

A STUDY OF THE EFFECT OF SALES PROMOTION ON CONSUMPTION OF FAST MOVING CONSUMER GOODS IN KERALA

Thesis Submitted to the University of Calicut
for the Award of the Degree of
DOCTOR OF PHILOSOPHY IN COMMERCE

By

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Under the Supervision of

Dr. K.P. MURALEEDHARAN

Professor

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and Management Studies
University of Calicut

DEPARTMENT OF COMMERCE AND
MANAGEMENT STUDIES
UNIVERSITY OF CALICUT
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MARCH 2007

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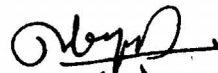
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DECLARATION

I, ABDUL MAJEED C., do hereby declare that this thesis entitled **“A STUDY OF THE EFFECT OF SALES PROMOTION ON CONSUMPTION OF FAST MOVING CONSUMER GOODS IN KERALA”** is a bonafide record of research work done by me and that no part of this thesis has been presented before for the award of any degree, diploma or other similar title of recognition.

Place : CU Campus
Date : 02-03-2007


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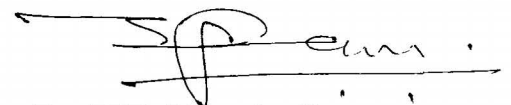
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CERTIFICATE

Certified that this thesis entitled “A Study of the Effect of Sales Promotion on Consumption of Fast Moving Consumer Goods in Kerala” is a bonafide record of the research work carried out by Mr. Abdul Majeed C. under my supervision and guidance for the award of Ph.D Degree of the University of Calicut and no part of this has been previously formed the basis for the award of any degree, diploma or other similar title in any University.

He is permitted to submit the thesis to the University.



Dr. K.P. Muraleedharan
(Supervising Teacher)

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Abdul Majeed C.

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LIST OF ABBREVIATIONS

COP	-	Cents-Off Promotion
CPG	-	Consumer Product Goods
EDLP	-	Every Day Lower Price
FMCG	-	Fast Moving Consumer Goods.
GDP	-	Gross Domestic Product
IMC	-	Integrated Marketing Communication
IMF	-	International Monetary Fund
NSSO	-	National Sample Survey Organisation.
POP	-	Point-Of-Purchase.
RSC	-	Regional Shopping Centre
UPC	-	Universal Product Code

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**A STUDY OF THE EFFECT OF SALES PROMOTION
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CONSUMER GOODS IN KERALA**

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for the Award of the Degree of
DOCTOR OF PHILOSOPHY IN COMMERCE

By

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CHAPTER 1

INTRODUCTION

We are now living in a global village where economic boundaries are redrawn and a borderless world is fast emerging. Competition has been intensified with the entry of transnational companies in the domestic market. There has been a global convergence of consumer preferences for many products and services. Global branding and advertising and cross border buying and selling have become common. In order to survive and grow in such a market situation companies should develop globally competitive brands and adopt suitable marketing strategies. In India strategic market planning, brand building, brand management and customer satisfaction measurements have assumed more importance than ever before.

Under the influence of global challenges and competitive pressures, tremendous changes are taking place in the marketing situation in India. Families with multiple income earners are on the increase. There has been a brand proliferation in the case of many consumption items. Consumers have not only become quality conscious but also highly sophisticated. Expenditure on advertising, sales promotion and marketing research is also on the increase. Service sector is fast expanding. There is an increase in the privatisation with the entry of multinational corporates. There has been a spate of mergers and acquisitions and strategic alliances among companies. The proposed entry of the global retail giant Walmart is a case in point. E-commerce, e-tailing, e-money, internet strategic digital marketing, interactive voice response, on-line shopping, virtual reality and digital communication are forcing business firms both in private and public to reappraise their existing methods and adopt new and better marketing tools.

1.1 Impact of Economic Reforms on Indian Marketing System

The opening up of the country's economy has exerted its largest influence on her market places and practices. Emerging competition challenged traditional marketing methods and practices. Marketing research and information received more attention and there was a shift in focus from company driven sales policies and programmes to consumer driven sales policies and programmes. Service marketing, direct marketing and advertising and promotion activities started growing fast.

Structural changes have been taking place in the Indian market place due to liberalisation measures initiated during 1991 onwards. The market started to get flooded with numerous brands of both durable and non-durable consumer goods. Demand for packaged consumer goods registered an annual compound growth rate of more than 17% during 1985-1995¹. The days of government protection and control have gone with the liberalisation of imports and big reduction in tariffs. Indian firms have started experiencing stiff competition from multinational firms which are equipped with money and muscle power and are comparatively far ahead of their Indian counterparts in terms of quality, price and organisational structure. This has resulted in a large number of mergers and acquisitions and strategic alliances between Indian firms and between Indian firms and multinational companies. There felt a need for increased attention to the likes and dislikes of consumers, which gave a fillip to marketing research organisations in the development of new products, exploring new ways of product distribution, advertising and promotional strategies, especially by offering unexpected additional benefits and values.

There was a spurt in the development of communication media on account of liberalisation. Though the growth in the reach of print media was marginal, the electronic media like television channels, internet and other forms of digital communications recorded phenomenal growth since 1991.

This has provided a boost to the promotional activities and efforts of marketers.

Emergence of new market segments like the women's segment, youth segment and child segment is another notable change which occurred due to the increased competition as a result of globalisation. Increased participation of women in work and employment and changed outlook of the society towards the role and status of Indian women provided more avenues of producing and marketing an array of consumer durable and packaged goods like washing machines, microwave oven, cosmetics and automobiles. It is reported that India is the most blessed country with its largest share of youth and child population. Revolutionary growth in the area of communication and entertainment media like satellite channel and internet enable marketers to target their products specifically to these segments through effective advertisement and promotion techniques.

The distribution system of goods and services is also undergoing a sea change consequent to the liberalisation and globalisation of the economy. New distribution outlets and systems like specialty stores, mail-order retailing, video shopping, internet shopping, multi-level marketing are making active support of the traditional channels of distribution like general stores and convenient shops.

Another notable feature of the post-liberalised Indian market is the changing pattern of consumption of both rural and urban consumers. Consumption of many household products has grown fast. Many sophisticated products like microwave oven, scooters and musical systems became an indispensable part of the life of not only middle class but also of lower class families. Expanding rural market is a product of economic reforms of liberalisation and globalisation. The rural market in India is growing at four times the rate of the urban market. For several durable and non-durable products such as motorcycles, sewing machines, black and white television

sets, the rural demand exceeds urban demand in the country. Over 70% of the table and portable radios, cycles, mechanical wrist watches and cigarettes are sold in rural areas. The usage of shampoo in the rural area trebled between 1986 and 1994, while the consumption of packaged tea went up by four times. The sales of other products are also on the increase².

Liberalisation has its highest impact on the growth of service sector in the country. It is the fastest growing segment among the various sectors of business. Service sector employs more people and generates more wealth than either the primary and secondary sector. It constitutes over 42% of the GDP in India.

1.2 Kerala – As a Consumer State

Kerala, the southern most state in India, is widely acclaimed for its unique pattern of development. Kerala model development is a much debated topic all over the world and it has been regarded as a model for many other developing societies. Quite often the state with its distinctive socioeconomic and demographic characteristics has been compared with developed nations. Though the state is lagging behind many of the other states in percapita income, agricultural and industrial development, the living standard of the people is relatively high. A high level consumption of food, non-food and non-essential items marks the consumption standard of the people. A considerable part of the Keralite's income is being allocated to purchase of consumer durables and luxuries. Consequent upon this Kerala has been referred to a consumerist society and resemblance with developed nations has been attributed to it. Unlike the developed nations where consumption is an outcome of industrial development and economic growth, the paradoxical situation in Kerala is that people maintain high standard of living despite of poor economic growth. Economists identify the gulf boom in 1970s and subsequent spurt in the flow of foreign remittances as the single most important reason for the situation.

Kerala is in a superior position compared to other Afro-Asian countries barring Japan and Srilanka in the Physical Quality of Life Index. Punjab, the richest state in India has an index of 50 as against 70 for Kerala³. The state has made tremendous progress in the field of literacy, education, health and sanitation. It has certain unique distinctions to its credit. Despite the status of the second most densely populated state after West Bengal it has the highest rate of literacy, better men-women ratio, lowering birth rate and death rate, lowest infant mortality rate and maternal mortality rate among the states of India. The life expectancy rate in Kerala is far higher than the national average. More than 97 percent of the villages have tarred roads as well as bus stops, post offices, fair price shops, primary and high schools within a distance of two kilo meters⁴. All the villages have been electrified. The state is in the lead in terms of number of telephone connections, banking facilities, consumer cooperatives, medical facilities and recreational facilities. It has played a pioneer role in designing and implementing various social security schemes like old age pension, agricultural worker's pension, unemployment allowances, widow pension etc.

Despite the disturbing trend on the production front, continuing retarded economic growth and low percapita income, Keralites maintain a relatively high level of consumption. Consumer expenditure data for various states testify the enhanced level of household expenditure in Kerala vis-à-vis that of many other states and the country in general. In the household expenditure a higher portion of expenditure is incurred on non-food commodities like consumer durables, foot wears, clothing and beverages. Aggregate consumer expenditure per person in rural areas of Kerala remained lower than that of all India level in the beginning years of 1970s. By the close of the decade it went up over taking the national level. In 1987-88 an average Indian in the rural region altogether consumed things worth Rs.158.10 whereas rural Keralites expended Rs.211.47. On the basis of data corresponding to the year 1990-91, Kerala, both in total expenditure and expenditure on non-

food consumption ranks third only after Punjab and Haryana⁵. The transformation of the Keralites to a group of aggressive consuming people did not happen overnight. Many socioeconomic factors have contributed to this rapid change. The transition of a hierarchical caste-based and closed society to an open society had its own influence in the initial stages of the transition. People who belong to low caste were not expected to use commodities being used by upper caste sections. The life style of the two sections was entirely different. With the disappearance of these discriminations and restrictions imposed on traditional societies, they have started consuming indiscriminately and the demand for even luxurious goods has gone up.

Kerala is one of the fastest urbanising regions in the country. The state is losing its urban and rural distinction rapidly. The unique situations in Kerala, where there is a clear rural-urban continuum and urbanisation, have exercised its own impact on the consumption habit of the people. Exposure to markets, acceptability and proximity to modern amenities have effected changes in the taste and preference of consumers.

Migration to Gulf countries of a large number of people has brought about some unexpected changes in the socioeconomic conditions of the state. The IMF estimated the number of Indians in Gulf countries in 1978 at 0.214 million. Keralites account for 70 percent Indian migrants to this region. The society witnessed the advent of many a new trend in the socioeconomic activities of the people. Due to the advantage of the remittance the migrant families were able to spend more on consumption items than before. Various statistics show that the remittances from the Gulf were primarily used for consumption purposes rather than investment in land, gold or in production ventures.

Keralites do not produce goods but are keen on consuming those produced elsewhere. More than 85 percent of the commodities for daily consumption in Kerala come from other states. People in this small and

densely populated state are fond of modern merchandise and amenities. Modern gadgets from the Gulf countries made the people crazy for such products. Several multinational corporate enterprises have appreciated the market potentials of Kerala for consumer goods.

Policies of the governments are responsible for the pace of industrial growth. Liberalisation process started in the late eighties lead to a spurt in the development of consumer goods industries in the country. Electronic industry is the best example for such a development. Serious changes in the economic policies initiated in 1991 furthered the demand for consumer durables leading to an increase in the consumption of such items.

Persistent use of advertisements of products compels the consumer to buy them without paying much attention to the absolute utilitarian aspect of the merchandise. With the tremendous growth in the media, the advertising industry found a better channel to reach the consumers. More over easy credit facilities made available to consumers developed a feeling that even costly products are meant for the consumers, who cannot buy them otherwise. The intended objectives of credit facilities, hire purchase and other schemes are to arrest the postponement of purchase and tempt the consumer to make the purchase immediately. Manufacturers themselves, as in the case of home appliances and automobiles, arrange finance for easy payment. Nationalised and private banks have already formulated a number of schemes to suite the consumers of various income groups.

Thus Kerala, a state with so many contradictions in its socioeconomic conditions, is a good hunting ground for the marketers of different types of goods and services. It is the state with poor economic growth but higher physical quality of life, retarded industrial growth but higher standard of living and low percapita income but with higher consumption level. At the same time the monthly percapita consumer expenditure is the highest in the state according to the 60th round of survey report by the NSSO.

1.3 Fast Moving Consumer Goods Industry in India

Fast moving consumer goods (FMCGs) are products that have a quick shelf turnover, at relatively low cost and do not require a lot of thinking time and financial investment to purchase. According to *Wikipedia Encyclopedia* Fast Moving Consumer Goods is a classification that refers to a wide range of frequently purchased consumer products including toiletries, soaps, cosmetics, teeth cleaning products, shaving products, detergents, other non-durable such as glassware, bulbs, batteries, paper products and plastic goods, such as buckets⁶. In the words of Philip Kotler the FMCG is characterised by products having low unit value and requiring frequent purchases and consumer behaviour reflecting less loyalty, impulse buying and low involvement on the part of a consumer⁷.

As the risk of purchasing FMCG is relatively less compared to high involvement buying situations, consumers do not mind experimenting with different brands. A consumer's decision of which brand to buy and how much quantity of that brand to buy depends on brand specific factors like price and promotion of various brands and consumer specific factors like consumer's brand loyalty, consumption rate, product inventory and his/her sensitivity to brand and promotion. Fast moving is in opposition to consumer durables such as kitchen appliances that replaced less than once a year. The term Consumer Packaged Goods is used interchangeably with fast moving consumer goods. Three of the largest and best-known examples of FMCG companies are Nestle, Unilever and Procter and Gamble. Examples of FMCG brands are Coca-Cola, Kleener, Pepsi and Mars⁸.

The Indian FMCG sector is the fourth largest sector in the economy with a total market size of in excess of US \$ 13.1 billion⁹. It has a strong presence of multi-national companies and characterised by a well-established distribution network, intense competition between organised and unorganised segments and low operational cost. Availability of key raw materials, cheaper

labour costs and presence across the entire value chain has given India a competitive advantage in this sector.

One of the much commented sidelights of economic liberalisation in India is the emergence of large middle class and its ability to absorb many FMCG items. Many players, including those who were not in this line, entered the sector with a variety of products leading to intensified competition. The result is that no company is able to charge a good price for their product and make reasonable profit. Sales expenditure shot up and profit margin nose-dived. Thanks to intense competition and reluctant consumers, FMCG companies have had refrain from pegging up their selling prices to pep up their sales growth, as they were doing earlier.

The sector, which witnessed a scenario of poor or no growth in the past few years, began to change for the better, with good growth numbers posted across various categories recently. Most of the players in the market recorded good growth rate in the year 2005. Hindustan Liver Limited recorded a growth rate of 11.4 percent after a gap of six years. Research analysts project a rosy picture for the years to come. According to the Indian Chamber of Commerce and Industry, the fast moving consumer goods industry in India will witness more than 50 percent growth in rural and semi-urban India by 2010. In totality it is expected to grow at a compound annual growth rate of 10 percent and increase its market size to Rs. 100,000 crores from the present level of Rs. 48,000 crores¹⁰. In the rural and semi-urban areas FMCG market penetration is currently less than 1 percent in general as against its total growth rate of 6.2 percent. There is every chance of the growth of rural and semi-urban market, given the increase in the disposable income with the people, wider reach of advertisements and promotion messages through improved communication and other techno-based facilities. Another estimate shows that the Indian FMCG market is set to treble from US \$ 11.6 billion in 2003 to US \$ 33.4 billion in 2015¹¹. Penetration level as percapita

consumption in most product categories like jam, toothpaste, skin care, hair wash etc. in India is low indicating the untapped market segment which presents an opportunity to consumers to use branded products. Growth is also likely to come from consumers upgrading in the matured product categories. With 200 million people expected to shift to processed and packaged goods by 2010, India needs around US \$ 28 billion of investment in the food processing industry. A robust economic growth, rising rural consumption and power pricing are some of the factors behind the revival of fortunes for the FMCG sector in the country. Companies have started adopting innovative ideas not only in the matter of product development but also in product distribution and other marketing activities.

1.4 Significance of the Study

As mentioned elsewhere economic reforms initiated in the early 1990s in India brought about structural changes in the country's economic and industrial scenario. Reduction of tariffs, removal of entry barriers, abolishing of license raj, disinvestments of public sector undertakings, etc. made the Indian market place highly volatile and competitive. Many multinational companies entered the fray in the consumer durable and packaged goods category. In the FMCG sector there was a proliferation of brands in the case of almost all the categories of products. Products like toilet soap, toothpaste, cosmetics and packaged food witnessed intense and cutthroat competition.

Increased media cost, inflationary economic conditions and advertisement clutter compelled companies to cut down their budget allocation to advertisement and focus on sales promotion activities. Sales promotion aimed at the consumer, trade and sales force received more attention. Schemes directed at the consumers provided short-term incentives to buy the brand of the marketer rather than the competitor, buy now rather than later and to reward the existing buyer to retain them. Trade promotions

aimed at getting more shelf space and patronage of the channel members and sales force promotion target to enthuse the people at the point of purchase.

Sales promotion represents nearly two-third of the marketing budget of most of the consumer product companies¹². Compared to the West, India is at a lower stage of economic development as shown by macro economic indicators such as GDP and percapita income. Consumer disposable income is much lower than that of consumers in the developed countries. Correspondingly the market penetration and the consumption intensity of consumer products are much lower in India as compared to western countries. The Indian retailing sector is also very different from the developed countries. It is largely unorganised with a predominance of small family owned retail stores.

In India sales promotion expenditure by various marketing companies is estimated to be Rs. 5,000 crores and is growing at a rapid pace every year. In the past 3 to 5 years the spending on promotion is estimated to have grown by 500-600 %¹³. In the year 2001 there were as many as 2050 promotional schemes of different kinds in the Rs. 80,000 crores Indian FMCG market¹⁴. The FMCG companies increasingly use newer tools of promotion like contests and sweepstakes. Consumer sales promotion schemes, to be effective, should be well planned, properly implemented and results correctly measured. Marketers should know which tool is suitable for a particular product and at a particular time to attain a specific objective, how consumers perceive the scheme he is going to implement and the level of attractiveness of the scheme among the consumers. It has been observed that as in the case of advertisement, a promotion clutter has been developed in the case of fast moving consumer goods category, which makes the promotion efforts less effective.

The present study is intended to throw some light in to this aspect of the effectiveness of sales promotion in achieving various objectives. It

primarily examines the different tools of sales promotion which the consumers like and use most and their ability to initiate trial purchase, motivate brand switching, encourage stockpiling, accelerate consumption in the context of Kerala, one of the most consumerist states in India.

1.5 The Research Problem

Sales promotion is an activity intended to stimulate purchases by adding an incentive to the inherent features of the product or services offered. Most sales promotions have a specific duration. They produce results quickly but once the promotional period is over that incentive induced sales tend to taper off¹⁵. A properly designed sequence of sales promotion can accomplish various objectives like encourage an initial purchase, foster increased purchase and reward repeated purchase. Sale promotion often results in large sales effect for a promoted item¹⁶.

Sales promotion rewards consumers using it by way of giving utilitarian or hedonic benefits. They receive utilitarian benefits in the form of monetary savings, reducing search and decision cost and improved product quality. Monetary promotions like price-offs are evaluated by a consumer on these bases¹⁷. Hedonic benefits that sales promotion imparts to consumers include accomplishing a sense of being a wiser shopper when taking advantage of a sales promotion or achieving a need for stimulation and variety by trying a brand one might not otherwise purchase if it were not for an attractive promotion. Moreover it also helps the consumers to obtain entertainment value when they compete in a promotional contest or participates in a sweepstake. Value added promotions like contests and premiums provide both utilitarian and hedonic benefits¹⁸.

Sales promotion, some times, aims at making a switch off of brand from the competitor's to that of the marketer's brand or prevents a switch from the marketer's brand to that of the competitor's brand. Such an effect of promotion is highly possible when a retailer sells many brands of a product

that are not significantly differentiated in terms of quality, price and other features. A review of various studies conducted to know the brand switching effect of sales promotion has revealed that promotion has strong effect on brand switching¹⁹.

When a customer buys a product on promotion, it may lead to developing a habit of purchasing that brand and also to some evaluation about performance of the brand. It may also happen that, since the brand is purchased on promotion, the consumer's attitude towards that brand weakens and the probability of purchase in future declines. Repeat purchase can be the result of the habit formation that may develop because the brand is bought more than once due to sales promotion.²⁰

Sales promotions are likely to stimulate demand by creating new occasions for purchase or by increasing the consumption rate by consumers. In certain cases the purchase of a product category may get accelerated. Price promotions bring down the price of a product, which a section of the consumers considers beyond their reach. Such promotions attract new customers, which is beneficial for both manufacturers and retailers. Category expansion is that part of the primary demand effect that is not due to temporal shift, and it may include increased consumption. Cross brand effect, cross period effect and category expansion are almost one-third of the total increase in sales due to sales promotion²¹. The short-run effect of promotion on category demand is strong²².

Another possible effect of sales promotion is that the consumer may be loaded with large quantity of the promoted brand. Consumers may be motivated to buy larger quantities than their present requirements. This phenomenon, which is called stockpiling, may be the result of consumer's intention to reduce shopping cost or time or monetary savings associated with larger packs or due to the fear of stock-outs in the future. Stockpiling is the propensity of consumers to increase their inventories above normal levels

either by purchasing the category earlier or by purchasing greater than normal quantities. This particular behaviour of the consumer is beneficial to the manufacturer if it is followed by increased consumption. Otherwise it would be a mere borrowal from the future demands of the product, which can only prevent the customer from changing his brand loyalty. Higher inventory due to stockpiling increases consumption through two mechanisms: fewer stock-outs and increase in the consumer usage rate of the category. Promotion induced purchasing increases inventory and therefore reduces stock-outs, Buckline and Latin (1991)²³, Chintagunta (1993)²⁴, Goudagni and Little (1983)²⁵, Guptha (1988)²⁶ & (1991)²⁷. Households increase their usage rate when they have high inventory. Consumption should increase with inventory not only because of the stock pressure of the inventory holding cost but also because of higher inventories give consumer greater flexibility in consuming the product without having to worry about replacing it at high prices²⁸.

Frequent promotions have a negative effect by way of consumption deceleration. It refers to the willingness of consumers to deplete their inventories below normal levels by holding out for the anticipated promotions. Scarcity theory suggests that consumers curb consumption of products when supply is limited because they perceive smaller quantities more valuable. Consumer's behaviour of stockpiling and deceleration are important because they reflect sophisticated planning by consumers²⁹.

A comprehensive study about the above mentioned effects of consumer market sales promotion on the consumer behaviour and their response to various promotion strategies adopted by brand managers of fast moving consumer goods to sell their products has not been attempted so far in Kerala. The present study is a step in this direction. Specifically it examines the level of awareness and usage of various sales promotion strategies; nature of repeat purchasing by consumers; and effect of sales promotion on category

expansion, brand switching, stockpiling, consumption acceleration and deceleration.

1.6 Scope of the Study

This study is designed to examine the effect of sales promotion on the behaviour of consumers of fast moving consumer goods at the time of purchase and consumption. Specifically it deals with the level of awareness, attraction and usage of the various sales promotion schemes commonly seen in the Indian retailing business. Measuring the effects of sales promotion in terms of category expansion, trial purchase, brand switching, stockpiling, consumption acceleration and deceleration form the core part of the study. Needless to say that sales promotions directed at traders and sales force are beyond the scope of the present study.

Though marketers use various tools of consumer sales promotion, only five most commonly used tools in the FMCG sector in India were used to study the effect of sales promotion. These tools are: 1. Price-off/Discount; 2. Couponing; 3. Premium (including gifts and compliments, bonus packs and bundling of products); 4. Sampling; and 5. Point-Of-Purchase (POP) Promotions.

The fast moving consumer goods selected for the study are Tea, Toothpaste, Cereals (including cereal based products), and Detergent, representing the four important categories of FMCGs like beverages, personal hygiene products, food and toiletries respectively. Geographically the study is limited to the state of Kerala in India.

1.7 Objectives of the Study

The broad objective of the study is to analyse the ability of various consumer sales promotion techniques to create additional revenue to the marketers of fast moving consumer goods through its short-term and long-term effects. The specific objectives are the following:

- To examine the consumer's habit of accepting promotional offers, how the important consumer sales promotion tools influence consumers repeat purchasing behaviour and the reasons for the failure of such tools in influencing consumer's habit in accepting promotional offers.
- To know consumer's level of awareness of important consumer sales promotion techniques being adopted by marketers and their attractiveness to them.
- To study the effect of sales promotion on consumer's buying and consumption behaviour. Specifically it examines:
 1. The ability of important consumer sales promotion tools in making trial purchase/category expansion.
 2. How far important sales promotion tools succeed in effecting brand switching.
 3. How far important consumer sales promotion tools help to create and maintain brand loyalty.
 4. Whether important consumer sales promotion tools motivate consumers to stockpile.
 5. Whether stockpiled products accelerate consumption.
 6. Whether consumers decelerate consumption and delay their purchases in anticipation of sales promotion.
- To offer a few suggestions to marketers on how to improve their consumer sales promotion strategy.

1.8 Hypotheses

Based on the above objectives, the following hypotheses have been formulated and tested:

Hypothesis 1

H.0: 1. There is no significant difference among various sales promotion tools in their level of consumer awareness.

H.1: 1. There is significant difference among various sales promotion tools in their level of consumer awareness.

Hypothesis 2

H.0: 2. There is no significant difference among various sales promotion tools in their level of attractiveness to consumers.

H.1: 2. There is significant difference among various sales promotion tools in their level of attractiveness to consumers.

Hypothesis 3

H.0: 3. All consumer sales promotion tools are equal in their usage level by consumers.

H.1: 3. There is significant difference in the consumer's usage level of important sales promotion tools.

Hypothesis 4

H.0: 4. All consumer sales promotion tools motivate consumers in repeat buying uniformly.

H.1: 4. There is significant difference in the motivational role of important sales promotional tools in making repeat purchase.

Hypothesis 5

H.0: 5. There is no significant difference in the effectiveness among important sales promotion tools in initiating trial purchase or making category expansion.

H.1: 5. There is significant difference in the effectiveness among important sales promotion tools in initiating trial purchase or making category expansion.

Hypothesis 6

H.0: 6. There is no significant difference in the effectiveness among important sales promotion tools in promoting brand switching.

H.1: 6. There is significant difference in the effectiveness among important sales promotion tools in promoting brand switching.

Hypothesis 7

H.0: 7. There is no significant difference in the effectiveness among important sales promotion tools in encouraging consumers to stockpile.

H.1: 7. There is significant difference in the effectiveness among important sales promotion tools in encouraging consumers to stockpile.

1.9 Research Methodology

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

1.9.1. Sources of Secondary Data

Secondary data relating to the study have been collected from the following Journals, Periodicals and Dailies.

- Journal of Marketing
- Journal of Marketing Research
- Journal of Consumer Research
- Marketing Science
- European Journal of Marketing
- Asian Journal of Marketing

- Journal of Consumer Marketing
- Journal of Marketing Communications
- The Journal of Consumer Affairs
- Journal of Product and Brand Management
- Journal of Applied Economics
- Asia Pacific Journal of Marketing Logistics
- International Journal of Retail and Distribution Management
- Marketing Letters
- The Journal of Service Marketing
- Quantitative Marketing and Economics
- Journal of Business Research
- Journal of Retailing and Consumer Service
- Journal of Retailing
- Vikalpa
- Harward Business Review
- Journal of Business and Industrial Marketing
- International Journal of Research in Marketing
- Quarterly Journal of Economics
- Journal of Consumer Psychology
- Journal of International Consumer Marketing
- Journal of Regulatory Economics
- Marketing Intelligence and Planning
- Corporate Communications: An International Journal
- Journal of Business Ethics
- Journal of Fashion Marketing and Management
- Review of Industrial Organisation
- Electronic Consumer Research
- Business Line
- The Hindu

1.9.2 Primary Data

The study is mainly based on primary data collected from consumers of fast moving consumer goods in Kerala. For the purpose of collecting data a structured interview schedule was used. The data were collected from the respondents directly through an undisguised personal interview by the researcher himself.

1.10 Sample Design

Multistage sampling technique was adopted to select the required number of respondents from different parts of Kerala. The state is divided into two equal parts on the basis of number of revenue districts. Southern districts including Thiruvananthapuram, Kollam, Pathanamthitta, Alappuzha, Kottayam, Idukki and Ernakulam constitute the first part. The second part comprises of districts like Thrissur, Palakkad, Malappuram, Kozhikode, Wayand, Kannur and Kasargode. From each part one district each is selected randomly viz. Ernakulam and Malappuram. From each of the selected district 200 respondents were selected after giving due representation to the diverse groups of consumers. Care has been taken to include respondents from the two gender categories, different income groups, urban and rural area, various age groups and occupational categories. Altogether there are 400 respondents who represent a cross section of consumers of fast moving consumer goods in Kerala.

1.11 Classification of Data

With a view to make cross analysis, the data collected are further classified on the basis of gender into male and female. More over three income groups are also formed for the same purpose, viz. low income group, middle income group and high income group. Respondents whose annual income is less than Rs. 1 lakh are included in the first category; whose annual income is between Rs. 1 lakh and Rs. 3 lakhs are included in the second

category; and whose annual income is above Rs.3 lakhs are included in the third category.

1.12 Variables Used for the Study

In order to study the various aspects of consumer sales promotion the following variables were made use of.

Purpose	No. of Variable used	Name of the Variable
To identify sources of purchase of FMCG	5	• Nearest shop • Fixed shop in the town • Super markets • Cooperative stores • Other sources
To know repeat purchase behavior	7	• Never • Next immediate purchase • Next one month purchase • Next three months purchase • Next six months purchase • Next one year purchase • Continuous purchase
To study consumer's preference for coupon distribution	5	• Newspaper and magazines • Postal service • In or on packets • Internet • Through shops
To study consumer's preference for sample distribution	5	• Postal service • With newspaper and magazines • In or with other products • High traffic locations • Through shops

Purchase criteria for buying selected products	5	• Quality • Price • Offers • Convenience • Credit
Purchase frequency of selected products	6	• Daily • Once in a week • Once in 2 weeks • Once in a month • Once in 3 months • Occasionally
Brand loyalty of consumers	5	• Less than 3 months • 3-6 months • 6-9 months • 9-12 months • More than 12 months
Reason for purchasing the currently used brand of the selected products	7	• Special offers • Advertisements • Influence of sales people • Advice of friends and relatives • Convention • Impulse • Others
Reasons for stockpiling	5	• Savings in time and cost of shopping • Fear of stock-outs • Monetary savings from offers • More consumption of favourite brand • Others

Reasons for not availing price-off/ discount offers	5	• Over pricing • Inferior quality • Commonality of the scheme • Brand loyalty • Over all unattractiveness
Reasons for not availing coupon offers	6	• Over pricing • Inferior quality • Commonality of the scheme • Brand loyalty • Over all unattractiveness • Non-availability of coupons
Reasons for not availing premium offers	5	• Over pricing • Inferior quality • Commonality of the scheme • Brand loyalty • Over all unattractiveness
Reasons for not availing sampling offers	6	• Over pricing • Inferior quality • Commonality of the scheme • Brand loyalty • Over all unattractiveness • Non-receipt of samples
Reasons for not motivated by point-of-purchase promotions	6	• Over pricing • Inferior quality • Commonality of the scheme • Brand loyalty • Over all unattractiveness • Store loyalty

1.13 Tools of Data Analysis

Both Mathematical and statistical tools have been used for data analysis. Percentages and averages are the mathematical tools used. The following statistical techniques were applied in the appropriate cases:

Tool Used	Purpose
Mode	• To identify the maximum possibility level of trial purchase • To identify the maximum possibility level of brand switching • To identify the maximum possibility level of switchback • To identify the maximum possibility level of stockpiling • To identify the maximum possibility level of consumption acceleration • To identify the maximum possibility level of consumption deceleration • To identify most influential criterion while purchasing the selected products • To identify the purchase frequency of the selected products by majority of consumers
Chi-Square test	• To test the significance of difference between different groups of consumers in the level of awareness, usage and repeat purchase behaviour • To test the significance of difference between different groups of consumers in the possibility level of trial purchase, brand switching, switchback, stockpiling consumption acceleration and deceleration • To test the significance of difference between different products in the consumer's possibility level of trial purchase, brand switching, switchback, stockpiling consumption acceleration and deceleration.
t-test	• To test the significance of mean difference between two groups of consumers wherever quantitative data are used

ANOVA (F-test)	• To test the significance of mean difference among more than two groups of consumers wherever quantitative data are used • To test the significance of mean difference among different products and sales promotion tools on various aspects of consumer behaviour
Least Squared Deviation (Post Hoc)	• To test the significance of mean difference between two sales promotion tool at a time in their influence on various aspect of consumer behaviour
Correspondence analysis	• To show diagrammatical presentation of various aspect of consumer behaviour

The Analysis of data has been done using SPSS Statistical Analysis Software.

1.14 Limitations of the Study

Social science researches are always subject to some inherent limitations. This study is also no exception. Following limitations are worth mentioning:

1. Respondents had to recall their memory while answering some of the questions in the schedule relating to their experience about sales promotion during a period of one year prior to the survey in the schedule. So there is a chance of recall error despite the efforts of the researcher to collect the data in the most accurate way.
2. All the products selected for the study are in their mature stage of their life cycle. Therefore the influence of the different stages of the product life cycle on the effectiveness of sales promotion could not be studied.
3. Sales promotion is an element of the promotion mix that received less attention from marketers and researchers for quite a long time, especially

in India. As a result of this, data relating to sales promotion activities are not adequately available.

1.15 Chapterisation

The thesis is presented in six chapters as follows:

Chapter 1 contains a description of the objectives, significance and scope of the study, hypotheses framed, research methodology adopted and limitations of the study.

Chapter 2 gives a brief account of the literatures on the various aspects of sales promotion reviewed for the purpose of the study.

Chapter 3 provides a conceptual and theoretical overview of the promotion mix in general and sales promotion in particular.

Chapter 4 deals with the analysis part of the consumer's level of awareness, usage and attractiveness of sales promotion schemes implemented by marketers in Kerala.

Chapter 5 presents the results of analysis about the effect of sales promotion on various aspects of consumer behaviour in the context of Kerala.

Chapter 6 highlights the major findings of the study and concludes with a few suggestions to the marketers, retailers and consumers to make sales promotion activities more effective.

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**A STUDY OF THE EFFECT OF SALES PROMOTION
ON CONSUMPTION OF FAST MOVING
CONSUMER GOODS IN KERALA**

Thesis Submitted to the University of Calicut
for the Award of the Degree of
DOCTOR OF PHILOSOPHY IN COMMERCE

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CHAPTER 2

REVIEW OF LITERATURE

Sales promotion has become an integral part of the promotion schemes of both manufacturers and retailers of durable as well as non-durable consumer goods. It consumes a very significant portion of the promotional expenses of marketers. In some of the developed countries allocation of promotion budget to sales promotion has far exceeded spending on advertisement. Brand managers are now relying heavily on sales promotion because its impact on sales is more direct, immediate, and quantifiable as compared to advertisement. Marketers use both price and non-price promotions either independently or in association with each other. Price promotions allow buyers to make some savings of money where as non-price promotions like premium add value to the offer. Point-of-Purchase promotions like feature advertisements and displays lead to impulse buying. The dynamic nature of sales promotion has inspired many researchers to turn their attention to study the various issues related to this element of promotion mix. Many studies have been conducted on the planning, implementation and evaluation aspect of sales promotion worldwide. These studies are reviewed and presented briefly under suitable heads like Studies on Consumer Promotion, Studies on Sales Force Promotion, Studies on Trade Promotion and Other Studies on Promotion.

2.1 Studies On Consumer Promotions

Majority of the studies on sales promotion encompass consumer sales promotion strategies of marketers. Consumer sales promotion techniques are also called 'pull strategies' as they attract or pull customers towards the promoted brand or promoted store as the case may be. According to one study, consumer sales promotions are the most researched topic ahead of trade promotion and sale force promotion. Important issues examined in these

studies include the consumer's perception of marketers sales promotion activities, effect of promotion on consumption, trial purchase, category expansion, brand switching, brand evaluations, stock piling and consumption relationship, long term impact of promotions, incentive-outlay ratio, etc. Consumer sales promotion literatures are further classified in to three categories, viz. 1. Studies on Impact of Sales promotion; 2. Studies on Perception about Sales Promotion; and 3. Sales Promotion Evaluation, Relationship and Other Aspects.

2.1.1. Studies on Impact of Promotion

Studies relating to the impact of consumer sales promotion on consumer behavior, sales, profit, market share, etc. are included in this section. These studies provide guidelines to managers on various issues such as the appropriate tools that may be used for achieving a specific marketing objective, improve their sales promotion effectiveness and so on.

Vecchio, Del, Devon et.al. (2006) ¹ report the results of the study, which examined the effect of sales promotion on brand preference through Meta analysis. Results of 51 studies had been integrated. As per the study sales promotions do not affect post promotion brand preferences in general. But depending upon characteristics of sales promotion and the promoted product, promotion can either increase or decrease preference for a brand.

Ndubisi, Oly, Nelson and Moi, Tung, Chiew (2005) ² in their study evaluated the impact of sales promotional tools, namely coupon, price discount, free sample, bonus pack, and in-store display, on product trial and repurchase behaviour of consumers. The moderation role of fear of losing face on the relationship between the sales promotional tools and product trial was also examined. The results of study show that price discounts, free samples, bonus packs, and in-store display are associated with product trial. Coupon does not have any significant effect on product trial. Trial determines repurchase behaviour and also mediates in the relationship between sales

promotions and repurchase. Fear of losing face significantly moderates the relationship between in-store display and product trial.

Kumar, V. and Swaminathan, Srinivasan (2005) ³ studied the impact of coupons on brand sale and how that impact decays over the life of the coupon. The authors use an econometric model to demonstrate the coupon effect in terms of equivalent price reduction, account for coupon effect over time, allow inference of coupon effects when retailers decide to double or triple the coupon value and provide both self-coupon and cross-coupon elasticities at different levels of aggregation. Results indicate that the effect of doubling the face value of coupon result in more than a proportionate increase in elasticity and both self and cross- coupon elasticities are much smaller in magnitude than the average self-cross price elasticity.

Laroche, Michel et.al. (2005) ⁴ studied the effect of coupons on consumer's brand categorisation and choice process using fast-food restaurants in China. Results suggest that there are both direct and cross-advertising effects i.e., the presence of a coupon for a focal brand has an impact on consumer's attitudes and intentions towards that brand.

Lewis, Michel (2004) ⁵ developed an approach for simultaneous measurement of the influence of a dynamic loyalty programme and more traditional short- term promotions. They argue that the loyalty programmes under examination successfully alter behavior and increase retention rates. E-mail based coupons, shipping fee and general price levels all significantly affect customers purchase decisions.

Anderson, T. Eric and Simester I.Duncan (2004) ⁶ investigated how the depth of a current price promotion affect future purchasing of first time and established customers based on three large scale field experiments on durable goods sold through a direct mail catalogue. The findings reveal different effect for first-time and established customers. Deeper price discounts in the current period increased future purchases by the first time customers (a

positive long-run effect) but reduced future purchases by established customers (a negative long-run effect)

Dawes, John (2004) ⁷ reported the result of his study on the effect of a massively successful price promotion in a consumer goods category. Specifically, he sought to determine if this large price promotion had any long-term impact on brand value; short-term impact on total category volume for the retailer; short-term effect on competing retailers; and long-term effect on category sales for the retailer who runs the promotion. Results of the study showed that a very successful promotion did not have any longer-term effect on the brand (positive or negative), but it did expand the total category for the retailer, though temporarily. Sales dropped slightly for one competing retailer at the time of promotion out of the three units studied. It was observed that the promotion was followed by a decline in the total category volume for the retailer, suggesting some degree of purchase acceleration or stockpiling by consumers. Longer-term negative effect on category cancelled out approximately two third of the gain of the price promotion to the retailer.

Baohong et.al. (2003) ⁸ reviewed various studies relating to the impact of promotion on brand switching and found that these studies used choice models, especially logit. According to these studies promotion has a strong effect on brand switching. The authors show that logit choice model can substantially over estimate brand switching because they do not take in to account the rational adjustments that customers make to take advantage of promotion. Logit models do not take in to account stock piling and deceleration strategies. They use a dynamic rational model and compare it with a logit model. The result was that logit models over estimate brand switching, that nested logit helps address the problem but not completely and that dynamic rational model provide the most accurate estimate of switching.

Swait, Joffre and Erden, Tulin (2002) ⁹ in their study focused on a particular aspect of marketing mix consistency overtime for frequently

purchased packaged consumer goods, the impact of temporal consistency of store promotions as well as the availability of the product on the shelf; on consumer product evaluations (utilities) and choices. The empirical results, based on fabric softener panel data, indicate that future insert and availability consistency increase systematic utility in a statistically significant way over and above the positive effects that displays and feature have on choice.

Soman, Dilip and Gourville, T. John (2001) ¹⁰ investigated how and why price bundling affect the consumption of a service based product such as a sporting event or a theatre performance. The results of the study showed that price bundling leads to a decoupling of the sunk cost and pending benefits of a transaction there by reducing the likelihood of down stream consumption.

Smith, F. Michael and Sinha, Indrajit (2000) ¹¹ examined the relationship between different types of promotions (straight price promotion, extra-product or volume promotion and mixed promotion) across four supermarket product categories controlling separately for the effect of two category-based moderating factors viz. product stock-up characteristics and price level. Results showed that a majority of consumers preferred mixed promotions ; type of promotions does influence store preference (with price and volume promotions having the greatest influence). Consumers generally preferred price promotion for higher priced product categories and they preferred volume promotions for lower priced categories.

Feame, Andrew et.al. (1999) ¹² studied the impact of promotions on the demand for spirits category in the UK market. The results of an econometric analysis of weekly cross-sectional store data and cluster analysis of consumer panel data suggested that promotions have had a slight positive impact on the volume of sales, particularly over the seasonally important Christmas period. Some promotions, especially multi-buys, reward largely loyal buyers, doing little for either volume or monetary growth of the spirit category. Other promotions, such as price and gift offers, appeal more to consumers who do

not purchase spirits so frequently and also attract people who are less brand and store loyal.

Ailawadi, L. Kusum and Nelsin, A Scott (1998) ¹³ empirically demonstrated the existence of flexible consumption rate in packaged goods products, how this phenomenon could be modeled and its importance in assessing the effectiveness of sales promotion. Results of their study show that sales promotion increases consumption because of higher usage rate and stockpiling.

Mela, F. Carl. et.al. (1997) ¹⁴ examined the long-term effect of promotion and advertising on consumer's brand choice behavior. They addressed two questions: 1. Do consumers respond to marketing mix variables such as price changes over a long period of time? 2. If yes, are these changes associated with change in manufacturer's advertising and retailer's promotional policies? Their results are consistent with the hypothesis that consumers become more price and promotion sensitive over time because of reduced advertising and increased promotions.

Gould, W. Brian (1997) ¹⁵, in his study, focused on the dynamics of the consumer purchase process and examined the effect of coupon-based price deals on inter purchase times. He used econometric models of duration to a formally purchased food commodity, cheese. Results suggested that use of coupon results in reduced inter-purchase time for all varieties of cheese products.

Sethuraman, Raj (1996) ¹⁶ developed a Separate Effect Model that separates the total discount effect of competing high-priced brand on the sale of the focal low-priced brands in to discount effect. Findings from empirical analysis is that the leading national brand can draw sales from competing brands without reducing its price below the price of other brands.

Jeffry, J. and McAlister, Leigh (1994) ¹⁷ tested the hypothesis that coupon redemptions are greatest in the periods immediately following the coupon drop and decline monotonically. As per the study the hypothesis was rejected and it was proved that expiration dates induce a second mode in the redemption pattern just prior to the expiration dates.

Grover, Rajiv and Srinivasan, V. (1992) ¹⁸ investigated the multiple effect of retail promotion on brand loyal and brand switching segment of consumer. They found that the market can be characterised by brand loyal segment and switching segments; promotional variable have significant effects on segment market shares, the effect being different across segments; store share is related significantly to promotional attractiveness of a store; the overall promotional attractiveness of the product category has significant current and lagged effect on category volume and the lagged effects resulting from consumer purchase acceleration and stock-up last longer for brand loyal segments than for switching segments.

Kahn, E. Barbara and Loouise, A. Therse (1990) ¹⁹ investigated how in-store price promotions affect market share after the promotion have been retracted. They find that the effects of promotion are contingent on both the choice pattern of subjects- whether or not subjects switch among brands- and the ubiquity of promotions in a product category. If only one brand is being promoted and subjects are generally loyal to the last brand purchased, brand choice probability declines from pre-promotion levels once the promotion is withdrawn. However if subjects tend to switch among brands in the absence of promotion, or several brands are being promoted, this decline is mitigated and/or does not occur.

Guptha, Sunil (1988) ²⁰ explains how sales promotion affect consumer's purchase decisions and thus the sale of a brand. He argues that the effect of a sales promotion can be examined by decomposing the sales bump during the sales promotion period into sales increase due to brand switching,

purchase time acceleration and stock piling. The author proposed a method for such decomposition whereby brand sales are considered the result of consumer decision about when, what and how much to buy. The impact of marketing variables on these three consumer decisions is captured by an Erlang-2 inter-purchase time model, a multinomial logit model of brand choice and a cumulative logit model of purchase quantity. The models are estimated with IRI scanner panel data for regular ground coffee. The result indicates that more than 80% of the sales increase due to promotion comes from brand switching. Purchase acceleration in time accounts for less than 14% of the sales increase, where as stock piling due to promotion is a negligible phenomenon accounting for less than 2% of the sales increase.

Kerin, A. Roger and Cron, L. William (1987) ²¹ examined the selling and non-selling role of trade- shows and identified marketing and trade-show strategy related variables that affect performance. According to them the current measures are inadequate for measuring the effectiveness of trade-shows on selling and non-selling dimensions.

2.1.2. Studies on Consumer Perception

How consumers perceive the various aspect of sales promotion is very important for brand managers to plan, implement and properly evaluate their promotion schemes. A price discount or a gift offer may affect the brand equity and loyalty adversely. Several studies were conducted on the perception of consumers about price, quality, value, etc. of a promoted brand. A summary of available literatures are presented below.

Kumar, KM. Krishna (2006) ²² studied consumer's perception about promotional strategies adopted by marketers of fast moving consumer goods in Kerala. The level of awareness about various sales promotion strategies, their attractiveness to consumers and their effectiveness in creating brand awareness, trial purchase, repeat purchase and brand loyalty were some of the issues addressed. The data were collected from 300 consumers from different

parts of the state. Various mathematical and statistical tools were used for analysing the data including Chi-square test, t-test, ANOVA and Duncan test. According to the findings of the study consumers belonging to different categories are very much aware of the various sales promotional strategies adopted by marketers. Further, of the different tools used for sales promotion, price-offs and gifts and complements are most attractive to consumers. More over, for creating brand awareness, trial purchase, repeat purchase and brand loyalty, gifts and complements, free samples, price-offs and premium offer respectively are the best tools suggested.

Alvarez, Begoña, Rodolfo, Vázquez, Casielles (2005)²³ examined the influence that sales promotion has on brand choice behaviour. A regional consumer panel was used for collecting necessary information for the study. The authors report that promotion is a tool that can help manufacturers and/or retailers in the achievement of their objectives (try the brand, help to decide what brand to buy, etc.). Immediate price reduction is the technique that exerts greatest influence on the brand choice process. It is possible that the consumer perceives a promotion, for example, coupons or rebates, but does not modify his or her behaviour. In this case, manufacturers and/or retailers will be investing their resources in promotional actions that do not have any effect on the consumer. More over promotions based on price have the greatest effectiveness.

Bailey, Anthony, Ainsworth (2005)²⁴ studied the impact of gender and company reputation on consumer attitudes towards, and perceptions of companies involved in non-fulfillment of promotions. The results of an experimental study indicated that companies influence how consumers perceive brands and companies involved in non-fulfillment of promotional deals. Companies with positive reputations do not suffer as adversely as those with negative reputations. Gender has an impact on perceptions of the credibility of companies involved in non-fulfillment, but does not affect brand

attitudes, patronage intentions or switching intentions. Among women, there were greater differential effects of company reputation on their attitude as compared to the case with men, where the differential effects were not as great.

Peter, R. Darke and Cindy, MY. Chung (2005) ²⁵ examined the extent to which different promotional frames increased perceptions of deal value. Results of the study showed that negative equity inference moderates discount framing effects and undermines deal value, particularly when no assurance of product quality was provided. Every-day-low-price offers were also vulnerable to negative quality inference, while free gifts frames maintained quality perceptions and increased deal value. Product trial acts to further magnify promotional framing effects.

Vyas, H. Preeta (2005) ²⁶ attempted to study consumer preferences with respect to sales promotion in FMCG category. It was found that sales promotion offers which is unique, which offers immediate incentive preferably of price-cut nature is likely to appeal to all consumer segments.

Janiszewski, Chris and Mrcus, Cunha (2004) ²⁷ examined the argument that the impact of price discount on the perceived attractiveness of the product bundle depends on which product is discounted i.e., the discounts are effective when they are assigned to the product that will receive the most weight in the overall evaluation of the bundle. Results of six studies show that the perceived value of the discount may also depend on referent specific to each product.

Soo-Juan, Tan and Seow, Hwang, Chua (2004) ²⁸ investigated the impact of framing through the use of a vague scarcity restriction ("while stocks last") on consumer's perception of promotional offers involving different claim formats (tensile price claim such as "save up to 60 percent" versus non-tensile price claim such as "save 60 percent") and different amount of price discounts. The findings show that framing the sales offer with such a

vague scarcity restriction and using a tensile claims format improve the consumer's perceived informational value of the offer, only if exaggerated price discounts are involved.

Alain, d'Astous and Valérie, Landreville (2003) ²⁹ report the results of an experimental study where four characteristics of premium-based sales promotions were manipulated in the context of a computer purchase. These characteristics are: the attractiveness of the premium, the extent to which it fits the product category, the reception delays of the premium, and the mention of its value. The results show that these factors had interactive effects on consumer reactions. Although the attractiveness of the premium generally had a positive impact on consumer appreciation of the promotional offer, a promotion including an unattractive premium was nevertheless positively evaluated if the premium was a good fit to the product category. Sales promotions, including a premium that fits well the product category, were less likely to be perceived as manipulative. However, if the product-premium fit was poor and the premium was not attractive, mentioning the value of the premium helped to reduce the perceptions of manipulation intent.

Fred, M. Feinberg et.al. (2002) ³⁰ proposed that consumers preferences are affected not only by prices they are offered but also by the prices available to others suggesting rather different promotional policies from prior models. They caution practitioners against over promoting and /or promoting to the wrong segment and suggest avenues for improving the effectiveness of targeted promotions.

Inman, J. Jeffrey and Marcel, Zeelenberg (2002) ³¹ examined the consequences of repeat purchasing (maintaining the status quo) versus switching in the context of information regarding the reasons for the decision (e.g. Prior consumption episode, brand history). They concluded that this effect depends on whether or not there is justifiable basis for this decision. If there is sufficient motivation to warrant a switch, customers will feel less

regret in the face of a subsequent negative outcome realised via a switch than in one realised via a repeat purchase. Results also suggest that feelings of regret are mitigated when the consumer reflects and concludes that the decision was appropriate under circumstances.

Kureshi, Sonal and Vyas, Preetha (2002) ³² examined the nature of sales promotion activities in toilet soap category in India and studied retailer and consumer perception with respect to these activities. It is reported that premiums (free gifts) are the most frequently used scheme in both premium and popular toilet soap categories, followed by price-offs. More over retailers perceive price-offs as the tool having greater impact. Consumers perceive price-off as the most attractive tool of sales promotion for toilet soaps.

Srivastava, Joydeep and Nicholas, Lurie (2001) ³³ reported the result of three studies that examined price-matching refund policies from a consumer perspective. The first study shows that consumers perceive price matching refund policies as signals of low store prices and the presence of a refund increase the likelihood of discontinuing price search. Second and third Studies show that when search costs are low, the number of stores searched increases in the presence versus absence of a price-matching refund policy. When search costs are high, consumers appear to accept the price-matching signals at face value and search less in the presence of a refund.

Vibhas, Madan and Rajesh, Suri (2001) ³⁴ analysed the price discounts and fixed price offers in terms of their comparative impact on consumer valuation of products. Using a model of consumer valuation they explored the interaction between the negative quality effect and the positive monetary sacrifice effect associated with price discount. Their study suggested that immediate levels of price discounts are more desirable than a fixed price offer. However, a fixed price offer is more desirable than both high and low levels of price discounts.

Jeanne, Lauren, Munger and Dhruv, Grewal (2001) ³⁵ examined the effect of bundling formats (partially-bundled attributes vs. unbundled attributes) and framing of promotional discounts (rebate, discount and free-options) on perceived quality, price acceptability, perceived value and subsequent purchase intentions. Results of their study indicated that price reductions that are framed as providing “free” product options are perceived more favourably than conventional discounts which, in turn, are more favourable than rebates, holding the total amount of a price reduction constant. The results also suggested that unbundling of deals (segregation of gains) enhances these perceptions.

Page, Moreauet et.al. (2001) ³⁶ examined the manufacturer and the retailer beliefs about promotion, consumer’s perception of sales promotion and assessed the accuracy of these predictions. Their findings indicate that manufacturers and retailers hold similar views of consumer’s industrial knowledge and these channel members underestimate consumer knowledge.

Pierre, Chandon, et.al. (2000) ³⁷ tried to find out answers for a few questions like, are monetary savings the only explanation for consumers response to a sales promotion and if not, how the different consumer benefits of a sales promotion influence its effectiveness? They found that monetary and non-monetary promotions provide consumers with different levels of three hedonic benefits (opportunities for value expression, entertainment and exploration) and three utilitarian benefits (savings, higher product quality and improved shopping convenience). It is argued that a sales promotion’s effectiveness is determined by the utilitarian and hedonic nature of the benefits it delivers and the congruence these benefits have with the promoted product. For high-equity brands, monetary promotions are more effective for utilitarian products than for hedonic products.

Sanjay, Jain & Jayadeep, Srivasthava (2000) ³⁸ experimentally examined how consumers view and interpret price matching refund policies.

The model developed by them suggests that under some conditions price-matching policies lead to a more intense price competition. All firms may not find it profitable to offer refunds, and consistent with customer expectations the firm with lower price will offer refunds.

Priya, Raghubir and Kim, Corfman (1999) ³⁹ investigated whether price promotions affect the pre-trial brand evaluations by the people. They are of the opinion that price promotions affect pre-trial brand evaluations unfavourably in some specific conditions i.e., when the brand has not been promoted earlier; when promotions are used as a source of information about the brand, when the evaluator is not an expert; and when promotion is uncommon in the industry.

Jane, W. Licata et.al. (1998) ⁴⁰ examined the effect of plausible as well as implausible or exaggerated tensil discount on consumer discounting behavior, price perception and behavioral intentions. They compared the effects across two consumer segments, elder and non-elder, for a product and a service. Findings indicate that the age of the consumer had a significant interaction with discount level for consumers discounting behavior regarding the product offer. The effect of implausible and high-plausible discount on price perception was higher than that of low-plausible discount. There were no significant differences between the implausible and high-plausible discount level for price perception behavior or behavioral intentions.

Chung,-Kue, Hsu and Ben, S. Liu (1998) ⁴¹ examined the role of mood in price promotions. Results of their study show that mood influences the effectiveness of price promotions through consumers perceived transaction value in a mood congruent direction. Mood effects are asymmetric in positive and negative conditions. Consumers perceived quality has been found not influenced by pre-shopping mood of the consumer.

Kapil, Bawa, et.al. (1997) ⁴² suggested a framework for modeling coupon redemption that makes it possible to evaluate the relative merit of

different coupon promotions and examined how consumer response to coupons varies by coupon characteristics. Empirical application of the model showed that important insight into consumer response to coupon can be obtained and that consumer response can be predicted for nearly 90% of the sample.

Banwari, Mittal (1994) ⁴³ tried to identify a set of possible explanatory variables to capture the psychology of coupon use behavior and developed a theoretical model to link these variables among themselves and coupon use and empirically tested the explanatory power of the model. The authors identified four classes of explanatory variables for consumer use coupons i.e., cost- benefit perception, shopping related personal traits, non-demographic general consumer characteristics and demographic characteristics.

Yadav, S. Manjith (1994) ⁴⁴ researched upon buyer's evaluation of bundle offers. They developed and tested a model of bundle evaluation in which buyers anchored their evaluations on the item perceived as most important and then made adjustments on the basis of their evaluations on the remaining bundle items. The result of two computerised laboratory experiments suggest that people tend to examine bundle items in a decreasing order of perceived importance and make adjustments to form their over all evaluation of the bundle.

Yadav, S. Manjith and Kent, B. Monroe (1993) ⁴⁵ examined buyer's perception of overall savings when they evaluate a bundle offer. Their results indicate that additional savings offered directly on the bundle have a greater relative impact on buyer's perception of transaction value than savings offered on the bundle's individual items.

Guptha, Sunil and Lee, G. Cooper (1992) ⁴⁶ examined consumer's response to retailer's price promotion. Their study shows that consumers 'discount' the price discounts. It also suggests that the discounting of discounts and changes in purchase intention depends on the discount level,

store image and whether the product advertised is a name brand or store brand. The study also investigated the existence of promotion thresholds. They used experimental data and an econometric methodology to gather empirical evidence that consumers do not change their intention to buy unless the promotional discount is above a threshold level. This threshold level differs for name brand to store brand. Specifically they found that the threshold for a name brand is lower than that for store brand. In other words stores can attract consumers by offering a small discount while a large discount is needed for similar effect for store brand. The study also indicates the existence of promotion saturation point above which effect of discounting on changes in consumer purchase intention is minimal. These results confirm consumers S shaped response to promotions.

Manohar, S. et.al. (1992)⁴⁷ report results from a controlled experiment designed to investigate the impact of a brand's price promotions frequency and the depth of promotional price discounts on the price consumer expect to pay for that brand. As per the study, both the promotion frequency and depth of price discounts have a significant impact on price expectations. There is a region of relative price insensitivity around the expected price such that only a price change outside that region has a significant impact on consumer brand choice.

Scott, Davis, et.al. (1992)⁴⁸ re-examined the findings of earlier studies that a brand which is promoted would be evaluated lower and therefore have reduced repurchase probability. They reject this theory and found that promotion does not have a negative impact on consumer repurchase and the overall evaluation of promoted brands remain unaffected.

Aradhana, Krishna, et.al. (1991)⁴⁹ investigated several aspects of consumer perceptions of deal frequency and deal prices. Results indicate that many consumers are reasonably accurate about deal frequency and sale price. Recall on deal frequency and sale price is higher for consumers with larger

family size and those who read weekly fliers for items on sale, devote a higher percentage of product class purchase to the brand, and purchase the package size more frequently, it is lower for old buyers.

Inman, J. Jeffrey et.al. (1990) ⁵⁰ investigated the popular belief that some customers react to the promotional signals without considering relative price information. Result of their study show that low need for cognition individual reacts to the simple presence of a promotion signal whether or not the price of the promoted brand is reduced, but that high need for cognition individuals react to the promotion signals only when it is accompanied by substantive price reduction.

2.1.3. Studies on Other Aspects of Consumer Promotions

In addition to the impact of consumer sales promotion techniques and consumer's perception of the same, various other dimensions have also been researched worldwide.

Eva, Martinez and Teresa, Montaner (2006) ⁵¹ analysed the psychographic traits associated with deal-proneness. Results of a consumer survey indicate that there are relationships between some psychographics characteristics of consumers and deal-proneness. Though price conscious consumers are found more deal-prone, savings are not the only reason to buy a product on promotion. Other aspects as impulsiveness, innovativeness and shopping enjoyment also influence deal proneness.

Priya, Raghubir (2005) ⁵² conducted two laboratory experiments to examine how the consumers respond to products that have been offered as a "free gift with purchase" of another product. Results of the first study showed that when an economically identical offer is framed as a joint bundle compared with when it is framed as a "Buy one, Get one free" offer, consumers are willing to pay less for the product offered "free". When a product is given away "free" then consumers are willing to pay less for it as a

stand alone product, especially when the original promotion offer does not include the price of the gift, according to the result of the second study.

Somjit, Barat and Audkash, K. Paswan (2005) ⁵³ investigated how intention to redeem coupon is affected by the face value of the coupon for most common grocery items on the basis of data collected using a self-administered questionnaire from a convenience sample of students and non-students. Results of the study suggested that, for low face value of coupon, the intention remain more or less unchanged. The correlation between intention to redeem the coupon and the perceived sticker price of the product is positive at the lower levels of coupon face value, but becomes negative for higher face value.

Preeta, Hemang, Vyas (2005) ⁵⁴, in her study, mainly examined the ratio of incentives and outlays when consumers buy fast moving consumer goods under various sales promotion offers. The major finding of the study is that variation exists in I/O ratio across product categories and the non-food category exhibits more variation than the food category. It was also found that the level of incentives in the non-food category is higher than that of the food category.

Heather, Honea and Darren, W. Dahl (2005) ⁵⁵ examined the psychometric properties of consumer affect that is produced by a sales promotion offer. They proposed and tested a 28-item scale instrument, the Promotion Affect Sales (PAS), which measures affective response to promotions. Results indicated that the 28- item PAS is a parsimonious and effective measurement tool of the affect produced by sales promotion.

Priya, Jha ,Dang, et.al. (2005) ⁵⁶ present an empirical view of various consumer promotions launched in the Indian market for the period 1996-2003 and identified the incentives offered by each promotion. According to the study the Indian consumer markets are dominated by non-price promotions,

especially premium offers. Coupon offers are very rare in practice. Consumer durable emerged as the most frequently promoted category.

Jie, Zhang and Lakshman, Krishnamurthi (2004) ⁵⁷ provided a decision-support system of micro level customised promotions, primarily for use in online stores. This system provides recommendations on when to promote, how to promote, how much to whom. It derives the optimal price promotion for each household on each shopping trip by taking in to account the varying pattern of purchase behavior and the impact of price promotion on future purchase. They state that customisation method of promotion can greatly improve the effectiveness of current promotion practices.

Perer, H., Leeflang and Dick, R. Wittink (2004) ⁵⁸ proposed a store level regression model that decomposes the sales promotion bump in to three parts: cross brand effect (secondary demand), cross period effect (primary demand borrowed from other time periods) and category expansion effect (remaining primary demand). On the basis of data obtained from four stores, they suggest that each of the three parts contribute about one-third on an average. A model is also proposed for separation of category expansion effect into cross-store and market expansion effect. Features supported price discounts are strongly associated with cross-period effect while display-only supported price discounts have especially strong category expansion effects. While the role of category expansion effect tends to increase with higher price discounts the role of cross brand and cross-period effects tend to decrease.

Jorge, M. Silva et.al (2004) ⁵⁹ developed and illustrated a model to capture the effect of coupon activity in logit models of brand choice applied to scanner panel data. They presented the empirical application of the model on two categories of scanner panel data, catsup and liquid laundry detergent. They found that price elasticity is higher for coupon users than non-users.

Peter, Boatwright et.al. (2004) ⁶⁰ studied the determinants of sensitivity to the promotional activities of temporary price reductions, displays and

feature advertisement based on a unique data base with all US markets and all major retail grocery chains represented. They also investigated the role of retail competition, account retail strategy and demographics in determining promotional response. Results suggest that retail strategic variables such as price format are the most important determinants of promotional response, followed by demographic variables.

Sandrine, Mace and Scott, A. Nelsin (2004) ⁶¹ empirically studied the relationship between pre and post promotion dips in weekly store data and Universal Product Code (UPC) category and store trading-area customer characteristics. They report that, on an average, pre and post-promotion dips account for 33.3% of the current-week promotion bump, with a range of 18.8% (hand detergent) to 68.4% (canned tuna).

Priya, Reghubir (2004) ⁶² reported the results of three experiments that examined whether the economic value of a coupon is a source of information to infer the prices of the product / services and the quality of the product / services, which inference can under cut the economic value, with resulting consequences for deal evaluation and purchase intentions. Results show that increasing the value of coupons does not always improve deal evaluations or purchase intentions. The presence of past price information about the brand, information about prices of other brands offered by the company, information about competitive prices moderate the impact of coupon value on brand related inferences.

Preeta, Vyas (2004) ⁶³ reviewed recent contributions in the area of sales promotion through Meta analysis, classified them and reported the key findings. It is reported that majority of the articles addressed manufacturer's perspectives; almost all studies were done in developed countries; coupon as a consumer promotion tool was widely researched; and more than half of the articles were addressing planning related issues.

Michel, Caroché et.al. (2003) ⁶⁴ proposed a multi-dimensional model, which is based on two different promotional tools- coupons and two-for-one promotions- supposed to trigger different promotional response. On the basis of their study they highlighted commonalities and differentialities in the process of promotion use.

Harald, J. et.al. (2003) ⁶⁵ analysed the result of the previous studies decomposing the effect of sales promotion that the majority of the sales promotion elasticity is attributed to secondary demand effects (brand switching) and the remainder is attributed to primary demand effect (timing acceleration and quantity increases). The authors offer a complementary decomposition measure based on unit sales. The measure shows the ratio of the current cross-brand unit sales loss to current own-brand unit sales given during promotion. Approximately 33% of the unit sales increase is attributable to losses incurred by other brands in the same category.

