TABLE 4.43
Income wise Analysis of the role of sales promotion tools in creating Trial Purchase

Strategy	Source	d.f	Sum of squares	Mean squares	F-Ratio	F-Prob.
Price off	Between Groups	2	1229.7280	614.8640	13.4253	0.000
	Within Groups	297	13602.3087	45.7990		
	Total	299	14832.0367			
Free Samples	Between Groups	2	513.0948	256.5474	3.0375	0.0494
	Within Groups	297	25084.2752	84.4578		
	Total	299	25597.3700			
Coupons	Between Groups	2	623.7202	311.8601	7.8623	0.0005
	Within Groups	297	11780.5298	39.6651		
	Total	299	12404.2500			
Premium	Between Groups	2	28.7968	14.3984	0.6318	0.5323
	Within Groups	297	6768.1999	22.7886		
	Total	299	6796.9967			
Contests and sweepstakes	Between Groups	2	1156.7754	578.3877	14.2142	0.000
	Within Groups	297	12085.1546	40.6908		
	Total	299	13241.9300			
Gifts and Compliments	Between Groups	2	77.0886	38.5443	0.9736	0.3789
	Within Groups	297	11758.0314	39.5893		
	Total	299	11835.1200	20.6366	1.0133	0.3643
Trading Stamps	Between Groups	2	41.2732	20.3661		
	Within Groups	297	6048.7268			
	Total	299	6090.000			
Point of Purchase Promotion	Between Groups	2	99.4540	49.7270	1.3036	0.2731
	Within Groups	297	11329.4626	38.1463		
	Total	299	11428.9167			

The results presented in table 4.43 about the importance of various sales promotion tools in creating trial rate among the consumers of different income level shows the following results.

Price off: Significant differences are there in the perception of the various income groups about price off method of sales promotion as the F-probability is less than 0.05. Significant differences can also be noticed between the perception of low income and middle income groups and low income and high income groups. As per the Duncan test the difference between the means are >4.7853 . Range SQRT $(1/N(1)+1/N(J))$ with ranges 2.79 and 2.93 for steps 2 and 3.

Free samples: Regarding free samples significant differences are there in the perception of the various income groups as the F-probability is less than 0.05. There is significant difference between the perception of low income group and high income group as the difference between the two means is > 6.4984 . Range SQRT $(1/N(1)+1/N(J))$ with ranges 2.79 and 2.93 for steps 2 and 3.

Coupons: In respect of coupons discounting significant differences are there in the perception of various income groups as the F-probability is less than 0.05. Significant differences are there in the perception of low and middle income groups and low and high income groups.

Premium: No significant differences in the perception of consumers between the groups about premium offers and with in the groups as F-probability is less than 0.05 and the differences between means of various income groups are less than 3.3755. Range SQRT $(1/N(1)+1/N(J))$ with ranges 2.79 and 2.93 for steps 2 and 3 (DUNCAN TEST).

Contests and Sweepstakes: Regarding contests significant differences are there in the perception of various income groups as the F-probability is

less than 0.05. Differences between the means of different income groups are more than 4.5106. Range SQRT $(1/N(1)+1/N(J))$ with ranges 2.79 and 2.93 for steps 2 and 3 and differences are noticed between low income and high income groups, low income and middle income groups and middle income and high income groups.

Gifts and Compliments: Towards gift offers significant differences can be noticed in the perception of consumers with in the groups and between the groups as F-probability is more than 0.05 and the differences between means are less than 4.4491. Range SQRT $(1/N(1)+1/N(J))$ with ranges 2.79 and 2.93 for steps 2 and 3.

Trading Stamps: In respect to trading stamps there are no significant differences in the perception of consumers between groups and with in groups as the F-probability is more than 0.05 and the difference between means are less than 3.1911. Range SQRT $(1/N(1)+1/N(J))$ with ranges 2.79 and 2.93 for steps 2 and 3.

Point of Purchase Promotion: There are no significant differences in the perception between the groups and with in the groups towards PPP as the F-probability is more than 0.05 and the differences between means are less than 4.3673. Range SQRT $(1/N(1)+1/N(J))$ with ranges 2.79 and 2.93 for steps 2 and 3.

Findings

1. Consumers belonging to all groups unanimously agree that 'Free Samples' and 'Gifts and compliments' are the most effective sales promotion tools for creating trail purchase.
2. Though female consumers give slightly more importance to 'Free samples' in this respect no significant difference is seen between the perception of men and women.

3. Significant differences can be noticed in the perception of low income and middle income groups and low income and high income groups in the cases of 'Price off', 'Free Samples', 'Coupons' and 'Contests and Sweepstakes' regarding their effectiveness in creating trial purchase. While high income and middle income groups think almost alike, low income group thinks differently. In the case of 'Price off' and 'Free samples' a negative correlation can be noticed between the incomes of the three groups and the average points given by them to this tool.

Effectiveness of sales promotion strategies in creating repeat purchase

In the case of mature goods, the marketers should think about the effectiveness of their sales promotion strategies in creating repeat purchase. As the consumers are well aware of mature goods, advertisement has nothing to do in this case. It can only remind the consumers of the goods. Sales promotion devices only can motivate consumers for repeat purchase. To study this aspect the persons interviewed were directed to distribute 100 points among the various sales promotion tools in the order of importance. The results are tabulated and presented in table 4.43.

TABLE 4.44

Effectiveness of sales promotion strategies in creating repeat purchase

Strategy	Mean	S.D	Variance	C.V
Price off	25.70	9.27	85.93	36.07
Free samples	4.59	5.49	35.28	129.41
Coupons	9.86	5.39	29.05	54.66
Premium	19.78	5.34	28.52	27.00
Contests/Sweepstakes	11.65	6.20	38.44	53.22
Gifts/compliments	14.96	7.50	38.44	53.22
Trading Stamps	8.02	8.47	71.74	105.61
Point of Purchase Promotion	5.44	4.65	21.62	82.74

From the above table it is very clear that consumers strongly believe that price off is the most effective sales promotion tool for maintaining repeat purchase. The average points scored by this promotional device is 25.7 out of 100. Its coefficient of variation is also very low (36.07) which shows that there is uniformity in the opinions of consumers. The 'Premium offer' is seen by the consumers to be the second important factor for creating repeat purchase. The respondents give an average of 19.78 points to this device. Its C.V. (27) is the lowest which shows that there is very much uniformity in the opinions of consumers. 'Gifts and compliments', 'Contests and Sweepstakes' and 'Price Coupons' stand in the third, fourth and fifth places scoring 14.96, 11.65 and 9.86 as mean points with C.Vs 50.13, 53.22 and 54.66 respectively. 'Point of Purchase Promotions' and 'Free Samples' have not that much to do to create repeat purchase. There is also no uniformity in the perception of consumers regarding the effectiveness of these devices in creating repeat purchase. The data have been further analysed sex wise, domicile wise and income wise to see whether there are significant differences in the perception of different sectors of consumers. The results are presented in the following pages.

Gender wise analysis of the effectiveness of various sales promotion tools in creating repeat purchase

The data about the effectiveness of various sales promotion tools in creating repeat purchase is classified gender wise and presented in Table 4.45 and 4.46.

TABLE 4.45

**Gender wise Analysis of the Effectiveness of Sales Promotion Strategies
in Creating Repeat Purchase**

Strategy	Mean		SD		CV	
	Male	Female	Male	Female	Male	Female
Price off	24.62	27.81	7.79	11.40	31.64	40.99
Free samples	4.37	5.01	6.22	5.38	142.33	107.39
Coupons	10.04	9.50	5.40	5.39	53.78	56.74
Premium	19.79	19.76	5.05	5.88	25.52	29.76
Contest/Sweepstakes	12.59	9.73	6.16	5.90	48.93	60.33
Gifts/Compliments	14.66	15.54	7.06	8.30	48.16	53.41
Trading stamps	8.22	7.63	7.93	9.48	96.47	124.25
Point of Purchase Promotions	5.71	5.02	4.86	4.22	84.97	77.86

TABLE 4.46

t-test for equality of means

Strategy	T value	d.f	Mean difference	2 tail significance
Price off	2.85	298	- 3.1888	0.005
Free sample	- 0.88	298	- 0.6429	0.377
Price Coupons	0.83	298	0.5452	0.409
Premium offers	0.05	298	0.0316	0.961
Contests & Sweepstakes	3.79	298	2.8108	0.000
Gifts & Compliments	- 0.96	298	- 0.8812	0.337
Trading Stamps	0.57	298	0.5874	0.571
Point of purchase promotions	0.54	298	0.3078	0.589

It can be observed from the table that both male and female consumers take 'Price off' as the most effective tool in creating repeat purchase. But there is significant difference in the perception of the two groups as is evident from the above table. Female respondents give more points to this tool than the male respondents do. The average points given by male respondents is 24.62 where as it is 27.81 in the case of female respondents. 'Premium offers' is also considered by both genders to be an effective tool in creating repeat purchase. There is no significant difference in their perception also as is clear from the above table. Significant difference is seen in the case of 'Contests and sweepstakes' also. Female respondents do not see it that much effective while male consumers do believe that it is also an effective tool in creating repeat purchase. But 'Gifts and compliments' is the promotional tool which stands in the third position in the opinion of both groups. 'Free samples' and 'Point of Purchase Promotions' have not much to do in creating repeat purchase as is evident from the table. There is no uniformity in opinions with in the groups in the case of 'Free samples' and 'trading stamps' as their C.Vs are very much high.

Place of Domicile wise analysis of the effectiveness of various sales promotion tools in creating repeat purchase

The above data have been analysed place of domicile wise and the results of the analysis are presented below in table 4.47 and 4.48.

TABLE 4.47

Place of Domicile wise Analysis of the Effectiveness of Sales Promotion Strategies in Creating Repeat Purchase

Strategy	Mean		S.D		C.V	
	Rural	Urban	Rural	Urban	Rural	Urban
Price off	25.35	26.05	10.26	8.17	40.47	31.36
Free sample	5.46	3.73	6.90	4.68	126.37	125.47
Price Coupons	9.91	9.81	5.31	5.49	53.58	55.96
Premium offers	18.85	20.71	5.58	5.25	28.01	25.35
Contests & Sweepstakes	10.97	12.33	6.00	6.34	54.69	51.42
Gifts and Compliments	15.91	13.63	7.56	7.41	48.46	51.75
Trading Stamps	7.87	8.18	8.98	8.02	114.10	98.04
Point of purchase promotions	5.68	5.56	4.51	4.68	79.40	84.17

TABLE 4.48

t-test for equality of means

	T value	d.f	Mean difference	2 tail significance
Price off	-0.65	298	-0.7000	0.514
Free sample	2.55	298	1.7333	0.011
Price Coupons	0.16	298	0.1000	0.873
Premium offers	-3.06	298	-1.8600	0.002
Contests & Sweepstakes	-1.91	298	-1.3600	0.058
Gifts & Compliments	1.48	298	1.2800	0.140
Trading Stamps	-0.32	298	-0.3133	0.749
Point of purchase promotions	0.22	298	0.1200	0.824

From the table it can be noticed that both rural and urban people consider 'Price off' as the most effective tool for creating trial purchase. They give 25.35 and 26.05 as mean scores. No significant difference is there between their perception as the two tail significance is more than 0.05. With in respective groups also there is uniformity in perception, as the C.Vs are very low. 'Premiums' stands in the second place in ranking getting 18.85 and 20.71 as mean marks in rural and urban areas respectively . As far as this promotional strategy is concerned there is no uniformity in the perception of the two groups as the 2-tail significance is very much less than 0.05. But there is uniformity with in the groups as the C.Vs are very low. 'Gifts and compliments' has been selected as the third important promotional tool for creating repeat purchase by giving 15.91 and 13.63 as mean points. 'Free samples' and 'Point of Purchase Promotions' have a little role to play in creating repeat purchase. Their C.Vs are also very high which shows that there is no uniformity in the perception of consumers with in the group. In the case of 'Free samples' there is also no uniformity of opinion between the groups as the 2-tail significance is less than 0.05.

Income wise analysis of the effectiveness of various sales promotion tools in creating repeat purchase

For an income wise analysis of the data F test has been applied as there are three classes and with the help of Duncan test significance of difference has been measured between the perception of various income groups. Results of the analysis are tabulated below in table 4.49.

TABLE 4.49

**Income wise Analysis of the Effectiveness of Sales Promotion Strategies
in Creating Repeat Purchase**

Sales Promotion techniques	Mean			S.D			C.V		
	Low Income	Middle Income	High Income	Low Income	Middle Income	High Income	Low Income	Middle Income	High Income
Price off	29.86	25.18	23.82	13.10	8.23	7.41	43.87	32.68	31.11
Free sample	5.65	4.55	3.87	6.55	5.51	6.51	117.69	121.10	169.51
Price Coupons	8.10	10.05	10.73	4.44	5.25	6.25	54.81	52.24	58.25
Premium offers	18.29	19.89	20.69	4.72	5.33	5.67	25.81	26.80	27.40
Contests & Sweepstakes	8.94	11.78	12.6	5.41	5.77	6.97	60.51	48.98	55.32
Gifts & Compliments	14.49	15.30	14.31	8.56	7.23	7.42	59.08	47.25	51.85
Trading Stamps	8.96	7.45	8.98	9.57	8.00	8.90	106.81	107.38	99.11
Point of purchase promotions	5.71	5.80	5	4.8	4.88	3.77	84.06	84.14	75.4

From the table it can be noticed that people in all income groups give prime importance to 'Price off' in motivating consumers for repeat purchase. 'Premium offers' is seen as the second important promotion tool for creating repeat purchase. The coefficients of variations of these two strategies are the lowest ones which means that there is greater degree of uniformity of opinions with in the respective income groups as to the effectiveness of these strategies in creating repeat purchase. 'Free samples' is considered to be the least important promotional tool by all income groups. But there is less uniformity in the opinions of consumers with in the respective groups as the C.Vs are very much high.

To test the significance of differences in the perception of people belonging to the various income groups F-values have been obtained and to test whether there is significant difference in the perception between any two groups within the three income groups Duncan test has also been applied. The results are shown in table 4.50 below.

TABLE 4.50
Income wise Analysis
ANOVA

	Source	d.f	Sum of squares	Mean squares	F-Ratio	F-Prob.
Price off	Between Groups	2	1152.4909	576.2454	6.9801	0.0011
	Within Groups	297	24518.9058	82.5552		
	Total	299	25671.3967			
Free Samples	Between Groups	2	89.082	44.7041	1.2653	0.2837
	Within Groups	297	10492.9784	35.3299		
	Total	299	10582.3867			
Coupons	Between Groups	2	211.4213	105.7107	3.6991	0.0259
	Within Groups	297	8487.4154	28.5772		
	Total	299	8698.8367			
Premium	Between Groups	2	166.5093	83.2547	2.9611	0.0533
	Within Groups	297	8350.4074	28.1158		
	Total	299	8516.9167			
Contests and Sweepstakes	Between Groups	2	591.6839	295.8419	8.0486	0.0004
	Within Groups	297	10916.8628	36.7571		
	Total	299	11508.5467			
Gifts and compliments	Between Groups	2	59.9718	29.9859	0.5316	0.5882
	Within Groups	297	16751.5482	56.4025		
	Total	299	16811.5200			
Trading Stamps	Between Groups	2	163.6638	81.8319	1.1404	0.3211
	Within Groups	297	21311.1728	71.7548		
	Total	299	21474.8367			
Point of Purchase Promotion	Between Groups	2	30.4126	15.2063	2.9611	0.0533
	Within Groups	297	6446.2674	21.7046		
	Total	299	6476.6800			

On analysis the following facts have been observed:

Price off: Significant differences are there in the perception of various income groups about 'price off' as the value of F-probability is less than 0.05. Between high income and low income groups and between middle

income and low income groups also there are significant differences in their perception about the effectiveness of 'Price off' in creating repeat purchase. As per Duncan test the differences between the means are > 6.4248 . Range $\text{SQRT} (1/N(1)+1/N(J))$ with ranges 2.79 and 2.93 for steps 2 and 3.

Free Samples: Regarding 'free samples' no significant difference with in the groups as the value of F-probability is more than 0.05. No two groups are also significantly different as the, differences between the means are less than 4.230. Range $\text{SQRT} (1/N(1)+1/N(J))$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.

Coupons: In respect of coupons discounting significant difference is there in the perception of various income groups as the value of F-probability is less than 0.05. There are also significant differences between low income and high income groups and low income and middle income groups as the differences between their means are more than 3.7800. Range $\text{SQRT} (1/N(1)+1/N(J))$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.

Premium: Towards premium offer no significant difference is observed in the perception of informants at 5% level as the value of F-probability is more than 0.05. Significant difference is noticed between low income and high income groups as the difference between the means is more than 3.794. Range $\text{SQRT} (1/N(1)+1/N(J))$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.

Contests and Sweepstakes: Significant differences are there in the perception of the various income groups about 'Contests and Sweepstakes' as the value of F-probability is less than 0.05. Between groups, there are differences between low income and middle income groups and between low income and high income groups as the differences between their

means are more than 4.2870. Range SQRT $(1/N(1)+1/N(J))$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.

Gifts and Compliments: No significant difference in the perception of various income groups about 'Gifts and Compliments' as the value of F-probability is more than 0.05. Between groups also there is no significant difference as the difference between 2 means are less than 5.3105. Range SQRT $(1/N(1)+1/N(J))$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.

Trading Stamps: No significant difference in the perception of various income groups as the value of F-probability is more than 0.05. No significant difference between groups also as the difference between their means are less than 5.9898. Range SQRT $(1/N(1)+1/N(J))$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.

Point of Purchase Promotions: With regard to PPP no significant difference as the value of F-probability is more than 0.05. No significant differences between groups also as the difference between their means are less than 3.294. Range SQRT $(1/N(1)+1/N(J))$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.

Findings

1. Consumers belonging to all groups unanimously agree that 'Price off' and 'Premium offers' are the most effective promotional tools in creating repeat purchase.
2. There is uniformity in the perception of both genders about all sales promotion strategies except in the cases of 'Price off' and 'Contests and Sweepstakes'. Even though the ranks given to these tools are the same by both the groups, more points are seen given by female respondents to both the tools.

3. Both rural and urban people think almost alike. Significant differences are noticed in the perception of these two groups about 'Free samples' and 'Premium offers'. In ranking both the tools are in the same position. At the same time, rural respondents give more points to 'Free Samples' than that is given by urban group. The case is vice versa in the case of 'Premium offer'. Urban group gives more marks to it than that is given by rural people.
4. Significant differences are seen in the attitudes of various income groups regarding the effectiveness of 'Price off, 'Price coupons' and 'Contests and Sweepstakes' in creating repeat purchase. While high and middle income groups think almost alike people belonging to low income group think differently in the case of the above sales promotion tools.

Effectiveness of Sales Promotion in Creating Brand Loyalty

Brand loyalty is a biased behavioural response (i.e., purchase), expressed overtime by a consumer with respect to one or more alternative brands out of a set of such brands and is a function of psychological processes. A brand loyal customer has an emotional attachment to the brand or firm. Intelligent marketers are attempting to create brand loyal or committed customers as well as satisfied customers.

To ascertain the perception of consumers about the various sales promotion methods used by the marketers regarding the effectiveness in creating brand loyalty, the respondents were directed to distribute 100 points among the various promotional devices. The results are given below in table 4.51.

TABLE 4.51

Effectiveness of Sales promotion strategies in creating brand loyalty

Method	Mean	Standard Deviation	Variance	Range	CV
a) Price off	17.07	7.92	62.78	30	46.40
b) Free samples	8.90	4.86	23.62	25	54.61
c) Price coupons	10.70	7.05	49.74	45	65.89
d) Premium offers	18.14	11.37	129.21	50	62.70
e) Contests/ Sweepstakes	14.29	6.83	46.71	25	47.80
f) Gifts and Compliments	16.58	8.35	69.68	50	50.36
g) Trading Stamps	2.96	4.27	18.24	30	154.15
h) Point of Purchase Promotion	11.36	7.18	51.55	30	63.20

From the above table it is very clear that consumers consider 'Premium offers' and 'Price off' as the best sales promotion methods that can be used by the marketers for creating brand loyalty among consumers. The average points scored by these devices are 18.14 and 17.07 respectively with 62.70 and 46.40 as C.Vs. 'Trading Stamps' in the opinion of consumers has very lesser role to play in creating brand loyalty. The average points scored by the method is only 2.96. Its C.V is also very high; 154.15 which shows that there is no uniformity in the opinions of consumers regarding the effectiveness of this method in creating brand loyalty among consumers. 'Gifts and Compliments' also have something to do in creating brand loyalty as is evident from the table. It secures 16.58 points with 50.36 as C.V.

The data have been further analysed sex-wise, place of domicile wise and income wise and the results obtained are tabulated below. To test the significance of the values obtained, the statistical tool t-test has been applied. ANOVA test has been applied in income wise analysis as there are three groups.

TABLE 4.52

**Gender-wise analysis of the role of
sales promotion methods in creating brand loyalty**

Methods	Mean		S.D		C.V	
	Male	Female	Male	Female	Male	Female
a) Price off	16.40	18.4	8.04	7.55	49.02	41.03
b) Free samples	9.33	8.04	4.81	4.87	51.55	60.57
c) Price Coupons	9.68	12.69	4.96	9.70	51.24	76.44
d) Premium offers	18.20	18.03	10.29	13.29	56.54	73.71
e) Contests/ Sweepstates	14.32	14.24	6.80	6.93	47.49	48.67
f) Gifts/ Compliments	16.97	15.80	7.47	9.84	44.01	62.28
g) Trading Stamps	3.29	2.34	4.90	2.53	159.09	116.59
h) Point of Purchase Promotions	11.81	10.46	7.40	6.68	62.66	63.86

TABLE 4.53

t-test for equality of means

Methods	t-values	df	Mean difference	2 tail significance
a) Price off	-2.08	298	-1.991	0.039
b) Free samples	2.19	298	1.2921	0.029
c) Price Coupons	-3.56	298	-3.0097	0.000
d) Premium offers	0.12	298	1.713	0.902
e) Contests/Sweep stakes	0.09	298	0.790	0.925
f) Gifts/compliments	1.15	298	1.1729	0.251
g) Trading Stamps	1.74	298	0.9071	0.082
h) Point of Purchase Promotions	1.55	298	1.3586	0.122

The above analysis shows that there is no significant difference in the opinions of males and females regarding the effectiveness of the various sales

promotion tools in creating brand loyalty except in the cases of price off, free samples and price coupons.

TABLE 4.54

Place of Domicile-wise analysis of the role of sales promotion methods in creating brand loyalty

Methods	Mean		Standard Deviation		C.V	
	Rural	Urban	Rural	Urban	Rural	Urban
a) Price off	17.89	16.25	8.03	7.76	44.89	47.75
b) Free samples	8.51	9.28	4.71	4.99	55.35	53.77
c) Price Coupons	10.85	10.55	7.49	6.61	69.03	62.65
d) Premium offers	17.76	18.23	12.17	10.53	68.52	56.83
e) Contests/ Sweepstakes	14.43	14.15	6.87	6.82	47.61	48.20
f) Gifts/ Compliments	16.26	16.90	8.88	7.79	54.61	46.09
g) Grading Stamps	3.17	2.06	5.41	2.52	155.46	122.33
h) Point of Purchase Promotions	11.13	11.58	7.12	7.25	63.97	62.61

TABLE 4.55
t-test for equality of means

Methods	t-values	df	Mean difference	2 tail significance
a) Price off	1.81	298	1.6467	0.072
b) Free samples	-1.37	298	-0.7667	0.172
c) Price Coupons	0.37	298	0.300	0.713
d) Premium offers	-0.58	298	-0.7667	0.560
e) Contests/Sweep stakes	0.35	298	0.2733	0.730
f) Gifts/compliments	-0.66	298	-0.6400	0.508
g) Trading Stamps	2.91	298	1.4200	0.004
h) Point of Purchase Promotions	-0.54	298	-0.4467	0.830

From the above table it is very clear that there is no significant difference in the perception of urban and rural people regarding the effectiveness of the various sales promotion techniques in creating brand loyalty among consumers. Significant difference can be noticed only in the case of 'Trading Stamps'.

The above data have been rearranged income group wise and presented in table 4.56.

TABLE 4.56

**Income wise analysis of the role of
sales promotion methods in creating brand loyalty**

Methods		Mean			Standard Deviation			C.V		
		Low Income	Middle Income	High Income	Low Income	Middle Income	High Income	Low Income	Middle Income	High income
a)	Price off	21.41	17.93	15.76	8.02	7.56	8.13	39.29	44.65	55.08
b)	Free Samples	9.24	9.96	10.26	5.27	4.62	5.22	63.96	51.56	56.37
c)	Price coupons	8.22	5.85	4.92	5.50	5.33	5.48	90.02	91.11	111.38
d)	Premium offers	16.24	19.80	19.54	12.13	11.41	10.35	79.59	60.69	55.83
e)	Contests/ Sweep-stakes	16.49	15.17	14.66	7.10	6.69	7.05	45.84	47.21	51.61
f)	Gifts/Compliments	15.02	17.33	19.05	8.23	8.54	7.45	58.70	51.08	40.8
g)	Trading Stamps	2.89	2.79	3.16	4.70	3.63	5.53	211.71	130.11	175.1
h)	Point of purchase promotion	10.49	11.17	12.65	7.09	7.06	7.56	67.59	63.21	59.76

From the above analysis it is seen that, while high and middle income groups consider 'Premium offer' as the most effective promotional tool in creating brand loyalty, low income group perceives 'Price off' to be the most effective one. To test the significance of differences in the perception of various income groups F-values have been obtained and to test whether there is significant differences in the attitudes between any two groups 'Duncan Test' has also been applied. The results of the analysis are tabulated below in table 4.57.

TABLE 4.57
ANOVA

Methods	Source	d.f	Sum squares	Mean squares	F-Ratio	F-prob.
a) Price off	Between Groups	2	904.8542	452.4271	7.5208	0.0007
	With in Groups	297	17866.6758	60.1572		
	Total	299	18771.5300			
b) Free Samples	Between Groups	2	31.0915	15.5457	0.6567	0.5193
	With in Groups	297	7030.7052	23.624		
	Total	299	7061.7967			
c) Price coupons	Between Groups	2	148.383	74.1691	2.5564	0.0793
	With in Groups	297	8617.0317	29.0136		
	Total	299	8765.3700			
d) Premium offers	Between Groups	2	522.6262	261.3131	2.0365	0.1323
	With in Groups	297	38110.2105	128.3192		
	Total	299	38632.8367			
e) Contests Sweepstakes	Between Groups	2	100.6137	50.3069	1.0776	0.3417
	With in Groups	297	18365.1563	46.6840		
	Total	299	13965.7700			
f) Gifts/ compliments	Between Groups	2	512.6885	256.3443	3.7463	0.0247
	With in Groups	297	20322.3915	68.4256		
	Total	299	20835.0800			
g) Trading stamps	Between Groups	2	25.2491	12.6246	0.6905	0.5021
	With in Groups	297	5429.8809	18.2824		
	Total	299	5455.1300			
h) Point of Purchase Promotion	Between Groups	2	148.0371	74.0185	1.4401	0.2385
	With in Groups	297	15264.7996	51.3966		
	Total	299	15412.8367			

From the above table the following facts have been observed.

1. **Price off:** Significant differences are there in the perception of the various income groups as the F-Prob is less than 0.05. Significant differences are there between high income and low income groups and between middle income and low income groups as per the Duncan test with

significance level 0.05 as the difference between their means is than 5.4844. Range $\text{SQRT} \left(\frac{1}{N(1)} + \frac{1}{N(J)} \right)$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.

2. **Free Samples :** There are no significant differences in the perception of the various income groups regarding the effectiveness of this promotional tool in creating brand loyalty as the value of F-Prob is more than 0.05. No two groups are also significantly different at 0.05 level as the difference between the means is less than 3.4404. Range $\text{SQRT} \left(\frac{1}{N(1)} + \frac{1}{N(J)} \right)$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.
3. **Price Coupons:** No significant differences are there in the perception of the various income groups as the value of F-Prob is more than 0.05. But significant difference is noticed between the perception of low income and high income groups as the difference between the means is >3.8088 . Range $\text{SQRT} \left(\frac{1}{N(1)} + \frac{1}{N(J)} \right)$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.
4. **Premium offers:** There are no significant differences in the perception of the various income groups as the value of F-Prob is more than 0.05. No two groups are also significantly different at 0.05 level as the differences between the means are less than 8.0099. Range $\text{SQRT} \left(\frac{1}{N(1)} + \frac{1}{N(J)} \right)$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.
5. **Contests/Sweepstakes:** There are no significant differences in the perception of the various income groups regarding the effectiveness of

this promotional method in creating brand loyalty as the value of F-Prob is >0.05 . No two groups are also significantly different at 0.05 level as the differences between the means are less than 4.8314. Range $\text{SQRT} \left(\frac{1}{N(1)} + \frac{1}{N(J)} \right)$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.

6. ***Gifts and Compliments:*** Significant differences are there in the perception of the various income groups as the value of F.Prob. is less than 0.05. Significant differences are noticed between the means of low income group and middle income group and low income group and high income group as the differences are more than 5.9492. Range $\text{SQRT} \left(\frac{1}{N(1)} + \frac{1}{N(J)} \right)$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.
7. ***Trading Stamps:*** There are no significant differences in the perception of the various income groups as the value of F. Prob. is more than 0.05. No two groups are also significantly different at 0.05 level as the differences between the means are less than 3.0234. Range $\text{SQRT} \left(\frac{1}{N(1)} + \frac{1}{N(J)} \right)$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.
8. ***Point of Purchase Promotions;*** No significant differences are there in the perception of the various income groups regarding the effectiveness of this method in crating brand loyalty among consumers as the value of F. Prob is more than 0.05. No two groups are also significantly different at 0.05 level as the difference between the means are less than 5.0694. Range $\text{SQRT} \left(\frac{1}{N(1)} + \frac{1}{N(J)} \right)$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.

Findings

1. Significant differences have been noticed between the perception of males and females regarding the effectiveness of the promotional tools (a) Price off (b) Free Samples and (c) Price coupons in creating brand loyalty. While female consumers regard price off as the most effective tool in creating brand loyalty among consumers male consumers see 'Premium offers' to be the most effective tool. As regards 'Free Samples' female consumers do not give that much importance as male consumers do. In the case of the 'Price coupons' the case is vice versa. Female consumers' consider it as an effective method in creating brand loyalty while male consumers do not give that much importance to it.
2. Between rural and urban consumers there is no difference of opinion regarding the effectiveness of the various sales promotion methods in creating brand loyalty among consumers. Significant difference is noticed only in the case of 'Trading Stamps'.
3. While people belonging to high and middle income groups consider 'Premium offer' as the most effective tool in creating brand loyalty, people belonging to low income group perceive 'Price off' to be the most effective tool. Significant differences are noticed in the perception of the various income groups regarding the effectiveness of the methods a) Price off and b) Gifts and Compliments, in creating brand loyalty among consumers.

Factors affecting purchase of beverages

Every marketer should be aware of the fact that price promotions alone will not motivate consumers to purchase consumer goods. Before applying a sales promotion tool, the marketer should study in detail the various other factors affecting the purchase of FMCGs. Having discussed with the 300

respondents interviewed the researcher could understand that the following are the important factors which affect the purchase of beverages.

1. Price
2. Quality
3. Taste
4. Offers
5. Brand Image

In the study an attempt is made to find out the major factors influencing the purchase of beverages and the relevant data is presented in table 4.58.

TABLE 4.58
Factors Affecting Purchase of Beverages

Factors	Mean			S.D			C.V		
	Tea	Coffee	Health Drinks	Tea	Coffee	Health Drinks	Tea	Coffee	Health Drinks
Price	18.38	17.49	11.82	8.49	8.93	7.39	46.19	51.06	62.52
Quality	23.61	23.39	28.10	6.60	5.90	6.23	27.95	25.22	22.17
Taste	21.13	25.26	24.20	6.57	8.11	8.97	31.09	32.11	37.07
Offers	16.45	15.34	13.71	8.21	8.39	8.11	40.19	45.33	36.58
Brand Image	20.43	18.52	22.17	8.21	8.39	8.11	40.19	45.33	36.58

On analysis it is seen that the consumers give prime importance to 'quality' in the selection of tea. The second important factor considered by the consumers is 'taste' followed by 'brand image', 'price' and 'offers' in the third, fourth and fifth places. In the case of coffee it is 'taste' which is given prime importance. 'Quality' is considered as the second important factor followed by 'brand image', 'Price' and 'Offers'.

'Quality' is given much more importance by the consumers when a health drink is selected. 'Taste' stands in the second position in importance followed by 'brand image', 'offers' and 'price'.

It is interesting to note that all the factors are given more or less equal importance by the consumers in the selection of tea and coffee where as in the case of health drinks the consumers are not bothered about the price.

The data have been further analysed gender wise, place of domicile wise and income wise to see whether there are significant differences in the perception of the various groups of consumers. For gender wise and domicile wise analysis t-test has been applied to test the statistical significance of the differences in the mean values and F-values have been obtained for income wise analysis as there are three groups.

Gender wise analysis of the data about the factors affecting purchase of tea

As has been stated in the beginning of this chapter about 87% of the total population use tea regularly. It is interesting to note the various factors affecting the purchase of tea by the consumers.

The data collected with an intention to study the various factors affecting the purchase of tea are tabulated and presented in table 4.59 below.

TABLE 4.59

Gender wise analysis of Factors affecting purchase of tea

Factors	No			Mean			S.D			C.V		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Price	199	101	300	18.35	18.45	18.38	8.03	8.03	8.49	47.57	43.52	46.19
Quality	199	101	300	23.03	24.76	23.61	5.92	7.68	6.60	25.71	31.02	27.95
Taste	199	101	300	21.09	21.22	21.13	6.60	6.53	6.57	31.29	30.77	31.09
Offers	199	101	300	16.95	15.44	16.45	8.65	7.84	8.40	43.34	50.78	51.06
Brand image	199	101	300	20.58	20.13	20.43	8.15	8.34	8.21	39.62	41.41	40.19

Both male and female respondents give prime importance to 'quality' in the selection of a brand. Its CV is also the lowest which shows that there is less variability in their opinions. The factor 'taste' is the second important

factor affecting the purchase of tea. But its CV is the highest which shows that there is less uniformity in the perception of consumers towards this factor. 'Brand Image' stands next to 'taste' followed by 'price' and 'offers'. All factors are given more or less equal importance by the consumers belonging to both genders in the selection of tea.

To test the equality of means t-test has been applied on the data. The results are given in table 4.60 following.

TABLE 4.60
t-Test for Equality of Means

Factors	t-value	DF	Mean difference	2-tail significance
Price	- 0.0	298	- 0.0938	0.928
Quality	- 2.17	298	- 1.7373	0.031
Taste	- 0.16	298	- 0.1274	0.874
Offers	1.49	298	1.5242	0.138
Brand Image	0.43	298	0.4343	0.666

The 2-tail significance of all factors are more than 0.05 and hence it can be concluded that there are no significant differences in the attitudes of males and females towards the various factors affecting their purchase of tea.

Place of Domicile wise analysis of the data about the factors affecting purchase of tea

The data have been classified according to the place of domicile of the respondents and analysed to see whether consumers from rural and urban areas behave alike or not.

TABLE 4.61

Place of Domicile wise analysis of the Factors affecting purchase of tea

Factors	No			Mean			S.D			C.V		
	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
Price	150	150	300	18.94	17.83	18.38	8.82	8.13	8.49	46.57	45.60	46.19
Quality	150	150	300	23.67	23.55	23.61	6.71	6.52	6.60	28.35	27.69	27.95
Taste	150	150	300	20.95	21.32	21.13	6.74	6.40	6.57	32.17	30.03	31.09
Offers	150	150	300	16.72	16.17	16.45	8.49	8.33	8.40	50.78	51.52	51.06
Brand image	150	150	300	19.72	21.13	20.43	8.09	8.29	8.21	41.02	39.23	40.19

Place of domicile wise analysis also shows no difference in the perception of consumers about the factors affecting purchase of tea. Quality, taste, brand image, price and offers are the order of ranks given by both rural and urban people to the factors.

TABLE 4.62

t-test for equality of means

Factors	t-value	DF	Mean difference	2-tail significance
Price	1.14	298	1.1133	0.257
Quality	0.15	298	0.1133	0.882
Taste	-0.47	298	-0.3600	0.636
Offers	0.56	298	0.5467	0.574
Brand Image	-1.49	298	-1.4133	0.136

In the statistical tests also, calculated t-values for all factors are less than the table values and hence it can be concluded that there are no significant differences in the perception of rural and urban people about the various factors affecting purchase of tea.

Income wise analysis of the data about the factors affecting the purchase of tea

The above data have been analysed income wise also to see whether there are significant differences in the perception of consumers belonging to various income groups. The results of the analysis are tabulated below in table 4.63.

TABLE 4.63

Income wise Analysis of Factors affecting purchase of tea

Factors	No				Mean				SD				CV			
	Low Income	Medium Income	High Income	Total	Low Income	Medium Income	High Income	Total	Low Income	Medium Income	High Income	Total	Low Income	Medium Income	High Income	Total
Price	51	187	62	300	21.90	18.19	16.06	18.38	8.39	8.33	8.22	8.49	38.31	45.79	45.19	46.19
Quality	51	187	62	300	23.96	23.78	22.83	23.61	7.17	6.57	6.25	6.60	29.92	27.63	27.39	27.95
Taste	51	187	62	300	20.41	21.55	20.48	21.13	7.04	6.49	6.41	6.57	34.49	30.12	31.30	31.09
Offers	51	187	62	300	17.61	15.67	17.84	16.45	8.19	8.09	9.32	8.40	46.51	51.63	52.24	51.06
Brand Image	51	187	62	300	16.12	20.81	22.79	20.43	7.40	8.28	7.36	8.21	45.91	39.77	32.29	40.19

F-values have been ascertained to see whether the differences in the perception of the three income groups are significant or not. To see whether significant differences are there between any two groups within the three income groups 'Duncan test' has also been applied. The results are given in table 4.64 given below.

TABLE 4.64
Income Wise Analysis
ANOVA

Factors	Source	DF	Sum of squares	Mean squares	F-Ratio	F-Prob.
Price	Between groups	2	971.5954	485.7977	7.0178	0.0011
	With in groups	297	20559.3213	69.2233		
	Total	299	21530.9167			
Quality	Between groups	2	49.8332	24.9166	0.5697	0.5663
	With in groups	297	12989.5368	43.7358		
	Total	299	13039.3700			
Taste	Between groups	2	84.4662	42.2331	0.9792	0.3768
	With in groups	297	12810.2004	43.1320		
	Total	299	12894.6667			
Offers	Between groups	2	302.1589	151.0794	2.1554	0.1177
	With in groups	297	20817.9878	70.0942		
	Total	299	21120.1467			
Brand Image	Between groups	2	1322.0002	661.0001	10.4372	.0000
	With in groups	297	18809.3865	63.3313		
	Total	299	20131.3867			

An analysis of income wise distribution of respondents shows the following results.

Price: Significant differences are there in the perception of various income groups as the value of F-prob. is less than 0.05. Significant differences are also there between low income and middle income groups and low income and high income groups as the differences between the means

are more than 5.8832. Range SQRT $(1/N(1)+1/N(J))$ with ranges 2.79 and 2.93 for steps 2 and 3

Quality: No significant differences are observed in the perception of consumers of various income groups as the value of F-probability is more than 0.05. No two groups are also significantly different as the difference between means is less than 4.6763. Range SQRT $(1/N(1)+1/N(J))$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.

Taste: No significant differences in the perception of various income groups about 'taste' as the value of F-probability is more than 0.05. No two groups are also significantly different as the difference between the means is less than 4.6439. Range SQRT $(1/N(1)+1/N(J))$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively

Offers: No significant differences are noticed in the perception of various income groups as the value of F-probability is more than 0.05. No two groups are also significantly different as the difference between the means is less than 5.9201. Range SQRT $(1/N(1)+1/N(J))$ with Ranges 2.79 and 2.93 for steps 2 and 3 respectively.

Brand Image: Significant differences are there in the perception of various income groups about 'brand image' as the value of F-probability is less than 0.05. Significant difference is seen between low income and high income groups as the difference between the means are more than 5.672. Range SQRT $(1/N(1)+1/N(J))$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively

Gender wise analysis of the data about the factors affecting purchase of coffee

Coffee is also a favourite drink to Keralites. Forty three per cent are regular users and 37.3% are frequent users. So it is important to study the

various factors affecting the purchase of this beverage also. Gender wise analysis of the data are tabulated below.

TABLE 4.65

Gender wise analysis of the Factors affecting purchase of Coffee

Factors	No			Mean			S.D			C.V		
	M	F	T	M	F	T	M	F	T	M	F	T
Price	199	101	300	17.57	17.35	17.49	9.22	8.38	8.93	52.48	48.30	51.06
Quality	199	101	300	22.85	24.45	23.39	5.81	5.96	5.90	25.43	24.38	25.22
Taste	199	101	300	24.24	27.29	25.26	7.42	9.03	8.11	30.61	33.09	32.11
Offers	199	101	300	16.16	13.73	15.34	8.84	8.36	8.74	54.70	60.89	56.98
Brand image	199	101	300	19.18	17.18	18.52	8.28	8.50	8.39	43.15	49.45	45.33

From the table 4.65 it is seen that, while 'quality' is the most important factor which the consumers think in the case of tea, taste is considered to be the most important factor affecting the purchase of coffee. The average points scored by this factor is 25.26 with C.V. of 32.11. Both men and women respondents give prime importance to this factor. However the importance given to this factor is more for women (27.29) than men (24.24). They consider 'offers' as the last one among the various factors, but not the least. Quality, brand image and price lie in between these factors in the order of importance, in the opinion of consumers.

To test the equality of means t-test has been applied on the data. The results are as shown in table 4.66.

TABLE 4.66

t-test for equality of means

Factors	T – value	d.f	Mean difference	2-tail significance
Price	0.20	298	0.2213	0.840
Quality	- 0.22	298	- 1.5913	0.027
Taste	- 3.12	298	- 3.0509	0.002
Offers	2.29	298	2.4231	0.023
Brand Image	1.96	298	1.9978	0.051

The above analysis shows that there are significant differences in the perception of male and female consumers about the various factors affecting the purchase of coffee except in the case of 'Price' and 'Brand image'. The 2-tail significance of 'Quality', 'Taste' and 'Offers' are less than 0.05. Taste and quality are given prime importance by both genders. Price is the third important determinant in the case of females where as it is 'Brand image' in the case of male consumers.

Place of Domicile wise Analysis of the data about the factors affecting purchase of coffee

The data have been analysed on the basis of place of domicile to see whether there are significant differences in the perception of rural and urban people. The results are given below in table 4.67.

TABLE 4.67

Place of Domicile wise analysis of the Factors affecting purchase of Coffee

Factors	No			Mean			S.D			C.V		
	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
Price	150	150	300	18.22	16.77	17.49	9.07	8.76	8.93	49.78	52.24	51.06
Quality	150	150	300	23.27	23.51	23.39	6.13	5.68	5.90	26.34	24.16	25.22
Taste	150	150	300	25.03	25.50	25.26	8.26	7.99	8.11	33.00	31.33	32.11
Offers	150	150	300	15.62	15.06	15.34	9.07	8.42	8.74	58.07	55.91	56.98
Brand image	150	150	300	17.86	19.16	18.52	8.33	8.43	8.39	43.45	43.97	45.33

To test the equality of means t-test has been applied and the results are tabulated below in table 4.68.

TABLE 4.68
t-test for equality of means

Factors	t-value	DF	Mean difference	2-tail significance
Price	1.41	298	1.4533	0.159
Quality	- 0.34	298	- 0.2333	0.733
Taste	- 0.50	298	- 0.4733	0.614
Offers	0.55	298	- 0.5600	0.580
Brand Image	- 1.35	298	- 1.3067	0.178

The above analysis shows that there is no significant difference in the perception of rural and urban people about the factors affecting the purchase of coffee. Both the groups give prime importance to 'taste' and quality. In the case of rural people the third important determinant is 'Price' where as it is 'Brand image' in the case of urban people.

Income wise analysis of the factors affecting the purchase of coffee

The data have been analysed income wise also to see whether consumers belonging to different income groups are affected by the same factors when the beverage 'coffee' is purchased. Below are tabulated the results of the analysis .

TABLE 4.69

Income wise analysis of the Factors affecting purchase of coffee

Factors	No				Mean				SD				CV			
	Low Income	Medium Income	High Income	Total	Low Income	Medium Income	High Income	Total	Low Income	Medium Income	High Income	Total	Low Income	Medium Income	High Income	Total
Price	51	187	62	300	21.31	17.63	13.95	17.49	8.31	8.85	8.40	8.93	309	50.20	60.22	51.06
Quality	51	187	62	300	24.27	23.52	22.27	23.39	6.59	5.67	5.93	5.90	27.15	24.11	26.63	25.22
Taste	51	187	62	300	24.53	25.55	25	25.26	9.81	7.94	7.13	8.11	39.9	31.08	28.52	32.11
Offers	51	187	62	300	16.14	14.49	17.24	15.34	9.44	8.17	9.57	8.74	58.49	56.38	55.51	56.98
Brand Image	51	187	62	300	13.75	18.81	21.54	18.52	6.95	8.43	7.77	8.39	50.55	44.82	36.09	45.33

TABLE 4.70
ANOVA
Income wise Analysis

Factors	Source	DF	Sum of squares	Mean squares	F-Ratio	F-Prob.
Price	Between groups	2	1525.3546	762.6773	10.1505	0.0001
	With in groups	297	22315.6320	75.1368		
	Total	299	23840.9867			
Quality	Between groups	2	120.1899	60.0950	1.7353	0.1781
	With in groups	297	10285.1801	34.6302		
	Total	299	10405.3700			
Taste	Between groups	2	47.2234	23.6117	0.3570	0.7000
	With in groups	297	19640.9733	66.1312		
	Total	299	19688.1967			
Offers	Between groups	2	391.1718	195.5859	2.5877	0.0769
	With in groups	297	22448.1482	75.5830		
	Total	299	22839.3200			
Brand Image	Between groups	2	1741.3757	870.6879	13.3851	0.0000
	With in groups	297	19319.5710	56.0491		
	Total	299	21060.9467			

From the income wise analysis of factors affecting the purchase of coffee and its variance analysis the following inferences can be drawn.

Price: There are significant differences in the perception of various income groups about price factor. Significant differences are also seen between low income and middle income groups, low income and high income groups and middle income and high income groups as the differences between the means are more than 6.1293. Range SQRT $(1/N(1)+1/N(J))$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.

Quality: There are no significant differences in the perception of various income groups about 'quality' as the value of F-probability is more than

0.05. No two groups are also significantly different as the differences between 2 means are less than 4.1611. Range SQRT $(1/N(1)+1/N(J))$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.

Taste: There are no significant differences observed in the perception of respondents of various income groups about the taste factor as the value of F-probability is more than 0.05. No two groups are also significantly different as the differences between 2 means are less than 5.7503. Range SQRT $(1/N(1)+1/N(J))$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.

Offers: There are no significant differences noticed in the perception of various income groups about 'offers' as the value of F-probability is more than 0.05. Significant difference is noticed between middle income and high income groups as the difference between their means is more than 6.1475. Range SQRT $(1/N(1)+1/N(J))$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.

Brand Image: Significant differences are there in the perception of people of various income groups about brand image as the value of F-probability is less than 0.05. Significant differences are also noticed between low income and middle income groups, between low income and high income groups and between middle income and high income groups as the differences between the means are more than 5.7030. Range SQRT $(1/N(1)+1/N(J))$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.

Gender wise analysis of the data about the factors affecting purchase of Health Drinks

With an intention to study the various factors affecting the purchase of health drinks and to see whether male and female consumers are influenced by the same factors, the data have been analysed and the results are tabulated below tables 4.71 and 4.72.

TABLE 4.71

Gender wise Analysis of Factors affecting purchase of Health Drinks

Factors	No			Mean			S.D			C.V		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Price	199	101	300	12.05	11.39	11.82	7.36	7.47	7.39	61.13	65.58	62.52
Quality	199	101	300	27.66	28.96	28.10	6.53	5.54	6.23	23.61	19.13	22.17
Taste	199	101	300	22.93	26.70	24.20	7.21	11.32	8.97	31.44	42.40	37.07
Offers	199	101	300	14.45	12.26	13.71	8.19	6.32	7.67	56.68	51.55	55.94
Brand image	199	101	300	22.91	20.69	22.17	7.82	8.49	8.11	34.13	41.03	36.58

TABLE 4.72

t-test for equality of means

Factors	T – value	DF	Mean difference	2-tail significance
Price	0.72	298	0.6541	0.470
Quality	- 1.78	298	- 1.2971	0.089
Taste	- 3.51	298	- 3.7733	0.001
Offers	2.36	298	2.1948	0.019
Brand Image	2.26	298	2.2215	0.025

In the case of health drinks 'quality' is the most important factor affecting the purchases of both men and women. It is interesting to note that 'price' is the least important factor affecting the purchase of health drinks. In the case of 'quality' there is unanimity of opinions among consumers as its CV is very less whereas in the case of 'price' there is less unanimity in perception. To test whether there are significant differences between the perception of men and women t-test has been applied. Significant differences can be noticed in the cases of 'Taste', 'offers' and 'Brand Image' (Table 4.72).

Place of Domicile wise analysis of the data about the factors affecting purchase of Health Drinks

The above data have been further analysed according to the place of domicile of the respondents to see whether the same factors affect the purchase decision of consumers of both rural and urban areas or whether there are significant differences in their perception. Results are presented below in table 4.73 and 4.74.

TABLE 4.73

Place of Domicile wise Analysis of the Factors affecting purchase of Health Drinks

Factors	No			Mean			S.D			C.V		
	R	U	T	R	U	T	R	U	T	R	U	T
Price	150	150	300	12.16	11.48	11.82	7.48	7.31	7.39	61.51	63.68	62.52
Quality	150	150	300	28.10	28.10	28.10	5.98	6.49	6.23	21.28	23.10	22.17
Taste	150	150	300	24.48	24.48	24.20	9.28	8.67	8.97	38.80	35.42	37.07
Offers	150	150	300	12.89	13.57	13.71	7.54	7.82	7.67	54.44	57.63	55.94
Brand image	150	150	300	22.37	22.37	22.17	7.55	8.64	8.11	34.37	38.62	36.58

TABLE 4.74

t-test for equality of means

Factors	t-value	DF	Mean difference	2-tail significance
Price	0.80	298	0.6800	0.427
Quality	0.00	298	0.000	1.000
Taste	-0.54	298	-0.5600	0.590
Offers	0.32	298	0.2800	0.752
Brand Image	-0.43	298	-0.4000	0.670

Table 4.74 above shows that there are no significant differences between rural and urban people in their preferences as the 2 tail significance of each factor is more than 0.05.

Both rural and urban people give prime importance to 'quality' in the purchase of health drinks. 'Taste' and 'Brand Image' are the other important factors. 'Price' is the least important factor as is revealed from table 4.73 given above. In the case of 'quality' there is less variability in attitudes with in respective groups as C.V. is very low whereas in the case of price, C.V. is very high which shows that there is no unanimity of opinions within the respective groups.

Income wise analysis of the data about the factors affecting the purchase of Health Drinks

To see whether consumers belonging to various income groups think alike and to know whether there are significant differences in their perception with in groups and between groups, the data have been analysed income wise also. The results of the analysis are presented below in tables 4.75 and 4.76.

TABLE 4.75

Income wise analysis of the Factors Affecting Purchase of Health Drinks

Factors	No				Mean				SD				CV			
	Low Income	Medium Income	High Income	Total	Low Income	Middle Income	High Income	Total	Low Income	Middle Income	High Income	Total	Low Income	Middle Income	High Income	Total
Price	51	187	62	300	14.55	11.56	10.35	11.82	8.64	7.41	5.54	7.39	59.38	64.04	53.58	62.52
Quality	51	187	62	300	26.08	28.4	28.87	28.10	5.60	6.36	6.10	6.23	21.47	22.39	21.13	22.17
Taste	51	187	62	300	25.94	24.29	22.48	24.20	11.98	8.77	6.05	8.97	46.18	36.11	26.91	37.07
Offers	51	187	62	300	14.02	13.10	15.32	13.71	6.08	7.62	8.77	7.67	43.37	58.17	57.25	55.94
Brand Image	51	187	62	300	19.41	22.65	22.98	22.17	7.98	8.00	8.17	8.11	41.11	35.32	35.55	36.58

Responds in all the three income groups give prime importance to quality. The mean points given to this factor by low income, middle income and high income groups respectively are 26.08, 28.4 and 28.87. A positive correlation can be noticed between the income of consumers and the mean points secured by the factor. 'Taste' and 'Brand image' are the other important factors which influence the consumers of all income groups in the purchase of health drinks. Price is the least important factor affecting the purchase of health drinks of all income groups except low income group. The mean points given to this factor are 14.55, 11.56 and 10.35 by the low income, middle income and high income groups respectively. A negative correlation can be noticed here between the income of consumers and the mean points scored by this factor.

F-values have been derived for each factor to see whether there are significant differences in the perception of consumers with in the various income group and Duncan test has been applied thereon to see whether the differences between the perception of consumers of different income groups about each of the 5 factors are significant or not.

TABLE 4.76
ANOVA
Income wise Analysis

Factors	Source	DF	Sum of squares	Mean squares	F-Ratio	F-Prob.
Price	Between groups	2	527.8510	263.9255	4.9585	0.0076
	With in groups	297	15808.4290	53.2270		
	Total	299	16336.2800			
Quality	Between groups	2	261.6294	130.8147	3.4215	0.0340
	With in groups	297	11355.3706	38.2336		
	Total	299	11617.000			
Taste	Between groups	2	338.8691	169.4345	2.1225	0.1215
	With in groups	297	23709.1309	79.8287		
	Total	299	24048.000			
Offers	Between groups	2	236.5505	118.2753	2.0250	0.1338
	With in groups	297	17346.7962	58.4067		
	Total	299	17583.3467			
Brand Image	Between groups	2	471.6240	235.8120	3.6534	0.0271
	With in groups	297	19170.0427	64.5456		
	Total	299	19641.6667			

An analysis of the income wise distribution of the data shows the following results.

Price: There are significant differences in the perception of various income groups as the value of F-probability is less than 0.05. Significant differences are also noticed between low income and middle income groups and low income and high income groups as the differences between their means are more than 5.1588. Range SQRT $(1/N(1)+1/N(J))$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.

Quality: Significant differences are there in the perception of various income groups as the value of F-probability is less than 0.05. Significant differences are noticed between low and middle income groups and low and high income groups as the differences between their means are more

than 4.3723. Range SQRT $(1/N(1)+1/N(J))$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.

Taste: There are no significant differences in the perception of consumers as the value of F-probability is more than 0.05. No two groups are also significantly different as the differences between their means are less than 6.3178. Range SQRT $(1/N(1)+1/N(J))$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.

Offer: There are no significant differences in the perception of various income groups as the value of F-probability is more than 0.05. No two groups are also significantly different as the differences between the means are less than 5.4040. Range SQRT $(1/N(1)+1/N(J))$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.

Brand Image: Significant differences are there in the perception of various income groups as the value of F-probability is less than 0.05. Significant differences are also noted between low income and middle income groups and low income and high income groups as the difference between the means are more than 5.6809. Range SQRT $(1/N(1)+1/N(J))$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.

All Income groups give prime importance to quality in the selection of health drinks. The C.Vs are very low which shows that there is much uniformity in the perception of the consumers with in the respective groups. While high income group give second rank to 'Brand image', low and middle income groups see 'Taste' as the second important factor affecting their purchase of health drinks. Price is also a determinant in the case of low income group where as high and middle income groups are not seen bothered about the price of brand.

Impact of Price Changes on Consumer Brand Choice

Price is often the only element consumers use to differentiate one brand from another. Intelligent marketers must know how consumers perceive different prices, how they view the prices charged by competitors and how they feel about price increases and reductions. For consumers, price reflects value and company image and determines the likelihood of a particular purchase.

To study the impact of price changes on consumer brand choice decisions in the case of beverages, the respondents were asked two questions- whether they would switch over to some other brand consequent on an increase in the price of their favourite brand and whether they would switch over from their favourite brand to any other brand consequent on a decrease in the price of the later.

The results of the analysis of the data collected are tabulated and presented below in tables 4.77 and 4.78.

TABLE 4.77

Brand Switching Consequent on Price Change (No. and % of switchers)

Value assigned	1		2		3		4		5	
Degree of chance	<i>Always</i>		<i>Frequently</i>		<i>Occasionally</i>		<i>Rarely</i>		<i>Never</i>	
Product	No.	%	No.	%	No.	%	No.	%	No.	%
Tea	3	1	74	24.7	166	55.3	48	16	9	3
Coffee	4	1.3	93	31	118	39.3	81	27	4	1.3
Health drinks	3	1	15	5	85	28.3	137	45.7	60	20

From the table 4.76 it can be observed that there are very few persons who always switch over to other brands consequent on price changes; only 1% in the case of tea, 1.3% in the case of coffee and 1% in the case of health drinks. But there are considerable number of frequent switchers; 24.7% in the case of tea, 31% in the case of coffee and 5% in the case of health drinks. The value of mode is 3 in the case of tea and coffee and 4 in the case of health drinks which show that most of the consumers are occasional switchers in the case of tea and coffee whereas most of the consumers of health drinks rarely switch over to other brands consequent on price changes.

The data have been analysed genderwise, place of domicile wise and income wise to see whether there are significant differences in the attitudes of various groups of consumers. The following are the results of the analysis.

TABLE 4.78

Gender-wise analysis of the impact of price changes on brand switching behaviour of consumers

Degree of Chance Product		Always		Frequently		Occasionally		Rarely		Never	
		No.	%	No.	%	No.	%	No.	%	No.	%
Tea	Male	2	1.01	55	27.64	110	55.28	31	15.58	1	0.5
	Female	1	0.99	19	18.81	56	55.45	17	16.83	8	7.92
Coffee	Male	4	2.01	66	33.17	87	43.72	40	20.10	2	1.01
	Female	0	--	27	26.73	31	30.69	41	40.59	2	1.98
Health drinks	Male	3	1.51	10	5.03	62	31.16	101	50.75	23	11.56
	Female	0	--	5	4.95	23	22.77	36	35.64	37	36.63

TABLE 4.79

Place of Domicile wise analysis of the impact of price changes on brand switching behaviour of consumers

Product \ Degree of Chance		Always		Frequently		Occasionally		Rarely		Never	
		No.	%	No.	%	No.	%	No.	%	No.	%
Area		No.	%	No.	%	No.	%	No.	%	No.	%
Tea	Rural	2	1.33	40	26.67	83	55.33	20	13.33	5	3.33
	Urban	1	0.67	34	22.67	83	55.33	28	18.67	4	2.67
Coffee	Rural	4	2.67	46	30.67	59	39.33	39	26	2	1.33
	Urban	0	0	47	31.33	59	39.33	42	28	2	1.33
Health drinks	Rural	3	2	9	6	42	28	64	42.67	32	21.33
	Urban	0	0	6	4	43	28.67	73	48.67	28	18.67

TABLE 4.80

**Income-wise analysis of the impact of price changes on brand switching
behaviour of consumers**

Product \ Degree of Chance		Always		Frequently		Occasionally		Rarely		Never	
		No.	%	No.	%	No.	%	No.	%	No.	%
Tea	Low income	1	1.96	21	41.18	21	41.18	4	7.84	4	7.84
	Middle income	2	1.07	36	19.25	108	57.75	36	19.25	5	2.67
	High income	0	-	17	27.42	37	59.68	8	12.90	0	--
Coffee	Low income	0	--	23	45.10	14	27.45	14	27.45	0	--
	Middle income	3	1.60	46	24.60	78	41.71	56	29.95	4	2.14
	High income	1	1.61	24	38.71	26	41.94	11	17.74	0	-
Heath drinks	Low income	0	-	9	17.65	15	29.41	13	25.49	14	27.45
	Middle income	3	1.60	5	2.67	51	27.27	85	45.45	43	22.99
	High income	0	--	1	1.61	39	62.90	39	62.90	3	4.84

TABLE 4.81

**Impact of Price Change of Beverages on Different Groups of Consumers
– Tests of Significance**

Product	Sex wise			Domicile wise			Income wise		
	χ^2 value	d.f	Signi- ficance	χ^2 value	d.f	Signi- ficance	χ^2 value	d.f	Signi- ficance
Tea	14.47187	4	0.00593	2.26426	4	0.68728	19.47289	8	0.01253
Coffee	16.71365	4	0.00220	4.12186	4	0.38976	12.34896	8	0.13639
Health drinks	27.59861	4	0.00002	4.46967	4	0.34616	37.32247	8	0.00001

The statistical significance of the sex wise, place of domicile wise and income wise difference in brand switching behaviour based on price variation is analysed by using chi-square test and the results are presented in Table 4.81.

It can be observed from the above tables that considerable differences are there in the perception of males and females towards price changes as the χ^2 values in all cases are very much higher than the Table values. About 55.7 % of males come under the first 3 categories in the case of Tea. The number of frequent or occasional switchers are more. In the case of females, these categories account for 75.25 %. This shows that female consumers are more price sensitive than male consumers as regards tea. In the case of coffee, the case is different. While 78.89% males are always or frequently or occasionally switching from one brand to another consequent on price change, the percentage of female consumers is only 55.45%.

The above analysis shows that male consumers are more brand loyal than female consumers in the case of Tea where as the case is just opposite in the case of coffee. In the case of health drinks 37.69% of males are seen to be

in the habit of switching either always or frequently or occasionally over to other brands consequent on price changes where as the percentage in only 27.72% in the case of females. This shows that female consumers are more brand loyal than male consumers in the case of health drinks also.

No significant differences can be noticed in the behavioral pattern of consumers of rural and urban areas. The χ^2 values are very much less than the table values.

People from various income groups do not behave alike in the case of tea and health drinks whereas no significant difference can be noticed in their behaviour in the case of coffee.

The percentage of sure, frequent and occasional switchers altogether is 88% in the case of the low income group as regards tea where as it is 79% in the case of the middle income group and 72% in the case of the high income group. A positive relation can be noticed between the income of consumers and the degree of brand loyalty. In the case of health drinks, the consumers of all income groups are very much brand loyal. The percentage of sure, frequent and occasional switchers altogether is only 39.2% in the case of low income group. It is 34.3% in the case of middle income group and only 29.2% in the case of high income group. As in the case of tea, here also a positive correlation can be noticed between the income of consumers and the degree of their brand loyalty.

Impact of the Sales Promotion Offers Given by the Marketers on Consumer Brand Choice

Sales promotion offers in the market of fast moving consumer goods have been growing rapidly in the last decade. In the current market, in which consumers are becoming more value conscious, higher priced brands are facing increased competition from lower-priced brands. Higher priced brands

attempt to stem the sales growth of lower priced brands through temporary price reductions. To make appropriate price promotion decisions managers of these brands must understand the impact of their sales promotion offers on low priced competitors' sales.

To study the effectiveness of the sales promotion offers given by the marketers and to measure the impact of these offers on consumer brand choice, the following four questions were asked to the informants;

1. whether they would switch over from a relatively long used brand to a new one to avail a promotional offer.
2. whether they would switch over from a short used brand to a new one to avail a promotional offer,
3. whether they would switch over to a 'high price high quality brand' from a low price low quality brand to avail a promotional offer and
4. whether they would switch over to a 'low price low quality brand' from a 'high price high quality brand' to avail a promotion offer.

The results of the analyses are presented below in table 4.82.

TABLE 4.82

Chance of Switching Over from a Long Used Brand to a New one to Avail a Promotional Offer

Degree of chance	Tea		Coffee		Health drinks	
	No	%	No	%	No	%
High	12	4.0	12	4.0	6	2.0
Medium	131	43.7	194	64.7	113	37.7
Low	157	52.3	94	31.3	181	60.3
	300	100	300	100	300	100

As is evident from the table 4.82 the consumers are somewhat reluctant to switch over to a new brand from a long used brand. In the case of tea, the chance is very low (52.3%). Only 4% of the respondents see a high chance for switch over. In the case of health drinks also the case is the same. Here 60.3% of the respondents see a low chance for a brand switching from a long used brand to a new one to avail an offer. Only 2% of the informants see a high chance for switchover.

The case is different in the case of coffee. 64.7% of informants give a medium chance for a brand switching. Only 4% see a high chance for a brand switching in the case of coffee.

The above data have been analysed further sex-wise, place of domicile wise and income wise to see whether there are any significant differences in the attitudes of various groups of consumers and the results are presented below in table 4.83.