Richard, L. Oliver and Mikhael, Shor (2003) ⁶⁶ studied the effect of using digital coupons in prompting the customers to enter a promotional code and its influence on shopper's perception and behavior such as shopping cart abandonment. Results showed that providing a code and its attendant price reduction had a positive effect on perception of fairness and satisfaction when compared to traditional couponing.

Kureshi, Sonal and Vyas, Preeta (2003), ⁶⁷ in their study try to understand the position of joint sales promotion in India and problems and prospects of this type of promotion. Content analysis done by the researchers revealed that target market commonality relationship is the prime reason for companies offering joint sales promotion. Further, joint sales promotion is most prevalent in consumer durable category.

David, R. Bell, et.al. (2002) ⁶⁸ documented several laboratory and scanner panel data studies that provide evidence of the flexible consumption effect. The goal was to analyse how such an effect might influence the pricing

behavior of firms. To study this, they developed a model of price competition between firms in a setting that accommodate the primary demand effect of stockpiling and increased consumption. The authors report that the presence of flexible consumption effect causes more intense price competition and deeper promotion.

Pierre, Chandon and Brian, Wansink (2002) ⁶⁹ developed a framework of post purchase consumption behavior, which they used to examine when and how exogenous product stockpiling increases the short-term rate of consumption. Using results from a scanner study, a field study and two laboratory studies (20 different products) they found that stock piling indeed causes people to consume products at a faster rate, especially when the product is convenient to consume. This is because stock piling accelerates both consumption incidence and quantity when the product is convenient to consume but only influences consumption quantity when the product requires preparation. In addition the authors show that stock piling triggers impulse consumption incidences because it raises the salience of these products at the point of consumption. When a product is being consumed, however, stockpiling increases the quantity consumed because the product is perceived as relatively inexpensive to consume.

Alain, d'Astous and Isabelle, Jacob (2002) ⁷⁰ reported the results of a three-study research programme whose purpose is to gain a better understanding of consumer reactions to premium-based promotional offers. The results reveal that consumer appreciation of premium-based promotional offers is more positive when the premium is direct than when it is delayed, when there is a relatively lower quantity of product to purchase, when the value of the premium is mentioned, when brand attitude is positive, when interest in the premium is great, and when consumers are characterised by deal-proneness and compulsive buying tendencies.

Philip, J. Trocchia, Swinder, Janda (2002) ⁷¹ reported on two studies, which examine why individuals purchase goods and services that they never fully utilize or consume later. The first study employed qualitative methods to ascertain consumer motivations for purchasing unused products and their reasons for subsequent non-consumption. The second study employed survey methodology to quantify results of the earlier study. Primary motivations included self-presentation, self-improvement, satisfaction, impulse purchase, salesperson influence, unintended purchase and acquiring competence. Reasons for non-usage included self-consciousness, lack of enthusiasm, disappointing results, maintenance difficulties, concern about injury, use difficulties and unmet expectations.

Gilbert, D.C. and N. Jackaria (2002) ⁷² investigated consumers response to the four different promotional deals most commonly used in the UK supermarkets: coupons, price discounts, samples and “buy-one-get-one-free”. The authors used multi discriminant analysis to study whether there was an association between four consumer promotion approaches and respondent’s reported buying behavior. Findings indicated that only price discount promotion has proved to be statistically significant on consumers reported buying behavior. Purchase acceleration and product trial were the two most influential variables related to discount. For “buy-one-get-one-free”, while the result is not significant, the two variables, brand switching and purchase acceleration were found statistically significant.

Roger, Marshall and Seow, Bee, Leng (2002) ⁷³ investigated Singapore consumer’s price thresholds and saturation points for price discounts. Results of their study showed that consumers discount the offered price discounts, i.e., they lower the dollar gain value. This discounting of discounts increases significantly with the increase in advertised discounts. Result is the same for products and services. They opined that frequent price promotions in

Singapore might have lowered the products expected price and lead consumers to defer purchases when regular prices are offered.

Stefan, Stremersch & Gerand, J. Tellis (2002)⁷⁴ classified the domain of bundling formulates clear rules to assess its legality and developed 12 propositions that stipulates which bundling strategy is optimal in various contexts. In terms of focus the authors distinguished price bundling from product bundling. Price bundling is the sale of two or more separate products as a package at a discount, without any integration of the product. Product bundling is the integration and sale of two or more separate products or services at any price. Bundling can be pure or mixed. Pure bundling is a strategy in which a firm sells on the bundles and not (all) the products separately. Mixed bundling is strategy in which a firm sells both the bundle and all the separate products in the bundle separately.

Vincent, R. Nijis, et.al. (2001)⁷⁵ studied the category-demand effect of price promotions in consumer product category. Modern multi-variate time series analysis was used to disentangle short-run and long-run effects. Category demand was found to be predominantly stationary either around a fixed mean or a deterministic trend. Although the net short-term effects of price promotion are generally strong, they really exhibit persistent effects.

Shun, Yin, Lam et.al. (2001)⁷⁶ examined the influence of three categories of retailer marketing objectives i.e., attraction effect, that focuses on consumer's store entry decisions, conversion effect, that relate to consumer's decision about whether or not to make a purchase at a store they are visiting and spending effect, that represent both dollar value and composition of their transaction, on store performance. Results suggest the following: 1. Price promotion has little impact on front traffic, but positively affect store entry and likelihood that consumers will make a purchase. 2. The effect of price promotion on consumers spending in a store is significant, but varies with type of promotion employed 3. Greater promotional scope

enhances store entry, but promotion with narrow scope seems to have narrow impact on store traffic 4. Clearance promotions have a weaker effect on store entry when compared to other multi-category promotion, while new product promotions have positive impact on conversion. 5. Newspaper advertising, when compared to targeted coupons, has a stronger effect on store attraction but a weaker effect on spending.

Jan, Slater (2001) ⁷⁷ examined the effectiveness of coupon strategy in the light of the Proctor & Gamble's zero-coupon test for a period of 18 months in Newyork and the introduction of every day lower price strategy (EDLP). The result of the experiment was that value could be delivered to the consumer without the cost and inconvenience to consumers.

Alice, Kendrick (1998) ⁷⁸ compared the effectiveness of using imprinted ad specialty items and coupons in increasing repeat orders among customers. It was carried out through a controlled field experimental method. They found that advertisement specialties and discount groups were more active on a monthly basis than was the control group, and had significantly higher spending level than the control.

Donald, R. Lichtensein, et.al. (1997) ⁷⁹ examined if there are consumer segments that have a propensity to be deal prone in general and / or segment that reflects a proneness to deals at some more specific levels such as a segment reflecting a propensity to respond price promotions but not non-price promotion. Their analysis using multi item scales assessing consumer proneness to eight different types of sales promotion indicated the existence of a consumer segment that reflects a generalised deal proneness across deal types.

Kureshi, Sonal and Preeta, Vyas (1997) ⁸⁰ surveyed the literatures in sales promotion published in a period of 25 years in order to gain knowledge about the trends in sales promotion literature. It was found that a significant number of articles are in the area of planning and evaluation of sales

promotion schemes mainly targeted to consumers. Also consumer non-durable category was extensively researched and survey method was predominantly used.

Chakravarthy, Narasimhan, et.al. (1996) ⁸¹ studied the relationship between product category characteristics and average brand promotional elasticities within the category. Results indicate that promotional elasticities are higher for categories with relatively fewer numbers of brands, higher category penetration, shorter inter-purchase times and higher consumer propensity to stockpile.

Scott, A. Nelsin and Linda, G. Schneider, Stone (1996) ⁸² studied the case of post promotion dips in sales using simulation based on real data. Results show that given the degree to which inventory influences purchase decisions there would be no post promotion dips, even though promotion influences the purchase decision. However, if the inventory had a greater influence on the purchase decisions, there would be post promotion dip in sales.

Francis, J. Mulhern and Daniel, T. Padgett (1995) ⁸³ examined whether shoppers who are attracted to the store because of price promotion also buy regular merchandise and the relationship between regular price and promotion purchasing. Results of the study showed a significant positive relationship between regular price and promotion purchases. Among the shoppers who identify the promotion as one of the reasons for visiting the store, three-fourths make regular purchases. On an average these shoppers spend more money on regular price merchandise.

Sanjay, K. Dhar, et.al. (1995) ⁸⁴ studied the comparative effectiveness of imprecisely stated discounts in brand promotions offered in the form of low-probability lottery and conventional promotions offering a precise discount on the entire stock. They conducted two experimental studies and the results suggested that imprecisely stated discounts in brand promotions

offered in the form of low-probability lottery could lead to a higher sales or purchase intentions and consequently profits than the equally costly conventional promotion offering a precise discount on the entire stock.

Robert, F. Shoaf and Edward, L. Melnick (1994) ⁸⁵ investigated whether the manufacturer sponsored cents-off promotional discount are passed on to the consumer by the retailer. Out of the total 3357 COP deals studied, in 81% the manufacturer's intended discount was consistently passed on to the consumer by the retailer.

Aradhna, Krishna (1994) ⁸⁶ built a purchase quantity model to contrast normative behavior of consumers who have knowledge of future price deals with that of those who do not. Experiments result show that normative purchase behavior is very different between consumers with and without knowledge of future deals. The 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 without knowledge of future deals.

Bagozz, et.al. (1992) ⁸⁷ investigated how the individual difference variable of state action orientation moderates the pattern of relationships among constructs in the theory of reasoned action. State orientation refers to a low capacity for the enactment of action-related mental structures, where as action orientation refers a high capacity for this kind enactment. A field study was conducted in the context of consumer's self-reported usage of coupons for grocery shopping. According to the study the state versus action orientation moderates the relative importance of determinants of intention, specially subjective norms become more important as people become state oriented; where as the relative importance of attitudes increases, as people become action oriented. In addition, the study showed that past behavior is determinant of intentions to use coupons.

Jamie, Howell (1991) ⁸⁸ examined the potential increase in oligopolistic manufacturer's profits due to a policy of cents-off couponing and the resulting changes in consumer welfare and resource allocation. Their results suggest that couponing policies of U.S. manufacturers are motivated by their desire to increase profits through third-degree price discrimination- a practice that results in welfare losses to consumers.

Gwen, Orlmeyer and Joel, Huber (1991) ⁸⁹ presented the results of their study that tested the effect of brand experience in moderating the negative impact of promotions. According to them the negative impact of a discount on perception of quality and subsequent intent to purchase at full price is eliminated among those who had tried the brand.

Donald, R. Lichtenstien, et.al. (1990) ⁹⁰ argue that coupon proneness should be conceptualised and measured at a psychological level and treated as the construct that affect coupon responsive behavior rather than isomorphic with the behavior. Results of their study support the premise that coupon-responsive behavior is a manifestation of both value consciousness and coupon proneness.

John, H. Antil (1985) ⁹¹ studied the problem of whether consumers do get the benefit of coupon offers, in the light of the criticisms levelled against the practice of couponing like the use of coupons increase the price of products and create an unfair situation in which coupon users are being subsidised by nonusers. He reported that coupon can and do save money for the consumers and their use is in the best interest of the consumers.

2.2. Studies on Sales People Promotion

Only a few numbers of studies have been attempted on the promotional activities meant for sales people. Sales people's perceptions about sales contests, designing optimal sales contests, etc. were the main topics discussed.

Pushkar, Murthy and Murali, k. Mantrala (2005) ⁹² developed and analysed a normative model for allocating a fixed, short-term promotion budget between product advertising and prizes of a rank-order sales contest for a homogeneous sales force when sales are driven by both personal selling effort and advertising. The model provides insights into how the optimal budget allocations vary with the synergy between advertising and selling effort, sales force size, sales person risk-tolerance, perceived cost of effort, selling effectiveness and sales response uncertainty. The analysis highlights the need for and value of close coordination between marketing and sales management in designing a promotion programme involving both advertising and sales force incentives.

Ajay, Karla and Mengxe, Shi (2001) ⁹³ examined how a firm should design an optimal contest to maximise its profit through stimulating the sales people's effort, especially how many sales people should be given awards and how the reward should be allocated between the winners. The results show that sales peoples exert lower effort when there are large numbers of participants or when sales uncertainty is high. Rank-Order tournament is found superior to Multiple-Winners contest format. Total number of winners should be increased and the spread decreased when sales people are more risk averse.

William, H. Murphy and Ravipreet, S. Sohi (1995) ⁹⁴ examined the factors which are associated with salespeople's feelings towards a sales contest. They collected data through verbal protocols and surveys from salespeople belonging to a division of a Fortune 100 firm. Results indicate that salespeople's self-esteem, commitment level, and career stage play a role in influencing feelings towards the sales contest.

2.3. Studies on Trade Promotions

Business-to-Business promotions, i.e., promotion by manufacturers to wholesalers and retailers or wholesalers to retailers are not found much favour

with researchers. Limited number of studies available is reviewed and a brief account is given below.

Karl, Hellman (2005) ⁹⁵ suggested that a business-to-business products strategy required to include a clear definition of its target market, point-of-difference from competitors that are compelling the consumers and proof that the firm's claims are creditable. Business-to-Business companies need to expand their strategies to include pinpointing why potential customers are not buying their products and then developing specific programmes to overcome the barriers.

Fusun, F. Gonul, et.al. (2001)⁹⁶ investigated whether and how pricing and promotional activities influence prescription choice behavior. They find that physicians are characterised by fairly limited price sensitivity, detailing and samples have mostly informative effect on physicians and physicians with relatively large number of medicare or health maintenance organisation patients are less influenced by promotions than other patients.

Nandakumar, et.al. (2001) ⁹⁷ attempted to develop a simple game-theoretic framework to examine the strategic consideration that underline a retailer's decision to pass through a trade deal. According to them in an environment where manufacturers offer trade promotion, a retailer may not have the incentive to pass a low wholesale price on to consumers because consumers do not have perfect information about on-going trade promotions. However, if the retailer never passes savings on, consumers can infer opportunistic pricing based on prior knowledge of trade promotion frequency and have a higher tendency to shop elsewhere. The extent of retailer opportunism depends on product-market characteristics, such as the retailer's clientele and the heterogeneity of consumer search cost as well as the characteristics of the manufacturer's trade promotion policy like the frequency of trade promotion and depth of discount offered, etc

Jim, Blythe (1999) ⁹⁸ examined the impression that despite the widespread use of trade exhibitions as a promotional tool and the large sums of money committed to the activity by UK firms of all sizes, many firms do not have any meaningful ways of evaluating the effectiveness of the activities. It was found that, while firms with differing levels of exhibition activity had much the same reasons for attending the exhibitions and the propensity to set objectives remained similar across the board, the methods used to assess the outcomes of the exhibition varied in both quantity and type according to the frequency of exhibiting.

John, P. Murray Jr. and Jan, B. Heide (1998) ⁹⁹ reported the result of a study that examined retailer participation in manufacturer sponsored promotion programme. On the basis of an empirical study involving a conjoint task, the authors show that the presence of a strong inter-personal relationship does not diminish the importance of other variables such as incentives. The results also suggest that inter-personal relationships are less important determinants of participation than economic incentives.

Robert, D. Buzzel et. al. (1990) ¹⁰⁰ highlighted the shift in the growing power of the super markets, drug store chains, warehouse clubs and discounters regarding the marketing and sales of frequently purchased consumer goods.

Chakravarthi, Narasimhan (1990) ¹⁰¹ explored the factors managers consider important in allocating trade and consumer promotions. Importance scores on several dimensions were analysed to extract the underlying factors. Indices are computed using these raw scores. The extent of mediation by several brand and category variables on managerial perceptions was then examined by correlating manager's indices and the structural variables. The impact of the structural variables and the importance scores are related to promotion to sales ratios in a regression model. Result of the study shows that

the structural variables have strong and predictable impact, the importance scores are somewhat weak in their explanatory power.

2.4. Other Studies on Promotion

In the context of studying effect of sales promotion on consumer behaviour, it would be appropriate to review some of the studies conducted on consumer's consumption and buying decision-making process, success factors of sales promotions, basis of allocating promotion budgets on its various components and a host of other issues related to promotion.

Kureshi, Sonal and Vyas, Preeta (2005) ¹⁰² examined the practices, perceptions of net users and avenues of consumer sales promotions through this medium. To gain insight into current practices, consumer sales promotion on general, specialised and e-commerce sites were studied. An online survey of 161 net users was carried out to examine perceptions of net-based promotions over ten dimensions. According to them the most frequently promoted product categories across sites were apparel, airlines, and books. Price-off followed by free gift offer was the most commonly used type of promotions.

Timothy, J. Richards and Paul, M. Patterson (2005) ¹⁰³ studied the issue whether a non-cooperative equilibrium can emerge that produces margin above the competitive level in the context of that super market retailers make strategic pricing decision in a high frequency repeated game environment both in buying and selling fresh produce. Results of the study supported the existence of tacitly collusive non-cooperative equilibrium in upstream and downstream markets

Gary, Warnaby and Kit, Man, Yip (2005) ¹⁰⁴ investigated the process by which marketing and promotional activities were planned, and the specific promotional tools used by Regional Shopping Centres in the UK. Marketing Managers of four of the nine RSCs were interviewed using a non-standardised

semi-structured interview schedules. One of the major findings was that the human resources devoted to marketing and promotions in RSCs were relatively low, and their tasks oriented towards more tactical promotional activity. RSCs make extensive use of advertising and public relations, plus promotional leaflets and special events as their promotional strategy.

Adilson, Borge, et.al. (2005) ¹⁰⁵ proposed a method to decrease redundancy effect of promotion without reducing overall promotion utility. Their results suggested that grocery stores might avoid redundancy effects by introducing categories with buying association in their promotional assortment resulting in higher share of full priced products in the consumer baskets without reducing global utility of promotion.

Jan-Benedict, et.al. (2005) ¹⁰⁶ answered the questions how do competitors react to each other's price promotion and advertising attacks and what are the reasons for the observed reaction behavior? Results of empirical study show that the most predominant form of competitor's response is passive in nature. The competitor's reaction is usually retaliatory in the same instrument, i.e., promotion attacks are countered with promotions and advertising attacks are countered with advertising. More over they argue that there are very few long-run consequences of any type of reaction behavior.

Mary, P. Conchar, et.al.(2005) ¹⁰⁷ reported a narrative view of econometric models published in the business literature that estimate the effect of advertising and promotional spending on the market value of the firm. They suggest that there is a positive relationship between levels of advertising and promotional spending and the market value of the firm. Advertising and sales promotions spending are generally expected to generate future cash flows and produce increases in shareholders wealth.

Wesly, S. Changchien, et.al.(2004) ¹⁰⁸ proposed an online personalised sales promotion decision system. The proposed system consists of three modules namely, 1. Marketing strategy 2. Promotion patterns model and 3.

Personalised promotion products. A prototype system has been developed to illustrate how the proposed online personalised promotion decision supports systems work in electronic commerce.

Haesun, Part (2004) ¹⁰⁹ investigated the effect of retailer's fashion and price orientation on manufacturer's offerings of retailer's cooperation with promotional support. Results of the study showed significant effect of price orientation on both offering frequency and cooperation level. The effect of fashion orientation was found not significant. For sales support and selling aid samples, the difference in offering frequency and cooperation level were found among the different levels of price orientation groups. Retailers found monetary support most acceptable regardless of price orientation or fashion orientation.

Timothy, M. Smith, et.al. (2004) ¹¹⁰ investigated the complementarity between two dominant elements of the business marketing communication mix - personal selling and trade shows - from an integrated marketing communication perspective. They demonstrate that follow-up sales efforts generate higher sales productivity when customers have already been exposed to the firm's product at a trade show. The study also suggests that return –on-sales figures are higher among show attendees and that the trade show generates positive effect on consumer purchase intentions.

Steenkamp et.al. (2003) ¹¹¹ examined the effect of consumer and market factors on the trial probability of new consumer packaged goods. The main findings of the study was that the effect of consumer's personal makeup on the probability that they will try the new products are systematically moderated by elements of the marketing strategy associated with the new product and by category characteristics.

Stephen R. Parker and Charles, E. Pettijohn (2003) ¹¹² examined the influence of direct-to-consumer advertising and physician promotions on the demand for the drugs by the consumers and prescribed by the physicians.

They suggested that direct-to-consumer advertising is likely to increase the request rates of the drug category and brand choice, as well as the likelihood that the drugs would be prescribed by the physicians.

Linaxi, Zhou and Amy, Wong (2003) ¹¹³ examined the effect of in-store point -of- purchase posters on shopper's impulse purchase behavior. They also examined the effect of atmosphere engagement (i.e., enjoyment, modern and attractiveness) conveyed by in-store POP Posters. Their main finding is that in-store POP can influence shopper's impulse purchase through both informative (promotional effect) and experimental (atmospheric effect) dimensions.

Andrew, G. Parsons (2003) ¹¹⁴ analysed the effectiveness of ten common mall promotional activities in encouraging increased spending, customer visits or both. Results suggested clear distinction between sales driven and visit driven promotional activities and show possible combinations that would be effective in generating optimum customer behavior. Some traditional promotions like fashion show and product displays are shown to be poor performers in generating either response, school/community displays appear to be encouraging non-customer visits. A combination of general entertainment and price-based promotions are found to be strong alternative ways to encourage visits and spending.

Ying, Fan and Nico, Pfitzenmaier (2002) ¹¹⁵ reported the result of an internet survey on the potentiality of event marketing or sponsoring events in China as an alternative to advertisement and other promotional activities. Result of the study showed that this type of promotion provides international companies a viable alternative to the increasingly cluttered mass media, and play a key role in corporate branding and integrated marketing communication. Sponsoring sports and music events was found particularly effective in reaching the opinion leaders and innovators, and establishing favourable links between an audience and sponsor's brand image.

Chu-mei, Liu (2002) ¹¹⁶ in his study tried to find out the effect of various activities including promotional activities on consumer's choice of mobile phone brands in Philippines. Results indicated that consumers relate information about the service providers with a combination of brand concept and unit usage flexibility.

Tulin, Erden and Baohong, Wun (2002) ¹¹⁷ tested for marketing mix strategy spill over effects of umbrella brands in frequently purchased packaged product categories. They examined whether advertising in one product category affects sales in another product category for umbrella brands. The cross category effect of all marketing mix, including price, coupon availability, display and features is considered. On the basis of analysis of scanner panel data on two categories – tooth paste and tooth brush – the authors find evidence for advertising spill over effects for umbrella brands. Advertising in one category serves as a mechanism for reducing uncertainty in the other category for umbrella brands. Moreover there are spill over effects of price, coupon availability and display as well.

Katherine, N. Lemon and Stephen, M. Nowlis (2002) ¹¹⁸ focussed their study on potential synergies between promotional and branding strategies, specifically seeking to understand interaction among displays, feature advertising, price promotions and brands in different price-quality tiers. Using both scanner data and experiments, the authors find that high-tier brands benefit more than low tier brands from price promotion, displays or feature advertising when these promotional tools are used by themselves. This advantage disappears, however, when certain promotional tools are used in combination with each other. In particular, the authors find that price promotion have more of an equal effect on low-tier and high-tier brands when these promotions are offered in settings in which comparisons are difficult. Further more, the combined effect of displays and price promotions or feature

advertising and price promotions have greater effect on low-tier brands than on high-tier brands.

Baumeister, Roy F. (2002) ¹¹⁹ opined that self control is a promising concept for consumer research and they describe self control failure as an important cause for impulsive buying. According to them there are three causes of self-control failure, viz. 1. Conflicting goals and standards, 2. Failure to keep track of (monitor) one's own behavior renders control difficult and 3. Depletion of this resource makes self-control less effective.

Chakravarti, Dipankar, et.al. (2002) ¹²⁰ suggested that partitioning or consolidating the price of products in a bundle could influence the attractiveness of the bundle offer.

PK Kannan and Chi Kin (Benset) Yim (2001) ¹²¹ investigated whether and how the significant change in promotion strategy would affect the competitive pattern in the market. The authors used a methodology based on dogit model of brand switching to evaluate and test the impact of promotions on competitive structure and to identify the nature of the impact. Their findings reveal that some sales promotions like displays and price cuts have a significant impact in shaping competitive patterns. The magnitude of this impact decreases with increased product differentiation and increased intensity of the promotional activities in the market.

Kusum, L. Ailawadi et.al. (2001) ¹²² used Proctor and Gambles value pricing strategy as an opportunity to study consumer and competitor response to a major sustained change in the marketing mix strategy. For an average brand, the authors found that deals and coupons increase market penetration and surprisingly have little impact on customer retention as measured by share of category requirements and category usage. For the average brand, advertising works primarily by increasing penetration, but its effect is weaker than that of promotion. The authors also find that competitor's response is related to how strongly the competitor's market share is affected by the

change in the marketing mix and the competitor's own response and to the structural factors such as market share position and multi-market contact.

Albert, C. Bemmao, et.al.(1999) ¹²³, in their study, deals with the reliability of the coefficients of promotion-type dummy variables (e.g., display, leaflet, bonus pack,). According to them the lack of pass-through of trade deals to the end consumer, those coefficients can be typically unidentified or unstable when estimated at the store level and even at the chain level. Assuming that the individual-level coefficients of the dummy variables are drawn from a common but arbitrary distribution, the authors suggest to "pool" the data for those variables (partial "pooling") across stores and across chains.

Banwari, Mittal and Walfried, M. Lassar (1998) ¹²⁴ explored the linkage between customer satisfaction and loyalty. They also examined the measures of service quality and tested whether different components of service quality i.e., functional and technical, influence satisfaction differently than they influence loyalty. Results suggest that relationship between satisfaction and loyalty are asymmetrical i.e., while dissatisfaction nearly guarantees switching, satisfaction does not ensure loyalty.

Demetrios, Varkratsas (1998) ¹²⁵ discussed the type of household costs that affect accelerated purchase behavior, selected demographic variables linked to such costs, develop and test propositions about relationship of demographic variables and purchase acceleration, He found that smaller households are more prone to accelerate their purchase due to deals than larger households. Lower income households show greater propensity to accelerate because of a lower price. Households with less than full-time employed wives tend to rely on price for deciding whether to accelerate their purchase or not, while for households with a full-time employed wife, the promotional signal is enough to trigger acceleration.

Carl, F. Mela, et.al. (1998) ¹²⁶ examined the effect of changes in promotion and advertising policy on market structure over a long term. Analysis of scanner panel data indicate that brands in the analysed product category tend to fall in to premium / non-premium and attribute based tiers. The differentiation between non-premium and premium brands diminishes. Increase in price promotions and reductions in delivering lead to decreased differentiation between brands

Folkes, et.al. (1997) ¹²⁷ conducted a series experiments manipulating product supply to investigate its effect on product usage. Subjects were presented with containers filled with various amounts of a product and asked to indicate how much of a product they would use. Results showed that consumers tended to conserve diminishing resources so that the amount they indicated they would use generally decreased as the supply decreased. Container size and the fill level of the container did not influence the amount used.

Shivakumar, K. and Raj, SP. (1997) ¹²⁸ investigated how competition among quality tiers is affected by direction of price changes (increase or decrease). Empirical findings from four scanner panel data sales show that with price reduction, high quality brands gain more than low quality brands both in brand choice and category choice decisions. High quality brands are less vulnerable to losses when prices are increased.

Siva, K. Balasubramanian and Kumar, V. (1997) ¹²⁹ reestablished their findings in a study conducted in 1990 on the same topic. This research indicated that the market share, market growth and their interaction are important predictors of the ratio of advertising and promotional costs to sales.

Neeli, Bendapudi, et.al (1996) ¹³⁰ interpreted researches in marketing, economics, sociology and social psychology to advance theoretical understanding of helping behavior. They developed research proposition

regarding specific promotional strategy that charitable organisations can employ to elicit help from various agencies.

David, Stewart (1996) ¹³¹ examined in detail the Balasubhramaniam and Kumar (B&K) model 1990, devised to explain the ratio of promotional expenditure to sales which is based on only three variable viz., market growth, market share and their interaction. He found the B&K model inadequate and too simplistic when tested using data from a consumer market in the maturing phase of the product life cycle and suggested some modifications to the model, most importantly the addition of some more variables that take in to account the promotional objectives of the firm.

Biger, Wernerfelt (1996) ¹³² proposed that firms should treat customers as partners when they take decision about marketing communication since it would help many firms to maximise long-term profit.

William, Boulding, et.al. (1994) ¹³³ in their study considered the effect of three marketing communication activities i.e., advertising, sales force and promotion on non-product brand differentiation. They examined whether these activities increase a firm's ability to differentiate and thus shield itself from future price competition. As per the result obtained from their study it is clear that by providing unique and positive messages, a firm can insulate itself from future price competition.

Ashley, Layman (1994) ¹³⁴ studied the role of advertisement and sales promotion in increasing residential demand for electricity. The result indicates that advertising is principally informational, the new consumers are most likely to be influenced, and that the effectiveness of a given expenditure in stimulating average per consumer demand decreases with the number of customers to be reached.

John, Philip, Jones (1990) ¹³⁵ explained the associated problems while using sales promotion for boosting the sale of consumer products with the

stagnated consumer product situation in the United States. According to him manufacturers lay more emphasis on sales promotion to the detriment of advertising, which usually take the form of price reduction.

Magid, A. Abraham and Leonard, M. Lodish (1990) ¹³⁶ in their study underline the importance of measuring the incremental sales of a product over and above that would result without the advertising and promotion. They suggest the use of single source data for measuring the incremental impact of advertising and promotion besides improving marketing productivity.

Robert, C. Blattberg and Scott, A. Neslin (1989) ¹³⁷ presented a framework for organising and discussing how sales promotion affects sales and how to use this framework to delineate major generalisation and to identify issues in need of resolution. This framework consists of data used to measure the sales impact of promotions and the time frame of that impact.

Georing and Particia, A. (1988) ¹³⁸ model the effect of private information acquired through product trial on consumer expectations demand and prices. They argue that these effects depend on the quality of the product relative to consumer expectations, consumer perceptions of quality, consumer expectation revision mechanism and the number of purchasers.

Rook, W. Dennis (1987) ¹³⁹ reviewed extant research on impulse behavior and then introduced a new interpretation of impulse buying. They examined the phenomenology of consumer's impulse buying episodes through an exploratory study. The result identifies the subjective experiences that distinguish the onset of the buying impulse, how the consumers cope with their impulsive urges to buy and the type of negative consequences they incur as a result of their impulse buying.

Kenneth, G. Hardy (1986) ¹⁴⁰ identified and analysed the important factors contributing to the success of consumer promotions and trade promotions. This exploratory research examined 216 sales promotions

employing both quantitative and perceptual data on each sales promotion. The study suggests that the key success factors for trade promotions are different from the key factors for consumer promotions. More importantly, factors such as sales force support, promotion period, dual promotion and level of incentives are within the control of product managers.

Smith, et.al. (1978) ¹⁴¹ enquired in to the issue related to attributions like, are attributions evoked by consumers and can they increase the perceived source credibility. Their experiments suggest that consumers do evoke attributions when processing promotional messages and they appear to mediate the perceived credibility.

Janet, Hoek, et.al. (1977) ¹⁴² outlined a behaviorist context for sponsorship and used Ehrenberg's awareness-trial-reinforcement model to compare the effects of an advertising and sponsorship stimulus. The results suggested that both stimuli evoke response patterns consistent with Ehrenberg's awareness-trial-reinforcement model. Sponsorship might generate higher levels of awareness and lead to the association of a wider range of attributes with the brand promoted. Neither the sponsorship nor advertising stimulus increased the users' or non-users' purchase probabilities.

Adams, Williams J. and Janet, L. Yellen (1976) ¹⁴³ report that the consumer surplus (i.e., Reservation price less than actual price) associated with an attractive product will compensate for the consumer deficit associated with a less attractive product.

Sales promotion now a days is a much debated and researched topic at the managerial as well as academic level. The review of available literature shows that various aspects of sales promotion have been studied from different dimensions. These studies are done from the manufacturer, retailer and consumer perspectives, addressing the planning, implementation and control functions related to promotion management. Though all of the important tools of sales promotion have been subject to research, couponing

can be singled out as the most favourite tool of researchers. Another important point emerged from the review is that majority of the studies are conducted in developed nations like USA, France, Canada, UK, Germany, etc. A very few studies were also done in India. Considering the size and potentials of Indian markets, the studies conducted here are insufficient and inconclusive. A study on the level of attractiveness and usage of various sales promotion tools and their effect on consumer's buying and consumption decisions in the context of India in general and Kerala in particular shall provide valuable information to the managers of companies, especially FMCG companies, where sales promotion is very common.

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**A STUDY OF THE EFFECT OF SALES PROMOTION
ON CONSUMPTION OF FAST MOVING
CONSUMER GOODS IN KERALA**

Thesis Submitted to the University of Calicut
for the Award of the Degree of
DOCTOR OF PHILOSOPHY IN COMMERCE

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CHAPTER 3

SALES PROMOTION: AN OVERVIEW

The marketing communication environment is undergoing a thorough change due to the fragmentation of markets and vast improvements in information technology. Mass marketing and mass media have been replaced by segmented or one-to-one marketing and more specialized and highly targeted communication efforts. Though mass media communication channels like newspapers, magazines and television remain important, their dominance is declining. Advertising was viewed as the crown jewel of marketing communication and the primary tool for brand building for many years. However, more marketers are recognising that brands are the sum total of all marketing communications and that no single Integrated Marketing Communication tool is capable of building brand image, sales and relationship with consumers, as well as the trade, at the same time. A variety of companies from package goods, fast food and electronic and automotive to consumer electronics and financial services are making branding the core of their marketing strategies. In the process, they are recognising that a solid branding strategy requires true integration of all the various marketing communication tools. Moreover, many are discovering that sales promotion is the engine that drives the sales numbers.

Marketers generally agree that advertising is essential in positioning a brand and building its promises, personality and image. But, today's consumers are concerned about more than a promise or brand image. They want image to be accompanied by an offer or extra incentive. Now sales promotion is being used to build customer equity and is taking centre stage alongside advertising. The new mandate is to deliver experience that deepens each consumer's relationship with the brand. In the past sales promotion specialists would be brought in after key strategic brand building decisions

were made. They were viewed as tacticians whose role was to develop a promotional programme such as a contest or sweepstake, coupon or sampling programme that would create a short-term spike in sales. However, many companies are now making promotion specialists as part of their strategic brand building team.

3.1 The Marketing Mix

Marketing mix includes everything that the marketer uses to create a blend that would influence the demand for its products or services. It is a set of controllable, tactical marketing tools that the firm uses to achieve its objectives in the target market. Popularly, 4 Ps are used to represent the elements of marketing mix. Each 'P' stands for product, price, place and promotion. A product is anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need. The price is the sum that the customer pays in exchange for the product or to get a service performed. The place refers to marketing activities undertaken to make the product or service available to consumers at convenient locations where they are normally expected to shop for such things. Finally, promotion includes marketing activities used to inform, persuade and remind the target market of an organisation, its products, services and other activities.

Some people argue that 'people' is the most important element of the marketing system and added another 'P' with the conventional 4Ps. 'People' can be interpreted as customers or as staff. Service marketers have developed a new approach by forming a 7 Ps concept. Physical evidences (e.g. building and uniforms) and Processes (methods of producing, delivering and consuming the service) are the additional Ps. Now fast moving consumer goods marketers have also accepted 7Ps.

All of the marketing mix variables communicate in their own way. ¹ A poor-quality product or service generally says more than any amount of advertising. A high price sends a different message to a low price. Some times

price is used by many buyers as an indicator of quality. The various places of purchase give different experience to the buyers. For example, an item purchased from a super market has a different perceived value to an item purchased from a street stall. Promotion has its own communication tools like advertising, personal selling, sales promotion and publicity. The fifth P, people or staff creates a good or bad experience through the quality of service delivered at any particular time. Physical evidence communicates, as demonstrated by the physical presence, style, location etc. It grabs attention, interest and, to some, creates the desire to enter and explore. Process the final 'P', also communicates in terms of likes or dislikes of the consumers about the method of producing and delivering the goods or services.

3.2 The Promotion

Promotion is the communication process in marketing that is used to create a favourable predisposition towards a brand of product or service, an idea or even a person. It is the marketing function, which is concerned with persuasive communication of the components of marketing programme to target audiences with the intent to facilitate exchange between the marketer, and the customer, which may satisfy the objectives of the consumers and the organisation. Promotion seeks to persuade the audience in the target market to develop a new attitude or change the existing one, as it is a persuasive communication. It is goal oriented and the objective may be to create brand awareness, to educate the consumers, to create positive image and the ultimate goal is to sell the product or service.

3.2.1 Role of Promotion in the Marketing Mix

Marketing mix refers to a wide range of responsibilities of marketers related to the conception, pricing, promotion and distribution of a brand. Promotion plays a key role in the marketing mix because it is essential to the successful implementation of the three other mix factors, i.e., product, pricing and physical distribution.

Promotion affects the product area of the marketing mix in four important ways:

- **Information and Persuasion:** -Target audiences learn about a brand's features and benefits through the communication transmitted by various promotional tools. Advertising and personal selling communicate brand images to the targeted audiences.
- **Introduction of new brands or brand extensions:** - When new brands or extensions are brought to market, the promotion process is largely responsible for attracting attention to the new market offering. Sales promotion and POP displays are used for the purpose.
- **Building and maintaining brand loyalty among consumers:** - Brand loyalty occurs when a customer repeatedly purchases the same brand to the exclusion of competitor's brand. While advertising reminds consumers of the value of a brand, sales promotion provides an extra incentive to consumers to remain brand loyal. When a firm creates and maintain positive association with the brand in the minds of consumers, the firm has developed brand equity ²
- **Building and maintaining brand loyalty with in the trade:** - Wholesalers and retailers will favour one brand over others if they get necessary support from manufacturers. Marketers can provide the trade with training programme, collateral materials, displays and traffic building special events.

The promotional mix affects two aspects of price i.e., at a consumer level and related to trade. In the consumer market sales promotion can offer a price concession or an incentive to buy a brand. While coupons reduce the price in an obvious way, rebates give consumers a choice on how to use an extra bonus in the pricing system. Incentives like premium or sweepstakes give reasons to buy a brand. In the trade market, special promotions like case-

lot discounts, cooperative advertising and incentive contests affect the end price and can affect the wholesalers and retailers preferences for one brand over others.

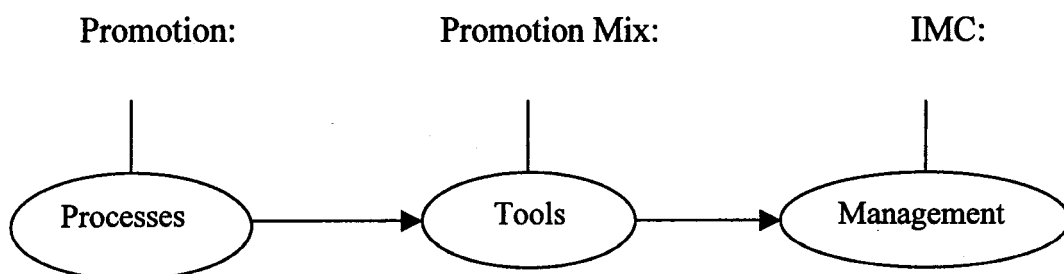
Promotion can affect consumer access to a brand and securing trade cooperation. When special POPs or brochure materials are used at the retail level, consumer access to the brand is increased. Cooperative advertising will inform the consumers about location of retail outlets. Cooperative advertising, slotting fees, vendor support programmes and incentive programmes are promotional techniques that convince wholesalers to carry brands.

3.3 The Promotion Mix

Promotion mix is a blend of promotion tools used by a firm to carry out the promotion process and to communicate directly with target market (or audience in the language of communication). These communication tools include advertising, the internet, direct marketing and e-commerce, sales promotion, event sponsorship, point of purchase displays, support communications (like brand placements in films, and specialty items), public relations and personal selling.

Figure 3.1

Diagrammatical Representation of the Relationship Between Promotion, Promotional Mix and IMC



(Source: Promotion & Integrated Marketing Communication, Richard J. Semnik, page-9)

The Promotional mix can include some combination of many approaches or just one or two promotional tools.

3.3.1 Advertising

It is the most glamorous and elaborate of all the promotional tools. Advertising is defined as a paid, mass mediated attempt to persuade.³ Accordingly if a communication is not paid for, it is not advertising. For example, a form of promotion called publicity is not advertising because it is not paid for. Another feature of advertising is that it is mass mediated, i.e., it is delivered through a communication medium designed to reach more than one person- or mass of a people. Advertising media include television, radio, newspapers, magazines, direct mail, billboards, internet and videocassettes. The mass mediated nature of advertising creates a communication environment where as the message is not delivered face-to-face. Finally, advertising includes an attempt to persuade. Advertisements are communications designed to get someone to do something. Thus advertisements inform the consumer for the purpose of getting the consumer to like the brand and eventually buy the brand.

According to Stanely M.Ulanoff, “advertising is a tool of marketing for communication of ideas and information about goods or services to a group; it employs paid space or time in the media or uses another communication vehicle to carry its message; and it openly identifies the advertiser and his relationship to the sales effort.”⁴

Around \$500 billion is spent around the world as the cost of media time and space. If all the costs of producing ads and the salaries of people working in the industry are added, the amount is well over \$1 trillion a year⁵

3.3.2 Internet Advertising

It is a form of advertising in which the message is carried over the internet rather than the traditional mass media. Internet media for advertising

consists of e-mail, usenet and the World Wide Web. E-mail is frequently used by marketers to reach potential and existing customers. A variety of companies collect e-mail addresses and profiles that allow marketers to direct e-mail to a specific group. People who wish to discuss specific topics through the internet often join electronic mailing list. A message send to the list's e-mail address is then resent to everybody on the mailing list. Usenet is a collection of discussion groups in cyberspace. People can read messages pertaining to a given topic, post new messages and answer messages. The phenomenon of World Wide Web is the universal database of information available to most internet users, and its graphical environment makes navigation simple and exciting. Apparels, airlines and books were the most frequently promoted goods through internet. Price offs followed by free gifts offer was the most commonly used type of promotions. ⁶ The scope of internet is truly impressive given that it is a communication medium, which is only a decade old. About 200 million people worldwide or 4.7 percent of the population is online. ⁷

3.3.3 Sales Promotion

It is the use of incentives to generate a specific and short-term response in a household consumer, trade buyer or business buyer. Free samples, coupons, premiums, sweepstakes and contests, rebates, and price discounts are some of the primary methods of sales promotion in the consumer market. The business market relies more on trade shows, demonstrations, premiums, price or merchandise allowances, and sales force or dealer contests as sales promotion techniques. Sales promotion is designed to stimulate short-term purchasing in a target market and enhance dealer effectiveness in promoting a firm's brand. This promotional option is valuable to marketers because it provides a way to get a consumer who is using a competitor's brand to switch to the marketer's brand. It is also a way to move stagnant inventory and create needed cash flows.

3.3.4 Direct Marketing

Direct marketing is an interactive system of marketing that uses one or more advertising media to effect a measurable response and/or transaction at any location.⁸

Direct marketing is interactive in that a marketer is attempting to develop an ongoing dialogue with the customer. Direct marketing programmes are commonly planned with the notion that one contact will lead to another and then another, so that marketer's promotional message can become more focused and refined with each interaction. Direct marketing is designed to elicit a direct response by using a combination of media. Moreover, transactions in direct marketing can occur anywhere.

3.3.5 E.Commerce

It is a business conducted between buyers and sellers using electronic exchange media. E-commerce is quickly emerging as a significant form of direct marketing. The scope and nature of e-commerce is almost exactly the same as direct marketing. In using an e-commerce structure and methods, marketers make direct contact with consumers and business buyers; they intent to communicate information, and they hope to bring about a transaction through the contact. Where as the transaction in direct marketing takes place through traditional means of contact between buyers and sellers i.e., by using phone or mail, in e-commerce the transaction is electronic and typically takes place by computer and internet.

3.3.6 Sponsorships, Point-of Purchase and Supportive Communications

Sponsorship involves funding an event (like a motocross competition) or a charitable cause (such as public television fund raising) or creating an event in order to highlight a firm's brand to a specific target audience.

Point- of –Purchase (POP) promotion refers to materials used in the retail setting, to attract shopper's attention to a company's brand. In-store displays, banners, end-of-aisle displays, wall units and floor stands are ways to attract shoppers to a brand.

Supportive communication includes a variety of ways marketer communicates to target audience outside of mainstream media or electronic communications. Directories, specialty advertising items and brochures are some of the examples for supportive communications.

3.3.7 Public Relations

Public relation is used to highlight positive events in an organisation, such as quarterly sales and profit of noteworthy community service programmes carried out by the firm. It uses techniques like press releases, newsletters and community events to reach target audiences.

3.3.8 Personal Selling

Personal selling is the presentation of information about a firm's product or service by one person or a small group of people. It is the only one-to-one communication that can deliver a completely customized message based on feed back from the receiver of the message. Personal selling is the dominant variable in the promotional mix of many corporate marketers. Complex products and services, high purchase prices and negotiated contracts warrant the customized communication of personal selling.

3.4 Promotion Mix Strategies

Marketers can choose from two basic promotion mix strategies- push promotion or pull promotion. The relative emphasis on the specific promotion tools differs for push and pulls strategies. A push strategy involves pushing the product through the distribution channels to final consumers. The producer directs its marketing activities (primarily personal selling and trade

promotions) towards channel members to induce them to carry the product and to promote it to final consumers. Using a pull strategy, the producer directs its marketing activities (primarily advertising and consumer promotions) towards final consumers to induce them to buy the product. If the pull strategies are effective, consumers will demand the product from the channel members, who will in turn demand it from producers. Thus, under a pull strategy, consumer demand “pulls” the product through the channel.

3.5 Integrated Marketing Communication

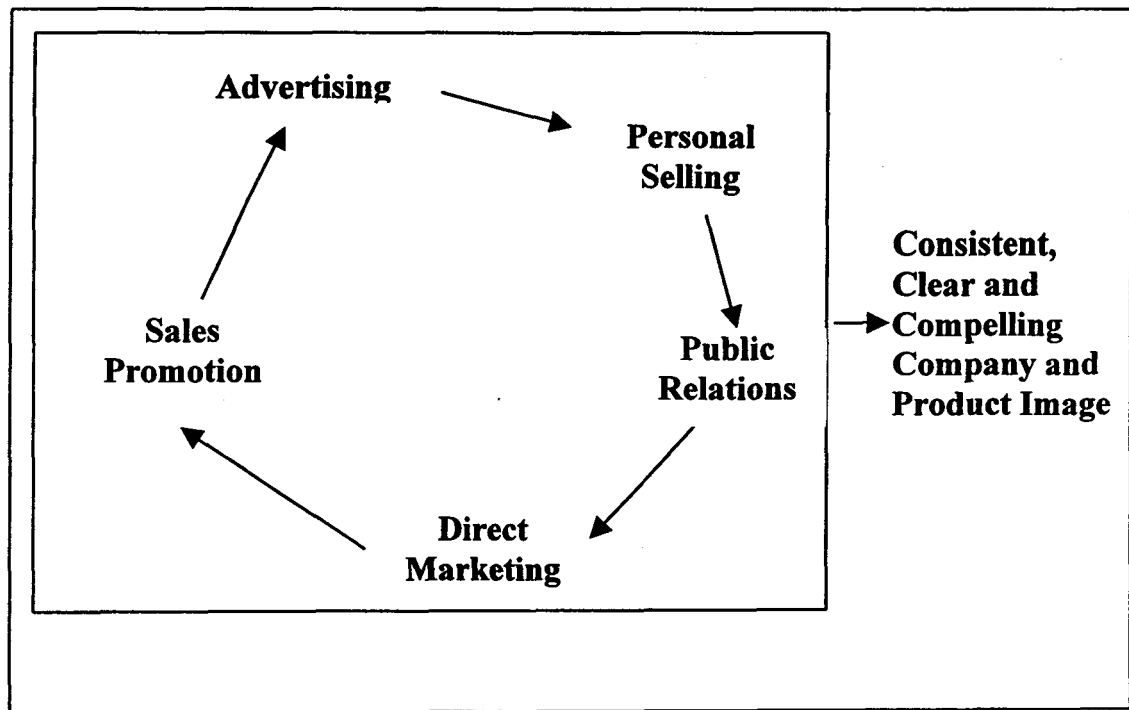
In the past companies around the world were engaged in mass marketing i.e., selling highly standardised products to masses of customers. They developed effective mass media advertising techniques to support this strategy. Currently targeted marketing has taken the place of mass marketing. Marketers are now developing focused marketing programmes designed to build closer relationship with customers in more narrowly defined micro markets. Moreover vast improvements in information technology are speeding the movements toward segmented marketing. The shift from mass marketing to segmented marketing has had a dramatic impact on marketing communications. The dominance of mass-media communication channels like television and magazines has declined. Marketers are now making increased use of new and highly targeted media like highly focused specialty magazines, cable television channels, CD catalogues, web coupon and airport Kiosks.

Again, no one person or department was responsible for thinking through the communication roles of various promotion tools and coordinating the promotion mix. Today, however, more companies are adopting the concept of Integrated Marketing Communication. Under this concept, the company carefully integrates and coordinates its many communication channels to deliver a clear, consistent and compelling message about the organisation and its products. It is a new way of looking at the whole where

once we only saw parts, such as advertising, public relations, sales promotion, purchasing, employee communication and so forth. It is realigning communication to look at it the way customer sees as a flow of information from indistinguishable sources".⁹

Figure 3.2

IMC- Carefully Blended Mix of Promotion Tools



Source: Principles of Marketing, Philip Kotler and Gary Armstrong, Pearson-education, P 470.

3.5.1 Factors Contributing to IMC's Raising Prominence

Several factors have contributed to the growing prominence of IMC:

- Fragmentation of the media: - Proliferation of the media options available to marketers, reach of advertising to precise locations such as airport, and growth of print media have led to raising importance of IMC. The proliferation and fragmentation of media have resulted in

less reliance on mass media and more emphasis on other promotional options such as direct mail and event sponsorship.

- Better audience assessment through data base technology: - Customer and non-customer profiles can be created with the help of database developed and managed by the firms. This lead the marketer away from mass media to promotional tools that reach the segment that has been targeted.
- Consumer empowerment: - Consumers today are more powerful and sophisticated than their predecessors. Empowered consumers are more skeptical of commercial messages and demand information tailored to their needs.
- Increased advertising clutter: - The proliferation of advertising stimuli has diluted the effectiveness of any single message.
- Shifting channel power: - The new powerful retailers are able to demand promotional fees and allowances from manufacturers, which divert funds away from advertising and into special events, in-store displays or other promotions.
- Desire for greater accountability: - In an attempt to achieve greater accountability for promotional spending, firms have reallocated marketing resources from advertising to more short-term and more easily measurable methods such as direct marketing and sales promotion

658.2 ABD/STH

3.6 Sales Promotion

Sales promotion is a key alternative for marketers within the promotional mix. Sales promotion can attract attention and give new energy to the promotional effort. Unlike advertising, effect of sales promotion can be measured in the short-run. Sales promotion has proven to be a popular

complement to mass media advertising because it accomplishes things advertising cannot.

3.6.1 Definitions of Sales Promotion

In the words of Richard, Semnik, “sales promotion is the use of incentive techniques that create a perception of greater brand value among consumers, the trade and business buyers. The intent is to create a short-term increase in sales by motivating trial use and encouraging larger or repeat purchasing”.¹⁰

According to George, E., Belch and Michel, A., Belch, sales promotion is “a direct inducement that offers an extra value or incentive for the product to the sales force, distributors, or the ultimate consumer with the primary objective of creating an immediate sale.”¹¹

According to Roger, A., Strang, “sales promotions are short-term incentives to encourage purchase or sale of a product or service”.

In the opinion of John, A., Quelch, “sales promotions are temporary incentives targeted at the trade (called trade promotions), or at end consumers (consumer promotions). While sales promotions generally aim to change purchase behaviour, they vary in whether they attempt to persuade trade customers or end consumers to buy a product for the first time, to buy more, to buy earlier, or to buy more often”.

Philip, Kotler is of the view that “sales promotion consists of a diverse collection of incentive tools, mostly short-term, designed to stimulate quicker and/or greater purchase of particular products/service by consumers or the trade”.

In the words of Robert, C., Blattberg and Scot, A., Neslin, “sales promotion is an action-focused marketing event whose purpose is to have a direct impact on the behavior of firm’s customers”.

“Sales promotion comprises that range of techniques used to attain sales/marketing objectives in a cost effective manner by adding value to a product or service either to intermediaries or end users, normally but not exclusively within a defined time period”. - Institute of Sales Promotion, UK.

According to Stanely, M., Ulanoff “sales promotion consists of all the marketing and promotion activities, other than advertising, personal selling and publicity, that motivate and encourage the consumers to purchase by means of such inducements as premiums, advertising specialties, samples, cents-off coupons, sweepstakes, contests, games, trading stamps, refunds, rebates, exhibits, displays and demonstrations. It is employed, as well as, to motivate retailers, wholesalers, the manufacturers, sales force to sell through the use of such incentives as rewards or prizes (merchandise, cash and travel), direct payments and allowances, cooperative advertising and trade shows”.

“The term sales promotion refers to many kinds of selling incentives and techniques intended to produce immediate or short-term sales effects. Typical sales promotion includes coupons, samples, in-pack premiums, self liquidating premiums, value-packs, refunds and rebates, price-off packs, contests, sweepstakes, trade shows, continuity plans and others. Sales promotion techniques can be applied across a broad range of products- from chewing gum to houses and cars. Perhaps the only unifying theme among these various methods is that they all must be communicated to the appropriate audience to be effective”. – John, C. ,Totten and Martin, P., Block

3.7 Importance and Growth of Sales Promotion

Most advertising designed to affect demand have awareness and preference building effect for a brand over a long run. On the other hand the role of sales promotion is to elicit an immediate purchase from a customer. Sales promotions are used across all consumer goods categories and in the trade market as well. Sales promotion involves some type of inducement that provides an extra incentive to buy. This incentive is usually the key element

in the promotional programme. The incentive may be a coupon or price reduction, the opportunity to enter a contest or sweepstake, a money-back refund or rebate, or an extra amount of a product. The incentive may also be a free sample of the product, given in the hope of generating a future purchase, or a premium that serves as a reminder of the brand and reinforces its image. Most sales promotion offers attempt to add some value to the product or service. Sales promotion can also provide an inducement to marketing intermediaries such as wholesaler and retailer.

Sales promotion is essentially an acceleration tool, designed to speed the selling process and maximise sales volume. By providing an extra incentive, sales promotion techniques can motivate consumers to buy a larger quantity of a brand or shorten the purchase cycle of the trade or consumers by encouraging them to make more immediate action. Moreover, sales promotion activities can be targeted to different parties in the marketing channel. Sales promotion can be broken in to major categories: consumer oriented, sales force oriented and trade or business oriented promotions.

Table given below shows the role of advertising and sales promotion:

Table 3.1

Role of Advertising and Sales Promotion

Purpose of sales promotion	Purpose of advertising
Stimulate short-term demand	Cultivate long-term demand
Encourage brand switching	Encourage brand loyalty
Induce trial use	Encourage repeat purchase
Promote price orientation	Promote image/feature orientation
Obtain immediate, often measurable result	Obtain long-term effects often difficult to measure

Source: (Richard Semnik, Integrated Marketing Communication, p 384)

3.8 Growth in the Use of Sales Promotion

The role and importance of sales promotion in a company's integrated marketing communication programme has increased dramatically over the past decade. Marketers have shifted the emphasis of their promotional spending from mass media towards consumer and trade promotions. The strong economy has resulted in massive consumer spending, which has helped push the sales promotion industry to annual growth rate of 5 to 7 percent. In 1999 spending on promotion reached a record of \$93 billion, while another \$155 billion was spent on promotions targeted at retailers and wholesalers. Consumer packaged firm continues to be the core user of sales promotion programmes and tools. However sales promotion activity is also increasing in new categories, including health care, computer hardware and software, electronics and deregulated utilities.¹²

Currently the budget allocation stands at about 46 percent for advertising, 29 percent for trade promotions and 28 percent for consumer promotion.¹³

Some of the reasons for this shift are as follows:

- Demand for greater accountability: - Immediate effect of sales promotion can be measured easily as compared to advertising.
- Short-term orientation: - Many organizations are developing marketing plans based on short-term revenue generation.¹⁴ This along with the pressure from stock holders to produce better quarter-by-quarter revenue and profit per share prompt marketer to turn to sales promotion.
- Consumer response to promotion: - Coupons, premiums, price-off deals and other sales promotions increase the value of a brand in the minds of consumers.

- **Proliferation of brands:** - In order to gain consumers attention in a market flooded with numerous brands, marketers often use sales promotion strategies.
- **Increased powers of retailers:** - Powerful retailers are now demanding more deals from marketers. Moreover manufacturers use more and more sales promotion devices to gain and maintain good relations with the new, powerful retailers.
- **Media clutter:** - Advertising media are cluttered with ads all seeking the attention of a common target. The combination of advertising and creative sales promotion has proven to be a way to break the clutter.¹⁵

3.9 Sales Promotion Objectives

Sales promotion can accomplish the following tasks:

- Stimulate sales force enthusiasm for a new, improved, or mature product.
- Invigorate sales of a mature brand.
- Facilitate the introduction of a new product to the trade.
- Increase on-and off-shelf merchandising space
- Neutralise competitive advertising and sales promotion.
- Obtain trial purchase from customers.
- Hold current users by encouraging repeat purchases.
- Increase product usage by loading consumers.
- Pre-empt competition by loading consumers.
- Reinforce advertising.
- Target a specific market segment.
- Enhance integrated marketing communications and build brand equity.

3.10 Consumer Sales Promotion

There are different groups who might be targeted by sales promotion: consumers, trade and the sales force. Sales promotions originating from manufacturers may be directed at consumers, resellers, or both. Simultaneously, the manufacturer may also have a promotion programme for its own sales force. Sales promotion may also be originated from retailers and aimed at consumers, though their objectives are different from those of the manufacturers.

Consumer promotions are that a manufacturer offers consumers directly. In the use consumer goods marketers allocated only 30 percent of their budget to sales promotion, with about 70 percent allocated to mass media advertising. Today the percentages are just the opposite according to some recent estimates.¹⁶

3.11 Objectives of Consumer-Market Sales Promotion

In every product category, whether durable products or consumer packaged goods, there are several brands available to wholesalers and retailers to choose among and for consumers ultimately to select or reject for personal or family consumptions. Consumer promotions are used because they accomplish goals that advertising by itself cannot achieve. Consumers oftentimes need to be introduced to buy now rather than later, to buy your brand rather than a competitor's, and to buy more rather than less. Sales promotions are uniquely suited to achieving these imperatives. Following are the important objective of consumer-market sales promotion:

- **Stimulate trial purchase:** - A reduced price or offer of a rebate may stimulate trial purchase. Sales promotion reduces customer risk on trial purchase.

- Stimulate repeat purchase: - In-package coupons good for the next purchase, or the accumulation of point with repeated purchase, can keep consumers loyal to a particular brand.
- Stimulate larger purchase: - Price reduction or two-for-one sales can motivate consumers to stock up on a brand, thus allowing firms to reduce inventory or increase cash flows.
- Introduce a new brand: - As sales promotion can attract attention and motivate trial purchase, it is commonly used for new brand introduction.
- Combat or disrupt competitor's strategies: - Because sales promotion often motivates consumers to buy larger quantities or try new brands, they can be used to disrupt competitor's marketing strategies.
- Contribute to integrated marketing communication: - In conjunction with advertising, direct marketing, public relations and other programmes being carried out by a firm, sales promotion can add yet another type of communication to the mix. It is an additional and different message with in the overall communication effort.

3.12 Benefits of Sales Promotion to Consumers

All promotion techniques provide consumers with rewards that encourage certain forms of behaviour desired by brand managers. These rewards or benefits are both utilitarian and hedonic. Consumers who use sales promotions receive utilitarian or functional benefits of obtaining monetary savings, reducing search and decision costs and obtaining improved product quality made possible by a price reduction that allows consumers to buy superior brands they might not otherwise purchase. Hedonic benefits that sales promotion imparts to consumers include, accomplishing a sense of being a wise shopper when taking advantage of a sales promotion, achieving a need

for stimulation and variety when trying a brand one might not otherwise purchase if it were not for an attractive promotion and obtaining entertainment value when the consumer competes in a promotional contests or participates in a sweepstakes. Monetary and non-monetary promotions provide consumers with different levels of three hedonic benefits (opportunities for value expression, entertainment and exploration) and three utilitarian benefits (savings, higher product quality and improved shopping convenience). A sales promotion's effectiveness is determined by the utilitarian and hedonic nature of the benefits it delivers and the congruence these benefits have with the promoted product.¹⁷

The rewards consumers receive from sales promotion sometimes are immediate, while at other times they are delayed. An immediate reward is one that delivers monetary savings or some other forms of benefit as soon as the consumer performs marketer specified behaviour. For example, the customer receives cash savings at the time he redeems a coupon. Delayed rewards are those that follow the behaviour by period of days, weeks, or even longer. For example, the consumer may have to wait six or eight weeks before a mail-in premium item can be enjoyed.

3.13 Decomposing the Promotional Bump

The increase in response to a promotion is called the promotional bump. Decomposing the bump means breaking down the bump in to its various components. Analysis has identified four sources for the sales increase due to promotion. These are incremental consumption, brand switching, stockpiling and store switching. Cross brand effect (secondary demand), cross period effect (primary demand borrowed from other time periods), and category expansion effect (remaining primary demand) contribute about one-third on average to the sales promotion bump.¹⁸

3.13.1 Incremental Consumption

Incremental consumption is the consumer's higher use of a product relative to the normal level. In general, for many products incremental consumption is low. Consumption of many routine grocery items such as toilet tissue, milk, or pickle is unlikely to increase much because the items are on discount. The reason is that even consumers who are price sensitive are likely to buy based on needs. However, consumption for all these categories may increase substantially for discounts that are very steep, atypical, or unexpected.¹⁹

One study shows that sales promotion increases consumption because of higher usage rate and stockpiling.²⁰

Stockpiling indeed causes people to consume products at a faster rate, especially when the product is convenient to consume. This is because stockpiling accelerates both consumption incidence and quantity when the product is convenient to consume, but only influences consumption quantity when the product requires preparation. In addition, stockpiling triggers impulse consumption incidences because it raises the salience of these products at the point of consumption. When a product is being consumed, however, stockpiling increases the quantity consumed because the product is perceived as relatively inexpensive to consume.²¹ Moreover consumers tend to conserve diminishing resources so that the amount they would use generally decreases as the supply decreases.²²

3.13.2 Brand Switching

Brand switching is the consumer's purchase of a rival brand rather than one he or she regularly buys. The biggest component of incremental sales for most consumer products and service comes from brand switching.²³ This is mainly because retailers offer many brands marketed by competing manufacturers which are quite similar to each other, especially in price. In

such a scenario, when any one brand is on a promotional offer, it is often preferable to its rivals. More than 80% of the sales increase due to promotion comes from brand switching.²⁴

3.13.3 Forward Buying and Stockpiling

Forward buying means buying future requirements in the current period to take advantage of current trade deal. Stockpiling refers to holding a higher inventory of goods than needed to meet current demand. Analysis of consumer's response to sales indicate that forward buying and stockpiling in response to promotions are not a major component of incremental sales. Dips in sales before or after a promotion are not very big.²⁵

For durable products, one of the reasons for the absence of forward buying or stockpiling may be the hassle of stockpiling, the lack of storage space, the tie-up of capital or the danger of spoilage or obsolescence. But for some grocery products, consumers tend to stock up because they are inexpensive, easy to store and do not spoil. Another reason for low stockpiling by consumers may be that retailers offer an abundance of promotions, so that consumers can always buy one or another brand on promotion.

3.13.4 Store Switching

Store switching refers to a change in the store that a consumer frequents because of a promotion. The store switching on a consumer's purchase occasion depends on the price of a brand and savings during a retail promotion relative to the basket of items that a consumer purchases on that occasion.

3.14 Consumer Sales Promotion Techniques

Table 3.2

Types of Consumer Promotions Used by Packaged Goods Manufacturers and Consumer's Response

Promotion Types	Percentage of Respondents
Couponsing – consumer direct	100%
Cents-off promotions	98%
Couponsing in retailer's ads	93%
Couponsing in store (shelf dispenser, handouts)	88%
Sampling new products	85%
Sampling established products	78%
Money-back offers/other refunds	78%
Premium offers	78%
Electronic retail promotions	76%
Sweepstakes	73%
Internet promotions	71%
Contests	71%
Prepricing (on product package)	58%
Other	27%

(Source: George E. Belch and Michel A. Belch, "Advertising and Promotion - An Integrated Marketing Communication Perspective" page 539.)

3.15 Coupons

A coupon is a promotional device that rewards consumers for purchasing the coupon-offering brand by providing either rupees-off savings or free merchandise. Free merchandise offer typically comes in the form of "buy 2, get 1 free" in which free item is either another unit of the same brand or a different brand. A coupon entitles a buyer to a designated reduction in price for a product or service. In 1999 marketers invested \$6.9 billion in coupons as a sales promotion technique.²⁶



Exhibit 3.1 AVT's Swarnadhara Gift Scheme

3.15.1 Forms of Couponing

Instantly redeemable coupons: - Instantly redeemable coupons are peelable from the package and are designed to be removed by the consumer and redeemed at checkout along with purchase of the couponed brand. Instant coupons provide a significant price reduction and an immediate point-of-purchase incentive for consumers.

Shelf-delivered coupons: - Shelf-delivered coupon devices are attached to the shelf alongside coupon sponsoring brands. Consumers interested in purchasing a particular brand can pull a coupon from the device and then redeem it when checking out.

Scanner-delivered coupons: - Several electronic systems for dispensing coupons at the point of purchase have been introduced in recent years.

Mail-delivered coupons: - Marketers typically use mail delivered coupons to introduce new or improved products. Mailing can be directed either at broad cross-section of the market or targeted to a specific geo-demographic segments. The major disadvantage of mail-delivered coupon is that it is relatively expensive compared with other coupon distribution methods.

FSIs and other media delivered coupons: - Coupons are also distributed as freestanding inserts in Sunday newspapers. The cost of distributing coupons under this method is comparatively low. Coupons are also distributed in magazines and as part of the regular newspaper page. Redemption rate of coupons so distributed is very low.

In- and on-pack coupons: - Here, coupons are included either inside a product's package or as part of a package's exterior. Such coupons cannot be removed until the buyer reaches home and redeemed on subsequent purchase occasion. It is a very successful method of coupon distribution since the cost of distribution is very low and the redemption rate, and hence the repeat purchase prospect, is very high.

Online couponing: - A number of internet sites now distribute coupons. Consumers print the coupons on their home printers, and then redeem the printed coupons along with the purchased item at checkout.

3.15.2 Advantages of Coupons

- Coupons make it possible to give a discount to price sensitive customer while still selling the product at full price to other consumers.
- Coupons can induce brand switching.

- A manufacturer can control price discounts through appropriate timing of coupons.
- Coupon is an excellent method of stimulating repeat purchasing.
- Coupons can get regular users to trade up with in brand array.

3.15.3 Disadvantages of Coupons

- Marketers cannot control the redemption timing of coupons, which may affect its impact.
- Heavy use of coupon by regular users of a firm's product reduces its profitability.
- Couponing is very expensive (cost of production, distribution and handling charges is nearly two-third of the face value of coupons)
- Fraud is very common in the redemption of coupons.

3.16 Price-off Deals

Price-off deals offer a consumer rupee off merchandise at the point of purchase through specially marked packages. A 10 percent or 20 percent price reduction is a typical price-off offer. A price-off is clearly labeled as such on the package. Price-off reduces the price of a brand to that of a competitor and gives a direct and positive benefit to the consumer. It increases the value of the brand. Immediate price reduction is the technique that exerts greatest influence on the brand choice process of the consumer.²⁷ This type of promotion is effective when the marketer's objective is any one of the following: (1) to reward present brand users; (2) to get consumers to purchase larger quantities of a brand than they normally would, thereby effectively preempting the competition; (3) to establish a repeat purchase pattern after an initial trial; (4) to ensure that promotional offers do, infact, reach to consumers; (5) to obtain off-shelf display space when such allowances are

offered to retailers; and (6) to provide the sales force with an incentive to obtain retailer support. But retailers are not very enthusiastic about such an offer because it can create inventory and pricing problems to them.

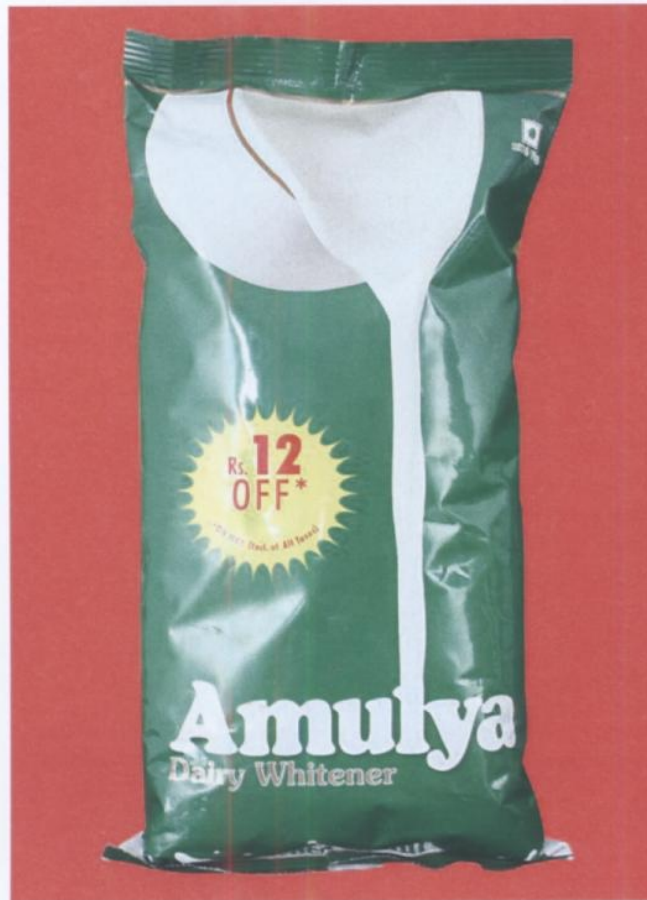


Exhibit 3.2 Amulya's Price-Off Offer

3.17 Premiums and Advertising Specialties

Premiums are articles of merchandise or service offered by a manufacturer to induce action on the part of the sales force, trade representatives, or consumers. Consumer oriented premiums are versatile promotional tools possessing the ability to generate trial, encourage repeat purchasing, and reinforcing brand images. Items are offered free, or at a reduced price with the purchase of another item. The free item can be a

related product such as a toothbrush with a pack of toothpaste. A two-for-one offer is a type of premium. A free premium provides consumers with an item at no cost or a free related item is placed in the package. In advertising specialties, a message is placed on useful items like t-shirts, coffee mugs, computer mouse pads, pen and calendars.

Exhibit 3.3



3.3a: Pril Glass and Surface Cleaner Worth Rs.50 Free With 1Kg of Henko Stain Champion & Emami Talc – Buy One, Get One Free



3.3b. Super Silver Pack of Chandrika Toilet Soap, Save Rs. 5/-

There are different types of premium offers. Firstly, premiums are offered as free with purchase. This form of premium is generally used by marketers of durable goods. It is useful for generating trial purchase. Another form of premium is mail-in offers. Here consumers receive a free item from the sponsoring manufacturer in return for submitting a required number of proofs of purchase. In addition to achieving consumer's trial purchase, this type of premium is also aimed at accomplishing customer's holding objectives by rewarding consumer's brand loyalties and encourage repeat

purchase behaviour. Under in-, on-, and near-pack premium offers a free item inside or attached to a package or make the package itself the premium item. Such premiums offer consumers immediate value and encourage increased product consumption from customers who like or prefer the premium offering brand. Finally, self-liquidating offer is another scheme where the cost of the premium item is payable by the consumer himself and hence it is self-liquidating. The cost covers marketers purchasing, handling and, sometimes, the mailing charges.

Consumer appreciation of premium-based promotional offers is more positive when the premium is direct than when it is delayed, when there is a relatively lower quantity of product to purchase, when the value of the premium is mentioned, when brand attitude is positive, when interest in the premium is great, and when consumers are characterised by deal-proneness and compulsive buying tendencies.²⁸

3.18 Bonus Packs

Bonus packs are extra quantities of a product that a company gives to consumers at the regular price. Bonus Pack results in a lower cost per unit for the consumer and provides extra value as well as more products for the money. They are sometimes used as an alternative to price-off deals or coupons when these tools are either overused or resisted by the trade. The extra value offered to the consumer is readily apparent and for that reason can be effective in loading current users and thereby removing them from the market.



Exhibit 3.4 Ajantha Health Toothpaste 25g and Toothbrush Free & Family Value Pack From Colgate

3.19 Contests, Sweepstakes and Games

A contest involves a competition for customers, which requires some ability or skill. Winners are determined by a panel of judges or on the basis of points scored by participants. The participant must act according to the rules of the contest and may or may not be required to submit proofs of purchase.

A sweepstake is a promotion in which winners are determined purely by chances. Accordingly, proof of purchase cannot be required as a condition for entry. Consumers need to send entry forms to participate in a sweepstake. Sweepstakes are relatively inexpensive, simple to execute, and are able to accomplish variety of marketing objectives. In addition to reinforcing a brand's image and attracting attention to advertisements, well designed sweepstakes can promote increased brand distribution at retail, augment sales

force enthusiasm, and reach specific groups through a prize structure that is particularly appealing to consumers in the group.

Unlike sweeps and contests, which delay gratification and require the consumer to wait an extended period before determining whether he or she has been a winner, games provide an instant reward. In this case, the consumer learns on opening the package at home whether he or she has been fortunate enough to win a grand prize.

Contests and sweepstakes often create excitement and generate interest for a brand, but the problem of administering these promotions is substantial. Moreover, the contestant's interest may be limited to the contest rather than the message a promotion carries.

3.20 Sampling and Trial Offers

Sampling is a sales promotion technique designed to provide a consumer with an opportunity to use a brand on trial basis with little or no risk. Sampling includes any method used to deliver an actual or trial-sized product to consumers.²⁹ It is a very useful technique of promotion. Estimates suggest that nearly 90 percent of consumer-product companies use sampling in some manner and invest approximately 1.12 billion a year³⁰

A study shows that consumers are very favourable towards sampling, with 43 percent indicating that they would consider switching brands if they liked a free sample that was being offered.³¹ Sampling is very useful for new products and in areas with weak market share for an established brand.

Six methods of sampling are mainly in use. Firstly, in-store sampling is a method used for food products and cosmetics. Consumers at the point of purchase may be swayed by a direct encounter with the brand. A second method of sampling technique is to distribute the sample door-to-door. Though it is expensive, it can be effective if the market is able to identify the correct market segment. Thirdly, samples are delivered through the postal

services. It is an expensive method of distribution and the sample must be small item to be economically feasible. Fourthly, newspaper sampling is another technique. This method is very popular for beauty and health care products. On-or in-pack sampling is the fifth method of sampling. Here the sample item is attached to another product package. In yet another method of sampling, the sample is dispersed at malls –shopping centres, fair grounds and recreational areas. Finally, brand managers are increasingly distributing samples online by using the services of companies that specialises in online sample delivery.

In a study on the effectiveness of sampling conducted over 30000 households, it was found that households who did not receive free samples, an average of about 11 percent made trial purchases and 32 percent households made repeat purchases of the brand. On the other hand these figures were 16 percent and 36 percent respectively for families who received samples.³²

3.20.1 Sampling Problems

- Sampling is expensive
- Mass handling of samples can be mishandled by the postal service or other distributors
- Samples distributed door to door or high traffic locations may suffer from wasted distribution and not reach the hands of potential customers
- In- or on-pack sampling excludes consumers who do not buy the carrying brand.
- In-store sampling often fails to reach sufficient number of consumers to justify its expense.
- Consumers may misuse sampling
- Pilferage can occur when samples are distributed through mail.

Trial offer, used for more expensive item, also aimed at inducing the users to buy the brand. Exercise equipments, appliances, watches, hand tools and consumer electronics are typical of items offered on a trial basis. Segments chosen for this sales promotion technique may have high sales potential.

3.21 Rebates

A rebate is a money back offer requiring a buyer to mail in a form requesting the money back from the manufacturer rather than from the retailer. Marketers are fond of rebates because they provide an alternative to the use of coupons and stimulate consumer purchase behaviour. Rebate offers can reinforce brand loyalty, provide the sales force with something to talk about, and enable the manufacturer to flag the package with a potentially attractive deal. Refund offers are used both by CPG companies and durable goods companies. A recent survey of the packaged goods companies revealed that 76 percent had used a money back offer. This technique is helpful to increase the quantity of products purchased because it is offered for multiple and large packets. Moreover only 5 percent to 10 percent buyers bother to mail the rebate form and get the refund.³³

Rebate offer consumers delayed rather than immediate value, since the consumer must wait to receive the reimbursement. In using these programmes, manufacturers achieve customer-holding objective by encouraging consumers to make multiple purchases or by rewarding previous users with a cash discount for again purchasing the manufacturers brand. Rebate offers also attract switchers from competitive brands who avail themselves of attractive discount offers.

3.22 Frequency (Continuity) Programmes

Continuity programmes, also called loyalty programmes or point programmes, reward consumer's repeat purchasing of a particular brand by

awarding points leading to reduced prices or free merchandise. Frequent flyer programmes of airline companies, frequent stay programmes of hotels and frequent renter programmes of auto rental chains are examples of this type of techniques. These programmes encourage consumers to stick with a particular airline or hotel to accumulate requisite number of points as quickly as possible. The programme need not be based on point accumulation and instead may simply require a certain number of purchases to be eligible for purchases. Continuity programmes have the greatest value when a consumer's loyalty is divided among several brands since they will encourage the consumer to buy the particular brand more frequently.

3.23 Event Marketing and Event Sponsorships

Event marketing is a type of promotion where a company or a brand is linked to an event or where a theme is actively developed for the purpose of creating experience for the consumers and promoting a product or service. Marketers often do event marketing by associating their product with some popular activity such as sporting event, concert, fair, or festival. Marketers, sometimes, also create their own events to use for promotional purposes. An event sponsorship is an integrated marketing communications activity where a company develops actual sponsorship relations with a particular event and provides financial support in return for the right to display a brand name, logo, or advertising message and be identified as a supporter of the event.

3.24 Overlay and Tie-in Promotions

Promotions often are used in combination to accomplish objectives that could be achieved by using a single promotional tool. These techniques, individually or in conjunction with one another, are used oftentimes to promote simultaneously two or more brands either from the same company or from different firms.

3.24.1 Overlay Programmes

The use of two or more sales promotion techniques in combination with one another is called overlay or combination programme. When used individually, promotion tools (particularly coupons) may never be noticed by consumers. A combination of tools, such as the use of a coupon offer with another promotional device, increases the likelihood that consumers will attend a promotional message and process the promotion offer. Moreover, the joint use of several techniques in a well coordinated promotional programme equips the sales force with a strong sales programme and provides the trade with an attractive incentive to purchase in larger quantities and to display activity.

3.24.2 Tie-in Promotions

The simultaneous use of promotion of multiple brands in a single promotional effort is called a tie-in or group promotion. Growing number of companies use tie-ins to generate increased sales, to stimulate trade and consumer interest, and to gain optimal use of their promotional budgets. Tie-in promotion is cost-effective because the cost is shared among multiple brands. Two or more brands, either from the same company (intracompany tie-ins) or from different companies (intercompany tie-ins) are involved in a tie-in.

3.25 Trade Market Promotion

Promotion can also be directed at the members of trade i.e., wholesalers, distributors and retailers. Effective trade promotion can generate enthusiasm for a product and contribute positively to the loyalty a distributor show for a brand.

3.26 Objectives of Trade Promotion

- Obtain initial distribution: - Sales promotion incentives can help a firm gain initial distribution and shelf placement.
- Increase order size: - Sales promotion techniques can encourage wholesalers and retailers to order in large quantities, thus shifting the inventory burden to the channel.
- Encourage cooperation with consumer-market sales promotion: - Cooperation of the distribution channel members is very essential for the success of any consumer market sales promotion, for this purpose, marketers often run trade promotions simultaneously with consumer promotions.
- Increased store-traffic: - Retailers can increase store-traffic through special promotion or events. It can be achieved through door-prize drawings, parking-lot sales or live broadcast from the store. A manufacturer designed promotion that generates interest with in target audience can drive consumers to retail outlets.

3.27 Trade-Market Sales Promotion Techniques

Sales promotions directed to wholesalers and retailers take different forms. These schemes are briefly discussed below.

3.27.1 Displays and Point-Of-Purchase Materials

POP displays are an important promotional tool because they can help a manufacturer obtain more effective in-store merchandising of products. They are useful in reaching the consumer at the point of purchase and often encourage retailers to support one's brand. Point-of-purchase materials usually supplied by manufacturers include end-of-aisle displays, banners, posters, shelf cards, motion pieces, and stand-up racks, among other things. POP promotion can help win precious shelf space and exposure in retail

setting. Advertisers invested \$14.4 billion on POP materials in 1999. This is more than the amount spent on magazine or radio advertising.³⁴

3.27.2 Incentives

Manufacturers may develop contests or special incentive programmes to stimulate greater selling effort and support from reseller management or sales personnel. Contests or incentives programmes can be directed towards managers who work for a wholesaler or retailer as well as towards store or department managers at the retail level. Incentives to members of trade include awards in the form of travel, gifts or cash bonuses for reaching targeted sales level. Push money, another incentive, is carried out through a programme in which retail sales people are offered a monetary reward for featuring a marketer's brand with shoppers.

3.27.3 Allowances

Various forms of allowances are offered to retailers and wholesalers. It includes mercantile allowances, slotting fees, bill-back allowances and off-invoice allowances. Under the mercantile allowance scheme, the reseller gets extra cases of the product with the purchase of specific amounts. Slotting allowances are fees retailers get for providing a slot or position to accommodate a new product. Manufacturers often give retailers allowances or discounts for performing certain promotional or merchandising activities in support of their brands. Such a scheme is called bill-back allowances. In the case of off-invoice allowances a certain amount or percentage is deducted from the invoice.

3.27.4 Sales Training Programmes

Another form of manufacturer-sponsored promotional assistance is a sales training programme. Under this technique marketer provides training to retailer store personnel who sell consumer durables and specialty goods such as cooling systems, exercise equipments and personal computer. Training

programmes equip sales personnel with sufficient knowledge about the features, benefits and advantages of these products.

3.27.5 Cooperative Advertising

It is an advertising programme designed by the manufacturer of a product in cooperation with other members in the channel. Under the programme manufacturer either set specifications about the content and size or send templates for an ad. More than one party shares the cost of the advertising. Generally manufacturer pays a part of the advertising a retailer runs to promote the manufacturer's brand and its availability in the retailer's place of business.

3.28 Business –Market Sales Promotion Techniques

3.28.1 Trade Shows

At trade shows, related products from many manufacturers are displayed and demonstrated to members of trade. Company representatives display and demonstrate its products and explain its features and functions. This technique is particularly suitable for small firms that cannot advertise and have a sales force too small to reach its potential customers.

3.28.2 Business Gifts

Business gifts are given as a part of building and maintaining a close working relationship with suppliers. Gifts may include small items like logo golf balls, jackets or small items of jewellery

3.28.3 Premium and Advertising Specialties

Items carrying firm's brand name like key chains, ball caps and t-shirts are also appealing to business buyers.

3.28.4 Trial Offers

Trial offers are attractive to business buyers because the items they buy usually involve high cost and long life. They can reduce risk of selecting a wrong item.

3.28.5 Frequency Programmes

The high degree of travel associated with many business professions make frequency programme an ideal form of sales promotion for the business market. Airlines, hotels and restaurants frequency programmes are dominated by the business market travelers.

3.29 Sales Force Promotion Tools

3.29.1 Sales Contests

Sales contests offer prizes to sales representatives who perform better than his fellow representative, which is judged on the basis of additional units sold over and above one's quota. Though a very effective devise of promotion, sales contests may create professional jealousy as well as dissatisfaction among sales people.

3.29.2 Sales Conference

Meeting with sales people at regular intervals provide the senior executives a chance to know the feelings, problems, work satisfaction and apprehensions related to their work.

3.29.3 Personal Correspondence, Company Bulletins, etc

Personal correspondence and company bulletins help to stimulate the work force because they increase the morale of their work.

Sales force can also be motivated by giving non-financial or psychic wages in the form of providing opportunities to attain the desire for status or recognition inside and outside of the company or desire to excel.

3.30 The Risks of Sales Promotion

- **Creating a price orientation:** - Consumer perceives a brand that is promoted as a cheap with no real value or benefit beyond low price. This is against the concept of integrated marketing communication. Price promotions affect pre-trial brand evaluations unfavourably in some specific conditions i.e., when the brand has not been promoted earlier; when promotions are used as a source of information about the brand, when the evaluator is not an expert; and when promotion is uncommon in the industry.³⁵
- **Borrowing from future sales:** - Since a sale promotion strategy mainly has a short-term effect, it can be used only to reduce inventories, increase cash flows or periodic boosts in market share. Sales promotion usually results in reduced sales during the next few times periods of measurement.
- **Alienating customers:** - When a firm heavily relies on sweepstakes or frequency programmes to build loyalty among customers, particularly their best customers, there is the risk of alienating these customers with any change in the programme.
- **Time and expenses:** - Sales promotion is time consuming for the marketers and the retailers in terms of handling promotional materials and protecting against fraud and waste in the process. Advertising should not be compromised for sales promotion, as it is a long-term franchise-building process.
- **Legal considerations:** - Before initiating a sales promotion programme, particularly coupons, games and sweepstakes and contests, a firm should check in to various laws in order to safeguard its interest. They should clearly state the rules and conditions related to the programme so that customers are fully informed.

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**A STUDY OF THE EFFECT OF SALES PROMOTION
ON CONSUMPTION OF FAST MOVING
CONSUMER GOODS IN KERALA**

Thesis Submitted to the University of Calicut
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DOCTOR OF PHILOSOPHY IN COMMERCE

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CHAPTER 4

CONSUMER SALES PROMOTION: LEVEL OF CONSUMER AWARENESS ATTRACTIVENESS AND EXPERIENCE

Sales promotions directed at the end-user are called consumer sales promotions. They are undertaken either by the manufacturers or retailers. The objectives of consumer sales promotions can be to encourage consumers to try a product, to load the consumers and increase consumption of an established brand, to retain the consumers, to build brand equity, to target a specific market segment and to enhance effects of advertising and marketing efforts. Consumer sales promotion cannot make consumers loyal to a brand that is of little value or does not provide them with specific benefit. However promotions can make consumers aware of a brand and by communicating its specific features and benefits, contribute to the formation of a positive and favourable brand image. Franchise building consumer sales promotions like premium offers, free sampling and couponing are designed to maintain long-term brand preference and ultimately lead to the goal of full-price purchases. In the fast moving consumer goods market many sales promotion tools can be used to achieve the short-term and long-term objectives of marketers. They include: 1. Price Discounts; 2. Bonus Packs; 3. Rebates; 4. Coupons; 5. Samples; 6. Contests and Sweepstakes; 7. Gifts; 8. Trading Stamps; and 9. POP Displays and Feature Advertisements.

Even though marketers use some or all of the above mentioned tools to promote their product, they may not be equally popular among consumers. Similarly, many studies revealed that consumers generally make use of more price-off and other price oriented promotions than non-price oriented schemes. In this chapter an attempt is, therefore, made to present the results of the study relating to the consumers level of awareness of various consumer sales promotion techniques generally adopted by marketers in the case of fast

moving consumer goods and the extent of their consumer use in Kerala. As mentioned in the introductory chapter, data have been collected from 400 respondents.

4.1 Profile of the Sample Respondents

The selected 400 respondents include consumers from two districts, rural and urban areas, various age groups, income groups, sex, education level, occupation and employment. A profile of the respondents on the above basis, size of their family and habits of using different communication and entertainment media are presented below.

4.1.1 Area Wise Distribution of the Sample

The state of Kerala has been divided in to two parts viz. South Kerala and North Kerala as mentioned in the methodology part of the introductory chapter. Two districts were selected from these two parts on random basis.

Table 4.1

Area Wise Distribution of the Sample

District	No. of Respondents	% of the Total Sample
Malappuram	200	50
Eranakulam	200	50
Total	400	100

Source: Survey Data

The Table 4.1 reveals that the 400 sample respondents were equally selected from two districts of the state, Malappuram and Eranakulam.

4.1.2 Place of Domicile Wise Classification of the Sample

Purchase behaviour of rural consumers and urban consumers can be different. Therefore care has been taken to include equal number of people from rural and urban Kerala.

Table 4.2**Place of Domicile Wise Distribution of the Sample**

Place of domicile	Malappuram		Eranakulam		Total	
	No	%	No	%	No	%
Urban	100	50	100	50	200	100
Rural	100	50	100	50	200	100
Total	200	100	200	100	400	100

Source: Survey Data

Table 4.2 indicates that out of the total number of 400 respondents, 200 (50%) each is taken from rural and urban areas. Moreover rural and urban samples are taken equally from the two districts of Malappuram and Eranakulam. .

4.1.3 Gender Wise Distribution of the Sample

High level of women education and their increasing participation in work and social life has resulted in a bigger role of women in decision making, especially in the purchase and consumption of the family's fast moving consumer goods in Kerala

Table 4.3**Gender Wise Distribution of the Sample**

Sex	No. of Respondents	% of the Total Sample
Male	226	56.5
Female	174	43.5
Total	400	100.0

Source: Survey Data

Table 4.3 gives an account of the sex wise classification of the sample. Accordingly there are 226 (56.5%) male respondents and 174 (43.5%) female respondents in the sample.

4.1.4 Education Wise Distribution of the Sample

Sales promotion is an essential part of Integrated Marketing Communication of a firm. The effectiveness of communication depends upon the level of education of people of the locality to a great extent. Kerala is one of the highly literate and educationally advanced states in the country. Hence it is appropriate to classify the sample respondents according to their level of education.

Table 4.4

Education Wise Distribution of the Sample

Level of Education	No. of Respondents	% of the Total Sample
Up to SSLC	129	32.2
Up to Degree	62	15.5
Degree	92	23.0
PG	83	20.8
Professional	34	8.5
Total	400	100.0

Source: Survey Data

Table 4.4 shows that 129 (32.2%) respondents have education up to SSLC; 62 (15.5%) are undergraduates; 92 (23%) are graduates; 83 (20.8%) are postgraduates and 34 (8.5%) have acquired professional education.

4.1.5 Occupation Wise Distribution of the Sample

Nature of the buyer's occupation can influence his behaviour at the shopping centres. Generally, salaried people are said to be more price sensitive than other groups. Respondents from various types of occupation are included in the sample as the following table indicates.

Table 4.5
Occupation Wise Distribution of the Sample

Occupation	No. of Respondents	% of the Total Sample
Daily Wages	22	5.5
Salaried Class	209	52.1
Business	43	10.8
Profession	23	5.8
Others	103	25.8
Total	400	100.0

Source: Survey Data

The sample respondents are further classified on the basis of the nature of their occupation in to five groups. As the Table 4.5 reveals 22 respondents (5.5%) are daily wage earners; 209 respondents (52.1%) belong to salaried class; 43 respondents (10.8%) are business people; 23 respondents (5.8%) are engaged in specific professions and 103 respondents (25.8%) belong to 'others' category, which include mainly pensioners and housewives.

4.1.6 Age Wise Classification of The Sample

Consumers of FMCGs comprise of different age groups. The sample respondents are classified on the basis their age as shown in the Table 4.6

Table 4.6
Age Wise Distribution of the Sample

Age Group	No. of Respondents	% of the Total Sample
<20 Years	10	2.5
20-40 Years	231	57.7
40-60 Years	136	34.0
>60 Years	23	5.8
Total	400	100.0

Source: Survey Data

Majority of the respondents belong to age group '20-40' years category. There are 231 persons constituting 57.7 percent of the sample size in this group. 136 respondents (34%) are in the age group of '40-60' years; 23 respondents (5.8%) are aged more than sixty years and the least number of respondents are from 'below 20' years age group.

4.1.7 Family Size Wise Classification of the Sample

Size of the family of consumers can influence their purchase decisions especially in the context of marketer's efforts to load the consumers by offering bonus packs and gifts and complements with larger quantity purchases. Therefore it is not inappropriate to classify the sample respondents on the basis of the size of their family. Accordingly, the sample respondents are grouped in to four classes: Members 'Up to 3', '4 to 6', '7 to 9' and 'Above 9'.

Table 4.7

Family-Size Wise Distribution of the Sample

Family Size	No. of Respondents	% of the Total Sample
Up to 3 Members	58	14.5
4-6 Members	302	75.5
7-9 Members	36	9.0
> 9 Members	4	1.0
Total	400	100.0

Source: Survey Data

Table 4.7 provides data relating to the distribution of the sample according to the number of members in the family. Out of the total number of 400 families, 58 (14.5%) are small families having three or lesser number of members; 302 (75.5%) are medium-sized families having number of members in between 4 and 6; 36 (9%) are large families having number of members between 7 and 9 and only 4 (1%) are very large families having number of members more than 9.

4.1.8 Income Wise Classification of the Sample

Consumer's level of income and their purchasing power are positively correlated. Low and middle income groups can be more price sensitive and vulnerable to price oriented promotions. It is therefore decided to classify the sample respondents on the basis of their level of income in to three groups: 1. Low income group (Consumers having an annual income of less than rupees one lakh); 2. Middle income group (those consumers whose annual income is between Rs. 100000 and Rs.300000); and 3. High income group (having an income of more than Rs. 300000).

Table 4.8

Income Wise Distribution of the Sample

Income Level	No. of Respondents	% of the Total Sample
Low Income	164	41.0
Middle Income	182	45.5
High Income	54	13.5
Total	400	100.0

Source: Survey Data

The Table 4.8 shows that 164 respondents (41%) belong to low income group; 182 (45.5%) respondents belong to middle income group and 54 (13.5%) respondents belong to high income group.

4.1.9 Habit of Using Infotainment Media

Sales promotion cannot be effective if it is not properly communicated to the targeted group of consumers. Advertisement plays a significant role in making people aware of the promotional offers in time and motivating them to act in a desired manner. In this context it is interesting to know how people make use of the important media for information and entertainment.

Table 4.9
Regularly Used Infotainment Media

Media	No. of Respondents	% of the Total Sample
Newspaper	390	97.5
Magazine	308	77.0
Radio	105	26.3
Television	358	89.5
Internet	84	21.0

Source: Survey Data

Table 4.9 provides information relating to the habit of the people in using various information and entertainment media like newspaper, magazines, radio, television and internet. Out of the total 400 samples, 390 (97.5%) read at least one newspaper and 308 (77%) read magazines on a regular basis. 105 (26.3) are regular listeners of radio programmes, 358 (89.5%) are regular viewers of television programmes and 84 (21%) use internet regularly.

4.1.10 Regularly Read Newspapers

In Kerala ‘Malyala Manorama’ and ‘Mathrubhoomi’ are the two leading regional dailies in terms of circulation. In the national daily category, ‘The Hindu’ and ‘The New Indian Express’ take these honours.

Table 4.10
Regularly Read Newspapers

Newspaper	No. of Respondents	% of the Total Sample
Malayala Manorama	179	44.8
Mathrubhoomi	151	37.8
The Hindu	44	11.0
The New Indian Express	29	7.3
Others	145	36.3

Source: Survey Data

As per Table 4.10, newspaper readers mostly prefer 'Malayala Manorama' (44.8%) followed by 'Mathrubhoomi' (37.8%), 'The Hindu' (11%) and 'The New Indian Express' (7.3%). 'Others' category constitutes 36.3%.

4.2 Source of Purchase of Fast Moving Consumer Goods

A consumer can purchase his requirements of regularly used products from various sources. Since the source of purchase influences the buyer behavior, especially the effect of sales promotion offers, it is useful to give a profile of the sample in this respect. Generally consumers who buy goods from supermarkets or big shops in the town are more prone to promotional offers as there are a plethora of brands available. Customers of local 'near-by-shops' or cooperative stores are to content with limited brands available, hence, less opportunities to cash on promotional offers. Tables 4.11 - 4.13 contain data relating to this aspect analysed from different dimensions.

Table 4.11

Most Preferred Place of Purchase

Place of Purchase	No. of Respondents	% of the Total Sample
Near-by Shop	139	34.7
Fixed Shop in the Town	97	24.3
Super Markets	116	29.0
Cooperative Stores	36	9.0
Other Places	12	3.0
Total	400	100.0

Source: Survey Data

As given in the Table 4.11 people mostly prefer near-by shops (34.7%) for buying their daily requirements. This is followed by supermarkets (29%) and fixed shop in the town (24.3%). Only 9% people prefer cooperative stores and 3% people buy from other places.

Table 4.12**Most Preferred Place of Purchase (Sex Wise Classification)**

Place of Purchase	Male		Female	
	No.	%	No.	%
Near-by Shop	67	29.6	72	41.4
Fixed Shop in the Town	71	31.4	26	15.0
Supermarkets	61	27.0	55	31.6
Cooperative Store	19	8.5	17	9.7
Other Places	8	3.5	4	2.3
Total	226	100.0	174	100.0

Source: Survey Data

When we look sex wise distribution of sources of purchase, it appears that male and female consumers differ in their preference for the purchase of their requirements of FMCGs. Male consumers mostly buy from a fixed shop in the town (31.4%) where as female consumers prefer their near by shops (41.4%). In the order preference of male consumers, near-by shops (29.6%) stands at second place and supermarkets (27%) stands at third place. Female consumers give second preference to supermarkets (31.6%) and third preference to a fixed shop in the town (15%). Both sections of consumers are not very much interested in cooperative stores or any other places as per the figures of Table 4.12.

The results of Chi-Square test applied to test any significant difference between male and female consumers as to their source of purchase give the value of χ^2 as 16.327 with 4 degrees of freedom and P value as 0.003. Since the P Value is less than 0.05 at 5% level of confidence, it is concluded that there is a significant difference between male and female consumers in their purchase from various sources.

Table 4.13 presents results of the analysis of the data relating to consumers preference of various sources of purchasing their daily requirements on the basis of annual income of the respondents. It can be

observed that low income group (42.7%) and medium income group (31.3%) mostly prefer near-by shops where as high income group (51.8%) mostly prefers supermarket. Second preference of low income group (24.4%) and high income group (24%) is a fixed shop in the town, where as it is supermarket (29.7%) for middle income group. Low income group respondents indicate supermarkets (20.8%) as their third choice where as middle income group and higher income group respondents indicate a fixed shop in the town (24.2%) and near-by shop (22.2%) respectively.

Table 4.13

Most Preferred Place of Purchase (Income Wise Classification)

Place of purchase	Low Income		Medium Income		High Income	
	No.	%	No.	%	No.	%
Nearby shop	70	42.7	57	31.3	12	22.2
Fixed shop in the town	40	24.4	44	24.2	13	24.0
Supermarkets	34	20.8	54	29.7	28	51.8
Cooperative store	15	9.1	21	11.5	0	0.0
Other places	5	3.0	6	3.3	1	2.0
Total	164	100.0	182	100.0	54	100.0

Source: Survey Data

The results of Chi-Square test applied to test any significant difference between the three income groups of consumers as to their source of purchase give the value of chi-square as 26.105 with 8 degrees of freedom and P value as 0.001. Since the P Value is less than 0.05 at 5% level of confidence, it is concluded that there is a significant difference between low income, middle income and high income consumers in selecting their sources of purchase.

4.3 Level of Awareness of Consumer Sales Promotion Tools

Consumer's level of awareness of sales promotion tools depends upon the extent to which such schemes are implemented by marketers in the concerned market and the way in which people respond to it. Existing

literature on the topic suggest that consumers are more aware of price oriented promotions than non-price oriented promotions. Nine promotion tools are tested as to know the consumer's level of awareness of each one of them. These include: 1. Price-off / Discount, 2. Couponing, 3. Rebates, 4. Product Bundling, 5. Premiums (including Gifts and Compliments), 6. Free Sampling, 7. Contests and Sweepstakes, 8. Trading Stamps and 9. Point of Purchase Promotions. The data are further distributed on the basis of gender and level of consumer's income. Results of the analysis of consumer's level of awareness of the above tools of sales promotion are presented in tables 4.14 – 4.18.

Table 4.14

Level of Awareness of Consumer-Market Sales Promotion Tools

Tools of Sales Promotion	Aware		Not Aware		Total	
	No.	%	No.	%	No.	%
Price-Off / Discount	345	86.2	55	13.8	400	100
Couponing	229	57.2	171	42.8	400	100
Rebates	124	31.0	276	69.0	400	100
Product Bundling	253	63.2	147	36.8	400	100
Premium / Gifts and Compliments	257	64.2	143	35.8	400	100
Free Sampling	214	53.5	186	46.5	400	100
Contests and Sweepstakes	147	36.7	253	63.3	400	100
Trading Stamps	68	17.0	332	83.0	400	100
Point-Of-Purchase Promotion	220	55.0	180	45.0	400	100

Source: Survey Data

It can be observed from the Table 4.14 that majority of the people are aware of six out of nine techniques. Price-Off (86.2%), Premiums/Gifts and Compliments (64.2%), Product Bundling (63.2%), Couponing (57.2%), Point-of-Purchase Promotions (55%) and Free Sampling (53.5%) are the techniques that majority of the consumers are aware of, given in the order of their level of awareness. Most of the people are unfamiliar with Trading Stamps (83%),

Rebates (69%) and Contests and Sweepstakes (63.3%) as sales promotion tools.

The results of a Chi-Square test conducted to analyze the significance of difference among the various sales promotion tools as to their level of awareness suggest that there is significant difference between these tools as the P Value ($< .001$) is less than 0.05 at 5% level of confidence. The calculated value of Chi-Square is 542.22 at 8 degrees of freedom.

Table 4.15

**Level of Awareness of Consumer-Market Sales Promotion Tools -
Sex Wise Classification**

(Percentage in bracket)

Tools of Sales Promotion	Male			Female		
	Aware	Not Aware	Total	Aware	Not Aware	Total
Price-Off / Discount	194 (85.8)	32 (14.2)	226 (100)	151 (86.8)	23 (13.2)	174 (100)
Couponing	121 (53.5)	105 (46.5)	226 (100)	108 (62.1)	66 (37.9)	174 (100)
Rebates	76 (33.6)	150 (66.4)	226 (100)	48 (27.6)	126 (72.4)	174 (100)
Product Bundling	138 (61.1)	88 (38.9)	226 (100)	115 (66.1)	59 (33.9)	174 (100)
Premium / Gifts	137 (60.6)	89 (39.4)	226 (100)	120 (69)	54 (31)	174 (100)
Free Sampling	102 (45.1)	124 (54.9)	226 (100)	112 (64.4)	62 (35.6)	174 (100)
Contests and Sweepstakes	83 (36.7)	143 (63.3)	226 (100)	64 (36.8)	110 (63.2)	174 (100)
Trading Stamps	35 (15.4)	191 (84.6)	226 (100)	33 (19)	141 (81)	174 (100)
POP Promotions	115 (50.1)	111 (49.9)	226 (100)	105 (60.3)	69 (39.7)	174 (100)

Source: Survey Data

Table 4.16
Results of Chi-Square Analysis

Tools of Sales Promotion	χ^2 Values	D.F.	P. Value
Price-Off / Discount	.073	1	.174
Couponing	2.922	1	.087
Rebates	1.678	1	.195
Product Bundling	1.070	1	.301
Premium / Gifts and Compliments	2.981	1	.084
Free Sampling	14.621	1	< .001
Contests and Sweepstakes	.000	1	.991
Trading Stamps	.843	1	.358
Point-Of-Purchase Promotion	3.555	1	.059

Results of further studies on the consumer's level of awareness of sales promotion tools on a gender basis are incorporated in Table 4.15. It can be noted from the table that majority of both men and women are aware of equal number of techniques, i.e. five. But the combination of these techniques known is different from male to female. Price-Off/Discount (85.8%), Product Bundling (61.1%), Premium / Gifts and Compliments (60.6%), Couponing (53.5%) and Point of Purchase Promotion (50.1%) are more popular among male consumers whereas female consumers are more aware of Price-Off/Discount (86.8), Product Bundling (66.1%), Free Sampling (64.4%), Couponing (62.1%) and Point of Purchase Promotion (60.3%).

Further, figures of the Table 4.16 show that the difference in the awareness level of promotion tools between male and female is significant only in the case of 'Free Sampling' (P Value is less than .001) where female consumers are more aware of the technique. In all other cases the difference is insignificant (P Value is more than 0.05).

Table 4.17

**Level of Awareness of Consumer-Market Sales Promotion Tools
(Income Wise Classification)**

(Percentage in Bracket)

Tools of Sales Promotion	Low Income			Middle Income			High Income		
	Aware	Not Aware	Total	Aware	Not Aware	Total	Aware	Not Aware	Total
Price-Off	144 (87.8)	20 (12.2)	164 (100)	159 (87.3)	23 (12.7)	182 (100)	42 (77.8)	12 (22.2)	54 (100)
Couponing	94 (57.3)	70 (42.7)	164 (100)	105 (57.7)	77 (42.3)	182 (100)	30 (55.6)	24 (44.4)	54 (100)
Rebates	41 (25.0)	123 (75.0)	164 (100)	65 (35.7)	117 (64.3)	182 (100)	18 (33.3)	36 (66.7)	54 (100)
Product Bundling	96 (58.5)	68 (41.5)	164 (100)	119 (65.4)	63 (34.6)	182 (100)	38 (70.4)	16 (29.6)	54 (100)
Premium	104 (63.4)	60 (36.6)	164 (100)	123 (67.6)	59 (32.4)	182 (100)	30 (55.6)	24 (44.4)	54 (100)
Sampling	91 (55.5)	73 (44.5)	164 (100)	93 (51.1)	89 (48.9)	182 (100)	30 (55.6)	24 (44.4)	54 (100)
Contests and Sweepstakes	49 (29.9)	115 (70.1)	164 (100)	75 (41.2)	107 (58.2)	182 (100)	23 (42.6)	31 (57.3)	54 (100)
Trading Stamps	10 (6.1)	154 (93.9)	164 (100)	44 (24.2)	138 (75.8)	182 (100)	14 (26.0)	40 (74.0)	54 (100)
POP Promotions	79 (48.2)	85 (51.8)	164 (100)	102 (56.1)	80 (43.9)	182 (100)	39 (72.2)	15 (27.8)	54 (100)

Source: Survey Data

Table 4.18

Results of Chi-Square Analysis

Tools of Sales Promotion	χ^2 Values	D.F.	P. Value
Price-Off	3.793	2	.150
Couponing	.078	2	.962
Rebates	4.789	2	.091
Product Bundling	3.102	2	.212
Premium	2.707	2	.258
Sampling	.774	2	.679
Contests and Sweepstakes	5.682	2	.058
Trading Stamps	23.506	2	<.001
POP	9.642	2	.008

Results of further studies on the consumer's level of awareness of sales promotion tools on income basis are incorporated in Table 4.17. It is clear from the table that 'price-Off' is the most popular sales promotion tool for consumers of all the three income groups. About 87.8% low income consumers, 87.3% middle income consumers and 77.8% high income consumers are aware of the scheme. Low income group (63.4%) and middle income group (67.6%) consider 'premium' as second popular tool where as it is 'POP promotions' for high income group (72.2%) consumers. Product Bundling comes as the third popular tool for all the three groups with the support of 58.5%, 65.4% and 70.4% respectively for low, medium and high-income groups.

Opinion of the three income groups of consumers is significantly different in the case of Trading Stamps and POP promotions as to their level of awareness. In these cases the chi-square analysis produce 'P' values lower than 0.05 at 5% level of confidence.

4.4 Attractiveness of Sales Promotion Tools for Consumers

Consumer acceptability and use of sales promotion schemes depend upon the attractiveness of the offer to a great extent. The utilitarian and hedonic benefit that accrues to the consumer by using the product, which is on a promotion offer, determines its attractiveness. Consumer gets utilitarian benefit out of promotion when he gets a product at a lower price or extra quantity for the normal price. Hedonic benefits are psychological feeling of the buyer that he is a wiser consumer for he used the opportunity or the satisfaction that he could buy a product on offers, which he cannot otherwise. The benefit may be an immediate or delayed one. While schemes like discounts, sampling and bonus packs reward the customer immediately, coupons and rebate delay it. People, generally, prefer immediate benefit to delayed benefit. Considering all these and other factors, which influence attractiveness of sales promotion, consumer's perception about this aspect has

been studied and the results are provided in the Tables 4.19 - 4.25. Distribution of the data on the basis of gender and level of income is also shown.

Table 4.19
Attractiveness of Sales Promotion Tools to Consumers

Tools of Sales Promotion	No. of Respondents	Mean	S.D.	Variance
Price-Off / Discount	400	24.8875	23.01726	529.794
Couponing	400	9.3575	7.84529	61.549
Rebates	400	8.6725	8.04376	64.702
Product Bundling	400	12.7850	13.00410	169.107
Premium / Gifts	400	10.4875	10.91502	119.138
Free Sampling	400	8.3125	9.56785	91.544
Contests and Sweepstakes	400	7.1200	7.05301	49.745
Trading Stamps	400	6.2525	8.49878	72.229
POP Promotions	400	12.1250	15.18505	230.586

Source: Survey Data

It is clear from the Table 4.19 that 'price-Off/Discount' is the most attractive technique of sales promotion for the consumers of FMCG in Kerala. Its mean score of 24.8875 is much higher than any other tool. However, the highest standard deviation of 23.01726 shows that opinion of the people is widely dispersed. 'Product Bundling' is the next most attractive tool of sales promotion with a mean score of 12.785 and S.D. 13.0041 and 'POP promotions' with a mean score of 12.125 and S.D. 15.185 stood at the third place. As in the case of level of awareness Trading Stamps is the least attractive tool.

Table 4.20**Attractiveness of Sales Promotion Tools to Consumers (Analysis of Variance)**

Source	Sum of Squares	D.F.	Mean Squares	F.Value	P.Value
Between Groups	100158.8	8	12519.8	81.158	<.001
With in Groups	553968.8	3591	154.3		
Total	654127.6	3599			

It is important to test whether the difference in the attractiveness of the various sales promotion techniques as discussed above is significant or not. Table 4.20 indicates results of Analysis of variance using 'F-test', which establishes the fact that this difference is very significant as the computed 'F' value is 81.158 and the 'P' value is less than .001.

A Post Hoc Test has been conducted in order to study the significance of difference between two tools at a time in their attractiveness to consumers using Least Square Difference (LSD) method. The cases where differences are significant are reported in the table 4.21, which is given below.

Table 4.21

**Attractiveness of Sales Promotion Tools to Consumers
(Results of Post Hoc Tests)**

Tools of Sales Promotion	Mean Difference	P value
Discount –Coupon	15.53	<.000
Discount – Rebates	16.22	<.000
Discount - Product Bundling	12.10	<.000
Discount – Premiums	14.40	<.000
Discount – Sampling	16.58	<.000
Discount - Contests and Sweepstakes	17.77	<.000
Discount - Trading Stamps	18.64	<.000
Discount - POP promotions	12.76	<.000
Couponing - Product Bundling	-3.43	<.000
Couponing - Contests and Sweepstakes	2.24	.011
Couponing - Trading Stamps	3.11	<.000
Couponing - POP promotions	-2.77	.002
Rebates- Product Bundling	-4.11	<.000
Rebates- Premiums	-1.82	.039
Rebates- Trading Stamps	2.42	.006
Rebates- POP promotions	-3.45	<.000
Product Bundling- Premiums	2.30	.009
Product Bundling- Sampling	4.47	<.000
Product Bundling- Contests and Sweepstakes	5.67	<.000
Product Bundling- Trading Stamps	6.53	<.000
Premiums- Sampling	2.18	.013
Premiums- Contests and Sweepstakes	3.37	<.000
Premiums- Trading Stamps	4.24	<.000
Sampling- Trading Stamps	2.06	.019
Sampling- Point of purchase promotion	-3.81	<.000
Contests and Sweepstakes- POP promotions	-5.01	<.000
Trading Stamps- POP promotions	-5.87	<.000

Table 4.22**Attractiveness of Sales Promotion Tools (Sex Wise Analysis)**

Tools of Sales Promotion	Male			Female		
	No.	Mean	S.D.	No.	Mean	S.D.
Price-Off / Discount	226	27.08	24.49	174	22.03	20.67
Couponing	226	8.96	7.72	174	9.88	8.00
Rebates	226	8.62	8.00	174	8.74	8.13
Product Bundling	226	13.22	14.28	174	12.22	11.14
Premium / Gifts	226	10.09	11.03	174	11.00	10.78
Free Sampling	226	8.23	10.16	174	8.40	8.77
Contests And Sweepstakes	226	6.56	6.98	174	7.84	7.10
Trading Stamps	226	5.64	8.31	174	7.05	8.70
POP Promotions	226	11.58	14.95	174	12.83	15.51

Source: Survey Data

Table 4.23**Results of Sex Wise Analysis of Variance**

Sales Promotion Tools	Source	D.F.	Sum Of Squares	Mean Square	F-Ratio	P-Value
Price-Off / Discount	Between Groups	1	2500.74	2500.74	4.776	.029
Couponing	Between Groups	1	83.85	83.85	1.364	.244
Rebates	Between Groups	1	1.46	1.46	.023	.881
Product Bundling	Between Groups	1	98.87	98.87	.584	.445
Premium / Gifts	Between Groups	1	80.89	80.89	.678	.441
Free Sampling	Between Groups	1	2.18	2.18	.024	.878
Contests & Sweepst.	Between Groups	1	161.80	161.80	3.271	.071
Trading Stamps	Between Groups	1	196.72	196.72	2.735	.099
POP Promotions.	Between Groups	1	154.517	154.517	.670	.414

Data relating to the attractiveness of sales promotion tools are further analysed on gender basis. As given in the Table 4.22 both male (mean score 27.08%) and female (mean score 22.03) consumers consider 'price-Off' as the most attractive sales promotion tool. At the same time this tool is more attractive to men than women. Male consumers feel that 'product bundling'

(mean score 13.22) as the second most attractive tool whereas it is 'POP' (mean score 12.83) for female consumers.

Variance analyses using 'F-Test' have been conducted to test the significance of differences between male and female consumers as to the attractiveness of various sales promotion tools. Results indicate (Table 4.23) that significant difference exist only in the case of 'price-off' in which case the 'P'. Value (0.029) is lower than 0.05. In all other cases there are no significant differences. It is, therefore, concluded that though 'price-off' is the most attractive tool of sales promotion for both category of consumers, the tool is much more attractive to male consumers and significantly different from female consumers.

Table 4.24

Attractiveness of Sales Promotion Tools (Income Wise Analysis)

Sales Promotion Tools	Low Income			Middle Income			High Income		
	No.	Mean	S.D.	No.	Mean	S.D.	No.	Mean	S.D.
Price-Off / Disc.	164	26.18	23.01	182	23.30	21.88	54	26.30	26.66
Couponing	164	9.73	8.15	182	9.78	7.59	54	6.83	7.41
Rebates	164	8.09	7.46	182	9.74	8.55	54	6.85	7.60
Product Bundling	164	13.52	15.43	182	11.57	10.68	54	14.63	11.89
Premium / Gifts	164	10.73	9.80	182	10.55	12.24	54	9.54	9.43
Free Sampling	164	8.43	9.20	182	8.40	9.93	54	7.69	9.60
Contests & SS.	164	7.30	7.22	182	7.70	7.15	54	4.65	5.67
Trading Stamps	164	5.16	7.02	182	6.74	8.62	54	7.93	11.44
POP Promotions.	164	10.87	16.20	182	12.23	13.13	54	15.59	17.98

Source: Survey Data

Table 4.25**Results of Income Wise Analysis of Variance**

Sales Promotion Tools	Sources	D.F.	Sum of Squares	Mean Square	F-Ratio	P-Value
Price-Off / Discount	Between Groups	2	839.79	419.90	.792	.454
Couponing	Between Groups	2	397.96	198.98	3.270	.039
Rebates	Between Groups	2	443.62	221.81	3.471	.032
Product Bundling	Between Groups	2	541.44	270.72	1.606	.202
Premium & Gifts	Between Groups	2	59.26	29.63	.248	.781
Free Sampling	Between Groups	2	24.65	12.33	.134	.875
Contests & Sweepst.	Between Groups	2	394.80	197.40	4.028	.019
Trading Stamps	Between Groups	2	391.05	195.53	2.731	.066
POP Promotions	Between Groups	2	911.36	455.678	1.986	.139

Table 4.24 provides information relating to the attractiveness of sales promotion tools analysed on the basis of the income of the respondents. As per the table 'price-off' is the most attractive tool for all consumers irrespective of the level of their income. The mean scores of the three groups, viz. low, medium and high income, out of a maximum attainable score of 100, are 26.18, 23.3, and 26.3 respectively. Moreover high income group consumers like this tool most. Next to 'price-off', the tool most attractive to low income people is 'product bundling' and for middle and high income consumers, 'POP' is the second choice. 'Trading Stamps' is the least attractive tool for low and medium income consumers, whereas high income consumers least favour 'Contests and Sweepstakes'.

Consumer's attractiveness to 'Coupons', 'Rebates' and 'Contests and Sweepstakes' is significantly different among the three income groups as the 'P' values obtained in the analysis of variance are lower than 0.50 as revealed in the Table 4.25. In the remaining cases differences are insignificant.

4.5 Consumer Preference for the Various Forms of Premium Offers

Strictly speaking, 'premium' is a consumer sales promotion tool that provides additional quantities of merchandise to the buyer at regular price. In his further studies, the researcher is using the term 'premium' to represent 'free gifts and compliments', 'product bundling strategy', 'extra quantity of the product at regular price' and 'self-liquidating offers'. This is because in all the above cases provision of some additional quantity of the same or different product is common. Under the 'free gifts and compliment' scheme, mostly a related product (toothbrush with toothpaste) is given free of cost while purchasing a specified item. 'Bonus packs' contain some extra quantity (10% or 25%) which is additionally provided at the regular price. Two or more units of the same product or different products are bundled together and sold at a relatively lower price in the case of 'product bundling strategy'. The cost of the free item is self-liquidated in the price of the product sold under the 'self-liquidating' offer. It is, therefore, important to understand consumer's interest and preference for these various forms of premium offers. Tables 4.26 – 4.30 deal with this aspect of sales promotion in detail.

Table 4.26

Consumer Preference for Various Forms of Premium Offers

Form of Premium Offer	N	Mean	S.D.	Variance
Free Gifts	400	27.62	18.85	355.42
Bonus Packs	400	30.92	20.70	428.65
Bundled Products for Lower Price	400	25.34	16.32	266.30
Self-Liquidating Offer	400	16.13	14.98	224.46

Source: Survey Data

Table 4.26 shows the preference of the whole consumers to the various types of premium offers usually adopted by marketers. It appears that they like most getting 'bonus packs' (mean 30.92) followed by 'free gifts' (mean 27.62) and 'bundled products' (mean 25.34). 'Self-liquidating offer' is the least attractive scheme with a mean score of 16.13. The high standard

deviations of 20.7 and 18.85 of most attractive types of offers denote that there is a wide variation in the opinion of the people.

Table 4.27

**Consumer Preference for Various Forms of Premium Offers
(Sex Wise Classification)**

Form of Premium Offer	Male			Female		
	N	Mean	S.D.	N	Mean	S.D.
Free Gifts	226	27.87	18.74	174	27.30	19.05
Bonus Packs	226	31.00	19.79	174	30.80	21.90
Bundled Products for Lower Price	226	25.46	15.89	174	25.17	16.91
Self-Liquidating Offer	226	15.67	14.64	174	16.72	15.44

Source: Survey Data

Table 4.28

Results of Sex Wise Analysis of Variance

Form Of Premium Offer	Sources	D.F.	Sum of Squares	Mean Square	F-Ratio	P - Value
Free Gifts	Between Groups	1	32.259	32.259	.091	.764
Bonus Packs	Between Groups	1	3.754	3.754	.009	.926
Bundled Prod	Between Groups	1	8.141	8.141	.030	.861
Self-Liquid.	Between Groups	1	109.628	109.628	.488	.485

Male and female consumers like the various forms of premium offers in the same order as revealed by the Table 4.27 given above. Both groups of people accord top priority to 'bonus packs' followed by 'free gifts', 'bundled products' and 'self-liquidating offer'.

Even though men prefer three out of four of the forms of premium offers stronger than women, Table 4.28 suggests that the differences are not significant in any of the above cases as the 'P' values are more than 0.50.

Table 4.29

**Consumer Preference for the Various Forms of Premium Offers
(Income Wise Classification)**

Form of Premium Offer	Low Income			Middle Income			High Income		
	N	Mean	S.D.	N	Mean	S.D.	N	Mean	S.D.
Free Gifts	164	28.50	20.83	182	27.17	17.35	54	26.48	17.58
Bonus Packs	164	30.64	22.18	182	30.71	19.34	54	32.41	20.83
Bundled Products	164	25.27	17.66	182	25.27	14.84	54	25.74	17.14
Self-Liquidating	164	15.59	16.27	182	16.84	14.12	54	15.37	13.83

Source: Survey Data

Table 4.30

Results of Income Wise Analysis of Variance

Form of Premium Offer	Sources	D.F.	Sum of Squares	Mean Square	F-Ratio	P - Value
Free Gifts	Between Groups	2	233.796	116.898	.328	.721
Extra Quantity	Between Groups	2	139.442	69.721	.162	.851
Bundled Products	Between Groups	2	10.281	5.140	.019	.981
Self-Liquidating	Between Groups	2	171.721	85.860	.381	.683

Income wise analysis of the consumer's preference for various forms of premium offers produce the same result as in the case of sex wise analysis. A perusal of the Table 4.29 shows that all the three income groups, low, medium and high, would prefer the 'bonus packs' to other forms. 'Free gifts', 'bundled products' and 'self-liquidating offer' schemes occupy the second, third and fourth position in the order of preference.

The difference among the various income groups as to their preference for various premium offers does not seem to be significant. Results of the variance analysis as per Table 4.30 shows that in all the four cases the 'P' values are well above 0.50.

4.6 Consumer's Preference for Coupon Distribution Methods

Coupons enable the buyer to purchase the offered brand at a reduced price. Couponing is considered one of important tools generally used by marketers of fast moving consumer goods all over the world to promote their product. Marketers of products like tea, coffee, cosmetics, cereals powder, health drinks use this technique of promotion very extensively. As mentioned earlier, 57.2% consumers are aware of this device and in terms of attractiveness it stands at the 5th position amongst a total of nine promotional tools. It shows that in Kerala this tool of promotion is neither very popular nor too attractive. Easy and timely availability of the coupon can be one of the requirements to make couponing an effective strategy. It is, therefore interesting to ascertain which method of coupon distribution consumers prefer so that marketers can make this device more effective. There are mainly five methods of distributing coupons. They are: - 1. Through newspapers and magazines, 2. By post, 3. In-or-with packs, 4. Via internet and 5. Through shops. Tables 4.31 – 4.33 contain results of the study relating to different aspects of coupon distribution methods.

Table 4.31

Consumer's Preference for Coupon Distribution Methods

Coupon Distribution Methods	No.	%	Mode
1.Through Newspaper and Magazine	144	36.0	1 st item
2.By Post	24	6.0	
3.In- Or-With Packets	140	35.0	
4.Via Internet	11	2.8	
5.Through Shops	81	20.2	
Total	400	100.0	

Source: Survey Data

Consumer's preference for various methods of coupon distribution is displayed in the Table 4.31. Distribution through newspapers and magazines and in-or-with packets seem to be the most appealing to the consumers. About

36% of the consumers support newspaper and magazine via distribution whereas 35% support putting the coupon inside the packet or insert with the packet. The model value calculated also indicates newspaper and magazines as the best method of coupon distribution. A sizeable portion (20.2%) of people prefers the coupons through the shops over the counter. Postal delivery (6%) and internet delivery (2.8%) of coupons are not very attractive.

Table 4.32

**Consumer's Preference for Coupon Distribution Methods
(Sex Wise Classification)**

Coupon Distribution Methods	Male		Female		Total	
	No.	%	No.	%	No.	%
1.Through Newspaper and Magazine	82	36.4	62	35.6	144	36.0
2.By Post	15	6.6	9	5.2	24	6.0
3.In- Or-With Packets	76	33.6	64	36.8	140	35.0
4.Via Internet	8	3.5	3	1.7	11	2.8
5.Through Shops	45	19.9	36	20.7	81	20.3
Total	226	100.0	174	100.0	400	100.0

Source: Survey Data

Consumer's preference for coupon distribution methods is further analysed on gender basis and the result is incorporated in Table 4.32. It can be noticed from the table that male consumers who give more preference to the distribution of coupons through newspaper and magazines where as female consumers give more preference to 'in-or-with packet', coupon distribution.

But results of chi-square analysis show that these differences are not significant since the 'P' value (0.763) is more than 0.50. The computed value of chi-square is 1.85 at 4 degrees of freedom.

Table 4.33

**Consumer's Preference for Coupon Distribution Methods
(Income Wise Classification)**

Coupon Distribution Methods	Low Income		Middle Income		High Income		Total	
	No.	%	No.	%	No.	%	No.	%
1. Newspaper/ Mag.	60	36.6	63	34.6	21	38.8	144	36.0
2.By Post	11	6.7	8	4.4	5	9.3	24	6.0
3.In- or-With Packets	53	32.3	71	39.1	16	29.6	140	35.0
4.Via Internet	1	0.6	9	4.9	1	1.9	11	2.8
5.Through Shops	39	23.8	31	17.0	11	20.4	81	20.2
Total	164	100.0	182	100.0	54	100.0	400	100.0

Source: Survey Data

Consumer's preference for coupon distribution methods is further analysed on the basis of consumer's level of income and the result is incorporated in Table 4.33. Particulars of Table show that high income group consumers (38.8%) prefer coupon distribution through newspapers and magazines followed by low income group (36.6%) and middle income group (34.6%). In the case of coupon distribution 'in-or-with packets' middle income consumers (39.1%) give maximum preference, followed by low income consumers (32.3%) and high income consumers (29.6%).

As in the case of gender wise analysis of coupon distribution methods, these differences are not significant since the 'P' value (0.163) is more than 0.50 in the difference significance test using chi-square analysis. The computed value of chi-square is 11.749 at 8 degrees of freedom.

4.7 Consumer's Preference for Sample Distribution Methods

One of the important tools that can be used to create trial purchase, especially when a new brand is introduced in the market or an existing brand is introduced in a new market, is 'sampling'. As a tool of sales promotion sampling is very suitable for fast moving consumer goods as unit value of many of such goods is very low as compared to consumer durable goods.

Even though results of the level of awareness and attractiveness of this promotion tool in this study indicate its poor popularity, the trend can be reversed if proper and suitable methods of sample distribution are adopted. There are mainly five methods of distributing samples. They are: - 1. By post, 2. Through newspapers and magazines, 3. With other products, 4. At crowded places and 5. Through shops. Tables 4.34 – 4.36 give summary of results of the study relating to different aspects of sample distribution methods.

Table 4.34

Consumer's Preference for Sample Distribution Methods

Sample Distribution Methods	No.	%	Mode
1.By Post	18	4.5	3 rd item
2.Through Newspaper and Magazine	70	17.5	
3.With Other Products	147	36.8	
4.At Crowded Places	32	8.0	
5.Through Shops, Over the Counter	133	33.2	
Total	400	100.0	

Source: Survey Data

Consumer's preference for sample distribution methods is displayed in the Table 4.34. From the table it can be observed that consumers are most interested in getting the samples supplied with other products of the same manufacturer or marketer (36.8%). The calculated model value also supports this argument. Distribution through shops, over the counter is another attractive sample distribution method (33.2%). While 17.5 percent consumers like to get sample distributed through newspaper and magazine inserts, a meager 8 percent people supports distribution of samples at crowded places. The least preferred strategy is distribution through post offices (4.5%).

Table 4.35

**Consumer's Preference for Sample Distribution Methods
(Sex Wise Classification)**

Sample Distribution Methods	Male		Female		Total	
	No.	%	No.	%	No.	%
1.By Post	8	3.5	10	5.7	18	4.5
2.With Newspaper and Magazine	39	17.3	31	17.8	70	17.5
3.With Other Products	81	35.8	66	37.9	147	36.8
4.At Crowded Places	21	9.3	11	6.3	32	8.0
5.Through Shops, Over the Counter	77	34.1	56	32.3	133	33.2
Total	226	100.0	174	100.0	400	100.0

Source: Survey Data

The Table 4.35 presents a picture of gender wise analysis of consumer's preference for sample distribution methods. It is clear that 37.9 percent female consumers prefer sample distribution with other products against 35.8 percent male consumers. But more male consumers (34.1%) support 'over the counter' distribution than female (32.3%) consumers. Male consumers are stronger in their support to the distribution of sample at crowded places. In the other two cases female support is stronger.

However the very high 'P' value of 0.665 obtained in the chi-square analysis (chi-square value-2.388 at 4 degrees of freedom) suggests that there is no significant difference in the perception of consumers on sex wise as to an effective way of distributing samples.

Table 4.36

**Consumer's Preference for Sample Distribution Methods
(Income Wise Classification)**

Sample Distribution Methods	Low Income		Middle Income		High Income		Total	
	No.	%	No.	%	No.	%	No.	%
1.By Post	7	4.3	7	3.8	4	7.4	18	4.5
2.Via Newspaper&Mag.	36	22.0	25	13.7	9	16.7	70	17.5
3.With Other Products	57	34.7	69	37.9	21	38.8	147	36.8
4.At Crowded Places	14	8.5	17	9.3	1	1.9	32	8.0
5.Through Shops	50	30.5	64	35.3	19	35.2	133	33.2
Total	164	100	182	100	54	100	400	100

Source: Survey Data

There are some differences in the opinion of consumers belonging to various income groups as far sample distribution methods are concerned. As the table 4.36 shows maximum support for 'By post' distribution (7.4%) and distribution with other products (38.8%) come from high income consumers whereas distribution at crowded places (9.3%) and through shops (35.3%) gain maximum support from middle income consumers. Low income consumers strongly argue for distribution through newspapers and magazines (22%)

The above differences between various income groups are not significant since the 'P' value (0.384) is more than 0.50 in the difference significance test using chi-square analysis. The computed value of chi-square is 8.527 at 8 degrees of freedom.