Gender wise analysis

TABLE 4.83

Chance of Switching Over from a Long Used Brand to a New one to Avail a Promotional Offer - A Gender wise Analysis

Degree of chance	Tea		Coffee		Health drinks	
	Male No. (%)	Female No. (%)	Male No. (%)	Female No. (%)	Male No. (%)	Female No. (%)
High	6 (3.02)	6 (5.94)	5 (2.51)	7 (6.93)	2 (1.00)	4 (3.96)
Medium	95 (47.74)	36 (35.64)	126 (63.32)	68 (67.33)	78 (39.20)	35 (34.65)
Low	98 (49.24)	59 (58.42)	68 (34.17)	26 (25.74)	119 (59.80)	62 (61.39)
	199 (100)	101 (100)	199 (100)	101 (100)	199 (100)	101 (100)
	$\chi^2 = 4.75443$ DF = 2 Significance = 0.09281 Table value = 5.991		$\chi^2 = 4.95491$ DF = 2 Significance = 0.08396 Table value = 5.991		$\chi^2 = 2.13951$ DF = 2 Significance = 0.34309 Table value = 5.991	

No significant differences are noticed in the perception of the male and female consumers as is evident from the above table. In all the cases the χ^2 values are less than the table values.

Place of Domicile wise Analysis

TABLE 4.84

Chance of Switching Over from a Long Used Brand to a New One to Avail a Promotional Offer – A Domicile wise Analysis

Degree of chance	Tea		Coffee		Health drink	
	Rural No. (%)	Urban No. (%)	Rural No. (%)	Urban No. (%)	Rural No. (%)	Urban No. (%)
High	8 (5.33)	4 (2.67)	8 (5.33)	4 (2.67)	5 (3.33)	1 (0.67)
Medium	61 (40.67)	70 (46.67)	99 (66.00)	95 (63.33)	54 (36.00)	59 (39.33)
Low	81 (54.00)	76 (50.67)	43 (28.67)	51 (34.00)	91 (60.67)	90 (60.00)
	150 (100)	150 (100)	150 (100)	150 (100)	150 (100)	150 (100)
	$\chi^2 = 2.11089$ DF = 2 Significance = 0.34804 Table value = 5.991		$\chi^2 = 2.09666$ DF = 2 Significance = 0.35052 Table value = 5.991		$\chi^2 = 3.91013$ DF = 2 Significance = 0.27133 Table value = 5.991	

A place of domicile wise analysis of the data presented in table 4.84 shows that the consumers belonging to both urban and rural areas think almost alike in this regard, as the χ^2 values derived are very much less than the table values.

Income wise analysis

TABLE 4.85

Chance of Switching Over from a Long Used Brand to a New one to Avail a Promotional Offer – An Income Wise Analysis

Degree of Chance	Tea			Coffee			Health drinks		
	Low Income No.(%)	Middle Income No.(%)	High Income No.(%)	Low Income No.(%)	Middle Income No.(%)	High Income No.(%)	Low Income No.(%)	Middle Income No.(%)	High Income No.(%)
High	5 (9.8)	6 (3.2)	1 (1.6)	6 (11.8)	6 (3.2)	0 (0)	1 (2.0)	3 (1.6)	2 (3.3)
Medium	23 (45.1)	79 (42.2)	29 (46.8)	39 (76.4)	122 (65.2)	33 (53.2)	29 (56.9)	65 (34.8)	19 (30.6)
Low	23 (45.1)	102 (54.6)	32 (51.6)	6 (11.8)	59 (31.6)	29 (46.8)	21 (41.1)	119 (63.6)	41 (66.1)
	51 (100)	187 (100)	62 (100)	51 (100)	187 (100)	61 (100)	51 (100)	187 (100)	62 (100)
	$\chi^2 = 6.40960$ DF = 4 Significance = 0.17058 Table value = 9.488			$\chi^2 = 23.77655$ DF = 4 Significance = 0.00009 Table value = 9.488			$\chi^2 = 14.30639$ DF = 4 Significance = 0.02639 Table value = 9.488		

While analysing the data on the basis of the income of the consumers no significant difference is observed in the perception of the consumers belonging to the various income groups as regards tea (Table 4.85). But significant differences are there in the case of coffee and health drinks. In these cases the χ^2 values are much higher than the table values. Among the low income group 76.4% see a medium chance for a brand switching in the case of coffee where as it is 65.2% in the case of middle-income group and only 53.2% in the case of high income group. Nobody in the high income

group sees a high chance for a brand switching from a long used brand to a new brand of coffee to avail a promotional offer.

In the case of health drinks most of the consumers belonging to middle income and high income groups see a low chance for brand switching from a long used brand to a new one to avail a promotional offer, 63.6% and 66.1% respectively. Among the low income group 56.9% see a medium chance for a brand switching.

Promotional offer impact on Switching from short used brand to a new one

Short used brand means a brand of product which a consumer has just started to consume or has been using it for a short period of less than a year. It was felt needed to study whether the sales promotion offers work on both long used brands and short used brands in a similar manner. Following are the results of the analysis.

TABLE 4.86

Chance of Switching Over from a Short used Brand to a New one to Avail a Promotional Offer

Degree of chance	Tea		Coffee		Health drinks	
	No	%	No	%	No	%
High	143	47.7	175	58.3	146	48.7
Medium	140	46.7	115	38.3	112	37.3
Low	17	5.7	10	3.3	42	14
	300	100	300	100	300	100

It is very interesting to note from the table 4.86 that the consumers see a high chance for a brand switching from a short used brand to a new one to avail a promotional offer. In the case of tea, 47.7% think so, 58.3% in the case of coffee and 48.7% in the case of health drinks. Very few people see a low chance for brand switching from a short used brand to a new one to avail a promotional offer; 3.3% in the case of coffee and 14% in the case of health drinks. Sex wise, domicile wise and income wise analyses disclose the following facts.

Gender wise Analysis

The above data is arranged sex wise and presented in table 4.87.

TABLE 4.87

Chance of Switching Over from a Short Used Brand to a New One to Avail a Promotional Offer – A Gender wise Analysis

Degree of chance	Tea		Coffee		Health drinks	
	Male No. (%)	Female No. (%)	Male No. (%)	Female No. (%)	Male No. (%)	Female No. (%)
High	94 (47.24)	49 (48.51)	118 (59.30)	57 (56.44)	95 (47.74)	51 (50.50)
Medium	95 (47.74)	45 (44.55)	75 (37.70)	40 (39.60)	81 (40.70)	31 (30.69)
Low	10 (5.02)	7 (6.94)	6 (3.00)	4 (3.96)	23 (11.56)	19 (18.81)
	199 (100)	101 (100)	199 (100)	101 (100)	199 (100)	101 (100)
	$\chi^2 = 0.59786$ DF = 2 Significance = 0.74161 Table value = 5.991		$\chi^2 = 0.33774$ DF = 2 Significance = 0.84462 Table value = 5.991		$\chi^2 = 4.42110$ DF = 2 Significance = 0.10964 Table value = 5.991	

As is evident from the above table there is no significant difference in the opinion of consumers gender wise. Both men and women think almost alike in this respect.

Place of Domicile wise Analysis

TABLE 4.88

Chance of Switching Over from a Short Used Brand to a New one to Avail a Promotional Offer – A Place of Domicile wise Analysis

Degree of chance	Tea		Coffee		Health drinks	
	Rural No.(%)	Urban No.(%)	Rural No.(%)	Urban No.(%)	Rural No.(%)	Urban No.(%)
High	71 (47.33)	72 (48.00)	85 (56.67)	90 (60.00)	76 (50.67)	70 (46.67)
Medium	72 (48.00)	68 (45.33)	61 (40.67)	54 (36.00)	58 (38.67)	54 (36.00)
Low	7 (4.67)	10 (6.67)	4 (2.66)	6 (4.00)	16 (10.66)	26 (17.33)
	150 (100)	150 (100)	150 (100)	150 (100)	150 (100)	150 (100)
	$\chi^2 = 0.65069$ DF = 2 Significance = 0.7228 Table value = 5.991		$\chi^2 = 0.96894$ DF = 2 Significance = 0.61602 Table value = 5.991		$\chi^2 = 2.77038$ DF = 2 Significance = 0.25028 Table value = 5.991	

An analysis of the brand switching behaviour data as to the chance of switching over from a short used brand to a new one on the basis of the place of domicile of the informants is given above. It is observed that not much difference exists in the perception of the people in rural and urban area.

In all the cases the χ^2 values are very much less than the table values which show that there are no differences in the perception of consumers

domicile wise also. Both rural and urban people think almost alike in this respect.

Income wise analysis

TABLE 4.89

Chance of Switching Over from a Short Used Brand to a New one to Avail a Promotional Offer – An Income Wise Analysis

Degree of Chance	Tea			Coffee			Health drinks		
	Low Income No.(%)	Middle Income No.(%)	High Income No.(%)	Low Income No.(%)	Middle Income No.(%)	High Income No.(%)	Low Income No.(%)	Middle Income No.(%)	High Income No.(%)
High	27 (52.9)	87 (46.5)	29 (46.8)	35 (68.6)	100 (53.5)	40 (64.5)	28 (54.9)	90 (48.1)	28 (45.1)
Medium	23 (45.1)	86 (46.0)	31 (50.0)	16 (31.4)	78 (41.7)	21 (33.9)	15 (29.4)	75 (40.1)	22 (35.5)
Low	1 (2.0)	14 (7.5)	2 (3.2)	0 (0)	9 (4.8)	1 (1.6)	8 (15.7)	22 (11.8)	12 (19.4)
	51 (100)	187 (100)	62 (100)	51 (100)	187 (100)	62 (100)	51 (100)	187 (100)	62 (100)
	$\chi^2 = 3.53306$ DF = 4 Significance = 0.47287 Table value = 9.488			$\chi^2 = 7.09097$ DF = 4 Significance = 0.13116 Table value = 9.488			$\chi^2 = 3.91531$ DF = 4 Significance = 0.41759 Table value = 9.488		

On analysing the data income wise no significant differences can be noticed in the opinions of consumers of various income groups as regards the degree of chance for a brand switching from a short used brand to a new one to avail a promotional offer (Table 4.89). All of them, irrespective of their income, see a high chance for a brand switching from a short used brand to a new one to avail an offer.

Period of uninterrupted usage of the present brand

To ascertain the brand loyalty, the consumers were asked to mention the period of their uninterrupted usage of the present brands of tea, coffee and health drinks. The outcome of the study is presented in table 4.90.

TABLE 4.90

Period of un interrupted usage of the present brand

Product	Period of un interrupted usage of the present brand									
	Less than 1 year		For 2 years		For 3 years		For 4 years		More than 5 years	
	No	%	No	%	No	%	No	%	No	%
Tea	61	20.3	36	12	82	27.3	13	4.3	108	36
Coffee	47	15.7	27	9	87	29	16	5.3	123	41
Health drinks	16	5.3	67	22.3	69	23	44	14.7	104	34.7

From the above analysis it can be seen that most of the consumers of beverages of all kinds are brand loyal because nearly 50% of the total number of consumers interviewed have been using the same brand for more than 4 years. The percentages of those who started using the present brands recently are 20.3, 15.7, and 5.3. in the cases of Tea, Coffee and Health Drinks respectively. It can be assumed that the number of brand loyal consumers are higher than that of the switchers. Marketers have to formulate different promotional strategies for different groups of consumers. Strategies found useful in the case of switchers may not be effective for dealing with brand loyal consumers.

Brand switching from a ‘high price high quality’ brand to a ‘low price low quality’ brand to avail a promotional offer

To know whether the sales promotion offers given by the marketers of ‘low price low quality’ products succeed in attracting the consumers of ‘high price high quality’ products, the respondents were requested to opine according to their perception. The results of the analysis of the data collected are tabulated and presented in table 4.91.

TABLE 4.91

Chance of switching over from a ‘high price high quality’ brand to a ‘low price low quality’ brand to avail a promotional offer

Degree of chance	Tea		Coffee		Health drinks	
	No	%	No	%	No	%
High	20	6.7	3	1.0	9	3.0
Medium	89	29.7	109	36.3	83	27.7
Low	191	63.7	188	62.7	208	69.3
	300	100	300	100	300	100

As per the opinion of the respondents the chance of switching over from a ‘high price high quality’ product to a ‘low price low quality’ product is very low. The percentage of such people is 63.7% in the case of tea, 62.7% in the case of coffee and 69.3% in the case of health drinks. Very few people see high chance for a brand switching to avail a promotional offer given by the marketers of ‘low price low quality’ products. It is 6.7% in the case of health drinks.

The data have been further analysed sex wise, place of domicile wise and income wise to see whether there are differences in the perception of

consumers belonging to these groups. The results of the analyses are as shown below.

TABLE 4.92

Chance of switching over to a 'low price low quality' brand to avail a promotional offer – A Gender wise analysis

Degree of chance	Tea		Coffee		Health drinks	
	Male No.(%)	Female No.(%)	Male No.(%)	Female No.(%)	Male No.(%)	Female No. (%)
High	11 (5.2)	8 (8.1)	1 (0.5)	3 (3.3)	4 (2.0)	5 (4.95)
Medium	66 (33.4)	22 (22.1)	67 (33.87)	40 (39.2)	59 (29.8)	26 (25.74)
Low	122 (61.4)	71 (69.8)	131 (65.82)	58 (57.5)	136 (68.2)	70 (69.31)
	150 (100)	150 (100)	150 (100)	150 (100)	150 (100)	150 (100)
	$\chi^2 = 3.81221$ DF = 2 Significance = 0.09281 Table value = 5.991		$\chi^2 = 3.99112$ DF = 2 Significance= 0.07180 Table value = 5.991		$\chi^2 = 2.41851$ DF = 2 Significance = 0.41245 Table value = 5.991	

No difference is noticed between the perception of male and female consumers. Consumers belonging to both the genders think almost alike in this respect. The χ^2 values derived for tea, coffee and health drinks are very much less than the table values.

TABLE 4.93

Chance of switching over to a 'low price low quality' brand to avail a promotional offer – A Place of domicile wise analysis

Degree of chance	Tea		Coffee		Health drinks	
	Rural No. (%)	Urban No. (%)	Rural No. (%)	Urban No. (%)	Rural No. (%)	Urban No. (%)
High	10 (6.67)	10 (6.67)	NIL (0.00)	3 (2.00)	3 (2.00)	6 (4.00)
Medium	43 (28.67)	46 (30.67)	59 (39.33)	50 (33.33)	42 (28.00)	41 (27.33)
Low	97 (64.66)	94 (62.66)	91 (60.67)	97 (64.67)	105 (70.00)	103 (68.67)
	150 (100)	150 (100)	150 (100)	150 (100)	150 (100)	150 (100)
	$\chi^2 = 0.14824$ DF = 2 Significance = 0.92856 Table value = 5.991		$\chi^2 = 3.93461$ DF = 2 Significance = 0.13983 Table value = 5.991		$\chi^2 = 1.03128$ DF = 2 Significance = 0.59712 Table value = 5.991	

There are no significant differences in the opinions of consumers belonging to rural and urban areas as is clear from the table No.4.92 given above. The table values are much higher than the χ^2 values.

TABLE 4.94

Chance of switching over to a 'low price low quality' brand to avail a promotional offer – An income wise analysis

Degree of Chance	Tea			Coffee			Health drinks		
	Low Income No. (%)	Middle Income No. (%)	High Income No. (%)	Low Income No. (%)	Middle Income No. (%)	High Income No. (%)	Low Income No. (%)	Middle Income No. (%)	High Income No. (%)
High	6 (11.2)	10 (5.2)	2 (2.8)	7 (13.2)	10 (5.3)	1 (1.8)	2 (3.4)	6 (3.0)	4 (5.8)
Medium	18 (35.1)	62 (33.2)	25 (40.7)	10 (20.4)	72 (38.7)	24 (38.4)	21 (42.3)	70 (37.8)	20 (31.8)
Low	27 (53.7)	115 (61.6)	35 (56.5)	34 (66.4)	105 (56.0)	37 (59.8)	28 (54.3)	111 (59.2)	38 (62.4)
	51 (100)	187 (100)	62 (100)	51 (100)	187 (100)	62 (100)	51 (100)	187 (100)	62 (100)
	$\chi^2 = 6.01243$ DF = 4 Significance = 0.10042 Table value = 9.488			$\chi^2 = 6.42181$ DF = 4 Significance = 0.09214 Table value = 9.488			$\chi^2 = 8.41241$ DF = 4 Significance = 0.06211 Table value = 9.488		

On analysis it is seen that there exists uniformity in the opinions of respondents belonging to various income groups. The table values are higher than the derived χ^2 values. People belonging to all income groups see very low chance for a brand switching from a 'high price high quality' brand to a 'low price low quality' brand to avail a promotional offer.

Influence of the size of offer on the consumer purchase decision

From the foregoing discussions it is seen that the value and attractiveness of the offers, which determine whether the consumers would switch over to a 'low price low quality' brand. To attract the users of 'high

price high quality' brand to a low price low quality' brand the marketers will have to give very much attractive and precious gifts and offers.

To measure the chance of consumers to switch over from their brand to an inferior one attracted by offers they were directly asked whether there was such a chance. Of the total number of 300 respondents, 205 persons (68.3%) say that the chance depends on the offers given 79 persons (26.3%) say 'no' to this. Only a few persons (16 out of 300 ie 5.3%) are ready to switch over to an inferior product to get the offers given (Table 4.95).

TABLE 4.95

Influence of the Size of Offer on Consumer Purchase Decision

Degree of Chance	No.	%
Ready for a switchover	16	5.33
Not Ready for a switchover	79	26.33
Depends on offers	205	68.33
	300	100.00

The data have been further analyzed Sex wise, Place of domicile wise and Income wise to see whether there are significant differences in the perception of the various groups. Results are tabulated below.

TABLE 4.96

Sex wise Analysis

	Ready		Not ready		Depends on offer	
	No.	%	No.	%	No.	%
Male	11	5.53	53	26.63	135	67.84
Female	5	4.95	26	25.74	70	69.31
Total	16	5.3%	79	26.3%	205	68.3%

TABLE 4.97

Place of Domicile wise Analysis

	Ready		Not ready		Depend on offer	
	No.	%	No.	%	No.	%
Rural	5	3.33	34	22.67	111	74
Urban	11	7.33	45	30	94	62.67
Total	16	5.3	79	26.3	205	68.3

TABLE 4.98

Income wise analysis

	Ready		Not ready		Depend on offer	
	No	%	No	%	No	%
Low Income	4	7	14	27.45	33	64.71
Middle Income	9	4.8	47	25.13	131	70.05
High Income	3	4.84	18	29.03	41	66.13
Total	16	5.3	79	26.3	205	68.3

TABLE 4.99

 χ^2 values

	χ^2 values	DF	Significance	Table values
Sex wise	0.08314	2	0.95928	5.991
Area wise	5.19140	2	0.07459	5.991
Income wise	1.24694	4	0.87031	9.488

As the table values in the above cases are more than the χ^2 values calculated there is uniformity in the perception of consumers belonging to the above groups towards the offers given by qualitatively inferior goods.

Chance of switching over from a 'low price low quality' brand to a 'high price high quality' brand to avail a promotional offer

To study the impact of sales promotion offers given by the marketers of 'high price high quality ' products on the consumer brand choice decision, the respondents were requested to give their opinion as to how they would react in such a circumstance, i.e., whether they would stick to the present 'low price low quality' brand or they would switch over to the 'high price high quality' brand to avail the offer. The analyses of the data collected are tabulated below.

TABLE 4.100

**Chance of Switching Over
from a 'Low Price Low Quality Brand to a
'High Price High Quality' Brand to Avail a Promotional Offer**

Degree of chance	Tea		Coffee		Health drinks	
	No.	%	No.	%	No.	%
High	165	55.0	176	58.7	191	63.7
Medium	107	35.7	103	34.3	100	33.3
Low	28	9.3	21	7.0	9	3.0
Total	300	100	300	100	300	100

Majority of the consumers see a high chance for brand switching from a 'low price low quality' brand to a 'high price high quality' brand to avail a promotional offer; 55% in the case of tea, 58.7% in the case of coffee and 63.7% in the case of health drinks think so. Very few people see low chance for this; 9.3 % in the case of tea, 7% in the case of coffee and 3% in the case

of health drinks. The data have been further analysed sex wise, place of domicile wise and income wise. The relevant data is presented in table 4.101.

TABLE 4.101

**Chance of Brand Switching
to a High Price High Quality Brand to
Avail a Promotional Offer – a Sex Wise Analysis**

Degree of chance	Tea		Coffee		Health drinks	
	Male No. (%)	Female No. (%)	Male No. (%)	Female No. (%)	Male No. (%)	Female No. (%)
High	106(53.3)	57(56.4)	118(59.1)	58(57.4)	125(62.8)	65(64.7)
Medium	73(36.7)	37(37.1)	64(32.1)	36(36.1)	68(34.2)	33(32.3)
Low	20(10)	7(6.5)	17(8.8)	7(6.5)	6(3.0)	3(3.0)
Total	199(100)	101(100)	199(100)	101(100)	199(100)	101(100)
	$\chi^2 = 1.88121$ DF = 2 Significance = 0.52141 Table value = 5.991		$\chi^2 = 2.42113$ DF = 2 Significance=0.38411 Table value = 5.991		$\chi^2 = 0.98121$ DF = 2 Significance = 0.98412 Table value = 5.991	

The above analysis shows that both male and female consumers almost think alike. No significant differences are noticed in their perception. Both men and women see high chance for a brand switching from a ‘low price low quality’ brand to a ‘high price high quality’ brand to avail a promotional offer.

TABLE 4.102

**Chance of Brand Switching
to a 'High Price High Quality' Brand to
Avail a Promotional Offer – a Domicile Wise Analysis**

Degree of chance	Tea		Coffee		Health drinks	
	Rural No. (%)	Urban No. (%)	Rural No. (%)	Urban No. (%)	Rural No. (%)	Urban No. (%)
High	73(48.7)	92(61.3)	80(53.3)	96(64.0)	91(60.7)	100(66.7)
Medium	66(44.0)	41(27.3)	59(39.3)	44(29.3)	57(38.0)	43(28.7)
Low	11(7.3)	17(11.3)	11(7.3)	10(6.7)	2(1.3)	7(4.7)
Total	150(100)	150(100)	150(100)	150(100)	150(100)	150(100)
	$\chi^2 = 9.31471$ DF = 2 Significance = 0.00949 Table value = 5.991		$\chi^2 = 3.68663$ DF = 2 Significance = 0.15829 Table value = 5.991		$\chi^2 = 5.16186$ DF = 2 Significance = 0.07570 Table value = 5.991	

Place of domicile wise no significant differences are noticed in the opinions of consumers belonging to rural and urban areas for all products under study except in the case of tea. In the case of tea only 48.7% of rural people see a high chance for a brand switching to a 'high price high quality' brand where as it is 61.3% in the case of urban people. In the case of coffee both people think almost alike. The case is the same in the case of health drinks also. However, majority of both the areas see a high chance for a brand switching to a 'high price high quality' brand to avail a promotional offer. In the case of coffee and health drinks the χ^2 values are lower than the table values where as it is higher than the table value in the case of tea.

TABLE 4.103

**Chance of Brand Switching
to a 'High Price High Quality' Brand to
Avail a Promotional Offer – an Income Wise Analysis**

Degree of Chance	Tea			Coffee			Health drinks		
	Low Income No. (%)	Middle Income No. (%)	High Income No. (%)	Low Income No. (%)	Middle Income No. (%)	High Income No. (%)	Low Income No. (%)	Middle Income No. (%)	High Income No. (%)
High	27(52.3)	104(55.4)	35(56.7)	30(56.9)	110(59.1)	37(60.2)	31(60.4)	119(63.8)	41(65.6)
Medium	19(36.6)	68(36.4)	23(36.5)	17(35.2)	64(34.0)	21(33.9)	18(36.2)	62(33.3)	19(30.4)
Low	5(11.1)	15(8.2)	4(6.8)	4(7.9)	13(6.9)	4(5.9)	2(3.4)	6(2.9)	2(4.0)
Total	51(100)	187(100)	62(100)	51(100)	187(100)	62(100)	51(100)	187(100)	62(100)
	$\chi^2 = 2.81141$ DF = 4 Significance = 0.13006 Table value = 9.488			$\chi^2 = 3.41561$ DF = 4 Significance = 0.00009 Table value = 9.488			$\chi^2 = 3.53306$ DF = 4 Significance = 9.488 Table value = 9.488		

From the income wise analysis of the data presented in table 4.103 it is very clear from the above table that consumers belonging to all income groups think almost alike as regards to the effectiveness of the promotional offers given by the marketers of 'high price high quality' brands. They unanimously opine that the marketers have succeeded in attracting consumers of 'low price low quality' brands to the 'high price high quality' brands by giving promotional offers.

Along with this, it was felt needed to study whether the consumers perceive 'high price' products as 'high quality' ones

Consumers Perception about the Notion that 'High Price' Products are 'High Quality' ones

Economics often assume that when the price decreases there will be more demand for the product and consequently more sales. However, price sometimes serves as a signal of quality. A product priced "too low" might be perceived as having low quality. Therefore, setting a price requires a thorough understanding of the symbolic role that price plays for the product.

There can be seen a tendency among consumers to purchase 'high price' products believing that they are 'high quality' ones. To study the perception of consumers about this aspect, the respondents were requested to give their opinion on this. The results of the analysis are presented in table 4.104.

TABLE 4.104

Consumer's Perception about the Notion that 'High Price' Products are 'High Quality' ones - A Gender wise Analysis

Value assigned	1		2		3		4		5	
Degree of change	Always		Frequently		Occasionally		Rarely		Never	
Sex	No.	%	No.	%	No.	%	No.	%	No.	%
Male	22	11.06	134	67.34	32	16.08	-	-	11	5.53
Female	13	12.87	59	58.42	11	10.89	-	-	18	17.82
Total	35	11.7	193	64.3	43	14.3	-	-	29	9.7

Mode : Male – 2; Female – 2.

TABLE 4.105

**Consumer's Perception about the Notion that 'High Price' Products are
'High Quality' ones - A Place of Domicile wise Analysis**

value assigned	1		2		3		4		5	
Degree of chance	Always		Frequently		Occasionally		Rarely		Never	
	No.	%	No.	%	No.	%	No.	%	No.	%
Rural	13	8.67	105	70	17	11.33	-	-	15	10
Urban	22	14.67	88	58.67	26	17.33	-	-	14	9.33
Total	35	11.7	193	64.3	43	14.3	-	-	29	9.7

Mode: Rural – 2; Urban – 3.

TABLE 4.106

**Consumer's Perception about
the Notion that 'High Price' Products are
'High Quality' ones – An Income wise Analysis**

Value assigned	1		2		3		4		5	
Degree of chance	Always		Frequently		Occasionally		Rarely		Never	
	No.	%	No.	%	No.	%	No.	%	No.	%
Income Groups										
Low Income	6	11.76	30	58.82	7	13.73	-	-	8	15.69
Middle Income	25	13.37	113	60.43	30	16.04	-	-	19	10.16
High income	4	6.45	50	80.65	6	9.68	-	-	2	3.23
Total	35	11.7	193	64.3	43	14.3	-	-	29	9.7

Mode: Low Income – 2; Middle Income – 2; High Income – 2.

The value of mode in all the above cases is 2 which means that most consumers believe that there is a high chance for relating 'high price' goods to be qualitatively high ones. In a sex wise analysis it is seen that this belief is

more among male consumers than females. Altogether their percentage is (see column 1 and 2) 78.4 where as it is 71.29 in the case of female consumers. More than 17% of female consumers opined against this belief. As per their opinion 'high price' products are never 'high quality' ones. The percentage of such persons among the of males is only 5.53%

Urban people as well as rural people think almost alike in this regard (table 4.105). While 15 out of 150 rural persons (10%) think against this stating that there is no chance for 'high price products' to be a 'high quality' ones; the number is 14 out of 150 (9.33%) in the case of urban people.

In an income wise analysis (table 4.106) it is seen that while 15.69% of low income group see no chance for a 'high price' product to be a 'high quality' one, the percentage of such persons is only 3.23% in the case of high income group and 10.16% in the case of middle-income group. The remaining persons of low and middle income groups think almost alike with a slight difference in percentages; 70.58% and 73.8% respectively. In the case of high income group 87.1% of the total number think that 'high price' products are either always or frequently 'high quality' ones.

To test the significance of the differences in the perception of consumers among various groups chi square values have been ascertained.

TABLE 4.107

χ^2 values

Classification	χ^2 value	DF	Significance	Table value
Sex wise	12.75231	3	0.00520	7.815
Area wise	5.72990	3	0.12552	7.815
Income wise	11.11023	6	0.08503	12.592

As per table 4.107, χ^2 value of sex wise classification is more than the table value. Hence it can be assumed that there is less uniformity in the perception of male and female consumers as regards the attribute studied here. In the cases of area-wise and income wise analyses no such significant differences are observed. In these cases the χ^2 values are less than the table values.

Factors Preventing Consumers from Purchasing 'High Price High Quality' Brands

All groups of consumers say unanimously that the only reason why they keep away from 'high price high quality' goods is their high price. 77% (221 out of 300) keep away from 'high price high quality' goods because of the price factor . It is because of non-availability of such goods that 24 persons (8%) do not purchase 'high price high quality' goods, 45 persons (15%) state some other reasons for their keeping away from 'high-price high quality' goods. The details can be seen in the table 4.108.

TABLE 4.108

Factors preventing consumers from purchasing 'high price high quality' products

Reason	No.	%
High price	231	77
Non-availability	24	8
Other Reasons	45	15
Total	300	100

The data have been further analyzed gender wise, place of domicile wise and income wise to see whether all the groups perceive alike or not. The results of the study are tabulated below.

TABLE 4.109

Factors preventing consumers from purchasing 'high price high quality' goods – A Gender wise Analysis

Reason Sex	High Price		Non-availability		Other reasons	
	No	%	No	%	No	%
Male	144	72.36	20	10.05	35	17.59
Female	87	86.13	4	3.96	10	9.90
Total	231	77	24	8	45	15

TABLE 4.110

Factors preventing consumers from purchasing 'High price High quality' goods - A Place of Domicile wise analysis

Reason Area	High Price		Non-availability		Other reasons	
	No	%	No	%	No	%
Rural	114	76	10	6.67	26	17.33
Urban	117	78	24	8	45	15
Total	231	77	24	8	45	15

TABLE 4.111

Factors preventing consumers from purchasing 'High price High quality' goods - An Income wise analysis

Reason Income group	High Price		Non-availability		Other reasons	
	No	%	No	%	No	%
Low Income	44	86.27	1	1.96	6	11.76
Middle Income	147	78.61	14	7.49	26	13.90
High Income	40	64.52	9	14.52	13	20.97
Total	231	77	24	8	45	15

TABLE 4.112

 χ^2 values

Classification	χ^2 value	DF	Significance	Table value
Sex wise	7.39644	2	0.02477	5.991
Area wise	1.79452	2	0.40769	5.991
Income wise	9.54261	4	0.04888	9.488

Further from the above analysis it is seen that there are significant differences in the perception of male and female consumers and the perception of the consumers belonging to the various income groups in this respect. Place of domicile wise difference is not significant. In sex wise analysis and income wise analyses the χ^2 values obtained are more than the table values. Female consumers are seen to be more price sensitive than male consumers. While 86.13% of female consumers keep away from 'high price high quality', goods because of their high price only 72.36 is the percentage of male consumers. Income wise analysis shows that consumers belonging to the low income group are more price sensitive than the other two groups ie 86.27%. In the case of middle income group the percentage of consumers who do not purchase 'high price high quality' goods for high price is 78.61%. In the case of high income group 64.52% see high price as the reason for their non-purchase of 'high price high quality' goods.

From the above analysis the following inferences can be drawn

- (1) Consumers do not think that they will always switch over to another brand consequent on a price change. Most of the consumers are occasional switchers in the case of tea and coffee. Consumers rarely switch over to another brand in the case of health drinks to avail a

price deal. But considerable differences are seen in the behavioral pattern of male and female consumers in the case of all beverages where as rural and urban people behave almost alike. In the case of different income groups there are differences of opinion except in the case of coffee.

- (2) Consumers are unwilling for a brand switching from a long used brand to a new one to avail a promotional offer. Majority of consumers see a low chance for this in the case of tea and health drinks. In the case of coffee the chance is medium. There is uniformity in the opinions of male and female consumers as well as rural and urban consumers where as significant differences can be seen in the perception of different income groups as regards coffee and health drinks.
- (3) The consumers see a high chance for a brand switching from a short used brand to a new one to avail a promotional offer. Significant differences are not seen in the perception of different groups such as male and female consumers, rural and urban consumers and consumers belonging to various income groups.
- (4) The chance of, brand switching from a 'high price high quality' brand to a 'low price low quality' brand is very low in the opinion of all classes of consumers. No significant differences could be observed between the perception of male and female consumers in their perception as well as rural and urban consumers. Consumers belonging to different income groups also think almost alike in this respect.
- (5) Majority of the consumers see a high chance for a brand switching from a 'low price low quality' brand to a 'high price high quality'

brand to avail a promotional offer. No significant differences could be seen in the opinions of consumers sex wise and income wise. No significant differences could be noticed in the opinions of rural and urban people also except in the case of tea.