4.8 Consumer's Experience of Using Sales Promotion Schemes

Sales promotion targeted to consumers is aimed at creating a favourable attitude in the minds of the consumer towards the brand and generating a desired behavior when he purchases the product. The desired behaviour can be inducing the consumer buy the marketer's brand instead of his competitor's, buy now rather than later, loading the consumer thereby

increase his consumption rate and so on and so forth. A successful sales promotion scheme should trigger consumers in to action and the marketer to sell his product at the desired level. In this study, consumer's response to important sales promotion schemes is studied by looking in to their experience of purchasing the 'fast moving consumer goods' under various schemes during a period of one year prior to the time of conducting the survey. The data is further analysed gender wise and level of income basis. All these particulars are incorporated in the Tables 4.37 – 4.41.

Table 4.37

Consumer's Experience of Using Sales Promotion Schemes

Experience	Price-Off		Couponing		Premium		Sampling		POP	
	No.	%	No.	%	No.	%	No.	%	No.	%
Used	271	67.8	172	43.0	206	51.5	166	41.5	169	42.2
Unused	129	32.2	228	57.0	194	48.5	234	58.5	231	57.8
Total	400	100.0	400	100.0	400	100.0	400	100.0	400	100.0

Source: Survey Data

A perusal of the Table 4.37 shows that the high level of awareness, attractiveness and simplicity of 'price-off' have resulted in its highest success rate among the important sales promotion tools generally marketer's adopt in Kerala for promoting fast moving consumer goods. 67.8 percent consumers have utilized this type of offer at least once during one year prior to the survey. It is far ahead of the second popular scheme i.e., 'premium' (51.5%) in terms of level of usage. This trend shows that people like to get tangible and immediate benefit from promotional schemes. Despite of the low level of awareness and attractiveness, 'coupons' occupies the third position (43%) in the level of usage, ahead of 'POP' (42.2%) and 'sampling' (41.5%). To conclude, only two schemes i.e. price-off and premiums are utilized by more than half of the consumers.

To test the hypothesis that all sales promotion schemes are equally utilised by consumers, Chi-Square test has been applied. Accordingly the

value of Chi-Square is obtained as 79.288 at 4 degrees of freedom. Since the value of 'P' is less than 0.001, the null hypothesis is rejected and the alternative hypothesis that there is significant difference among the important sales promotion techniques to induce buyers to buy under various types of offers is accepted.

Table 4.38

Consumer's Experience of Using Sales Promotion Schemes-Sex Wise Classification

(Percentage in Bracket)

Schemes	Male			Female		
	Used	Unused	Total	Used	Unused	Total
Price-off	153 (67.7)	73 (32.3)	226 (100)	118 (67.8)	56 (32.2)	174 (100)
Couponing	88 (38.9)	138 (61.1)	226 (100)	84 (48.3)	90 (51.7)	174 (100)
Premium	106 (46.9)	120 (53.1)	226 (100)	100 (57.5)	74 (42.5)	174 (100)
Sampling	81 (35.8)	145 (64.2)	226 (100)	85 (48.9)	89 (51.1)	174 (100)
POP	88 (38.9)	138 (61.1)	226 (100)	81 (46.6)	93 (53.4)	174 (100)

Source: Survey Data

Table 4.39

Results of Chi-Square Analysis

Scheme	X ² Values	D.F.	P.Value
Price-Off	.001	1	.980
Couponing	3.497	1	.061
Premium	4.396	1	.036
Sampling	6.584	1	.009
POP	2.336	1	.126

Gender wise analysis of the consumer's experience of using sales promotion schemes is presented in the Table 4.38. It can be seen that in all the five cases the level of usage experience of female consumers is more than male consumers. Further chi-square analysis result shows that the difference

between male and female consumers in the usage experience of ‘price-off’ (P.Value 0.98), ‘couponig’ (P value 0.061) and ‘point-of-purchase promotion’ (P value 0.126) are not significant, whereas in other two cases the differences are significant. ‘P’ values of ‘premium’ and ‘sampling’ are 0.036 and 0.009 respectively as shown in Table 4.39. The confidence limit in all the cases is fixed at 5 percent.

Table 4.40

**Consumer’s Experience of Using Sales Promotion Schemes –
Income Wise Classification
(Percentage in Bracket)**

Scheme	Low Income			Middle Income			High Income		
	Used	Unused	Total	Used	Unused	Total	Used	Unused	Total
Price-off	108 (65.9)	56 (34.1)	164 (100)	134 (73.6)	48 (26.4)	182 (100)	29 (53.7)	25 (46.3)	54 (100)
Couponing	70 (42.7)	94 (57.3)	164 (100)	85 (46.7)	97 (53.3)	182 (100)	17 (31.5)	37 (68.5)	54 (100)
Premium	82 (50.0)	82 (50.0)	164 (100)	99 (54.4)	83 (45.6)	182 (100)	25 (46.3)	29 (53.7)	54 (100)
Free Sampling	63 (38.4)	101 (61.6)	164 (100)	83 (45.6)	99 (54.4)	182 (100)	20 (37.0)	34 (63.0)	54 (100)
POP	66 (40.2)	98 (59.8)	164 (100)	76 (41.8)	106 (58.2)	182 (100)	27 (50.0)	27 (50.0)	54 (100)

Source: Survey Data

Table 4.41

Results of Chi-Square Analysis

Scheme	X ² Values	D.F.	P. Value
Price-Off	8.002	2	.018
Couponing	3.948	2	.139
Premium	1.344	2	.164
Sampling	2.349	2	.309
POP	1.618	2	.445

Income wise analysis of the consumer's experience in using sales promotion schemes is presented in the Table 4.40. It can be observed from the table that except in the case of 'point-of-purchase promotions' middle income consumers are at the top in using promotional offers. This is followed by low income consumers and high income consumers. Point of purchase displays and features motivate the high income group greater than either middle income or low income group of consumers. Middle income consumers are the second highest motivators of this promotional scheme followed by low income consumers. To conclude, sales promotion schemes have its highest influence on middle income group of consumers followed by low income group except in the case of point-of-purchase displays and feature advertisements where high income group of consumers are the highly motivated.

Results of chi-square test (Table 4.41) indicate that there are no significant differences among consumers in using sales promotion offers on the basis of their income except in the case of 'price-off', where the difference is significant (P value of 0.018 is less than 0.050).

4.9 Reasons for Not Using Sales Promotion Offers

It is clear from the above discussion that generally consumers are not making use of the sales promotion offers and opportunities as desired by the marketers. Price-offs and premiums are the only kind of strategies that are capable of motivating more than 50 percent of the buyers to buy the brand under these offers. Therefore it is important to study the reasons for the failure of various sales promotion schemes in arousing the required interest among the consumers and put them in to action. The respondents were asked to rank various reasons given to them in the schedule in the order of their importance to them and their responses were tabulated. Ranks were duly weighted and reasons for not using sales promotion schemes by the consumers were identified on the basis of mean scores obtained against each

point and their standard deviation. Further, the data were analysed on the basis of gender and level of income.

4.9.1 Reasons for Not Using Sales Promotion Discount Offer

Even though discount or price-off stands at the top among all the sales promotion tools in the matter of awareness, attractiveness and level of usage by consumers, 32.2 percent consumers still remain not influenced by this popular technique. Tables 4.42 – 4.46 carry results of the analysis of this problem.

Table 4.42
Reasons for Not Using Sales Promotion Discount Offer

Reasons	No.	Mean	S.D.
Over Priced	129	2.495	1.616
Inferior Quality	129	2.962	1.109
Commonality of the Scheme	129	3.714	1.134
Brand Loyalty	129	3.416	1.329
Unattractiveness of the Scheme	129	3.330	1.532

Source: Survey Data

Respondents were given five reasons for not using discount offers in the previous one year and they were expected rank these reasons in the order of their importance to them. For the purpose of analysis the ranks of 1,2,3,4 and 5 were weighted as 5,4,3,2 and 1 respectively. Mean scores with their standard deviations of the points scored against each reason are obtained for comparison purpose. As per Table 4.42 commonality of the discount offers is cited as the most important reason for not availing benefits of such price reductions with a mean score of 3.714. Customer's hesitation to change their current brand takes the second place and overall unattractiveness of such offers stands at the third place. Their mean scores are 3.416 and 3.33 respectively. Consumer's doubts about the quality and price of such products are not very important since their mean scores are 2.962 and 2.495 respectively.

Table 4.43**Reasons for Not Using Sales Promotion Discount Offer (Sex Wise Analysis)**

Reasons	Male			Female		
	No.	Mean	S.D.	No.	Mean	S.D.
Over Priced	73	2.539	1.732	56	2.449	1.501
Inferior Quality	73	2.983	1.034	56	2.936	1.205
Commonality of the Scheme	73	3.937	.981	56	3.429	1.258
Brand Loyalty	73	3.211	1.372	56	3.682	1.235
Unattractiveness of the Scheme	73	3.419	1.510	56	3.226	1.565

Source: Survey Data

Table 4.44**Results of t-test for Equality of Means**

Reasons	D.F.	t-value	Mean Difference	2-tail Significance
Over Priced	127	-.277	-.089	.783
Inferior Quality	127	-.213	-.047	.832
Commonality of the scheme	127	-2.400	-.508	.018
Brand Loyalty	127	1.787	.471	.077
Unattractiveness of the scheme	127	-.672	-.192	.503

There are some differences in the order and magnitude of the reasons given by the consumers on the basis of sex. Table 4.43 shows that the most important reason for not using price-off offers to their advantage for the male consumers is the commonality of such a scheme in the promotion strategy of marketers, where as it is loyalty to a particular brand which prevents female consumers to switch to discount promoted brand. The second important reasons are commonality of the scheme and unattractiveness for the female and male consumers respectively.

Table 4.44 presents results of the t-test conducted to know whether the differences in the opinion of the two groups of consumers are significantly different. Though the mean differences of 'commonality of the scheme'

(-.508) and 'brand loyalty' (.471) are very high, only the difference in the mean scores of the former is considered significantly different as its two-tail significance value is 0.018, which is less than 0.05.

Table 4.45
Reasons for Not Using Sales Promotion Discount Offer
(Income Wise Analysis)

Reasons	Low Income			Middle Income			High Income		
	No.	Mean	S.D.	No.	Mean	S.D.	No.	Mean	S.D.
Over Priced	56	2.950	1.648	48	2.290	1.659	25	2.043	1.331
Inferior Quality	56	3.116	1.138	48	2.952	1.010	25	2.650	1.226
Commonality	56	3.638	1.169	48	4.023	1.023	25	3.238	1.136
Brand Loyalty	56	3.375	1.334	48	3.050	1.339	25	4.191	.981
Unattractiveness	56	3.111	1.709	48	3.354	1.436	25	3.727	1.316

Source: Survey Data

Table 4.46
Results of Analysis of Variance

Reasons	Sources	D.F.	Sum of Squares	Mean Square	F-Ratio	P-Value
Over Priced	Between Groups	2	14.58	7.288	2.895	.060
Inferior Quality	Between Groups	2	2.98	1.487	1.215	.301
Commonality	Between Groups	2	9.22	4.610	3.760	.026
Brand Loyalty	Between Groups	2	18.02	9.011	5.571	.005
Unattractiveness	Between Groups	2	5.66	2.828	1.210	.302

Table 4.45 reveals the differences of opinion among the three groups of consumers classified on the basis of their income on the reasons for not availing benefits under the discount offers. The most important reason for not using sales promotion discount offers is the same i.e. commonality of the scheme, for low income and middle income consumers with mean scores of 3.638 and 4.023 respectively. Middle income consumers are more supportive of this reason than that of low income consumers. High income consumers rank this point as the third important reason only with a mean score of 3.238.

They rank brand loyalty (mean score 4.191) as their first and unattractiveness of the scheme (mean score 3.727) as their second important reason. Brand loyalty is the second most important reason for low income group (mean score 3.375) and it is unattractiveness of the offer for the middle income consumers (mean score 3.354).

Table 4.46 contains results of the analysis of variance of the various income group's opinion on the reasons for not experimenting with discount offers while purchasing FMCGs. Significant differences exist among three income groups as to the commonality of the scheme and brand loyalty as the reasons for not purchasing products under discount offers.

4.9.2 Reasons for Not Using Sales Promotion Coupon Offer

Respondents were given six possible reasons for not using coupons in the previous one year and they were expected to rank these reasons in the order of their importance to them. The listed reasons include overpricing of the brand by the marketer, inferior quality of the promoted brand, commonality of such schemes, brand loyalty of the buyers, over all unattractiveness of the scheme and non-receipt or collection of coupons. Consumer's responses and the results of their detailed analysis are given in Tables 4.47 – 4.51

Table 4.47

Reasons for Not Using Sales Promotion Coupon Offer

Reasons	No.	Mean	S.D.
Over Priced	228	2.823	1.872
Inferior Quality	228	3.439	1.446
Commonality	228	4.368	1.340
Brand Loyalty	228	4.017	1.472
Unattractiveness	228	4.371	1.582
No Coupons Received	228	3.622	1.840

Source: Survey Data

As per table 4.47 over all unattractiveness of the coupon scheme has been ranked as the first reason with a mean score of 4.371, followed by commonality of the scheme with a mean score of 4.368 and brand loyalty of the buyers with a mean score of 4.017. Consumers do not consider it as a very important reason that the brand is priced above its normal price ahead of introducing coupons. The least standard deviation of 1.34 shows that consumers have the maximum uniformity in their opinion on the reason of commonality of the scheme’.

Table 4.48

**Reasons for Not Using Sales Promotion Coupon Offer
(Sex Wise Analysis)**

Reasons	Male			Female		
	No.	Mean	S.D.	No.	Mean	S.D.
Over Priced	138	2.750	1.835	90	2.918	1.928
Inferior Quality	138	3.453	1.388	90	3.419	1.535
Commonality	138	4.504	1.311	90	4.158	1.367
Brand Loyalty	138	3.902	1.459	90	4.176	1.484
Unattractiveness	138	4.473	1.565	90	4.232	1.605
No Coupons Received	138	3.794	1.862	90	3.357	1.786

Source: Survey Data

Table 4.49

Results of t-test for Equality of Means

Reasons	D.F.	t-value	Mean Difference	2-tail Significance
Over Priced	226	.576	.168	.565
Inferior Quality	226	-.154	-.033	.877
Commonality	226	-1.764	-.346	.079
Brand Loyalty	226	1.220	2.737	.224
Unattractiveness	226	-1.050	-.242	.295
No coupons received	226	-1.552	-.437	.122

Table 4.48 gives an impression of the sex wise analysis of the consumer's reasons for not using coupon schemes. It appears that male consumers are of the opinion that they do not avail this incentive primarily because such offers are very common (mean score 4.504). Over all unattractiveness of the coupon schemes mainly prevent female consumers from using couponing schemes (mean score 4.232). Both groups give the least ranking to the reason of 'over priced'.

Results of t-test as given in the table 4.49 says that difference in the opinion of male and female consumers is not significant in any of the case as the two-tail significance values are more than 0.05 in all cases.

Table 4.50

Reasons for Not Using Sales Promotion Coupon Offer (Income Wise Analysis)

Reasons	Low Income			Middle Income			High Income		
	No.	Mean	S.D.	No.	Mean	S.D.	No.	Mean	S.D.
Over Priced	94	3.222	1.930	97	2.608	1.836	37	2.519	1.740
Inferior Quality	94	3.718	1.466	97	3.289	1.375	37	3.154	1.541
Commonality	94	4.282	1.413	97	4.454	1.298	37	4.345	1.289
Brand Loyalty	94	4.064	1.447	97	3.902	1.471	37	4.226	1.543
Unattractiveness	94	4.273	1.759	97	4.449	1.469	37	4.393	1.449
No Coupons Rec.	94	3.642	1.807	97	3.308	1.916	37	4.345	1.537

Source: Survey Data

Table 4.51

Results of Analysis of Variance

Reasons	Sources	D.F.	Sum of Squares	Mean Square	F-Ratio	P-Value
Over Priced	Between Groups	2	16.21	8.105	2.350	.099
Inferior Quality	Between Groups	2	9.52	4.758	2.309	.102
Commonality	Between Groups	2	1.22	.610	.337	.714
Brand Loyalty	Between Groups	2	2.56	1.282	.589	.556
Unattractiveness	Between Groups	2	1.31	.652	.258	.772
No Coupons Rec.	Between Groups	2	24.40	12.201	3.716	.026

Results of income wise analysis of the consumer's reasons for not using coupon schemes are presented in the table 4.50. It can be noted from the table that low and middle income consumers consider coupon schemes as very common in the promotion scenario and they pick out the same as the most important reason. High income consumers rate the overall unattractiveness of the scheme as the most important reason. In line with the general pattern of opinion, informants in all the three income group rank 'over priced' as the least influencing reason. More over, the opinion of the three income group is significantly different in only one case i.e. non-receipt of coupons as the reason for not trying the scheme. Table 4.51 shows that the 'P' values in all other case are more than 0.05.

4.9.3 Reasons for Not Making Use of Sales Promotion Premium Offer

It has been observed that 48.5 percent consumers did not avail special offers in kind at least once in a period of one year. Respondents were given five possible reasons for not using premium offers in the previous one year and they were expected to rank these reasons in the order of their importance to them. The listed reasons include over pricing of the brand by the marketer, inferior quality of the promoted brand, commonality of such schemes, brand loyalty of the buyers and over all unattractiveness of the scheme. Consumer's responses and the results of their detailed analysis are given in Tables 4.52 – 4.56.

Table 4.52

Reasons for Not Using Sales Promotion Premium Offer

Reasons	No.	Mean	S.D.
Over Priced	194	2.237	1.401
Inferior Quality	194	3.030	1.242
Commonality	194	3.711	1.190
Brand Loyalty	194	3.243	1.292
Unattractiveness	194	3.570	1.422

Source: Survey Data

It is clear from the table 4.52 that commonality and overall unattractiveness of premium offers are the most prominent reasons, which detract people from using such opportunities. Out of a maximum possible mean score of 5. 'commonality of the scheme' gets a mean value of 3.71 and 'unattractiveness' scores a mean value of 3.57. Over pricing gets least priority among all the reasons with the least mean value of 2.237. The least difference in the opinion of respondents lies with 'commonality of the scheme' as its standard deviation is the minimum (1.19).

Table 4.53

**Reasons for Not Using Sales Promotion Premium Offer
(Sex Wise Analysis)**

Reasons	Male			Female		
	No.	Mean	S.D.	No.	Mean	S.D.
Over Priced	120	2.163	1.378	74	2.349	1.439
Inferior Quality	120	3.098	1.215	74	2.921	1.286
Commonality	120	3.736	1.157	74	3.672	1.248
Brand Loyalty	120	3.174	1.272	74	3.350	1.325
Unattractiveness	120	3.741	1.397	74	3.310	1.430

Source: Survey Data

Table 4.54

Results of t-test for Equality of Means

Reasons	D.F.	t-value	Mean Difference	2-tail Significance
Over Priced	118	.821	.188	.413
Inferior Quality	118	-.891	-.177	.374
Commonality	118	-.345	-.064	.731
Brand Loyalty	118	.821	.176	.413
Unattractiveness	118	-2.000	-.430	.047

Table 4.53 provides information on the sex wise analysis of the consumer's reasons for not using premium offers. It appears that male

consumers are of the opinion that they do not avail this incentive primarily because such offers are not very attractive (mean value 3.741). Commonality of premium offers mainly dissuades female consumers from using the opportunity (mean value 3.672). Both sex give the least ranking to the reason, 'over priced'.

Results of t-test as given in the table 4.54 shows that difference in the opinion of male and female consumers is not significant in all the cases except in 'unattractiveness of the scheme' where the two-tail significance value is less than 0.05.

Table 4.55

Reasons for Not Using Sales Promotion Premium Offer (Income Wise Analysis)

Reasons	Low Income			Middle Income			High Income		
	No.	Mean	S.D.	No.	Mean	S.D.	No.	Mean	S.D
Over Priced	82	2.597	1.498	83	2.100	1.364	29	1.708	.999
Inferior Quality	82	3.224	1.301	83	2.850	1.114	29	3.040	1.399
Commonality	82	3.658	1.193	83	3.805	1.246	29	3.565	.992
Brand Loyalty	82	3.175	1.338	83	3.159	1.279	29	3.615	1.203
Unattractiveness	82	3.500	1.472	83	3.593	1.403	29	3.679	1.389

Source: Survey Data

Table 4.56

Results of Analysis of Variance

Reasons	Sources	D.F.	Sum of Squares	Mean Square	F-Ratio	P-Value
Over Priced	Between Groups	2	18.05	8.023	4.230	.016
Inferior Quality	Between Groups	2	4.90	2.452	1.602	.205
Commonality	Between Groups	2	1.38	.690	.485	.617
Brand Loyalty	Between Groups	2	4.35	2.174	1.308	.273
Unattractiveness	Between Groups	2	.71	.357	.175	.840

Results of income wise analysis of the consumer's reasons for not using premium schemes are incorporated in the table 4.55. It can be observed

from the table that for low and middle income consumers, commonality of the premium offers in the form of free gifts, bonus packs and product bundling is the main reason for not buying products under such offers. The mean score of low income group against this reason is 3.658 and that of middle income group is 3.805. Unattractiveness of the scheme (3.679) is the most important reason for high income group for not availing this benefit. As in the case of other tools, all the three income groups ranked 'over priced' as the least influencing or least important reason. More over, the opinion of the three income group is significantly different in only one case i.e. 'over priced' as the reason for not trying the scheme. Table 4.56 shows that the 'P' values in all other case are more than 0.50

4.9.4 Reasons for Not Using Sales Promotion Sampling Offer

Sampling fails to generate consumer's interest in the particular brand in 58.5 percent respondents as observed earlier in this study. This phenomenon has been studied by giving six possible reasons to the respondents to rank them in the order of their importance to them. Ranks from 1 to 6 were weighted assigning values 6, 5,4,3,2 and 1 for analysis purposes. Results of analysis are summarized in the Tables 4.57 – 4.61.

Table 4.57

Reasons for Not Using Sales Promotion Sampling Offer

Reasons	No.	Mean	S.D.
Over Priced	234	2.679	1.787
Inferior Quality	234	3.559	1.496
Commonality	234	4.473	1.190
Brand Loyalty	234	3.950	1.503
Unattractiveness	234	4.208	1.500
No Samples Received	234	3.935	1.971

Source: Survey Data

Table 4.57 shows that customers are of the opinion that sampling schemes are very common as a promotion strategy of fast moving consumer

goods. The mean score against this reason is 4.473, which is more than 4.208, the score against the second important reason of unattractiveness of this tool. Buyers also identified their loyalty to a particular brand and non-receipt of sample as important reasons. These points are ranked at number three and four respectively with 3.95 and 3.935 mean scores. Over pricing of such products does not seem to be a very important reason.

Table 4.58
Reasons for Not Using Sales Promotion Sampling Offer
(Sex Wise Analysis)

Reasons	Male			Female		
	No.	Mean	S.D.	No.	Mean	S.D.
Over Priced	145	2.480	1.657	89	2.970	1.938
Inferior Quality	145	3.509	1.488	89	3.634	1.488
Commonality	145	4.590	1.138	89	4.282	1.256
Brand Loyalty	145	3.882	1.513	89	4.057	1.493
Unattractiveness	145	4.289	1.513	89	4.079	1.147
No Samples Received	145	4.136	1.920	89	3.627	2.021

Source: Survey Data

Table 4.59
Results of t-test for Equality of Means

Reasons	D.F.	t-value	Mean Difference	2-tail Significance
Over Priced	232	1.742	.491	.083
Inferior Quality	232	.544	.125	.587
Commonality	232	-1.730	-.308	.085
Brand Loyalty	232	.762	.175	.447
Unattractiveness	232	-.958	-.210	.339
No Samples Received	232	-1.654	-.509	.100

Source: Survey Data

Table 4.58 and 4.59 provide results of the analysis of the gender wise reasons for the lack of popularity of the sampling scheme. Commonality of sampling as a tool of promotion and their lack of attraction are the first and second important reasons identified by consumers irrespective of their sex

difference. Results of t-test for equality of means also prove the point that for any listed reason the opinion of male and female consumer is not significantly different.

Table 4.60
Reasons for Not Using Sales Promotion Sampling Offer
(Income Wise Analysis)

Reasons	Low income			Middle income			High income		
	No.	Mean	S.D.	No.	Mean	S.D.	No.	Mean	S.D.
Over Priced	101	3.030	1.806	99	2.449	1.741	34	2.429	1.805
Inferior Quality	101	3.608	1.524	99	3.519	1.450	34	3.542	1.615
Commonality	101	4.385	1.187	99	4.651	1.215	34	4.125	1.035
Brand Loyalty	101	3.958	1.524	99	3.827	1.490	34	4.296	1.489
Unattractiveness	101	4.210	1.587	99	4.167	1.448	34	4.346	1.441
No Samples Received	101	4.028	2.069	99	3.658	1.929	34	4.591	1.652

Source: Survey Data

Table 4.61
Results of Analysis of Variance

Reasons	Sources	D.F.	Sum of Squares	Mean Square	F-Ratio	P-Value
Over Priced	Between Groups	2	13.60	6.80	2.158	.119
Inferior Quality	Between Groups	2	.32	.159	.070	.932
Commonality	Between Groups	2	6.25	3.123	2.234	.110
Brand Loyalty	Between Groups	2	4.47	2.233	.988	.374
Unattractiveness	Between Groups	2	.65	.325	.143	.866
No Samples Rec.	Between Groups	2	15.92	7.960	2.076	.129

As per Table 4.60, it is clear that consumers, classified on the basis of their income, think differently as the reason for low attractiveness of sampling as a means of promotion. Commonality of the scheme is the main reason for low and middle income groups of consumers where as it is non-receipt of samples for high income group. The differences in the mean scores among the three income groups proved insignificant in all the cases of the reasons since

in none of the case the 'P' value does not exceed 0.50 level as reveals by the table 4.61.

4.9.5 Reasons for Being Not Motivated by Point-of-Purchase Sales Promotion

A point-of-purchase display and feature advertisement at the shop is another tool of promotion scheme that is not very successful in attracting shoppers to the retail stores. According to this study only 42.2 percent respondents visit shops and buy their regular requirements because of POP promotional displays and advertisements. Six reasons were given to respondents to rank them in the order of their importance to them. Ranks from 1 to 6 were weighted assigning values 6, 5,4,3,2 and 1 for analysis purposes. Results of analysis are summarized in the tables 4.62 – 4.66.

Table 4.62

Reasons for Being Not Motivated by Point-of-Purchase Sales Promotion

Reasons	No.	Mean	S.D.
Over Priced	231	3.053	1.864
Inferior Quality	231	3.622	1.379
Commonality	231	4.200	1.311
Brand Loyalty	231	4.000	1.456
Unattractiveness	231	4.135	1.654
Store Loyalty	231	3.401	2.119

Source: Survey Data

A perusal of the table 4.62 makes it clear that very often marketers resort to this method of promotion and commonality of point-of-purchase promotions across wide range of brands of various products make this strategy of promotion less successful. Next to the commonality of the scheme (which has the highest mean score of 4.2), the over all unattractiveness of the strategy stands at the second position with a mean score of 4.135. Loyalty towards a particular brand (mean score 4.00) and inferior quality of the brand

displayed (mean score 3.62) happen to be the third and fourth reasons respectively. Store loyalty of the consumer and price considerations occupy the fifth and sixth positions.

Table 4.63

**Reasons for Being Not Motivated by Point-of-Purchase Sales Promotion
(Sex Wise Analysis)**

Reasons	Male			Female		
	No.	Mean	S.D.	No.	Mean	S.D.
Over Priced	138	3.075	1.833	93	3.026	1.912
Inferior Quality	138	3.718	1.410	93	3.494	1.334
Commonality	138	4.294	1.271	93	4.062	1.363
Brand Loyalty	138	3.905	1.464	93	4.128	1.445
Unattractiveness	138	4.242	1.645	93	3.976	1.664
Store Loyalty	138	3.358	2.119	93	3.462	2.130

Source: Survey Data

Table 4.64

Results of t-test for Equality of Means

Reasons	D.F.	t-value	Mean Difference	2-tail Significance
Over Priced	229	-.169	-.0485	.866
Inferior Quality	229	-1.083	-.224	.280
Commonality	229	-1.232	-.232	.219
Brand Loyalty	229	1.027	.223	.306
Unattractiveness	229	-1.138	-.265	.257
Store loyalty	229	.329	.104	.742

Gender wise analysis shows that male respondents ranked the six reasons in line with the general perception of consumers. Table 4.63 indicates that their main three reasons are commonality of the scheme, unattractiveness and brand loyalty in that order. However, female consumers are of the opinion that point of purchase promotions fails to catch their attention because of their strong loyalty with some other brands. Further, the analysis of the significance of gender wise difference in the opinion of consumers for not

buying displayed product, using t-test for equality of means, suggest that the opinion of male and female consumers are not divided significantly. Table 4.64 contains two-tail significance values having more than 0.05 against all the possible reasons.

Table 4.65

**Reasons for Being Not Motivated by Point-Of-Purchase Sales Promotion
(Income Wise Analysis)**

Reasons	Low Income			Middle Income			High Income		
	No.	Mean	S.D.	No.	Mean	S.D.	No.	Mean	S.D.
Over Priced	98	3.609	1.957	106	2.667	1.710	27	2.722	1.742
Inferior Quality	98	3.750	1.371	106	3.586	1.386	27	3.333	1.390
Commonality	98	4.060	1.291	106	4.355	1.357	27	4.083	1.176
Brand Loyalty	98	3.829	1.569	106	4.112	1.377	27	4.083	1.412
Unattractiveness	98	3.976	1.770	106	4.172	1.552	27	4.520	1.636
Store Loyalty	98	3.600	2.112	106	3.119	2.136	27	3.833	2.014

Source: Survey Data

Table 4.66

Results of Analysis of Variance

Reasons	Sources	D.F.	Sum of Squares	Mean Square	F-Ratio	P-Value
Over Priced	Between Groups	2	35.81	17.907	5.423	.005
Inferior Quality	Between Groups	2	3.04	1.520	.798	.452
Commonality	Between Groups	2	4.12	2.089	1.218	.298
Brand Loyalty	Between Groups	2	3.35	1.674	.787	.457
Unattractiveness	Between Groups	2	5.96	2.979	1.090	.338
Store Loyalty	Between Groups	2	14.72	7.361	1.651	.195

Results of income wise analysis of the reasons for not motivated by the POP promotions are given in the Table 4.65. It is clear that consumers think differently as the reason for low attractiveness of POP promotions. Commonality of the scheme is the main reason for low and middle income groups of consumers where as it is unattractiveness of the scheme for high income group. The differences in the mean scores against the given reasons among the three income groups proved insignificant in all the cases except in

the case of the reason 'over priced' where the 'P' value of .005 is less than 0.050 (table 4.66).

4.10 Repeat Purchase Behaviour of Consumers

It is clear from the foregoing analysis that 'price-off' and premium offers are utilized by more than half of the consumers whereas majority of consumers do not make use of the other three tools mentioned above. All consumers who utilise such offers may or may not repeat it. One of the important aims of consumer sales promotion strategies is that consumers develop a favourable attitude towards the promoted brand and there by create brand loyalty through repeated purchase of the same brand by the consumer for a reasonably long period. Therefore it is important to study the repeat purchasing behaviour of consumers once they buy a brand under a particular offer. Table 4.67 contains information relating to consumer's repeat purchasing behaviour.

Table 4.67

Repeat Purchase Behaviour of Consumers

Repurchase Behaviour	Price-off		Couponing		Premium		Sampling		POP	
	No.	%	No.	%	No.	%	No.	%	No.	%
No Repurchase	156	57.4	104	60.2	109	52.6	97	58.2	114	67.2
Next Immediate	55	20.4	52	30.4	59	28.8	47	28.5	26	15.5
1 Month	9	3.3	1	0.6	9	4.4	2	1.2	7	4.2
3 Months	5	1.9	2	1.2	6	2.9	4	2.4	1	0.6
6 Months	2	0.7	1	0.6	2	1.0	2	1.2	2	1.2
1 Year	3	1.1	1	0.6	1	0.5	1	0.6	1	0.6
Continuous	41	15.2	11	6.4	20	9.8	13	7.9	18	10.7
Total	271	100.0	172	100.0	206	100.0	166	100.0	169	100.0

Source: Survey Data

It can be seen from the above table (Table 4.67) that majority of consumers who bought a particular brand under the influence of any of the important sales promotion tool did not repurchase it at all. A small portion of

the consumers either made a repurchase of the same brand at the time of their next shopping only or continuously. Repurchase rate for a period ranging from one month to one year is insignificant. Maximum cases of repurchase occurred in the case of 'premium' followed by 'price-off', 'sampling', 'couponing' and 'point of purchase promotions'. While 'couponing' created maximum cases of repurchase at the time of next immediate shopping time (30.4%), 'price-off' was responsible for maximum cases of continuous purchases (15.2%). More detailed information relating to the repurchase behaviour is given below.

Price-Off: Out of the 271 respondents who had purchased a brand under the scheme, 57.4 percent people did not repurchase the same brand at all; 20.4 percent repurchased on their next shopping time; 15.2 percent made continuous repurchase.

Couponing: Out of the 172 respondents who had purchased a brand under the scheme, 60.2 percent did not repurchase the same brand at all; 30.4 percent repurchase on their next shopping time; 6.4 percent made continuous repurchase.

Premium: Out of the 206 respondents who had purchased a brand under the scheme, 52.6 percent people did not repurchase the same brand at all; 28.8 percent repurchased on their next shopping time; 9.8 percent made continuous repurchase.

Sampling: Out of the 166 respondents who had purchased a brand under the scheme, 58.2 percent people did not repurchase the same brand at all; 28.5 percent repurchased on their next shopping time; 7.9 percent made continuous repurchase.

Point-of-Purchase Promotions: Out of the 169 respondents who had purchased a brand under the scheme, 67.2 percent people did not repurchase

the same brand at all; 15.5 percent repurchased on their next shopping time; 10.7 percent made continuous repurchase.

The chi-square analysis applied to test whether there is any significant difference among the above sales promotion tools in creating repeat purchases give the value as 38.023 at 24 degrees of freedom. The 'P' values of 0.034 (less than 0.05) suggest that the difference is significant.

Consumer's repurchase behaviour of FMCGs subsequent to the purchase of the product under the influence of various promotional schemes is further analysed on the basis of gender of the respondents and their level of income. Results of these analyses are presented in separate tables for various schemes (Tables 4.68 – 4.77).

Table 4.68
Repeat Purchase Behaviour Under Price-Off Scheme
(Sex Wise Classification)

Repurchase Behaviour	Male		Female		Total	
	N	%	N	%	N	%
No Repurchase	84	54.7	72	61.0	156	57.4
Next Immediate Shopping Only	29	19.0	26	22.0	55	20.4
1 Month Repurchase	7	4.6	2	1.7	9	3.3
3 Months Repurchase	3	2.0	2	1.7	5	1.9
6 Months Repurchase	0	0.0	2	1.7	2	0.7
1 Year Repurchase	1	0.7	2	1.7	3	1.1
Continuous Repurchase	29	19.0	12	10.2	41	15.2
Total	153	100.0	118	100.0	271	100.0

Source: Survey Data

Table 4.68 presents the picture of sex wise analysis of data relating to repeat purchasing behaviour of consumers subsequent to a purchase under the influence of 'price-off' deals. It can be observed from the table that more female consumers made either no purchase or limited their repurchase to their next immediate shopping time only than male consumers. Male consumers liked to repurchase more continuously than their female counterparts. The

chi-square analysis produces a value of 9.168 at 6 degrees of freedom. A higher 'P' value of 0.164 at 5 percent level of confidence indicate that there is no significant difference between male and female consumers in making their repeat purchases subsequent to a purchase under the influence of 'price-off' deals

Table 4.69
Repeat Purchase Behaviour Under Price-Off Scheme
(Income Wise Classification)

Repurchase Behaviour	Low Income		Middle Income		High Income		Total	
	N	%	N	%	N	%	N	%
No Repurchase	61	56.5	79	58.6	16	55.2	156	57.4
Next Immediate Shopping	17	15.7	32	24.1	6	20.7	55	20.4
1 Month Repurchase	5	4.6	4	3.0	0	0.0	9	3.3
3 Months Repurchase	3	2.8	1	0.8	1	3.4	5	1.9
6 Months Repurchase	2	1.9	0	0.0	0	0.0	2	0.7
1 Year Repurchase	3	2.8	0	0.0	0	0.0	3	1.1
Continuous Repurchase	17	15.7	18	13.5	6	20.7	41	15.2
Total	108	100.0	134	100.0	29	100.0	271	100

Source: Survey Data

Table 4.69 carries figures relating to consumer's repurchase behaviour subsequent to their initial purchases under a discount offer, classified according to the respondent's level of income. It can be noted from the table that among the three income groups, more middle income consumers (58.6%) made no repurchases subsequently followed by low income consumers (56.5%) and high income consumers (55.2%). In their repurchase on next shopping time only, middle income consumers are again ahead of the other income groups. This is followed by high income consumers and low income consumers respectively. More high income consumers continuously repurchased than others. In an attempt to study the significance of difference among various income groups in their repurchase behaviour using chi-square analysis it was found that these differences are not significant since the 'P'

value obtained was 0.316 which is more than 0.05. The computed chi-square value is 13.765 at 12 degrees of freedom.

Table 4.70
Repeat Purchase Behaviour Under Coupon Scheme
(Sex Wise Classification)

Repurchase Behaviour	Male		Female		Total	
	N	%	N	%	N	%
No Repurchase	54	61.5	50	59.5	104	60.5
Next Immediate Shopping Only	23	26.1	29	34.5	52	30.1
1 Month Repurchase	0	0	1	1.2	1	0.6
3 Months Repurchase	1	1.1	1	1.2	2	1.2
6 Months Repurchase	0	0	1	1.2	1	0.6
1 Year Repurchase	1	1.1	0	0.0	1	0.6
Continuous Repurchase	9	10.2	2	2.4	11	6.4
Total	88	100.0	84	100.0	172	100.0

Source: Survey Data

Table 4.70 shows results of sex wise analysis of data relating to repeat purchasing behaviour of consumers subsequent to a purchase under the influence of 'couponing' schemes'. It can be seen from the table that more male consumers did not like to repurchase at all as compared to female consumers. Result is the same in the case of repurchase for a period of one year or continuous repurchase. In all other cases female consumers made better repurchases. The chi-square analysis produces a value of 8.184 at 6 degrees of freedom. A higher 'P' value of 0.225 at 5 percent level of confidence indicate that there is no significant difference between male and female consumers in making their repeat purchases subsequent to a purchase under the influence of 'couponing' deals.

Table 4.71

**Repeat Purchasing Behaviour Under Couponing Scheme
(Income Wise Classification)**

Repurchase Behaviour	Low Income		Middle Income		High Income		Total	
	N	%	N	%	N	%	N	%
No Repurchase	42	60.0	54	63.1	8	47.1	104	60.5
Next Immediate Shopping	16	22.9	29	34.5	7	41.2	52	30.1
1 Month Repurchase	1	1.4	0	0.0	0	0.0	1	0.6
3 Months Repurchase	1	1.4	0	0.0	1	5.9	2	1.2
6 Months Repurchase	1	1.4	0	0.0	0	0.0	1	0.6
1 Year Repurchase	1	1.4	0	0.0	0	0.0	1	0.6
Continuous Repurchase	8	11.4	2	2.4	1	5.9	11	6.4
Total	70	100.0	85	100.0	17	100.0	172	100

Source: Survey Data

Table 4.71 contains figures relating to consumer's repurchase behaviour subsequent to their initial purchases under a coupon scheme, classified according to the respondent's level of income. It is clear from the table that among the three income groups, larger middle-income consumers (63.1%) made no repurchases subsequently followed by low income consumers (60%) and high income consumers (47.1%). In their repurchase on next shopping time only, high income consumers (41.2%) are ahead of the other income groups. This is followed by middle income consumers (34.5%) and low income (22.9%) consumers respectively. Larger high income consumers (11.4%) made continuous repurchases than others. In an attempt to study the significance of difference among various income groups in their repurchase behaviour using chi-square analysis it was found that these differences are not significant since the 'P' value obtained was 0.170 which is more than 0.050. The computed chi-square value is 16.48 at 12 degrees of freedom.

Table 4.72

**Repeat Purchase Behaviour Under Premium Offers
(Sex Wise Classification)**

Behaviour	Male		Female		Total	
	N	%	N	%	N	%
No Repurchase	54	50.9	55	55.0	109	52.6
Next Immediate Shopping Only	31	29.2	28	28.0	59	28.8
1 Month Repurchase	5	4.7	4	4.0	9	4.4
3 Months Repurchase	4	3.8	2	2.0	6	2.9
6 Months Repurchase	1	1.0	1	1.0	2	1.0
1 Year Repurchase	1	1.0	0	0.0	1	0.5
Continuous Repurchase	10	9.4	10	10.0	20	9.8
Total	106	100.0	100	100.0	206	100.0

Source: Survey Data

Table 4.72 shows results of sex wise analysis of data relating to repeat purchasing behaviour of consumers subsequent to a purchase under the influence of 'premium' schemes'. As per the table premium offers did not lead to repurchase of the same brand in the case of 55 percent female and 50.9 percent male consumers. Male consumers lead the table as far as repurchases from 'next immediate shopping time' to a period of one year. More female consumers repurchased continuously under the influence of premium offers. Since the 'P' value of the chi-square analysis (0.933) is much higher than 0.050, it can be concluded that the difference is not significant between male and female consumers.

Table 4.73

**Repeat Purchase Behaviour under Premiums Scheme
(Income Wise Classification)**

Repurchase Behaviour	Low Income		Middle Income		High Income		Total	
	N	%	N	%	N	%	N	%
No Repurchase	45	54.9	53	53.1	11	44.0	109	52.6
Next Immediate Shopping	19	23.2	33	33.7	7	28.0	59	28.8
1 Month Repurchase	5	6.1	3	3.1	1	4.0	9	4.4
3 Months Repurchase	1	1.2	3	3.1	2	8.0	6	2.9
6 Months Repurchase	1	1.2	1	1.0	0	0.0	2	1.0
1 Year Repurchase	1	1.2	0	0.0	0	0.0	1	0.5
Continuous Repurchase	10	12.2	6	6.1	4	16.0	20	9.8
Total	82	100.0	99	100.0	25	100.0	206	100

Source: Survey Data

Table 4.73 contains figures relating to consumer's repurchase behaviour subsequent to their initial purchases under a premium scheme, classified according to the respondent's level of income. It can be observed from the table that Premium offers did not stimulate 54.9 percent of low income consumers, 53.1 percent middle income consumers and 44 percent high income consumers to purchase the same brand again. 33.7 percent middle income consumers, 28 percent high income consumers and 23.2 percent low income consumers repurchased it when they purchase the product next time. Low income consumers are the largest group in making continuous repurchases. Chi-square value of 10.42 and P value of 0.551 indicates that the differences among the three income groups in repurchasing the particular brand is not significant.

Table 4.74

**Repeat Purchase Behaviour under Sampling Scheme
(Sex Wise Classification)**

Repurchase Behaviour	Male		Female		Total	
	N	%	N	%	N	%
No Repurchase	48	59.3	49	57.6	97	58.2
Next Immediate Shopping Only	21	25.9	26	30.6	47	28.5
1 Month Repurchase	1	1.3	1	1.2	2	1.2
3 Months Repurchase	1	1.3	3	3.5	4	2.4
6 Months Repurchase	1	1.3	1	1.2	2	1.2
1 Year Repurchase	0	0	1	1.2	1	0.6
Continuous Repurchase	9	11.1	4	4.7	13	7.9
Total	81	100.0	85	100.0	166	100.0

Source: Survey Data

Table 4.74 shows results of sex wise analysis of data relating to repeat purchasing behaviour of consumers subsequent to a purchase under the influence of 'sampling' scheme. Accordingly, sampling schemes induced more female consumers to do future repeat purchases than male consumers. While 59.3 percent male consumers say that they did not purchase the same brand that they tried on receiving a sample, there are only 57.6 percent female consumers who belong to this category. Female consumers are also ahead of their male counterparts in making repeat purchases on their next shopping time. In the case of continuous repurchase, male consumers are far ahead of female consumers. Since the 'P' value of the chi-square analysis (0.63) is much higher than 0.05, it can be concluded that the difference is not significant between male and female consumers.

Table 4.75

**Repeat Purchase Behaviour Under Sampling Scheme
(Income Wise Classification)**

Repurchase Behaviour	Low Income		Middle Income		High Income		Total	
	N	%	N	%	N	%	N	%
No Repurchase	36	57.1	50	59.8	11	55.0	97	58.2
Next Immediate Shopping	15	23.8	24	29.3	8	40.0	47	28.5
1 Month Repurchase	1	1.6	1	1.2	0	0.0	2	1.2
3 Months Repurchase	1	1.6	2	2.4	1	5.0	4	2.4
6 Months Repurchase	2	3.2	0	0.0	0	0.0	2	1.2
1 Year Repurchase	1	1.6	0	0.0	0	0.0	1	0.6
Continuous Repurchase	7	11.1	6	7.3	0	0.0	13	7.9
Total	63	100.0	83	100.0	20	100.0	166	100.0

Source: Survey Data

Table 4.75 shows figures relating to consumer's repurchase behaviour subsequent to their initial purchases under a sampling scheme, classified according to the respondent's level of income. It is clear from the table that sampling as a promotional strategy also fails to achieve the objective of creating a favourable attitude in the minds of consumers as 59.8 percent of middle income consumers, 57.1 percent low income consumers and 55 percent high income consumers did not repurchase the same brand again. 40 percent high income consumers, 29.3 percent middle income consumers and 23.8 percent low income consumers repurchased it when they purchase the product next time. Low income consumers are the largest group in making continuous repurchases. Chi-square value of 9.86 and P value of 0.628 indicate that the difference among the three income groups in repurchasing the particular brand is not significant.

Table 4.76

**Repeat Purchase Behaviour Under POP Promotion Scheme
(Sex Wise Classification)**

Behaviour	Male		Female		Total	
	N	%	N	%	N	%
No Repurchase	58	66.0	56	69.1	114	67.2
Next Immediate Shopping Only	16	18.2	10	12.3	26	15.5
1 Month Repurchase	4	4.5	3	3.7	7	4.2
3 Months Repurchase	0	0.0	1	1.2	1	0.6
6 Months Repurchase	0	0.0	2	2.5	2	1.2
1 Year Repurchase	1	1.1	0	0.0	1	0.6
Continuous Repurchase	9	10.2	9	11.1	18	10.7
Total	88	100.0	81	100.0	169	100.0

Source: Survey Data

Table 4.76 presents results of sex wise analysis of data relating to repeat purchasing behaviour of consumers subsequent to a purchase under the influence of 'POP' promotion scheme. Point-of-purchase displays, feature advertisements at the retail centres neither induce consumers to make a trial purchase or repeat purchases in a big way. The above table shows that more men repurchased than women subsequent to their initial purchase. But men repurchased mainly for a short period where as more women repurchased continuously than men. Chi-square analysis produced a value of 5.329 at 6 degrees of freedom. The 'P' value of 0.502 indicates the lack of significant differences on gender basis.

Table 4.77

**Repeat Purchase Behaviour Under Point of Purchase Promotion Scheme
(Income Wise Classification)**

Repurchase Behaviour	Low Income		Middle Income		High Income		Total	
	N	%	N	%	N	%	N	%
No Repurchase	41	62.2	58	76.0	15	55.6	114	67.2
Next Immediate Shopping	11	16.7	11	14.7	4	14.8	26	15.5
1 Month Repurchase	3	4.5	2	2.7	2	7.4	7	4.2
3 Months Repurchase	0	0.0	0	0.0	1	3.7	1	0.6
6 Months Repurchase	2	3.0	0	0.0	0	0.0	2	1.2
1 Year Repurchase	0	0.0	1	1.3	0	0.0	1	0.6
Continuous Repurchase	9	13.6	4	5.3	5	18.5	18	10.7
Total	66	100.0	76	100.0	27	100.0	169	100

Source: Survey Data

Table 4.77 contain figures relating to consumer's repurchase behaviour subsequent to their initial purchases under a POP promotion scheme, classified according to the respondent's level of income. It shows that point of purchase displays and feature advertisements is not adequate enough to enthruse 76 percent of middle income consumers, 62.2 percent low income consumers and 55.6 percent high income consumers for purchasing the same brand again. 16.7 percent low income consumers, 14.8 percent high income consumers and 14.7 percent middle income consumers repurchased it when they purchase the product next time. High income consumers are the largest group in making continuous repurchases. Chi-square value of 16.51 and P value of 0.169 indicate that the differences among the three income groups in repurchasing the particular brand are not significant.

**A STUDY OF THE EFFECT OF SALES PROMOTION
ON CONSUMPTION OF FAST MOVING
CONSUMER GOODS IN KERALA**

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CHAPTER 5

CONSUMER SALES PROMOTION: EFFECT ON CONSUMER BEHAVIOUR

Consumer sales promotion of FMCGs has both short-term and long-term objectives. Short-term objectives include warding off competition by loading the consumers, initiating trial purchase of the brand in a highly competitive market and clearing out stock during the off-season. Long-term objectives include building brand image, loyalty and category expansion. Successful sales promotion creates additional revenue to the marketer or helps to maintain current revenue. While switching in favour of the marketer's brand, stockpiling and consumption acceleration help the former, preventing a switch out by using an appropriate promotion strategy is required to attain the latter.

As mentioned in the methodology part, four products have been selected representing four important categories of fast moving consumer goods in order to study the effect of sales promotion on customer's buying and consumption behaviour. These products are Tea, Toothpaste, Cereals and Detergent representing beverages, personal hygiene, food and toiletries respectively.

Tea is the most favourite beverage of majority of the people of India. India is not only self reliant in the production of tea but also enjoy a good share of the international market. In Kerala many national and local brands are available in the market along with unbranded and a few international brands. Popular brands of tea marketed in the state are Kannan Devan, Lipton, Taj, Red Label, AVT, Assam Apple Valley, Brook Bond, etc. The presence of many local, national and international players and the heterogeneous nature of

the buyers make the market highly competitive and always subject to flood of promotional schemes like coupons, discounts and gift and complements.

Toothpaste is another widely used product in the FMCG category. The market for this product is marked by the presence of a plethora of brands- local, national and international- competitive pricing, aggressive advertising and sales promotion activities. Buyers of toothpaste are generally ignorant about its quality, value etc. Kerala is a good market for this product mainly because the usage rate is very high both in rural and urban areas, given the very high sanitary and personal hygiene standards maintained by the people as compared to many of the other states in the country.

Revolutions in the field of packing and the change in the life style of people have helped the market for packaged foodstuffs to flourish. With the rising level of women employment, the time housewives can allot for their day-to-day domestic activities, especially cooking, has come down. Marketers identified this opportunity and started producing and marketing raw, semi-cooked and packaged ready to eat eateries. Now shelves of supermarkets are filled with a wide range of cereals and cereal based products.

Surf, Henko, Wheel, Mr. White are some of the prominent brands in the market for detergents in Kerala. With the increase in the purchasing power of people and rationalisation of prices of washing machines, the demand for detergent has soared to new heights in the country in general and Kerala in particular. As there are various substitutes for detergents like washing soaps, marketers resort to large scale advertising and promotional offers to lure the buyers.

The likely effects of important sales promotion tools like Discount, Coupons, Premiums, Sampling and Point-Of-Purchase promotions are studied in this chapter. Various aspects like brand switching, trial purchase, stockpiling, creating loyalty and consumption acceleration and deceleration are focused in detail. Consumer's considerations while purchasing their daily

requirements, periodicity of their purchase, factors that motivated them to select the particular brand and the extent of their loyalty to the brand they use are some of the other aspects discussed in this chapter.

5.1 Purchase Criteria of FMCGs

While purchasing their daily requirements consumers consider various factors for different products. Quality of the different brands of the product, their comparative price level, size and type of offers available on different brands, buyer's convenience in getting a particular brand from the near by shop and availability of credit facilities are some of the factors a consumer reckons while deciding to purchase a particular brand of FMCG. Respondents were requested to rank the above points in the order of their importance to them and for the purpose of analysis due weights were given to these ranks. Ranks from 1 to 5 were assigned values 5, 4, 3, 2, and 1 respectively. The most important criterion of the consumer in buying these products was determined on the basis of mean values obtained by each factor. The maximum possible value is 5.

Table 5.1 shows the mean and standard deviation of the ranks given by the respondents for different criteria representing their preference while buying a particular brand of tea, toothpaste, cereals and detergent

Table 5.1
Consumer's Purchase Criteria of FMCGs

Criterion	Tea			Toothpaste			Cereals			Detergent		
	N	Mean	S.D.	N	Mean	S.D.	N	Mean	S.D.	N	Mean	S.D.
Quality	400	4.818	.561	391	4.583	.927	396	4.694	.740	393	4.613	.835
Price	367	3.771	.726	370	3.778	.852	365	3.775	.759	369	3.832	.779
Offers	350	2.320	.883	358	2.556	.988	346	2.387	.942	350	2.529	1.017
Convenience	332	2.560	.952	333	2.592	1.033	339	2.625	1.031	333	2.565	1.021
Credit	325	1.689	1.074	318	1.739	1.147	323	1.743	1.150	318	1.692	1.095

Source: Survey Data

Tea: - It can be noted from the table that consumers are very quality conscious in buying this beverage product. 'Quality', which obtained highest mean value of 4.818, is the most important factor followed by 'price' (mean value 3.771), 'convenience' (mean value 2.56), 'offers' (mean value 2.32) and 'credit facility' (mean value 1.689). The lowest standard deviation of .561 in the case of 'quality' indicates that there is maximum convergence in the opinion of people. It is clear that the people of Kerala are first concerned on their health and then on wealth in selecting a particular brand of tea. Offers and credit facilities do not lure them much.

Toothpaste: - It can be observed from the table that 'quality' is the factor that obtained highest mean value of 4.583 followed by 'price' (mean value 3.778), 'convenience' (mean value 2.592), 'offers' (mean value 2.556) and 'credit facility' (mean value 1.147). The lowest and highest standard deviations are 0.852 (in the case of 'price') and 1.147 (in the case of 'credit'). There fore it may be concluded that as in the case of tea, the prime consideration of the buyers of this personal hygiene product is quality.

Cereals: - A perusal of the table indicates that the mean value of 4.694 against 'quality' is far higher than any other factor. 'Price' and 'convenience' assume the second and third positions with mean values of 3.775 and 2.625 against them. Offers (mean value 2.387) and credit (1.743) are at the bottom of the table indicating that these are not important considerations of buyers in the case of cereals. The lowest and highest standard deviations are 0.852 (in the case of 'price') and 1.147 (in the case of 'credit'). Standard deviation of 'credit' is the maximum and 'quality' is the minimum.

Detergent: - It can be seen that consumers are very quality conscious in buying this personal hygiene product as well. As in the case of the other three products quality is the factor that receives highest attention of the buyers. Mean value of this criterion is 4.613. Price (mean value 3.832), convenience

(mean value 2.565), offers (mean value 2.529) and credit facility (mean value 1.692) take the position from two to five.

The above data relating to the purchase criteria of consumers of the four products are further classified on the basis of sex of the respondents in order to study the influence of gender on this aspect. Tables 5.2 – 5.9 contain data relating to consumer's purchase criteria of FMCGs classified on the basis of gender and the results t-test conducted to determine the significance of the difference between the two groups.

Table 5.2
Purchase Criteria of Tea (Sex Wise Analysis)

Criterion	Male			Female		
	No.	Mean	S.D.	No.	Mean	S.D.
Quality	226	4.757	.672	174	4.897	.358
Price	209	3.775	.722	158	3.766	.733
Offers	197	2.319	.860	153	2.320	.871
Convenience	187	2.642	.998	145	2.455	.882
Credit	181	1.707	1.119	144	1.667	1.018

Source: Survey Data

Table 5.3
Results of t-test for Equality of Means

Criterion	D.F.	t-value	Mean Difference	2-tail Significance
Quality	398	2.488	.140	.013
Price	365	-.121	-.009	.903
Offers	348	.005	.0004	.996
Convenience	330	-1.777	-.186	.076
Credit	323	-.337	-.040	.736

Sex wise perception of consumers on the criteria for selecting a particular brand of tea is incorporated in the table 5.2. It can be seen that the factors that influence male and female consumers are common in their order of importance i.e. 'quality', 'price', 'convenience', 'offers' and 'credit'. Male

buyers are more influenced by 'price', 'convenience', and 'credit' than female buyers. However, female buyers are ahead of male buyers in the influence of 'quality' and 'offers' when they purchase tea.

Results of 't-test', conducted for calculating equality of means in order to ascertain whether there is significant difference in the opinion of the two groups of consumers, are shown in the table 5.3. Accordingly, male and female buyer's opinion is significantly different only in the case of 'quality', where the t-value (2.488) is the highest and the two-tail significance 'P' value of 0.013 is less than 0.050 (5% level of confidence).

Table 5.4
Purchase Criteria of Toothpaste (Sex Wise Analysis)

Criterion	Male			Female		
	No.	Mean	S.D.	No.	Mean	S.D.
Quality	221	4.570	.910	170	4.600	.951
Price	211	3.763	.868	159	3.799	.833
Offers	205	2.615	1.021	153	2.477	.940
Convenience	189	2.598	1.030	144	2.583	1.041
Credit	178	1.736	1.161	140	1.742	1.134

Source: Survey Data

Table 5.5
Results of t-test for Equality of Means

Criterion	D.F.	t-value	Mean Difference	2-tail Significance
Quality	389	.315	.030	.753
Price	368	.399	.036	.690
Offers	356	-1.320	-.138	.193
Convenience	331	-.127	-.015	.899
Credit	316	.053	.007	.958

Sex wise perception of consumers on the criteria for selecting a particular brand of toothpaste is presented in the table 5.4. It can be noted that the first three important criteria of male consumers are 'quality', 'price' and

'offers' where as female consumers consider 'convenience' as their third important criterion. Male buyers are more influenced by 'offers' and 'convenience' than female buyers. However, female buyers are ahead of male buyers in the influence of 'quality', 'price' and 'credit' criteria when they purchase toothpaste.

Results of 't-test', used for calculating equality of means in order to ascertain whether there is any significant difference in the opinion of the two groups of consumers, are shown in the table 5.5. It is clear from the table that male and female buyer's opinions are not significantly different in any one of the above cases since 'P' values are more than 0.050 (5% level of confidence).

Table 5.6
Purchase Criteria of Cereals (Sex Wise Analysis)

Criterion	Male			Female		
	No.	Mean	S.D.	No.	Mean	S.D.
Quality	226	4.664	.773	170	4.735	.693
Price	209	3.751	.794	156	3.808	.710
Offers	196	2.418	.938	150	2.347	.948
Convenience	190	2.816	1.026	149	2.638	1.041
Credit	182	1.791	1.212	141	1.681	1.064

Source: Survey Data

Table 5.7
Results of t-test for Equality of Means

Criterion	D.F.	T-value	Mean Difference	2-tail Significance
Quality	394	.953	.072	.341
Price	363	.703	.057	.482
Offers	344	-.701	-.072	.484
Convenience	337	.193	.022	.847
Credit	321	-.855	-.110	.393

Sex wise perception of consumers on the criteria for selecting a particular brand of cereal is given in the table 5.6. It may be noted that the first three important criteria of both groups of consumers are 'quality', 'price' and 'convenience'. Female buyers give more importance to quality and price than male buyers where as in the rest of the cases it is vice versa.

Results of 't-test', administered for calculating equality of means in order to ascertain whether there is significant difference in the opinion of the two groups of consumers, are shown in the table 5.7. It is clear from the table that male and female buyer's opinions are not significantly different in any one of the above cases since 'P' values are more than 0.050 (5% level of confidence).

Table 5.8
Purchase Criteria of Detergent (Sex Wise Analysis)

Criterion	Male			Female		
	No.	Mean	S.D.	No.	Mean	S.D.
Quality	223	4.819	.818	170	4.606	.859
Price	210	3.867	.752	159	3.786	.814
Offers	200	2.545	.991	150	2.507	1.054
Convenience	187	2.546	.979	146	2.589	1.074
Credit	178	1.663	1.104	140	1.729	1.085

Source: Survey Data

Table 5.9
Results of t-test for Equality of Means

Criterion	D.F.	t-value	Mean Difference	2-tail Significance
Quality	391	-.152	-.013	.879
Price	367	-.982	-.801	.327
Offers	348	-.348	-.038	.728
Convenience	331	.386	.044	.700
Credit	316	.530	.066	.596

Sex wise perception of consumers on the criteria for selecting a particular brand of detergent is incorporated in the table 5.8. It can be observed that the factors that influence male and female consumers are common in their order of importance i.e. quality, price, convenience, offers and credit. Male buyers are more influenced by quality, price and offers than female buyers. However, female buyers are ahead of male buyers in the influence of 'convenience' and 'credit'.

Results of 't-test', carried out for calculating equality of means in order to ascertain whether there are significant differences in the opinion of the two groups of consumers in taking purchase decisions, are shown in the table 5.9. Accordingly, male and female buyer's opinion is not significantly different in the case of any of the criteria since in all the cases the 'P' values are more than 0.050 (5% level of confidence).

Data relating to consumer's purchase criteria in buying fast moving consumer goods is further analysed on the basis of the level of income of respondents. Results of the analysis are presented in the Tables 5.10 – 5.17

Table 5.10
Purchase Criteria of Tea (Income Wise Analysis)

Criterion	Low Income			Middle Income			High Income		
	No.	Mean	S.D.	No.	Mean	S.D.	No.	Mean	S.D.
Quality	164	4.781	.665	182	4.808	.527	54	4.963	.191
Price	148	3.778	.688	170	3.771	.762	49	3.755	.723
Offers	137	2.321	.931	166	2.301	.856	47	2.383	.863
Convenience	130	2.577	1.003	162	2.537	.913	40	2.600	.955
Credit	130	1.762	1.077	155	1.684	1.121	40	1.475	.847

Source: Survey Data

Table 5.11
Results of Analysis of Variance

Criterion	Source	D.F.	Sum of Squares	Mean Square	F-Ratio	P-Value
Quality	Between Groups	2	1.39	.692	2.212	.111
Price	Between Groups	2	.02	.009	.017	.983
Offers	Between Groups	2	.245	.123	.164	.849
Convenience	Between Groups	2	.19	.093	.102	.903
Credit	Between Groups	2	2.52	1.260	1.093	.336

Table 5.10 provides information on the purchase criteria of consumers of tea divided on the basis of their level of income. As per the table it is clear that consumer's level of income has no influence on the criteria they use to buy tea. For all income groups 'quality', 'price', 'convenience', 'offers' and 'credit' appear to be their criteria in that order. High-income buyers are most quality conscious followed by middle and low-income groups. On the contrary, low-income buyers are more price-sensitive than middle-income group. High-income buyers are the least price-sensitive.

F-ratios were obtained through the analysis of variance for the purpose of studying significance of differences among the three income groups. Table 5.11 indicates that despite the high F-ratio of 2.212 with the criteria 'quality', the differences of opinion among the three income groups are not significant with respect to any of the above criteria.

Table 5.12
Purchase Criteria of Toothpaste (Income Wise Analysis)

Criterion	Low Income			Middle Income			High Income		
	No.	Mean	S.D.	No.	Mean	S.D.	No.	Mean	S.D.
Quality	161	4.615	.874	177	4.531	.977	53	4.660	.919
Price	147	3.721	.867	173	3.884	.813	50	3.580	.852
Offers	141	2.645	1.043	168	2.452	.921	49	2.653	1.032
Convenience	130	2.608	1.089	162	2.482	1.004	41	2.976	.880
Credit	125	1.720	1.090	155	1.819	1.225	38	1.474	.979

Source: Survey Data

Table 5.13
Results of Analysis of Variance

Criterion	Source	D.F.	Sum of Squares	Mean Square	F-Ratio	P-Value
Quality	Between Groups	2	.96	.479	.557	.574
Price	Between Groups	2	4.40	2.197	3.061	.048
Offers	Between Groups	2	3.39	1.696	1.745	.176
Convenience	Between Groups	2	8.04	4.022	3.831	.023
Credit	Between Groups	2	3.72	1.860	1.417	.244

It can be noted from the Table 5.12 that quality of the product and its price are the first and second important considerations in buying toothpaste for all the three income groups. The third important factor for low-income group is 'offers' where as it is 'credit' for middle and high-income groups. High-income buyers are most quality conscious followed by low-income groups and middle-income group. Middle-income group and high-income group are the most price sensitive and least price sensitive groups. Sales promotion offers attract the high-income buyers the maximum and low-income consumers the minimum.

F-ratios were obtained through analysis of variance for the purpose of studying significance of differences among the three income groups. Table 5.13 indicates that there are significant differences in the opinion of the buyers of the three income groups as far as the role of price and convenience in the purchasing decisions. The F-ratio of convenience is 3.831 and that of price is 3.061. In both these cases the 'P' value are less than 0.050.