Consumer Perception about the other Aspects of Sales Promotion Offers

There are some notions among the consumers about the offers given by the marketers for sales promotion. The most important among them are as follows.

1. Quality is compromised to compensate the cost of sales promotion offers.
2. Before giving an offer the marketers will fix higher price for the product so that the cost of promotion will be off set by the additional earnings from the increased price.
3. Retailers are usually reluctant to give the offers viz; gifts, compliments etc. to the consumers unless they are asked for.

To verify whether these 'notions' are true, questions were asked to the respondents. The relevant data are tabulated below.

Consumers' perception as to whether an Intentional Reduction in Quality is effected by the producers to Compensate the Cost of Sales Promotion Offers

There is a notion that quality is always compromised by the marketers for giving promotional offers to the consumers. To test the significance of this notion the respondents were requested to opine on this. The results are tabulated below in table 4.113.

TABLE 4.113

**Consumers' perception as to
whether an intentional reduction in
quality from marketers for giving promotional offer**

Degree of chance	Value assigned	No	%
Always	1	15	5
Frequently	2	47	15.67
Occasionally	3	67	22.33
Rarely	4	155	51.67
Never	5	16	5.33
Total		300	100

Very few people see a chance for an intentional reduction in quality on the part of manufacturers in quality on the part of manufacturers for going a promotional offer. Of the total number of 300 respondents interviewed, 155 (51.67%) see a very rare chance for an intentional reduction in quality on the part of marketers for giving a promotional offer. Only 5% of the total population think that there is a high chance for an intentional reduction in quality on the part of marketers to compensate the cost of sales promotion offers.

The data have been further analyzed sex wise, place of domicile wise and income wise and the results are as stated below .

TABLE 4.114

**Consumers' perception as to
Whether quality is compromised for
giving promotional offers – A Gender wise analysis**

Value Assigned Degree of Chance	1		2		3		4		5	
	Always		Frequently		Occasionally		Rarely		Never	
Sex	No	%	No	%	No	%	No	%	No	%
Male	11	5.53	32	16.08	48	24.12	101	50.75	7	3.52
Female	4	3.96	15	14.85	19	18.81	54	53.47	9	8.91
Total	15	5	47	15.67	67	22.33	155	51.67	16	5.33

Mode – Male – 4, Female – 4.

From the table 4.114, it can be seen that both men and women are of opinion that quality is rarely affected at the time of promotion. No intentional reduction in quality is expected from the part of producers/ marketers. The percentage of women responded against this notion is more than the percentage of male consumers. The value of mode for both the genders is 4 which shows that both men and women see very rare chance for an intentional reduction in quality for giving an offer to consumers.

A place of domicile wise study has also been done and the results are presented below in table 4.115.

TABLE 4.115

**Consumers' perception as to
Whether Quality is Compromised for
Giving Promotional Offers – A Domicile Wise Analysis**

Value assigned	1		2		3		4		5	
	Always		Frequently		Occasionally		Rarely		Never	
Area	No.	%	No.	%	No.	%	No.	%	No.	%
Rural	4	2.67	20	13.33	38	25.33	82	54.67	6	4
Urban	11	7.33	27	18	29	19.33	73	48.67	10	3.33
Total	15	5	47	15.67	67	22.33	155	51.67	16	5.33

Mode – Rural – 4, Urban – 4

From the table, it can be observed that both rural and urban consumers do not see any chance for intentional reduction in quality from the producers. Of rural people, 54.67% and of urban people 48.67% see very rare chance for such an attempt from the producers. Four per cent of rural people and 3.33% of urban people see no chance for a quality reduction from the part of producers for giving incentives. The percentage of people who think that there is always quality reduction along with promotions is also very low i.e., 2.67% in the case of rural people and 7.33% in the case of urban people. The value of mode for both rural and urban people is 4, i.e., majority see very rare chance for intentional quality reduction from the part of producers.

Income wise analysis also does not give a different picture as is clear from the following table No.4.116.

TABLE 4.116

**Consumers' perception as to
whether quality is compromised for giving
promotional offers – An income wise analysis**

Values assigned	1		2		3		4		5	
Degree of chance	Always		Frequently		Occasionally		Rarely		Never	
Income groups	No.	%	No.	%	No.	%	No.	%	No.	%
Low income	0	-	6	11.76	20	39.22	21	41.18	4	7.84
Middle income	10	5.35	35	18.72	39	20.86	93	49.73	10	5.35
High income	5	8.06	6	9.68	8	12.90	41	66.12	2	3.23
Total	15	5	47	15.67	67	22.33	155	51.67	16	5.33

Mode - Low Income - 4, Middle Income - 4 and High Income - 4

Of the respondents belonging to low income group 41.18%, of those in the middle income group 49.73% and of high income group 66.12% see very rare chance for a quality reduction before price promotion. Of low income group 39.22% and of middle income group 20.86% believe that quality is occasionally compromised by producers for giving promotional offers. Here also the value of mode is 4 for all income groups.

To test the significance of the differences among the above groups in their perception, χ^2 values have been obtained and presented in table 4.117.

TABLE 4.117

χ^2 values

Classification	χ^2 values	d.f	Significance	Table values
Sex wise	4.98844	4	0.28849	9.488
Area wise	7.04076	4	0.13375	9.488
Income wise	20.79561	8	0.00771	15.507

The above table 4.117 tells us that there is no uniformity in the perception of people belonging to various income groups towards the notion of 'quality reduction along with promotion' The χ^2 value in this case is more than the table value. Men as well as women and urban people as well as rural people think almost alike. No significant difference could be noted between their perceptions.

Consumers' Perception as to whether Marketers make an Intentional Price hike for the Product before Introducing a Promotional Offer

There is another notion among the consumers that before introducing a promotional offer the marketers will make an increase in price so that the cost of promotion will be offset by the additional earnings from the increased price. This is also felt to be analysed. The results are presented below in table 4.118.

TABLE 4.118

Consumers' Perception as to whether an intentional hike in the price before introducing a Promotional Offer

Degree of chance	Value Assigned	No.	%
Always	1	2	0.7
Frequently	2	54	18.0
Occassionally	3	175	58.3
Rarely	4	68	22.7
Never	5	1	0.3
Total		300	100

It can be noticed from the table that of the total population 58.3% see an occasional chance for an intentional increase in the price of a product from

the part of producers/marketers before introducing a promotional offer. The value of mode is 3. Of the total sample population 22.7% see a rare chance for the same.

The data have been further analysed sex wise, place of domicile wise and income wise and the results are presented below in table 4.119, 4.120 and 4.121.

TABLE 4.119
Consumers' Perception as to whether price is increased before introducing a promotional offer – A Gender wise analysis

Values assigned	1		2		3		4		5	
Degree of chance	Always		Frequently		Occasionally		Rarely		Never	
Sex	No.	%	No.	%	No.	%	No.	%	No.	%
Male	1	0.5	41	20.6	109	54.77	48	24.12	0	-
Female	1	0.99	13	12.87	66	65.35	20	19.8	1	0.99
Total	2	0.7	54	18	175	58.3	68	22.7	1	.3

A perusal of the table 4.119 and 4.120 reveal that the value of mode in both the cases is 3 which means that both male and female consumers expect an occasional chance for an increase in price by the marketers before introducing promotional offers. Of the total population 58.3% and of men 54.77% and of women 65.35% think so. The chance of marketers always doing this is very meagre, less than 1% think so. The chance of marketers never doing this is also meagre; 0.3% think so.

TABLE 4.120

**Consumers' Perception as to whether
Price is Increased by Marketers Before
Introducing a Promotional – A Domicile Wise Analysis**

Value assigned	1		2		3		4		5	
Degree of chance	Always		Frequently		Occasionally		Rarely		Never	
Area	No.	%	No.	%	No.	%	No.	%	No.	%
Rural	1	0.67	27	18	98	65.33	24	16	0	-
Urban	1	0.67	27	18	77	51.33	44	29.33	1	0.67
Total	2	0.7	54	18	175	58.3	68	22.7	1	.33

Place of domicile wise also the value of mode is 3 in both the cases which shows that occasional price increases are expected by consumers. The chance of marketers always doing this is only 0.7% and the chance of them never doing this is only 0.3%

TABLE 4.121

**Consumers' Perception as to whether
Price is Increased by Marketers before
Introducing a Promotional Offer - An Income wise Analysis**

Values assigned	1		2		3		4		5	
Degree of chance	Always		Frequently		Occasionally		Rarely		Never	
Income group	No.	%	No.	%	No.	%	No.	%	No.	%
Low income	0	-	6	11.76	36	70.59	8	15.69	1	19.61
Middle income	2	1.07	37	19.79	103	55.08	45	24.06	0	-
High income	0	-	11	17.74	36	58.06	15	24.19	0	-
Total	2	0.7	54	18	175	58.3	68	22.7	1	0.3

The value of mode 3 derived for all the income groups shows that occasional price increases are expected by people in all income groups at the time of introduction of a promotional offer. 70.59% of low income group, 55.08% of middle income group and 58.06% of high income group think so (Table 4.121).

The χ^2 test is applied to the above data to test the significance of difference in the perception of informants sex-wise, place of domicile wise and income wise and the results are presented in Table 4.122.

TABLE 4.122

Chi-square Values

Classification	χ^2 values	DF	Significance	Table values
Sex wise	6.26932	4	0.17992	9.488
Place of domicile wise	9.40235	4	0.05179	9.488
Income wise	10.50046	8	0.23164	15.507

As the χ^2 values derived are less than the table values it can be concluded that there are no significant differences in the perception of the different groups of consumers about this notion.

Consumers Perception as to whether the Retailers Give the Gifts and Compliments to the Consumers Unless they are Demanded for

Another notion prevailing among consumers is that the retailers are reluctant to give the offers, viz, gifts compliments etc. to consumers unless they are asked for. The respondents were asked whether the retailers used to give the gifts and such other promotional offers with out demand and the figures are tabulated below.

TABLE 4.123

Consumer's Perception as to whether the retailers give gifts and Compliments without demand

Degree of chance	Values assigned	No	%
Always	1	9	3
Frequently	2	98	66
Occasionally	3	91	30.3
Rarely	4	2	0.7
Never	5	NIL	--
Total		300	100

The value of the mode is 2 which means that consumers do not expect a denial of offers from retailers. They frequently give gifts and compliments offered by the producers marketers to the final consumers without any demand for the same from the consumers (Table 4.123).

The data have been further analysed sex wise, place of domicile wise and income wise. The results of the study are tabulated below in tables 4.124, 4.125 and 4.126.

TABLE 4.124

Consumers' Perception as to whether gifts and compliments are given to the consumers with out their demand – A gender wise analysis

Values assigned Degree of chance	1		2		3		4		5	
	Always		Frequently		Occasionally		Rarely		Never	
Sex	No.	%	No.	%	No.	%	No.	%	No.	%
Male	7	3.52	133	66.83	58	29.15	1	0.5	-	-
Female	2	1.98	65	64.36	33	32.67	1	0.99	-	-
Total	9	3	198	66	91	30.3	2	0.7	-	-

TABLE 4.125

Consumer's perception as to whether gifts and compliments are given to consumers without their demand – A domicile wise analysis

Value assigned Degree of chance	1		2		3		4		5	
	Always		Frequently		Occasionally		Rarely		Never	
Area	No.	%	No.	%	No.	%	No.	%	No.	%
Rural	5	3.33	97	64.67	47	31.33	1	0.67	-	-
Urban	4	2.67	101	67.33	44	29.33	1	0.67	-	-
Total	9	3	198	66	91	30.3	2	0.7	-	-

TABLE 4.126

Consumers' Perception as to whether gifts and compliments are given to consumers without their demand – An Income wise analysis

Value assigned	1		2		3		4		5	
Degree of chance	Always		Frequently		Occasionally		Rarely		Never	
Area	No.	%	No.	%	No.	%	No.	%	No.	%
Low Income	1	1.96	31	60.78	17	33.33	2	3.92	-	-
Middle Income	6	3.21	129	68.98	52	27.81	0	-	-	-
High Income	2	3.23	38	61.29	22	35.48	0	-	-	-
Total	9	3	198	66	91	30.3	2	0.7	-	-

The value of mode in all the above cases is 2 which shows that irrespective of sex, location and income of consumers all think in the same manner that retailers frequently give the gifts offered by the marketers to the final consumers with out any demand from the consumers. The chance of retailers always giving them without demand is only 3%. Nobody think that the retailers will never give the gifts to the consumers.

χ^2 test has been applied to test the statistical significance of the perception among the informants belonging to both sex, place of domicile and to the various income groups and the result is presented in the Table 4.127.

TABLE 4.127
Chi-square Values

Classification	χ^2 values	DF	Significance	Table values
Sex wise	1.10391	3	0.77613	9.837
Area wise	0.29082	3	0.96175	9.837
Income wise	11.74366	6	0.06794	12.592

From the table it is clear that the chi-square values for all categories are less than the table values and hence it can be concluded that there are no differences of opinion as regards the notion stated, between male and female, rural and urban and among low income, middle income and high income groups.

From the above analysis it can be concluded that,

- (1) Most of the consumers, irrespective of their sex, place of domicile and income think that there is rare chance for an intentional quality reduction from the part of the manufacturers / marketers before introducing a promotional offer.
- (2) Most of the consumers irrespective of their sex, place of domicile and income see an occasional chance for an intentional increase in the price of a product before introducing a promotional offer so that the cost of promotion will be offset by the additional earnings from the increased price.
- (3) Most of the consumers are in the opinion that the retailers are not at all reluctant to give the offers given by the marketers to the final consumers. According to them retailers

frequently give the gifts and compliments to the consumers with out their demand for the same.

Reasons for Consumers to Stick to the Present Brand

An attempt was made in the study to analyse the reasons why the consumers use their present brands of beverages or the reasons for their switching over to the present brand and the relevant data is presented in table 4.128.

TABLE 4.128

Factors which attracted consumers to prefer the present brand

Factors	Tea			Coffee			Health Drinks		
	Mean	SD	Variance	Mean	S.D	Variance	Mean	S.D	Variance
a) Qualitatively letter	25.34	13.24	175.33	24.85	12.11	146.69	28.78	9.93	98.64
b) Cheaper	8.00	10.77	115.98	8.30	13.09	171.28	6.03	8.82	77.72
c) Brand image	19.84	8.81	77.61	19.29	9.18	84.24	18.85	7.98	63.76
d) Attractiveness of packet	3.78	4.42	19.50	3.88	4.57	20.91	5.85	6.83	46.65
e) Influence of advertisement	15.83	7.84	61.43	15.70	8.17	66.68	15.97	7.83	61.37
f) Attractiveness of offer	12.47	7.58	57.39	12.88	7.70	56.26	9.61	7.22	52.09
g) Other reasons	14.73	9.53	90.74	15.10	9.09	82.70	14.91	10.03	100.69

From the above table it is seen that quality of the present brand is the main reason for the consumers to stick to the present brand or to switch over to the present brand. The mean score secured by this attribute is 25.34 in the case of tea, 24.85 in the case of coffee and 28.78 in the case of health drinks out of 100 points. Especially in the case of Health Drinks, the consumers do not bother about other factors such as price etc.

The second reason to stick on the present brand is that it is introduced by their favourite company. The mean points secured are 19.84, 12.29 and 18.85 by tea, coffee and health drinks respectively for this factor.

‘Influence of advertisement’ is the third important reason why the consumers stick or have switched over to the present brand. The mean points given to this by the respondents are 15.83, 15.70, and 15.97 respectively to tea, coffee and health drinks respectively with a variances 61.43, 66.68 and 61.37. Attractiveness of offers is also an important reason for the consumers' attachment to the present brand. The mean points secured by Tea, Coffee and Health Drinks for this attribute are 12.47, 12.88 and 9.61 respectively.

Cheapness of the products and attractiveness of packets have very lesser role in attracting consumers to a brand as is clear from the table.

Each of the above reasons are analyzed sex wise, place of domicile wise and income wise followed by tests to measure the significance of the ascertained values.

TABLE 4.129

Factors which Attracted Consumers to prefer the Present Brand - A Gender wise Analysis (Tea)

Reasons	No			Mean			S.D			C.V		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
a) Quality	199	101	300	23.26	29.46	25.34	11.94	14.71	13.24	51.33	49.93	52.25
b) Cheapness	199	101	300	8.19	7.62	8	10.63	11.08	10.77	12.98	145.41	134.63
c) Brand image	199	101	300	20.34	18.86	19.84	8.74	8.91	8.81	42.97	47.24	44.41
d) Attractiveness of packets	199	101	300	4.07	3.22	3.78	4.44	4.34	4.42	109.09	134.78	116.93
e) Influence of Advertisement	199	101	300	16.35	14.80	15.83	8.19	7.02	7.84	50.09	47.43	49.53
f) Attractiveness of offers	199	101	300	13	11.44	12.47	7.51	7.64	7.58	57.77	66.78	60.79
g) Other reasons	199	101	300	14.80	14.60	14.73	9.98	8.60	9.53	67.43	58.90	64.70

From the table 4.129 it can be noticed that both men and women give prime importance to the factor 'quality' for their sticking to or switching over to the present brand of tea. Quality is given more importance by women than men. The mean marks given by women to this attribute is 29.46 where as it is 23.26 by men. As regards the 'cheapness' and 'Attractiveness of packets' there is no uniformity of opinion with in the groups. Their C.V s are 134.63 and 116.93. As regards the second important reason 'as it is introduced by the favourite company' there is high degree of uniformity of opinions within the groups as C.V is only 44.41.

TABLE 4.130

Factors which Attracted Consumers to prefer their Present Brand- A Gender wise Analysis (Coffee)

Reasons	No			Mean			S.D			C.V		
	Male	Fe- male	Total	Male	Fe- male	Total	Male	Fe- male	Total	Male	Fe- male	Total
a) Quality	199	101	300	24.14	26.24	24.85	10.88	14.19	12.11	45.07	54.08	48.73
b) Cheapness	199	101	300	7.26	10.35	8.30	11	16.31	13.09	151.52	157.58	157.71
c) Brand image	199	101	300	19.91	18.07	19.29	8.97	9.51	9.18	45.05	52.63	47.59
d) Attractiveness of packets	199	101	300	3.94	3.76	3.88	4.73	4.27	4.57	120.05	113.56	117.78
e) Advertisements	199	101	300	16.25	14.63	15.70	8.56	7.25	8.17	52.68	49.56	52.04
f) Offers	199	101	300	13.40	11.84	12.88	7.82	7.39	7.70	58.36	62.42	59.78
g) Other Reasons	199	101	300	15.10	15.11	15.10	9.33	8.65	9.09	61.75	57.25	60.20

In the case of coffee also 'quality' is the most important factor which motivates people to stick to the present brand. The average points given to the factor are 24.14 by men and 26.24 by women respondents. It is because the present brand is introduced by their favourite company a major group of consumers stick to the present brand. The average points scored by this factor are 19.91 and 18.07 in the cases of male and female consumers respectively. Advertisements and offers also have roles in motivating consumers of both genders to switch over to their present brands of coffee (Table 4.130).

TABLE 4.131

Factors which Attracted Consumers to prefer their Present Brand - A Gender wise Analysis (Health Drinks)

Reasons	No			Men			S.D			C.V		
	Male	Fe-male	Total	Male	Fe-male	Total	Male	Fe-male	Total	Male	Fe-male	Total
a) Quality	199	101	300	28.35	29.62	28.78	8.93	11.66	9.93	31.5	39.7	34.50
b) Cheapness	199	101	300	4.83	8.39	6.03	8.05	9.77	8.82	166.67	116.45	146.27
c) Brand image	199	101	300	19.55	17.45	18.85	8.32	7.13	7.98	42.56	40.86	42.33
d) Packets	199	101	300	6.16	5.24	5.85	7.39	5.73	6.83	119.98	109.35	116.75
e) Advertisements	199	101	300	16.03	15.86	15.97	8.03	7.47	7.83	50.09	47.1	49.03
f) Offers	199	101	300	9.67	9.48	9.61	7.44	6.79	7.22	76.94	71.62	75.13
g) Others	199	101	300	15.41	13.94	14.91	10.13	9.83	10.03	65.74	70.52	67.27

The analysis presented in table 4.131 shows that 'quality' is given prime importance by the consumers, both male and female, in the selection of a health drink. The average points given to this attribute by the male and female consumers are 28.35 and 29.62 respectively. The reputation of the company and influence of advertisement are the attributes stand in the second and third position, why the consumers of both genders stick to the present brand. Taste of the drink is also an important factor for the selection of the brand.

TABLE 4.132

Factors which Attracted Consumers to prefer their Present Brand - A Domicile Wise Analysis (Tea)

Reasons	No			Mean			S.D			C.V		
	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
a) Quality	150	150	300	25.85	24.83	25.34	14.02	12.44	13.24	54.24	50.1	52.25
b) Cheapness	150	150	300	8.49	7.50	8.00	11.67	9.80	10.77	137.40	130.67	134.63
c) Brand Image	150	150	300	19.88	19.80	19.84	9.16	8.47	8.81	46.08	42.78	44.41
d) Packaging	150	150	300	3.83	3.73	3.78	4.76	4.06	4.42	124.28	108.85	116.93
e) Ad	150	150	300	14.38	17.28	15.83	7.97	7.45	7.84	55.42	43.11	49.53
f) Offer	150	150	300	12.83	12.11	12.47	7.96	7.18	7.58	62.04	59.29	60.79
g) Other reason	105	150	300	14.73	14.74	14.73	8.95	10.1	9.53	60.76	68.52	64.7

Both rural and urban consumers give prime importance to 'quality' of the product for the selection of tea. They give average points 25.85, and 24.83 respectively for 'quality'. The 'brand image' stands next to quality securing 19.88 and 19.8 as average points. Advertisement and taste are the other important reasons why the consumers of both rural and urban areas have switched over to the present brand.

TABLE 4.133

**Factors which Attracted
Consumers to prefer the Present
Brand Domicile Wise Analysis (Coffee)**

Reasons	No			Mean			S.D			C.V		
	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
a) Quality	150	150	300	24.99	24.70	24.85	13.05	11.13	12.11	52.22	45.06	48.73
b) Cheapness	150	150	300	9.53	7.07	8.30	14.25	11.74	13.09	149.53	166.05	157.71
c) Brand Image	150	150	300	18.88	19.70	19.29	9.67	8.67	9.18	51.22	44.01	47.59
d) Attractiveness of Packaging	150	150	300	4.57	3.20	3.88	5.15	3.81	4.57	112.69	119.06	117.78
e) Advertisements	150	150	300	14.41	17	15.70	8.47	7.67	8.17	58.78	45.12	52.04
f) Offers	150	150	300	13.03	12.72	12.88	7.79	7.63	7.70	59.79	59.98	59.78
g) Others	150	150	300	14.59	15.61	15.10	8.87	9.31	9.09	60.80	59.64	60.20

Both rural and urban people give prime importance to 'quality' of the product for the selection coffee also. The average points given to this attribute by rural and urban respondents respectively are 24.99 and 24.70.

The attribute 'Attractiveness of packaging' secured the lowest average score, 4.57 and 3.20 respectively 'Brand image', 'Advertisement' and 'Taste' are the other important factors stand in the second, third and fourth places as motivators for both rural and urban consumers to switch over to the present brand.

TABLE 4.134

**Factors which Attracted
Consumers to prefer their Present
Brand of Health Drink – A Domicile Wise Analysis**

Reasons	No			Mean			S.D			C.V		
	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
a) Quantity	150	150	300	29.22	28.33	28.78	10.37	9.48	9.93	35.49	33.46	34.50
b) Cheapness	150	150	300	6.96	5.10	6.03	9.43	8.08	8.82	135.49	158.43	146.27
c) Brand Image	150	150	300	18.54	19.15	18.85	8.40	7.57	7.98	43.31	39.53	42.33
d) Attractiveness of Packaging	150	150	300	6.83	4.87	5.85	7.74	5.75	6.83	113.32	118.07	116.75
e) Advertisements	150	150	300	14.33	17.61	15.97	8.35	6.93	7.83	58.27	39.35	49.03
f) Offers	150	150	300	9.58	9.64	9.61	7.12	7.33	7.22	74.32	76.04	75.13
g) Others	150	150	300	14.53	15.29	14.91	10.13	9.95	10.03	69.72	65.08	67.27

A perusal of table 4.134 shows that high importance is given to the 'Quality' of the product by both rural and urban people for the selection of a health drink giving 29.22 and 28.33 as the mean points. The C.V s are also very low 35.49 and 33.46 respectively which shows that high degree of uniformity exists in the attitudes of the people of both rural and urban areas as regards this attribute. Here also 'Attractiveness of packaging' is the least attractive factor for both rural and urban people. The average points given by them are 6.83 and 4.87 only. Brand image, Advertisement and Taste are the other factors in the order of importance.

TABLE 4.135

Factors which Attracted the Consumers to prefer their Present Brand of tea - An Income Wise Analysis

Reasons	No				Mean				S.D				C.V			
	Low Income	Middle Income	High Income	Total	Low Income	Middle Income	High Income	Total	Low Income	Middle Income	High Income	Total	Low Income	Middle Income	High Income	Total
a) Quality	51	187	62	300	26.37	26.12	22.15	25.34	17.29	12.56	10.94	13.24	65.57	48.09	49.39	52.25
b) Cheapness	51	187	62	300	13.25	6.62	7.84	8.00	14.47	9.98	8.01	10.77	109.21	150.76	102.17	134.63
c) Brand Image	51	187	62	300	15.98	20.56	20.84	19.84	10.25	8.71	6.92	8.81	64.14	42.36	33.21	44.41
d) Packaging	51	187	62	300	3.73	3.37	5.08	3.78	3.85	4.26	5.08	4.42	103.22	126.41	100	116.93
e) Advertisements	51	187	62	300	13.51	16.47	15.81	15.83	7.80	7.97	7.19	7.84	57.74	48.39	45.48	49.53
f) Offers	51	187	62	300	14.27	11.57	13.73	12.47	8.28	7.58	6.56	7.58	58.02	65.51	47.78	60.79
g) Taste & Others	51	187	62	300	12.88	15.29	14.56	14.73	7.89	9.23	11.41	9.53	61.26	60.37	78.37	64.7

From the table 4.135 it is observed that 'Quality' is given the highest mean score by consumers belonging to all income groups. The average scores given by low income, middle income and high-income groups respectively are 26.37, 26.12, and 22.15. 'Attractiveness of packaging' is seen by all income groups as the least attractive factor for the selection of brand of tea. It secures 3.73, 3.37 and 5.08 as the average score out of 100. As far as people belonging to low income group are concerned 'Brand Image', 'offers' and 'Advertisement' are the other important factors which influence them where as they are 'Brand Image' 'Advertisement' and 'Taste' in the case of high income and middle income groups.

TABLE 4.136

Factors which Attracted Consumers to prefer the Present Brand of Coffee - An Income Wise Analysis

Reasons	No				Mean				S.D				C.V			
	Low income	Middle income	High income	Total	Low income	Middle income	High income	Total	Low income	Middle income	High income	Total	Low income	Middle income	High income	Total
a) Quality	51	187	62	300	21.57	25.56	25.39	24.85	16.84	11.83	7.02	12.11	78.07	46.28	27.65	48.73
b) Cheapness	51	187	62	300	17.08	7.26	4.21	8.30	18.07	12.14	6.14	13.09	105.8	167.22	145.84	157.71
c) Brand Image	51	187	62	300	15.20	19.81	21.08	19.29	9.95	9.37	6.80	9.18	65.46	47.30	32.26	47.59
d) Packaging	51	187	62	300	4.51	3.77	3.71	3.88	4.61	4.50	4.79	4.57	102.22	119.36	129.11	117.78
e) Advertisements	51	187	62	300	14.29	16.11	15.65	15.70	8.16	8.51	7.02	8.17	57.1	52.82	44.86	52.04
f) Offers	51	187	62	300	13.88	12.14	14.27	12.88	8.05	7.82	6.82	7.70	58	64.42	47.79	59.78
g) Others	51	187	62	300	13.47	15.35	15.69	15.10	8.09	8.94	10.26	9.09	60.06	58.24	65.39	60.20

Table 4.136 shows that in the case of coffee also 'Quality' is given prime importance by all income groups. The average marks given to this factor by low income, middle income and high income groups respectively are 21.57, 25.56 and 25.39. 'Attractiveness of packaging' is seen to be the least attractive factor for all income groups - 4.51, 3.77, 3.71 are the average marks secured by it.

'Cheapness', 'Brand Image' and 'offers' are the other important factors which motivate consumers to stick to the present brand in the case of low income group where as they are. 'Brand Image', 'Ad' and 'Taste' in the order of importance in the case of middle income group and 'Brand Image', 'Taste' and 'Ad' in the case high income group.

TABLE 4.137

Factors which attracted consumers to prefer the present brand of Health Drink- Income wise analysis

Reason	No				Mean				S.D				C.V			
	Low income	Middle income	High income	Total	Low income	Middle income	High income	Total	Low income	Middle income	High income	Total	Low income	Middle income	High income	Total
a) Quality	51	187	62	300	32.84	28.79	25.40	28.78	11.72	10.07	6.04	9.93	35.69	34.98	23.78	34.5
b) Cheapness	51	187	62	300	10.14	6.01	2.71	6.03	9.2	9.2	5.34	8.82	90.73	194.05	197.05	146.27
c) Brand Image	51	187	62	300	16.35	19.05	20.29	18.85	8.81	7.99	6.82	7.98	53.88	41.94	33.61	42.33
d) Packing	51	187	62	300	5.59	5.50	7.13	5.85	6.14	6.77	7.69	6.88	109.84	123.09	107.85	116.75
e) Advertisement	51	187	62	300	14.22	16.60	15.51	15.97	7.1	7.77	8.46	7.83	49.93	46.81	54.55	49.03
f) Offers	51	187	62	300	8.29	8.81	13.11	9.61	6.3	7.81	7.04	7.22	76	81.5	53.7	75.13
g) Others	51	187	62	300	12.57	15.25	15.84	14.91	9.9	9.91	10.4	10.03	78.76	64.98	79.56	67.27

From the table 4.137 it is seen that the most important factor, which attracted the consumers of all income groups to the present brand of health drink is 'Quality'. The average points given to this factor by consumers belonging to low income, middle income and high-income groups respectively are 32.84, 28.79, 25.40. It is interesting to note that low-income group and middle income group give to this factor more importance than the consumers belonging to high income do. The least attractive factor as far as low income and middle income groups is 'Attractiveness of Packaging' where as it is 'cheapness' in the case of high-income group. 'Brand image' and 'Advertisement' are the other important factors in the case of low income and middle income groups where as they are 'Brand Image' and 'Taste' in the case of high-income group.

TABLE 4.138

Tests of Significance (sex wise)

	Tea				Coffee				Health Drinks			
	t - value	d.f	Mean Difference	2- Tail Significance	t- value	d.f	Mean difference	2- Tail significance	t-value	d.f	Mean difference	2 Tail significance
a) Quality	-3.92	298	-6.1992	0.000 ...	- 1.42	298	- 2.0969	0.157	- 1.05	298	- 1.2770	0.293
b) Cheapness	0.43	298	0.5622	0.670	- 1.94	298	- 3.0903	0.053	-3.35	298	- 3.5520	0.001
c) Brand image	1.37	298	1.4753	0.171	1.65	298	1.8402	0.101	2.15	298	2.0824	0.033
d) Packing	1.58	298	0.8525	0.114	0.33	298	0.1823	0.745	1.10	298	0.9232	0.273
e) Ad	1.62	298	1.5498	0.106	1.62	298	1.6126	0.106	0.18	298	0.1688	0.860
f) Offers	1.70	298	1.5044	0.091	1.66	298	1.5604	0.097	0.21	298	0.1882	0.831
g) Others	0.17	298	0.1950	0.867	- 0.01	298	- 0.0084	0.994	1.20	298	1.4664	0.232

TABLE 4.139

Tests of significance – Place of Domicile wise

	Tea				Coffee				Health Drinks			
	t-value	d.f	Mean difference	2 tail-significance	t-value	d.f	Mean difference	2 tail-significance	t-value	d.f	Mean difference	2 tail-significance
a) Quality	0.67	298	1.0200	0.506	0.21	298	0.2933	0.834	0.77	298	0.8867	0.440
b) Cheapness	0.80	298	0.9933	0.425	1.63	298	2.4600	0.104	1.83	298	1.8600	0.068
c) Brand Image	0.08	298	0.0800	0.937	-0.77	298	-0.8200	0.440	-0.66	298	-0.6133	0.068
d) Packing	0.20	298	0.1000	0.845	2.61	298	1.3667	0.009	2.50	298	1.9667	0.013
e) Ad	-3.26	298	-2.9000	0.001	-2.78	298	-2.5933	0.006	-3.70	298	-3.2800	0.000
f) Offers	0.82	298	0.7200	0.411	0.35	298	0.3133	0.725	-0.07	298	0.0600	0.943
g) Others	-0.01	298	-0.0133	0.990	-0.97	298	-1.0200	0.332	-0.66	298	-0.7600	0.513

From table Nos. 4.138 and 4.139 the following references can be arrived at

1. There is no uniformity in the perception of male and female consumers about the attribute 'quality' for the selection of the present brand of tea.
2. There is no uniformity in the perception of male and female consumers about 'cheapness' and 'Brand image' for the selection of the present brand of health drinks.
3. There is no uniformity in the perception of rural and urban consumers about 'Ad' for the selection of the present brand of tea.
4. There is no uniformity in the perception of rural and urban consumers about 'packing' and 'Ad' for the selection of the present brand of coffee.
5. There is no uniformity in the perception of rural and urban consumers about 'packaging' and 'Ad' for the selection of the present brand of health drink.