Table 5.14**Purchase Criteria of Cereals (Income Wise Analysis)**

Criterion	Low Income			Middle Income			High Income		
	No.	Mean	S.D.	No.	Mean	S.D.	No.	Mean	S.D.
Quality	161	4.733	.705	182	4.642	.779	53	4.755	.705
Price	147	3.789	.733	169	3.805	.734	49	3.633	.906
Offers	134	2.321	.939	167	2.431	.954	45	2.422	.917
Convenience	135	2.659	1.059	162	2.500	1.010	42	3.000	.937
Credit	129	1.791	1.123	156	1.744	1.201	38	1.579	1.030

Source: Survey Data

Table 5.15**Results of Analysis of Variance**

Criterion	Source	D.F.	Sum of Squares	Mean Square	F-Ratio	P-Value
Quality	Between Groups	2	.92	.458	.836	.434
Price	Between Groups	2	1.17	.586	1.017	.363
Offers	Between Groups	2	.96	.483	.543	.581
Convenience	Between Groups	2	8.59	4.30	4.116	.017
Credit	Between Groups	2	1.31	.658	.496	.609

The classification of the data on the basis of respondents income as presented in the table 5.14 reveals that quality of the product, its price and convenience in buying are the first, second and third important considerations for all the three groups of consumers. High income buyers are most quality conscious followed by low income groups and middle income group. Middle income group and high income group are the most price sensitive and least price sensitive groups respectively. High-income consumers weigh 'convenience' as more important than other groups and middle income group of consumers feel the greatest influence of sales promotion offers as compared to other groups.

Table 5.15 indicates that there is significant difference in the opinion of the buyers of the three income groups as far as the role of convenience in

the purchasing decisions on cereals. The F-ratio of this criterion is 4.116 and the 'P' value is 0.17.

Table 5.16

Purchase Criteria of Detergent (Income Wise Analysis)

Criterion	Low Income			Middle Income			High Income		
	No.	Mean	S.D.	No.	Mean	S.D.	No.	Mean	S.D.
Quality	161	4.615	.814	180	4.606	.842	52	4.635	.886
Price	148	3.851	.794	171	3.854	.733	50	3.700	.779
Offers	140	2.629	1.082	166	2.440	.963	44	2.546	.999
Convenience	132	2.508	1.105	161	2.503	1.013	40	3.000	.987
Credit	125	1.664	1.008	155	1.736	1.174	38	1.605	1.095

Source: Survey Data

Table 5.17

Results of Analysis of Variance

Criterion	Sources	D.F.	Sum of Squares	Mean Square	F-Ratio	P-Value
Quality	Between Groups	2	.03	.017	.025	.975
Price	Between Groups	2	1.02	.504	.829	.437
Offers	Between Groups	2	2.72	1.361	1.317	.269
Convenience	Between Groups	2	8.62	4.310	4.218	.016
Credit	Between Groups	2	.68	.338	.281	.755

A perusal of the Table 5.16, which contain data relating to the income wise classification of the respondents criteria for selecting a particular brand of detergent, makes it clear that quality of the product and its price are the first and second important considerations for all the three groups of consumers. Low-income consumers think that 'offers' is the next important consideration where as for the other two groups it is 'convenience' at the third spot. High-income buyers are most quality conscious followed by low-income groups and middle-income group. Middle-income group and high-income group are the most price sensitive and least price sensitive groups

respectively. High-income consumers weigh convenience as more important than other groups and low-income group of consumers feel the greatest influence of sales promotion offers as compared to other groups.

Table 5.17 indicates that there is significant difference in the opinion of the buyers of the three income groups only in the case of 'convenience'. The F-ratio of this criterion is 4.218. 'P' value of 0.016 is less than 0.050 at the 5% level of confidence.

5.2 Purchase Frequency of FMCGs

Sales promotion offers intending to load the consumer and increase his consumption rate and incidence are attached with large packets of the products. Needless to say that purchase frequency of larger packets will be comparatively lesser than smaller packets. It would be appropriate, in this context, to know the consumer's purchase frequency of the products they consume regularly. Data relating to the purchase frequency of buyers are incorporated in the Table 5.18.

Table 5.18
Consumer's Purchase Frequency of FMCGs

Purchase Frequency	Tea		Toothpaste		Cereals		Detergent	
	No.	%	No.	%	No.	%	No.	%
Daily	2	0.5	1	0.3	7	1.8	2	0.5
Once in a Week	71	17.8	22	5.5	64	16.0	32	8.0
Once in Two Weeks	146	36.4	109	27.2	126	31.4	110	27.4
Once in a Month	166	41.5	227	56.6	153	38.2	205	51.3
Once in 3 Months	9	2.3	29	7.3	14	3.5	28	7.0
Occasionally	6	1.5	12	3.1	36	9.1	23	5.8
Total	400	100.0	400	100.0	400	100.0	400	100.0
Mode	4 th item		4 th item		4 th item		4 th item	

Source: Survey Data

It can be seen from the table (Table No.5.18) that majority of the consumers buy all the products once in a month. A fairly large portion buys their routine requirements once in two weeks. Those who buy these products either daily or occasionally are very small in numbers. As the mode value lies in the fourth item i.e. 'once in a month' for all the four products it can be safely concluded that people generally make their purchases of fast moving consumer goods once in a month. Product wise details of purchase frequency are given below.

Tea: - In the case of tea, 41.5% buys once in a month; 36.4% buys once in two weeks; 17.8% buys once in a week; 2.3% buys once in 3 months; 1.5% buys occasionally and 0.5% buys daily.

Toothpaste: -In the case of toothpaste, 56.6% buys once in a month; 27.2% buys once in two weeks; 7.3% buys once in three months; 5.5% buys once in a week; 3.1% buys occasionally and 0.3% buys daily.

Cereals: - In the case of cereals, 38.2% buys once in a moth; 31.4% buys once in two weeks; 16% buys once in a week; 9.1% buys occasionally; 3.5% buys once in 3 months and 1.8% buys daily.

Detergent: - In the case of detergent, 51.3% buys once in a moth; 27.4% buys once in two weeks; 8% buys once in a week; 7% buys Once in 3 Months; 5.8% buys occasionally and 0.5% buys daily.

The data relating to the purchase frequency of the four products are further studied on gender basis to know the differences between male and female consumers in this respect. Chi-square test has been applied to ascertain the significance level of these differences. All these particulars are incorporated in the tables 5.19 – 5.23.

Table 5.19**Purchase Frequency of Tea (Sex Wise Classification)**

Purchase Frequency	Male		Female		Total	
	N	%	N	%	N	%
Daily	2	0.9	0	0.0	2	0.5
Once in a Week	50	22.1	21	12.1	71	17.8
Once in Two Weeks	76	33.6	70	40.2	146	36.5
Once in a Month	89	39.4	77	44.3	166	41.5
Once in 3 Months	5	2.2	4	2.3	9	2.3
Occasionally	4	1.8	2	1.1	6	1.5
Total	226	100.0	174	100.0	400	100.0

Source: Survey Data

Table 5.19 indicates that there is no difference in the pattern of purchase of tea between the two groups. But in the cases of purchase of the product 'once in a month', 'once in two weeks' and 'once in 3 months' more female consumers are involved. More male consumers resort to the practice of shopping 'once in a week', 'occasionally' and 'daily' than female.

Table 5.20**Purchase Frequency of Toothpaste (Sex Wise Classification)**

Purchase Frequency	Male		Female		Total	
	N	%	N	%	N	%
Daily	0	0.0	1	0.6	1	0.3
Once in a Week	15	6.6	7	4.0	22	5.5
Once in Two Weeks	65	28.8	44	25.3	109	27.3
Once in a Month	121	53.5	106	60.9	227	56.8
Once in 3 Months	20	8.8	9	5.2	29	7.3
Occasionally	5	2.2	7	4.0	12	2.8
Total	226	100.0	174	100.0	400	100.0

Source: Survey Data

A reference to the Table 5.20 helps one to understand the buying frequency of the two groups of buyers in the case of toothpaste. There is no difference in the periodicity of purchase of toothpaste between the two

groups. Men lead in the cases of purchases of the product 'once in two weeks', 'once in 3 months' and 'once in a week' over women customers where as in the rest of the cases it is vice versa.

Table 5.21
Purchase Frequency of Cereals - Sex Wise Classification

Purchase Frequency	Male		Female		Total	
	N	%	N	%	N	%
Daily	7	3.1	0	0.0	7	1.8
Once in a Week	46	20.4	18	10.3	64	16.0
Once in Two Weeks	68	30.1	58	33.3	126	31.5
Once in a Month	74	32.7	79	45.4	153	38.3
Once in 3 Months	8	3.5	6	3.4	14	3.5
Occasionally	23	10.2	13	7.5	36	9.0
Total	226	100.0	174	100.0	400	100.0

Source: Survey Data

Table 5.21 reveals that there is no difference in the frequency pattern of purchase of the food item cereal between men and women. But in the cases of purchase of the product 'once in a month' and 'once in two weeks' more female consumers are involved. In the rest of the cases male consumers lead over female consumers.

Table 5.22
Purchase Frequency of Detergent (Sex Wise Classification)

Purchase Frequency	Male		Female		Total	
	N	%	N	%	N	%
Daily	1	0.4	1	0.6	2	0.5
Once in a Week	21	9.3	11	6.3	32	8.0
Once in Two Weeks	59	26.1	51	29.3	110	27.5
Once in a Month	113	50.0	92	52.9	205	51.3
Once in 3 Months	16	7.1	12	6.9	28	7.0
Occasionally	16	7.1	7	4.0	23	5.7
Total	226	100.0	174	100.0	400	100.0

Source: Survey Data

A look in to the Table 5.22 gives a clear picture about the buying frequency of the two groups of buyers in the case of detergent. Male buyers lead in the cases of purchases of the product 'once in a week', 'once in 3 months' and occasional purchase over female customers where as in the rest of the cases it is vice versa.

Table 5.23
Results of Chi-Square Analysis

Product	X² Values	D.F.	P. Value
Tea	9.131	5	.104
Toothpaste	7.578	5	.271
Cereals	18.469	5	.005
Detergent	3.529	5	.740

Results of chi-square test conducted to ascertain whether there is any significant difference in the opinion of the two groups of buyers on the purchase frequency of the four products are presented in the Table 5.23. From the table it is clear that the difference in the opinion of male and female buyers as to their periodicity of buying is significant only in the case of cereals. In this case the 'P' value of 0.005 is well below the comparable value of 0.05 at 5% level of confidence. In all other cases the reported differences are merely due to chance factors.

In order to study the influence of income of the buyer on the frequency of his/her purchase, the data relating to this aspect is further examined on the basis of income level of consumers. Results of this study in respect of the various products are provided in the Tables 5.24 – 5.28.

Table 5.24**Purchase Frequency of Tea (Income Wise Classification)**

Purchase Frequency	Low Income		Middle Income		High Income		Total	
	N	%	N	%	N	%	N	%
Daily	2	1.2	0	0.0	0	0.0	2	0.5
Once in a Week	35	21.3	29	15.9	7	13.0	71	17.8
Once in Two Weeks	59	36.0	74	40.7	13	24.1	146	36.5
Once in a Month	60	36.6	73	40.1	33	61.1	166	41.5
Once in 3 Months	4	2.4	4	2.2	1	1.9	9	2.3
Occasionally	4	2.4	2	1.1	0	0.0	6	1.5
Total	164	100.0	182	100.0	54	100.0	400	100.0

Source: Survey Data

Level of the buyer's income appears to be influencing the purchase frequency of tea. The above table (5.24) shows that high income group of consumers are well ahead of the other two groups in their purchase of tea 'once in a month' (61.1%); middle income group of consumers (40.7%) lead the table in the purchase of the product 'once in two weeks' and more low income consumers (21.3%) make 'once in a week' purchase of tea than the other two groups of buyers. No buyer belonging to middle-income or high-income group makes daily purchases of the product.

Table 5.25**Purchase Frequency of Toothpaste (Income Wise Classification)**

Purchase Frequency	Low Income		Middle Income		High Income		Total	
	N	%	N	%	N	%	N	%
Daily	0	0.0	1	0.5	0	0.0	1	0.3
Once in a Week	8	4.9	9	4.9	5	9.3	22	5.5
Once in Two Weeks	44	26.8	56	30.8	9	16.7	109	27.3
Once in a Month	93	56.7	101	55.5	33	61.1	227	56.8
Once in 3 Months	12	7.3	11	6.0	6	11.1	29	7.3
Occasionally	7	4.3	4	2.1	1	1.9	12	2.8
Total	164	100.0	182	100.0	54	100.0	400	100.0

Source: Survey Data

It can be observed from the table 5.25 that the purchase interval of most of the consumers belonging to all income groups is ranging from two weeks to three months. High-income group of consumers constitute the largest portion of buyers who buy the product once in a month and middle-income consumers constitute the largest portion of buyers who buy once in two weeks. Occasional buyers are more from low-income group.

Table 5.26

Purchase Frequency of Cereals (Income Wise Classification)

Purchase Frequency	Low Income		Middle Income		High Income		Total	
	N	%	N	%	N	%	N	%
Daily	5	3.0	2	1.1	0	0.0	7	1.8
Once in a Week	36	22.0	24	13.2	4	7.4	64	16.0
Once in Two Weeks	41	25.0	71	39.0	14	25.9	126	31.5
Once in a Month	54	32.9	72	39.6	27	50.0	153	38.3
Once in 3 Months	9	5.5	3	1.6	2	3.7	14	3.5
Occasionally	19	11.6	10	5.5	7	13.0	36	9.0
Total	164	100.0	182	100.0	54	100.0	400	100.0

Source: Survey Data

Level of the buyer's income appears to be influencing the purchase frequency of cereals also. The above table (5.26) shows that high income group of consumers are well in front of the other two groups in their purchase of cereals 'once in a month' (50%); Middle income group of consumers (39%) lead the table in the purchase of the product 'once in two weeks' and more low income consumers (22%) make 'once in a week' purchase of tea than the other two groups of buyers.

Table 5.27**Purchase Frequency of Detergent (Income Wise Classification)**

Purchase Frequency	Low Income		Middle Income		High Income		Total	
	N	%	N	%	N	%	N	%
Daily	0	0.0	2	1.1	0	0.0	2	0.5
Once in a Week	16	9.8	13	7.1	3	5.6	32	8.0
Once in Two Weeks	42	25.6	52	28.6	16	29.6	110	27.5
Once in a Month	78	47.6	94	51.6	33	61.1	205	51.3
Once in 3 Months	14	8.5	13	7.1	1	1.9	28	7.0
Occasionally	14	8.5	8	4.4	1	1.9	23	5.7
Total	164	100.0	182	100.0	54	100.0	400	100.0

Source: Survey Data

Table 5.27 describes the position of consumer's income wise differences of the purchase frequency of detergent. According to this table more low-income buyers buy once in a week, once in three months and occasionally. More high-income buyers purchase once in two weeks and once in a month.

Table 5.28**Results of Chi-Square Analysis**

Product	X² Values	D.F.	P. Value
Tea	16.344	10	.090
Toothpaste	11.102	10	.520
Cereals	30.421	10	.002
Detergent	14.144	10	.292

Results of chi-square test conducted to ascertain whether there is any significant difference in the opinion of the three groups of buyers as to the purchase frequency of the four products are presented in the Table 5.28. From the table it is clear that the difference in the opinion of the consumers of the three income groups as to their periodicity of buying is significant only in the case of cereals. In this case the 'P' value of 0.002 is well below the

comparable value of 0.050 at 5% level of significance. In all other cases the reported differences are merely due to chance factors.

5.3 Factors Motivated to Purchase the Currently Used Brand

It would be interesting to study the immediate cause of purchasing a particular brand of the four categories of products that the consumer is using presently. It will help in understanding the level of motivational role of sales promotion, advertisement, salesmanship, reference groups, conventional thinking and impulsiveness in the buyer behavior. Statistical tool of mode has been used to identify the most important factor that motivated consumers to buy the brand they are using presently. Table 5.29 given below throws light in to this aspect of the study.

Table 5.29

Factors Motivated to Purchase the Currently Used Brand

Motivational Factors	Tea		Toothpaste		Cereals		Detergent	
	No.	%	No.	%	No.	%	No.	%
Sales Promotion	18	4.5	21	5.3	11	2.8	28	7.0
Advertisement	28	7.0	57	14.3	20	5.0	64	16.0
Salesmanship	20	5.0	13	3.3	23	5.8	12	3.0
Reference Groups	48	12.0	58	14.5	44	11.0	52	13.0
Convention	186	46.5	133	33.1	165	41.1	110	27.4
Impulse	58	14.5	83	20.7	73	18.3	77	19.3
Other Factors	42	10.5	35	8.8	64	16.0	57	14.3
Total	400	100.0	400	100.0	400	100.0	400	100.0
Mode	5 th item		5 th item		5 th item		5 th item	

Source: Survey Data

The table elicits the following information:

Tea: - It can be observed from the table that people of Kerala keep the habit of using a particular brand of tea for a long time by convention. 46.5 percent of consumers of tea are supporting this argument. 14.5 percent consumers bought a particular brand impulsively and 12 percent bought on the advice of

their reference group. The role of advertisement, sales promotion and salesmanship appear to be limited since all these elements of promotional mix impressed only less than 10 percent buyers. Mode value confirms that people use a particular brand of tea for a long time conventionally.

Toothpaste: - It can be seen from the table that though a large share of consumers of toothpaste buys a particular brand for a long time by convention (33.1%), the role of impulse in buying, reference groups and advertisement are also significant. 20.7 percent buyers purchased a particular brand impulsively; reference groups motivated 14.5 percent buyers and advertisement influenced 14.5 percent. Sales promotion and salesmanship remain unimpressive. Mode value confirms that people use a particular brand of toothpaste for a long time conventionally

Cereals: - In the case of cereals conventional use and impulse dominate the motivational factors in buying the currently used brand with their respective share of 41.1 percent and 18.3 percent respectively. Some unidentified reasons worked in the case of 16 percent buyers in buying this food item. Advertisement, salesmanship and sales promotion strategies are not working to the desired level. Mode value confirms that people use a particular brand of cereals for a long time conventionally

Detergent: - In the case of detergent convention, impulse and advertisement are the three leading motivators in buying detergent with their respective shares of 27.4, 19.3 and 16 percent buyers. Mode value confirms that people use a particular brand of detergent for a long time conventionally

A cross analysis of the above table also enable us to identify the type of product where the above motivational factors exert maximum influence. Sales promotion and advertisements influence most the buyers of detergents; salesmanship influences the buyers of cereal the most; influence of reference group and impulse is at the maximum level among the buyers of toothpaste and conventional thinking exerts maximum influence on the buyers of tea.

Tables 5.30 – 5.34 contain information relating to the gender wise analysis of the motivational factors in buying the currently used brand of tea, toothpaste, cereals and detergent.

Table 5.30
Factors Motivated to Purchase the Currently
Used Brand of Tea (Sex Wise Analysis)

Motivational Factors	Male		Female		Total	
	N	%	N	%	N	%
Sales Promotion	10	4.4	8	4.6	18	4.5
Advertisement	16	7.1	12	6.9	28	7.0
Salesmanship	14	6.2	6	3.4	20	5.0
Reference Groups	33	14.6	15	8.6	48	12.0
Convention	98	43.4	88	50.6	186	46.5
Impulse	34	15.0	24	13.8	58	14.5
Other Factors	21	9.3	21	12.1	42	10.5
Total	226	100.0	174	100.0	400	100.0

Source: Survey Data

It is clear from the table 5.30, which provides data relating to the sex wise analysis of the buyer motivational factors of the product Tea, that factors like advertisement, salesmanship, reference group and impulse have more influence on men and sales promotion and convention exert more influence on women.

Table 5.31**Factors Motivated to Purchase the Currently Used Brand of Toothpaste (Sex Wise Analysis)**

Motivational Factors	Male		Female		Total	
	N	%	N	%	N	%
Sales Promotion	14	6.2	7	4.0	21	5.3
Advertisement	31	13.7	26	14.9	57	14.3
Salesmanship	7	3.1	6	3.4	13	3.3
Reference Groups	32	14.2	26	14.9	58	14.5
Convention	68	30.1	65	37.4	133	33.3
Impulse	51	22.6	32	18.4	83	20.8
Other Factors	23	10.2	12	6.9	35	8.8
Total	226	100.0	174	100.0	400	100.0

Source: Survey Data

Data relating to the sex wise analysis of the buyer's motivational factors for the purchase of toothpaste are given in the table 5.31. Factors like sales promotion and impulse have more influence on men and advertisement, salesmanship, reference group and convention exert more influence on women.

Table 5.32**Factors Motivated to Purchase the Currently Used Brand of Cereals (Sex Wise Analysis)**

Motivational Factors	Male		Female		Total	
	N	%	N	%	N	%
Sales Promotion	6	2.7	5	2.9	11	2.8
Advertisement	13	5.8	7	4.0	20	5.0
Salesmanship	14	6.2	9	5.2	23	5.8
Reference Groups	28	12.4	16	9.2	44	11.0
Convention	90	39.8	75	43.1	165	41.3
Impulse	42	18.6	31	17.8	73	18.3
Other Factors	33	14.6	31	17.8	64	16.0
Total	226	100.0	174	100.0	400	100.0

Source: Survey Data

Details of sex wise analysis of the buyer's motivational factors of the product cereals are given in the table 5.32. Advertisement, salesmanship, reference group and impulse motivate more men where as sales promotion and convention motivate more women.

Table 5.33
Factors Motivated to Purchase the Currently Used Brand of Detergent (Sex Wise Analysis)

Motivational Factors	Male		Female		Total	
	N	%	N	%	N	%
Sales Promotion	21	9.3	7	4.0	28	7.0
Advertisement	33	14.6	31	17.8	64	16.0
Salesmanship	11	4.9	1	0.6	12	3.0
Reference Groups	24	10.6	28	16.1	52	13.0
Convention	63	27.9	47	27.0	110	27.5
Impulse	42	18.6	35	20.1	57	19.3
Other Factors	32	14.2	25	14.4	57	14.3
Total	226	100.0	174	100.0	400	100.0

Source: Survey Data

Summary of sex wise analysis of the buyer's motivational factors of the product detergent are given in the table 5.33. Sales promotion, salesmanship and convention motivate more men where as advertisement, reference group and impulse motivate more women

Table 5.34
Results of Chi-Square Analysis

Product	X ² Values	D.F.	P. Value
Tea	6.353	6	.385
Toothpaste	4.663	6	.588
Cereals	2.619	6	.855
Detergent	12.986	6	.043

Significance of the difference between men and women in the motivational factors that influenced them when buying the brand they

consume currently is obtained through the chi-square test. The table 5.34 shows the chi-square values, degrees of freedom and significance values against each product. It appears that except in the case of detergent the differences are not significant because the significance values are more than 0.05. In the case of detergent the 'P' value is 0.043, which is less than the significance level of 0.05 and hence significant.

Tables 5.35 – 5.39 contain information relating to the income wise analysis of the motivational factors in buying the currently used brand of tea, toothpaste, cereals and detergent.

Table 5.35

**Factors Motivated to Purchase the Currently Used Brand of Tea
(Income Wise Analysis)**

Motivational Factors	Low Income		Middle Income		High Income		Total	
	N	%	N	%	N	%	N	%
Sales Promotion	10	6.1	7	3.8	1	1.9	18	4.5
Advertisement	5	3.0	19	10.4	4	7.4	28	7.0
Salesmanship	11	6.7	6	3.3	3	5.6	20	5.0
Reference Groups	23	14.0	17	9.3	8	14.8	48	12.0
Convention	79	48.2	80	44.0	27	50.0	186	46.5
Impulse	19	11.6	32	17.6	7	13.0	58	14.5
Other Factors	17	10.4	21	11.5	4	7.4	42	10.5
Total	164	100.0	182	100.0	54	100.0	400	100.0

Source: Survey Data

As per the above table (5.35) sales promotion and salesmanship motivated more low income group of buyers than any other group to buy the product tea; advertisement and impulse motivated more middle income consumers than any other group to buy the product tea and reference group and convention motivated more high income consumers than any other group to buy the product tea.

Table 5.36

**Factors Motivated to Purchase the Currently Used Brand of Toothpaste
(Income Wise Analysis)**

Motivational Factors	Low Income		Middle Income		High Income		Total	
	N	%	N	%	N	%	N	%
Sales Promotion	12	7.3	5	2.7	4	7.4	21	5.3
Advertisement	24	14.6	28	15.4	5	9.3	57	14.3
Salesmanship	10	6.1	2	1.1	1	1.9	13	3.3
Reference Groups	26	15.9	21	11.5	11	20.4	58	14.5
Convention	56	34.1	57	31.3	20	37.0	133	33.3
Impulse	24	14.6	49	26.9	10	18.5	83	20.8
Other Factors	12	7.3	20	11.0	3	5.6	35	8.8
Total	164	100.0	182	100.0	54	100.0	400	100.0

Source: Survey Data

According to the table 5.36, salesmanship motivated more low income group of buyers than any other group to buy the product toothpaste; advertisement and impulse motivated more middle income consumers than any other group to buy the product and reference group, convention and sales promotion motivated more high income consumers than any other group to buy the product.

Table 5.37

**Factors Motivated to Purchase the Currently Used Brand of Cereals
(Income Wise Analysis)**

Motivational Factors	Low Income		Middle Income		High Income		Total	
	N	%	N	%	N	%	N	%
Sales Promotion	5	3.0	3	1.6	3	5.6	11	2.8
Advertisement	7	4.3	11	6.0	2	3.7	20	5.0
Salesmanship	15	9.1	5	2.7	3	5.6	23	5.8
Reference Groups	21	12.8	18	9.9	5	9.3	44	11.0
Convention	63	38.4	74	40.7	28	51.9	165	41.3
Impulse	30	18.3	36	19.8	7	13.0	73	18.3
Other Factors	23	14.0	35	19.2	6	11.1	64	16.0
Total	164	100.0	182	100.0	54	100.0	400	100.0

Source: Survey Data

Salesmanship and reference group motivated more low income group of buyers than any other group to buy the product cereals; advertisement and impulse motivated more middle income consumers than any other group to buy the product and sales promotion and convention motivated more high income consumers than any other group to buy the product. These conclusions are made from the table 5.37.

Table 5.38

**Factors Motivated to Purchase the Currently Used Brand of Detergent
(Income Wise Analysis)**

Motivational Factors	Low Income		Middle Income		High Income		Total	
	N	%	N	%	N	%	N	%
Sales Promotion	13	7.9	10	5.5	5	9.3	28	7.0
Advertisement	22	13.4	33	18.1	9	16.7	64	16.0
Salesmanship	6	3.7	2	1.1	4	7.4	12	3.0
Reference Groups	25	15.2	20	11.0	7	13.0	52	13.0
Convention	45	27.4	51	28.0	14	25.9	110	27.5
Impulse	32	19.5	37	20.3	8	14.8	77	19.3
Other Factors	21	12.8	29	15.9	7	13.0	57	14.3
Total	164	100.0	182	100.0	54	100.0	400	100.0

Source: Survey Data

As per the above table (5.38) reference group motivated more low income group of buyers than any other group to buy the product detergent; advertisement, convention and impulse motivated more middle income consumers than any other group to buy the product; and sales promotion and salesmanship motivated more high income consumers than any other group to buy the product.

Table 5.39**Results of Chi-Square Analysis**

Product	X ² Values	D.F.	P. Value
Tea	16.143	12	.185
Toothpaste	23.672	12	.023
Cereals	15.043	12	.220
Detergent	10.929	12	.535

Significance of the difference among the three income groups in the motivational factors, which influenced them when buying the brand they consume currently, is obtained through the chi-square test. The table 5.39 gives the chi-square values, degrees of freedom and significance values against each product. It appears that except in the case of toothpaste the differences are not significant because the significance values are more than 0.05. In the case of toothpaste, however, the 'P' value is 0.023, which is less than the significance level of 0.05 and hence significant.

5.4 Brand Loyalty of Consumers

Effectiveness of sales promotion in general and sales promotion aimed at brand switching in particular is inversely related to the level of brand loyalty of the consumers. It is very hard to work on consumers who are very loyal to a particular brand of the product. In this context, it is interesting to study the level of loyalty of the consumers of various categories of FMCGs. This is done on the basis of the duration of continuous purchase of the currently used brand. Accordingly consumers are classified in to the following five groups: - 1. Those who purchase a particular brand continuously for less than three months (not at all loyal); 2. Those who purchase a particular brand for a period of 3-6 months (least loyal); 3. Those who purchase a particular brand for a period of 6-9 months (moderately loyal); 4. Those who purchase a particular brand for a period of 9-12 months (reasonably loyal); 5. Those who purchase a particular brand for a period of

more than 12 months (maximum loyal). More over the value of mode is also used in order to determine to which class maximum consumers belong. Summary of the results of the classification of consumers on the basis of their brand loyalty are incorporated in the table 5.40.

Table 5.40
Brand Loyalty of Consumers

Duration of Continuous Purchase	Tea		Toothpaste		Cereals		Detergent	
	N	%	N	%	N	%	N	%
<3 Months	86	21.5	69	17.3	107	26.7	76	19.0
3-6 Months	110	27.4	107	26.7	88	22.0	110	27.4
6-9 Months	51	12.8	71	17.8	76	19.0	67	16.8
9-12 Months	25	6.3	30	7.5	37	9.3	34	8.5
>12 Months	128	32.0	123	30.7	92	23.0	113	28.3
Total	400	100.0	400	100.0	400	100.0	400	100.0
Mode	5 th item		5 th item		1 st item		5 th item	

Source: Survey Data

The following information can be had from the table:

Tea: - It can be observed from the above table that 32 percent of consumers of tea are using the present brand for a period more than 12 months, hence, very much brand loyal. 27.4 percent consumers use the current brand continuously for a period of 3-6 months and 21.5 percent for a period of less than three months. These groups are 'least loyal' and 'not at all loyal' groups respectively. The sizes of 'moderately loyal' (6-9 months) and 'reasonably loyal' (9-12 months) are small. Value of mode also indicate that consumers of tea are very much brand loyal

Toothpaste: -In the case of toothpaste, 30.7 percent of consumers are using the present brand for a period more than 12 months, hence, very much brand loyal. Share of 'least loyal' consumers who use the current brand continuously for a period of 3-6 months is 26.7 percent and reasonably loyal consumers who use the current brand continuously for a period of 6-9 months

is 17.8. 17.3 percent consumers are not at all loyal. Value of mode shows that consumers of toothpaste are very much brand-loyal as well.

Cereals: - Cereals is the only commodity in which the largest share of people opines that they are not at all brand-loyal. 26.7 percent consumers use a particular brand for a period of less than three months. Share of maximum loyal and least loyal consumers are 23 percent and 22 percent respectively. A sizable portion of the consumers (19%) is reasonably loyal. Value of mode suggests that consumers of cereal are not at all loyal to a particular brand.

Detergent: - In the case of detergent, maximum loyal and least loyal consumers occupy the first and second place respectively in the table that shows the level of brand loyalty. The share of the former is 28.3 and latter is 27.4. Model value also supports the maximum level of loyalty of consumers of detergent.

Tables 5.41 – 5.45 examine the sex wise position of the consumer's level of loyalty towards a particular brand in the case of the selected products and the results of analysis of the chi-square test conducted to know the significance of difference between the two groups in the given behaviour.

Table 5.41

Brand Loyalty of Consumers for Tea (Sex Wise Classification)

Duration of Continuous Purchase	Male		Female		Total	
	N	%	N	%	N	%
<3 Months	59	26.1	27	15.5	86	21.5
3-6 Months	50	22.1	60	34.5	110	27.5
6-9 Months	25	11.1	26	14.9	51	12.8
9-12 Months	13	5.8	12	6.9	25	6.3
>12 Months	79	35.0	49	28.2	128	32.0
Total	226	100.0	174	100.0	400	100.0

Source: Survey Data

Sex wise differences in the level of loyalty of consumers of tea are presented in the table 5.41. It can be seen that, as compared to female

consumers, more male consumers belong to 'maximum loyal' and 'not at all loyal' categories. On the other hand women lead over men in the categories of 'least loyal', 'moderately loyal' and 'reasonably loyal' consumers.

Table 5.42
Brand Loyalty of Consumers for Toothpaste
(Sex Wise Classification)

Duration Of Continuous Purchase	Male		Female		Total	
	N	%	N	%	N	%
< 3 Months	40	17.7	29	16.7	69	17.3
3-6 Months	56	24.8	51	29.3	107	26.8
6-9 Months	36	15.9	35	20.1	71	17.8
9-12 Months	19	8.4	11	6.3	30	7.5
>12 Months	75	33.2	48	27.6	123	30.8
Total	226	100.0	174	100.0	400	100.0

Source: Survey Data

Sex wise differences in the level of loyalty of consumers of toothpaste are presented in the table 5.42. It can be observed that as compared to female consumers more male consumers belong to 'maximum loyal, 'reasonably loyal' and 'not at all loyal' categories. On the other hand women lead over men in the categories of 'least loyal' and 'moderately loyal' consumers.

Table 5.43
Brand Loyalty of Consumers for Cereals (Sex Wise Classification)

Duration Of Continuous Purchase	Male		Female		Total	
	N	%	N	%	N	%
<3 Months	66	29.2	41	23.6	107	26.8
3-6 Months	43	19.0	45	25.9	88	22.0
6-9 Months	42	18.6	34	19.5	76	19.0
9-12 Months	20	8.8	17	9.8	37	9.3
>12 Months	55	24.3	37	21.3	92	23.0
Total	226	100.0	174	100.0	400	100.0

Source: Survey Data

Sex wise differences in the level of loyalty of consumers of cereals are presented in the table 5.43. It is clear that as compared to female consumers, more male consumers belong to 'maximum loyal' and 'not at all loyal' categories. On the other hand women lead over men in the categories of 'least loyal', 'moderately loyal' and 'reasonably loyal' consumers.

Table 5.44

**Brand Loyalty of Consumers for Detergent
(Sex Wise Classification)**

Duration Of Continuous Purchase	Male		Female		Total	
	N	%	N	%	N	%
<3 Months	47	20.8	29	16.7	76	19.0
3-6 Months	50	22.1	60	34.5	110	27.5
6-9 Months	41	18.1	26	14.9	67	16.8
9-12 Months	20	8.8	14	8.0	34	8.5
>12 Months	68	30.2	45	25.9	113	28.3
Total	226	100.0	174	100.0	400	100.0

Source: Survey Data

Sex wise differences in the level of loyalty of consumers of detergent are presented in the table 5.44. It shows that as compared to female consumers, more male consumers belong to 'maximum loyal', 'reasonably loyal', 'moderately loyal' and 'not at all loyal' categories. On the other hand women lead over men only in the category of 'least loyal' consumers.

Table 5.45

Results of Chi-Square Analysis

Product	X ² Values	D.F.	P. Value
Tea	13.373	4	0.010
Toothpaste	3.358	4	0.500
Cereals	3.798	4	0.434
Detergent	7.640	4	0.106

Significances level in the difference of the level of loyalty between male and female consumers of the selected products as explained above were examined using chi-square test. Results of the test as per Table 5.45 indicate that the difference in the case of the product tea is significant as the obtained 'P' value is less than 0.05. In the case of the other three products the differences are only due to chances of errors in sampling.

Tables 5.46 - 5.50 explain the income wise position of the consumer's level of loyalty towards a particular brand in the case of selected products.

Table 5.46

Brand Loyalty of Consumers for Tea (Income Wise Classification)

Duration Of Continuous Purchase	Low Income		Middle Income		High Income		Total	
	N	%	N	%	N	%	N	%
<3 Months	41	25.0	37	20.3	8	14.8	86	21.5
3-6 Months	39	23.8	60	33.0	11	20.4	110	27.5
6-9 Months	14	8.5	29	15.9	8	14.8	51	12.8
9-12 Months	7	4.3	13	7.1	5	9.3	25	6.3
>12 Months	63	38.4	43	23.6	22	40.7	128	32.0
Total	164	100.0	182	100.0	54	100.0	400	100.0

Source: Survey Data

Level of income wise differences in the intensity of loyalty of consumers of tea presented in the table 5.46 shows that, of the three groups of consumers low income consumers are the leaders in the 'not at all loyal' category; middle-income consumers are the leaders in the 'least loyal' and 'moderately loyal' category; and high-income consumers are the leaders in the 'reasonably loyal' and 'maximum loyal' category.

Table 5.47**Brand Loyalty of Consumers for Toothpaste (Income Wise Classification)**

Duration of Continuous Purchase	Low Income		Middle income		High Income		Total	
	N	%	N	%	N	%	N	%
<3 Months	26	15.9	39	21.4	4	7.4	69	17.3
3-6 Months	41	25.0	57	31.3	9	16.7	107	26.8
6-9 Months	26	15.9	32	17.6	13	24.1	71	17.8
9-12 Months	9	5.5	14	7.7	7	13.0	30	7.5
>12 Months	62	37.8	40	22.0	21	38.9	123	30.8
Total	164	100.0	182	100.0	54	100.0	400	100.0

Source: Survey Data

Level of income wise differences in the intensity of loyalty of consumers of toothpaste is presented in the table 5.47. It can be observed that, of the three groups of consumers middle income consumers are the leaders in the 'not at all loyal' and 'least loyal' categories; and high-income consumers are the leaders in the rest of the three categories.

Table 5.48**Brand Loyalty of Consumers for Cereals (Income Wise Classification)**

Duration Of Continuous Purchase	Low Income		Middle Income		High Income		Total	
	N	%	N	%	N	%	N	%
<3 Months	48	29.3	43	23.6	16	29.6	107	26.8
3-6 Months	29	17.7	50	27.5	9	16.7	88	22.0
6-9 Months	27	16.5	37	20.3	12	22.2	76	19.0
9-12 Months	13	7.9	20	11.0	4	7.4	37	9.3
>12 Months	47	28.7	32	17.6	13	24.1	92	23.0
Total	164	100.0	182	100.0	54	100.0	400	100.0

Source: Survey Data

Level of income wise differences in the intensity of loyalty of consumers of cereals as presented in the table 5.48 shows that low income consumers are the leaders in the 'maximum loyal' category; middle-income

consumers are the leaders in the 'least loyal' and 'reasonably loyal' categories; and high-income consumers are the leaders in the 'moderately loyal' and 'not at all loyal' categories.

Table 5.49

Brand Loyalty of Consumers for Detergent (Income Wise Classification)

Duration Of Continuous Purchase	Low Income		Middle Income		High Income		Total	
	N	%	N	%	N	%	N	%
<3 Months	34	20.7	36	19.8	6	11.1	76	19.0
3-6 Months	37	22.6	62	24.1	11	20.4	110	27.5
6-9 Months	23	14.0	31	17.0	13	24.1	67	16.8
9-12 Months	16	9.8	12	6.6	6	11.1	34	8.5
>12 Months	54	32.9	41	22.5	18	33.3	113	28.3
Total	164	100.0	182	100.0	54	100.0	400	100.0

Source: Survey Data

Level of income wise differences in the intensity of loyalty of consumers of detergent is presented in the table 5.49. It can be seen that, of the three groups of consumers low income consumers are the leaders in the 'not at all loyal' category; Middle-income consumers are the leaders in the 'least loyal' category; and high-income consumers are the leaders in the 'maximum loyal', 'reasonably loyal' and 'moderately loyal' categories.

Table 5.50

Results of Chi-Square Analysis

Product	X ² Values	D.F.	P Value
Tea	19.316	8	.013
Toothpaste	21.688	8	.006
Cereals	12.541	8	.129
Detergent	15.247	8	.055

Significances in the difference of the level of loyalty between the three income groups of consumers of the selected products as explained above were

examined using chi-square test. Results of the test as per Table 5.50 point out that the differences in the case of the products tea and toothpaste are significant as the obtained 'P' values are 0.013 and 0.006, which are less than 0.050. In the case of the other two products the differences are not significant.

5.5 Trial Purchase Due to Sales Promotion

Trial purchase is one of the most important objectives of sales promotion in the case of fast moving consumer goods. This is necessary when a new brand of a mature product is introduced in a highly competitive market where penetration in to the market is possible only through some attractive offers. Distributing samples of the product, giving gifts and complements and providing deep discounts are some of the tools generally adopted by marketers to achieve this objective. It is also possible that the consumers of a product buy its substitutes if it is suitably promoted. For example, occasional buyers of tea may buy an attractively promoted brand of the product instead or along with his regular beverage of coffee; regular consumers of toothpowder may buy toothpaste; buyers of unbranded cereals may buy a promoted brand of the product; and users of soap powder or cake may switch over to detergent. This phenomenon, which is also called category expansion, is a component of trial purchase. In this study category expansion and trial purchase are considered as one and the same.

Consumer's possibility of making a trial purchase of the selected products under sales promotion offers was measured and recorded in terms of certain levels or degrees. Accordingly there are five different groups of consumers: - (1) consumers who will never make a trial purchase of a promoted brand; (2) consumers whose possibility of making a trial purchase is less than 25 percent; (3) consumers whose possibility of making a trial purchase is 25 to 50 percent; (4) consumers whose possibility of making a trial purchase is 50 to 75 percent; and (5) consumers whose possibility of making a trial purchase is above 75 percent. For the convenience of analysis

and reporting the above groups were renamed as ‘no possibility group’, ‘very low possibility group’, low possibility group’ ‘high possibility group’ and very high possibility group’ respectively. The following table (5.51) contains data relating to the consumer’s possibility of making a trial purchase of the promoted brand of tea, toothpaste, cereals and detergent.

Table 5.51
Possibility of Trial Purchase Due to Sales Promotion

Level of Possibility	Tea		Toothpaste		Cereals		Detergent	
	No.	%	No.	%	No.	%	No.	%
No Possibility	295	73.6	263	65.6	289	72.1	251	62.6
Very Low Possibility	76	19.0	69	17.3	79	19.8	78	19.5
Low Possibility	9	2.3	41	10.3	11	2.8	37	9.3
High Possibility	9	2.3	17	4.3	9	2.3	15	3.8
Very High Possibility	11	2.8	10	2.5	12	3.0	19	4.8
Total	400	100.0	400	100.0	400	100.0	400	100.0
Mode	1 st item		1 st item		1 st item		1 st item	

Source: Survey Data

The table provides the following information:

Tea: -It is clear from the above table that consumer’s possibility of making a trial purchase of a promoted brand of tea is either zero or very low. 73.6 percent respondents are of the view that there is no possibility of purchasing a new brand or the product for the first time due to an offer and 19 percent opined that there is very low possibility in their case. Higher-level possibilities are very limited. As the model value is computed as the first item it can be concluded that there is no possibility of trial purchase of tea on account of a promotional offer.

Toothpaste: - The possibility of making a trial purchase of a promoted brand of toothpaste is higher than that of tea as is clear from the table. While 65.6 percent of respondents answered quite negatively, 17.3 and 10.3 percent of respondents indicated that there is ‘very low’ and ‘low’ possibilities. As the

model value is computed as the first item it can be concluded that there is no possibility of trial purchase of toothpaste on account of a promotional offer.

Cereals: - Results of analysis are very similar to that of tea. 72.1 percent respondents are of the view that there is no possibility of purchasing a new brand or the product for the first time due to an offer and 19.8 percent opined that there is very low possibility in their case. The remaining 8.1 percent respondents are more optimistic of making trial purchases. As the model value is computed as the first item it can be concluded that there is no possibility of trial purchase of cereals on account of a promotional offer.

Detergent: - Maximum possibility of trial purchase is there in the case of this product. The share of respondents who are not at all interested in making a trial purchase is 62.6 percent. 19.5, 9.3, 3.8 and 4.8 percent of respondents indicated very low, low, high and very high possibilities of making a trial purchases respectively when the product is put on promotional offer. As the model value is computed as the first item it can be concluded that there is no possibility of trial purchase of detergent on account of a promotional offer.

From the foregoing discussion it is clear that detergent is the product that is subject to maximum trial purchase incidences followed by toothpaste, cereals and tea. Various levels of possibilities of trial purchase are also different from product to product. Chi-square test has been applied to test whether these differences are significant and the result suggests that there is significant difference among these products in their chances of a trial purchase when the product is on a promotional offer. The value of chi-square at 12 degrees of freedom is 48.259 and 'P' value is less than 0.001.

5.5.1 Graphical Presentation of Consumer's Possibility of Trial Purchase

In order to establish the relationship between promotional offers and the possibility of trial purchase of the four products, correspondence analysis has been conducted. The resultant table and graph are presented below:

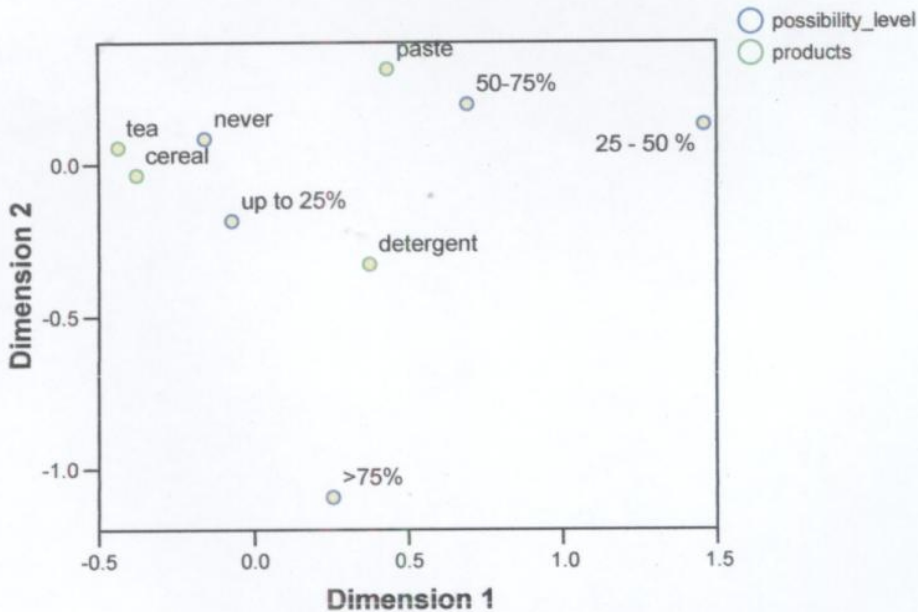
Figure 5.1

Correspondence Table

products	possibility level					Active Margin
	never	up to 25%	25 - 50 %	50-75%	>75%	
tea	295	76	9	9	11	400
paste	263	69	41	17	10	400
cereal	289	79	11	9	12	400
detergent	251	78	37	15	19	400
Active Margin	1098	302	98	50	52	1600

Row and Column Points

Symmetrical Normalization



Consumer's possibility of trial purchase of the four products is further analysed on the basis of gender. Tables 5.52 – 5.56 explain the sex wise position of the consumer's trial purchase possibilities of the selected products.

Table 5.52

**Possibility of Trial Purchase Due to Sales Promotion of Tea
(Sex Wise Analysis)**

Level of Possibility	Male		Female		Total	
	N	%	N	%	N	%
No Possibility	165	73.0	130	74.7	295	73.8
Very Low Possibility	46	20.4	30	17.2	76	19.0
Low Possibility	6	2.7	3	1.7	9	2.3
High Possibility	5	2.2	4	2.3	9	2.3
Very High Possibility	4	1.8	7	4.0	11	2.8
Total	226	100.0	174	100.0	400	100.0

Source: Survey Data

From the Table 5.52 it appears that male consumer's possibility of making trial purchase of tea is more than female consumers. At the same time female consumers feel stronger possibilities than their male counterparts since more women are included in the high level possibility groups of '50-75%' and 'more than 75%' than men.

Table 5.53

**Possibility of Trial Purchase Due to Sales Promotion of Toothpaste
(Sex Wise Analysis)**

Level of Possibility	Male		Female		Total	
	N	%	N	%	N	%
No Possibility	142	62.8	121	69.5	263	65.8
Very Low Possibility	40	17.7	29	16.7	69	17.3
Low Possibility	28	12.4	13	7.5	41	10.3
High Possibility	10	4.4	7	4.0	17	4.3
Very High Possibility	6	2.7	4	2.3	10	2.5
Total	226	100.0	174	100.0	400	100.0

Source: Survey Data

In the case of the product toothpaste, 62.8 and 69.5 percent male and female buyers expressed that there is no possibility of a trial purchase of the

promoted brand of toothpaste. Over all, more male buyers are likely to make trial purchases (Table 5.53).

Table 5.54

**Possibility of Trial Purchase Due to Sales Promotion of Cereals
(Sex Wise Analysis)**

Level of Possibility	Male		Female		Total	
	N	%	N	%	N	%
No Possibility	160	70.8	129	74.1	289	72.3
Very Low Possibility	47	20.8	32	18.4	79	19.8
Low Possibility	8	3.5	3	1.7	11	2.8
High Possibility	8	3.5	1	0.6	9	2.3
Very High Possibility	3	1.3	9	5.2	12	3.0
Total	226	100.0	174	100.0	400	100.0

Source: Survey Data

Possibilities of trial purchase of cereals when a particular brand is promoted, classified on the basis of gender, are given in the Table 5.54. It appears from the table that male buyers are more likely to make trial purchases than female buyers. 74.1 percent female consumers expressed that there is no possibility of a trial purchase of a newly promoted brand of cereals against 70.8 percent male consumers. Share of men who felt very low possibility, low possibility and high possibility is more than women.

Table 5.55

**Possibility of Trial Purchase Due to Sales Promotion of Detergent
(Sex Wise Analysis)**

Level Of Possibility	Male		Female		Total	
	N	%	N	%	N	%
No Possibility	138	61.1	113	64.9	251	62.8
Very Low Possibility	38	16.8	40	23.0	78	19.5
Low Possibility	30	13.3	7	4.0	37	9.3
High Possibility	8	3.5	7	4.0	15	3.8
Very High Possibility	12	5.3	7	4.0	19	4.8
Total	226	100.0	174	100.0	400	100.0

Source: Survey Data

Table 5.55 gives sex wise results of analysis about the possibilities of trial purchase of detergent when a particular brand is promoted. It can be observed that not only lesser share of female consumers is likely to try the product or a particular brand for the first time but also more of them are included in the ‘very low possibility’ group.

Table 5.56
Results of Chi-Square Analysis

Product	X² Value	D.F.	P Value
Tea	2.737	4	.603
Toothpaste	3.141	4	.535
Cereals	10.305	4	.036
Detergent	11.658	4	.020

The differences observed in the trial purchase possibility of the two groups of consumers were tested for their significance using chi-square analysis. Table 5.56 suggests that the differences are significant in the case of cereals and detergent as the significance values are 0.036 and 0.020 respectively. In the case of the other two products the P-values are more than 0.05, which is the cut-off value at 5% level of confidence.

Consumer’s possibility of trial purchase of the four products is further analysed on the basis of level of income. Tables 5.57 – 5.61 explain the income wise position of the consumer’s trial purchase possibilities of the selected products.

Table 5.57

**Possibility of Trial Purchase Due to Sales Promotion of Tea
(Income Wise Analysis)**

Level of Possibility	Low Income		Middle Income		High Income		Total	
	N	%	N	%	N	%	N	%
No Possibility	113	68.9	134	73.6	48	88.9	295	73.8
Very Low	38	23.2	32	17.6	6	11.1	76	19.0
Low	4	2.4	5	2.7	0	0.0	9	2.3
High	6	3.7	3	1.6	0	0.0	9	2.3
Very High	3	1.8	8	4.4	0	0.0	11	2.8
Total	164	100.0	182	100.0	54	100.0	400	100.0

Source: Survey Data

Results of income wise analysis of the buyer's trial purchase of tea are incorporated in the Table 5.57. It is clear from the table that 68.9 percent of low income buyers, 73.6 percent middle income buyers and 88.9 percent high income buyers are not willing to make trial purchases of the product when it is on promotional offer. More low-income consumers feel very low possibility than the other two groups.

Table 5.58

**Possibility of Trial Purchase Due to Sales Promotion of Toothpaste
(Income Wise Analysis)**

Level of Possibility	Low Income		Middle Income		High Income		Total	
	N	%	N	%	N	%	N	%
No Possibility	102	62.2	118	64.8	43	79.6	263	65.8
Very Low	37	22.6	29	15.9	3	5.6	69	17.3
Low	13	7.9	21	11.5	7	13.0	41	10.3
High	7	4.3	9	4.9	1	1.9	17	4.3
Very High	5	3.0	5	2.7	0	0.0	10	2.5
Total	164	100.0	182	100.0	54	100.0	400	100.0

Source: Survey Data

Results of income wise analysis of the buyer's trial purchase of toothpaste are incorporated in the Table 5.58. As in the case of the product tea low-income consumers are more likely to purchase toothpaste on a trial basis at the time of its promotion. More over high income consumers are leading

the three groups in their response that there is no possibility of making a trial purchase. In the case of these two products the level of income is negatively correlated with the possibility of trial purchases.

Table 5.59

**Possibility of Trial Purchase Due to Sales Promotion of Cereals
(Income Wise Analysis)**

Level Of Possibility	Low Income		Middle Income		High Income		Total	
	N	%	N	%	N	%	N	%
No Possibility	117	71.3	129	70.9	43	79.6	289	72.3
Very Low	32	19.5	39	21.4	8	14.8	79	19.8
Low	5	3.0	3	1.8	3	5.6	11	2.8
High	5	3.0	4	2.2	0	0.0	9	2.3
Very High	5	3.0	7	3.8	0	0.0	12	3.0
Total	164	100.0	182	100.0	54	100.0	400	100.0

Source: Survey Data

Results of income wise analysis of the buyer's trial purchase of cereals are presented in the Table 5.59. It can be noted that unlike tea and toothpaste it is the middle-income buyers who are more likely to buy on a trial basis of the product. While 70.9 percent of this group of buyers expressed their impossibility of making trial purchases, 71.3 and 79.6 percent of low and high-income group of consumers shared the same feeling.

Table 5.60

**Possibility of Trial Purchase Due to Sales Promotion of Detergent
(Income Wise Analysis)**

Level of Possibility	Low Income		Middle Income		High Income		Total	
	N	%	N	%	N	%	N	%
No Possibility	96	58.5	116	63.7	39	72.2	251	62.8
Very Low	43	26.2	29	15.9	6	11.1	78	19.5
Low	11	6.7	20	11.0	6	11.1	37	9.3
High	7	4.3	6	3.3	2	3.7	15	3.8
Very High	7	4.3	11	6.0	1	1.9	19	4.8
Total	164	100.0	182	100.0	54	100.0	400	100.0

Source: Survey Data

Results of income wise analysis of the buyer's trial purchase of detergent are given in the Table 5.60. It can be observed that 58.5 percent low-income consumers are unlikely to make trial purchases of cereals whereas 63.7 and 72.2 percent buyers of the middle income and high income belong to the same groups.

Table 5.61
Results of Chi-Square Analysis

Product	X ² Values	D.F.	P Value
Tea	13.84	8	.086
Toothpaste	13.14	8	.107
Cereals	7.54	8	.479
Detergent	12.03	8	.150

The differences in the level of possibilities of the three groups of buyers were examined for their significance by using chi-square test and their results are provided in the Table 5.61. As per the table the above differences are not significant in the case of any of the products as the significance values are more than 0.050.

5.6 Effectiveness of Sales Promotion Tools in Motivating Trial Purchase

Though the possibility of trial purchase of fast moving consumer goods, on account of sales promotion, is very limited it is worth to examine the role of various sales promotion tools individually in motivating trial purchase. Promotional strategies can be redesigned by selecting appropriate tools that is capable of motivating the customers to try new products or brands in the place of a substitute product or another brand. Therefore it is very essential to know which of the consumer sales promotion techniques/s are effective in creating a mind set in consumers to make trial purchases in the case of fast moving consumer goods. Respondents who were found motivated to try new products or brands due to sales promotion were asked to give their priorities of promotional tools by distributing 100 points. The mean and

standard deviation of these scores were obtained in order to identify and rank these tools in their order of acceptability. Table 5.62 provides information with relate to the four products on this aspect of study.

Table 5.62

Effectiveness of Sales Promotion Tools in Motivating Trial Purchase

Product	No.	Statistic	Price-Off	Couponing	Premium	Sampling	POP
Tea	105	Mean	34.047	14.90	19.00	16.44	15.60
		S. D.	23.58	9.63	13.80	13.58	13.87
Toothpaste	137	Mean	29.08	14.48	20.91	17.50	18.75
		S. D.	20.75	9.66	16.25	13.26	18.56
Cereals	111	Mean	31.48	15.49	16.48	17.14	20.01
		S. D.	21.83	9.83	13.17	14.94	18.61
Detergent	149	Mean	31.56	13.36	19.42	17.23	18.53
		S. D.	23.88	10.64	15.95	16.81	19.12

Source: Survey Data

The table reveals the following information:

Tea: - In the case of tea, 105 respondents were found motivated by sales promotion to make trial purchase of the product or a particular brand of the product. 'Price-off' is the most effective sales promotion tool in motivating buyers to try the product for the first time or after the gap of a reasonable period or a new brand of tea for an existing user. Its mean score is 34.047 with a standard deviation of 23.58, which is in the acceptable limit. 'Premium' (mean value 19.0), 'sampling' (mean value 16.44), 'POP' (mean value 15.60) and 'couponing' (mean value 14.90) can be arranged in the order of their power to motivate buyers in making trial purchases.

Toothpaste: - In the case of toothpaste, 137 respondents were found motivated by sales promotion to make trial purchase of the product or a particular brand of the product. 'Price-off' with a mean score of 29.08 is the most effective sales promotion tool in motivating buyers to try the product for the first time or after the gap of a reasonable period or a new brand of tooth

paste for an existing user. 'Premium' (mean value 20.91), 'POP' (mean value 18.75), 'sampling' (mean value 17.5) and 'couponing' (mean value 14.48) can be arranged in the order of their power to motivate buyers in making trial purchases.

Cereals: - In the case of cereals, 111 respondents were found motivated by sales promotion to make trial purchase of the product or a particular brand of the product. 'Price-off' with a mean score of 31.48 is the most effective sales promotion tool in motivating buyers to try the product for the first time or after the gap of a reasonable period or a new brand of cereals for an existing user. 'POP' (mean value 20.01), 'sampling' (mean value 17.14), 'Premium' (mean value 16.48) and 'couponing' (mean value 13.36) can be arranged in the order of their power to motivate buyers in making trial purchases.

Detergent: - In the case of detergent, 149 respondents were found motivated by sales promotion to make trial purchase of the product or a particular brand of the product. 'Price-off' with a mean score of 31.56 is the most effective sales promotion tool in motivating buyers to try the product for the first time or after the gap of a reasonable period or a new brand of detergent for an existing user. 'Premium' (mean value 19.42), 'POP' (mean value 18.53), 'sampling' (mean value 17.23), and 'couponing' (mean value 13.36) can be arranged in the order of their power to motivate buyers in making trial purchases.

To summarise the above discussion, 'price-off' is the best and 'couponing' is the least effective sales promotion tools in motivating buyers to make a trial purchase in the case of all the four categories of FMCG selected for the study. Other tools take interchangeable positions

Consumer's perception about the effectiveness of each sales promotion tools in motivating them to make trial purchases can be further analysed product wise. As per the table 5.62 'price-off' appears to be most successful in the product tea (mean value 34.07) and then products detergent (mean

value 31.56), cereals (mean value 31.48) and toothpaste (mean value 29.08) follow in that order. Couponing has greatest influence on the product cereals (mean value 15.49) followed by tea (mean value 14.9), toothpaste (mean value 14.48) and detergent (mean value 13.36). In the case of premium, the highest influence is on toothpaste (mean value 20.91) followed by detergent (mean value 19.42), tea (mean value 19.0) and cereals (mean value 16.48). Influence of sampling on trial purchase is at the maximum level on toothpaste (mean value 17.5) followed by detergent (mean value 17.23), cereals (mean value 17.14) and tea (mean value 16.44). Finally, point-of-purchase promotions exert maximum influence on cereals (mean value 20.01) followed by toothpaste (mean value 18.75), detergent (mean value 18.53) and tea (mean value 15.60). Standard deviation in all of the cases is less than the mean value and hence the results are reliable except in the case of POP on detergent.

A study of the significance of difference in the effectiveness of a sales promotion tool in motivating trial purchase among the four products would be useful to the marketers to take appropriate decisions. Results of the analysis of variance using 'F-test' are presented in the Table 5.63. It can be observed from the table that the motivational role of each sales promotion tool in making trial purchase in the case of all the four products is not significantly different as the 'P' values in all the cases are more than 0.05, at the confidence limit of 5%.

Table 5.63

Results of Analysis of Variance (Inter-Product Analysis)

Sales Promotion Tools	Source	D.F.	Sum of Squares	Mean Square	F-Ratio	P-Value
Price-Off	Between Groups	3	1472.4	490.8	.964	.409
Couponing	Between Groups	3	319.1	106.3	1.064	.364
Premium	Between Groups	3	1225.4	408.4	1.809	.145
Sampling	Between Groups	3	69.0	23.0	0.105	.957
POP	Between Groups	3	1128.7	376.2	1.177	.318

Table 5.64**Results of Analysis of Variance (Inter-Promotional Tool)**

Product	Sources	D.F.	Sum of Squares	Mean Square	F-Value	P Value
Tea	Between Groups	4	26909.0	6727.2	27.6	<. 001
Toothpaste	Between Groups	4	16513.6	4128.4	15.7	<. 001
Cereals	Between Groups	4	19164.3	4791.0	18.1	<. 001
Detergent	Between Groups	4	28187.1	7046.7	22.2	<. 001

It is observed that the effectiveness of various sales promotion tools in making trial purchases in the case of the four product are different. These differences are further tested for their significance using 'F- test' and the results are presented in the table 5.64. Since the 'P' values in all the cases are less than 0.05, at the confidence limit of 5%, it is concluded that the motivational role of the five tools of promotion in making trial purchase in the case of each of the four products is significantly different.

Post Hoc Analysis

The analysis of variance in the trial purchase motivational capacity of various sales promotion tools in the case of each product is done taking all the tools together. A more detailed study taking two tools at a time, in order to know the significance of difference between them is conducted using the method of Least Square Difference. The results of analysis are incorporated in Table 5.65.

Table 5.65**Results of Post Hoc Analysis (Inter-Promotional Tool)**

Pair of Tools Compared	Tea		Toothpaste		Cereals		Detergent	
	Mean Diff.	P Value	Mean Diff.	P Value	Mean Diff.	P Value	Mean Diff.	P Value
Price-off-Coupons	19.143*	<.001	14.595*	<.001	15.990*	<.001	18.200*	<.001
Price-off-Premium	15.047*	<.001	8.161*	<.001	15.000*	<.001	12.137*	<.001
Price-off-Sampling	17.600*	<.001	11.580*	<.001	14.342*	<.001	14.333*	<.001
Price-off-POP	18.447*	<.001	10.330	<.001	11.468*	<.001	13.033*	<.001
Coupon-Premium	-4.095	0.058	-6.433*	<.001	-0.990	0.649	-6.062*	0.003
Coupon-Sampling	-1542	0.474	-3.014	0.001	-1.648	0.449	-3.866	0.061
Coupon-POP	-.695	0.747	-4.264*	0.030	-4.522*	0.038	-5.166*	0.012
Premium-Sampling	2.552	0.236	3.419	0.082	-0.657	0.763	2.196	0.287
Premium-POP	3.400	0.114	2.169	0.269	-3.531	0.106	0.896	0.664
Sampling-POP	.847	0.694	-1.250	0.524	-2.873	0.188	-1.300	0.528

* The mean difference is significant at the 0.05 level

The following inferences can be drawn from the above table showing the significance of difference between mean values of various tools taken in pairs for comparison:

1. The mean difference between 'discount' and each of the other tools of promotion is very much significant in the case of all the four products, except between discount and POP in the case of toothpaste, since the 'P' values are less than 0.05.
2. In the case of tea the mean difference between other tools are insignificant.

3. In the case of toothpaste the difference between coupon and premiums; and coupon and POP are also significant.
4. In the case of cereals the mean difference between coupon and POP are also significant.
5. In the case of detergent the mean difference between coupon and premiums; and coupon and POP are also significant.

The detailed results of sex wise analysis of the effectiveness of sales promotion in motivating trial purchase for the four products are given in the tables 5.66 – 5.73. The differences between the two groups of consumers are tested for their significance with the help of ‘t-test’.

Table 5.66
Effectiveness of Sales Promotion Tools in Motivating
Trial Purchase of Tea (Sex Wise Analysis)

Sales Promotion Tools	Male			Female		
	No.	Mean	S. D.	No.	Mean	S. D.
Price-Off	61	33.93	21.85	44	34.20	26.06
Couponing	61	15.41	10.58	44	14.20	8.21
Premium	61	19.59	14.44	44	18.18	12.99
Sampling	61	16.84	15.91	44	15.91	9.60
POP	61	14.23	11.53	44	17.50	16.55

Source: Survey Data

Table 5.67
Result of t-test for Equality of Means

Sales Promotion Tools	t-value	D.F.	Mean Difference	2-Tail Significance
Price-Off	.058	103	.270	.954
Couponing	-.631	103	-1.205	.530
Premium	-.514	103	-1.408	.608
Sampling	-.344	103	-.927	.732
POP	1.194	103	3.270	.235

Table 5.66 shows that out of the 105 respondents who opined that there are some possibilities of making trial purchases of tea consequent to promotional offers 61 are men and 44 are women. Mean values in the table indicate that male buyer's possibility of trial purchases under 'couponing', 'premium' and 'sampling' schemes are stronger than women and female buyer's possibility of trial purchases under 'price-off' and 'POP' schemes are stronger than men. As the standard deviations in all the cases are lesser than their respective mean values, the opinion can be relied upon.

The results of 't-test' used for testing the equality of means suggest that there is no significant difference between male and female buyers in their possibility of making trial purchases under each one of the five schemes. This is because the two-tail significance values in all the cases are more than 0.05 as revealed by the table 5.67.