As the income wise analysis is on the data classified three ways chi-square test cannot be used for verifying the significance of mean differences. ANOVA is made use of for this purpose.

A multiple range test with the help of 'Duncan' method with significance level 0.05 has also been applied on the data to find out the significance of the values ascertained.

TABLE 4.140

**Factors which Attracted Consumers to the Present Brand of Tea
ANOVA - Income Wise Analysis**

Factors	Source	d.f	Sum of squares	Mean squares	F. Ratio	F. prota
(a) Quality	Between groups	2	801.8504	400.9252	2.3067	0.1014
	With in groups	297	51621.7862	173.8107		
	Total	299	52423.6367			
(b) Cheapness	Between groups	2	1768.6452	884.3226	7.9806	0.0004
	With in groups	297	32910.3514	110.8093		
	Total	299	34678.9967			
(c) Brand image.	Between groups	2	918.9097	459.4549	6.1227	0.0025
	With in groups	297	22287.4103	75.0418		
	Total	299	23206.3200			
(d) packing	Between groups	2	136.6229	68.3115	3.5630	0.0296
	With in groups	297	5694.2937	19.1727		
	Total	299	5830.9167			
(e) Influence of Ad	Between groups	2	351.3192	175.6596	2.8956	0.0568
	With in groups	297	18071.0108	60.6633		
	Total	299	18368.3300			
(f) Attractiveness of offers	Between groups	2	416.3767	28.1883	3.6931	0.0260
	With in groups	297	16742.4100	56.3718		
	Total	299	17158.7867			
(g) Other reasons	Between groups	2	235.3071	117.6535	1.2992	0.2743
	Within groups	297	26895.3596	90.5568		
	Total	299	27130.6667			

The following points can be observed from the above analysis presented in table 4.149.

- a. There is no significant difference in the perception of various income groups about the factor 'quality' as the value of F-probe is more than 0.05. But significant difference is there between the attitudes of middle income and high income groups as the difference between their means is more than 9.3223. Range $\left(\frac{1}{N(1)} + \frac{1}{N(J)}\right)$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.
- b. Significant difference is there in the perception of various income groups as regards the 'cheapness' of the product as the value of F-prob. is less than 0.05. Significant differences can also be noticed between the perception of low income and middle income groups and low income and high income groups as the differences between their means are more than 7.4434. Range $\left(\frac{1}{N(1)} + \frac{1}{N(J)}\right)$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively
- c. In the case of the factor 'Brand Image' the value of F. prob- is less than 0.05 which means that there is no uniformity of opinion among the various income groups. Significant differences are also there between the perception of low income and middle income groups and low income and high income groups as the differences between their means are more than 6.1254-Range-SQRT $\left(\frac{1}{N(1)} + \frac{1}{N(J)}\right)$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.
- d. Significant difference is there in the perception of various income groups about the attractiveness of packaging as the value of F. prob. is less than 0.05. There are also significant differences between the

perception of middle income and high income groups as the difference between their means is more than $3.0962\text{-Range-SQRT} \left(\frac{1}{N(1)} + \frac{1}{N(J)} \right)$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.

- e. As regards the 'Influence of Advertisements', no significant difference is there in the perception of various income groups as the value of F-prob is more than 0.05. However there is significant difference in the attitudes of low income and middle income groups as the difference between their means is more than $5.5074\text{-Range-SQRT} \left(\frac{1}{N(1)} + \frac{1}{N(J)} \right)$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.
- f. As regards attractiveness of offers; significant difference is there in the perception of various income groups as the value of F-prob is less than 0.05. significant difference is also there between the perception of low income and middle income groups as the difference between their means is more than $5.3090\text{-Range-SQRT} \left(\frac{1}{N(1)} + \frac{1}{N(J)} \right)$ With ranges 2.79 and for steps 2 and 3 respectively.
- g. On analysis of the other reasons, no significant difference can be noted in the perception of various income groups as the value of F.prob- is more than 0.05. No two groups are also significantly different as the differences between means are less than $6.7289\text{-Range-SQRT} \left(\frac{1}{N(1)} + \frac{1}{N(J)} \right)$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.

TABLE 4.141

Income wise analysis of the Factors which attracted consumers to the present brand of Coffee ANOVA

Factors	Source	d.f	Sum of Squares	Mean Squares	F-Ratio	F-Prob
(a) Qualitatively better	Between groups	2	661.6844	330.8422	2.2747	0.1046
	With in groups	297	43197.2623	145.4453		
	Total	299	43858.9467			
(b) Cheapness	Between groups	2	5170.9571	2585.4785	16.6781	0
	With in groups	297	46041.6396	155.0224		
	Total	299	51212.5967			
(c) As it is introduced by favourite company	Between groups	2	1104.6848	552.3424	6.8117	0.0013
	With in groups	297	24083.0852	81.0878		
	Total	299	25187.7700			
(d) Attractive-ness of packets	Between groups	2	24.2851	12.1425	0.5792	0.5610
	With in groups	297	6226.6316	20.9651		
	Total	299	6250.9167			
(e) Influence of Advertisement	Between groups	2	131.9539	65.9770	0.9893	0.3731
	With in groups	297	19806.6427	66.6890		
	Total	299	19938.5967			
(f) Attractive-ness of offers	Between groups	2	274.4188	137.2094	2.3361	0.0985
	With in groups	297	17444.0179	58.7341		
	Total	299	17718.4367			
(g) Other reasons	Between groups	2	169.2075	84.6037	1.0232	0.3607
	With in groups	297	24558.5892	82.6889		
	Total	299	24727.7967			

From the above analysis the following inferences can be drawn

- a. There is no significant difference in the perception of people in various income groups about quality as the value of F-probe is more than 0.05. But significant difference is there between the perception of middle income and high income groups about 'quality' as the difference between their means is more than 9.3223. Range SQRT $\left(\frac{1}{N(1)} + \frac{1}{N(J)}\right)$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.
- b. Significant differences are there in the opinions of various income groups as regards the importance of the 'cheapness' of the product as a factor affecting purchase as the value of F-prob. is less than 0.05. Significant differences can also be noticed between the perception of low income and middle income groups and low income and high income groups towards this aspect as the differences between their means are more than 8.8040. Range-SQRT $\left(\frac{1}{N(1)} + \frac{1}{N(J)}\right)$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.
- c. Significant differences are there in the opinions of various income groups as regards the importance of 'brand image' as a factor affecting purchase as the value of F-prob. is less than 0.05. Significant differences are also there between the perception of low income and high income groups as the differences between their means are more than 6.3674-Range-SQRT $\left(\frac{1}{N(1)} + \frac{1}{N(J)}\right)$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.
- d. No Significant difference is observed in the perception of various income groups about 'attractiveness of packaging' as the value of F.

prob. is less than 0.05. No two groups are also significantly different in this respect as the differences between their means are less than $3.2377\text{-Range-SQRT} \left(\frac{1}{N(1)} + \frac{1}{N(J)} \right)$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.

- e. No significant difference is seen in the perception of various income groups about the influence of advertisements as the value of F-prob is more than 0.05. No two groups are also significantly different in this respect as the difference, between the means are less than $5.7745\text{-Range-SQRT} \left(\frac{1}{N(1)} + \frac{1}{N(J)} \right)$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.
- f. There is no significant difference is there in the perception of various income groups about the attractiveness of the offer as the value of F-prob is more than 0.05. No two groups are also significantly different in this respect as the differences between the means are less than $5.4191\text{-Range-SQRT} \left(\frac{1}{N(1)} + \frac{1}{N(J)} \right)$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.
- g. No significant difference is observed in the perception of various income groups about other reasons as the value of F.prob- is more than 0.05. No two groups are also significantly different in this respect as the differences between means are less than $6.4300\text{-Range-SQRT} \left(\frac{1}{N(1)} + \frac{1}{N(J)} \right)$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.

Income wise analysis of the factors attracting consumers to the present brand of health drink

Below are tabulated the results of the analysis of the data pertaining to the various factors affecting purchase of health drinks. 'Health drinks', as the name suggests are meant for the health of the people unlike tea and coffee. Hence the factors which make the various brands of tea and coffee attractive to the consumers may not work in the case of health drinks. Below are tabulated the results of the analysis of the data pertaining to the various factors affecting the purchase of health drinks (Table 4.142).

TABLE 4.142

Income wise analysis of the factors which Attracted Consumers to the Present Brand of Health Drink - ANOVA

Factors	Source	d.f	Sum of Squares	Mean Squares	F- Ratio	F- Prob
(a) Qualita- tively better	Between groups	2	1548.9284	774.4642	8.2316	0.0003
	With in groups	297	27943.1083	94.0845		
	Total	299	29492.0367			
(b) Cheapness	Between groups	2	1543.9380	771.9690	10.5682	0
	With in groups	297	21694.7920	73.0464		
	Total	299	23238.73			
(c) As it is introduced by favourite company	Between groups	2	453.9586	226.9793	3.6226	0.0279
	With in groups	297	18608.9881	62.6565		
	Total	299	19062.9467			
(d) Attractiven ess of packets	Between groups	2	128.1807	64.0903	1.3581	0.2587
	With in groups	297	14016.0693	47.1922		
	Total	299	14144.2300			
(e) Influence of Advertise- ment	Between groups	2	244.9588	122.4794	2.0092	0.1359
	With in groups	297	18104.8279	60.9590		
	Total	299	18349.7867			
(f) Attractive- ness of offers	Between groups	2	969.5026	484.7513	9.8587	0.0001
	With in groups	297	14605.8674	49.1780		
	Total	299	18575.37			
(g) Other reasons	Between groups	2	354.1653	177.0826	1.7678	0.1725
	With in groups	297	29751.5814	100.1737		
	Total	299	30105.7467			

From the above table the following points can be observed.

- (a) There is significant difference in the perception of various income groups about quality as the value of F-prob. is more than 0.05. Significant differences are also there between the attitudes of low income and middle income groups, low income and high income groups and middle income and high income groups as the differences between the means are more than $6.8587 - \text{Range} - \text{SQRT}\left(\frac{1}{N(1)} + \frac{1}{N(J)}\right)$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.
- (b) There is significant difference in the opinions of various income groups as regards the importance of the 'cheapness' of the product as a factor affecting purchase as the value of F-prob is less than 0.05. Significant differences are also there between the means of low income and high income groups and middle income and high income groups as the differences between the means are more than $6.0434 - \text{Range} - \text{SQRT}\left(\frac{1}{N(1)} + \frac{1}{N(J)}\right)$ with 2.79 and 2.93 for steps 2 and 3 respectively.
- (c) As regards the importance of the factor 'Brand Image' significant difference is there in the perception of various income groups as the value of F-prob. is less than 0.05. Significant differences are also there between low income and middle income groups and low income and high income groups as the differences between the means are more than $5.5972 - \text{Range} - \text{SQRT}\left(\frac{1}{N(1)} + \frac{1}{N(J)}\right)$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.

- (d) No significant difference can be noticed in the perception of various income groups about the attractiveness of packaging as the value of F-prob- is more than 0.05. No two groups are also significantly different as the differences between the means are less than $4.8576 - \text{Range-SQRT} \left(\frac{1}{N(1)} + \frac{1}{N(J)} \right)$ with 2.79 and 2.93 for steps 2 and 3 respectively.
- (e) There is no significant difference in the perception of various income groups about the influence of advertisements as the value of F-prob-is more than 0.05. No two groups are also significantly different in this respect as the differences between the means are less than $5.5208 - \text{Range-SQRT} \left(\frac{1}{N(1)} + \frac{1}{N(J)} \right)$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.
- (f) There is no significant difference in the perception of various income groups about the attractiveness of offers as the value of F-prob-is less than 0.05. Significant differences are also there in this respect between low income and high income groups and middle income and high income groups as the differences between the means are more than $4.9587 - \text{Range-SQRT} \left(\frac{1}{N(1)} + \frac{1}{N(J)} \right)$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.
- (g) No significant difference is observed in the perception of various income groups about other reasons as the value of F-prob-is more than 0.05. No two groups are also significantly different in this respect as the differences between the means are less than 7.0772. $\text{Range-SQRT} \left(\frac{1}{N(1)} + \frac{1}{N(J)} \right)$ with ranges 2.79 and 2.93 for steps 2 and 3 respectively.

Consumers' searching habit for offers while shopping

Consumers are of two types viz., Brand loyal consumers and switchers. Brand loyal consumers may not be in the habit of searching for offers while shopping. It is very difficult to attract such people to a new brand or to get them switched over to some other brand from their favourite brand with the help of usual promotional devices. On the other hand switchers are highly sensitive to promotional offers. Hence it is easy to get them attracted to a promoted brand. To understand consumers' sensitivity to price promotions, it was felt needed to study the searching habit of consumers while shopping. The results of the analysis are tabulated and presented in table 4.143.

TABLE 4.143

Consumers' Habit of Searching for offers While Shopping

Product Degree of Chance	Tea		Coffee		Health Drinks	
	No	%	No	%	No	%
Always	19	6.3	19	6.3	2	0.7
Frequently	117	39.0	115	38.3	53	17.7
Occasionally	135	45.0	135	45.0	186	62.0
Rarely	29	9.7	31	10.3	58	19.3
Never	....	....	....	...	1	0.3
	300	100	300	100	300	100

It can be noticed from the table 4.143 that in the case of tea and coffee 19 persons out of 300 i.e., 6.3% are always searching for offers before a brand is purchased. 39% of informants in the case of tea and 38.3% in the case of coffee frequently look for any offer for a brand. But the case is not the same in the case of health drinks. Offers are not seen to be an attractive stimulus in motivating consumers to purchase a brand of health drink. The

percentage of those who always search for offers is only 0.7% in the case of health drinks. 17.7% frequently look for any offer of a brand of health drink before it is purchased.

Below are given the gender wise, place of domicile wise and income wise analysis of the data.

TABLE 4.144

Gender wise Analysis of Consumers' Habit of Searching for Offers While Shopping

Item	Gender	Always		Frequently		Occasionally		Rarely		Never	
		No	%	No	%	No	%	No	%	No	%
Tea	Male	9	4.52	86	43.22	88	44.22	16	8.04	..	...
	Female	10	9.90	31	30.69	47	46.53	13	12.87	...	...
Coffee	Male	9	4.52	85	42.71	88	44.22	17	8.54	..	..
	Female	10	9.90	31	30.69	47	46.53	13	12.87	..	..
Health drinks	Male	2	1	34	17.09	122	61.31	40	20.10	1	05
	Female	0	..	19	18.81	64	63.37	18	17.82	..	..

A gender wise analysis of the searching habit presented in table 4.144 shows that in the case of both tea and coffee 4.52% of men and 9.9% of women always look for offers when a brand is selected. The percentages of those who search for offers frequently are 43.22% of men, 30.69% of women in the case of tea, 42.71% of men, and 30.69% of women in the case of coffee. But the case is entirely different in the case of health drinks. Only 1% of men used to search for offers always in the case of health drinks. The percentages of those who are frequently searching for offers are also very low in the case of health drinks (17.09% of men and 18.81% of women).

TABLE 4.145

Place of Domicile wise Analysis of Consumers' Habit of Searching for Offers While Shopping

Item	Area	Always		Frequently		Occasionally		Rarely		Never	
		No.	%	No.	%	No.	%	No.	%	No.	%
Tea	Rural	10	6.67	59	39.33	67	44.67	14	9.33	..	...
	Urban	9	6	58	38.67	68	45.33	15	10	...	...
Coffee	Rural	10	6.67	57	38	67	44.67	16	10.67	..	..
	Urban	9	6	58	38.67	68	45.33	15	10	..	..
Health drinks	Rural	1	0.67	29	19.33	90	60	30	20	..	..
	Urban	1	0.67	24	16	96	64	28	18.67	1	0.67

Place of domicile wise analysis of the data presented in table 4.145 shows that 6.67% of rural people and 6% of urban people always search for offers in the cases of both tea and coffee where as the percentage is only 0.67% in the case of health drinks as regards both rural and urban people. While 39.33% of rural people and 38.67% of urban people are frequently searching for offers in the case of tea, 38% and 38.67% respectively in the case of coffee, the percentages are only 19.33% and 16% in the case of health drinks.

TABLE 4.146

Income wise Analysis of Consumers' Habit of Searching for Offers While Shopping

Item	Area	Always		Frequently		Occasionally		Rarely		Never	
		No.	%	No.	%	No.	%	No.	%	No.	%
Tea	Low Income	8	15.69	26	50.98	13	25.49	4	7.84	..	..
	Middle Income	9	4.81	64	34.22	96	51.34	18	9.63	..	..
	High Income	2	3.23	27	43.55	26	41.94	7	11.29	..	..
Coffee	Low Income	8	15.69	25	49.02	13	25.49	5	9.80	..	..
	Middle Income	9	4.81	64	34.22	96	51.34	18	9.63	..	..
	High Income	2	3.23	26	41.94	26	41.94	7	11.29	..	..
Health drinks	Low Income	..	..	17	33.33	30	58.82	4	7.84	..	..
	Middle Income	1	0.53	34	18.18	109	58.29	43	22.99	..	..
	High Income	1	1.61	2	3.23	47	75.81	11	17.74	1	1.61

The income wise analysis of the data on consumers' searching habit for offers is presented in table 4.146. The analysis of the above table reveals that 15.69% of persons belonging to low income group always search for offers before a brand of tea or coffee is selected. Those who frequently search for offers account for 50.98% in the case of tea and 49.02 in the case of coffee. In the case of health drinks they are not always searching for offers. 33.33% are frequently searching for offers.

As far as consumers belonging to middle income group are concerned only 4.81% are always looking for offers and 34.22% frequently, both in the case of tea and coffee. The case is different in the case of health drinks, the percentages are only 0.53% and 18.18% respectively.

In the case of high income group 1.61% are always and 3.23% frequently searching for offers while shopping.

Among consumers belonging to high income group only 3.23% are always looking for offers both in the case of tea and coffee. The percentages of those who are frequently searching for offers are 43.55% in the case tea and 41.94% in the case of coffee. The case is entirely different in the case of health drinks. Only 1.61% are always and 3.23% are frequently looking for offers at the time of purchase of a health drink.

To test the significance of differences between the values ascertained, chi-square values have been derived. The results are given below in table 4.147.

TABLE 4.147

Tests of Significance Chi-square values at 5% level of Significance

	Tea				Coffee				Health Drinks			
	χ^2 value	d.f	Table value	Significance	χ^2 value	d.f	Table value	Significance	χ^2 value	d.f	Table value	Significance
Between Male and Female	13.07	3	7.815	0.00449	7.93	3	8.815	0.04743	1.86	4	9.488	0.7612
Between Rural and Urban	0.0	3	7.85	0.99149	0.23	3	7.815	0.97264	1.73	4	9.488	0.78449
Among various Income Groups	17.84	6	12.592	0.0067	17.84	6	12.592	0.0067	26.76	4	15.507	0.00078

A perusal of the table reveals that significant differences exist between the perception of male and female respondents both in the cases of tea and coffee. Income wise analysis shows that the consumers belonging to the various income groups behave differently in the cases of all beverages. No significant differences are there in the perception of rural and urban people. They behave almost alike as is evident from the above table.

SALES PROMOTION STRATEGIES ADOPTED BY NEWCOMERS

New comers are entering into the field constantly with attractive offers, lesser price and with their products in attractive packets. To assess how the consumers respond to these strategies, they were asked to show their response to the various strategies. Results are tabulated and presented in table 4.148.

TABLE 4.148

Response of Consumers towards the Sales Promotion Strategies of Newcomers

Chance for trial purchase	Always		Frequently		Occasionally		Rarely		Never	
	No.	%	No.	%	No.	%	No.	%	No.	%
(a) With attractive gifts and compliments	25	8.3	170	56.7	90	30	15	5	..	...
(b) With lesser price	20	6.7	81	27	127	42.3	68	22.7	4	1.3
(c) In attractive packets	3	1	19	6.3	131	43.7	145	48.3	2	0.7

From the above table it is very clear that the most effective sales promotion tool in the case of new comers is 'Gifts and Compliments'. As is

evident from the above analysis 'gifts and compliments' can attract nearly 65% of consumers either always or frequently. If a new brand is introduced at a lesser price, 33.7% will try the same where as only 7.3% will be ready to purchase a new brand introduced in attractive packets.

Gender wise, place of domicile wise and income wise analysis of the same data are given below followed by tests of significance of differences.

TABLE 4.149

Gender wise Analysis of the Response of Consumers Towards Sales Promotion Strategies of Newcomers

Chance for trial purchase		Always		Frequently		Occasionally		Rarely		Never	
Strategies	Gender	No.	%	No.	%	No.	%	No.	%	No.	%
With attractive gifts compliments	Male	15	7.54	114	57.29	57	28.64	13	6.53	..	...
	Female	10	9.9	56	55.45	33	32.67	2	1.98	...	...
With lesser price	Male	13	6.53	52	26.13	80	40.20	52	26.13	2	1.01
	Female	7	6.93	29	28.71	47	46.53	16	15.84	2	1.98
In attractive packets	Male	2	1.01	11	5.53	80	40.20	104	52.26	2	1.01
	Female	1	0.99	8	7.92	51	50.5	41	40.59	..	..

From the table 4.149 it can be seen that 68.83% of men and 65.35% of women strongly believe that they will try new brands always or frequently if they are introduced with attractive gifts and compliments, 32.66% of men and 35.64% of women see 'low price' as the most attractive promotional device for newcomers. Only 6.54% of men and 8.91% of women prefer 'attractive packaging'.

TABLE 4.150

Place of Domicile wise Analysis of the Response of Consumers Towards Sales Promotion Strategies of Newcomers

Chance for trial purchase		Always		Frequently		Occasionally		Rarely		Never	
Strategies	Area	No	%	No	%	No	%	No	%	No	%
a) With attractive gifts compliments	Rural	17	11.33	80	53.33	43	28.67	10	6.67	..	...
	Urban	8	5.33	90	60	47	31.33	5	3.33	...	...
b) With lesser price	Rural	14	9.33	43	28.67	57	38	34	22.67	2	1.33
	Urban	6	4	38	25.33	70	46.67	34	22.67	2	1.33
c) In attractive packets	Rural	2	1.33	10	6.67	61	40.67	77	51.33	...	...
	Urban	1	0.67	9	6	70	46.67	68	45.33	2	1.33

A place of domicile wise classification of the same data is shown in the table 4.150. Of the rural people 64.66% and of the urban people 65.33% opine that they will try new brand always or frequently if they are introduced with attractive gifts and compliments. Of rural people 38% and of the urban people 29.33% see 'lesser price' as the effective tool for new comers. Eight per cent of rural people and 6.67% of urban people prefer 'attractive packaging' from new comers.

TABLE 4.151

Income wise Analysis of the Response of Consumers Towards Sales Promotion Strategies of Newcomers

Chance for trial purchase		Always		Frequently		Occasionally		Rarely		Never	
Strategies	Income Group	No.	%	No.	%	No.	%	No.	%	No.	%
(a) With Attractive Gifts compliments	Low Income	15	29.41	23	45.1	13	25.49	...	...	...	...
	Middle Income	10	5.35	109	58.29	59	31.55	9	4.81	...	...
	High Income	...	....	38	61.29	17	35.29	7	11.28	..	..
(b) Lesser Price	Low Income	12	23.53	14	27.45	18	35.29	7	113.73	..	..
	Middle Income	8	4.28	63	33.69	73	39.04	40	21.39	3	1.6
	High Income	...	...	4	6.45	36	58.06	21	33.87	1	1.61
(c) In attractive packets	Low Income	..	..	5	9.8	26	50.98	20	39.22	..	..
	Middle Income	1	0.53	13	7.24	80	42.78	91	48.66	2	1.07
	High Income	2	3.23	1	1.61	25	40.32	34	54.84	..	..

An income wise analysis of the above data is presented in table 4.151. As is evident from the table, 74.51% of the people belonging to low income group are prepared to purchase a new brand either always or frequently if it is introduced with attractive gifts and compliments. The percentages are respectively 63.64% and 61.29% in the cases of middle income and high income groups 50.98% of the people belonging to low income group think that they will switch over to a new brand if it is introduced at a lesser price. The percentages are 37.97% and 6.45% in the cases of middle income group and high income group respectively. Very few people are ready to purchase a new brand only because of the attractiveness of packaging; 9.8% in the case

of low income group, 7.77% in the case of middle income group and 4.84% in the case of high income group.

Among the above promotional tools 'Attractive gifts and Compliments' are found to be more effective among all income groups. All promotional strategies are found to be more effective in low income group, than in middle income group and lastly in high income group. A negative correlation between income of consumers and effectiveness of promotional devices of newcomers can be noticed.

χ^2 values derived to see whether there are significant differences in the perception of different classes of consumers are shown in the table 4.152 given below.

TABLE 4.152

χ^2 Values

Factors	Attractive Gifts and Compliments				Price Off				Attractive Packets			
	χ^2	df	Table value	Significance	χ^2	df	Table value	Significance	χ^2	df	Table value	Significance
Between Genders	3.63	3	7.815	0.30444	4.42	4	9.488	0.35176	5.13378	4	9.488	0.27384
Between Areas	5.67	3	7.815	0.12867	4.84	4	9.488	0.30418	3.56	4	9.488	0.46838
Among income groups	41.67	6	12.592	0.0000	51.17	8	15.507	0.0000	10.70	8	15.507	-0.21925

From the table it can be observed that both male and female consumers think almost alike. No significant difference is there in their perception about the effectiveness of the factors discussed above. No significant difference is there in the perception of rural and urban people also about the effectiveness of the above factors. In all these cases the χ^2 values are less than the table values. At the same time there is no uniformity in the opinions people belonging to the various income groups in the cases of 'Gifts and Compliments' and 'Price off.'

Impact of Sales Promotion on Consumer Behaviour

Promotions are of two types, price oriented promotions such as price off, premium offer, free samples, coupons, gifts, sweepstakes, trading stamps etc. and non-price oriented promotions such as displays, signs, demonstrations etc. It is interesting to note the impact of these on the behaviours of consumers; i.e., whether these will increase or decrease the price sensitivity of consumers or have no impact in the price sensitivity of consumers, whether they will increase the brand loyalty of consumers or decrease or make no change etc. Of the 300 persons interviewed 234 persons have opined that frequent price oriented promotions will increase the price sensitivity of consumers, 29 respondents have stated that there will be a decrease in the price sensitivity, 37 see no impact.

The same data have been analysed sex wise, place of domicile wise and income wise and the results are presented in table 4.153.

TABLE 4.153

Gender wise analysis of the Impact of Sales Promotion on Consumers' Price Sensitivity

Gender	Increase		Decrease		No change	
	No.	%	No.	%	No.	%
Male	150	75.38	22	11.06	27	13.57
Female	84	83.17	7	6.93	10	9.9

It can be noted from the above that gender wise 75.38% men and 83.17% women think that price oriented promotions will increase the price sensitivity of consumers.

TABLE 4.154

Place of Domicile wise Analysis of the Impact of Sales Promotion On Consumers' Price Sensitivity

Area	Increase		Decrease		No change	
	No.	%	No.	%	No.	%
Rural	121	80.67	13	8.67	16	10.67%
Urban	113	75.33	16	10.67	21	14

Place of domicile wise 80.67% rural people and 75.33% urban people think that price oriented promotions will increase the price sensitivity (Table 4.154).

TABLE 4.155

Income wise analysis of the Impact of Sales Promotion on Consumers' Price Sensitivity

Income Group	Increase		Decrease		No change	
	No.	%	No.	%	No.	%
L.I	44	86.27	4	7.84	3	5.88
M.I	144	77.01	16	8.56	27	14.44
H.I	46	74.19	9	14.52	7	111.29

Income wise 86.27% of low income group, 77.01% of middle income group and 74.19% of high income group are of the opinion that price oriented promotions increase the price sensitivity of consumers (Table 4.155).

To test the significance of values ascertained χ^2 values have been derived and presented in table 4.156.

TABLE 4.156

 χ^2 Values

	χ^2 values	d.f	Table value	Significance
Sex wise	2.43089	2	5.991	0.29658
Area wise	1.25952	2	5.991	0.53272
Income wise	4.95639	4	9.488	0.29180

From the table it can be observed that there are no significant differences in the perception of the different categories of consumers mentioned above.

Non-price oriented promotions like displays, shores, lights etc. do more or less the same job of advertisement. As advertisement is expected to reduce consumers' price sensitivity and build loyalty, it is reasonable to expect non-price oriented promotions also to have such an impact on the consumers' price sensitivity. On an analysis it is observed that out of the 300 respondents interviewed 219 (70.3) persons think firmly that non-price oriented promotions will decrease the consumers' price sensitivity. Seventy four persons (24.67%) see no impact. Only 7 persons (2.33%) are of the opinion that price sensitivity of consumers will be adversely affected by non-price oriented promotions. Results of sex-wise, place of domicile wise and income wise analyses are presented in tables 4.157, 4.158 and 4.159.

TABLE 4.157

Gender wise Analysis of the Impact of Non Price Oriented Promotions on Consumers Price Sensitivity

Gender	Increase		Decrease		No change	
	No.	%	No.	%	No.	%
Male	3	1.51	149	74.87	47	23.62
Female	4	3.96	70	69.31	27	26.73

From the table it is seen that 74.87% of men and 69.31% of women think that frequent non price oriented promotions decrease the consumers' price sensitivity (Table 4.157).

TABLE 4.158

Place of Domicile wise analysis of the Impact of Non-Price Oriented Promotions on Consumers Price Sensitivity

Area	Increase		Decrease		No change	
	No.	%	No.	%	No.	%
Rural	3	2	111	74	36	24
Urban	4	22.67	108	72	38	25.33

As is clear from the above table 74% of rural people and 72% urban people firmly believe that the non price oriented promotions decrease price sensitivity (Table 4.158).

TABLE 4.159

Income wise analysis of the Impact of Non-Price Oriented Promotions on Consumers Price Sensitivity

Income group	Increase		Decrease		No change	
	No.	%	No.	%	No.	%
Low Income	2	3.92	36	70.59	13	25.49
Middle Income	3	1.60	142	75.94	42	22.46
High Income	21	3.23	41	66.13	19	30.65

It can be observed from the above table that 70.59% of low income group, 75.94% of middle income group and 66.13% of high income group believe that non price oriented promotions decrease consumers' price sensitivity (Table 4.159).

χ^2 values ascertained for testing the significance of differences in the attitudes of the different classes of consumers are given in Table 4.160 below.

TABLE 4.160

χ^2 Values

	χ^2 values	Df	Table value	Significance
Sex wise	2.43089	2	5.991	0.29658
Area wise	1.25952	2	5.991	0.53272
Income wise	4.95639	4	9.488	0.29180

No significant differences can be noticed from the above table in the perception of consumers of all categories. The χ^{2+} values are less than the table values.

Impact of Price-oriented Promotions on brand loyalty

Consumer behaviour theories, empirical studies and the discussion made about the price oriented promotions suggest that over the long run, price oriented promotions will make consumers more price sensitive by focusing their attention on price cues. Hence it is reasonable to expect that this will result in a reduction in the size of the loyal segment of consumers i.e., price oriented promotions will adversely affect the brand loyalty of consumers. To see whether this is true in the context of Kerala the data collected have been analysed and the results are shown in table 4.161.

It can be noted from the table that of the total number 300 respondents 179, ie 59.67% of the sample population firmly believe that price oriented promotions will make consumers more price sensitive and will thereby, make them less brand loyal. 76 persons ie, 25.33% do not see any impact for non price oriented promotions on consumers' brand loyalty. A few people, ie, 45 out of 300 (15%) believe that frequent price oriented promotion will make consumers more brand loyal. The data have been further analysed sex-wise, place of domicile wise and income wise and the results are presented below in tables 4.161, 4.162 and 4.163.