Table 5.68

Effectiveness of Sales Promotion Tools in Motivating Trial Purchase of Toothpaste (Sex Wise Analysis)

Sales Promotion Tools	Male			Female		
	No.	Mean	S. D.	No.	Mean	S. D.
Price-Off	84	30.54	20.41	53	26.80	21.28
Couponing	84	14.76	10.30	53	14.06	8.66
Premium	84	21.57	16.64	53	20.57	15.77
Sampling	84	17.35	14.90	53	17.74	10.31
POP	84	17.20	17.98	53	21.25	19.40

Source: Survey Data

Table 5.69

Results of t-test for Equality of Means

Sales Promotion Tools	t-value	D.F.	Mean Difference	2-Tail Significance
Price-Off	-1.028	135	-3.745	.306
Couponing	-.412	135	-.702	.681
Premium	-.202	135	-.579	.840
Sampling	.165	135	.386	.869
POP	1.238	135	4.05	.218

Table 5.68 indicates that out of the 137 respondents, who opined that there are some possibilities of making trial purchases of toothpaste consequent to promotional offers, 84 respondents are men and 53 respondents are women. Mean values in the table indicate that male consumer's possibility of trial purchases under 'price-off', 'couponing', and 'premium' schemes are stronger than women and female consumer's possibility of trial purchases under 'sampling' and 'POP' schemes are stronger than men. As the standard deviations in all the cases except 'POP' (male) are lesser than their respective mean values, the opinion can be relied upon.

The results of 't-test' used for testing the equality of means suggest that there is no significant difference between male and female buyers in their possibility of making trial purchases under each one of the five schemes. This is because the two-tail significance values in all the cases are more than 0.05 as revealed by the table 5.69.

Table 5.70

Effectiveness of Sales Promotion Tools in Motivating Trial Purchase of Cereals (Sex Wise Analysis)

Sales Promotion Tools	Male			Female		
	No.	Mean	S. D.	No.	Mean	S. D.
Price-Off	66	30.61	18.20	45	32.78	26.45
Couponing	66	17.20	10.71	45	13.00	7.86
Premium	66	15.91	11.13	45	17.33	15.80
Sampling	66	18.08	16.74	45	15.78	11.87
POP	66	18.36	17.91	45	22.44	19.56

Source: Survey Data

Table 5.71

Results of t-test for Equality of Means

Sales Promotion Tools	T-Value	D.F.	Mean Difference	2-Tail Significance
Price-Off	.513	109	2.172	.609
Couponing	-2.247	109	-4.197	.027
Premium	.558	109	1.424	.578
Sampling	-.794	109	-2.298	.429
POP	1.135	109	4.081	.259

Table 5.70 reveals that out of the 111 respondents, who opined that there are some possibilities of making trial purchases of cereals consequent to promotional offers, 66 respondents are men and 45 respondents are women. Mean values in the table indicate that male consumer's possibility of trial purchases under 'couponing' and 'sampling' schemes are stronger than women and female consumer's possibility of trial purchases under 'price-off', 'premium' and 'POP' schemes are stronger than men. As the standard deviations in all the cases are lesser than their respective mean values, the opinion can be relied upon.

The results of 't-test' used for testing the equality of means suggest that there is no significant difference between male and female buyers in their possibility of making trial purchases under all the schemes except 'couponing'. This is because the two-tail significance values in all those cases are more than 0.05 as revealed by the table 5.71. In the case of 'couponing' the two-tail significance is .027, which is less than 0.05, and hence the difference is significant.

Table 5.72

**Effectiveness of Sales Promotion Tools in Motivating
Trial Purchase of Detergent (Sex Wise Analysis)**

Sales Promotion Tools	Male			Female		
	No.	Mean	S. D.	No.	Mean	S. D.
Price-Off	88	32.13	21.56	61	30.74	27.09
Couponing	88	13.54	9.54	61	13.12	9.54
Premium	88	21.02	16.33	61	17.13	15.23
Sampling	88	16.01	15.45	61	19.02	18.61
POP	88	17.53	18.12	61	20.00	20.55

Source: Survey Data

Table 5.73**Results of t-test for Equality of Means**

Sales Promotion Tools	T-Value	D.F.	Mean Difference	2-Tail Significance
Price-Off	-.351	147	-1.397	.726
Couponsing	-.239	147	-.425	.811
Premium	-1.470	147	-3.892	.144
Sampling	1.076	147	3.005	.284
POP	.777	147	2.472	.439

Table 5.72 shows that out of the 149 respondents, who opined that there are some possibilities of making trial purchases of detergent consequent to promotional offers, 88 respondents are men and 61 respondents are women. Mean values in the table indicate that male consumer's possibility of trial purchases under 'price-off', 'couponsing' and 'premium' schemes are stronger than women and female consumer's possibility of trial purchases under 'sampling' and 'POP' schemes are stronger than men. As the standard deviations in all the cases except 'POP' (male and female) are lesser than their respective mean values, the opinion can be relied upon.

The results of 't-test' used for testing the equality of means suggest that there is no difference between male and female buyers in their possibility of making trial purchases under each one of the five schemes. This is because the two-tail significance values in all the cases are more than 0.05 as revealed by the table 5.73.

The details of income wise analysis of the effectiveness of sales promotion in motivating trial purchase of the four products are given in the tables 5.74 – 5.81. The differences between the three groups of consumers are tested for their significance with the help of ANOVA.

Table 5.74

**Effectiveness of Sales Promotion Tools in Motivating
Trial Purchase of Tea (Income Wise Analysis)**

Sales Promotion Tools	Low Income			Middle Income			High Income		
	No.	Mean	S. D.	No.	Mean	S. D.	No.	Mean	S. D.
Price-Off	51	38.63	27.91	48	29.27	18.33	6	33.33	23.59
Couponing	51	13.53	11.24	48	16.25	7.75	6	15.38	8.01
Premium	51	17.35	15.63	48	20.00	11.71	6	25.00	12.25
Sampling	51	17.29	17.59	48	15.83	8.27	6	14.17	9.17
POP	51	13.20	15.64	48	18.65	11.75	6	11.67	9.83

Source: Survey Data

Income wise analysis results of the effectiveness of sales promotion in motivating trial purchase of tea are presented in the table 5.74. It can be observed that out of a total of 105 respondents who opined that they would make a trial purchase of tea 51 respondents belong to low income group, 48 respondents belong to middle income group and 6 respondents belong to high income group. Mean values given in the table suggest the group of buyers which is most influenced by a particular scheme in motivating them to make trial purchase of the product. Accordingly, 'price-off' and 'sampling' influence low income buyers at the most; 'couponing' and 'POP' promotions influence middle income buyer at the most; and 'premium' influences high income buyers at the most.

Table 5.75

Results of Analysis of Variance

Promotion Tools	Sources	D.F.	Sum Of Squares	Mean Square	F-Ratio	P-Value
Price-Off	Between Groups	2	2168.2	1084.0	1.986	.143
Couponing	Between Groups	2	188.5	94.3	1.016	.366
Premium	Between Groups	2	402.4	201.2	1.057	.351
Sampling	Between Groups	2	85.9	43.0	.229	.796
POP	Between Groups	2	832.8	416.4	2.212	.115

Table 5.75, showing results of analysis of variance in the effectiveness of sales promotion tools in motivating trial purchase of tea among the three income groups indicate that those differences are merely due to chance factors

and are not significant under any of the promotion schemes. In all the cases the 'P' values are more than 0.05 at 5% level of confidence.

Table 5.76

Effectiveness of Sales Promotion Tools in Motivating Trial Purchase of Toothpaste (Income Wise Analysis)

Sales Promotion Tools	Low Income			Middle Income			High Income		
	No.	Mean	S. D.	No.	Mean	S. D.	No.	Mean	S. D.
Price-Off	62	35.25	25.26	64	24.84	14.20	11	19.55	16.50
Couponing	62	12.38	10.23	64	16.48	9.03	11	14.55	8.20
Premium	62	22.98	19.33	64	17.89	9.21	11	27.27	25.73
Sampling	62	17.38	16.47	64	17.98	10.22	11	15.45	9.07
POP	62	13.69	14.52	64	22.81	19.41	11	23.18	27.04

Source: Survey Data

Table 5.77

Results of Analysis of Variance

Promotion Tools	Sources	D.F.	Sum Of Squares	Mean Square	F-Ratio	P-Value
Price-Off	Between Groups	2	4467.6	2233.8	5.533	.005
Couponing	Between Groups	2	526.9	263.5	2.899	.059
Premium	Between Groups	2	1282.8	641.4	2.484	.087
Sampling	Between Groups	2	61.0	30.5	.171	.843
POP	Between Groups	2	2835.0	1417.5	4.314	.015

Income wise analysis results of the effectiveness of sales promotion in motivating trial purchase of toothpaste are presented in the table 5.76. It can be seen that out of a total of 137 respondents who opined that they would make a trial purchase of tea, 62 respondents belong to low income group, 64 respondents belong to middle income group and 11 respondents belong to high income group. Mean values given in the table indicate the group of buyers which is most influenced by a particular scheme in motivating them to make trial purchase of the product. Accordingly, 'price-off' influences low income buyers at the most; 'couponing' and 'sampling' influence middle-income buyer at the most; and 'premium' and 'POP' promotions influence high-income buyers at the most.

Table showing results of analysis of variance (Table 5.77) among the three income groups make it clear that the differences in the case of 'price-off' and 'POP' promotions are significant as the respective 'P' values of .005 and .015 are less than the cut off value of 0.05. In the rest of the cases the differences are merely due to chance factors and are not significant.

Table 5.78

Effectiveness of Sales Promotion Tools in Motivating Trial Purchase of Cereals (Income Wise Analysis)

Sales Promotion Tools	Low Income			Middle Income			High Income		
	No.	Mean	S. D.	No.	Mean	S. D.	No.	Mean	S. D.
Price-Off	47	37.55	27.84	53	27.26	14.56	11	25.91	16.56
Couponing	47	12.45	10.05	53	18.02	8.79	11	16.36	10.98
Premium	47	17.13	16.48	53	15.09	9.48	11	20.45	12.74
Sampling	47	17.40	18.70	53	17.26	11.95	11	15.45	10.11
POP	47	15.47	18.73	53	23.68	15.72	11	21.81	27.23

Source: Survey Data

Table 5.79

Results of Analysis of Variance

Promotion Tools	Sources	D.F.	Sum Of Squares	Mean Square	F-Ratio	P-Value
Price-Off	Between Groups	2	3016.9	1508.5	3.297	.041
Couponing	Between Groups	2	782.6	391.3	4.284	.016
Premium	Between Groups	2	295.2	147.6	.849	.431
Sampling	Between Groups	2	35.3	17.7	.078	.925
POP	Between Groups	2	1719.1	859.5	2.550	.083

Income wise analysis results of the effectiveness of sales promotion in motivating trial purchase of cereals are presented in the table 5.78. As per the table out of a total of 111 respondents who opined that they would make a trial purchase of tea, 47 respondents belong to low income group, 53 respondents belong to middle income group and 11 respondents belong to high income group. Mean values given in the table suggest the group of buyers which is most influenced by a particular scheme in motivating them to make trial purchase of the product. Accordingly, 'price-off' and 'sampling'

influence low income buyers at the most; 'couponing' and 'POP' promotions influence middle income buyer at the most; and 'premium' influences high income buyers at the most.

Table showing results of analysis of variance (Table 5.79) among the three income groups indicate that the differences in the case of 'price-off' and 'couponing' promotions are significant as the respective 'P' values of .041 and .016 are less than the cut off value of 0.05. In the rest of the cases the differences are merely due to chance factors and are not significant

Table 5.80
Effectiveness of Sales Promotion Tools in Motivating
Trial Purchase of Detergent (Income Wise Analysis)

Sales Promotion Tools	Low Income			Middle Income			High Income		
	No.	Mean	S. D.	No.	Mean	S. D.	No.	Mean	S. D.
Price-Off	68	37.83	25.99	66	25.23	19.40	15	30.67	25.70
Couponing	68	12.32	10.63	66	14.02	10.09	15	15.33	13.16
Premium	68	18.41	15.50	66	18.31	10.40	15	29.00	30.37
Sampling	68	17.32	18.64	66	18.48	15.96	15	11.33	9.72
POP	68	14.13	15.12	66	24.24	22.43	15	13.67	13.02

Source: Survey Data

Table 5.81
Results of Analysis of Variance

Promotion Tools	Sources	D.F.	Sum Of Squares	Mean Square	F-Ratio	P-Value
Price-Off	Between Groups	2	5368.0	2684.0	4.954	.008
Couponing	Between Groups	2	161.5	80.8	.710	.493
Premium	Between Groups	2	1528.0	764.0	3.086	.049
Sampling	Between Groups	2	626.0	313.0	1.109	.333
POP	Between Groups	2	3844.1	1922.0	5.580	.005

Income wise analysis results of the effectiveness of sales promotion in motivating trial purchase of detergent are presented in the table 5.80. Accordingly, out of a total of 149 respondents who opined that they would make a trial purchase of tea, 68 respondents belong to low income group, 66 respondents belong to middle income group and 15 respondents belong to high income group. Mean values given in the table suggest the group of

buyers which is most influenced by a particular scheme in motivating them to make trial purchase of the product. Accordingly, 'price-off' influences low income buyers at the most; 'sampling' and 'POP' promotions influence middle-income buyer at the most; and 'couponing' and 'premium' influence high-income buyers at the most.

Table 5.81, showing results of analysis of variance among the three income groups, suggests that the differences in the case of 'price-off', 'premium' and 'POP' promotions are significant as the respective 'P' values of .008, .049 and .005 are less than the cut off value of 0.05. In the rest of the cases the differences are merely due to chance factors and are not significant

5.7 Brand Switching Possibility Due to Promotional Offers

Brand switching, considered as one of the most important effects of sales promotion and advertisement, is a buyer's tendency to move from one brand to another across a product category. In a mature and saturated market as in the case of FMCGs brand switching is the most important sales promotion objective of marketers. Many studies have revealed that sales promotion has a very strong effect on consumer's brand switching behavior. The share of brand switching in the total incremental sales due to promotion has been found as high as 80 percent in the case of some products when such increased sales were decomposed in to brand switching, stockpiling and category expansion. In this context, it is essential to study the switching behaviour of the consumers of FMCG in Kerala. The switching possibilities are measured in terms of some percentages such as zero (no possibility), less than 25 (very low possibility), 25 to 50 (low possibility), 50 to 75 (high possibility) and 75 to 100 (very high possibility). In order to identify the group to which most consumers belongs the statistical tool of mode is used. The test of chi-square has been applied to test the significance of difference between various products and groups of consumers.

Table 5.82**Brand Switching Possibility Due to Promotional Offers**

Level of Possibility	Tea		Toothpaste		Cereals		Detergent	
	No.	%	No.	%	No.	%	No.	%
No Possibility	240	60.0	215	53.7	232	58.0	193	48.2
Very Low Possibility	104	26.0	108	27.0	101	25.2	95	23.7
Low Possibility	26	6.4	44	11.0	36	9.0	46	11.5
High Possibility	21	5.3	15	3.8	11	2.8	35	8.8
Very High Possibility	9	2.3	18	4.5	20	5.0	31	7.8
Total	400	100.0	400	100.0	400	100.0	400	100.0
Mode	1 st item		1 st item		1 st item		1 st item	

Source: Survey Data

Table 5.82 shows the brand switching possibility of consumers of the selected products due to sales promotion:

Tea: - In the case of tea, 60 percent opined that there is no possibility of a brand switching. There is a very low possibility in the case of 26 percent of buyers where as the higher-level possibilities are marginal. Mode indicates that most of the buyers subscribe to the view that there is no possibility of brand switching in the case of tea.

Tooth paste: - In the case of toothpaste, 53.7 percent indicated that there is no possibility of a brand switching. 27 percent buyers expressed a very low possibility, and 11 percent opined that there is a low possibility of switching. Mode indicates that most of the buyers subscribe to the view that there is no possibility of brand switching in the case of toothpaste.

Cereals: - In the case of cereals, the percentage of buyers who expressed that there is no possibility of switching is 58. Further 25.2 percent buyers opined that there is a very low possibility while 9 percent posses low possibility. Mode indicates that most of the buyers subscribe to the view that there is no possibility of brand switching in the case of cereals.

Detergent: - In the case of detergent, more than half of the buyers would switch their brands due to sales promotion. Percentages of buyers included in each category are 23.7, 11.5, 8.8 and 7.8 in the case of 'very low', 'low',

‘high’ and ‘very high’ groups respectively. Mode indicates that most of the buyers subscribe to the view that there is no possibility of brand switching in the case of detergent.

From the foregoing discussion it is clear that detergent is the product, which is subject to maximum brand switching incidences followed by toothpaste, cereals and tea. Various levels of possibilities of trial purchase are also different from product to product. Chi-square test has been applied to test whether these differences are significant and the result suggests that there is significant difference among these products in their chances of brand switching when the product is on a promotional offer. The value of chi-square at 12 degrees of freedom is 42.019 and ‘P’ value is less than 0.001.

5.7.1 Graphical Presentation of Brand Switching Possibility

The correspondence table and graphic presentation given below help one to grasp a quick view of the possibility of brand switching in the case of all the four products.

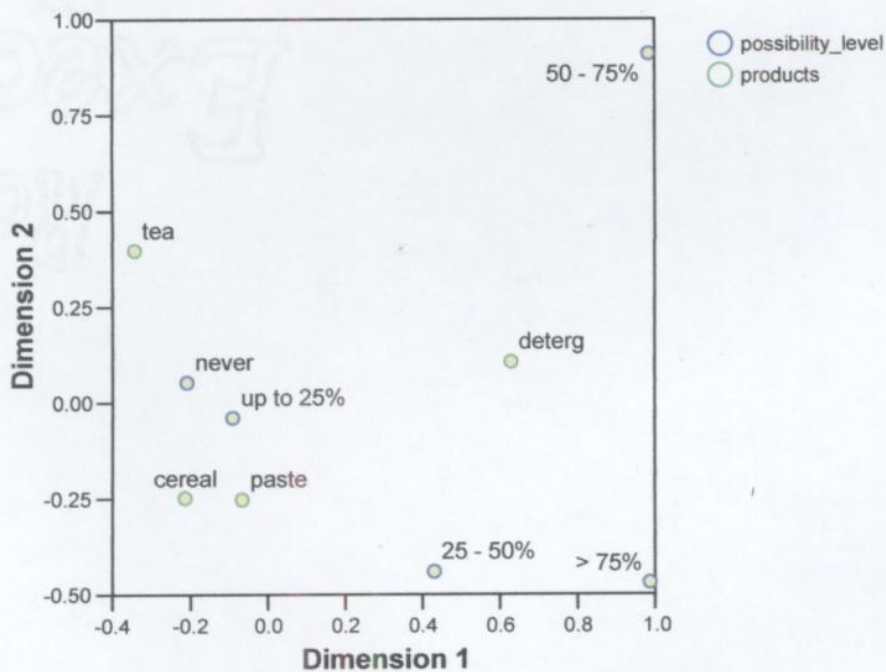
Figure 5.2

Correspondence Table

products	possibility_level					Active Margin
	never	up to 25%	25 - 50%	50 - 75%	> 75%	
tea	240	104	26	21	9	400
paste	215	108	44	15	18	400
cereal	232	101	36	11	20	400
deterg	193	95	46	35	31	400
Active Margin	880	408	152	82	78	1600

Row and Column Points

Symmetrical Normalization



Sex wise analyses of the data relating to the consumer's possibility of brand switching were conducted in respect of the four products and their results are summarized in the tables 5.83 – 5.89.

Table 5.83

**Brand Switching Possibility of Consumers of Tea
(Sex Wise Classification)**

Level of Possibility	Male		Female		Total	
	N	%	N	%	N	%
No Possibility	124	54.9	116	66.7	240	60.0
Very Low Possibility	67	29.6	37	21.3	104	26.0
Low Possibility	16	7.1	10	5.7	26	6.5
High Possibility	14	6.2	7	4.0	21	5.3
Very High Possibility	5	2.2	4	2.3	9	2.3
Total	226	100.0	174	100.0	400	100.0

Source: Survey Data

Brand switching possibilities of male and female groups of consumers of tea are given in the table 5.83. It can be observed that female buyers are more unlikely to switch their brands on account of promotions. 66.7percent of female and 54.9 percent of male consumers shared this view. In the case of various possibilities level more male consumers are involved than their female counterparts, except in the case of ‘very high possibility’ level.

Table 5.84

**Brand Switching Possibility of Consumers of Toothpaste
(Sex Wise Classification)**

Level of Possibility	Male		Female		Total	
	N	%	N	%	N	%
No Possibility	113	50.5	102	58.6	215	53.8
Very Low Possibility	64	28.3	44	25.3	108	27.0
Low Possibility	24	10.6	20	11.5	44	11.0
High Possibility	11	4.9	4	2.3	15	3.8
Very High Possibility	14	6.2	4	2.3	18	4.5
Total	226	100.0	174	100.0	400	100.0

Source: Survey Data

Brand switching possibilities of male and female groups of consumers of toothpaste are given in the table 5.84. It is clear from the table that male buyers are more unlikely to switch their brands on account of promotions. 58.6 percent of female and 50.5 percent of male consumers shared this view. In the case of various possibilities level more male consumers are involved than their female counterparts, except in the case of ‘low possibility’ level.

Table 5.85
Brand Switching Possibility of Consumers of Cereals
(Sex Wise Classification)

Level of Possibility	Male		Female		Total	
	N	%	N	%	N	%
No Possibility	124	54.9	108	62.1	232	58.0
Very Low Possibility	58	25.7	43	24.7	101	25.3
Low Possibility	23	10.2	13	7.5	36	9.0
High Possibility	6	2.7	5	2.9	11	2.8
Very High Possibility	15	6.6	5	2.9	20	5.0
Total	226	100.0	174	100.0	400	100.0

Source: Survey Data

Brand switching possibilities of male and female groups of consumers of cereals are given in the table 5.85. It can be noted from the table that female buyers are more unlikely to switch their brands on account of promotions. 62.1 percent of female and 54.9 percent of male consumers shared this view. In the case of various possibilities level more male consumers are involved than their female counterparts, except in the case of 'high possibility' level.

Table 5.86
Brand Switching Possibility of Consumers of Detergent
(Sex Wise Classification)

Level Of Possibility	Male		Female		Total	
	N	%	N	%	N	%
No Possibility	107	47.3	86	49.4	193	48.3
Very Low Possibility	47	20.8	48	27.6	95	23.8
Low Possibility	28	12.4	18	10.3	46	11.5
High Possibility	20	8.8	15	8.6	35	8.8
Very High Possibility	24	10.6	7	4.0	31	7.8
Total	226	100.0	174	100.0	400	100.0

Source: Survey Data

Brand switching possibilities of male and female groups of consumers of detergent are given in the table 5.86. It can be seen from the table that female buyers are more unlikely to switch their brands on account of promotions. 49.4 percent of female and 47.3 percent of male consumers shared this view. In the case of various possibilities level more male consumers are involved than their female counterparts, except in the case of 'very low possibility' level.

Table 5.87**Results of Chi-Square Analysis**

Product	X ² Values	DF.	P Value
Tea	6.093	4	.192
Toothpaste	6.807	4	.146
Cereals	4.516	4	.341
Detergent	7.879	4	.096

The differences observed in the brand switching possibility of the two groups of consumers were tested for their significance using chi-square analysis. It is clear from the above table (5.87) that the differences are not significant in the case of any of the above four products as the 'P' values are 0.192, 0.146, 0.341 and 0.96 respectively for products tea, toothpaste, cereals and detergent. These values are more than 0.05, which is the cut-off value at 5% level of significance.

Income wise analyses of the data relating to the consumer's possibility of brand switching were conducted in respect of the four products and their results are summarized in the tables 5.88 – 5.92.

Table 5.88**Brand Switching Possibility of Consumers of Tea (Income Wise Classification)**

Level of Possibility	Low Income		Middle Income		High Income		Total	
	N	%	N	%	N	%	N	%
No Possibility	90	54.9	110	60.4	40	74.1	240	60.0
Very Low Possibility	54	32.9	41	22.5	9	16.7	104	26.0
Low Possibility	9	5.5	15	8.2	2	3.7	26	6.5
High Possibility	8	4.9	11	6.0	2	3.7	21	5.3
Very High Possibility	3	1.8	5	2.7	1	1.9	9	2.3
Total	164	100.0	182	100.0	54	100.0	400	100.0

Source: Survey Data

Data given in the table 5.88 supports the fact that high-income consumers are highly reluctant to switch their brands of tea due to a promotional offer (74.1%). They are followed by the middle-income group (60.4%). Low-income consumers are most likely to switch their brands. Share of low-income consumers is more than other groups in the 'very low

possibility' level where as middle income consumers lead over others in the higher levels of possibilities.

Table 5.89
Brand Switching Possibility of Consumers of Toothpaste
(Income Wise Classification)

Level of Possibility	Low Income		Middle Income		High Income		Total	
	N	%	N	%	N	%	N	%
No Possibility	78	47.6	100	54.9	37	68.5	215	53.8
Very Low	54	32.9	43	23.6	11	20.4	108	27.0
Low	20	12.2	20	11.0	4	7.4	44	11.0
High	10	6.1	4	2.2	1	1.9	15	3.8
Very High	2	1.2	15	8.2	1	1.9	18	4.5
Total	164	100.0	182	100.0	54	100.0	400	100.0

Source: Survey Data

More than half of the low-income group of consumers is willing to change their brands in case marketers introduce an attractive deal for toothpastes. Data given in the table 5.89 support the fact that high-income consumers are highly reluctant to switch their brands due to a promotional offer (68.5%). They are followed by the middle-income group (54.9%). Share of low-income consumers is more than other groups in all level of possibilities except in the level of 'very high possibility'.

Table 5.90
Brand Switching Possibility of Consumers of Cereals
(Income Wise Classification)

Level Of Possibility	Low Income		Middle Income		High Income		Total	
	N	%	N	%	N	%	N	%
No Possibility	92	56.1	104	57.1	36	66.7	232	58.0
Very Low	50	30.5	42	23.1	9	16.7	101	25.3
Low	11	6.7	19	10.4	6	11.1	36	9.0
High	5	3.0	4	2.2	2	3.7	11	2.8
Very High	6	3.7	13	7.1	1	1.9	20	5.0
Total	164	100.0	182	100.0	54	100.0	400	100.0

Source: Survey Data

Data given in the table 5.90 suggest that high income consumers are highly reluctant to switch their brands of cereals due to a promotional offer

(66.7%). They are followed by the middle-income group (57.1). Low-income consumers are most likely to switch their brands. Share of low-income consumers is more than other groups in the 'very low possibility' level whereas middle-income consumers lead over others in the 'very high possibility' levels and high income consumers take the lead in the rest of the levels of possibilities.

Table 5.91
Brand Switching Possibility of Consumers of Detergent
(Income Wise Classification)

Level Of Possibility	Low Income		Middle Income		High Income		Total	
	N	%	N	%	N	%	N	%
No Possibility	70	42.7	93	51.1	30	55.6	193	48.3
Very Low	47	28.7	37	20.3	11	20.4	95	23.8
Low	22	13.4	19	10.4	5	9.3	46	11.5
High	15	9.1	16	8.8	4	7.4	35	8.8
Very High	10	6.1	17	9.3	4	7.4	31	7.8
Total	164	100.0	182	100.0	54	100.0	400	100.0

Source: Survey Data

More than half of the low-income group of consumers is willing to change their brands in case marketers introduce an attractive deal for detergents as shown in the table 5.91. High-income consumers are highly reluctant to switch their brands due to a promotional offer (55.6%). They are followed by the middle-income group (51.1%). Share of low-income consumers is more than other groups in the various levels of possibilities except in the level of 'very high possibility'.

Table 5.92
Results of Chi-Square Analysis

Product	X ² Values	D.F.	P Value
Tea	10.818	8	.212
Toothpaste	22.559	8	.004
Cereals	9.933	8	.270
Detergent	7.035	8	.533

The differences in the level of brand switching possibilities in the case of the four products among the three groups of buyers were tested for their

significance by using chi-square test and their results are provided in the Table 5.92. As per the table the differences noticed in the case of tea, cereals and detergent are not significant where as in the case of toothpaste there is significant difference.

5.8 Effectiveness of Sales Promotion Tools in Motivating Brand-Switching.

The power of various sales promotion tools to motivate buyers to switch their brands may vary from one tool to another. As brand switching is the most important objective of sales promotion in the fast moving consumer goods market it is important that marketers know this difference. More over they can design counter strategies against the scheme implemented by their rival competitors. Respondents who were found motivated to switch from one brand to another due to sales promotion were asked to give their priorities of promotional tools by distributing 100 points. The mean and standard deviation of these scores were obtained in order to identify and rank these tools in their order of suitability. Table 5.93 provides information with relate to the four products on this aspect of study

Table 5.93

Effectiveness of Sales Promotion Tools in Motivating Brand-Switching.

Product	No.	Statistic	Price-Off	Couponing	Premium	Sampling	POP
Tea	160	Mean	29.84	14.00	15.13	16.53	24.50
		S. D.	24.63	15.02	14.46	14.77	25.15
Toothpaste	185	Mean	29.76	12.88	20.52	17.59	19.24
		S. D.	23.66	11.40	18.51	18.08	21.73
Cereals	168	Mean	29.88	12.86	17.08	19.17	21.01
		S. D.	25.26	11.45	15.61	17.49	23.13
Detergent	207	Mean	31.88	13.19	18.64	17.08	19.15
		S. D.	24.74	11.14	15.97	15.70	20.70

Source: Survey Data

The above table reveals the following information:

Tea: - In the case of tea, 160 respondents were found motivated by sales promotion to switch over to a new brand of the product. 'Price-off' is the most suitable sales promotion tool in motivating buyers to switch over to a new brand of tea. Its mean value is 29.84 with a standard deviation of 24.63, which is in the acceptable limit. 'POP' (mean value 24.50), 'Sampling' (mean value 16.53), 'Premium' (mean value 15.13), and 'Couponing' (mean value 14.0) can be arranged in the order of their power to motivate buyers in switching brands.

Toothpaste: - In the case of toothpaste, 185 respondents were found motivated by sales promotion to switch over to a new brand of the product. 'Price-off' with a mean score of 29.76 is the most suitable sales promotion tool in motivating buyers to switch over to a new brand of tooth paste. 'Premium' (mean value 20.52), 'POP' (mean value 19.24), 'Sampling' (mean value 17.59) and 'Couponing' (mean value 12.88) can be arranged in the order of their power to motivate buyers in switching brands.

Cereals: - in the case of cereals, 168 respondents were found motivated by sales promotion to switch over to a new brand. 'Price-off' with a mean score of 29.88 is the most suitable sales promotion tool in motivating buyers to switch over to a newly promoted brand. 'POP' (mean value 21.01), 'Sampling' (mean value 19.17), 'Premium' (mean value 17.08) and 'Couponing' (mean value 12.86) can be arranged in the order of their power to motivate buyers in switching brands.

Detergent: - In the case of detergents, 207 respondents were found motivated by sales promotion to switch over to a new brand. 'Price-off' with a mean score of 31.88 is the most suitable sales promotion tool in motivating buyers to switch over to a newly promoted brand. 'POP' (mean value 19.15), 'Premium' (mean value 18.64), 'Sampling' (mean value 17.08), and 'Couponing' (mean value 13.19) can be arranged in the order of their power to motivate buyers in switching their brands.

To summaries the above discussion, 'price-off' is the best and 'couponing' is the least effective sales promotion tools in motivating buyers to make a brand switching in the case of all the four categories of FMCG selected for the study. Other tools take interchangeable positions.

Consumer's perception about the effectiveness of each sales promotion tools in motivating them to switch brands can be further analysed on product wise. Accordingly 'price-off' appears to be most successful in the product detergent (mean value 31.88) and then products cereals (mean value 29.88, tea (mean value 29.84) and toothpaste (mean value 29.76) follow in that order. Couponing has greatest influence on the product tea (mean value 14.0) followed by detergent (mean value 13.19), toothpaste (mean value 12.88) and cereals (mean value 12.86). In the case of premium, the highest influence is on toothpaste (mean value 20.52) followed by detergent (mean value 18.64), cereals (mean value 17.08) and tea (mean value 15.13). Influence of sampling on brand switching is at the maximum level on cereals (mean value 19.17) followed by toothpaste (mean value 17.59), detergent (mean value 17.08) and tea (mean value 16.53). Finally, point-of-purchase promotions exert maximum influence on tea (mean value 24.5) followed by cereals (mean value 21.01), toothpaste (mean value 19.24) and detergent (mean value 19.15).

A study of the significance of difference in the effectiveness of a sales promotion tool in motivating brand switching among the four products would be useful to the marketers to take appropriate decisions. Results of the analysis of variance using 'F-test' are presented in the Table 5.94. It can be observed from the table that the brand switching motivational role of each sales promotion tool in the case of all the four products is not significantly different, except in the case of the tool 'Premium' as the 'P' values are more than 0.05, at the confidence limit of 5%. In the case of 'Premium' the 'P' value is only 0.017.

Table 5.94**Results of Analysis of Variance (Inter-Product Analysis)**

Promotion Tools	Sources	D.F.	Sum of Squares	Mean Square	F-Ratio	P-Value
Price-Off	Between Groups	3	627.0	209.01	0.346	.792
Couponing	Between Groups	3	140.8	46.96	0.314	.816
Premium	Between Groups	3	2729.0	909.68	3.437	.017
Sampling	Between Groups	3	651.2	217.09	0.790	.500
POP	Between Groups	3	3206.7	1068.91	2.097	.099

Table 5.95**Results of Analysis of Variance (Inter-Promotion Tool Analysis)**

Product	Sources	D.F	Sum of Squares	Mean Square	F-Value	Significance
Tea	Between Groups	4	30231.5	7557.8	19.97	<.001
Toothpaste	Between Groups	4	28213.7	7053.4	19.26	<.001
Cereals	Between Groups	4	26691.7	6672.9	18.00	<.001
Detergent	Between Groups	4	41134.0	10283.5	30.86	<.001

Differences in the brand switching motivational effectiveness of all the sales promotion tools in the case of each product are tested for their significance and the results are exhibited in the table 5.95. Since the 'P' values in all the cases are less than 0.05, at the confidence limit of 5%, it is concluded that the motivational role of the five tools of promotion in motivating brand switching in the case of each of the four products is significantly different.

Post Hoc Analysis

The analysis of variance in the brand switching motivational effectiveness of various sales promotion tools in the case of each product is done taking all the tools together. A more detailed study taking two tools at a time, in order to know the significance of difference between them is conducted using the method of Least Square Difference. The results of analysis are incorporated in Table 5.96.

Table 5.96

Results of Post Hoc Analysis (Inter-Promotional Tool)

Pair of Tools Compared	Tea		Toothpaste		Cereals		Detergent	
	Mean Diff.	P Value	Mean Diff.	P Value	Mean Diff.	P Value	Mean Diff.	P Value
Price-off-Coupons	15.843*	<.001	16.875*	<.001	17.023*	<.001	18.695*	<.001
Price-off - Premium	14.718*	<.001	9.232*	<.001	12.797*	<.001	13.236*	<.001
Price-off - Sampling	13.312*	<.001	12.162*	<.001	10.714*	<.001	14.806*	<.001
Price-off - POP	5.343*	0.014	10.513*	<.001	8.869*	<.001	12.729*	<.001
Coupon-Premium	-1.125	0.605	-7.643*	<.001	-4.226*	.045	-5.458*	.002
Coupon-Sampling	-2.531	0.245	-4.713*	0.018	-6.309*	.003	-3.888*	.030
Coupon-POP	-10.500*	<.001	-6.362*	0.001	-8.154*	<.001	-5.966*	.001
Premium-Sampling	-1.406	0.518	2.929	0.141	-2.083	.322	1.570	.382
Premium-POP	-9.375*	<.001	1.281	0.520	-3.928	.062	-.507	.777
Sampling-POP	-7.968*	<.001	-1.648	0.408	-1.845	.380	-2.077	.247

* The mean difference is significant at the 0.05 level

The following inferences can be drawn from the above table (5.96) showing the significance of difference between mean values of various tools taken in pairs for comparison:

1. The difference between 'discount' and each of the other tools of promotion is very much significant in the case of all the four products since the 'P' values are less than 0.05.
2. In the case of tea, the mean difference between coupon and POP; premium and POP; and sampling and POP are significant as well.
3. In the case of toothpaste, the difference between coupon and premiums; coupons and sampling; and coupon and POP are also significant.

4. In the case of cereals, the difference between coupon and premiums; coupons and sampling; and coupon and POP are also significant.
5. In the case of detergent, the difference between coupon and premiums; coupons and sampling; and coupon and POP are also significant.

The details of sex wise analysis of the effectiveness of sales promotion in motivating brand switching in the case of the four products are given in the tables 5.97 – 5.104. The differences between the two groups of consumers are tested for their significance with the help of ‘t-test’ for equality of means.

Table 5.97

Effectiveness of Sales Promotion Tools in Motivating Brand Switching of Tea (Sex Wise Analysis)

Sales Promotion Tools	Male			Female		
	No.	Mean	S. D.	No.	Mean	S. D.
Price-Off	102	31.72	23.93	58	26.55	3.38
Couponing	102	15.23	17.17	58	11.81	9.99
Premium	102	16.27	15.78	58	13.10	11.65
Sampling	102	16.47	15.08	58	16.64	14.34
POP	102	2029	19.86	58	31.90	31.27

Source: Survey Data

Table 5.98

Results of t-test for Equality of Means

Sales Promotion Tools	t-value	D.F.	Mean Difference	2-Tail Significance
Price-Off	-1.277	158	-5.164	.203
Couponing	-1.394	158	-3.435	.165
Premium	-1.337	158	-3.171	.183
Sampling	.069	158	.167	.945
POP	2.868	158	11.602	.005

Table 5.97 shows that out of the 160 respondents who opined that there are some possibilities of switching to a new brand of tea consequent to promotional offers 102 respondents are men and 58 respondents are women.

Mean values in the table indicate that possibility of males buyers to switch brands under 'price-off', 'couponing' and 'premium' schemes are stronger than women and female possibility of brand switching under 'sampling' and 'POP' schemes are stronger than men. As the standard deviations in all the cases are lesser than their respective mean values (except in one case) the opinion can be generally relied upon.

The results of 't-test' used for testing the equality of means suggest that except in the case of 'POP' there is no significant difference between male and female buyers in their possibility of switching brands. This is because the two-tail significance values in all those cases are more than 0.05 as revealed by the table 5.98. The 'P' value in the exceptional case is 0.005.

Table 5.99

Effectiveness of Sales Promotion Tools in Motivating Brand Switching of Toothpaste (Sex Wise Analysis)

Sales Promotion Tools	Male			Female		
	No.	Mean	S. D.	No.	Mean	S. D.
Price-Off	113	29.91	20.65	72	29.51	27.90
Couponing	113	13.52	12.29	72	11.88	9.84
Premium	113	23.60	20.27	72	15.69	14.20
Sampling	113	17.21	16.27	72	18.19	20.71
POP	113	15.75	14.97	72	24.72	28.63

Source: Survey Data

Table 5.100

Results of t-test for Equality of Means

Sales Promotion Tools	t-value	D.F.	Mean Difference	2-Tail Significance
Price-Off	-.111	183	-.398	.912
Couponing	-.958	183	-1.647	.339
Premium	-2.888	183	-7.907	.004
Sampling	.359	183	.982	.720
POP	2.788	183	8.970	.006

It can be noted from the Table 5.99 that out of the 185 respondents who opined that there are some possibilities of switching from their brands of toothpaste consequent to promotional offers, 113 respondents are men and 72 respondents are women. Mean values in the table indicate that the possibility of male buyers switching brands under 'price-off', 'couponing', and 'premium' schemes are stronger than women and female buyer's possibility of switching brands under 'sampling' and 'POP' schemes are stronger than men. As the standard deviations in all the cases except 'sampling' (female) are lesser than their respective mean values, the opinion can be relied upon.

The results of 't-test' used for testing the equality of means (Table 5.100) suggest that there is no significant difference between male and female buyers in their possibility of switching brands under the 'price-off', 'coupon' and 'sampling' schemes. In the case of 'premium' and 'POP' the difference is significant as the 'P' value is less than 0.05.

Table 5.101

Effectiveness of Sales Promotion Tools in Motivating Brand Switching of Cereals (Sex Wise Analysis)

Sales Promotion Tools	Male			Female		
	No.	Mean	S. D.	No.	Mean	S. D.
Price-Off	102	33.19	25.7	66	24.77	23.88
Couponing	102	13.77	12.69	66	11.43	9.10
Premium	102	16.96	13.72	66	17.27	18.25
Sampling	102	18.14	16.78	66	20.76	18.55
POP	102	17.94	17.71	66	25.76	29.14

Source: Survey Data

Table 5.102**Results of t-test for Equality of Means**

Sales Promotion Tools	t-value	D.F.	Mean Difference	2-Tail Significance
Price-Off	-2.130	166	-8.414	.035
Couponing	-1.294	166	-2.335	.197
Premium	.126	166	.312	.900
Sampling	.948	166	2.620	.344
POP	2.163	166	7.816	.032

Table 5.101 clearly shows that out of the 168 respondents who opined that there is some possibilities of switching from their brands of cereals consequent to promotional offers 102 respondents are men and 66 respondents are women. Mean values in the table suggest that the possibility of male buyers switching brands under 'price-off' and 'couponing' schemes are stronger than women and possibility of women switching brands under 'premium', 'sampling' and 'POP' schemes are stronger than men.

The results of 't-test' used for testing the equality of means (Table 5.102) suggest the difference between male and female in their possibility of switching brands under 'price-off' and 'POP' is significant and in the other cases not.

Table 5.103**Effectiveness of Sales Promotion Tools in Motivating Brand Switching of Detergent (Sex Wise Analysis)**

Sales Promotion Tools	Male			Female		
	No.	Mean	S. D.	No.	Mean	S. D.
Price-Off	119	33.03	29.97	88	30.34	29.97
Couponing	119	13.70	11.96	88	12.50	9.94
Premium	119	19.16	15.53	88	17.95	16.60
Sampling	119	17.10	14.18	88	17.05	17.64
POP	119	16.93	15.58	88	22.16	25.86

Source: Survey Data

Table 5.104**Results of t-test for Equality of Means**

Sales Promotion Tools	t-value	D.F.	Mean Difference	2-Tail Significance
Price-Off	-.771	202	-2.684	.442
Couponing	-.764	205	-1.197	.446
Premium	-.536	205	-1.205	.593
Sampling	-.025	205	-.056	.980
POP	1.806	205	5.23	.072

Table 5.103 shows that out of the 207 respondents who opined that there are some possibilities of switching from their brands of detergent consequent to promotional offers 119 respondents are men and 88 respondents are women. Mean values in the table indicate that the possibility of male buyers switching brands is stronger than women under all the schemes except 'POP'.

The results of 't-test' used for testing the equality of means (Table 5.104) suggest that the difference between male and female in their possibility of switching brands is not significant under any of the scheme.

The details of income wise analysis of the effectiveness of sales promotion tools in motivating brand switching of the four products are given in the tables 5.105 – 5.112. The differences between the three groups of consumers are tested for their significance with the help of ANOVA.

Table 5.105

**Effectiveness of Sales Promotion Tools in Motivating Brand Switching of Tea
(Income Wise Analysis)**

Sales Promotion Tools	Low Income			Middle Income			High Income		
	No.	Mean	S. D.	No.	Mean	S. D.	No.	Mean	S. D.
Price-Off	74	36.01	28.67	72	23.82	19.78	14	28.21	15.76
Couponing	74	12.16	13.68	72	15.97	16.80	14	13.57	11.34
Premium	74	17.30	17.83	72	14.10	10.46	14	8.93	10.03
Sampling	74	15.20	15.25	72	17.57	13.94	14	18.21	19.83
POP	74	19.32	23.96	72	28.54	25.12	14	31.07	27.89

Source: Survey Data

Table 5.105 contains data relating to the results of income wise analysis of the effectiveness of sales promotion tools in motivating brand switching of tea. There are a total of 160 respondents who opined that they would switch from their current brand of tea to avail an attractive promotional offer. 74 respondents of them belong to low-income group; 72 respondents belong to middle-income group; and 14 respondents belong to high-income group. Mean values given in the table suggest that the group of buyers which is most influenced by a particular scheme in motivating them to make switch of the brand. Accordingly, 'price-off' and 'premium' influence low income buyers at the most; 'couponing' influences middle income buyers at the most; 'sampling' and 'POP' influence high income buyers at the most.

Table 5.106

Results of Analysis of Variance

Promotion Tools	Sources	D.F.	Sum of Squares	Mean Square	F-Ratio	P-Value
Price-Off	Between Groups	2	5467.1	2733.5	4.716	.010
Couponing	Between Groups	2	532.6	266.3	1.182	.309
Premium	Between Groups	2	962.8	481.4	1.341	.100
Sampling	Between Groups	2	247.9	123.9	.565	.570
POP	Between Groups	2	3763.0	1881.5	3.052	.050

Table 5.106 shows results of analysis of variance in the motivational ability of promotion tools in the case of the product tea among the three income groups. Accordingly, it appears that the difference between the three income groups is significant in the case of 'price-off' scheme. Differences in the rest of the cases are not significant since their 'P' values are not less than 0.05.

Table 5.107

Effectiveness of Sales Promotion Tools in Motivating Brand Switching of Toothpaste (Income Wise Analysis)

Sales Promotion Tools	Low Income			Middle Income			High Income		
	No.	Mean	S. D.	No.	Mean	S. D.	No.	Mean	S. D.
Price-Off	86	35.76	28.67	82	23.90	16.96	17	27.65	15.52
Couponing	86	11.26	10.28	82	14.63	12.59	17	12.64	10.02
Premium	86	21.59	21.72	82	19.82	15.30	17	18.53	15.39
Sampling	86	17.97	21.40	82	17.80	14.93	17	14.71	13.75
POP	86	13.43	18.96	82	23.84	21.86	17	26.47	27.43

Source: Survey Data

Table 5.108

Results of Analysis of Variance

Promotion Tools	Sources	D.F.	Sum of Squares	Mean Square	F-Ratio	P-Value
Price-Off	Between Groups	2	5981.1	2990.5	5.609	.004
Couponing	Between Groups	2	480.1	240.1	1.864	.158
Premium	Between Groups	2	206.9	103.4	.300	.742
Sampling	Between Groups	2	157.3	78.65	.239	.788
POP	Between Groups	2	5527.8	2763.9	6.186	.003

Table 5.107 presents data relating to the results of income wise analysis of the effectiveness of sales promotion tools in motivating brand switching of toothpaste. There are a total of 185 respondents who opined that they would switch from their current brand of toothpaste to avail an attractive promotional offer. Of them, 86 respondents belong to low-income group; 82

respondents belong to middle-income group; and 17 respondents belong to high-income group. Mean values given in the table suggest that the group of buyers which is most influenced by a particular scheme in motivating them to switch brands of the product. Accordingly, 'price-off', 'premium' and 'sampling' influence low income buyers at the most where as 'couponing' and 'POP' influence high income buyers at the most.

Table 5.108 shows results of analysis of variance among the three income groups. It can be noted that the difference between the three income groups is significant in the case of 'price-off' and 'POP' schemes. Differences in the rest of the cases are not significant since their 'P' values are more than 0.05.

Table 5.109

Effectiveness of Sales Promotion Tools in Motivating Brand Switching of Cereals (Income Wise Analysis)

Sales Promotion Tools	Low Income			Middle Income			High Income		
	No.	Mean	S. D.	No.	Mean	S. D.	No.	Mean	S. D.
Price-Off	72	35.97	28.74	78	25.96	22.69	18	22.50	14.27
Couponing	72	10.07	8.78	78	15.19	13.30	18	13.89	10.23
Premium	72	15.69	15.50	78	17.37	13.64	18	21.39	22.74
Sampling	72	20.76	20.40	78	18.65	15.72	18	15.00	10.85
POP	72	17.50	24.00	78	22.82	21.19	18	27.22	26.58

Source: Survey Data

Table 5.110

Results of Analysis of Variance

Promotion Tools	Sources	D.F.	Sum Of Squares	Mean Square	F-Ratio	P-Value
Price-Off	Between Groups	2	4850.3	2425.1	3.933	.021
Couponing	Between Groups	2	1004.0	502.0	3.968	.021
Premium	Between Groups	2	479.1	239.5	.983	.376
Sampling	Between Groups	2	516.7	258.3	.843	.432
POP	Between Groups	2	1837.4	918.7	1.733	.180

Source: Survey Data

Table 5.109 presents data relating to the results of income wise analysis of the effect of sales promotion in motivating brand switching of cereals. There are a total of 168 respondents who opined that they would switch from their current brand of cereals to avail an attractive promotional offer. Of them, 72 respondents belong to low-income group; 78 respondents belong to middle-income group; and 18 respondents belong to high-income group. Mean values given in the table suggest that the group of buyers which is most influenced by a particular scheme in motivating them to switch brands of the product. Accordingly, 'price-off', and 'sampling' influence low-income buyers at the most where as 'couponing' influences middle-income group of consumers and 'premium' and 'POP' influence high-income buyers at the most.

Table 5.110 gives results of analysis of variance among the three income groups. As per the table, the difference between the three income groups is significant in the case of 'price-off' and 'couponing' schemes. Differences in the rest of the cases are not significant since their 'P' values are more than 0.05.

Table 5.111

Effectiveness of Sales Promotion Tools in Motivating Brand Switching of Detergent (Income Wise Analysis)

Sales Promotion Tools	Low Income			Middle Income			High Income		
	No.	Mean	S. D.	No.	Mean	S. D.	No.	Mean	S. D.
Price-Off	94	36.65	26.67	89	26.46	21.32	24	33.33	25.65
Couponing	94	11.76	9.66	89	15.11	12.57	24	11.67	10.18
Premium	94	20.27	17.83	89	16.69	11.00	24	19.58	22.55
Sampling	94	16.06	16.83	89	18.48	14.68	24	15.83	15.01
POP	94	15.27	22.54	89	23.15	18.58	24	19.58	18.35

Source: Survey Data

Table 5.111 contains data relating to the results of income wise analysis of the effectiveness of sales promotion in motivating brand switching

whether sales promotion leads to increase the value of a brand and yields long-term results. The respondents who answered affirmatively to the question of brand switching possibility due to promotional offer were requested to state their possibility of switching back when such an offer is withdrawn. The responses obtained in terms of percentages such as zero, less than 25, 25 to 50, 50 to 75 and above 75 were converted in to certain degrees of possibilities as 'no possibility', very low possibility', 'low possibility', 'high possibility' and 'very high possibility respectively. The information gathered from the respondents in respect of the selected products was further analysed with the help of mode and the results are reported in the following table.

Table 5.113

Switchback Possibility on the Expiry of the Period of Promotion

Level of Possibility	Tea		Toothpaste		Cereals		Detergent	
	No.	%	No.	%	No.	%	No.	%
No Possibility	31	19.3	27	14.6	27	16.1	35	16.9
Very Low Possibility	97	60.9	95	51.4	96	57.0	87	42.1
Low Possibility	16	9.9	42	22.7	31	18.5	41	19.8
High Possibility	6	3.7	10	5.4	4	2.4	22	10.6
Very High Possibility	10	6.2	11	5.9	10	6.0	22	10.6
Total	160	100.0	185	100.0	168	100.0	207	100.0
Mode	2 nd item		2 nd item		2 nd item		2 nd item	

Source: Survey Data

Table 5.113 provide the following information:

Tea: - Majority of the consumers of tea who had earlier switched in to a particular brand due to a sales promotion offer is likely to switch back to their earlier brand once the offer is withdrawn or the period is over. But, it can be noted that this possibility is very low in the case of 60.9 percent of the consumers. Only 19.3 percent respondents said that they would stick with the brand even after the offer is withdrawn. Small numbers of consumers feel

higher levels of possibilities. Mode suggests that consumer's possibility of a switchback is very low.

Toothpaste: - The possibility of a switchback is more in the case of toothpaste than tea. Only 14.6 percent consumers would continue to buy the same brand after the promotion offer is withdrawn. 51.4 percent consumers said that their possibility of changing brand as 'very low' and 22.7 percent as 'low'. Mode suggests that consumer's possibility of a switchback is very low.

Cereals: -The share of respondents who expressed that there is no possibility and a very low possibility of switching back to their earlier brand of cereals is 16.1 and 57 percent respondents of the total. 18.5 percent of respondents carry 'low possibility' of shifting to their previous brand. Mode suggests that consumer's possibility of a switchback is very low.

Detergent: - The share of respondents who expressed that there is no possibility or a very low possibility of switching back to their earlier brand of detergent is 16.9 and 42.1 percent of the total. 19.8 percent people carry 'low possibility' of shifting to their previous brand. Mode suggests that consumer's possibility of a switchback is very low.

It may be noted from the above table that the possibility of a switchback is at the maximum level with the consumers of toothpaste, followed by cereals, detergent and tea. There are differences in the possibilities at the other levels as well. Results of chi-square test suggest that this difference in the possibility of switchback among the consumers of these four products is significant. The value of 'P' is less than 0.05.

5.9.1 Graphic Presentation of Switchback Possibility

The possibility of switching back from a particular brand of the selected product on the withdrawal of promotional offer is graphically presented using correspondence analysis. The respective table and graph are given below.

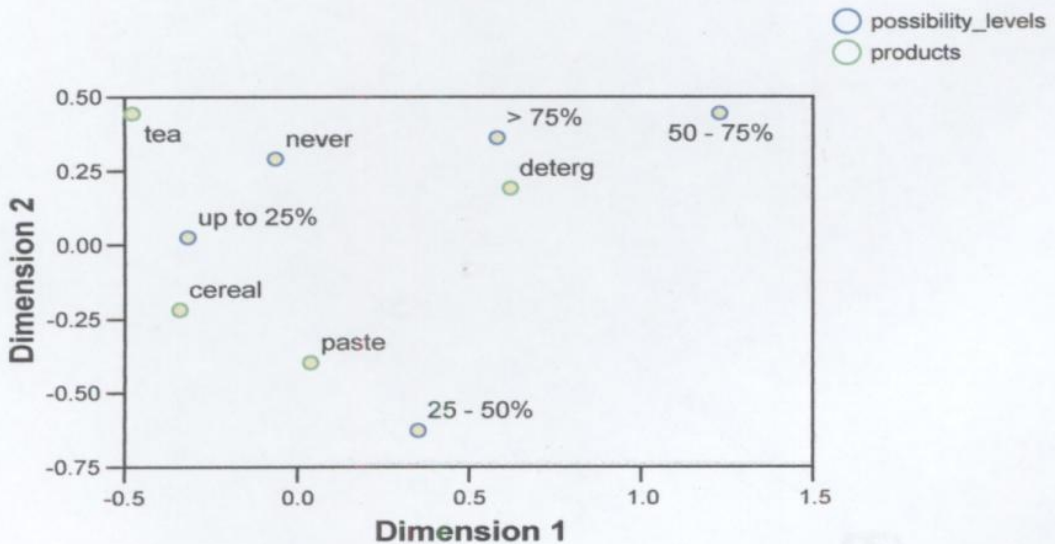
Figure 5.3

Correspondence Table

products	possibility levels					Active Margin
	never	up to 25%	25 - 50%	50 - 75%	> 75%	
tea	31	98	16	6	10	161
paste	27	95	42	10	11	185
cereal	27	96	31	4	10	168
deterg	35	87	41	22	22	207
Active Margin	120	376	130	42	53	721

Row and Column Points

Symmetrical Normalization



Results of sex wise analysis of the data relating to the consumer's possibility of switching back to the earlier brand subsequent to the withdrawal of promotions offer are incorporated in the tables 5.114 – 5.118.

The table 5.114 shows that male consumers are more prone to switchback on the withdrawal of offers on tea. 65.5 percent of female consumers opined that there is a very low possibility as against 58.3 percent of male consumers.

Table 5.114

**Switchback Possibility on the Expiry of the Period of
Promotion of Tea (Sex Wise Analysis)**

Level of Possibility	Male		Female		Total	
	N	%	N	%	N	%
No Possibility	19	18.4	12	20.7	31	19.3
Very Low Possibility	59	58.3	38	65.5	97	60.9
Low Possibility	10	9.7	6	10.3	16	9.9
High Possibility	4	3.9	2	3.4	6	3.7
Very High Possibility	10	9.7	0	0.0	10	6.2
Total	102	100.0	58	100.0	160	100.0

Source: Survey Data

Table 5.115

**Switchback Possibility on the Expiry of the Period of
Promotion of Toothpaste (Sex Wise Analysis)**

Level of Possibility	Male		Female		Total	
	N	%	N	%	N	%
No Possibility	16	14.2	11	15.3	27	14.6
Very Low Possibility	53	46.9	42	58.3	95	51.4
Low Possibility	27	23.9	15	20.8	42	22.7
High Possibility	7	6.2	3	4.2	10	5.4
Very High Possibility	10	8.8	1	1.4	11	5.9
Total	113	100.0	72	100.0	185	100.0

Source: Survey Data

Table 5.115 gives an idea about the way in which consumers are divided on the question of changing their brands on account of stoppage of a deal. In the case of toothpaste the two groups of consumers are very close in their behaviour. Male consumers tend to switch back more, i.e. 14.2 percentage opined that they would prefer the current brand they use in the future also. The share of women who would do the same is 15.3 percent. 58.3 percent of female consumers opined that there is a very low possibility as against 46.9 percent of male consumers

Table 5.116

**Switchback Possibility on the Expiry of the Period of
Promotion of Cereals (Sex Wise Analysis)**

Level of Possibility	Male		Female		Total	
	N	%	N	%	N	%
No Possibility	16	15.7	11	16.7	27	16.1
Very Low Possibility	59	57.8	37	56.1	96	57.1
Low Possibility	18	17.6	13	19.7	31	18.4
High Possibility	1	1.0	3	4.5	4	2.4
Very High Possibility	8	7.8	2	3.0	10	6.0
Total	102	100.0	66	100.0	168	100.0

Source: Survey Data

As per the above table male consumers are more prone to switchback on the withdrawal of offers on cereals. 15.7 percent of men and 16.7 percent of women are not ready to change their brands for the only reason that the deal has been stopped. 56.1 percent of female consumers opined that there is a very low possibility as against 57.8 percent of male consumers.

Table 5.117

**Switchback Possibility on the Expiry of the Period of
Promotion of Detergent (Sex Wise Analysis)**

Level of Possibility	Male		Female		Total	
	N	%	N	%	N	%
No Possibility	18	15.1	17	19.3	35	16.9
Very Low Possibility	45	37.8	42	47.7	87	42.0
Low Possibility	26	21.8	15	17.0	41	19.8
High Possibility	14	11.8	8	9.1	22	10.6
Very High Possibility	16	13.4	6	6.8	22	10.6
Total	119	100.0	88	100.0	207	100.0

Source: Survey Data

An impression about the way in which the two groups of consumers would react if the offer on detergent was withdrawn is clear from Table 5.117. Male consumers tend to switch back more, i.e. 15.1 percentage opined that they would prefer the current brand they use in the future also. The share of women who would do the same is 19.3 percent. 47.7 percent of female

consumers opined that there is a very low possibility as against 37.8 percent of male consumers.

Table 5.118

Results of Chi-Square Analysis

Product	Value	D.F.	P value
Tea	6.084	4	.193
Toothpaste	5.790	4	.215
Cereals	3.836	4	.429
Detergent	4.729	4	.316

The above table showing values of chi-square (table 5.118) enable one to understand whether the behaviour of men and women significantly differ with regard to change of brands on withdrawal of promotion deals. As the significance values exceed 0.05 in the case of all the four products, the differences explained above appear to be not significant.

Results of income wise analysis of the data relating to the consumer's possibility of switching back to the earlier brand subsequent to the withdrawal of promotions offer are incorporated in the tables 5.119 – 5.123.

Table 5.119

**Switchback Possibility on the Expiry of the Period of Promotion of Tea
(Income Wise Analysis)**

Level of Possibility	Low Income		Middle Income		High Income		Total	
	N	%	N	%	N	%	N	%
No Possibility	16	21.6	11	15.3	4	26.7	31	19.3
Very Low Possibility	42	56.8	46	65.3	9	60.0	97	60.9
Low Possibility	9	12.2	6	8.3	1	6.7	16	9.9
High Possibility	2	2.7	4	5.6	0	0.0	6	3.7
Very High Possibility	5	6.8	4	5.6	1	6.7	10	6.2
Total	74	100.0	71	100.0	15	100.0	160	100.0

Source: Survey Data

Table 5.119 shows that higher income consumers express maximum tendency to content with the brand on which the promotion offer is withdrawn in the case of tea. The share of high-income consumers who are not interested to change their brand is 26.7 percent. At the same time 21.6 percent low income and 15.3 percent middle-income consumers subscribe to this view. Middle-income consumers (65.3%) lead the group in the level of 'very low possibility', followed by high-income consumers (60%) and low-income consumers (56.8%).

Table 5.120

**Switchback Possibility on the Expiry of the Period of
Promotion of Toothpaste (Income Wise Analysis)**

Level of Possibility	Low Income		Middle Income		High Income		Total	
	N	%	N	%	N	%	N	%
No Possibility	14	16.3	10	12.2	3	17.6	27	14.6
Very Low Possibility	46	53.5	39	47.6	10	58.8	95	51.4
Low Possibility	13	15.1	26	31.7	3	17.6	42	22.7
High Possibility	8	9.3	2	2.4	0	0.0	10	5.4
Very High Possibility	5	5.8	5	6.1	1	5.9	11	5.9
Total	86	100.0	82	100.0	17	100.0	185	100.0

Source: Survey Data

In the case of toothpaste, higher income consumers show maximum tendency to content with the brand on which the promotion offer is withdrawn. The share of high-income consumers who are not interested to change their brand is 17.7 percent. 16.3 percent low-income and 12.2 percent middle income consumers subscribe to this view. High income consumers (58.8%) lead the group in the level of 'very low possibility', followed by low-income consumers (53.5%) and middle income consumers (47.6%). These particular are presented in the table 5.120

Table 5.121

**Switchback Possibility on the Expiry of the Period of
Promotion of Cereals (Income Wise Analysis)**

Level of Possibility	Low Income		Middle Income		High Income		Total	
	N	%	N	%	N	%	N	%
No Possibility	12	16.7	13	16.7	2	11.1	27	16.1
Very Low Possibility	38	52.8	47	60.3	11	61.5	96	57.1
Low Possibility	15	20.8	12	15.4	4	22.2	31	18.5
High Possibility	2	2.8	2	2.6	0	0.0	4	2.4
Very High Possibility	5	6.9	4	5.1	1	5.6	10	6.0
Total	72	100.0	78	100.0	18	100.0	168	100.0

Source: Survey Data

It can be observed from the table 5.121 that 16.7 percent each of low-income and middle-income consumers opined that they would not change their brand of cereal even if the special offer on it were withdrawn. The share of high-income consumers who are not interested to change their brand is 11.1 percent. High-income consumers (61.5%) lead the group in the level of 'very low possibility', followed by middle-income consumers (60.3%) and low income consumers (52.8%).

Table 5.122

**Switchback Possibility on the Expiry of the Period of
Promotion of Detergent (Income Wise Analysis)**

Level of Possibility	Low Income		Middle Income		High Income		Total	
	N	%	N	%	N	%	N	%
No Possibility	16	17.0	14	15.7	5	20.8	35	16.9
Very Low Possibility	42	44.7	34	38.2	11	45.8	87	42.0
Low Possibility	17	18.1	19	21.3	5	20.8	41	19.8
High Possibility	9	9.6	11	12.4	2	8.3	22	10.6
Very High Possibility	10	10.6	11	12.4	1	4.2	22	10.6
Total	94	100.0	89	100.0	24	100.0	207	100.0

Source: Survey Data

In the case of detergent, higher income consumers show maximum tendency to content with the brand on which the promotion offer is withdrawn as per the table 5.122. The share of high-income consumers who are not interested to change their brand is 20.8 percent. 17 percent low income and 15.7 percent middle-income consumers subscribe to this view. High-income consumers (45.8%) lead the group in the level of 'very low possibility', followed by low-income consumers (44.7%) and middle-income consumers (38.2%).

Table 5.123

Results of Chi-Square Analysis

Product	Value	D.F.	P value
Tea	3.892	8	.867
Toothpaste	11.066	8	.198
Cereals	2.188	8	.975
Detergent	2.765	8	.948

The above table (5.123) showing values of chi-square enable one to understand whether the behaviour of the three groups of consumers significantly differ with regard to change of brands on withdrawal of promotion deals. As the significance values exceed 0.05 in the case of all the four products, the above explained differences appear to be insignificant.

5.10 Consumer's Stockpiling Possibility

Consumers some times buy their future requirements currently in order to take advantage of sale promotion offers. FMCGs are most convenient to stockpile because the money blocked for buying and the space used for storing will be comparatively low. Loading the consumer with own brand is the best way of keeping the competitor away and thereby retains the customer. Stockpiling enables the producer to manufacture and market the product on a larger scale and make his brand more competitive in the market. At the same time stockpiling effect of sales promotion is nothing but a borrowal from the future demand of the brand and do not contribute

significantly to the overall profitability of the marketer. In this context, it is very useful to study about consumer's perception of stockpiling when the product or brand is offered to him at a relatively cheaper price or extra quantity is provided to him for the normal price.

The responses collected on the possibility of stockpiling in terms of percentages such as zero, less than 25, 25 to 50, 50 to 75 and above 75 were converted in to certain degrees of possibilities as 'no possibility', very low possibility', 'low possibility', 'high possibility' and 'very high possibility' respectively. The information gathered from the respondents in respect of the selected products was further analysed with the help of mode and the results are reported in the following table.