TABLE 4.161
Sex wise Analysis of the Impact of Price Oriented Promotions on Consumers' Brand Loyalty

Gender	Increase		Decrease		No change	
	No.	%	No.	%	No.	%
Male	29	14.57	119	59.80	51	25.63
Female	16	15.84	60	59.41	25	24.75
Total	45	15.00	179	59.67	76	25.33

Sex wise, 59.80% men and 59.41% women think that price oriented promotions have an adverse impact on brand loyalty.

TABLE 4.162

Domicile wise Analysis of the Impact of Price Oriented Promotions on Consumers' Brand Loyalty

Area	Increase		Decrease		No change	
	No.	%	No.	%	No.	%
Rural	23	15.33	90	60	37	24.67
Urban	22	14.67	89	59.33	39	26
Total	45	15.00	179	59.67	76	25.33

Place of domicile wise, 60% rural people and 59.33% urban people believe that the price oriented promotions decrease brand loyalty (Table 4.162).

TABLE 4.163

Income wise Analysis of the Impact of Price Oriented Promotions on Consumers' Brand Loyalty

Income Group	Increase		Decrease		No change	
	No.	%	No.	%	No.	%
Low Income	9	17.65	28	54.9	14	27.45
Middle Income	28	14.97	103	55.08	56	29.95
High Income	8	12.90	48	77.42	6	9.68
Total	45	15.00	179	59.67	76	25.33

Income-wise, 54.9% low income group, 55.08% of middle income group and 77.42% of high income group see an adverse impact on brand loyalty (Table 4.163).

χ^2 values have been derived to see whether there are significant differences in the perception of various groups of consumers. The results are presented in table 4.164.

TABLE 4.164

χ^2 Values

	χ^2 values	Df	Table value	Significance
Sex wise	0.09391	2	5.991	0.95413
Area wise	0.08044	2	5.991	0.96058
Income wise	12.20807	4	9.488	0.01587

From the table it can be seen that there is significant difference in the perception of different income groups as regards the impact of price oriented promotions on the brand loyalty of consumer. In all other cases the χ^2 values are less than the table values.

Impact of non price oriented promotions on Brand Loyalty

As discussed earlier, non-price oriented promotions like displays, shows, signs, lights etc. do, in effect, the same job of advertisement and it is reasonable to expect the same long term result of advertisement from these promotional strategies also. It is believed that like advertisement, frequent non-price promotions also make the consumers less price sensitive and more brand loyal. To see whether this is true in the context of Kerala data collected have been analysed. Out of the 300 persons interviewed 180 ie. 60% are of the opinion that non price promotions make consumers more brand loyal 99

persons (33%) do not see any impact and 21(7%) respondents see a negative effect ie they are of the opinion that non-price promotion make the consumers less brand loyal. Results of sex-wise, place of domicile wise and income-wise analyses are presented below in tables 4.165, 4.166 and 4.167.

TABLE 4.165

Sex wise Analysis of the Impact of Non-Price Promotions on Consumers Brand Loyalty

Gender	Increase		Decrease		No change	
	No.	%	No.	%	No.	%
Male	122	61.31	15	7.54	62	31.16
Female	58	57.43	6	5.94	37	36.63
Total	180	60.00	21	7.00	99	33.00

As disclosed by the above table 61.31% of men and 57.435 of women are of the opinion that non-price oriented promotions increase consumers' brand loyalty (Table 4.165).

TABLE 4.166

Place of Domicile wise Analysis of the Impact of Non-Price Oriented Promotions on Consumers' Brand Loyalty

Area	Increase		Decrease		No change	
	No.	%	No.	%	No.	%
Rural	93	62	13	8.67	44	29.33
Urban	87	58	8	5.33	55	36.67
Total	180	60.00	21	7.00	99	33.00

From the table it can be noted that 62% of rural people and 58% of urban people see a favourable impact of non price oriented promotions on brand loyalty (Table 4.166).

TABLE 4.167

Income wise Analysis of the Impact of Non-Price Oriented Promotions on Consumers Brand Loyalty

Income Group	Increase		Decrease		No change	
	No.	%	No.	%	No.	%
Low Income	32	62.75	3	5.88	16	31.37
Middle Income	107	57.21	15	8.02	65	34.76
High Income	41	66.13	3	4.84	18	29.03
Total	180	60.00	21	7.00	99	33.00

It can be observed from the above table that 62.75% of low income 57.21% of middle income group and 66.13% of high income group see a favourable impact of non-price oriented promotions on the brand loyalty of consumers (Table 4.167).

χ^2 values derived to measure the significance of differences in the perception of the different classes of consumers are shown in table 4.168.

TABLE 4.168

 χ^2 Values

	χ^2 values	Df	Table value	Significance
Sex wise	1.02150	2	5.991	0.60004
Area wise	2.61270	2	5.991	0.27081
Income wise	1.98877	4	9.488	0.73782

No significant differences is noticed in any case. In all the cases the χ^2 values are less than the table values (Table 4.168).

Consumers' preference of various price oriented promotions

Price oriented promotions are of two types – price off and offers in kind, ie., gifts, compliments, premium offers etc. With an intention to study the preference of consumers as to which price oriented promotion they prefer, data were collected. The results of the analysis are shown below in table 4.169.

TABLE 4.169

Consumers' Preference for Price Oriented Promotions

Nature of promotions	N	%
Price off	82	27.3
Offers in kind	128	42.7
Equal preference	90	30
Total	300	100

As is evident from the above table that 42.7% of consumers prefer gifts and compliments to price off where as 27.3% prefer price off. Thirty per cent of consumers prefer both equally.

Gender wise, place of domicile wise and income wise analyses are shown in tables 4.170, 4.171 and 4.172.

TABLE 4.170

Gender wise analysis of Consumers' Preference for Price oriented Promotions

Gender	Price off		Offers in kind		Equal preference	
	N	%	N	%	N	%
Male	54	27.14	77	38.69	68	34.17
Female	28	27.72	51	50.50	22	21.78
Total	82	27.3	128	42.7	90	30

χ^2 value = 5.62296, DF = 2, Table value = 5.991, significance = 0.06012

Gender wise analysis of the above data shows that 38.69% of men and 50.50 % of women prefer offers in kind. It is seen that gifts and compliments and premium offers are very effective in attracting women to the product. 34.17% of men prefer both price off and offers in kind equally. As the χ^2 value is less than the table value it can be assumed that there is no significant difference in the perception of men and women (Table 4.170).

TABLE 4.171

Place of Domicile Wise Analysis of Consumer's Preference for Price Oriented Promotions

Area	Price off		Offers in kind		Equal preference	
	N	%	N	%	N	%
Rural	42	28.00	65	43.33	43	28.67
Urban	40	26.67	63	42.00	47	31.33
Total	82	27.3	128	42.7	90	30.00

χ^2 value = 0.25781, DF = 2, Table value = 5.991, Significance = 0.87906

Place of domicile wise analysis of the above data presented in table 3.161 shows that 43.33% of rural people and 42% of urban people prefer offers in kind to price off. Gifts, compliments, and premiums are seen to be very effective in both rural and urban areas. 31.33% of urban people prefer both price off and offers in kind equally. As the χ^2 value is very much less than the table value it can be concluded that there is no significant difference in the perception of rural and urban people.

TABLE 4.172

Income Wise Analysis of Consumers' Preference for Price Oriented Promotions

Income Group	Price off		Offers in kind		Equal preference	
	N	%	N	%	N	%
Low income	18	35.29	18	35.29	15	29.42
Middle income	48	25.67	85	45.45	54	28.88
High income	82	27.3	128	42.7	90	30.00

χ^2 value = 2.88935, DF = 4, Table value = 9.488, Significance = 0.57651

An income wise analysis of the consumers' preference of Price oriented promotions shows that among the low income group, the number of consumers who prefer price off and offers in kind are equal i.e., 35.29% each. On the other hand 45.45% of middle income group and 40.32% of high income group prefer offers in kind. As the χ^2 value is less than the table value it can be assumed that there is uniformity of opinion among the various income groups (Table 4.172).

Consumers' Preference about different Types of Offers in Kind

Offers in kind are of two types viz., (1) Gifts and compliments and (2) Premium offer. To study the preference of consumers relevant data have been analysed. Result of the analysis is shown below in table 4.173.

TABLE 4.173

Consumers' Preference for Offers in Kind

Nature of Promotion	N	%
Gifts & compliments	152	50.7
Premium offer	83	27.7
Equal preference	65	21.7

From the table it can be noticed that of the total population, 50.7% prefer gifts and compliments, and 27.7% prefer premium offer and 21.7% prefer both equally.

Gender wise, place of domicile wise and income wise analyses are presented below in tables 4.174, 4.175 and 4.176.

TABLE 4.174

Gender Wise Analysis of Consumers Preference for Offers in Kind

Gender	Gifts of compliments		Premium		Equal preference	
	N	%	N	%	N	%
Male	101	50.75	55	27.64	43	21.61
Female	51	50.50	28	27.72	22	21.78
Total	152	50.7	83	27.7	65	21.7

χ^2 value = 0.00200, d.f = 2, Table value = 5.991, Significance = 0.99900.

It can be observed from the table 4.174 that most of the consumers belonging to both the genders prefer gifts compliments to premium offer, 50.75% and 50.50% respectively. 27.64% of men and 27.72% of women

prefer premium offer. As the χ^2 value is very much less than the table value it can be assumed that there is no significant difference in the perception of men and women.

TABLE 4.175

Place of Domicile Wise Analysis of Consumer's Preference for Offers in kind

Area	Gifts of compliments		Premium		Equal preference	
	N	%	N	%	N	%
Rural	76	50.67	40	26.67	34	22.67
Urban	76	50.67	43	28.67	31	20.67
Total	152	50.67	83	27.67	65	21.67

χ^2 value = 0.24690, d.f = 2, Table value = 5.991, Significance = 0.88387.

The number of consumers belonging to rural area who prefer gifts and compliments is the same as that belonging to urban area 50.67% each. 26.67% of rural area and 28.67% of urban area prefer premium offer. The χ^2 value is very much less than the table value and hence there is no significant difference in the perception of both the genders (Table 4.175).

TABLE 4.176

Income Wise Analysis of Consumer's Preference for Offers in Kind

Income	Gifts and compliments		Premium offer		Equal preference	
	N	%	N	%	N	%
Low income	20	39.22	13	25.49	18	35.39
Middle income	101	54.01	50	26.74	36	19.25
High Income	31	50.00	20	32.26	11	17.74
Total	152	100	83	27.7	65	21.7

χ^2 value = 7.67162, d.f = 4, Table value = 9.488, Significance = 0.10438.

Income group wise, 39.22% of consumers belonging to low income group, 54.01% of middle income group and 50% of high income group prefer gifts and compliments. The χ^2 value is less than the table value which shows that there is uniformity of opinion among the various income groups (Table 4.176).

To assess the degree of accuracy of the above analyses 10 cross questions were asked to the respondents. The questions and the analyses of the consumers' responses to the questions are given in the subsequent pages.

1. Consumers' Responsiveness to Offers

Consumers were asked whether they often purchased beverages attracted by offers given by the brands. The analysis of the data collected is given in table 4.177.

TABLE 4.177

Gender Wise Analysis of Consumers' Responsiveness to Offers

Value assigned Gender	Strongly agree		Agree		Neutral		Disagree		Strongly Disagree	
	1		2		3		4		5	
	N	%	N	%	N	%	N	%	N	%
Male	17	8.54	157	78.89	23	11.56	2	1.01	--	--
Female	10	9.90	75	74.26	6	5.94	10	9.90	--	--
Total	27	9	232	77.3	29	9.7	12	4	--	--

χ^2 value = 15.76544, d.f = 3, Table value = 7.815, Significance = 0.00127.
Mode = 2.

It can be observed from the table that 78.89% of men and 74.26% of women agree that they often purchase beverages attracted by offers. Only 8.54% of men and 9.90% of women strongly agree. As the χ^2 value is more than the table value it can be assumed that there is significant difference in the perception of male and female consumers.

TABLE 4.178
Domicile Wise Analysis of Consumers' Responsiveness to Offers

Value assigned Area	Strongly agree		Agree		Neutral		Disagree		Strongly Disagree	
	1		2		3		4		5	
	N	%	N	%	N	%	N	%	N	%
Rural	18	12	107	71.33	19	12.67	6	4	--	--
Urban	9	6	125	83.33	10	6.67	6	4	--	--
Total	27	9	232	77.33	29	9.7	12	4	--	--

χ^2 value = 7.18966, d.f = 3, Table value = 7.815, Significance = 0.06609; Mode = 2.

Place of domicile wise analysis of the above data shows that 71.33% of rural people and 83.335 of urban people agree, even though not strongly agree. The percentages of those who strongly agree are 12% and 6% respectively. There is no significant difference in the attitudes of rural and urban people (Table 4.178).

TABLE 4.179
Income Wise Analysis of Consumer's Responsiveness to offers

Value assigned Income Group	Strongly agree		Agree		Neutral		Disagree		Strongly Disagree	
	1		2		3		4		5	
	N	%	N	%	N	%	N	%	N	%
Low income	14	27.45	29	56.86	3	5.88	5	9.80	--	--
Medium income	13	6.95	148	79.14	20	10.70	6	3.21	--	--
High income	0	0	55	88.71	6	9.68	1	1.61	--	--
Total	27	9	232	77.3	29	9.7	12	4	--	--

χ^2 value = 36.05473, d.f = 6, Table value = 12.592, Significance = 0.0000; Mode = 2.

Income group wise, 56.86% of low income group, 79.14% of middle income group and 88.71% of high income group agree. No body from high income group strongly agrees 27.45% of low income group and 6.95% of middle income group strongly agree.

Significant difference is there in the perception of the various income groups as is evident from the above table. The table value is much higher than χ^2 value (Table 4.178).

2. Effects of retraction of offers

Many researchers have found that consumers go back to their previous brand when the offers are withdrawn. Whether this is true in the context of Kerala is analysed and the relevant data is presented in tables 4.180, 4.181 and 4.182.

TABLE 4.180
Gender Wise Analysis of the Effects of Retraction of Offers

Value assigned Gender	Strongly agree		Agree		Neutral		Disagree		Strongly Disagree	
	1		2		3		4		5	
	N	%	N	%	N	%	N	%	N	%
Male	21	10.55	139	69.85	37	18.59	2	1.01	0	0
Female	17	16.83	64	63.37	12	11.88	8	7.92	0	0
Total	38	12.7	203	67.7	49	16.3	10	3.3	0	0

χ^2 value = 13.96209, d.f = 3, Table value = 7.815, Significance = 0.00296

It can be noticed from the table that 69.85% of men and 63.37% women agree to this aspect. Percentages of those who strongly agree are 10.55% and 16.83% respectively. The value of mode is 2 which shows that majority of people agree that consumers go back to their previous brands when the offers are withdrawn. The χ^2 value is more than the table value and hence there is significant difference in the attitudes of men and women.

TABLE 4.181

Place of Domicile wise Analysis of the Effects of Retraction of Offers

Value assigned Area	Strongly agree		Agree		Neutral		Disagree		Strongly Disagree	
	1		2		3		4		5	
	N	%	N	%	N	%	N	%	N	%
Rural	23	15.33	95	63.33	27	18	5	3.33	0	0
Female	15	10	108	72	22	14.67	5	3.33	0	0
Total	38	12.7	203	67.7	49	16.3	10	3.3	0	0

χ^2 value = 3.02693, d.f = 3, Table value = 7.815, Significance = 0.38749.

Place of domicile wise analysis of the above data presented in table 4.181 shows that 63.33% of rural people and 72% of urban people agree that consumers will go back to their previous brand when the offer is withdrawn. The percentages of those who strongly agree are only 15.337 and 10% respectively. Here also the modal value is 2. There is no significant difference in the perception of rural and urban people.

TABLE 4.182

Income Wise Analysis of the Effects of Retraction of Offers

Value assigned Income Group	Strongly agree		Agree		Neutral		Disagree		Strongly Disagree	
	1		2		3		4		5	
	N	%	N	%	N	%	N	%	N	%
Low Income	11	21.57	30	58.82	5	9.80	5	9.80	0	0
Medium Income	27	14.44	123	65.78	32	17.11	5	2.67	0	0
High Income	0	0	50	80.65	12	19.35	0	0	0	0
Total	38	12.7	203	67.7	49	16.3	10	3.3	0	0

χ^2 value = 24.20286, d.f = 6, Table value = 12.592, Significance = 0.00048.

While 58.82% of consumers belonging to low income group, 65.78% belonging to middle income group and 80.65 belonging to high income group agree that consumers go back to their previous brand when the offer is withdrawn, 21.57% of low income group and 14.44% of middle income group strongly agree. No body in the high income group strongly agrees. The value of mode is 2 for all income groups.

Significant difference is there in the attitudes of various income groups. χ^2 value is much higher than the table value.

3. Brand Preference in the case of beverages

Whether there is brand preference in the case of beverages in the context of Kerala has been enquired into and the results of the analysis are as given below in table 4.183.

TABLE 4.183

Gender wise Analysis of the Brand Preference in the case of Tea

Value assigned Gender	Strongly agree		Agree		Neutral		Disagree		Strongly Disagree	
	1		2		3		4		5	
	N	%	N	%	N	%	N	%	N	%
Male	83	41.71	82	41.21	33	16.58	1	0.05	0	0
Female	56	55.45	32	31.68	13	12.87	0	0	0	0
Total	139	46.3	114	38	46	15.3	1	0.3	0	0

The table reveals that 46.3% have brand preference in the case of tea. 55.45% females strongly agree whereas male respondents haven't that much brand preference; only 41.71% strongly agree. The value of mode is 2 in the case of male respondents whereas it is 1 in the case of female respondents.

TABLE 4.184

Gender Wise Analysis of the Brand Preference in the case of Coffee

Value assigned Gender	Strongly agree		Agree		Neutral		Disagree		Strongly Disagree	
	1		2		3		4		5	
	N	%	N	%	N	%	N	%	N	%
Male	52	26.13	113	56.78	34	17.09	--	--	0	0
Female	17	16.83	62	61.39	22	21.78	--	--	0	0
Total	69	23	175	58.3	56	18.7	0	0	0	0

In respect of coffee, 56.78% male respondents and 61.39% female respondents agree but the percentages of those who strongly agree are 26.13% and 16.83% in the case of male and female respondents respectively. No body disagrees. The value of mode is 2 in both the cases which shows that majority of the population agree that consumers go back to their previous brand when the offer is withdrawn eventhough not strongly agree (Table 4.184).

TABLE 4.185

Gender wise Analysis of the brand Preference in the case of Health Drinks

Value assigned Gender	Strongly agree		Agree		Neutral		Disagree		Strongly Disagree	
	1		2		3		4		5	
	N	%	N	%	N	%	N	%	N	%
Male	65	32.66	120	60.30	14	7.04	0	0	0	0
Female	38	37.62	57	56.44	6	5.94	00	00	0	0
Total	103	34.3	177	59.0	20	6.7	0	0	0	0

As regards health drinks, 60.3% men and 56.44 women agree, 32.66% men and 37.62% strongly agree. No body disagrees.

TABLE 4.186

Place of Domicile wise Analysis of the Brand Preference in the case of Tea

Value assigned Area	Strongly agree		Agree		Neutral		Disagree		Strongly Disagree	
	1		2		3		4		5	
	N	%	N	%	N	%	N	%	N	%
Rural	75	50	53	35.33	22	14.67	0	0	0	0
Urban	64	42.67	61	40.67	24	16	1	0.67	0	0
Total	139	46.3	114	38	46	15.3	1	0.3	0	0

Place of domicile wise, 50% of rural people strongly agree and 35.33% agree and nobody disagrees. 42.67% urban people strongly agree and 40.67% people agree. Only 0.67% disagree. The value of mode is 1 in the case of both the groups which shows that both the groups have strong brand preference (Table 4.186).

TABLE 4.187

Place of Domicile wise Analysis of the Brand Preference in the case of Coffee

Value assigned Area	Strongly agree		Agree		Neutral		Disagree		Strongly Disagree	
	1		2		3		4		5	
	N	%	N	%	N	%	N	%	N	%
Rural	33	22	88	58.67	29	19.33	0	0	0	0
Female	36	24	87	58	27	18	0	0	0	0
Total	69	23	175	58.3	56	18.7	0	0	0	0

In the case of coffee, 58.67% of rural people and 58% urban people agree and 22% men and 24% women strongly agree. Nobody disagrees. The value of mode in both the case is 2 which shows that majority of both the areas have brand preference.

TABLE 4.188

Area Wise Analysis of the Brand Preference in the case of Health Drinks

Value assigned Area	Strongly agree		Agree		Neutral		Disagree		Strongly Disagree	
	1		2		3		4		5	
	N	%	N	%	N	%	N	%	N	%
Rural	56	37.33	84	56	10	6.67	0	0	0	0
Female	47	31.33	93	62	10	6.67	0	0	0	0
Total	103	34.3	177	59	20	6.7	0	0	0	0

In the case of health drinks, 56% of rural people and 62% of urban people agree, 37.33% rural people and 31.33% of urban people strongly agree. Nobody disagrees. The value of mode is 2 in the case of both the groups.

TABLE 4.189

Income Wise Analysis of the brand Preference in the case of Tea

Value assigned Income Group	Strongly agree		Agree		Neutral		Disagree		Strongly Disagree	
	1		2		3		4		5	
	N	%	N	%	N	%	N	%	N	%
Low Income	27	52.94	12	23.53	12	23.58	0	0	0	0
Middle Income	97	51.87	67	35.83	22	11.76	1	0.53	0	0
High Income	15	24.19	35	56.45	12	19.35	0	0	0	0
Total	139	46.3	114	38.0	46	15.3	1	0.3	0	0

It is interesting to note that against our expectation low income group and middle income group show more brand preference in the case of tea. Only 24.19% of the people belonging to high income group agree that they have strong brand preference. It is 52.94% and 51.87% in the cases of low income and middle income groups. The value of mode is 1 in the cases of low income and middle income groups where as it is 2 in the case of high income group.

TABLE 4.190

Income Wise Analysis of Brand Preference in the case of Coffee

Value assigned Income Group	Strongly agree		Agree		Neutral		Disagree		Strongly Disagree	
	1		2		3		4		5	
	N	%	N	%	N	%	N	%	N	%
Low Income	6	11.76	30	58.82	15	29.41	0	0	0	0
Middle Income	50	26.74	108	57.75	29	15.51	0	0	0	0
High Income	13	20.97	37	59.68	12	19.35	0	0	0	0
Total	69	23	175	58.3	56	18.7	0	0	0	0

From table 4.190 it is seen that 58.82% of low income group, 57.75% of middle income group and 59.68% of high income group agree and 11.76% of low income group, 26.74% of middle income group and 20.97% of high income group strongly agree. No body disagrees. The value of mode is 2 in all the cases which shows that majority of all the three income group have brand preference.

TABLE 4.191

Income Wise Analysis of the brand Preference in the case of Health Drinks

Value assigned Income Group	Strongly agree		Agree		Neutral		Disagree		Strongly Disagree	
	1		2		3		4		5	
	N	%	N	%	N	%	N	%	N	%
Low Income	19	37.25	28	54.9	4	7.84	0	0	0	0
Middle Income	69	36.90	107	57.22	11	5.88	0	0	0	0
High Income	15	24.19	42	67.74	5	8.06	0	0	0	0
Total	103	34.3	177	59	20	6.7	--	--	--	--

Table 4.191 reveals that 54.9% of low income group 57.22% of middle income group and 67.74% of high income group agree and 37.25% of low income group 36.9% of middle income group and 24.19% high income group strongly agree. Nobody disagrees. The value of mode is 2 in all the cases. Chi-square values have been derived and the results are shown in Table 4.192 below.

TABLE 4.192

Test of Significance

	Tea				Coffee				H.D			
	χ^2 value	d.f	Table value	Sign.	χ^2 value	d.f	Table value	Sign.	χ^2 value	d.f	Table value	Sign.
Sex wise	5.43693	3	7.815	0.14246	3.55381	2	5.991	0.16916	0.77026	2	5.991	0.68036
Area wise	2.51886	3	7.815	0.47189	0.20758	2	5.991	0.90142	1.24403	2	5.991	0.53686
Income wise	21.92055	6	12.592	0.00125	8.24813	4	9.488	0.0829	3.85071	4	9.488	0.42659

In the case of tea there is significant difference in the perception of various income groups. No significant differences are noticed in other cases.

4. Consumers' habit of comparing prices of different brands at the time of purchase

Whether consumers compare the prices of different brands before they purchase a beverage has been studied. The results of the analysis are presented in table 4.193.

TABLE 4.193

A Gender wise Analysis of the Consumers' habit of comparing prices of different brands

	Strongly Agree				Agree				Neutral				Disagree			
	1								3				4			
	Male		Female		Male		Female		Male		Female		Male		Female	
	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%
Tea	3	1.51	4	3.96	122	61.31	69	68.32	72	36.18	27	26.73	2	1.01	1	0.99
Coffee	4	2.01	10	9.9	128	64.32	62	61.39	66	33.17	27	26.73	1	0.5	2	1.98
H.D	1	0.5	0	0	52	26.13	29	28.71	126	63.32	55	54.46	20	10.05	17	16.83

In the case of tea 61.31% of men and 68.32% of women agree that they compare the prices before purchasing a brand. In the case of coffee their percentages are 64.32 and 61.39% and in the case of health drinks, the percentages are only 26.13 and 28.71%. Most of them are neutral in the case of health drinks; the percentages are 63.32 and 54.46 respectively. A considerable number disagree also (10.05% and 16.83%). The value of mode is 2 in the case of both the genders in the case of tea and coffee whereas it is 3 in the case of health drinks which means that both men and women are in the habit of comparing prices of different brands in the case of tea and coffee whereas both the groups are not bothered about the price of their favourite brand of health drink.

TABLE 4.194

**Place of Domicile wise Analysis of the Consumers' Habit of Comparing
Prices of Different Brands**

	Strongly Agree				Agree				Neutral				Disagree			
	Rural		Urban		Rural		Urban		Rural		Urban		Rural		Urban	
	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%
Tea	3	2	4	2.67	95	63.33	96	64	50	33.33	49	32.67	2	1.33	1	0.67
Coffee	8	5.33	6	4	98	65.33	92	61.33	41	27.33	52	34.67	3	2	0	0
H.D	1	0.67	0	0	40	26.67	41	27.33	90	60	91	60.67	19	12.67	18	12

Of rural people 63.33% and of urban people 64% agree in the case of tea, 65.33% and 61.33% in the case of coffee and only 26.67% and 27.33% in the case of health drinks. 60% of rural and 60.67% of urban people are neutral in the case of health drinks. The value of mode is 2 in the case of the people belonging to both the areas in the cases of Tea and Coffee whereas it is 3 in the case of health drinks (table 4.194).

TABLE 4.195

Income wise Analysis of the Consumers' habit of Comparing Prices of Different Brands

	Strongly Agree						Agree						Neutral						Disagree					
	Low Income		Middle Income		High Income		Low Income		Middle Income		High Income		Low Income		Middle Income		High Income		Low Income		Middle Income		High Income	
	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%
Tea	1	1.96	4	2.14	2	3.23	40	78.43	108	57.75	43	69.35	9	17.65	74	39.57	16	25.81	1	1.96	1	0.53	1	1.61
Coffee	5	9.8	9	4.81	0	0	37	72.55	716	62.03	37	59.68	9	17.65	60	32.09	24	38.71	0	0	2	1.07	1	1.61
HD	0	0	1	0.53	0	0	20	39.22	45	24.06	16	25.81	23	45.1	119	63.64	39	62.9	8	15.69	22	11.76	7	11.48

Of low income group 78.43%, of middle income group 57.75% and of high income group 69.35% agree in the case of Tea, 72.55% low income group 62.03% of middle income group and 59.68% of high income group agree in the case of coffee. Only 39.22% of low income group 24.06% of middle income group and 25.81% of high income group in the case of health drinks. 45.1% of low income group 63.64% of middle income group and 62.9% of high income group are neutral. The value of mode is 2 in the case of all income groups in the case of tea and coffee whereas it is 3 in the case health drinks.

Chi-square values derived for the data are presented in table 4.196.

TABLE 4.196
Tests of Significance

	Tea				Coffee				H.D			
	χ^2 value	d.f	Table value	Sign.	χ^2 value	d.f	Table value	Sign.	χ^2 value	d.f	Table value	Sign.
Sex wise	4.05715	3	7.815	0.25336	11.38779	3	7.815	0.00980	4.04304	3	7.815	0.25685
Area wise	0.49153	3	7.815	0.92075	4.77626	3	7.815	0.12519	1.04490	3	7.815	0.05891
Income wise	11.3154	6	12.592	0.07327	11.59599	6	12.592	0.07161	6.98928	6	12.592	0.32184

Significant difference is there in the case of coffee between the 2 genders. No significant differences are seen in other cases.

5. Consumers' perception about the chance of a reputed concern to market an inferior product

A reputed concern will never do anything which will harm its reputation especially in an era like this. In the present market, for every product, there are a large number of companies trying to enhance their market share using sales promotion techniques along with advertisement. As

discussed earlier promotions alone will not motivate consumers for a purchase. They give prime importance to quality.

Whether consumers think that a reputed concern will never produce/market qualitatively inferior product has been studied. Results of the analysis are as given below.

TABLE 4.197

A Gender wise Analysis of the consumers' perception about the chance of a reputed concern for not marketing and inferior product

Value assigned Gender	Strongly agree		Agree		Neutral		Disagree		Strongly Disagree	
	1		2		3		4		5	
	N	%	N	%	N	%	N	%	N	%
Male	1	0.5	136	68.34	55	27.64	7	3.52	--	--
Female	0	0	66	65.35	31	30.69	4	3.96	--	--
Total	1	3	202	67.33	86	28.7	11	3.7	--	--

Both men and women agree (68.34% and 65.35%) even though not strongly agree. The value of mode is 2 in the case of both the genders which shows that majority of both the groups perceive that there is very rare chance for an inferior product from a reputed concern (Table 4.197).

TABLE 4.198

Place of Domicile wise Analysis of the Consumers' Perception about the chance of a reputed concern for not marketing an inferior product

Value assigned Gender	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree	
	1		2		3		4		5	
	N	%	N	%	N	%	N	%	N	%
Rural	1	0.67	98	65.33	46	30.67	5	3.33	--	--
Urban	0	0	104	69.33	40	26.67	6	4	--	--
Total	1	.3	202	67.33	86	28.7	11	3.7	--	--

Both rural and urban people agree (65.33% and 69.33%) even though not strongly agree. He also the value of mode is 2 in the cases of people belonging to both the areas.

TABLE 4.199

Income Wise Analysis of the Consumers Perception about the chance of a reputed concern for not marketing an inferior Product

Value assigned Income Group	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree	
	1		2		3		4		5	
	N	%	N	%	N	%	N	%	N	%
Low income	0	0	32	62.75	16	31.37	3	5.88	--	--
Middle income	1	0.53	123	65.78	56	29.95	7	3.74	--	--
High income	0	0	47	75.81	14	22.58	1	1.61	--	--
Total	1	.3	202	67.33	86	28.7	11	3.7	--	--

All the income groups agree, even though not strongly agree (62.75%, 65.78% and 75.81% respectively). The value of mode 2 in the case of all income groups.

Chi-square values are presented in table 4.200.

TABLE 4.200
Test of Significance

	χ^2 value	d.f	Table value	Significance
Sex wise	0.85073	3	7.815	0.83730
Area wise	1.68773	3	7.815	0.63966
Income wise	3.92946	6	12.592	0.68622

No significant differences could be noticed as the χ^2 values are much less than the table values.

6. Consumers' responsiveness to brand extension of a reputed company

Once a company could satisfy the customers by providing a qualitatively good product the goodwill of the concern will last for ever unless the products launched by it subsequently are bad in quality, against the expectation of the consumers. Anyway high chance is there for a consumer to make a trial purchase when a reputed company launches a new product. To know whether this is true in the context of Kerala, the respondents were asked a question as to whether they will try a product without anybody's advice if a reputed company introduces a new product. If a highly reputed company introduces a new product whether the consumers try it without any body's advice is the sixth question asked to the respondents, to study the responsiveness of consumers to brand extension of reputed concerns. The results of the analysis are tabulated below.