Table 5.124
Consumer's Stockpiling Possibility

Level of Possibility	Tea		Toothpaste		Cereals		Detergent	
	No.	%	No.	%	No.	%	No.	%
No Possibility	300	75.0	260	65.0	289	72.2	260	65.0
Very Low Possibility	78	19.4	98	24.5	81	20.2	82	20.4
Low Possibility	15	3.8	30	7.5	13	3.3	31	7.8
High Possibility	4	1.0	10	2.5	12	3.0	15	3.8
Very High Possibility	3	0.8	2	0.5	5	1.3	12	3.0
Total	400	100.0	400	100.0	400	100.0	400	100.0
Mode	1 st item		1 st item		1 st item		1 st item	

Source: Survey Data

The consumer's possibility of stockpiling of tea, toothpaste, cereals and detergent, when these products are on promotional offers, is presented in the Table 5.124.

Tea: - About three-fourths of consumers are not interested in stockpiling the product even if it is available on a very attractive promotional offer. Though the remaining 25 percent consumers are willing to stockpile majority of them (19.4%) feel that the possibility is very low. Mode value suggests that most of

the people subscribe to the view that promotion does not motivate them to stockpile the product tea.

Toothpaste: - About 65 percent of the respondents see no possibility of stockpile in their case. The share of respondents who think that there is a very low possibility to stockpile is 24.5 percent. While 7.5 percent consumers believe that the possibility is 'low', 2.5 percent possess 'high' possibility. Mode value suggests that most of the people subscribe to the view that promotion does not motivate them to stockpile the product toothpaste.

Cereals: - More than half (72.2%) of the respondents answered negatively to the question of stockpiling on account of sales promotion. People who think that the possibility is 'very low' constitute 20.2 percent of the population. Other groups are only marginal. Mode value suggests that most of the people subscribe to the view that promotion does not motivate them to stockpile the product cereals.

Detergent: - About 65 percent of the respondents see no possibility of stockpile in their case. The share of respondents who think that there is a very low possibility to stockpile is 20.4 percent. While 7.8 percent consumers believe that the possibility is 'low', 3.8 percent possess 'high' possibility. Mode value suggests that most of the people subscribe to the view that promotion does not motivate them to stockpile the product detergent.

It is clear from the above table that 35 percent consumers of toothpaste and detergent are ready to buy larger quantities of the products and stockpile for the future. In the case of cereals and tea the respective shares are 27.8 and 25 percent. Most of the people who are willing to stockpile indicated that the possibility is very low. Differences in the levels of possibilities among the various products were tested for their significance using chi-square. Value of chi-square at 12 degrees of freedom is 37.132 and the 'P' value is less than 0.05. Therefore the differences in the levels of possibilities among the four products are significant

5.10.1 Graphical Presentation of Consumer's Stockpiling Possibility

The possibility of stockpiling of the selected products due to sales promotion is graphically presented using correspondence analysis. The respective table and graph are given below.

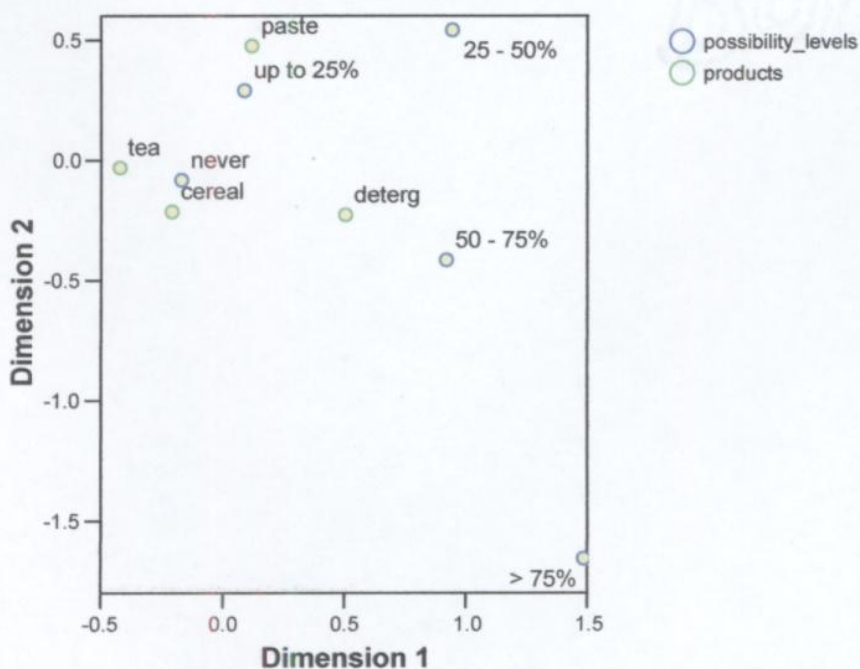
Figure 5.4

Correspondence Table

possibility_levels	products				
	tea	paste	cereal	deterg	Active Margin
never	300	260	289	260	1109
up to 25%	78	98	81	82	339
25 - 50%	15	30	13	31	89
50 - 75%	4	10	12	15	41
> 75%	3	2	5	12	22
Active Margin	400	400	400	400	1600

Row and Column Points

Symmetrical Normalization



Consumer's stockpiling behaviour has been further studied on the basis of the gender of the respondents in order to know whether the two groups think alike. The results are presented in the Tables 5.125 – 5.129.

Table 5.125
Consumer's Stockpiling Possibility of Tea (Sex Wise Analysis)

Level of Possibility	Male		Female		Total	
	N	%	N	%	N	%
No Possibility	166	73.5	134	77.0	300	75.0
Very Low Possibility	45	19.9	33	19.0	78	19.5
Low Possibility	12	5.3	3	1.7	15	3.8
High Possibility	2	0.9	2	1.1	4	1.0
Very High Possibility	1	0.4	2	0.5	3	0.8
Total	226	100.0	174	100.0	400	100.0

Source: Survey Data

Female consumers are less likely to stockpile and take advantage of sales promotion. 77 percent of women and 73.5 percent of men responded negatively to the question of storing tea for a long time in to the future. There is a 'very low possibility' in the case of 19.9 percent male consumers and 19 percent female consumers. Differences may also be noticed in the various other levels of possibilities between the two groups of consumers as given in the Table 5.125.

Table 5.126
Consumer's Stockpiling Possibility of Toothpaste (Sex Wise Analysis)

Level of Possibility	Male		Female		Total	
	N	%	N	%	N	%
No Possibility	138	61.1	122	70.1	260	65.0
Very Low Possibility	58	25.7	40	23.0	98	24.5
Low Possibility	22	9.7	8	4.6	30	7.5
High Possibility	7	3.1	3	1.7	10	2.5
Very High Possibility	1	0.4	1	0.6	2	0.5
Total	226	100.0	174	100.0	400	100.0

Source: Survey Data

In the case of toothpaste, 70.1 percent of women and 61.1 percent of men opined that they are not interested in buying the product in abnormally large quantities and store for a long time in to the future. There is a 'very low possibility' in the case of 25.7 percent male consumers and 23 percent female consumers. Differences may also be noticed in the various other levels of possibilities between the two groups of consumers as given in the table 5.126.

Table 5.127

Consumer's Stockpiling Possibility of Cereals (Sex Wise Analysis)

Level of Possibility	Male		Female		Total	
	N	%	N	%	N	%
No Possibility	159	70.4	130	74.7	289	72.3
Very Low Possibility	49	21.7	32	18.4	81	20.3
Low Possibility	8	3.5	5	2.9	13	3.3
High Possibility	8	3.5	4	2.3	12	3.0
Very High Possibility	2	0.9	3	1.7	5	1.3
Total	226	100.0	174	100.0	400	100.0

Source: Survey Data2

As per the table 5.127, about 74.7 percent female consumers will buy their normal quantities of cereals even if there is an offer on the brand she buys. The share of men who belong to the above category is 70.4. The share of male consumers who have 'very low', 'low' and 'high' possibilities are 21.7, 3.5 and 3.5 percent respectively and that of female are 18.4, 2.9 and 2.3 percent respectively.

Table 5.128

**Consumer's Stockpiling Possibility of Detergent
(Sex Wise Analysis)**

Level of Possibility	Male		Female		Total	
	N	%	N	%	N	%
No Possibility	145	64.2	115	66.1	260	65.0
Very Low Possibility	43	19.0	39	22.4	82	20.5
Low Possibility	22	9.7	9	5.2	31	7.8
High Possibility	9	4.0	6	3.4	15	3.8
Very High Possibility	7	3.1	5	2.9	12	3.0
Total	226	100.0	174	100.0	400	100.0

Source: Survey Data

Female consumers are less likely to stockpile and take advantage of sales promotion. About 66.1 percent of women and 64.2 percent of men responded negatively to the question of storing detergent for a long time in to the future. There is a 'very low possibility' in the case of 19 percent male consumers and 22.4 percent female consumers. Differences may also be noticed in the various other levels of possibilities between the two groups of consumers as given in the table 5.128.

Table 5.129

Results of Chi-Square Analysis

Product	Value	D.F.	P Value
Tea	4.306	4	.366
Toothpaste	5.761	4	.218
Cereals	1.977	4	.740
Detergent	3.338	4	.503

The significance of difference between male and female consumers as to the stockpiling behaviour has been tested using chi-square. Table 5.129 shows values of chi-square at 4 degrees of freedom and the respective significance values. It is clear from the table that the above noted differences

are not significant since the 'P' values are more than 0.05 for the four products.

Further analyses of consumer's stockpiling behaviour on the basis of income of the consumers in order to know whether the three groups differ in their thinking about stockpiling possibilities provide some useful results. These results are presented in the Tables 5.130 – 5.134.

Table 5.130

Consumer's Stockpiling Possibility of Tea (Income Wise Analysis)

Level of Possibility	Low Income		Middle Income		High Income		Total	
	N	%	N	%	N	%	N	%
No Possibility	122	74.4	134	73.6	44	81.5	300	75.0
Very Low Possibility	35	21.3	35	19.2	8	14.8	78	19.5
Low Possibility	4	2.4	10	5.5	1	1.9	15	3.8
High Possibility	3	1.8	1	0.5	0	0.0	4	1.0
Very High Possibility	0	0.0	2	1.1	1	1.9	3	0.8
Total	164	100.0	182	100.0	54	100.0	400	100.0

Source: Survey Data

As per the table 5.130, which contains data relating to the stockpiling behaviour of the respondents of the three groups of income in the case of tea, high income consumers are least likely to stockpile, followed by low income group and middle income group. Low-income consumers lead the category 'very low possibility' and middle-income consumers are ahead of others in the 'low possibility' category.

Table 5.131**Consumer's Stockpiling Possibility of Toothpaste (Income Wise Analysis)**

Level of Possibility	Low Income		Middle Income		High Income		Total	
	N	%	N	%	N	%	N	%
No Possibility	105	64.0	115	63.2	40	74.1	260	65.0
Very Low Possibility	42	25.6	45	11.3	11	20.4	98	24.5
Low Possibility	12	7.3	16	8.8	2	3.7	30	7.5
High Possibility	5	3.0	4	2.2	1	1.9	10	2.5
Very High Possibility	0	0.0	2	1.1	0	0.0	2	0.5
Total	164	100.0	182	100.0	54	100.0	400	100.0

Source: Survey Data

Table 5.131 presents data relating to the stockpiling behaviour of the respondents of the three groups of income in the case of toothpaste. High-income consumers are least likely to stockpile (74.1%), followed by low-income group (64%) and middle-income group (63.2%). Low-income consumers lead the category 'very low possibility' and middle-income consumers are ahead of others in the 'low possibility' category.

Table 5.132**Consumer's Stockpiling Possibility of Cereals (Income Wise Analysis)**

Level of Possibility	Low Income		Middle Income		High Income		Total	
	N	%	N	%	N	%	N	%
No Possibility	122	74.4	126	69.2	41	75.9	289	72.3
Very Low Possibility	29	17.7	40	22.0	12	22.2	81	20.3
Low Possibility	6	3.7	6	3.3	1	1.9	13	3.3
High Possibility	4	2.4	8	4.4	0	0.0	12	3.0
Very High Possibility	3	1.8	2	1.1	0	0.0	5	1.3
Total	164	100.0	182	100.0	54	100.0	400	100.0

Source: Survey Data

As per the table 5.132, which provides data relating to the stockpiling behaviour of the respondents of the three groups of income in the case of cereals, 75.9 percent high income consumers are not willing to stockpile. The size of the low income group and middle income group belonging to this category is 74.4 and 69.2 percent respectively. Middle-income consumers

lead the category of ‘very low possibility’ and low-income consumers are ahead of others in the ‘low possibility’ category.

Table 5.133

Consumer’s Stockpiling Possibility of Detergent (Income Wise Analysis)

Level of Possibility	Low Income		Middle Income		High Income		Total	
	N	%	N	%	N	%	N	%
No Possibility	102	62.2	125	68.7	33	61.1	260	65.0
Very Low Possibility	34	20.7	36	19.8	12	22.2	82	20.5
Low Possibility	14	8.5	12	6.6	5	9.3	31	7.8
High Possibility	10	6.1	4	2.2	1	1.9	15	3.8
Very High Possibility	4	2.4	5	2.7	3	5.6	12	3.0
Total	164	100.0	182	100.0	54	100.0	400	100.0

Source: Survey Data

As per the table 5.133, which contain data relating to the stockpiling behaviour of the respondents of the three groups of income in the case of detergent, middle income consumers are least likely to stockpile (68.7%), followed by low income group (62.2%) and high income group (61.1%). high income consumers lead the category ‘very low possibility’ (22.2%) and in the ‘low possibility’ (9.3%) category.

Table 5.134

Results of Chi-Square Analysis

Product	Value	D.F.	P value
Tea	8.440	8	.392
Toothpaste	5.462	8	.707
Cereals	5.873	8	.661
Detergent	6.920	8	.545

The significance of difference between the consumers of the three income groups as to the stockpiling behaviour has been tested using chi-square. Table 5.134 shows values of chi-square at 8 degrees of freedom and the respective significance values. It is clear from the table that the above noted differences are not significant since the ‘P’ values are more than 0.05 for the all the four products.

5.11 Reasons for Stockpiling During Promotion

Why consumer's buy more than their normally required quantities and stockpile is important for the marketers to frame suitable promotion strategies. The reason may be different from consumer to consumer and from product to product. The researcher has suggested some points that the respondents were asked to priorities and distribute 100 points on them. Firstly, the consumer's intention to reduce the shopping cost by reducing the number of shopping incidence may prompt him to buy larger packets. Secondly, the stockpiling may be due to the fear of stock-outs in future. The scarcity of the goods is likely to occur for socio-political and economic reasons. Thirdly, it can be due to the buyer's intention to take the advantage of some concession or incentives provided by the marketer in the form of price-offs or gifts and compliments and so on. Fourthly, the consumer might be motivated by the desire to consume more quantities of a favourite product or brand. Finally there can be reasons that the researcher could not identify but the respondents might indicate. The mean of the respondent's scores is taken to determine the reasons on the basis of their importance and the results of the study is presented in the table given below.

Table 5.135

Reasons for Stockpiling During Promotion

Reasons	Tea			Toothpaste			Cereals			Detergent		
	No.	Mean	S.D.	No.	Mean	S.D.	No.	Mean	S.D.	No.	Mean	S.D.
Reduce Shopping Cost	100	29.95	21.63	140	31.12	22.96	111	29.28	21.63	140	28.04	21.03
Fearing Stock-Out	100	16.00	13.05	140	14.27	12.60	111	17.15	15.13	140	13.11	12.08
Saving Money	100	26.60	21.22	140	27.64	23.01	111	24.30	20.70	140	31.68	26.39
Consume More	100	24.80	20.10	140	23.43	18.27	111	26.97	22.56	140	23.21	20.90
Other Reasons	100	2.65	6.72	140	3.54	8.39	111	2.39	6.21	140	3.96	7.83

Source: Survey Data

Table 5.135 reveals the following information:

Tea: - In the case of tea 100 respondents were opined positively to the question of whether sales promotion would lead to stockpile the product tea. Mean values indicate that it is the intention of the buyers to reduce the shopping cost that mainly lead to buy larger quantities than the normal. This particular reason was scored 29.95 out of a maximum of 100. Savings from the deal was identified as the second important reason with a mean value of 26.6. More consumption and fear of stock-outs follow with mean values of 24.8 and 16 respectively. A very small mean value of 2.65 suggests that 'other reasons' is not very important.

Toothpaste: - The 140 respondents, who would buy larger quantities of the product than their current requirements to take advantage of promotional deals, feel that the main reason to do so is to reduce the shopping cost and inconveniences (mean value 31.12). Savings from the deal takes the second position and more consumption the third. Their respective mean values are 27.64 and 23.43.

Cereals: - As in the case of tea and toothpaste, the 111 respondents who would stockpile cereals during promotion time attribute the same reason of reducing shopping cost (mean value 29.28) as the most important one. It is also clear that consumers of cereals want to consume more of the product, when it is cheaper, as they identified this as their second important reason to stockpile with a mean value of 26.97. Savings that may accrue to the buyer gets only the third priority of the respondents (mean value 24.3).

Detergent: - Consumers of detergent see the monetary savings they get from a promotional deal as the most important motivating factor to stockpile the product. This is followed by their intention to reduce shopping cost and inconvenience. These two reasons were obtained mean values of 31.68 and 28.04 respectively. They would also like to consume more of detergent in the place of its substitute as it appears as their third important reason on the basis

of the mean points (23.21) obtained. These findings are based on the opinion of 140 respondents who would resort to stockpiling under suitable methods of promotion schemes.

In order to examine whether there is any difference between men and women in their thinking about the reasons to stockpile fast moving consumer goods on promotional deals, the data collected were further analysed on the basis of gender. Moreover 't test' has been applied to know the significance of difference between mean values of the two groups in respect of the four products. Tables 5.136 – 5.143 contain information related to this aspect of the study.

Table 5.136

Reasons for Stockpiling During Promotion of Tea (Sex Wise Analysis)

Reasons	Male			Female		
	No.	Mean	S. D.	No.	Mean	S. D.
Reduce Shopping Cost	60	30.92	22.14	40	28.50	21.04
Fearing Stock-Out	60	15.08	14.07	40	17.38	11.38
Saving Money	60	27.67	23.62	40	25.00	17.17
Consume More	60	23.25	22.36	40	27.13	16.13
Other Reasons	60	3.08	7.14	40	2.00	6.08

Source: Survey Data

Table 5.137

t-test for Equality of Means

Reasons	t-value	D.F.	Mean Difference	2-Tail Significance
Reduce Shopping Cost	-.545	98	-2.42	.587
Fearing Stock-Out	.859	98	2.29	.392
Saving Money	-.614	98	-2.67	.541
Consume More	.944	98	3.88	.348
Other Reasons	-.788	98	-1.08	.433

Male and female differences in the reasons for stockpiling of tea are given in the table 5.136. The most important three reasons of male consumers

are reducing shopping cost, saving money and more consumption of a favourite brand of tea in that order. In the case of female consumers there is no change in the first three reasons but more consumption is their second important reason and saving money, the third.

Table 5.137 gives an idea of the significance of differences between the two groups of consumers. Accordingly, the mean difference of all of the reason appears to be not significant because the two-tail significance values are more than 0.05.

Table 5.138
Reasons for Stockpiling During Promotion of Toothpaste
(Sex Wise Analysis)

Reasons	Male			Female		
	No.	Mean	S. D.	No.	Mean	S. D.
Reduce Shopping Cost	88	30.93	22.80	52	31.44	23.44
Fearing Stock-Out	88	13.78	13.64	52	15.09	10.69
Saving Money	88	29.66	24.82	52	24.23	19.34
Consume More	88	22.10	18.46	52	25.67	17.91
Other Reasons	88	3.52	9.41	52	3.56	9.41

Source: Survey Data

Table 5.139
Results of t-test for Equality of Means

Reasons	t-value	D.F.	Mean Difference	2-Tail Significance
Reduce Shopping Cost	.127	138	.510	.899
Fearing Stock-Out	.594	138	1.310	.554
Saving Money	-1.353	138	-5.428	.178
Consume More	1.118	138	3.571	.265
Other Reasons	.024	138	.035	.981

Table 5.138 contains figures relating to the gender wise differences in the reasons for stockpiling toothpaste. Both groups of consumers consider the chance of reducing shopping cost as the most important reason for stockpiling

with mean scores of 30.93 and 31.44 for male and female consumers respectively. Saving money through discounts or gifts is the second important reason for male consumers where as it is the third important reason for female consumers. For female consumers the second important reason is more consumption of the product.

Table of results of 't test for equality of means' (table 5.139) suggest that the above differences between the two groups of consumers are not significant as the two-tail significance values in all the cases are more than 0.05, the limit at 5% level of confidence.

Table 5.140

**Reasons for Stockpiling During Promotion of Cereals
(Sex Wise Analysis)**

Reasons	Male			Female		
	No.	Mean	S. D.	No.	Mean	S. D.
Reduce Shopping Cost	67	31.04	22.44	44	26.59	20.28
Fearing Stock-Out	67	17.45	17.10	44	16.70	11.66
Saving Money	67	24.81	19.90	44	23.52	22.06
Consume More	67	23.87	21.33	44	31.70	23.80
Other Reasons	67	2.99	6.80	44	1.48	5.12

Source: Survey Data

Table 5.141

Results of t-test for Equality of Means

Reasons	t-value	D.F.	Mean Difference	2-Tail Significance
Reduce Shopping Cost	-1.062	109	-4.454	.291
Fearing Stock-Out	-.252	109	-.743	.801
Saving Money	-.318	109	-1.283	.751
Consume More	1.809	109	7.839	.073
Other Reasons	-1.254	109	-1.508	.212

The most important reason for stockpiling is the reduction of shopping cost as far as male consumers are concerned. Their second and third important

reasons are saving of money and more consumption of the product respectively. For female consumers, though the above three reasons figure as their top three, the most important one is more consumption followed by reduction in shopping cost and saving of money. All these observations relating to the product cereals are based on the figures given in the table 5.140.

As per table 5.141 the highest difference in the mean values is in the case of 'consume more' and still the same is not large enough to make it significant. The value of two-tail significance is 0.073, which is more than the comparable value of 0.05 at 5% level of confidence.

Table 5.142

**Reasons for Stockpiling During Promotion of Detergent
(Sex Wise Analysis)**

Reasons	Male			Female		
	No.	Mean	S. D.	No.	Mean	S. D.
Reduce Shopping Cost	81	28.46	19.96	59	27.46	22.58
Fearing Stock-Out	81	12.65	11.73	59	13.73	12.61
Saving Money	81	34.75	26.43	59	27.46	25.97
Consume More	81	20.18	17.27	59	27.37	24.59
Other Reasons	81	3.95	7.93	59	3.98	7.76

Source: Survey Data

Table 5.143

Results of t-test for Equality of Means

Reasons	t-value	D.F.	Mean Difference	2-Tail Significance
Reduce Shopping Cost	-.277	138	-.999	.782
Fearing Stock-Out	.518	138	1.074	.605
Saving Money	-1.624	138	-7.295	.107
Consume More	2.032	138	7.188	.044
Other Reasons	.024	138	.032	.981

The most important reason for stockpiling is saving money as far as male consumers are concerned. Their second and third important reasons are the reduction of shopping cost and more consumption of the product respectively. Female consumers give equal importance to the reasons of more consumption and the reduction of shopping cost. All these observations relating to the product detergent are based on the figures given in the table 5.142.

The second table (Table 5.143) indicates that barring the case of 'consume more' the differences in the mean values between male and female are not significant. The mean difference of 7.188 in the case of the reason of 'consume more' is significant as the two-tail significance value is 0.044, which is less than the limit of 0.05.

In order to examine whether there is any difference among low, middle and high-income groups in their thinking about the reasons to stockpile fast moving consumer goods on promotional deals, the data collected were further analysed on the basis of level of income. Moreover variance analysis has been conducted to know the significance of difference between mean values of the three groups of respondents in respect of the four products. Tables 5.144 – 5.151 contain information related to this aspect of the study.

Table 5.144

**Reasons for Stockpiling During Promotion of Tea
(Income Wise Analysis)**

Reasons	Low Income			Middle Income			High Income		
	No.	Mean	S. D.	No.	Mean	S. D.	No.	Mean	S. D.
Reduce Shop. Cost	42	31.31	19.35	48	27.81	23.50	10	34.50	22.42
Fearing Stock-Out	42	15.12	12.07	48	15.83	13.06	10	20.50	17.07
Saving Money	42	29.17	20.48	48	24.79	20.32	10	24.50	28.91
Consume More	42	22.14	18.91	48	28.44	21.74	10	18.50	14.15
Other Reasons	42	2.26	4.71	48	3.13	8.23	10	2.00	6.32

Source: Survey Data

Table 5.145**Results of Analysis of Variance**

Reasons	Sources	D.F.	Sum of Squares	Mean Square	F-Ratio	P-Value
Reduce Shopping Cost	Between Groups	2	504.0	252.0	.533	.588
Fearing Stock-Out	Between Groups	2	236.4	118.2	.690	.504
Saving Money	Between Groups	2	477.7	238.9	.525	.593
Consume More	Between Groups	2	1328.5	664.3	1.666	.194
Other Reasons	Between Groups	2	21.4	10.7	.233	.793

Differences among the consumers of the three income groups relating to the reasons for stockpiling tea during the period of a promotional deal are clear from the Table 5.144. Accordingly, 42 low income, 48 middle income respondents and 10 high income respondents would purchase more and stockpile for future use when attractive promotional deals are introduced by marketers. While low and high-income consumers attribute the intention of reducing shopping cost as the most important reason, the middle-income consumers identify the desire to consume more quantities of the product as their main reason. Saving some money is the second important reason for low and high-income groups of consumers where as reduction in the shopping cost for the other group.

Variance analyses reveal that the above noted differences in the reasons for stockpiling among the three income groups of consumers are not significant. At 5% level of confidence if the 'P' value is more than 0.05 the difference is not significant. This is the case with all the points listed above as revealed by the table 5.145.

Table 5.146

**Reasons for Stockpiling During Promotion of Toothpaste
(Income Wise Analysis)**

Reasons	Low Income			Middle Income			High Income		
	No.	Mean	S. D.	No.	Mean	S. D.	No.	Mean	S. D.
Reduce Shop.Cost	59	30.76	21.75	67	33.13	25.21	14	23.00	14.35
Fearing Stockout	59	13.98	11.63	67	13.06	10.04	14	21.29	22.86
Saving Money	59	28.90	22.05	67	25.52	22.02	14	35.50	31.24
Consume More	59	23.05	17.37	67	25.75	19.60	14	13.93	12.12
Other Reasons	59	3.31	6.41	67	2.54	7.30	14	9.28	16.04

Source: Survey Data

Results of income wise analysis of the consumer's reasons for stockpiling of toothpaste are presented in the table 5.146. As per the table 59 low income, 67 middle income and 14 high income respondents are willing to purchase more than their current requirement of toothpaste if there would be an attractive promotional offer. While low income and middle income consumers attribute the intention of reducing shopping cost as the most important reason, the high income consumers identify the aim of saving money as their main reason. The second important reason is different for all the three groups: saving some money for low income group; consuming more quantity for middle income group; and reducing shopping cost for high income group.

Table 5.147

Results of Analysis of Variance

Reasons	Sources	D.F.	Sum of Squares	Mean Square	F-Ratio	P-Value
Reduce Shop. Cost	Between Groups	2	1202.5	601.2	1.143	.322
Fearing Stock out	Between Groups	2	792.1	396.0	2.550	.082
Saving Money	Between Groups	2	724.5	362.3	.681	.508
Consume More	Between Groups	2	1631.8	815.9	2.497	.086
Other Reasons	Between Groups	2	532.8	266.4	3.949	.022

Variance analysis (Table 5.147) reveals that the above noted differences in the reasons for stockpiling among the three income groups of consumers are not significant except in the case of 'other reasons'. At 5% level of confidence the 'P' values are more than 0.05 against the first four reasons.

Table 5.148
Reasons for Stockpiling During Promotion of Cereals
(Income Wise Analysis)

Reasons	Low Income			Middle Income			High Income		
	No.	Mean	S. D.	No.	Mean	S. D.	No.	Mean	S. D.
Reduce Shop. Cost	42	32.26	23.06	56	27.05	21.23	13	29.23	18.69
Fearing Stock out	42	16.79	17.77	56	16.88	12.74	13	19.54	16.36
Saving Money	42	23.93	20.91	56	24.02	20.37	13	26.69	22.89
Consume More	42	24.05	25.38	56	30.80	21.84	13	19.92	11.23
Other Reasons	42	2.98	6.72	56	1.43	4.83	13	4.62	9.00

Source: Survey Data

Table 5.149
Results of Analysis of Variance

Reasons	Sources	D.F.	Sum of Squares	Mean Square	F-Ratio	P-Value
Reduce Shop Cost	Between Groups	2	651.1	325.5	.692	.503
Fearing Stock out	Between Groups	2	84.0	42.0	.181	.835
Saving Money	Between Groups	2	84.7	42.3	.097	.907
Consume More	Between Groups	2	1827.3	913.6	1.821	.167
Other Reasons	Between Groups	2	130.6	65.3	1.715	.185

Table 5.148 shows that the reason of reducing cost of shopping has been identified as the most important for the low income and high-income groups of respondents. The same point is the second most important reason for middle-income consumers. The desire to save money is the second important reason for high-income group of consumers and third important reason for low income and middle-income groups. More consumption of the favourite brand of the cereal is the most important reason for middle-income

consumers but second important point for low-income group and third important one for high-income people.

Variance analysis reveals that the above noted differences in the reasons for stockpiling among the three income groups of consumers are not significant at 5% level of confidence since the 'P' values are more than 0.05 as given in the table 5.149.

Table 5.150

**Reasons for Stockpiling During Promotion of Detergent
(Income Wise Analysis)**

Reasons	Low Income			Middle Income			High Income		
	No.	Mean	S. D.	No.	Mean	S. D.	No.	Mean	S. D.
Reduce Shop.Cost	62	28.55	19.11	57	29.21	24.62	21	23.33	15.36
Fearing Stock out	62	12.66	12.34	57	13.68	11.78	21	12.86	12.61
Saving Money	62	32.58	26.03	57	28.77	24.74	21	36.90	31.72
Consume More	62	22.26	22.88	57	25.35	20.48	21	20.24	15.45
Other Reasons	62	3.95	7.42	57	2.98	6.70	21	6.67	10.53

Source: Survey Data

Table 5.151

Results of Analysis of Variance

Reasons	Sources	D.F.	Sum of Squares	Mean Square	F-Ratio	P-Value
Reduce Shop. Cost	Between Groups	2	559.3	279.7	.629	.535
Fearing Stock out	Between Groups	2	32.6	16.3	.110	.896
Saving Money	Between Groups	2	1105.6	552.8	.791	.455
Consume More	Between Groups	2	502.9	251.5	.572	.566
Other Reasons	Between Groups	2	208.3	104.2	1.716	.184

Table 5.150 reveals that the reason of reducing cost of shopping has been identified as the most important for the middle-income group of respondents to stockpile detergent. The same point is the second most important reason for low and high-income respondents. The desire to save money is the most important reason for low and high-income groups of

respondents and second important reason for middle-income groups. More consumption of the favourite brand of the detergent is the third important reason for all the three groups of consumers.

Variance analysis reveals that the above noted differences in the reasons for stockpiling detergent among the three income groups of consumers are not significant at 5% level of confidence since the 'P' values are more than 0.05 as given in the table 5.151.

5.12 Role of Sales Promotion Tools in Motivating Stockpiling

From the foregoing analysis it is clear that some customers purchase FMCGs in advance of their current requirements and stockpile for the future to take advantage of attractive promotional deals. Specifically, consumers want to reduce their shopping cost and incidence, effect some savings through the price difference of larger packets and fulfill the desire to consume more of a product or a particular brand of the product. Loading the consumer is both a short-term as well as a long-term promotional strategy of the marketer. The short-term effect of it is that it helps the marketer to ward off competition and retain the consumer. Increasing the consumption quantity and incidence are the long-term objective. Price oriented promotion tools like price-off and gifts and compliments should have a better role to play in motivating consumers to stockpile than other tools of promotion. In this context it is interesting to study which of the promotional tools are effective in achieving this important objective of sales promotion. Respondents who were found motivated to stockpile during a promotional deal were asked to identify the tools of sales promotion which are influencing them by distributing 100 points. The mean and standard deviation of their scores were obtained in order to identify and rank these tools in their order of suitability. Table 5.152 provides information with relate to the four products on this aspect of study.

Table 5.152

Effectiveness of Sales Promotion Tools in Motivating Stockpiling

Product	No.	Statistic	Price-Off	Couponing	Premium	Sampling	POP
Tea	100	Mean	35.70	15.2	15.80	15.40	17.90
		S. D.	24.93	9.29	10.07	10.53	15.94
Toothpaste	140	Mean	32.63	13.81	20.18	15.61	17.82
		S. D.	23.76	8.44	15.59	10.69	15.94
Cereals	111	Mean	31.29	14.82	18.48	15.00	19.87
		S. D.	23.71	9.32	17.15	10.84	18.40
Detergent	140	Mean	36.36	13.81	18.34	17.34	14.16
		S. D.	27.39	10.69	14.26	14.98	13.95

Source: Survey Data

Table 5.152 elicits the following information:

Tea: - In the case of tea, 100 respondents were found motivated by sales promotion to stockpile the product. 'Price-off' is the most effective sales promotion tool in motivating buyers to stockpile tea. Its mean score is 35.7 with a standard deviation of 24.93, which is in the acceptable limit. 'POP' (mean value 17.9), 'Premium' (mean value 15.80) 'sampling' (mean value 15.40), and 'couponing' (mean value 15.2) can be arranged in the order of their power to motivate buyers to stockpile tea taking advantage of promotion.

Tooth paste: - In the case of toothpaste, 140 respondents were found motivated by sales promotion to stockpile the product. 'Price-off' with a mean score of 32.63 is the most effective sales promotion tool in motivating buyers to larger quantities of the product. 'Premium' (mean value 20.18), 'POP' (mean value 17.92), 'sampling' (mean value 15.61) and 'couponing' (mean value 13.81) can be arranged in the order of their power to stockpile toothpaste and take advantage of promotion.

Cereals: - It can be noted that 111 respondents were found motivated by sales promotion to stockpile the product cereal. 'Price-off' with a mean score of

31.29 is the most effective sales promotion tool in motivating buyers to buy larger packets and stockpile for the future use. 'POP' (mean value 19.87), 'Premium' (mean value 18.48) 'sampling' (mean value 15.0), and 'couponing' (mean value 14.82) can be arranged in the order of their power to motivate buyers to stockpile the product.

Detergent: - The table shows that 140 respondents were found motivated by sales promotion to stockpile detergent. 'Price-off' with a mean score of 36.36 is the most suitable sales promotion tool in motivating buyers to stockpile a promoted brand. 'Premium' (mean value 18.34), 'sampling' (mean value 17.34), 'POP' (mean value 14.16) and 'couponing' (mean value 13.81) can be arranged in the order of their power to motivate buyers to buy large quantities in excess of their current requirements.

From the above analysis of the effectiveness of sales promotion tools in motivating buyers to buy larger quantities than their immediate requirement and stockpile for the future, it is clear that price-off is the most effective method for all the four products. The tool is well ahead of others getting mean values almost double of the next attractive tool. 'Premium' offers and point-of-purchase display of such larger and more attractive packets also attract consumers to buy them and stock it for future use. Couponing and sampling are not found very effective in achieving this objective of sales promotion.

Consumer's perception about the effectiveness of each sales promotion tools in motivating them to stockpile products can be further analysed on product wise. Accordingly 'price-off' appears to be most successful in the product detergent (mean value 36.36) and then products tea (mean value 35.7, toothpaste (mean value 32.63) and cereals (mean value 31.29) follow in that order. Couponing has greatest influence on the product tea (mean value 15.2) followed by cereals (mean value 14.82), toothpaste (mean value 13.81) and detergent (mean value 13.81). In the case of premium, the highest influence is on toothpaste (mean value 20.18) followed by cereals (mean value 18.48),

detergent (mean value 18.34) and tea (mean value 15.80). Influence of sampling is at the maximum level on detergent (mean value 17.34) followed by toothpaste (mean value 15.61), tea (mean value 15.40) and cereals (mean value 15.0). Finally, point-of-purchase promotions exert maximum influence on cereals (mean value 19.87) followed by tea (mean value 17.90), toothpaste (mean value 17.82) and detergent (mean value 14.16).

A study of the significance of difference in the effectiveness of a sales promotion tool in motivating stockpiling among the four products would be useful to the marketers to take appropriate decisions. Results of the analysis of variance using 'F-test' are presented in the Table 5.153. It can be observed from the table that the stockpiling motivational effectiveness of each sales promotion tool in the case of all the four products is not significantly different, except in the case of the "POP" as the 'P' values are more than 0.05, at the confidence limit of 5%. In the case of 'POP', the 'P' value is only 0.037.

Table 5.153

Results of Analysis of Variance (Inter-Product Analysis)

Promotion Tools	Sources	D.F.	Sum Of Squares	Mean Square	F-Ratio	P-Value
Price-Off	Between Groups	3	2148.960	716.320	1.140	0.333
Couponing	Between Groups	3	177.125	59.042	0.655	0.580
Premium	Between Groups	3	1117.358	372.453	1.736	0.159
Sampling	Between Groups	3	416.134	138.711	0.952	0.415
POP	Between Groups	3	2193.630	731.210	2.853	0.037

Table 5.154**Results of Analysis of Variance (Inter-Promotion Tool Analysis)**

Product	Sources	D.F.	Sum Of Squares	Mean Square	F-Value	P-Value
Tea	Between Groups	4	31274.0	7818.5	33.284	<.001
Toothpaste	Between Groups	4	30849.9	7712.5	30.948	<.001
Cereals	Between Groups	4	20344.9	5086.2	18.177	<.001
Detergent	Between Groups	4	48975.7	12243.925	41.183	<.001

Differences in the stockpiling motivational ability of all the sales promotion tools in the case of each product are tested for their significance and the results are exhibited in the table 5.154. Since the 'P' values in all the cases are less than 0.05, at the confidence limit of 5%, it is concluded that the role of the five tools of promotion in motivating consumers stockpile in the case of each of the four products is significantly different.

5.12.1 Post Hoc Analysis

The analysis of variance in the mean values of different tools on their effectiveness of stockpiling in the case of each product is done taking all the tools together. A more detailed study taking two tools at a time, in order to know the significance of difference between them is conducted using the method of Least Square Difference. The results of analysis are incorporated in Table 5.155.

Table 5.155

Results of Post Hoc Analysis (Inter-Promotional Tool)

Pair of Tools Compared	Tea		Toothpaste		Cereals		Detergent	
	Mean Diff.	P Value	Mean Diff.	P Value	Mean Diff.	P Value	Mean Diff.	P Value
Discount-Coupons	20.500*	< .001	18.812*	< .001	16.473*	< .001	22.542*	< .001
Discount-Premium	19.900*	< .001	12.446*	< .001	12.812*	< .001	18.021*	< .001
Discount-Sampling	20.300*	< .001	17.018*	< .001	16.294*	< .001	19.021*	< .001
Discount-POP	17.800*	< .001	14.804*	< .001	11.428*	< .001	22.200*	< .001
Coupon-Premium	-.600	.782	-6.366*	.001	-3.660	.102	-4.521*	.029
Coupon-Sampling	-.200	.927	-1.794	.343	-.178	.936	-3.521	.088
Coupon-POP	-2.700	.213	-4.008*	.034	-5.044*	.024	-.342	.868
Premium-Sampling	.400	.854	4.572*	.016	3.482	.120	1.000	.628
Premium-POP	-2.100	.333	2.358	.213	-1.383	.536	4.178*	.043
Sampling-POP	-2.500	.249	-2.214	.241	-4.866*	.030	3.178	.123

* The mean difference is significant at the 0.05 level

The following inferences can be drawn from the above table showing the significance of difference between mean values of various tools taken in pairs for comparison:

1. The difference between 'discount' and each of the other tools of promotion is very much significant in the case of all the four products since the 'P' values are less than 0.05.
2. In the case of tea there are no other incidences of significant differences.
3. In the case of toothpaste the difference between coupon and premiums; coupons and POP; and premium and sampling are also significant.

4. In the case of cereals the difference between coupon and POP; and sampling and POP are also significant.
5. In the case of detergent the difference between coupon and premium; and premium and POP are significant as well.

The details of sex wise analysis of the effectiveness of various sales promotion tools in motivating consumers to stockpile in the case of the four products are given in the Tables 5.156 – 5.163. The differences between the two groups of consumers are tested for their significance with the help of ‘t-test’ for equality of means.

Table 5.156
Effectiveness of Sales Promotion Tools in Motivating
Stockpiling of Tea (Sex Wise Analysis)

Sales Promotion Tools	Male			Female		
	No.	Mean	S. D.	No.	Mean	S. D.
Price-Off	60	38.33	25.75	40	31.75	23.41
Couponing	60	14.75	10.35	40	15.88	7.50
Premium	60	15.50	10.92	40	16.25	8.75
Sampling	60	15.92	11.77	40	14.63	8.43
POP	60	15.50	13.07	40	21.50	19.09

Source: Survey Data

Table 5.156 shows that out of the 100 respondents who opined that there are some possibilities of stockpiling of tea consequent to promotional offers 60 respondents are men and 40 respondents are women. Mean values in the table indicate that male buyer’s possibility of stockpiling under ‘price-off’ and ‘sampling’ schemes are stronger than female buyer and female buyer’s possibility of stockpiling under ‘couponing’, ‘premium’ and ‘POP’ schemes are stronger than male buyer. As the standard deviations in all the cases are lesser than their respective mean values the opinion can be relied upon.

Table 5.157**Results of t-test for Equality of Means**

Sales Promotion Tools	t-value	D.F.	Mean Difference	2-Tail Significance
Price-Off	-1.298	98	-6.58	.197
Couponing	0.591	98	1.13	.556
Premium	.363	98	0.75	.717
Sampling	-.599	98	-1.29	.551
POP	1.867	98	6.00	.065

The results of 't-test' used for testing the equality of means suggest that there is no significant difference between male and female buyers in their possibility of stockpiling the product tea. This is clear from the fact that the two-tail significance values in all those cases are more than 0.05 as revealed by the table 5.157.

Table 5.158**Effectiveness of Sales Promotion Tools in Motivating Stockpiling of Toothpaste (Sex Wise Analysis)**

Sales Promotion Tools	Male			Female		
	No.	Mean	S. D.	No.	Mean	S. D.
Price-Off	88	33.81	24.28	52	30.59	22.93
Couponing	88	12.95	8.73	52	15.29	7.77
Premium	88	20.28	16.86	52	20.00	13.27
Sampling	88	14.77	9.74	52	17.01	12.10
POP	88	18.18	17.97	52	17.21	11.86

Source: Survey Data

Table 5.159**Results of t-test for Equality of Means**

Sales Promotion Tools	t-value	D.F.	Mean Difference	2-Tail Significance
Price-Off	-.769	138	-3.219	.443
Couponing	1.584	138	2.339	.116
Premium	-.103	138	-.284	.918
Sampling	1.204	138	2.247	.231
POP	-.347	138	-.970	.729

Table 5.158 reveals that out of the 140 respondents, who opined that there are some possibilities of stockpiling the product toothpaste consequent to promotional offers, 88 respondents are men and 52 respondents are women. Mean values in the table indicate that male respondent's possibility of stockpiling under 'price-off', 'premium' and 'POP' schemes are stronger than female respondent and female respondent's possibility of stockpiling under 'sampling' and 'couponing' schemes are stronger than male respondents. As the standard deviations in all the cases are lesser than their respective mean values, the opinion can be relied upon.

The results of 't-test' used for testing the equality of means (Table 5.159) suggest that there is no significant difference between male and female buyers in their possibility of stockpiling under all the five tools given in the table. The two-tail significance values against all the schemes are more than 0.05.

Table 5.160

Effectiveness of Sales Promotion Tools in Motivating Stockpiling of Cereals (Sex Wise Analysis)

Sales Promotion Tools	Male			Female		
	No.	Mean	S. D.	No.	Mean	S. D.
Price-Off	67	34.63	25.46	44	26.33	20.10
Couponing	67	15.82	10.10	44	13.33	7.90
Premium	67	16.27	11.23	44	21.78	23.11
Sampling	67	13.58	9.65	44	17.11	12.22
POP	67	19.70	19.23	44	20.11	17.30

Source: Survey Data

Table 5.161

Results of t-test for Equality of Means

Promotion Tools	t-value	D.F.	Mean Dif	2-Tail Sign.
Price-Off	-1.834	109	-6.29	.069
Couponing	-1.390	109	-2.49	.167
Premium	1.680	109	5.51	.096
Sampling	1.703	109	3.53	.091
POP	.115	109	.41	.909

Table 5.160 indicates that out of the 111 respondents, who opined that there are some possibilities of stockpiling of cereals consequent to promotional offers, 67 respondents are men and 44 respondents are women. Mean values in the table indicate that male respondent's possibility of stockpiling under 'price-off' and 'couponing' schemes are stronger than female respondents and female respondents possibility of stockpiling under 'premium', 'sampling' and 'POP' schemes are stronger than men respondents.

The results of 't-test' used for testing the equality of means as presented in the Table 5.161 suggest that the difference between male and female respondents in their possibility of stockpiling under none of the scheme is significant since in all the cases the two-tail significance values are more than 0.05, the cut off value.

Table 5.162

Effectiveness of Sales Promotion Tools in Motivating Stockpiling of Detergent (Sex Wise Analysis)

Sales Promotion Tools	Male			Female		
	No.	Mean	S. D.	No.	Mean	S. D.
Price-Off	81	35.56	25.93	59	37.46	29.45
Couponing	81	13.53	8.91	59	14.20	12.81
Premium	81	19.59	15.57	59	16.61	12.16
Sampling	81	18.02	15.45	59	16.39	14.39
POP	81	13.30	11.94	59	15.34	16.34

Source: Survey Data

Table 5.163

Result of t-test for Equality of Means

Sales Promotion Tools	t-value	D.F.	Mean Difference	2-Tail Significance
Price-Off	.405	138	1.902	.686
Couponing	.366	138	.673	.715
Premium	-1.224	138	-2.982	.223
Sampling	-.636	138	-1.635	.526
POP	.855	138	2.040	.394

Table 5.162 shows that out of the 140 respondents who opined that there are some possibilities of stockpiling of detergent consequent to promotional offers 81 respondents are men and 59 respondents are women. Mean values in the table indicate that male respondent's possibility of stockpiling is stronger than women respondent under 'premium' and 'sampling' schemes. In the rest of the cases the opposite is true.

The results of 't-test' used for testing the equality of means (Table 5.163) suggest that the difference between male and female in their possibility of stockpiling is not significant under any of the scheme.

The details of income wise analysis of the effectiveness of sales promotion tools in motivating stockpiling for the four products are given in the tables 5.164 – 5.171. The differences between the three groups of consumers are tested for their significance with the help of ANOVA.

Table 5.164

**Effectiveness of Sales Promotion Tools in Motivating
Stockpiling of Tea (Income Wise Analysis)**

Sales Promotion Tools	Low Income			Middle Income			High Income		
	No.	Mean	S. D.	No.	Mean	S. D.	No.	Mean	S. D.
Price-Off	42	33.33	21.46	48	38.96	28.38	10	30.00	20.41
Couponing	42	15.12	8.15	48	15.73	9.89	10	13.00	11.35
Premium	42	16.43	11.22	48	15.31	9.25	10	15.50	9.56
Sampling	42	17.62	11.44	48	14.38	9.32	10	11.00	11.01
POP	42	17.50	14.41	48	15.63	12.95	10	30.50	27.73

Source: Survey Data

Table 5.165**Results of Analysis of Variance**

Promotion Tools	Sources	D.F.	Sum of Squares	Mean Square	F-Ratio	P-Value
Price-Off	Between Groups	2	1069.8	534.9	.858	.427
Couponing	Between Groups	2	62.1	31.1	.355	.702
Premium	Between Groups	2	28.9	14.5	.140	.869
Sampling	Between Groups	2	450.8	225.4	2.076	.131
POP	Between Groups	2	1842.8	921.4	3.83	.025

Table 5.164 contains data relating to the results of income wise analysis of the role of sales promotion in motivating stockpiling of tea. Out of the total of 100 respondents who opined that they would stockpile the product tea to avail an attractive promotional offer, 42 respondents belong to low-income group; 48 respondents belong to middle-income group; and 10 respondents belong to high-income group. Mean values given in the table suggest the group of buyers which is most influenced by a particular scheme in motivating them to stockpile the product. Accordingly, 'premium' and 'sampling' influence low-income buyers at the most; 'price-off' and 'couponing' influence middle income buyers at the most; and 'POP' influences high-income buyers at the most.

Table 5.165 shows results of analysis of variance among the three income groups. Accordingly, it appears that the difference between the three income groups is significant in the case of 'POP' promotion scheme only. Differences in the rest of the cases are not significant since their 'P' values are more than 0.05.

Table 5.166

**Effectiveness of Sales Promotion Tools in Motivating
Stockpiling of Toothpaste (Income Wise Analysis)**

Sales Promotion Tools	Low Income			Middle Income			High Income		
	No.	Mean	S. D.	No.	Mean	S. D.	No.	Mean	S. D.
Price-Off	59	30.42	21.42	67	34.01	25.37	14	35.36	26.20
Couponing	59	14.15	8.86	67	13.41	7.70	14	14.29	10.35
Premium	59	22.88	18.60	67	18.18	13.46	14	18.21	8.46
Sampling	59	18.31	13.15	67	13.43	7.50	14	14.64	10.28
POP	59	14.24	13.42	67	21.04	17.61	14	17.50	15.03

Source: Survey Data

Table 5.166 presents data relating to the results of income wise analysis of the effectiveness of sales promotion in motivating stockpiling of the product toothpaste. Out of a total 140 respondents who opined that they would stockpile toothpaste to avail an attractive promotional offer, 59 respondents belong to low-income group; 67 respondents belong to middle-income group; and 14 respondents belong to high-income group. Mean values given in the table suggest that the group of buyers which is most influenced by a particular scheme in motivating them to stockpile the product. Accordingly, 'premium' and 'sampling' influence low income buyers at the most; 'POP' promotions influences middle income consumers at the most; and 'price-off' and 'couponing' influences high income buyers at the most.

Table 5.167

Results of Analysis of Variance

Promotion Tools	Sources	D.F.	Sum of Squares	Mean Square	F-Ratio	P-Value
Price-Off	Between Groups	2	517.9	259.0	.455	.635
Couponing	Between Groups	2	20.7	10.3	.143	.866
Premium	Between Groups	2	748.2	374.1	1.552	.215
Sampling	Between Groups	2	759.2	379.6	3.441	.035
POP	Between Groups	2	1455.5	727.7	2.945	.056

Table 5.167 gives results of analysis of variance of the effectiveness of each sales promotional tool among the three income groups of respondents. Accordingly, it appears that the difference between the three income groups is significant in the case of 'sampling' scheme only. Differences in the rest of the cases are not significant since their 'P' values are more than 0.05.

Table 5.168

**Effectiveness of Sales Promotion Tools in Motivating
Stockpiling of Cereals (Income Wise Analysis)**

Sales Promotion Tools	Low Income			Middle Income			High Income		
	No.	Mean	S. D.	No.	Mean	S. D.	No.	Mean	S. D.
Price-Off	42	21.14	21.81	56	35.61	25.55	13	25.77	18.58
Couponing	42	13.69	10.00	56	14.56	7.81	13	19.61	12.16
Premium	42	22.86	24.94	56	15.88	9.41	13	15.77	8.62
Sampling	42	17.74	12.94	56	13.86	9.40	13	11.15	7.40
POP	42	18.57	22.04	56	19.04	12.52	13	27.69	25.79

Source: Survey Data

Table 5.169

Results of Analysis of Variance

Promotion Tools	Sources	D.F.	Sum of Squares	Mean Square	F-Ratio	P-Value
Price-Off	Between Groups	2	2184.3	1092.2	1.977	.143
Couponing	Between Groups	2	356.3	178.2	2.090	.129
Premium	Between Groups	2	1286.4	643.2	2.236	.112
Sampling	Between Groups	2	581.3	290.7	2.541	.083
POP	Between Groups	2	906.0	453.0	1.347	.264

Table 5.168 shows data relating to the results of income wise analysis of the effectiveness of sales promotion in motivating stockpiling of cereals. There are a total of 111 respondents who opined that they would stockpile cereals to avail an attractive promotional offer. 42 respondents belong to low-income group; 56 respondents belong to middle-income group; and 13 respondents belong to high-income group. Mean values given in the table suggest the group of buyers which is most influenced by a particular scheme

in motivating them to stockpile the product. Accordingly, 'premium', and 'sampling' influence low-income buyers at the most where as 'price-off' influences middle income group of consumers and 'couponing' and 'POP' influence high-income buyers at the most.

Table 5.169 indicates results of analysis of variance among the three income groups. Accordingly, it appears that the differences between the three income groups is not significant in the case of any of the above tools of promotion since their 'P' values are more than 0.05.

Table 5.170

**Effectiveness of Sales Promotion Tools in Motivating
Stockpiling of Detergent (Income Wise Analysis)**

Sales Promotion Tools	Low Income			Middle Income			High Income		
	No.	Mean	S. D.	No.	Mean	S. D.	No.	Mean	S. D.
Price-Off	62	37.26	28.28	57	36.32	27.93	21	33.81	24.08
Couponing	62	14.34	12.07	57	14.30	9.47	21	10.95	9.44
Premium	62	19.15	16.87	57	17.54	11.54	21	18.10	12.99
Sampling	62	16.89	11.68	57	16.84	14.84	21	20.00	22.75
POP	62	12.37	10.89	57	15.00	12.46	21	17.14	23.11

Source: Survey Data

Table 5.171

Results of Analysis of Variance

Promotion Tools	Sources	D.F.	Sum of Squares	Mean Square	F-Ratio	P-Value
Price-Off	Between Groups	2	186.7	93.4	.123	.884
Couponing	Between Groups	2	202.4	101.2	.884	.416
Premium	Between Groups	2	77.6	38.8	.189	.828
Sampling	Between Groups	2	175.4	87.7	.388	.679
POP	Between Groups	2	425.5	212.8	1.095	.337

Table 5.170 contains data relating to the results of income wise analysis of the effectiveness of sales promotion tools in motivating stockpiling of detergent. Out of a total of 140 respondents who opined that they would stockpile detergent to avail an attractive promotional offer, 62 respondents belong to low-income group; 57 respondents belong to middle-income group; and 21 respondents belong to high-income group. Mean values given in the table suggest that the group of buyers which is most influenced by a particular scheme in motivating them to stockpile the product. Accordingly, 'price-off', 'couponing' and 'premium' influence low-income buyers at the most where as 'sampling' and 'POP' influence high-income group of consumers.

Table 5.171 shows results of analysis of variance among the three income groups. Accordingly, the differences between the three income groups are not significant in the case of any of the above tools of promotion since their 'P' values are more than 0.05.

5.13 Consumption Acceleration Possibility Due to Stockpiling

This study has revealed that about one-fourth of the consumers of fast moving consumer goods purchase larger quantities during suitable promotional offers and stockpile for future consumption. Stockpiling may or may not lead to consumption acceleration. Consumption acceleration means consuming larger quantities of a product than one normally does. This may be due to several reasons. First of all the increase in the rate or quantity consumed may result in consumption acceleration. Consumption of cereals and detergents may be accelerated for this reason. Secondly, the increase in the consumption incidences, especially in the case of tea and cereals, may result in more consumption. Thirdly, products like cereals may be put in to additional uses when they are available aplenty. Finally, abundance of products like toothpaste and detergent may lead to increase in the quantity used. Accelerated consumption results in more demand for the product and

helps marketer to produce and sell in larger quantities and enjoy more profit. On the other hand, if stockpiling does not lead to increased consumption there is no real advantage to the marketer due to promotion except that he can prevent the consumer from switching brands for some time. It is, therefore, important to know whether extra quantity of the products available to the consumer through stockpiling is leading to consumption acceleration.

Respondents who answered affirmatively to the question of possibility of stockpiling of the attractively promoted brand of the various products were asked about their possibility of accelerating consumption of the stockpiled products. Their responses were classified as 'no possibility', 'very low possibility' (0 to 25%), 'low possibility' (25 to 50%), 'high possibility' (50 to 75%), 'very high possibility' (75 to 100%). The classified data relating to the possibility of consumption acceleration of the four products are presented in the table 5.172, which is given below.

Table 5.172

Consumption Acceleration Possibility Due to Sales Promotion

Level of Possibility	Tea		Toothpaste		Cereals		Detergent	
	No.	%	No.	%	No.	%	No.	%
No Possibility	48	48.0	73	52.1	52	46.9	57	40.7
Very Low Possibility	37	37.0	49	35.0	38	34.2	56	40.0
Low Possibility	6	6.0	10	7.1	8	7.2	12	8.6
High Possibility	5	5.0	3	2.1	9	8.1	9	6.4
Very High Possibility	4	4.0	5	3.7	4	3.6	6	4.3
Total	100.0	100.0	140	100.0	111	100.0	140	100.0
Mode	1 st item		1 st item		1 st item		1 st item	

Source: Survey Data

Table 5.172 brings out the following data:

Tea: - Out of a total number of 100 respondents who were expected to stockpile due to promotional offers 48 percentage says that there is no possibility of accelerating consumption merely because they have more stock of the product with them. Of the remaining 52 percentages of consumers, who are expected to accelerate consumption, 37 percent opine that their possibility is very low. Higher-level possibilities are very limited. Further analysis show that out of the five categories mode is the first category denoting that most people think that there is no possibility of consumption acceleration of tea.

Toothpaste: - Out of a total number of 140 respondents who were expected to stockpile due to promotional offers 52.1 percentage says that there is no possibility of accelerating consumption merely because they have more stock of the product with them. Of the remaining 47.9 percentage of consumers, who are expected to accelerate consumption, 35 percent opine that their possibility is very low. Higher-level possibilities are again very limited. Further analysis show that out of the five categories mode is the first category denoting that most people think that there is no possibility of consumption acceleration of toothpaste.

Cereals: - Out of a total number of 111 respondents who were expected to stockpile due to promotional offers 46.9 percentage says that there is no possibility of accelerating consumption merely because they have more stock of the product with them. Of the remaining 53.1 percentage of consumers, who are expected to accelerate consumption, 34.2 percent opine that their possibility is very low. 7.2 percent and 8.1 percent consumers think that their possibility of increasing consumption is 'low' and 'high' respectively. Further analysis show that out of the five categories mode is the first category denoting that most people think that there is no possibility of consumption acceleration of cereals.

Detergent: - Out of a total number of 140 respondents who were expected to stockpile due to promotional offers 40.7 percentage says that there is no possibility of accelerating consumption merely because they have more stock of the product with them. Of the remaining 59.3 percentage of consumers, who are expected to accelerate consumption, 40 percent opine that their possibility is very low. 8.6 percent and 6.4 percent consumers think that their possibility of increasing consumption is 'low' and 'high' respectively. Further analysis show that out of the five categories mode is the first category denoting that most people think that there is no possibility of consumption acceleration of detergent.

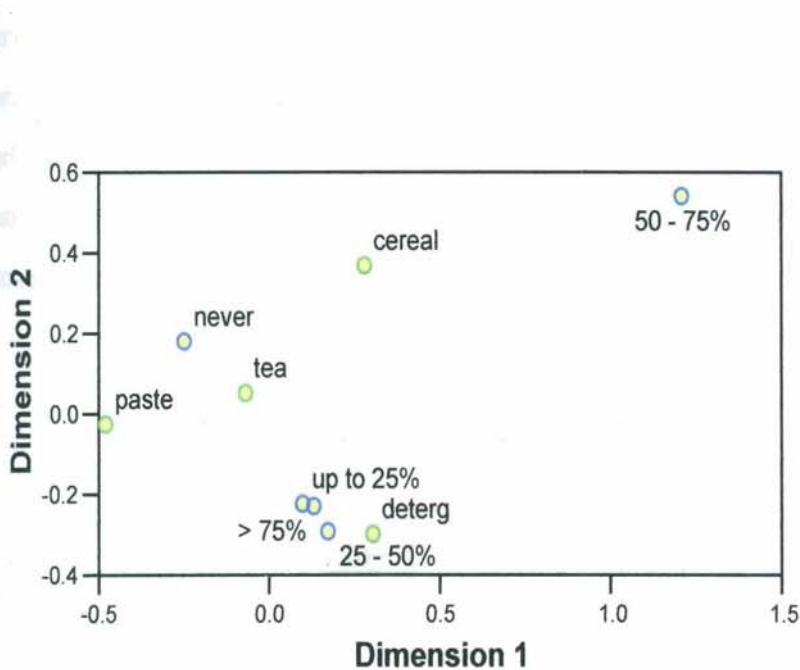
To put the above discussion in a nutshell, detergent is most prone to consumption acceleration due to stockpiling followed by cereals, tea and toothpaste. Moreover the consumer's desire to increase consumption is not very strong as most of the consumers who are hopeful of increasing their consumption of the various products see the chance as 'very low'. To test the significance of difference among the various products as to the consumer's consumption acceleration due to stockpiling, chi-square test has been applied. The value of chi-square is 8.081 at 12 degrees of freedom. The 'P' value of 0.779 indicates that the consumption behavior of the people on account of stockpiling does not vary significantly across the four products

5.13.1 Graphical Presentation of Consumption Acceleration Possibility

The possibility of consumption acceleration due to stockpiling of the selected products is graphically presented using correspondence analysis. The respective table and diagram are given below.

Figure 5.5**Correspondence Table**

products	possibility_levels					Active Margin
	never	up to 25%	25 - 50%	50 - 75%	> 75%	
tea	49	38	6	5	4	102
paste	75	50	10	3	5	143
cereal	53	39	8	9	4	113
deterg	59	58	12	9	6	144
Active Margin	236	185	36	26	19	502

Row and Column Points**Symmetrical Normalization**

Changes in the consumer's consumption behaviour due to stockpiling has been further studied on the basis of the gender of the consumers in order

to know whether the two groups think alike. The results are presented in the Tables 5.173 – 5.177.

Table 5.173

**Consumption Acceleration Possibility
Due to Stockpiling of Tea (Sex Wise Analysis)**

Level of Possibility	Male		Female		Total	
	N	%	N	%	N	%
No Possibility	31	51.6	17	42.5	48	48.0
Very Low Possibility	22	37.1	15	37.5	37	37.0
Low Possibility	3	4.8	3	7.5	6	6.0
High Possibility	2	3.2	3	7.5	5	5.0
Very High Possibility	2	3.2	2	5.0	4	4.0
Total	60	100.0	40	100.0	100	100.0

Source: Survey Data

A perusal of the table 5.173 reveals that 51.6 percent of male and 42.5 percent of female consumers think that there is no possibility of increasing consumption of tea on account of stockpiling. The respective share of male and female consumers who possesses a very low possibility of accelerating consumption are 37.1 and 37.5 percent. In the category of stronger possibility groups also female consumers are leading over their male counterparts.

Table 5.174

**Consumption Acceleration Possibility
Due to Stockpiling of Toothpaste (Sex Wise Analysis)**

Level of Possibility	Male		Female		Total	
	N	%	N	%	N	%
No Possibility	45	50.5	28	55.8	73	52.4
Very Low Possibility	33	37.4	16	30.8	49	35.0
Low Possibility	8	8.8	2	3.8	10	7.0
High Possibility	0	0.0	3	5.8	3	2.1
Very High Possibility	3	3.3	2	3.8	5	3.5
Total	89	100.0	51	100.0	140	100.0

Source: Survey Data

Table 5.174 shows that 50.5 percent of male and 55.8 percent of female consumers think that there is no possibility of increasing consumption of toothpaste on account of stockpiling. The respective share of male and female consumers who possess a very low possibility of accelerating consumption are 37.4 and 30.8 percent. In the 'low possibility' category more male consumers are likely to accelerate consumption than female consumers. In the other two categories female consumers are leading over their male counterparts.

Table 5.175

**Consumption Acceleration Possibility
Due to Stockpiling of Cereals (Sex Wise Analysis)**

Level of Possibility	Male		Female		Total	
	N	%	N	%	N	%
No Possibility	29	43.5	23	52.3	52	46.9
Very Low Possibility	24	36.2	14	31.8	38	34.5
Low Possibility	6	8.7	2	4.5	8	7.1
High Possibility	6	8.7	3	6.8	9	8.0
Very High Possibility	2	2.9	2	4.5	4	3.5
Total	67	100.0	44	100.0	111	100.0

Source: Survey Data

As per Table 5.175 given above 43.5 percent of male and 52.3 percent of female consumers think that there is no possibility of increasing consumption of cereals on account of stockpiling. The respective share of male and female consumers who possesses a very low possibility of accelerating consumption is 36.2 and 31.8 percent. In both of the 'low possibility' and 'high possibility' categories 8.7 percent male consumers are likely to consume more and they are well ahead of their opposite sex.

Table 5.176

**Consumption Acceleration Possibility
Due to Stockpiling of Detergent - Sex Wise Analysis**

Level of Possibility	Male		Female		Total	
	N	%	N	%	N	%
No Possibility	35	42.4	22	39.0	57	41.0
Very Low Possibility	33	40.0	23	40.7	56	40.3
Low Possibility	7	8.2	5	8.5	12	8.3
High Possibility	5	5.9	4	6.8	9	6.3
Very High Possibility	3	3.5	3	5.1	6	4.2
Total	83	100.0	57	100.0	140	100.0

Source: Survey Data

A perusal of the above table (5.176) reveals that 42.4 percent of male and 39 percent of female consumers think that there is no possibility of increasing consumption of detergent on account of stockpiling. The respective share of male and female consumers who possess a very low possibility of accelerating consumption are 40 and 40.7 percent. In the category of stronger possibility groups also female consumers are leading over their male counterparts.