TABLE 4.201

Gender wise Analysis of the Consumers' Responsiveness to brand extension of a Reputed Company

Value assigned Gender	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree	
	1		2		3		4		5	
	N	%	N	%	N	%	N	%	N	%
Male	148	74.37	40	20.1	11	5.53	0	0	--	--
Urban	69	68.32	21	20.79	10	9.9	1	0.99	--	--
Total	217	72.3	61	20.3	21	7	1	0.3	--	--

It can be noticed from table 4.201 that majority of men and women strongly agree (74.37% and 68.32% respectively). The value of mode is also 1 for both the genders.

TABLE 4.202

Place of Domicile wise Analysis of the Consumers' Responsiveness to Brand Extension of a reputed company

Value assigned Area	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree	
	1		2		3		4		5	
	N	%	N	%	N	%	N	%	N	%
Rural	102	68	38	25.33	10	6.67	0	0	--	--
Urban	115	76.67	23	15.33	11	7.33	1	0.67	--	--
Total	217	72.3	61	20.3	21	7	1	0.3	--	--

An area wise analysis of the above data given in table 4.202 majority of rural and urban consumers strongly agree (68% and 76.67% respectively). The value of mode is 1 in both the cases.

TABLE 4.203

Income Wise Analysis of the Consumers' Responsiveness to brand extension of a reputed Company

Value assigned Income Group	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree	
	1		2		3		4		5	
	N	%	N	%	N	%	N	%	N	%
Low income	27	52.94	17	33.33	7	13.73	0	0	--	--
Middle income	143	76.47	32	17.11	12	6.42	0	0	--	--
Total	217	72.3	61	20.3	21	7	1	0.3	--	--

Income group wise majority of all income groups strongly agree (52.94%, 76.47% and 72.3% respectively). The value of mode is 1 in all the cases.

Below are tabulated the chi-square values (table 4.204).

TABLE 4.204

Test of Significance

	χ^2 value	d.f	Table value	Significance
Sex wise	4.15620	3	7.815	0.24508
Area wise	5.51495	3	7.815	0.13775
Income wise	16.90620	6	12.592	0.00963

There is significant difference in the perception of different income groups as the χ^2 value is much more than the table value. In all other cases the differences are not significant.

7. Consumers habit of stock piling during off season

Promotion's effect on consumption stems from its fundamental ability to increase household inventory levels. Higher inventory, in turn, can increase consumption through two mechanisms: fewer stock outs and an increase in the consumers' usage rate of the category.

To know whether the consumers of FMCGs in Kerala are in the habit of stock piling in off seasons, consumers were asked whether they were in the habit of stock piling during off seasons. The data analysed are presented below in table 4.205.

TABLE 4.205

Sex Wise Analysis of the Consumers' habit of Stock Piling during off season

Value assigned Gender	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree	
	1		2		3		4		5	
	N	%	N	%	N	%	N	%	N	%
Male	1	0.5	10	5.3	58	29.15	123	61.81	7	3.52
Female	0	0	9	8.91	18	17.82	73	72.28	1	0.99
Total	1	0.3	19	6.3	76	25.3	196	65.3	8	2.7

From the table, it can be observed that 61.81% of men and 72.28% of women disagree. There are both men and women who even strongly disagree (3.52% and 0.99% respectively). The value of mode in the case of both the genders is 4 which shows that both the genders see a very rare chance for stock piling during off seasons.

TABLE 4.206

Place of Domicile wise Analysis of the Consumers' habit of stock piling during off seasons

Value assigned Area	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree	
	1		2		3		4		5	
	N	%	N	%	N	%	N	%	N	%
Rural	1	0.67	7	4.67	29	19.33	111	74	2	1.33
Urban	0	0	12	8	47	31.33	85	56.67	6	4
Total	1	0.3	19	6.3	76	25.3	196	65.3	8	2.7

Area wise, 74% of rural people and 56.67% of urban people disagree. Persons are there from both areas who strongly disagree (1.33% and 4% respectively). Here also the value of mode is 4 in the case of people belonging to both areas (Table 4.206).

TABLE 4.207

Income Wise Analysis of the Consumers' habit of stock piling during off seasons

Value assigned Income Group	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree	
	1		2		3		4		5	
	N	%	N	%	N	%	N	%	N	%
Low income	0	0	3	5.88	8	15.69	40	78.43	0	0
Middle income	1	0.53	12	6.42	39	20.86	127	67.91	8	4.28
High income	0	0	4	6.45	29	46.77	29	46.77	0	0
Total	1	.3	19	6.3	76	25.3	196	65.3	8	2.7

While examining the above data on the basis of income level of the consumers, it can be noticed that 78.43% of low income, 67.91% of middle income and 46.77% of high income groups disagree. The value of mode is 4 in all the cases.

Chi-square values obtained are tabulated below.

TABLE 4.208
Test of Significance

	χ^2 value	d.f	Table value	Significance
Sex wise	4.1562	3	7.815	0.24508
Area wise	5.51495	3	7.815	0.13775
Income wise	24.86127	8	15.507	0.00164

There is significant difference in the perception of various income groups. In all other cases differences are not significant as the χ^2 values are less than the table values.

8. Rate of consumption of beverages during off seasons

The possibility that households increase their usage rate of FMCGs when they have higher inventory, is supported by both economic and behavioural theory. Consumption can be expected to increase with inventory not only because of the stock pressure from inventory holding costs, but also because higher inventory gives consumers greater flexibility to consume the product without having to worry about replacing it at high prices. Scarcity theory suggests that consumers curb consumption of products when supply is limited because they perceive smaller quantities as more valuable. Increased inventory generated by promotion can result in a faster usage rate especially if products are perishable.

Whether consumption of beverages increases in off seasons has been studied and the results are shown below in tables 4.209, 4.210 and 4.211.

TABLE 4.209

Gender wise Analysis of the rate of consumption of beverages during off seasons

Value assigned Gender	Strongly Agree						Agree						Neutral						Disagree						Strongly Disagree					
	1						2						3						4						5					
	Tea		Coffee		Health Drinks		Tea		Coffee		Health Drinks		Tea		Coffee		Health Drinks		Tea		Coffee		Health Drinks		Tea		Coffee		Health Drinks	
	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%
Male	0	0	1	.5	3	1.5	4	2.01	8	4.02	43	21.61	50	25.13	53	26.63	109	54.77	130	65.33	123	61.81	43	21.61	15	7.54	14	7.04	1	0.5
Female	0	0	0	0	0	0	3	2.97	4	3.96	19	18.81	14	13.86	18	17.82	45	44.55	83	82.18	78	77.23	35	34.65	1	0.99	1	0.99	2	1.98
Total	0	0	1	.3	3	1	7	2.3	12	4	62	20.7	64	21.3	71	23.7	154	51.3	213	71	201	67	78	26	16	5.3	15	5	3	1

TABLE 4.210

Place of Domicile wise Analysis of the rate of consumption of beverages during off seasons

Value assigned Area	Strongly Agree						Agree						Neutral						Disagree						Strongly Disagree					
	1						2						3						4						5					
	Tea		Coffee		Health Drinks		Tea		Coffee		Health Drinks		Tea		Coffee		Health Drinks		Tea		Coffee		Health Drinks		Tea		Coffee		Health Drinks	
	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%
Rural	0	0	1	0.67	0	0	2	1.33	4	2.67	29	19.33	32	21.33	32	21.33	75	50	110	73.33	107	71.33	44	29.33	6	4	6	4	2	1.33
Urban	0	0	0	0	3	2	5	3.33	8	5.33	33	22	32	21.33	39	26	79	52.67	103	68.67	94	62.67	34	22.67	10	6.67	9	6	1	0.67
Total	0	0	1	.3	3	1	7	2.3	12	4	62	20.7	64	21.31	71	23.71	154	51.3	213	71	201	67	78	26	16	5.31	15	5	3	1

TABLE 4.211
Income Wise Analysis of the rate of consumption of beverages during off seasons

Value assigned Income Group	Strongly Agree						Agree						Neutral						Disagree						Strongly Disagree					
	1						2						3						4						5					
	Tea		Coffee		Health Drinks		Tea		Coffee		Health Drinks		Tea		Coffee		Health Drinks		Tea		Coffee		Health Drinks		Tea		Coffee		Health Drinks	
	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%
Low income	0	0	0	0	0	0	0	0	1	1.96	17	33.33	17	33.33	14	27.45	13	25.49	34	66.67	36	70.59	21	41.12	0	0	0	0	0	0
Middle income	0	0	1	0.53	3	1.60	5	9.8	8	5.33	28	14.97	24	12.83	33	17.65	108	57.75	146	78.11	34	71.67	47	25.13	12	0	11	6.42	1	0.53
High income	0	0	0	0	0	0	2	3.23	3	4.84	17	27.42	23	37.10	24	38.71	33	53.23	33	53.24	31	50	10	16.13	4	0	4	6.45	2	3.23
Total	0	0	1	.37	3	1	7	2.3	12	4	62	20.7	64	38.71	71	23.7	154	51.3	213	71	201	67	78	26	16	0	15	5	3	1

A perusal of table 4.211 reveals that 65.33% of men and 82 - 18% of women disagree that the consumption rate of tea will increase in off season 61.81% and 77. 23% disagree in the case of coffee. In the case of Health Drinks nearly 50% of both genders seem neutral about this (54.77% and 44.55%). Majority of Rural and Urban people disagree (73.33%) and 68.67% in the case of tea and 71.33% and 62.67% in the case of coffee). 50% of rural people and 52.67% of urban people seem neutral in the case health drinks. 66.67% of low income group, 78.1% of middle income group and 53.23% of high income group disagree in the case of tea, 70.59%, 71.67%, and 50% in the case of coffee. In the case of health drinks 41.12% of low income group disagree whereas 57.75% middle income group and 53.23% of high income group seem neutral. From the above analysis it is very clear that if there is an increase in the rate of consumption during off seasons, that will be only in the case of health drinks.

Chi-square values obtained are presented below in table 4.212.

TABLE 4.212

Tests of Significance

	Tea				Coffee				H.D			
	χ^2 value	d.f	Table value	Sign.	χ^2 value	d.f	Table value	Sign.	χ^2 value	d.f	Table value	Sign.
Sex wise	12.31451	3	7.815	0.00638	9.97977	4	9.488	0.04077	8.98788	4	9.488	0.06142
Area wise	2.51570	3	7.815	0.47245	4.46427	4	9.488	0.34681	4.97735	4	9.488	0.28963
Income wise	25.97967	6	12.592	0.00022	16.85992	8	15.507	0.03160	29.13525	8	15.507	0.0003

Sex wise, there are significant differences in the attitudes of consumers in the cases of tea and coffee and income wise, in the cases of all beverages. Domicile wise no difference could be noticed as the χ^2 value is less than the table value (table 4.212).

9. Consumers' perception about sweepstakes

Historically, there has been a great deal of confusion about the two terms 'contests' and 'sweepstakes'. A contest requires the entrant to perform some task (for example, draw a picture, write a poem, etc.) to win a prize. A sweepstake is a random drawing, which may or may not require a consideration such as buying a ticket or purchasing a product. A contest requires a judging process; a sweepstake does not. Although the figures are sketchy, it is estimated that, in the U.S., \$ 87 million was spent on contests and sweepstakes in 1977, and \$ 175 million in 1989. Fewer than 20 percent of all households have ever entered a contest or sweepstake. In Kerala, whether consumers show much interest in filling sweepstakes and collecting wrappers with an intention to win prizes offered has been studied and the relevant data are presented in tables 4.213, 4.214 and 4.215.

TABLE 4.213

Gender wise Analysis of the Consumers' perception about sweepstakes

Value assigned Gender	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree	
	1		2		3		4		5	
	N	%	N	%	N	%	N	%	N	%
Male	1	0.5	140	70.35	53	26.63	5	2.51	--	--
Female	3	2.97	72	71.29	19	18.81	7	6.93	--	--
Total	4	1.3	212	70.7	72	24	12	4	--	--

An examination of table 4.213 reveals that 70.35% of male and 71.29% of female respondents agree even though not strongly agree. The value of mode in both the cases is 2.

TABLE 4.214

**Place of Domicile wise Analysis of the Consumers' perception
about sweepstakes**

Value assigned Area	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree	
	1		2		3		4		5	
	N	%	N	%	N	%	N	%	N	%
Rural	1	0.67	107	7.33	38	25.33	4	2.67	--	--
Urban	3	2	105	70	34	22.67	8	5.33	--	--
Total	4	1.3	212	70.7	72	24	12	4	--	--

Area wise classification of the above data presented in table 4.215 shows that 71.33% of rural people and 70% of urban people agree. Here also the value of mode is 2 in both the cases.

TABLE 4.215

Income Wise Analysis of the Consumer's perception about sweepstakes

Value assigned Income Group	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree	
	1		2		3		4		5	
	N	%	N	%	N	%	N	%	N	%
Low income	3	5.88	33	64.71	13	25.49	2	3.92	--	--
Middle income	1	0.53	135	72.19	44	23.53	7	3.74	--	--
High income	0	0	44	70.97	15	24.19	3	4.84	--	--
Total	4	1.3	212	70.7	72	24	12	4	--	--

Income group wise, 64.71% of low income group, 72.19% of middle income group and 70.97% of high income group agree, even though not strongly agree. The value of mode is 2 in all the cases (table 4.215).

TABLE 4.216

Test of Significance

	χ^2 value	d.f	Table value	Significance
Sex wise	8.04541	3	7.815	0.04508
Area wise	2.57442	3	7.815	0.46199
Income wise	10.16123	6	12.592	0.11802

Chi-square analysis of the above data presented in table 4.216 shows that significant difference is there in the attitudes of men and women. In other cases differences are not significant.

10. Effects of promotions on the perceived price of the product

Customer's price expectations are not a function of past prices alone, but are influenced also by external variables. The expected price which can also be termed as 'perceived price' of a brand is assumed to be influenced by the past prices of the brand, frequency of sales promotions, economic conditions, customer characteristics and type of retail shopping outlet. There is empirical support for the findings of many researchers that the frequency with which a brand is promoted has a negative impact on its perceived price. Though promotions help to increase the short term sales of a brand, they may erode the long run profitability of the brand if used too often.

Whether frequent promotions adversely affect the perceived price of the products as found by some researchers has also been studied. The results of the analysis are presented in tables 4.217, 4.218 and 4.219.

TABLE 4.217

Gender wise Analysis of the effects of promotions on the perceived price of the product

Value assigned Gender	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree	
	1		2		3		4		5	
	N	%	N	%	N	%	N	%	N	%
Male	7	3.52	152	76.38	34	17.09	6	3.02	--	--
Female	7	6.93	69	68.32	24	23.76	1	0.99	--	--
Total	14	4.7	221	73.7	58	19.3	7	2.3	--	--

It can be observed from the above table that 76.38% of men and 68.32% of women agree even though not strongly agree that frequent sales promotions adversely affect the perceived price of a brand. The value of mode is 2 in both the cases.

TABLE 4.218

Area Wise Analysis of the effects of promotions on the perceived price of the product

Value assigned Area	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree	
	1		2		3		4		5	
	N	%	N	%	N	%	N	%	N	%
Rural	7	4.67	114	76	28	18.67	1	0.67	--	--
Urban	7	4.67	107	71.33	30	20	6	4	--	--
Total	14	4.7	221	73.7	58	19.3	7	2.3	--	--

Table 4.218 reveals that 76% of rural and 71.33% urban people agree, even though not strongly agree. That perceived price of a brand is adversely affected by frequent promotions. Here also the value of mode is 2 for people belonging to both the areas.

TABLE 4.219

Income Wise Analysis of the effects of promotions on the perceived of product

Value assigned Income Group	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree	
	1		2		3		4		5	
	N	%	N	%	N	%	N	%	N	%
Low income	9	17.65	38	74.51	4	1.96	0	0	--	--
Middle income	4	2.14	133	71.12	44	23.53	6	3.21	--	--
High income	4	2.14	133	71.12	44	23.53	6	3.21	--	--
Total	14	4.7	221	73.7	58	19.3	7	2.3	--	--

Income wise 74.51% of low income group, 71.12% of middle income group and 80.65% of high income group agree, even though not strongly agree. The value of mode is 2 in case of people belonging to all income groups (table 4.219).

TABLE 4.220

Test of Significance

	χ^2 value	d.f	Table value	Significance
Sex wise	4.98627	3	7.815	0.17281
Area wise	3.86211	3	7.815	0.27674
Income wise	30.24856	6	12.592	0.00004

Significant differences are there in the perception of various income groups. In all other cases the differences are not significant as the χ^2 value are less than the table values (table 4.220).

11. Consumers' perception about the relationship between price and quality

Price is a competitive weapon. Price is often the only element consumers use to differentiate one brand from another. Intelligent marketers must know how consumers perceive different prices, how they view the prices charged by competitors, and how they feel about price increases and reductions. An intelligent marketer may transform high prices into a positive feature by using them to signal high quality. This strategy is based on the assumption that 'price' and 'quality' have a high positive relationship in the mind of the typical consumer.

Consumers often take Price of Brand as a Cue for Predicting its Quality. Whether this statement is true in the context of Kerala has been studied. Results of the analysis of the data collected are tabulated below.

TABLE 4.221

Gender wise Analysis of the Consumers' Perception of the relationship between Price and Quality

Value assigned Gender	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree	
	1		2		3		4		5	
	N	%	N	%	N	%	N	%	N	%
Male	21	10.55	165	82.91	12	6.03	1	0.5	--	--
Female	16	15.84	79	78.21	5	4.95	1	0.99	--	--
Total	37	12.3	244	81.3	17	5.7	2	0.7	--	--

From the above table it is seen that 82.91% of men and 78.21% of women agree even though not strongly agree that they consider the price of a brand as a cue for predicting its quality, i.e., 'high price' products are often considered as high quality ones. The value of mode is 2 in both cases.

TABLE 4.222

Place of Domicile wise Analysis of Consumers' Perception about the relationship between Price and Quality

Value assigned Area	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree	
	1		2		3		4		5	
	N	%	N	%	N	%	N	%	N	%
Rural	19	12.67	125	83.33	5	3.33	1	0.67	--	--
Urban	18	12	119	79.33	12	8	1	0.67	--	--
Total	37	12.3	244	81.3	17	5.7	2	0.7	--	--

From the above table it is seen that 76% of rural and 71.33% urban people agree, even though not strongly agree, that the price of a product is often taken as a cue for predicting its quality. Here also the value of mode is 2 in the case of people belonging to both the areas.

TABLE 4.223

Income Wise Analysis of the Consumers' Perception about the relationship between Price and Quality

Value assigned Income Group	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree	
	1		2		3		4		5	
	N	%	N	%	N	%	N	%	N	%
Low income	18	35.29	32	62.75	1	1.96	0	0	0	0
Middle income	19	10.16	135	82.89	12	6.42	1	0.53	0	0
Total	37	12.3	244	81.3	17	5.7	2	0.7	0	0

The table shows that 62.75% of Low income group, 82.89% of Middle income group and 91.94% of High income group agree that there is a relationship between price and quality. The value of mode is 3 in the case of people belonging to all income groups.

Chi-square values derived are tabulated and presented in table 4.224.

TABLE 4.224

Test of Significance

	χ^2 value	d.f	Table value	Significance
Sex wise	2.07791	3	7.815	0.55640
Area wise	3.05692	3	7.815	0.38293
Income wise	35.95267	6	12.592	0.00000

It can be seen from the table that there is significant difference in the opinion of various income groups. In all other cases the differences are not significant as the χ^2 values are less than the table values.

CHAPTER V

SUMMARY, FINDINGS, CONCLUSIONS AND SUGGESTIONS

Sales promotions in the consumer packaged goods market have been growing rapidly in the last decade. One reason for the increase in the use of sales promotions is that the markets for most consumer products are in a mature stage with little or no growth in primary demand. Further the lack of product differentiation, which makes it difficult for advertisers to influence consumers by touting unique product features. Promotions have therefore become the key influence in many product categories. Promotions are also designed to directly influence behaviour which is immediately observable whereas advertising is often considered to affect attitudes, an antecedent of behaviour. Hence the results of advertising may not be observable until sometime after the expenditure is incurred. Therefore, managers pressed for immediate results turn to promotional tools.

Sales promotion tools can be categorised into two groups, viz., price-oriented promotions and non price oriented promotions. Price-oriented promotions consist of offers of various kinds such as price off, samples, premium offer, price coupons, gifts and compliments, sweepstakes and trading stamps whereas non-price oriented promotions consist of displays, sign boards, trade shows, fairs etc. In this research study an attempt is made to study the perception of consumers about the various price-oriented sales promotion offers given by the marketers of FMCGs in Kerala.

Some marketers now believe that sales promotions have made consumers more price sensitive which consequently has lowered the effective price which they can charge. However, support for value pricing strategy is not universal. There is uncertainty in both industry and academia about the

impact of sales promotion on consumer decision making. The empirical evidence to date is limited and mixed.

Although many previous studies examine the perception of consumers about advertising and its short and long term effects, few focus on the perception of consumers about sales promotion offers and their short and long term impacts on consumer decision making. It is observed that there are no much comprehensive and detailed studies about consumer behaviour in general and the perception of consumers about the various sales promotion strategies in particular in our country. In Kerala very few studies have been conducted on consumer behaviour. No study is seen to have been conducted about the promotion sensitivity and about the consumer perception about the sales promotion strategies especially price-oriented sales promotion offers. In this research it is intended to find out how the consumers of Kerala perceive and respond to the various price oriented promotions (offers) used by marketers with regard to beverages, one of the frequently used Fast Moving Consumer Goods.

Objectives of the Study

The specific objectives of the study are:

1. To examine the level of awareness of the consumers of Kerala about the various sales promotion strategies adopted by the marketers of FMCGs.
2. To study the attractiveness of the various sales promotion tools used by the marketers of FMCGs.
3. To analyse the effectiveness of the various promotion tools used by the marketers of FMCGd in creating (a) Brand Awareness (b) Trial Purchase and (c) Repeat Purchase and (d) Brand Loyalty.

4. To study the impact of the various sales promotion tools used by the marketers of FMCGs on the consumer decision making process.
5. To examine in detail the consumer perception about the different aspects of the various sales promotion strategies adopted by the marketers of FMCGs in general and sales promotion offers in particular and
6. To offer suggestions for improving the efficiency of sales promotion devices in achieving the specific marketing objectives of FMCGs in the context of Kerala.

Hypotheses

On the basis of the above objectives the following major hypotheses have been formulated.

1. The level of awareness about the various sales promotion strategies adopted by the marketers of FMCGs is independent of the consumers' gender, income level and place of domicile.
2. The perception of consumers as regards 'attractiveness of the various sales promotion tools' applied by the marketers is independent of their gender, income level and place of domicile.
3. The perception of consumers regarding the effectiveness or impact of the various sales promotion methods is independent of their gender, income level and place of domicile.
4. All consumers, irrespective of their gender, income level and place of domicile, consider alike the importance of the various factors affecting the purchase of beverages.

5. Price changes do not have any impact on Consumer Brand Choice in the case of beverages.
6. Frequent sales promotion offers do not have any impact on Consumer Brand Choice.
7. Consumers believe that marketers intentionally reduce the quality of the product or fix a higher price to it before introducing a promotional offer to compensate the cost of the sales promotion offer.
8. Sales promotions have no impact on consumers' price sensitivity and brand loyalty.

Methodology

The study is designed as a descriptive one based on both secondary and primary data. The sources of secondary data are journals like Journal of Marketing Research, Journal of Advertising Research, Journal of Consumer Research, Business Today etc.

Since the information collected from the secondary sources are not sufficient for the study, the researcher mainly based his study on relevant primary data collected by conducting a field survey.

Sample Design

Three districts viz., Thiruvananthapuram, Malappuram and Kannur have been selected at random as first stage sample to represent Southern Region, Central Region and Northern Region of Kerala respectively. As the second stage sample one urban taluk and one rural taluk have been selected at random from each of the three districts. Thiruvananthapuram and Chirayan Keezhu are the urban and rural taluks selected from Thiruvananthapuram district, Malappuram and Tirurangadi, the ones from Malappuram District and

Kannur and Thaliparamba are the ones from Kannur District. 300 samples have been collected altogether @ 50 households from each of the six taluks.

Research instruments used

Taking into account the objectives of the study an interview schedule was developed. A pre test was conducted on a small trial group consisting of 25 samples. On the basis of the response to the pilot study, necessary modifications were made in the schedule. The modified interview schedule containing 56 questions in two sections A and B was used for the collection of primary data.

Variables used for the study

Gender, age, domicile, occupation, income and religion of the consumers are the variables used for preparing the profile of the respondents. To analyse the consumption habits of consumers as regards beverages the rate of consumption, level of awareness about the various sales promotion strategies and attractiveness of sales promotion methods are used. Role of various sales promotion tools in creating brand awareness, trial purchase, repeat purchase and brand loyalty are the variables used to study the impact of promotional tools on consumer behaviour. To identify the factors affecting purchase of beverages price, quality and taste of the product are studied along with offers and brand image. Chance of switching from a long used brand, from a short used brand, from a 'high price high quality' brand and from a 'low price low quality' brand to avail of promotional offers are the variable used to study the impact of sales promotion offers on Consumer Brand Choice. To identify the factors preventing consumers from purchasing 'high price high quality' brands, price, non-availability of the product and other reasons are the variables used. Chance of intentional reduction of quality and hike in price of the product and reluctance on the part of retailers to give the offers to the final

consumers are studied for analysing the consumer perception about other aspects of sales promotion offers. To analyse the factors which attracted the consumers to prefer the present brand of beverage quality, cheapness, brand image, attractiveness of packaging, influence of advertisement, attractiveness of offers and other reasons are the variables used. To study the response of consumers towards the sales promotion strategies of newcomers, attractiveness of gifts and compliments, price charged and attractiveness of packet have been studied. Impact of price oriented and non-price oriented promotions on the consumers' price sensitivity, and brand loyalty have also been studied.

Tools Used

Standard deviation, coefficient of variation, mode, chi-square, test, t-test, ANOVA and DUNCAN test are the important statistical tools used for analysing the data collected.

Structure

The whole study is structured in five chapters. Chapter One, the introductory chapter, highlights the importance of sales promotion as a marketing strategy in the hands of marketing of FMCGs. It also outlines the scope, objectives, hypotheses, sampling design, procedure of data collection, variables used for the study, tools of data analysis and limitations of the study. Chapter Two contains a brief review of literature related to the topic under study. Chapter Three provides the theoretical background of 'Promotion' and 'Sales Promotion'. Chapter Four deals with a brief account of the profile of the sample units followed by analysis and interpretation of the data. Chapter Five, the last chapter, summarises the whole study, lists the findings and offers a few suggestions.

Limitations

This study is also not free from limitations. The following are the limitations that the researcher could find in his study.

1. There were so many technical and marketing terms in the schedule which the researcher had to explain to the respondents to get correct answers from them. Hence the job of data collection was quite tiresome. The respondents also had to spend one or two hours with the researcher which might create unrest in the minds of them. The situation was somehow tackled by the researcher by sharing bits of knowledge about the various aspects of sales promotion with the respondents.
2. The constant sum scaling method used for evaluating the variables in many cases created some doubts for respondents while allotting weightage to the variables. The researcher has solved this problem upto a certain extent by giving the appropriate explanation and demonstration to the respondents in a befitting manner.
3. Answers to the various questions in the schedule were given by the respondents from their memory. So there is every possibility for recall errors in the given information. The researcher, however, was very careful to ensure that the informations collected were very close to reality.

Review of Literature

A large volume of literature on the various aspects of marketing and promotion are available in India and abroad. The researcher has gone through most of the available literature on the subject under study. A brief review of the various studies is given under four heads viz.,

1. Internal influences on consumer behaviour.
2. External influences on consumer behaviour.
3. Consumer decision making.
4. Consumer perception about promotion strategies.

Internal influences on consumer behaviour

In this section references about studies pertaining to the internal influences on consumer behaviour are given. Studies on the topic reveal that overall customer satisfaction has three antecedent such as perceived quality, perceived value and customer expectations. The first determinant of overall customer satisfaction is perceived quality or performance, which is the served market's evaluation of recent consumption experience, and is expected to have a direct and positive effect on overall customer satisfaction. The second determinant of overall customer satisfaction is perceived value, or the perceived level of product quality relative to the price paid. The third determinant of overall customer satisfaction is the served market's expectations. The served market's expectations represent both served market's prior consumption experience with the firm's offering. On analysis of the available literature it is found that customer expectations are positively related to perceived quality and consequently to perceived value. Customers have expectations that are largely rational and that reflect customer's ability to learn from experience and predict the levels of quality and value they receive.

External influence on Consumer Behaviour

In this section the references of studies conducted by various researchers about the external influences of consumer behaviour are given. It is found that the external influences on consumer behaviour are the firm's marketing mix and the socio-cultural environment. Promotion interacts with the three other components of the marketing mix : product, channels of

distribution and pricing. Promotional strategies who plan to operate and survive in the dynamic marketing environment have to monitor and evaluate the socio-cultural environment. The demographic environment with important implications for promotion include the baby boom, senior citizens, migration patterns, education and occupation, the employed women, distribution of income, and ethnic surge. On analysis of the available literature it is found that consumer purchases are influenced by the demographic traits and the socio-cultural environment. Changes occurring in the socio-cultural environment offer dramatic challenges and opportunities for promotion managers.

Consumer decision making

In this section references about studies conducted by eminent academicians and researchers about the decision making process of consumers are given. The findings of the researchers on this subject reveal that consumer decision making is influenced by the socio-cultural environment, the marketing mix and individual characteristics such as motivation and attitudes. Simple decision does not require information search or evaluation. On analysis of the various studies on the subject it is found that there are three psychological concepts inherent in complex decision making such as motivation, learning and attitude. Motivation is an inner drive to take action, learning is a process of taking in information and attitude is an enduring favourable or unfavourable disposition toward some object. These three psychological concepts are seen to influence the various stages of complex decision making.

Consumer perception about promotion strategies

Several models of consumer response to promotions suggest that a current decision on brand and purchase quantity depends on their perception

about the various sales promotion strategies adopted by the marketers – studies conducted by various researchers on the various aspects of consumer perceptions of deal frequency, deal prices, etc. are explained in this section of the chapter. Some of the studies describe the interactions between consumers and retailers or manufacturers as retail price promotions are implemented. How retailers or manufacturers influence in-store promotional activity and could use information on consumer perceptions and purchasing to design future promotions, is the subject of studies of some researchers. Some others try to find out the several key constructs in consumer decision making about deal purchases and suggest several hypothesis about the relationship between consumer characteristics and perceptions of deal activity. In spite of the importance of the study in formulating promotional strategies of marketers, relatively little empirical work has been reported on the topic especially in the context of Kerala.

PROMOTION

The term promotion is originated from the Latin term 'Promovere' which means to move forward. Promotion is the marketing function concerned with persuasively communicating to target audiences the various components of the marketing programme in order to facilitate exchange between the marketer and the consumer and to help satisfy the objectives of both.

The key tools of promotion are

- (a) Advertising
- (b) Personal Selling
- (c) Public relations and
- (d) Sales Promotion

The following are the various factors contributing to the increased importance of promotion.

- (a) The existence of large number of product choices.
- (b) The widening physical and emotional distance between producers and consumers.
- (c) Intense competition within and between industries.
- (d) The movement of the consumers toward fulfilling their desires.
- (e) The high cost of promotion.
- (f) The ability of promotion to help a company remain competitive during economic decline.

Promotion is one of the marketing plan, which consists of the following stages.

- (a) Selecting of marketing objectives.
- (b) Using marketing intelligence.
- (c) Identifying market opportunities.
- (d) Selecting target markets.
- (e) Developing marketing strategies.
- (f) Designing action plans.
- (g) Executing plans.
- (h) Measuring results and
- (i) Taking corrective action (its necessary)

The promotion plan specifies how promotion objectives are to be achieved, along with how promotion will interact with the other marketing mix elements.

To identify promotional opportunities managers should examine the other elements of the marketing mix, the environment and the consumer.

Most promotional objectives can be classified into five categories.

- (a) Creating awareness
- (b) Creating understanding
- (c) Changing attitudes
- (d) Changing behaviour
- (e) Creating reinforcement.

After promotional opportunities have been analysed and promotion objectives specified, promotion managers design the promotional strategy. This stage of the promotion plan requires organising for promotion; selecting the audience, theme, and promotional mix; and determining how much to spend.

The process of promotion planning ends with implementation of the strategy and measurement of the results.

SALES PROMOTION

Sales promotion is a marketing activity that adds to the basic value of the product for a limited time and directly stimulates consumer purchasing seller effectiveness, or the efforts of the sales force. Unlike the other elements of the promotional mix, sales promotion tends to separate on a short time frame, employs a more rational appeal, provides tangible value, is intended create an immediate sale, and makes a high contribution to profitability.

Sales promotion activities can be categorised on the basis of the markets at whom they are aimed at. From this view point, there are sales promotions to (1) consumers (2) dealers and (3) the company's own sales force.

Consumer sales promotions are directed at the ultimate users of the product. Price deals, contests, sweepstakes, premium offers, samples, event

sponsorships etc. are examples . A price deal is a temporary reduction of price. It may be offered through (a) Price discounts or cents-off deals, (b) pack deals, either bonus packs or branded packs (c) refunds or rebates and (d) coupons.

Contests, sweepstakes and lotteries require skill or a consideration in order to create excitement and the chance is random.

Premium offers provide a tangible reward for purchasing the product.

Consumer sampling offers trial sizes of a product either free or for a small price.

Even sponsorship allows marketers to create support among a homogeneous market segment.

The objectives of consumer sales promotions include the following.

- (a) To prompt trials by new users.
- (b) To introduce new or improved products.
- (c) To stimulate repeat use of the product.
- (d) To encourage more frequent or multiple purchase.
- (e) To counter competitor's activities.
- (f) To maintain present customers by providing an implied reward and
- (g) To reinforce advertising or personal selling.

Ultimately, consumer sales promotions are short-term strategies that are not very effective in creating brand loyalty. Such tactics should be used with caution and integrated with the total marketing mix.

Sales force promotions are divided into two types of programmes.

1. Supportive programmes attempt to better prepare sales people to do their job. Such programmes include the following.

- (a) Holding sales meetings.
 - (b) Supplying supportive materials like sales manuals, sales port folios and product models.
 - (c) Distributing house organs.
2. Motivational programmes which attempt to stimulate sales people to try harder steps in developing these programmes are the following:
- (a) Determine the objectives.
 - (b) Decide which members of the sales force will participate.
 - (c) Communicate the basis of awards.
 - (d) Determine the campaign's break time, duration and lead time.
 - (e) Decide the type of awards and prizes and
 - (f) Select a theme.

Trade sales promotions are directed at retailers who distribute products to ultimate consumers. Specific goals of trade sales promotions include the following:

- (a) Providing strong support at the point of sale.
- (b) controlling inventory.
- (c) Expanding and improving distribution and
- (d) Motivating channel members.

The most common types of dealer sales promotion are as follows.

- (a) Point-of-purchase displays, including special racks, display curtains, banners, signs, price cards etc.
- (b) Push money (spiffs): Extra payment given to retailers or sales people for meeting specified sales goals.

- (c) Dealer loaders : Premiums given for purchasing large quantity of a product, and
- (d) Trade deals: Price discounts given for meeting certain purchase requirements.

Sales promotion has become a primary part of the promotional strategy rather than a secondary element that is considered after the advertising is designed and paid for. Consumer sales promotion is that something extra that is offered to the consumers. It may provide additional incentives to facilitate purchase.

Sales promotions directed at the dealers and the sales force are intended to increase the productivity of the sales person by building enthusiasm for the task.

Findings of the survey

Sample Profile

- About two thirds of respondents are males and one third females.
- More than 50% consumers belong to the age group 35- 50 years.
- Thirty six per cent of respondents are graduates.
- Majority of consumers belong to the service sector followed by business sector.
- Majority (62.3%) belongs to the income group Rs.50000 – 1,50,000
- Of the total sample population 64% belongs to Hindu community followed by Muslims community (23.3%) and Christian community (12.7%).

Consumer Perception about Sales Promotion Strategies of Marketers of FMCGs

Consumption habits of consumers as regards beverages

- Majority of consumers are regular users of tea (87%) whereas only 43% regularly use coffee. Only 8.7% of the total population regularly use health drinks.
- There is not much difference in the consumption pattern of tea and coffee in the case of men and women and rural and urban people.
- The rate of consumption of coffee is more in the case of high income group where as it is just opposite in the case of tea. In the case of tea the difference in the rate of consumption is significant whereas the differences are not significant in the cases of coffee and health drinks.
- All categories of consumers, both male and female, rural and urban consumers and consumers belonging to all income groups are very much aware of the various sales promotion strategies used by marketers of FMCGs except the promotional tool 'Trading Stamps'.
- In the level of awareness 'Price off' stands the first followed by 'free samples' and then 'Gifts and Compliments'.
- Male consumers are more aware of the promotional tools 'Price coupons' 'Premium officers', 'contests and sweepstakes' and 'Trading stamps' than females.
- In the case of the level of awareness about the various sales promotion methods rural and urban people are alike. Both are well aware about the various methods except 'Trading stamps'.
- Consumers belonging to high income and middle income groups are more aware than those belonging to low income group about the sales promotion methods 'Price coupons', 'Premium Offers', 'Contests and Sweepstakes,' 'Trading Stamps' and 'Point of Purchase Promotions'.

Attractiveness of various sales promotion methods

- ◆ So far as Keralites are concerned 'Price off' and 'Gifts and Compliments' are the most attractive sales promotion tool in the case of FMCGs.
- ◆ Eventhough, in the case of the level of awareness the position of 'free samples' is second it doesn't seem to be an attractive method of sales promotion to consumers.
- ◆ 'Trading Stamps' is the least attractive sales promotion tool so far as consumers in Kerala are concerned.
- ◆ While male consumers consider 'Gifts and Compliments' as the most attractive sales promotion device, it is 'Price off' in the case of female consumers.
- ◆ Urban consumers consider 'Gifts and Compliments' as the most attractive promotional tool whereas it is 'Price off' in the case of rural consumers.
- ◆ Consumers belonging to low and middle income groups consider 'Price off' as the most attractive sales promotion tool where as in the opinion of consumers belonging high income group, 'Gifts and Compliments' is the most attractive promotional device.

Effectiveness of sales promotion tools in crating brand awareness

- 'Gifts and Compliments' is the best sales promotion tool that can be used by the marketers for creating brand awareness among the consumers of FMCGs followed by 'Price off.'
- While male respondents consider 'Gifts and Compliments' as the most effective promotion tool in creating brand awareness, females consider 'Price off' as the most effective one.

- Between rural people and urban people there is no difference in their perception regarding the effectiveness of the various sales promotion strategies in creating brand awareness except in the case of 'Trading Stamps.'
- While high income and middle income groups consider 'Gifts and Compliments' as the most effective tool in creating brand awareness low income group perceives 'price off' as the most effective tool.

Effectiveness of sales promotion tools in creating Trial Purchase

- Consumers belonging to all groups unanimously agree that 'Free Samples' is the most effective sales promotion tool for creating Trial Purchase, followed by 'Gifts and Compliments.'

Effectiveness of Sales Promotion Tools in Creating repeat purchase

- Consumers belonging to all groups have the opinion that 'Price off' is the most effective promotional tool in creating repeat purchase followed by 'Premium Offers'.

Effectiveness of Sales Promotion Tools in creating Brand Loyalty

- 'Premium offers' and 'Price off' are the two important price oriented promotional tools that can be used by the marketers for creating brand loyalty among the consumers of FMCGs.
- While male respondents consider 'Premium offers' as the most effective promotional tool in creating brand loyalty, females consider 'Price off' as the most effective one.
- While rural people consider 'Price off' as the most effective promotional tool in creating brand loyalty, urban people consider 'Premium offers' as the most effective one.

- People belonging to low income group consider 'Price off' as the most effective tool in creating brand loyalty whereas so far as people belonging to middle income and high income groups are concerned 'Premium Offers' is the most effective one.
- 'Gifts and Compliments' are also considered by all groups to be very much effective in creating brand loyalty.

Factors affecting purchase of beverages

- ❖ Price, quality, taste, offers and brand image are the important factors which influence the purchase decision of consumers as regards beverages.
- ❖ Consumers give prime importance to 'quality' in the case of tea and health drinks whereas it is 'taste' in the case of coffee.
- ❖ It is interesting to note that all the factors mentioned above are given more or less, equal importance by consumers belonging to all groups in the selection of a brand of tea and coffee whereas in the case of health drinks the consumers are least bothered about the price.

Impact of price changes on Consumer Brand Choice

- ❖ There are very few persons who always switch over to other brands consequent on price changes. But there are considerable number of frequent switchers. Most of the consumers are occasional switchers in the case of tea and coffee whereas most of the consumers of health drinks rarely switch over to other brands consequent on price changes.
- ❖ Male consumers are found more brand loyal than female consumers in the case of tea whereas it is just reverse in the case of coffee and health drinks.
- ❖ Female consumers are found more price sensitive than male consumers in the case of tea.

Impact of Sales Promotion Offers given by the Marketers on Consumer Brand Choice

- In the case of coffee and health drinks consumers are somewhat reluctant to switch over to a new brand from a long used brand. But in the case of coffee, majority of consumers see a medium chance for brand switching from a long-used brand to a new one to avail a promotional offer.
- In the case of health drinks most of the consumers belonging to middle and high income groups see a low chance for a brand switching from a long-used one to a new one to avail a promotional offer. The chance is medium in the case of consumers belonging to low income group.
- Consumers belonging to all groups see a high chance for a brand switching from a short used brand to a new one to avail a promotional offer in the case of tea, coffee and health drinks.
- Most of the consumers of beverages of all kinds are found to be brand loyal because nearly 50% of the total number of consumers have been using the same brand for more than 4 years. It can, therefore, be assumed that the number of brand loyal consumers is more than that of switchers.
- The chance of switching over from a 'high price high quality' brand to a 'low price low quality' brand to avail a promotional offer is very low.
- It is the value and attractiveness of the offers which determine whether the consumers would switch over to a 'low price low quality' brand.
- Majority of the consumers belonging to all groups see a high chance for brand switching to a high price high quality brand to a avail a promotional offer.

- Most of the consumers belonging to all groups believe that there is a high degree of chance for 'high price' goods to be qualitatively high ones.
- 'High price' is the main reason why consumers keep away from high quality' brands.

Consumer Perception about the Other aspects of Sales Promotion

- ◆ Most of the consumers belonging to all groups see very rare chance for an intentional reduction in quality on the part of producers/marketers before introducing a promotional offer.
- ◆ Most of the consumers belonging to all groups expect only an occasional chance for an intentional increase in price of a product by the marketers before introducing a promotional offer.
- ◆ Irrespective of sex, location and income of consumers, all think in the same manner that retailers are not at all reluctant to give the gifts offered by the marketers to the final consumers. According to them retailers frequently give the gifts and compliments to the consumers without their demand for the same.
- ◆ Cheapness of the products and attractiveness of packets have lesser role in attracting consumers to a brand. 'Quality' is the main reason for the consumers to stick to the present brand of tea, coffee and health drink followed by 'brand image'.
- ◆ Very few persons are in the habit of searching for offers 'always' while shopping in the case of beverages, especially in the case of health drinks. Considerable number of persons look for offers 'frequently' in the case of tea and coffee. But offers are not at all seen to be an attractive force in motivating consumers to purchase a brand of health drink.

Sales Promotion Strategies adopted by new comers

- Attractive gifts and compliments are seen to be the most effective promotional tool that can be used to introduce or launch the product of a new company.

Impact of sales promotion on consumer behaviour

- Majority of consumers, irrespective of their gender, place of domicile and income, firmly believe that frequent price oriented promotions will increase the price sensitivity of consumers.
- Most of the consumers belonging to all groups firmly believe that non-price oriented promotions will decrease consumers' price sensitivity.
- Most of the consumers belonging to all groups firmly believe that price oriented promotions will adversely affect brand loyalty of consumers and non price oriented promotions have a favourable impact on brand loyalty.
- Most of the consumers belonging to all groups see only an occasional chance for being misguided or cheated by promotional offers.
- Majority of consumers belonging to all groups prefer offers in kind (Gifts, Compliments and Premium offer) to price off.
- Most of the consumers belonging to all groups prefer 'gifts and compliments' to 'premium offer.'

Consumers' responsiveness to offers

- Majority of consumers belonging to all groups agree that they often purchase beverages attracted by offers.
- Majority of consumers belonging to all groups agree that consumers will go back to their previous brand when offers are with drawn by a promoted brand.

- Majority of consumers in Kerala belonging to all groups have brand preference in the case of beverages.
- Majority of consumers are in the habit of comparing the prices of different brands of tea and coffee before purchasing a brand.
- In the case of health drinks, majority of consumers belonging to all groups are not in the habit of comparing the prices of different brands at the time of purchase.
- Majority of consumers belonging to all groups firmly believe that a reputed company will never produce and market an inferior product.
- Whenever a new product is introduced by a highly reputed company majority of consumers belonging to all groups purchase it without any body's advice.
- Majority of consumers belonging to all groups do not see any chance for stock piling of any beverage during off seasons.
- Majority of consumers belonging to all groups do not see any chance for an increase in the consumption rate of beverages of any kind during off season.
- Majority of consumers belonging to all groups show interest in filling sweepstakes and collecting wrappers with an intention to win prizes offered by various brands.
- Majority of consumers belonging to all groups agree that frequent promotions adversely affect the perceived price of a brand.
- Majority of consumers often take the price of a brand as a cue for predicting its quality.

Conclusion

From the foregoing analysis it is very clear that the people of Kerala are well aware about the various sales promotion strategies adopted by the marketers of FMCGs. There are no significant differences in the level of awareness between the two genders, between rural and urban people and among the various income groups. 'Price off' and 'Gifts and Compliments' are found to be the most attractive sales promotion devices in the case of beverages. For creating brand awareness among consumers 'Gifts and Compliments' is found to be the most effective promotional tool. 'Free samples' is the most effective promotional tool for creating 'Trial Purchase' whereas it is 'Price off' for creating 'Repeat Purchase'. Eventhough price, offers etc. affect the purchase decision of consumers to a considerable extent quality, itself is the most important factor which influences the purchase decision of Keralites in the case of beverages especially in the case of health drinks. Majority of the people of Kerala are brand loyal. Most of the consumers are occassional switchers and they also tend to return to the previous brand when the offer is withdrawn. However, majority of consumers, irrespective of their gender, place of domicile and income firmly believe that frequent price oriented promotions will increase the price sensitivity of consumers and there by adversely affect the brand loyalty. Inspite of all the above derivations it is also found that consumers belonging to all groups do often purchase FMCGs attracted by offers; but the impact is short term.

Results of the hypothesis testing

On the basis of the above findings and conclusions the hypotheses set for the study have been tested and the results are as follows.

Hypothesis I: *The level of awareness about the various sales promotion strategies adopted by the marketers of FMCGs is independent of the consumers' gender, place of domicile and income level.*

Result:

Sales promotion strategy	Between Male and Female Consumers (test applied λ^2)	Between Rural and Urban people (test applied λ^2)	Among Various income groups (test applied λ^2)
Price off	Accepted	Accepted	Accepted
Price coupons	Rejected	Accepted	Rejected
Premium offers	Rejected	Accepted	Rejected
Contests and Sweep states	Rejected	Accepted	Rejected
Gifts & Compliments	Accepted	Accepted	Rejected
Trading stamps	Rejected	Accepted	Accepted
PPP	Accepted	Accepted	Rejected

Hypothesis II: *The perception of consumers as regards 'attractiveness of the various sales promotion tools' applied by the marketers is independent of their gender, place of domicile and income level.*

Result:

Sales promotion strategy	Between Male and Female Consumers (test applied t-test)	Between Rural and Urban people (test applied t-test)	Among Various income groups (test applied ANOVA)
Price off	Accepted	Accepted	Rejected
Free Samples	Rejected	Accepted	Rejected

Price coupons	Accepted	Accepted	Accepted
Premium offers	Accepted	Accepted	Accepted
Controls and Sweet states	Rejected	Accepted	Accepted
Gifts compliments	Rejected	Accepted	Rejected
Trading stamps	Accepted	Accepted	Rejected
PPP	Accepted	Accepted	Accepted

Hypothesis III: *The perception of consumers regarding the effectiveness of the various sales promotion methods is independent of the gender, place of domicile and income level.*

Results

1. Effectiveness of sales promotion devices in creating brand awareness.

Sales promotion strategy	Between Male and Female Consumers (test applied t-test)	Between Rural and Urban people (test applied t-test)	Among Various income groups (test applied ANOVA)
Price off	Rejected	Accepted	Rejected
Free samples	Rejected	Accepted	Accepted
Price coupons	Rejected	Accepted	Accepted
Premium offers	Accepted	Accepted	Accepted
Contests and Sweep states	Accepted	Accepted	Rejected
Gifts & Compliments	Accepted	Accepted	Accepted
Trading stamps	Accepted	Rejected	Accepted
PPP	Accepted	Accepted	Accepted

2. Effectiveness of sales promotion devices in creating trial purchase

Sales promotion strategy	Between Male and Female Consumers (test applied t-test)	Between Rural and Urban people (test applied t-test)	Among Various income groups (test applied ANOVA)
Price off	Rejected	Rejected	Rejected
Free samples	Rejected	Accepted	Rejected
Price coupons	Rejected	Accepted	Rejected
Premium offers	Accepted	Accepted	Accepted
Contests and Sweep states	Rejected	Accepted	Rejected
Gifts & Compliments	Accepted	Accepted	Accepted
Trading stamps	Accepted	Accepted	Accepted
PPP	Rejected	Accepted	Accepted

3. Effectiveness of sales promotion strategies in creating repeat purchase

Sales promotion strategy	Between Male and Female Consumers (test applied t-test)	Between Rural and Urban people (test applied t-test)	Among Various income groups (test applied ANOVA)
Price off	Rejected	Accepted	Rejected
Free samples	Accepted	Rejected	Accepted
Price coupons	Accepted	Accepted	Rejected
Premium offers	Accepted	Rejected	Accepted
Contests and Sweep states	Rejected	Accepted	Rejected
Gifts & Compliments	Accepted	Accepted	Accepted
Trading stamps	Accepted	Accepted	Accepted
PPP	Accepted	Accepted	Accepted

Hypothesis IV. All consumers, irrespective of their gender, place of domicile and income level, consider alike the importance of the various factors affecting the purchase of beverages.

Factors	Sex wise (test t-test)			Place of Domicile wise (test t-test)			Income wise (test –ANOVA)		
	Tea	Coffee	H.D	Tea	Coffee	H.D	Tea	Coffee	H.D
Price	Accepted	Accepted	Accepted	Accepted	Accepted	Accepted	Rejected	Rejected	Rejected
Quality	Accepted	Rejected	Accepted	Accepted	Accepted	Accepted	Accepted	Accepted	Rejected
Taste	Accepted	Rejected	Rejected	Accepted	Accepted	Accepted	Accepted	Accepted	Accepted
Offers	Accepted	Rejected	Rejected	Accepted	Accepted	Accepted	Accepted	Accepted	Accepted
Brand Image	Accepted	Accepted	Rejected	Accepted	Accepted	Accepted	Rejected	Rejected	Rejected

Hypothesis V: Price changes do not have any impact on Consumer Brand Choice in the case of beverages.

Result (Test applied – Chi-square)

The hypothesis is rejected in the case of tea and coffee as there are frequent switchers where as in the case of health drinks the hypothesis is accepted.

Hypothesis VI: Frequent sales promotion offers do not have any impact on Consumer Brand Choice.

Result (Test applied – Chi-square)

In the case of long used and high quality brands the hypothesis is accepted whereas in the case of short used and low quality brands the hypothesis is rejected as high chances are noticed for brand switching in these cases

Hypothesis VII: *Consumers believe that marketers intentionally reduce the quality of the product or fix a higher price to it before introducing a promotional offer to compensate the cost of the sales promotion offer.*

Result : (Test applied – Chi-square)

As regards the 'intentional reduction' of quality the hypothesis is rejected as they see no or very rare chance for the same. As regards 'the fixation of a high price' the hypothesis is accepted as most of the consumers see an occasional chance for the same.

Hypothesis VIII: *Sales promotions have no impact on consumers' price sensitivity and brand loyalty.*

Result : (Test applied – Chi-square)

The hypothesis is rejected as majority believe that price oriented promotions reduce consumers' brand loyalty and increase their price sensitivity whereas non price oriented promotions reduce consumers' price sensitivity and increase their brand loyalty.

Suggestions

Based on the observations and findings of the study, the following suggestion are made.

1. Among the various sales promotion devices used by the marketers 'Price off' and 'Gifts and Compliments' are seen to be the most attractive ones to the people of Kerala. Hence it is advisable for the marketers/producers of FMCGs to resort to the above said tools instead of trying the other ones. For creating brand awareness among consumers also these methods are found to be the effective ones. High and middle income groups consider 'Gifts and Compliments' as the

most attractive sales promotion device. Urban people also consider 'Gifts and Compliments' as the most attractive one. As major part of sales comes from high and middle income groups and also from the consumers of urban areas it is advisable for the marketers to give more importance to 'Gifts and Compliments' as a sales promotion device. Equal importance can be given to 'Price off also. 'Premium offers' are also effective.

2. When a new product is introduced, the most effective sales promotion device that can be resorted to is 'free samples'. 'Gifts and Compliments' are also found to be effective for creating trial purchase. So at the time of launching a new product the marketers should resort to these methods rather than the other ones.
3. In the case of mature goods, along with price off, premium offers can also be tried by the marketers as these two devices are found to be the most effective ones for creating repeat purchase.
4. Offers alone will not motivate consumers to purchase beverages. Consumers give prime importance to 'quality' in the case of tea and health drinks whereas it is 'taste' in the case of coffee – Price and Brand Image are the other factors which influence the purchase decision of consumers in the case of beverages. Hence all the above factors should be given due importance by the producers while marketing a beverage. Then only a promotional offer will do its job successfully.
5. Marketers of ' high price high quality' products can very effectively use the promotional tool 'price off' as majority of consumers keep away from these products due to their high prices. As there is a high degree of elasticity in the sale of 'high quality' products in accordance with the increase or decrease in their prices, the marketers of these products can

very easily capture the entire market by making a reduction in their prices and thereby can make an increase in the total revenue.

6. Majority of consumers often take the price of a brand as a cue for predicting its quality. Hence it is not at all advisable for a marketer to fix a lower price to his product. It is advisable for him to fix the normal price at a higher level. To capture market he can make price reduction, but as an offer.
7. Marketers of FMCGs should be aware of the fact that frequent price promotions do adversely affect the perceived price of a brand. In other words frequent promotions make consumers more price sensitive. This makes it difficult for the marketer to sell the product at its normal price or without any offer. In other words the impact of sales promotion is short term i.e. whenever the offer is withdrawn the consumer shows a tendency to go back to his previous brand.

A marketer should do whatever he can to make the consumers loyal to his brand by applying or using those promotional devices which are found to be effective in that direction and by ensuring that his product is qualitatively better than those of his competitors. Unless there is a long term impact for a promotional method there is no use in trying the same in the market. Though promotions help to increase the short term sales of a brand, they may erode the long run profitability of the brand if used too often. This problem may be aggravated if the competitors also retaliate with frequent promotions of their own. Hence every marketer should try to find out the forms of price promotions which are suitable for his product, the ones suitable for making the consumers loyal to the brand and to find out the ways to minimize the adverse consequences of frequent promotions.

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APPENDIX
SCHEDULE

This Schedule is intended to collect details from the consumers of Fast Moving Consumer goods pertaining to the manner in which they respond to the various 'sales promotion' tools used by the marketers and to study about the perception of consumers about the various sales promotion strategies.

Enumerators are requested to explain the meaning of each question/statement very clearly to the respondents so that they can respond very precisely to each question/statement.

KRISHNAKUMAR.K.M.
PUBLICATION DIVISION, UNIVERSITY OF CALICUT

1.	Name (M/F)	
2.	Place (Rural/Urban)	
3.	Religion	
4.	Age	
5.	Education	
6.	Occupation	
7.	Income	
8.	No. of members in your family	

9. Do you consumer the following beverages?

		Regularly	Frequently	Occasionally	Rarely	Never
a)	Tea					
b)	Coffee					
c)	Head Drinks					
	i) Horlicks					
	ii) Boost					
	iii) Complian					
	iv) Bournvita					
	v) Others					

B.10. What is your level of awareness about the following sales promotion strategies in general.

Strategy	Level of Awareness				
	Very much aware	Aware	Neutral	Not aware	Not at all aware
a) Price Off					
b) Free samples					
c) Price coupons					
d) Premium					
e) Contests/Sweepstakes					
f) Gifts and Compliments					
g) Trading stamps					
h) Point of purchase Promotions such as displays, signs, lights etc.					

10. Which of the following sales promotion strategies followed by the marketers of Fast moving consumer Goods (FMCGs) is the most attractive one? (Kindly distribute 100 points among the following sales promotion measure on the basis of importance)

a)	Price Off	
b)	Free samples	
c)	Price coupons	
d)	Premium	
e)	Contests/Sweepstakes	
f)	Gifts and Compliments	
g)	Trading stamps	
h)	Point of purchase Promotions	100

12. How does each of the following sales promotion tools help in creating?

	a) Brand awareness	b) Trial	c) Repeat Purchase	d) Brand loyalty
Toy may distribute 100 points among the following on the basis of importance				
a) Price off				
b) Free samples				

c) Price coupons				
d) Premium				
e) Contests/Sweepstakes				
f) Gifts and Compliments				
g) Trading Stamps				
h) Feature, displays, lights, sign etc.				
	100	100	100	100

13. How effective, do you think, the following sales promotion tools will be at the various stages of a product's life cycle? Kindly distribute 100 points as per your judgement).

	Introductory stage	Growth stage	Mature stage
a) Price off			
b) Free samples			
c) Coupons			
d) Premium			
e) Gifts			
f) Sweepstakes/contests			
g) Trading stamps			
h) Point of purchase promotions such as displays, sign etc.			
	100	100	100

14. During the last one year did you start purchasing a new brand of beverage because of sales promotion programme offered? YES/NO

15. If yes did you continue to purchase the same brand even after the promotion is over YES/NO.

16. How long you continued to purchase the same brand after the promotion is over.

- a) Long period b) Short period c) Very short period.
- d) Stopped immediately after the offer is stopped.

17. In your view what is the optimum period (duration) for the following sales promotion measures.

	Optimum period (duration in weeks)
a) Price off	
b) Free samples	
c) Price Coupons	
d) Premium	
e) Contests/Sweepstakes	
f) Gifts	
g) Trading stamps	
h) Displays, sign etc.	

18. What are the factors that influence your purchase decision in the case of beverages? (Kindly distribute 100 points)

	Tea	Coffee	Health Drinks
a) Price			
b) Quality			
c) Taste			
d) Offers			
e) Brand image			
	100	100	100

19. Which of the following brands do you prefer the most? (Please Rank)

Tea	Coffee	Health Drinks
Kannandevan	Brook Bond (Green Label)	Bournvita
Brookbond (Red Label)	Tata Kapee	Boost
AVT Premium	Sun Rise (Nes)	Horlicks
Mountain Mist	Brue	Viva
Taj Mahal	Koorg	Complan
Three Roses	Others	Milo
Lipton Taza		Others
Others		

20. Do you think that you will switch over to some other brand if the price of your favourite brand increase?

Product	Always	Frequently	Occasionally	Rarely	Never
Tea					
Coffee					
Health Drinks					

21. Do you think that you will switch over to some other brand if the price of the same decreases?

Product	Always	Frequently	Occasionally	Rarely	Never
Tea					
Coffee					
Health Drinks					

22. What is your chance of

	High	Medium	Low
1) Switching over from a relatively long used brand to a new one to avail a promotional offer in the case of			
a) Tea			
b) Coffee			
c) Health Drinks			
2) Switching over from a short used brand to a new one to avail a promotional offer in the case of			
a) Tea			
b) Coffee			
c) Health drinks			

23. What is your chance of switching over from

	High	Medium	Low
a) A 'high price high quality' brand to a 'low price low quality brand' (to avail a price cut or any promotional offer by the later) in the case of			
a) Tea			
b) Coffee			
c) Health drinks			
b) A 'low price low quality' brand to a 'high price high quality brand' (to avail a price off or by other promotion offer by the later) in the case of			
a) Tea			
b) Coffee			
c) Health drinks			

24. Do you think that quality is compromised for giving incentives?

Always	Frequently	Occasionally	Rarely	Never

25. Do you think that an increase in price is effected by the marketers before giving a promotion concession.

Always	Frequently	Occasionally	Rarely	Never

26. In the case of Gif offer, state whether the retailers are giving you the gifts along with the item purchased without demands?

Always	Frequently	Occasionally	Rarely	Never

27. How long have you been using the present brand of

Product	Less than year	For 2 years	For 3 years	For 4 years	More than 5 years
Tea					
Coffee					
Health drinks					

There are 'high price high quality' brands and 'low price low quality' brand. For eg: Nes Cafe, Bru etc. can be considered as 'high price high quality' brand whereas others can be treated as low price and comparatively low quality brands.

28. Do you think that 'high price' products are 'high quality' ones?

Always	Frequently	Occasionally	Rarely	Never

29. What factor prevents you from purchasing 'high price high quality' brands?

a) Their high price	
b) Non availability	
c) For other reasons	

30. Do you think that you will switch over to a brand which, you think, is inferior than your brand qualitatively if the same is available in the market with attractive offers.

a) Yes	
b) No	
c) Depends upon the worth of offers	

31. Why did you switch over to the present brand? (Kindly distribute 100 points)

	Tea	Coffee	Health Drink
a) The Present brand is qualitatively better			
b) The present brand is cheaper than the former one			
c) Because the brand is one introduced by your favourite company			

d) Because of the attractiveness of the packet			
e) Influence of the advertisement			
f) Because of the attractiveness of the others given by the marketer			
g) For other reasons			

32. Will you see whether there is any offer when the following beverages are purchased?

Produce	Always	Frequently	Occasionally	Rarely	Never
Tea					
Coffee					
Health Drinks					

33. If the marketer product is a new comer, will you try the product?

	Always	Frequently	Occasionally	Rarely	Never
a) If it is introduced with attractive offers					
b) If it is introduced with lesser price					
c) If it is introduced in attractive packets					

34. Where do you usually purchase consumer goods from? (Please indicate the order of preference)

1. From any shop in your locality	
2. From a co-operative store	
3. From a margin free store	
4. From a reputed shop in your nearby town	

35. Who does usually purchase the consumer goods from the marker? (Please indicate order)

1. Husband	
2. Wife	
3. Son/Daughter	
4. Servant	

36. How do you usually know that a product is promoted (Indicate the order)

1.	Through advts.	
2.	From the retailer direct	
3.	From friends	
4.	From other sources	

There are price oriented promotions as price off, premium, samples, gifts, etc., and non price oriented promotions as displays, features, lights, signs etc.

37. In your opinion how do the price oriented promotions affect the consumers' price sensitivity.

a)	Increase consumers' price sensitivity	
b)	Reduce consumers' price sensitivity	
c)	No change	

38. In your opinion how do the non-price oriented promotions affect the consumer's price sensitivity.

a)	Increase consumers price sensitivity	
b)	Reduce consumer's price sensitivity	
c)	No change	

39. In your opinion how do the price oriented promotions affect consumer's brand loyalty in general.

a)	Increase consumers' price sensitivity	
b)	Reduce consumers' price sensitivity	
c)	No change	

40. In your opinion how do the non-price oriented promotions affect consumer's brand loyalty in general

a)	Increase consumers' price sensitivity	
b)	Reduce consumers' price sensitivity	
c)	No change	

41. Do you think that sales promotion measures misguide you?

Always	Frequently	Occasionally	Rarely	Never

42. Price oriented promotions are of 2 types, price off and offers in kind such as gifts, premium etc. Which do you prefer the most in FMCG Market (Kindly distribute 100 points between them?)

Price off	
Offers in kind	
	100

43. Offers in kind are also of 2 types Gifts and premium. How would you divide 00 points between them according to your preference in FMCG Market?

Gift	
Premium	
	100

44. As a consumer of beverages do you agree with the following statements.

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree
Consumers often purchase beverages attracted by offers given by the brands					

45.

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree
Consumers usually go back to their earlier brand when the offer is withdrawn					

46.

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree
You have brand preference in the case of the following beverages					
Tea					
Coffee					
Health drinks					

47.

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree
Consumers usually compare the prices of different brands before they purchase the following beverages					
Tea					
Coffee					
Health Drinks					

48.

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree
Do you agree that a reputed company will never product/market qualitatively inferior product					

49.

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree
If a new product (beverage) is introduced by a highly company (brand extension) you will try it without anybody's advice					

50.

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree
Your are in the habit of stockpiling in the off seasons in the case of beverages					

51.

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree
Your consumption rate of the following beverages increases in off seasons					
Tea					
Coffee					
Health Drinks					

53.

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree
Consumers show much interest in filling sweepstakes or collecting wrappers with an intention to win prizes offered					

54.

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree
Frequent promotions will affect the perceived price of the product adversely					

55.

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree
Consumers usually take the price of a brand as a cue for producing quality					

56.

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree
Frequent promotions make consumers more price-sensitive					

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