Table 5.177

Results of Chi-Square Analysis

Product	Value	D.F.	P value
Tea	1.815	4	.770
Toothpaste	7.019	4	.135
Cereals	1.573	4	.814
Detergent	.350	4	.986

The significance of difference between male and female consumers as to the acceleration of their consumption of the four products due to stockpiling has been tested using chi-square. Table 5.177 shows values of chi-square at 4 degrees of freedom and the respective significance values. It is

clear from the table that the above noted differences are not significant since the 'P' values are more than 0.05 for the four products.

A further analysis of consumer's consumption acceleration behaviour on the basis of their income provides some useful results. These results are presented in the Tables 5.178 – 5.182.

Table 5.178
Consumption Acceleration Possibility
Due to Stockpiling of Tea (Income Wise Analysis)

Level of Possibility	Low Income		Middle Income		High Income		Total	
	N	%	N	%	N	%	N	%
No Possibility	21	48.8	22	46.9	5	50.0	48	48.0
Very Low Possibility	15	34.9	17	36.8	5	50.0	37	37.0
Low Possibility	4	9.3	2	4.1	0	0.0	6	6.0
High Possibility	2	4.7	3	6.1	0	0.0	5	5.0
Very High Possibility	1	2.3	3	6.1	0	0.0	4	4.0
Total	43	100.0	47	100.0	10	100.0	100	100.0

Source: Survey Data

High-income consumers are leading over the other two groups in the first two categories of consumption acceleration possibilities, i.e., 'no possibility' and 'very low possibility'. More low-income consumers are included in the category of 'low possibility' than the other two groups. In the rest of the two categories more middle-income consumers are included than the rest of the two groups. All these information are obtained from the table 5.178.

Table 5.179

**Consumption Acceleration Possibility
Due to Stockpiling of Toothpaste (Income Wise Analysis)**

Level of Possibility	Low Income		Middle Income		High Income		Total	
	N	%	N	%	N	%	N	%
No Possibility	35	59.0	29	44.1	9	64.3	73	52.4
Very Low Possibility	18	29.5	27	41.2	4	28.6	49	35.0
Low Possibility	4	6.6	5	7.4	1	7.1	10	7.0
High Possibility	1	1.6	2	2.9	0	0.0	3	2.1
Very High Possibility	2	3.3	3	4.4	0	0.0	5	3.5
Total	60	100.0	66	100.0	14	100.0	140	100.0

Source: Survey Data

High-income consumers are leading over the other two groups in the 'no possibility' category of consumption acceleration possibilities. In all other categories it is middle-income group of consumers who are ahead of the other two groups. All these information are obtained from the table 5.179.

Table 5.180

**Consumption Acceleration Possibility
Due to Stockpiling of Cereals (Income Wise Analysis)**

Level of Possibility	Low Income		Middle Income		High Income		Total	
	N	%	N	%	N	%	N	%
No Possibility	20	46.5	25	45.6	7	53.8	52	46.9
Very Low Possibility	13	30.2	19	35.1	6	46.2	38	34.5
Low Possibility	4	9.3	4	7.0	0	0.0	8	7.1
High Possibility	5	11.6	4	7.0	0	0.0	9	8.0
Very High Possibility	1	2.3	3	5.3	0	0.0	4	3.5
Total	43	100.0	55	100.0	13	100.0	111	100.0

Source: Survey Data

A glance at the table 5.180 confirms that high-income consumers are least likely to accelerate consumption on account of stockpiling of cereals, followed by low-income and middle-income groups. At the same time all the high income consumers who are likely to accelerate consumption are included in the 'very low possibility' group. Share of low-income consumers in the

category of 'low possibility' and 'high possibility' categories is more than the other two groups.

Table 5.181

**Consumption Acceleration Possibility
Due to Stockpiling of Detergent (Income Wise Analysis)**

Level of Possibility	Low Income		Middle Income		High Income		Total	
	N	%	N	%	N	%	N	%
No Possibility	25	40.0	21	37.9	11	52.4	57	41.0
Very Low Possibility	25	40.0	24	43.1	7	33.3	56	40.3
Low Possibility	5	7.7	5	8.6	2	9.5	12	8.3
High Possibility	4	6.2	4	6.9	1	4.8	9	6.3
Very High Possibility	4	6.2	2	3.4	0	0.0	6	4.2
Total	63	100.0	56	100.0	21	100.0	140	100.0

Source: Survey Data

A scrutiny of the table 5.181 make it clear that high-income consumers are least likely to accelerate consumption on account of stockpiling of detergent, followed by low-income and middle-income groups. The share of low, middle and high-income consumers included in the 'very low possibility' category are 40%, 43.1% and 33.3% respectively. The three groups of consumers share the honours of being the largest group in the other three categories.

Table 5.182

Results of Chi-Square Analysis

Product	Value	D.F.	P value
Tea	4.165	8	.842
Toothpaste	4.485	8	.811
Cereals	5.062	8	.751
Detergent	2.931	8	.939

The significance of difference between the consumers of the three income groups as to the consumption acceleration behaviour has been tested using chi-square. Table 5.182 reveals values of chi-square at 8 degrees of freedom and the respective significance values. It is clear from the table that the above noted differences are not significant since the 'P' values are more than 0.05 for the all the four products.

5.14 Consumption Deceleration Possibility Anticipating Promotional Offer

The very purpose of promotion may be defeated if consumers develop the habit of delaying their purchases anticipating a promotional deal in the future. Then there will be little or only limited purchases at regular prices. Studies have revealed that frequent promotions make consumers more price sensitive and expect deeper discounts and other more attractive promotions. Where as consumption acceleration works in favour of marketers, consumption deceleration works against them. Consumers can delay purchases by reducing consumption rates or the consumption incidences. Using a substitute product is another option for achieving this objective.

In order to gather information on the possibility of consumer's consumption deceleration just prior to an offer, respondents were asked to mark the level of their possibilities in the schedule. Their responses were classified as 'no possibility', 'very low possibility' (0-25%), 'low possibility' (25-50%), 'high possibility' (50-75%), 'very high possibility' (75-100%). The classified data relating to the possibility of consumption deceleration of the four products are presented in the table 5.183 as given below.

Table 5.183

Consumption Deceleration Possibility in Anticipation of Promotional Offer

Level of Possibility	Tea		Toothpaste		Cereals		Detergent	
	N	%	N	%	N	%	N	%
No Possibility	343	85.6	308	77.0	335	83.7	314	78.4
Very Low Possibility	47	11.8	65	16.2	44	11.0	52	13.0
Low Possibility	6	1.5	20	5.0	12	3.0	19	4.8
High Possibility	3	0.8	4	1.0	7	1.8	14	3.5
Very High Possibility	1	0.3	3	0.8	2	0.5	1	0.3
Total	400	100.0	400	100.0	400	100.0	400	100.0
Mode	1 st item		1 st item		1 st item		1 st item	

Source: Survey Data

The table provides the following information:

Tea: - Out of the 400 respondents, 343 answered negatively to the question of possibility of deceleration of the consumption of tea. In other words 85.6 percent consumers of the product are not prepared to wait for the next offer to be announce by the marketers and delay their purchases. 11.8 percent of consumers carry a very low possibility of decreasing their consumption. Share of higher-level possibilities are highly insignificant.

Toothpaste: - 77 percent of the total 400 respondents expressed that they are not ready to wait for the next promotional offers and delay purchases. 16.2 percent of consumers carry a very low possibility and 5 percent feel low level of possibility. Support for higher-level possibilities are negligible.

Cereals: - Out of the 400 respondents, 335 (83.7%) answered negatively to the question of possibility of deceleration of the consumption of cereal. 11 percent of consumers carry a very low possibility of decreasing their consumption. Share of higher-level possibilities are marginal.

Detergent: - 78.4 percent of the total 400 respondents expressed that they are not ready to wait for the next promotional offers and delay purchases. 13 percent of consumers carry a very low possibility and 4.8 percent feel low level of possibility. Support for higher-level possibilities are meager.

From the above discussion it is clear that the consumers possibility of delaying their purchases and decelerating consumption, to take advantage of promotional offers, is at its maximum in the case of the product detergent and least with the product tea. This inter-product difference is tested to know their significance with the help of chi-square. The value of chi-square (28.706) and 'P' value of 0.004 suggests that these differences are very significant.

5.14.1 Graphical Presentation of Consumption Acceleration Possibility

The possibility of consumption deceleration due to stockpiling of the selected products is graphically presented using correspondence analysis. The respective table and diagram are given below.

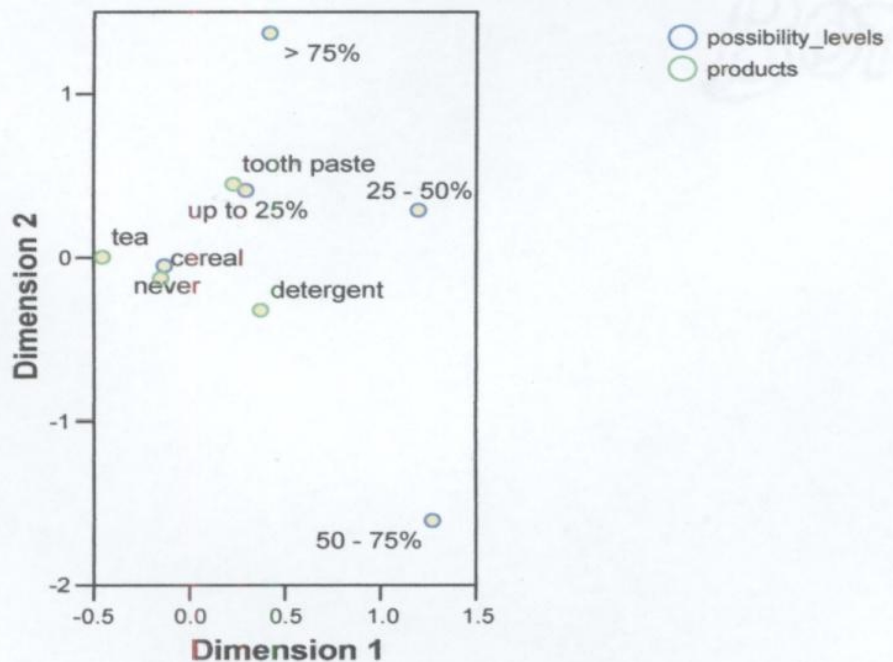
Figure 5.6

Correspondence Table

possibility_levels	products				
	tea	tooth paste	cereal	detergent	Active Margin
never	343	308	335	314	1300
up to 25%	47	65	44	52	208
25 - 50%	6	20	12	19	57
50 - 75%	3	4	7	14	28
> 75%	1	3	2	1	7
Active Margin	400	400	400	400	1600

Row and Column Points

Symmetrical Normalization



Consumer's possibility of decelerating consumption anticipating promotional offers has been further studied on the basis of their gender in order to know whether the two groups think alike. The results are presented in the Tables 5.184 – 5.188.

Table 5.184

**Consumption Deceleration Possibility of Tea in Anticipation of
Promotional Offer (Sex Wise Analysis)**

Level of Possibility	Male		Female		Total	
	N	%	N	%	N	%
No Possibility	190	84.1	153	87.9	343	85.8
Very Low Possibility	31	13.7	16	9.2	47	11.8
Low Possibility	4	1.8	2	1.1	6	1.5
High Possibility	0	0.0	3	1.7	3	0.8
Very High Possibility	1	0.4	0	0.0	1	0.3
Total	226	100.0	174	100.0	400	100.0

Source: Survey Data

Table 5.184 contains information relating to the difference in thinking of male and female consumers of tea on the issue of consumption deceleration. It is clear from the table that more than three-fourths of both groups of consumers think that there is no possibility of decelerating consumption in anticipation of sales promotion. 84.1 percent of male consumers and 87.9 percent female consumers think on these lines. Most of the remaining consumers think that their possibility of consumption deceleration is 'very low'. 13.7 percent male and 9.2 percent female consumers are of this view. Share of both male and female consumers who think that there are greater possibilities is small.

Table 5.185

**Consumption Deceleration Possibility of Toothpaste
Anticipating Promotional Offer (Sex Wise Analysis)**

Level of Possibility	Male		Female		Total	
	N	%	N	%	N	%
No Possibility	168	74.3	140	80.5	308	77.0
Very Low Possibility	41	18.1	24	13.8	65	16.3
Low Possibility	11	4.9	9	5.2	20	5.0
High Possibility	3	1.3	1	0.6	4	1.0
Very High Possibility	3	1.3	0	0.0	3	0.8
Total	226	100.0	174	100.0	400	100.0

Source: Survey Data

As per Table 5.185, which presents information relating to the difference in thinking of male and female consumers of toothpaste on the issue of consumption deceleration, 74.3 percent of male consumers and 80.5 percent female consumers think that there is no possibility of such a behaviour. Most of the remaining consumers think that their possibility of consumption deceleration is 'very low'. 18.1 percent male and 13.8 percent female consumers agree with this argument. Share of both male and female consumers who think that there are greater possibilities is small.

Table 5.186

Consumption Deceleration Possibility of Cereals Anticipating Promotional Offer (Sex Wise Analysis)

Level of Possibility	Male		Female		Total	
	N	%	N	%	N	%
No Possibility	185	81.9	150	86.2	335	83.8
Very Low Possibility	27	11.9	17	9.8	44	11.0
Low Possibility	9	4.0	3	1.7	12	3.0
High Possibility	4	1.8	3	1.7	7	1.8
Very High Possibility	1	0.4	1	0.6	2	0.5
Total	226	100.0	174	100.0	400	100.0

Source: Survey Data

Table 5.186 contains information relating to the difference in thinking of male and female consumers of cereals on the issue of consumption deceleration. It appears from the table that lesser number of female consumers would reduce consumption expecting offers in the future. 86.2 percent women consumers see there is no possibility of decelerating consumption as against 81.9 percent men. Most of the remaining consumers think that their possibility of consumption deceleration is 'very low'. 11.9 percent male and 9.8 percent female consumers are of this view. Share of both male and female consumers who think that there are greater possibilities is small.

Table 5.187

**Consumption Deceleration Possibility of Detergent Anticipating
Promotional Offer (Sex Wise Analysis)**

Level of Possibility	Male		Female		Total	
	N	%	N	%	N	%
No Possibility	170	75.2	144	82.8	314	78.5
Very Low Possibility	35	15.5	17	9.8	52	13.0
Low Possibility	13	5.8	6	3.4	19	4.8
High Possibility	7	3.1	7	4.0	14	3.5
Very High Possibility	1	0.4	0	0.0	1	0.3
Total	226	100.0	174	100.0	400	100.0

Source: Survey Data

As per Table 5.187, which contain information relating to the difference in thinking of male and female consumers of detergent on the issue of consumption deceleration, 75.2 percent of male consumers and 82.2 percent female consumers think that there is no possibility of such behaviour. Most of the remaining consumers think that their possibility of consumption deceleration is 'very low'. 15.5 percent male and 9.8 percent female consumers agree with this argument. Share of both male and female consumers who think that there are greater possibilities is small.

Table 5.188

Results of Chi-Square Analysis

Product	Value	D.F.	P Value
Tea	6.800	4	.147
Toothpaste	4.508	4	.342
Cereals	2.352	4	.671
Detergent	5.292	4	.259

Between the two groups of consumers, divided on the basis of sex, there is no significant difference in their possibility of consumption deceleration in anticipation of promotional offers. Table –5.188 shows the chi-square values against each product at 4 degrees of freedom. At 5 percent

level of confidence values above 0.05 denotes the lack of significant difference between the two groups

Consumer's possibility of decelerating consumption anticipating promotional offers has been further studied on the basis of their level of income in order to know whether there is any difference in the thinking of the three groups. The results are presented in the Tables 5.189 – 5.193.

Table 5.189

**Consumption Deceleration Possibility of Tea
Anticipating Promotional Offer (Income Wise Analysis)**

Level of Possibility	Low Income		Middle Income		High Income		Total	
	N	%	N	%	N	%	N	%
No Possibility	142	86.6	154	84.6	47	87.0	343	85.8
Very Low Possibility	18	11.0	24	13.2	5	9.3	47	11.8
Low Possibility	3	1.8	2	1.1	1	1.9	6	1.5
High Possibility	1	0.6	1	0.5	1	1.9	3	0.8
Very High Possibility	0	0.0	1	0.5	0	0.0	1	0.3
Total	164	100.0	182	100.0	54	100.0	400	100.0

Source: Survey Data

Income wise analysis of the consumer's consumption deceleration of the product tea gives the results incorporated in the tale 5.189. It can be observed that high-income consumers are least likely to decelerate consumption in anticipation of promotion since, 87 percent of them replied that there is no possibility of such behaviour. 86.6 percent of the low-income group and 84.6 percent of the middle-income consumers hold this view. Apparently middle-income consumers lead the table in the category of consumers possessing very low possibility of consumption deceleration. Very few consumers are included in the higher-level possibility categories from the different groups.

Table 5.190

**Consumption Deceleration Possibility of Toothpaste
Anticipating Promotional Offer (Income Wise Analysis)**

Level of Possibility	Low Income		Middle Income		High Income		Total	
	N	%	N	%	N	%	N	%
No Possibility	129	78.7	134	73.6	45	83.3	308	77.0
Very Low Possibility	29	17.7	28	15.4	8	14.8	65	16.3
Low Possibility	5	3.0	14	7.7	1	1.9	20	5.0
High Possibility	1	0.6	3	1.6	0	0.0	4	1.0
Very High Possibility	0	0.0	3	1.6	0	0.0	3	0.8
Total	164	100.0	182	100.0	54	100.0	400	100.0

Source: Survey Data

Income wise analysis of the consumer's consumption deceleration of the product toothpaste gives the results incorporated in the table 5.190. As per the data presented in the table high-income consumers are least likely to decelerate consumption in anticipation of promotion, since 83.3 percent of them replied that there is no possibility of such behaviour. 78.7 percent of the low-income group and 73.6 percent of the middle-income consumers hold this view. Low-income consumers lead the table in the category of consumers possessing very low possibility of consumption deceleration. Middle income consumers leading over others in the rest of the categories.

Table 5.191

**Consumption Deceleration Possibility of Cereals
Anticipating Promotional Offer-Income Wise Analysis**

Level of Possibility	Low Income		Middle Income		High Income		Total	
	N	%	N	%	N	%	N	%
No Possibility	144	87.8	143	78.6	48	88.9	335	83.8
Very Low Possibility	14	8.5	28	15.4	2	3.7	44	11.0
Low Possibility	3	1.8	6	3.3	3	5.6	12	3.0
High Possibility	3	1.8	3	1.6	1	1.9	7	1.8
Very High Possibility	0	0.0	2	1.1	0	0.0	2	0.5
Total	164	100.0	182	100.0	54	100.0	400	100.0

Source: Survey Data

As per the Table 5.191, middle-income consumers appear to be the largest section of consumers who reduce their consumption of cereals in anticipation of an attractive offer in the immediate future. The low-income group closely follows them. 88.9 percent of the high-income consumers think that there is no possibility of decelerating consumption, followed by 87.8 percent low-income consumers and 78.6 percent middle-income consumers. 15.5 percent consumers of middle-income group feel that there is a very low possibility of reducing consumption and delaying purchase. They constitute the largest section of consumers in this category. 5.6 percent consumers of the high-income group see a low level possibility of deceleration.

Table 5.192

Consumption Deceleration Possibility of Detergent Anticipating Promotional Offer (Income Wise Analysis)

Level of Possibility	Low Income		Middle Income		High Income		Total	
	N	%	N	%	N	%	N	%
No Possibility	129	78.7	142	78.0	43	79.6	314	78.5
Very Low Possibility	22	13.4	25	13.7	5	9.3	52	13.0
Low Possibility	8	4.9	7	3.8	4	7.4	19	4.8
High Possibility	5	3.0	7	3.8	2	3.7	14	3.5
Very High Possibility	0	0.0	1	0.5	0	0.0	1	0.3
Total	164	100.0	182	100.0	54	100.0	400	100.0

Source: Survey Data

Table 5.192 indicates that all the three income groups think nearly in the same manner. It can be observed from the table that middle-income consumers are the largest section of consumers who reduce their consumption of detergent in anticipation of an attractive offer in the immediate future. They are closely followed by the low-income and high-income groups. 79.6 percent of the high-income consumers think that there is no possibility of decelerating consumption, followed by 78.7 percent low income consumers and 78 percent middle income consumers. 13.7 percent consumers of middle income group

and 13.4 percent consumers of the low-income group feel that there is a very low possibility of reducing consumption and delaying purchase.

Table 5.193

Results of Chi-Square Analysis

Product	Value	D.F.	P Value
Tea	3.311	8	.913
Toothpaste	11.074	8	.198
Cereals	12.168	8	.144
Detergent	3.177	8	.923

Among the three groups of consumers, divided on the basis of their income, there is no significant difference in their possibility of consumption deceleration in anticipation of promotional offers. Table 5.193 shows the chi-square values against each product at 8 degrees of freedom. At 5 percent level of confidence values above 0.05 denotes the lack of significant difference among the three groups.

A STUDY OF THE EFFECT OF SALES PROMOTION ON CONSUMPTION OF FAST MOVING CONSUMER GOODS IN KERALA

Thesis Submitted to the University of Calicut
for the Award of the Degree of
DOCTOR OF PHILOSOPHY IN COMMERCE

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CHAPTER - 6

SUMMARY FINDINGS CONCLUSION AND SUGGESTIONS

The marketing scenario in India is undergoing a sea change in tune with the new trends and developments in the field of global business and economic situations. Globalisation has brought about a situation where competition is very intense with the entry of multinational companies, global convergence of consumer's brand preference, global branding and advertising and increased practice of cross boarder buying and selling. Indian market started flooding with numerous brands of different kinds of products. Demand for packaged consumer goods started increasing considerably. Customers became more quality conscious and price sensitive as they are now exposed to international marketing conditions and opportunities. They started expecting additional benefits and values from the products they are willing to buy. Tremendous growth in the communication media, emergence of new market segments like women, youth and child segments, changes in the distribution system of products and services, expanding rural markets and fast developing service sector are some of the facets of the changing marketing situation in the country. In order to survive and grow in such a market situation companies should develop globally competitive brands and adopt suitable marketing strategies. As a result of the proliferation of new products and brands companies in India have started spending huge amounts on advertising and sales promotion.

6.1 Fast Moving Consumer Goods in India

The Indian FMCG industry is a fast growing sector, which is characterised by the presence of a large number of multinational companies, well established distribution networks and intense competition between

organised and unorganised segments. It is the fourth largest sector in the economy with a total market share in excess of US \$ 13.1 billion. Many new players entered the sector with a variety of products leading to cutthroat competition. The result was that no company is able to charge a good price for their products and make a reasonable profit. Despite all these adversaries, the emergence of a large number of middle class families on account of economic liberalisation has reversed the fortunes of FMCG sector to some extent.

6.2 Kerala Scenario

Kerala is a state with its distinctive features as compared to other states in the country. The state has been compared with developed nations for a quiet long time because of its socioeconomic characteristics, especially the high standard of living. A high level consumption of food, non-food and non-essential items mark the consumption standard of the people. It is often referred to as a consumer state because of the high level of spending of people on consumer durables and luxuries. The rapid pace of urbanisation, migration of a large number of people to the Gulf countries, exposure to new and innovative products because of its Gulf connections, favourable policies of governments are some of the factors responsible for this kind of transformation.

6.3 Importance and Scope of the Study

Sales promotion is an activity intended to stimulate purchases by adding an incentive to the inherent features of the product or services offered. Most sales promotions have a specific duration. They produce results quickly but once the promotional period is over that incentive induced sales tend to disappear. A properly designed sequence of sales promotion can accomplish various objectives like encourage an initial purchase, foster increased purchases and reward repeated purchase.

Increased media cost, inflationary economic conditions and advertisement clutter have compelled companies to cut down their budget allocation to advertisement and focus on sales promotion activities. Sales promotion represents nearly two-thirds of the marketing budget of most consumer product companies. According to another estimate sales promotion expenditure by various marketing companies in India is nearly Rs. 5,000 crores and it is growing at a rapid pace every year. Recently the expense on promotion has grown up by 500 – 600%. In the year 2001 there were as many as 2050 promotional schemes of different kinds in the Rs. 80,000 crores Indian FMCG market. The Fast Moving Consumer Goods companies in India are now using newer tools of sales promotion like contests and sweepstakes.

Consumer sales promotion schemes to be effective, should be well planned, properly implemented and results evaluated correctly. Marketers should know which tool of promotion is suitable for a particular category of product and at a particular time to attain the desired objective. More over he should understand how the consumers would perceive the scheme he is going to implement and the level of awareness and attractiveness of various schemes among the consumers. It has been observed that as in the case of advertisements a promotion clutter has developed in the case of FMCGs category making the promotional scenario a zero-sum game. This warrants a need to stop mindless promotion by the promotion managers and make promotional efforts more sensible. This study examines the effectiveness of sales promotion in achieving various objectives of the marketers of Fast Moving Consumer Goods. Specifically, the effect of sales promotion on consumer's trial purchasing possibilities, motivating brand switching, encouraging stockpiling, accelerating consumption are studied. It also throws light in to the level of awareness and attractiveness of various sales promotion tools marketers commonly use in the state and other important consumer behaviour related and relevant to sales promotion.

Although marketers use various tools of consumer sales promotion, only five of the most commonly used tools in the FMCG sector in India were used to study the effect of promotion. These tools are: - 1. Price-off/Discount; 2. Coupons; 3. Premium (including Gifts and Compliments, Bonus Packs and Bundling of Products); 4. Sampling; and 5. Point of Purchase Promotions. The Fast Moving Consumer Goods selected for the study are Tea, Toothpaste, Cereals and Detergent, representing the four important categories of FMCGs like beverages, personal care products, food and toiletries respectively.

6.4 Objectives of the Study

The broad objective of the study is to analyse the ability of various consumer sales promotion techniques to create additional revenue to the marketers of fast moving consumer goods through its short-term and long-term effects. The specific objectives are the following:

- To examine the consumer's habit of accepting promotional offers, how the important consumer sales promotion tools influence consumer's repeat purchasing behaviour and the reasons for the failure of such tools in influencing consumer's habit in accepting promotional offers.
- To know consumer's level of awareness of important consumer sales promotion techniques adopted by marketers and their attractiveness to them.
- To study the effect of sales promotion on consumer's buying and consumption behaviour. Specifically it examines:
 - The ability of important consumer sales promotion tools in making trial purchase/category expansion.
 - How far important sales promotion tools succeed in effecting brand switching.

- How far important consumer sales promotion tools help to create and maintain brand loyalty.
- Whether important consumer sales promotion tools motivate consumers to stockpile.
- Whether stockpiled products accelerate consumption and the important reasons for the same.
- Whether consumers decelerate consumption and delay their purchases in anticipation of sales promotion.
- To offer a few suggestions to marketers on how to improve their consumer sales promotion strategy.

6.5 Hypotheses

Based on the above objectives, the following hypotheses have been formulated and tested:

H.1. There is no significant difference among various sales promotion tools in their level of consumer awareness.

H 2. There is no significant difference among various sales promotion tools in their level of attractiveness to consumers.

H 3. All consumer sales promotion tools are equal in their usage level by consumers.

H 4. All consumer sales promotion tools motivate consumers in repeat buying uniformly.

H.5. There is no significant difference in the effectiveness among important sales promotion tools in initiating trial purchase or making category expansion.

H 6. There is no significant difference in the effectiveness among important sales promotion tools in promoting brand switching.

H 7. There is no significant difference in the effectiveness among important sales promotion tools in encouraging consumers to stockpile.

6.6 Research Methodology

The study is designed as a descriptive one based on secondary and primary data. The secondary data relating to the study have been collected from various journals, periodicals and dailies. The study is mainly based on primary data collected from consumers of Fast Moving Consumer Goods in Kerala with the help of a structured interview schedule. An undisguised personal interview method was adopted for the purpose.

6.7 Sample Design

Multistage sampling technique was adopted to select the required number of respondents from different parts of Kerala. The state is divided in two equal parts on the basis of number of revenue districts. Southern districts including Thiruvananthapuram, Kollam, Pathanamthitta, Alappuzha, Kottayam, Idukki and Ernakulam constitute the first part. The second part comprises of districts like Thrissur, Palakkad, Malappuram, Kozhikode, Wayand, Kannur and Kasargode. From each part one district each is selected randomly viz. Ernakulam and Malappuram. From each of the selected district 200 respondents were selected after giving due representation to the diverse groups of consumers. Care has been taken to include respondents from the two gender categories, different income groups, urban and rural area, various age groups and occupational categories. Altogether there are 400 respondents who represent a cross section of consumers of fast moving consumer goods in Kerala.

6.8 Data Analysis

For the purpose of detailed analysis, the data are further classified on the basis of gender and three levels of income viz., low income consumers, middle income consumers and high income consumers. Both mathematical and statistical tools have been used for the purpose of analysis. Tools like Percentages, Averages, Standard Deviation, Mode, Chi-Square Analysis, t-test, One-Way ANOVA, Least Squared Deviation (Post-Hoc), Correspondence Analysis are used. SPSS Analysis software package has been used for the purpose of analysis.

6.9 Limitations of the Study

The study is subjected to some limitations also. First of all there can be some memory recall errors from the part of the respondents. Secondly all of the selected products are in their maturity stage of life cycle. Finally, data relating to sales promotion activities are not sufficiently available.

6.10 Presentation of the Thesis

The whole thesis has been presented in six chapters. The first chapter presents the objectives, hypothesis, methodology and limitation of the study. The second chapter gives a brief summary of the studies conducted hitherto on the topic. The third chapter provides an overview of sales promotion as an element of promotion mix. While the fourth chapter mainly deals with the consumer experience with sales promotion, the fifth chapter analyses the consumer perception about various effects of promotion. The sixth and final chapter highlights the major findings of the study and put forward certain suggestions to marketers / practicing managers, consumers and retailers.

6.11 Review of Literature

The dynamic nature of sales promotion has inspired many researchers to conduct studies on various problems associated with sales promotion. Sales

promotion may be directed to consumers, business buyers, sales force and traders or channel members. Consumer directed promotion schemes are the most widely researched topic. Studies involving different tools of consumer promotion, their impact on consumer's decision, behavioural response and perception, etc. were done on many occasions. The whole studies were classified into four broad categories as Studies on Consumer Promotions, Sales People Promotions, Trade Promotions and Other Studies Related to Promotions. A sub division of the consumer sales promotion literature in to Impact Study, Perception Study and Evaluation and Relationship Studies is also done with a view to simplify the presentation.

The review indicates that most of the studies investigated the impact of sales promotion on consumer behaviour, short-term and long-term profit, market share, brand equity, etc. consumer's perception about the marketer's promotional activities has been studied in detail by several authors. How consumers perceive discount, premium offers, bundling of products, value of coupons had been the subject matter of various studies. Many studies have focused on the effectiveness of individual sales promotion tools to achieve a specific objective.

Almost all consumer sales promotion tools in use were subjected to research on different occasions in different countries. Coupon is the tool, which is studied in maximum number of cases. Next to coupon, price-offs and premiums are other important tools received researcher's attention worldwide. Several studies were also conducted on product bundling strategy, price matching refund policies, gifts and compliments and contests and sweepstakes.

A few studies relating to sales promotions directed to sales force have also been reviewed. In the area of sales promotion directed at trade, various aspects like its effectiveness, cooperation of retailers or other channel members in the promotional efforts of manufacturers, frequencies and

effectiveness of trade shows and exhibitions, managerial perspective of sales promotion were also reviewed.

Several studies related to the planning, implementation and evaluation of promotional schemes involving more than one element of promotional mix i.e., advertising, sales promotion and personal selling, were also studied in the context of the research..

Most of the studies conducted so far on sales promotion were done in developed countries. Studies reported from developing countries are very limited. Planning aspect of promotion received maximum attention of researchers. A few studies conducted in India were also reviewed. Most of these studies are by marketing faculty members of the Indian Institute of Management, Ahmedabad. Priya Jha Dang, Abraham Koshi and Dinesh Sharma presented an empirical view of various sales promotions launched in the market for the period, 1996-2003. Preeta Hemang Vyas examined the ratio of incentives and outlays when consumers buy fast moving consumer goods under various sales promotion offers. In another study the same author attempted to study consumer preference with regard to sales promotion in FMCG category. In 2004, Preeta Vyas reviewed recent contributions in the area of sales promotion through Meta analysis. Along with Kureshi Sonal, the same author conducted some other studies on sales promotion. K.M. Krishnakumar conducted the only study in Kerala on sales promotion. The researcher studied consumer's perception about sales promotion strategy adopted by marketers of fast moving consumer goods in Kerala.

6.12 Sales Promotion: An Overview

In the words of Philip Kotler, "sales promotion consists of a diverse collection of incentive tools, mostly short-term, designed to stimulate quicker and/or greater purchase of a particular product/services by consumers or trade". Sales promotion is an essential part of the promotion mix of a company. Along with advertising, salesmanship and publicity it seeks to

persuade the audience in the target market to develop a new attitude or change the existing one. Promotion itself is an essential part of the overall marketing mix of an organization. Popularly 4Ps are used to represent the elements of marketing mix. Each 'P' stands for Product, Price, Place and Promotion. Three more 'Ps' were later on added to conventional '4Ps' to accommodate People (customers of staff), Physical Evidence (e.g. building and uniform) and Processes (methods of producing, delivering and consuming the services). Today, more companies are adopting the concept of Integrated Marketing Communication for fine-tuning their communication system. Accordingly, companies integrate and coordinate their many communication channels to deliver a clear, consistent and compelling message about the organisation and its products. It is a new way of looking at the whole where once we only saw parts, such as advertising, public relations, sales promotion, purchasing, employee communication and so forth.

6.13 Consumer Sales Promotion

Sales promotion may be targeted to consumer, trade and sales force. Consumer sales promotions are those that a manufacturer or retailer offers consumers directly. Consumer sales promotions are aimed at stimulating trial purchase, repeat purchase, larger purchase, introduce a new brand, combat or disrupt competitor's strategies and to contribute to Integrated Marketing Communication. Marketers of consumer goods use a variety of sales promotion tools to achieve some desired objectives. These include: - 1. Coupons; 2. Price-offs/ Discounts; 3. Premium and Advertising specialties; 4. Bonus packs; 5. Contests, Sweepstakes and Contests; 6. Sampling and Trial offers; 7. Rebates; 8. Frequency (continuity) programmes; 9. Event marketing and Event sponsorships, and 10. Overlay and Tie-in programmes.

6.14 Trade Market Promotions

Promotions that are directed towards members of trade i.e. wholesalers, distributors and retailers are referred to as trade promotions.

Effective trade promotion can generate enthusiasm for a product and contribute positively to the loyalty a distributor shows for a brand. Important trade promotion schemes include Displays and Point-Of-Purchase Materials, Incentives, Allowances, Sales Training Programmes and cooperative advertising.

6.15 Business Market and Sales Force Promotions

Promotional schemes designed for consumers may not be effective to enthruse and motivate business buyers to purchase a particular brand. Accordingly certain special tools like trade shows, gift schemes, trial offers etc. are used widely to promote products among this class of buyers. Sales contests, sales conference and personal correspondence (including company bulletins) are some of the popular schemes of sales promotion directed to the sales people who are at work in the counter or on the field.

6.16 Risks of Sales Promotion

Sales promotion cannot be used indiscriminately. Frequent promotion of a particular brand may affect the consumer's perception negatively. Sales promotion has more or less a short-term effect on sales, which may adversely affect future sales. More over sales promotion is time consuming for the marketers and the retailers.

6.17 Profile of the Sample Respondents

- ☐ **Total Respondents:** - 400.
- ☐ **Area wise:** - Malappuram – 200 (50%); Eranakulam – 200 (50%).
- ☐ **Place of Domicile:** - Urban – 200 (50%); Rural – 200 (50%).
- ☐ **Gender:** - Male – 200 (50%); Female – 200 (50%).

- ❑ **Level of Education:-** Up to SSLC – 129 (32.3%) ; Up to Degree – 62 (15.5%) ; Degree – 92 (23%) ; PG – 83 (20.8%) ; Professional – 34 (8.5%).
- ❑ **Level of Occupation:** - Daily Wages – 22 (5.5%); Salaried Class – 209 (52.1%); Business – 43 (10.8%); professionals – 23 (5.8%); Others – 103 (25.8%).
- ❑ **Age Group:** - Less than 20 years – 10 (2.5%); 20-40 years – 231 (57.7%); 40-60 years – 136 (34%); Above 60 years – 23 (5.8%).
- ❑ **Family Size:** - Up to 3 members – 58 (14.5%); 4 to 6 members – 302 (75.5%); 7 to 9 members – 36 (9%); More than 9 members – 4 (1%).
- ❑ **Level of Income:** - Low Income – 164 (41%) ; Middle Income – 182 (45.5%) ; High Income – 54 (13.5%).
- ❑ **Regularly Used Infotainment Media:** - Newspapers – 390 (97.5%); Magazines – 308 (77%); Radio – 105 (26.3%); Television – 358 (89.5%); Internet – 84 (21%).
- ❑ **Regularly Read Newspapers:** - Malayala Manorama – 179 (44.8%); Mathrubhoomi – 151 (37.8%); The Hindu – 44 (11%); The New Indian Express – 29 (7.3%); Others – 145 (36.3%).

6.18 Major Findings of the Study

The study reveals the following findings:

Sources of Purchase of Fast Moving Consumer Goods

- People of Kerala mostly prefer nearby shops for purchasing their daily requirements. This is followed by supermarkets and fixed shops in the town. Cooperative store is the least preferred place of purchase for FMCG.

- While male buyers mostly prefer fixed shop in the town, female buyers give maximum preference to the nearby shops. Sources of purchase of males and females are significantly different.
- Low income and medium income buyers give maximum preference to near by shops where as high income group mostly prefer supermarkets. The difference among three groups in the preference of sources of purchase is significant.

Level of Awareness of Sales Promotion Tools

- Majority of consumers are aware of Price-Off, Premiums/Gifts and Compliments, Product Bundling, Couponing, Point-Of-Purchase Promotions and Free Sampling as tools of sales promotion. Price-off/Discount is the most popular and Trading Stamps is the least popular sales promotion tool in terms of their level of awareness. The level of awareness is significantly different among the nine sales promotion tools studied.
- For male as well as female consumers awareness level is maximum for Price-Off. Product Bundling, Premiums, Couponing and Point-Of-Purchase Promotion are the other four tools majority of male consumers know where as majority of female consumers know Product Bundling, Free Sampling, Couponing and Point-Of-Purchase Promotions in addition to Price-Off. The awareness level is significantly different only in the case of Free Sampling.
- Price-Off is the most popular tool of sales promotion for all the three income groups of consumers. Premium comes next to Price-Off for low income and middle-income consumers where as POP Promotions occupy the second place for high income group of consumers. The opinion of the three groups of consumer is significantly different in the

case of two promotional tools i.e., Trading Stamps and POP Promotions.

On the basis of the above findings the following null hypothesis is tested and the results are given below:

H.0: 1. "There is no significant difference among various sales promotion tools in their level of consumer awareness".

H.1: 1. "There is significant difference among various sales promotion tools in their level of consumer awareness".

The Null Hypothesis (H₀:1) is rejected and the alternative hypothesis (H₁:1) that there is significant difference among various sales promotion tools in their level of awareness is proved and hence accepted.

Level of Attractiveness of Sales Promotion Tools

- The high level of awareness of Price-Off has resulted in maximum level of attractiveness of the tool to the consumers. Other tools of sales promotion are far behind of Price-Off. Product Bundling technique and POP Promotions such as displays and feature advertisements occupy the second and third position in terms of their attractiveness to consumers. Trading stamp is the least attractive one. As expected, the level of attractiveness of various sales promotion tools is significantly different. More detailed analysis shows that the difference between Price-Off and each of the other tool is significant.
- Even though Price-Off is the most attractive tool of sales promotion to male as well as female consumers, the tool is more attractive to men than women. This difference is proved significant as well. As against the popular opinion that Product Bundling is the second most attractive tool, female consumers feel that, next to Price-Off, POP Promotions attract them most.

- Price-Off remains to be the most attractive tool for all the three income groups of consumers. Attractiveness of Coupons, Rebates and Contest and Sweepstakes are significantly different among the three groups.

On the basis of the above findings the following null hypothesis is tested and the results are given below:

H0:2. "There is no significant difference among various sales promotion tools in their level of attractiveness to consumers".

H1:2. "There is significant difference among various sales promotion tools in their level of attractiveness to consumers".

The Null Hypothesis (H0:2) is rejected and the Alternative Hypothesis (H1:2) that there is significant difference among the various sales promotion tools in their level of attractiveness to consumers is proved and hence accepted.

Consumer Preference for Various Forms of Premium Offers

- Consumers generally prefer to get extra quantity of a product at the regular price (Bonus Packs) as a premium. Free Gifts /Compliments and Bundled Products stand next to Bonus Packs in the order of consumer preference. Self-liquidating premium is the least preferred one.
- The order of preference of different types of premium is line with the general trend for both male and female consumers. The differences in the magnitude of preference between the two groups are not significant with respect to any of the premium type.
- All the three groups of consumers, classified on the basis of income, think in the same lines as to the attractiveness of various types of premium offers. Bonus Packs are the most attractive and Self-liquidating

offer as the least attractive schemes. The levels of attractiveness are not significant for any of the scheme.

Consumer's Preference for Various Methods of Coupon Distribution

- Consumers mostly prefer to get the coupon related to FMCGs distributed through the most common media of newspapers and magazines. Coupons put inside the packet or attached with the packet is also a very attractive method to them. Postal delivery, over-the-counter delivery and delivery via Internet are not very appealing to consumers.
- The sex wise preference for coupon distributions is different from one group to the other. While men prefer the distribution with newspapers and magazines, women like to get it from shops. But the differences in the preference for various forms of distribution between the two groups are not significant.
- Distribution of coupons through newspapers and magazines gets maximum support from high income consumers, where as in-or with-packet distribution is supported to the maximum by middle income group. But the differences between these groups are not significant.

Consumer's Preference for Sampling Distribution Methods

- Generally consumers prefer to get samples of FMCGs distributed with other products of the same manufacturer or marketer. The next best alternative to 'in- or with-pack' distribution is the distribution through the retailer's counter. Distribution along with newspapers and magazines and at crowded places has the support of a few sections of consumers. Post Office via distribution is the least preferred one.
- Out of the two most preferred ways of distributing samples, more men than women support the distribution over the retail counter, but more

women than men support 'with packet' distribution system. These differences are proved insignificant.

- More high income group of consumers favour the distribution of sample with other products than the other two groups and more middle income consumers favour the distribution through shops over the counter. But differences among the three income groups are not significant.

Consumer's Experience of Using Sales promotion Schemes

- Majority of the consumers avail the benefits of Price-Off offers and Premium schemes. The highest level of awareness and attractiveness of Price-Off and various forms of premium schemes has resulted in their wide acceptance by the consumers of FMCGs. The most successful tool of sales promotion scheme in making the buyers buy under the offer is Price-Off, followed by Premium, Coupons, POP Promotions and Sampling.
- More female consumers are induced to buy products under the various schemes of promotion tools than male consumers. Further, the difference in the usage experience of men and women is significantly different in the case of Premium and sampling schemes.
- Middle income consumers are at the top of the three groups of consumers classified on the basis of their income in availing all promotional schemes except POP Promotions. High income consumers are the most motivated group because of POP Promotions. Level of usage of Price-Off scheme among the three income groups is significantly different.

On the basis of the above findings the following null hypothesis is tested and the results are given below:

H.0: 3. "All consumer sales promotion tools are equal in their usage level by consumers".

H.1: 3. "There is significant difference in the consumer's usage level of important sales promotion tools".

The Null Hypothesis (H₀:3) is rejected and the Alternative Hypothesis (H₁:3) that there is significant difference in the consumer's usage level of important sales promotion tools is proved and hence accepted.

Reasons for not using sales promotion schemes by consumers

- Commonality of the scheme is the most important reason identified by the consumers for not using Discount offers. Loyalty to a particular brand and overall unattractiveness of the scheme come next. While men consider the commonality of the scheme as their main reason, women think that their loyalty to a particular brand prevented them from availing the benefit. Low income and middle consumers pointed out the commonality factor where as high income consumer's brand loyalty prevailed over the attractiveness of the offer.
- Couponing scheme failed to attract majority of buyers to experiment with the promoted brand mainly because of the overall unattractiveness of the scheme. Commonality of such schemes and loyalty towards another brand are also found important. Male consumers think that such schemes are very common and hence not motivating. The over all unattractiveness of the Coupon scheme is responsible for poor response in the case of female consumers. Commonality of the Coupon scheme for low and middle income consumers and over all unattractiveness for high income consumers are responsible for poor show by the scheme.
- Commonality and over all unattractiveness of the Premium scheme are the prominent reasons in that order which detract people from using such opportunities. Over all unattractiveness of the scheme in the case

of men and commonality of the scheme in the case of women worked against it. Low and middle income consumers are of the opinion that such schemes are very common and that dissuaded them from buying such products. High income consumers found the scheme over all unattractive.

- The same reasons i.e., commonality and over all unattractiveness of sampling schemes are the prominent reasons for the failure of the scheme to generate interest among consumers as in the case of other schemes. Non-availability of samples was also identified as an important reason. Both male and female consumers share the same view. Income wise classification of the data shows that sampling schemes are not attractive for low and middle income consumers because such schemes are very common where high income consumers accused of non-receipt of samples.
- In the case of POP Promotions also the two important reasons are commonality and over all unattractiveness. Gender difference does not influence the order of the above reasons. Low and middle income consumers consider the former reason as more important than the latter where as in the case of high income group the opposite is true.

Repeat Purchase Behaviour of Consumers

- Majority of consumers who try a particular brand under the influence of any of the important sales promotion tools do not repurchase it at all. A small portion of such consumers makes a repurchase of the brand on the occasion of their next immediate purchase. A still smaller portion continuously repurchases the brand there after. Repurchase rate for periods ranging from one month to one year is very negligible.
- Maximum cases of repurchase occur under the scheme Premium, followed by Price-Off, Sampling, Couponing and POP Promotions.

- The differences among the five schemes in creating repurchase opportunities are significant.
- Differences have been observed in the repurchase behavior of products between male and female consumers. But, further analysis showed that these differences are not significant in the case of any of the five schemes.
- The differences observed in the repurchase behaviour of consumers under the various schemes of sales promotion, when the data were classified and analysed on the basis of their income, proved insignificant

On the basis of the above findings the following null hypothesis is tested and the results are given below:

H₀: 4. "All consumer sales promotion tools motivate consumers in repeat buying uniformly".

H₁: 4. "There is significant difference in the motivational role of important sales promotional tools in making repeat purchase".

The Null Hypothesis (H₀:4) is rejected and the Alternative Hypothesis (H₁:4) that there is significant difference in the motivational role of important sales promotion tools in making repeat purchase is proved and hence accepted.

Purchase Criteria of Fast Moving Consumer Goods

- The most important criterion of buyers while purchasing fast moving consumer goods is quality of the brand. Comparative price level of different brands is the next important consideration. Convenience in buying a particular brand is the third most important factor. Promotional offers and availability of credit facilities are not important considerations of buyers.

- There is significant difference in the opinion of male and female consumers as to the role of quality in their buying decisions of Tea. Women buyers are more influenced by quality.
- The differences of opinion among the three income groups as far as the role of price and convenience in the purchase of toothpaste are significant. Same is the situation in the role of convenience while buying Cereals and Detergent.

Purchase Frequency of Fast Moving Consumer Goods

- Majority of the consumers buy their requirements of fast moving consumer goods once in a month. Detergent is the product that most number of people buys once in a month where as least number of people buy Cereals once in a month. A fairly large number of people buy all of the four products once in two weeks. People who buy these products daily, occasionally, etc. are limited in numbers.
- The purchase frequency of consumers is not much affected by the gender character and level of income of buyers

Factors Motivated to Purchase the Currently Used Brand

- Most of the consumers are buying a particular brand of the four categories of products for a fairly long time by convention. Next to the influence of convention, impulse buying and purchase on the advice of friends and relatives are also significant. Sales promotion and advertisement are not very powerful.
- Sales promotion and advertisement are most successful with Detergents; salesmanship influences the buyers of Cereals at the most; influence of reference group and impulsiveness is at the maximum level among the buyers of Toothpaste and conventional thinking exerts maximum influence on the buyers of Tea.

- The differences in the influence of various factors on the purchase of the currently used brand between male and female consumers are significant in the case of Detergent only.
- The differences in the influence of various factors on the purchase of the currently used brands among the low income, middle income and high income group of consumers are significant in the case of Toothpaste only.

Levels of Brand Loyalty of Consumers

- Largest share of consumers of Tea, Toothpaste and Detergent are very much loyal to a particular brand of these products. In the case of Cereals largest share of consumers are not at all brand loyal. Generally, consumers of FMCGs are very much brand loyal.
- The differences in the number of male and female consumers who show various levels of loyalty towards a particular brand is significant only in the case of the product Tea.
- The difference in the number of consumers belonging to different income groups who show various levels of loyalty towards a particular brand is significant in the case of the Tea and Toothpaste.

Possibility of Trial Purchase Due to Sales Promotion

- Majority of the consumers of FMCGs think that there is no possibility of buying the products on a trial basis. Among those buyers who opined that there are some possibilities of a trial purchase, a major share feel that the possibility is very low.
- Detergent is the product that is subject to maximum trial purchase incidences due to sales promotion offers. This is followed by Toothpaste, Cereals and Tea.

- Differences in the motivational role of sales promotion in making consumer's trial purchases of the four products are proved to be significant.
- Trial purchase possibility is more with men than women in the case of all the four products. But the differences are significant only in respect of Cereals and Detergent.
- More low income consumers are likely to make trial purchases than the other two groups in the case of the products Tea, Toothpaste and Detergent. It is more middle income buyers who are likely to buy on a trial basis as far as the product Cereals is concerned. But the differences in the trial purchase probabilities of the three income groups are significant in none of the four products.

Effectiveness of Sales Promotion Tools in Motivating Trial Purchase

- Price-Off is the most and couponing is the least effective tools of sales promotion in motivating buyers to try FMCGs for the first time or after a gap of a reasonable period or a new brand for an existing user. Except in the case of Cereals, Premium is the second best effective tool for the purpose.
- The differences in the effectiveness of each sales promotion tool in motivating buyers to make trial purchases of various products are not significant.
- The differences in the effectiveness of various sales promotion tools in motivating buyers to make trial purchase of each product are significant
- Price-Off as a tool of sales promotion capable of motivating consumers to make trial purchase is most effective in the product Tea, followed by Detergent, Cereals and Toothpaste respectively.

- Couponing as a tool of sales promotion capable of motivating consumers to make trial purchase is most effective in the product Cereals, followed by Tea, Toothpaste and Detergent respectively.
- Premium as a tool of sales promotion capable of motivating consumers to make trial purchase is most effective in the product Toothpaste, followed by Detergent, Tea and Cereals respectively.
- Sampling as a tool of sales promotion capable of motivating consumers to make trial purchase is most effective in the product Toothpaste, followed by Detergent, Cereals and Tea respectively.
- POP Promotions as a tool of sales promotion capable of motivating consumers to make trial purchase is most effective in the product Cereals, followed by Toothpaste, Detergent and Tea respectively.
- Generally speaking, the differences in the effectiveness of various sales promotion tools in motivating trial purchase between male and female consumers or among the three income groups are not significant.

On the basis of the above findings the following null hypothesis is tested and the results are given below:

H.0:5. "There is no significant difference in the effectiveness among important sales promotion tools in initiating trial purchase or making category expansion in the case of FMCG".

H.1:5. "There is significant difference in the effectiveness among important sales promotion tools in initiating trial purchase or making category expansion in the case of FMCG".

The Null Hypothesis (H₀:5) is rejected and the Alternative Hypothesis (H₁:5) that there is significant difference in the effectiveness among important sales promotion tools in initiating trial purchase or making category expansion in the case of FMCG is proved and hence accepted.

Brand Switching Possibility Due to Sales Promotion

- Generally consumers of FMCG do not show the tendency to switch brands on account of promotional offer. Majority of the consumers of Tea, Toothpaste and Cereals think that there is no possibility of switching brands induced by a promotional offers. Majority of the consumers of detergent would switch consequent to promotional offers. Among those buyers who opined that there are some possibilities of switching, a substantial portion feels that the possibility is very low.
- Detergent is the product that is subject to maximum brand switching incidences followed by Toothpaste, Cereals and Tea.
- Differences in the motivational role of sales promotion in making consumers switch brands in the case of the four products are proved to be significant.
- Even though brand switching tendency is more among men, there is no significant difference between men and women in their behaviour of switching brands due to sales promotion in the case of all the four products
- As far the brand switching possibilities of different groups of consumers, classified on the basis of their level of income, significant difference is noticed among the consumers of Toothpaste only. In the case of toothpaste, high income consumers are more reluctant to switch than the other two groups.

Effectiveness of Sales Promotion Tools in Motivating Brand Switching

- Price-Off is the most and couponing is the least effective tool of sales promotion in motivating buyers to switch brands in the case of all the

four categories of products. Except in the case of toothpaste, POP Promotion is the second best effective tool for the purpose.

- The differences in the effectiveness of each sales promotion tool in motivating buyers to switch brands of various products are not significant except in the case of Premium scheme, in that case the tool is most effective for the product Toothpaste and least effective for the product Tea.
- The differences in the effectiveness of various sales promotion tools in motivating buyers to switch brands in the case of each product are significant
- Price-Off as a tool of sales promotion, capable of motivating consumers to switch brands, is most effective in the product Detergent, followed by Cereal, Tea and Toothpaste respectively.
- Couponing as a tool of sales promotion capable of motivating consumers to switch brands is most effective in the product Tea, followed by Detergent, Toothpaste and Cereals respectively.
- Premium as a tool of sales promotion capable of motivating consumers to switch brands is most effective in the product Toothpaste, followed by Detergent, Cereals and Tea respectively.
- Sampling as a tool of sales promotion capable of motivating consumers to switch brands is most effective in the product Cereals, followed by Toothpaste, Detergent, and Tea respectively.
- POP Promotions as a tool of sales promotion capable of motivating consumers to switch brands is most effective in the product Tea, followed by Cereals, Toothpaste and Detergent respectively.
- Generally, the differences in the effectiveness of various sales promotion tools in motivating switching among brands between male

and female consumers are not significant. However, differences are significant in the case POP Promotions on Tea, Toothpaste and Cereals.

- Differences in the effectiveness of sales promotion tools in motivating switching habits among the three groups of income are significant in the case of Price-Off and POP Promotion scheme on almost all the four products.

On the basis of the above findings the following null hypothesis is tested and the results are given below:

H.0: 6. "There is no significant difference in the effectiveness among important sales promotion tools in promoting brand switching in the category of FMCG".

H.1: 6. "There is significant difference in the effectiveness among important sales promotion tools in promoting brand switching in the category of FMCG".

The Null Hypothesis (H1:6) is rejected and the Alternative Hypothesis that there is significant difference in the effectiveness among important sales promotion tools in promoting brand switching in the case of FMCG is proved and hence accepted.

Loyalty Building Possibility Due to Sales Promotion

- Majority of the consumers of the four categories of products, who had earlier switched their brands because of a promotional offer, are likely to switch back to their earlier brand or some other promoted brand. This phenomenon vindicates the perception that sales promotion is only a short-term technique and cannot be used for creating brand loyalty. However, the desire to switchback is not very strong among most of the consumers who think that they would do so.

- Toothpaste is the product that is subject to maximum switchback incidences followed by Cereals, Detergent and Tea.
- Differences in the switchback possibilities of consumers of the four products are proved to be significant.
- Even though the switchback tendency is more among men, there is no significant difference between men and women in this behaviour in respect of all the four products
- There are no significant differences in the switchback possibilities of the three groups of consumers classified on the basis of income.

Consumer's Level of Stockpiling Possibility

- Majority of the consumers of all the four categories of products think that there is no possibility of buying larger quantities than they their regular purchase and stockpile for future consumption under the influence of promotional offers. Among those buyers who opined that there are some possibilities of stockpiling, a substantial portion feels that the possibility is very low.
- Consumers of Detergent and Toothpaste are equally desirous of stockpiling followed by consumers of Cereals and Tea.
- Differences in the motivational role of sales promotion in making consumers stockpile in the case of the four products proved to be significant.
- Even though stockpiling tendency is more among men, there is no significant difference between men and women in this behaviour in respect of all the four products
- There are significant differences among the three income groups in their stockpiling behaviour as far as the four products are concerned.

Reasons for Stockpiling During Promotion

- The first two important reasons for stockpiling during promotional offers, for the consumers of tea and toothpaste, are the reduction of the shopping cost and inconvenience and savings accrue when buying larger quantities. Even though the first reason for stockpiling by the consumers of Cereal is the same as in the case of Tea and Toothpaste, they identified their second important reason as the desire to consume more quantities of the product. The monetary savings one might get while purchasing larger packets of detergent induce them to buy such packets and stockpile.
- The opinion of male and female consumers is more or less uniform. Though there are some differences in the importance given to various reasons for stockpiling they are not significant. Differences among the consumers of various groups of income are also proved insignificant.

Effectiveness of Sales Promotion Tools in Motivating Stockpiling

- Price-Off is the most effective tool of sales promotion in motivating buyers to stockpile in the case of all the four categories of products. Premium in the case of Toothpaste and Detergent and POP Promotions in the case of Tea and Cereals are the second best effective tools for the purpose.
- The differences in the effectiveness of each sales promotion tool in motivating buyers to stockpile various products are not significant except in the case of POP Promotion schemes, in that case the tool is most effective for the product Cereals and least effective for the product Detergent.
- The differences in the effectiveness of various sales promotion tools in motivating buyers to stockpile in the case of each product are significant.

- Price-Off as a tool of sales promotion capable of motivating consumers to stockpile is most effective in the product Detergent, followed by Tea, Toothpaste and Cereals respectively.
- Couponing as a tool of sales promotion capable of motivating consumers to stockpile is most effective in the product Tea, followed by Cereals, Toothpaste, and Detergent respectively.
- Premium as a tool of sales promotion capable of motivating consumers to stockpile is most effective in the product Toothpaste, followed by Cereals, Detergent and Tea respectively.
- Sampling as a tool of sales promotion capable of motivating consumers to stockpile is most effective in the product Detergent followed by Toothpaste, Tea and Cereals respectively.
- POP Promotions as a tool of sales promotion capable of motivating consumers to stockpile is most effective in the product Cereals followed by Tea, Toothpaste and Detergent respectively.
- Generally, the differences in the effectiveness of various sales promotion tools in motivating stockpiling between male and female consumers are not significant.
- Differences in the effectiveness of sales promotion tools in motivating stockpiling among the three groups of income are not significant.

On the basis of the above findings the following null hypothesis is tested and the results are given below:

H.0: 7. "There is no significant difference in the effectiveness among important sales promotion tools in encouraging stockpiling of FMCG".

H.1: 7. "There is significant difference in the effectiveness among important sales promotion tools in encouraging stockpiling of FMCG"

The Null Hypothesis (H0:7) is rejected and the Alternative Hypothesis (H1:7) that there is significant difference in the effectiveness among important sales promotion tools in encouraging stockpiling of FMCG is proved and hence accepted.

Possibility of Consumption Acceleration Due to Stockpiling

- Majority of the consumers of Tea, Cereals and detergent, who are desirous of stockpiling during promotions, feel that there are some possibilities of accelerating consumption. Among those buyers who opined that there are some possibilities of accelerating consumption, a substantial portion feels that the possibility is very low. Consumers of Toothpaste are less likely to accelerate consumption as compared to others.
- Detergent is the product that is most prone to consumption acceleration followed by Cereals and Tea. Toothpaste is the product with minimum possibility of acceleration.
- Consumption acceleration process among the four categories of products is not significantly different.
- The differences among the three income groups in their consumption acceleration behaviour are not significant in any of the four categories of products.

Possibility of Consumption Deceleration In Anticipation of Promotion

- Slowing down consumption or postponement of purchase expecting promotional deals in the future is very limited for all the four categories of products.
- Consumption deceleration behaviour is maximum with the consumers of Detergent and minimum with Tea consumers.

- Differences in the possibilities of consumption deceleration among the consumers of the four products are significant.

6.19 Conclusion

On the basis of the above findings the researcher has arrived at the following conclusions:

- In the level of awareness and attractiveness Price-Off offers is far ahead of other tools of sales promotion.
- Price-Off is the most widely used sales promotion tool by consumers of Fast Moving Consumer Goods.
- Consumers prefer Bonus Packs to Free Gifts, Bundled Products and self-liquidating offers.
- Sales promotion clutter has resulted in low level usage of sales promotion tools by consumers of FMCGs.
- Consumer's repurchase possibility of the products purchased under sales promotion offers is very limited. Premium schemes create maximum repurchase incidences.
- Consumers of FMCGs in Kerala are very quality conscious and considerations of price, offers, etc. are not very strong.
- Consumers of FMCGs in Kerala are very much brand loyal.
- Possibility of trial purchase, brand switching, stockpiling and consumption acceleration of FMCGs due to sales promotions are not very encouraging to marketers
- Price-Off is the most effective tool in motivating buyers to make trial purchase, switch brands and stockpile products.
- Sales promotion does not lead to building brand loyalty.

6.20 SUGGESTIONS

Based on the findings of the study and the observations of the researcher, the following suggestions are made for optimizing the effectiveness of sales promotion.

Suggestions to Brand Managers/Marketers

- ❖ The level of awareness about various sales promotion tools is very low except in the case of Price-Off and Premium schemes. It is suggested that sales promotion schemes should be sufficiently backed and supported by print and electronic media advertising.
- ❖ Consumers prefer to get value added offers in the form of additional quantity of the same product they buy as incentives. Bonus pack schemes can be used more effectively than free gifts and compliments.
- ❖ Coupon distribution system should be streamlined, as consumers mostly prefer to get them through newspapers and magazines.
- ❖ Marketers should stop mindless promotion of FMCGs and use promotion schemes more sensibly and rationally. The promotion clutter has created a situation where none of the scheme is very attractive.
- ❖ Marketers may use Price-off or discount strategy to achieve the short-term objectives of promotion like brand switching, trial purchase, and stockpiling ahead of other schemes.
- ❖ The long-term effectiveness of sales promotion is very limited. Sales promotion does not lead to repeat buying or create brand loyalty in a satisfactory manner. It may be used as a short-term measure to reduce inventory or ward off competition.

- ❖ Consumers of FMCGs in Kerala give utmost importance to the quality of the product. Price and offers are factors of lesser importance to them. Marketers should remember that inferior quality products cannot be sold with the help of unimaginative sales promotion schemes.
- ❖ Sales promotion is more effective in the case of non-food categories like detergent, toothpaste, etc. These items can be more frequently promoted.
- ❖ Manufacturers or marketers who are up in the channel of distribution should ensure that there are no chances of misuse of promotional schemes by other members. Schemes like Coupons, Contests and sweepstakes and Sampling give rise to malpractices by retailers.
- ❖ Point-of-purchase displays and feature advertisements attract larger number of women than men. As the women shoppers are on the increase counter and window displays and feature advertisements may be increasingly used.
- ❖ Sample of a new product may be distributed along with another product of the same marketer or through the retail counter to make it more effective.
- ❖ It is observed from the results of the study that consumers who would purchase larger than their normal quantities of FMCGs and stockpile for future consumption do so in order to reduce shopping cost and convenience and not to accelerate consumption. Hence sales promotions should not be undertaken with the object of increasing consumption quantity and incidence.

Suggestions to Consumers

- ❖ Most of the promotion schemes are sponsored by manufacturers. Retailers, knowingly or unknowingly, may not whole-heartedly

support their efforts. Consumers must ensure that offers are passed on to them by the retailer or other intermediaries.

- ❖ Consumers may consider the real benefits they get and the cost they pay while deciding to avail a promotion offer since price promotions involve more out lay than they normally spend.

Suggestion to Retailers

From the retailer's point of view cross-brand switching effect of promotion does not contribute any additional revenue when he deals with so many brands of the same product. Therefore he should see that sales promotion schemes implemented by the manufacturers are able to increase store traffic and create primary demand for the product.

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ON CONSUMPTION OF FAST MOVING
CONSUMER GOODS IN KERALA**

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DOCTOR OF PHILOSOPHY IN COMMERCE

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C. Thesis

- Kumar, K.M., Krishna, *Consumer Perception About Promotional Strategies Adopted By Marketers: A Study with Reference to Fast Moving Consumer Goods in Kerala*, University of Calicut, April 2006.

**A STUDY OF THE EFFECT OF SALES PROMOTION
ON CONSUMPTION OF FAST MOVING
CONSUMER GOODS IN KERALA**

Thesis Submitted to the University of Calicut
for the Award of the Degree of
DOCTOR OF PHILOSOPHY IN COMMERCE

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MARCH 2007

Appendix

CONSUMER INTERVIEW SCHEDULE

Name:

Sex: Male/Female

Residential Area: Punchayath/Municipality/Corporation

District: Malappuram/Eranakulam

Level of education: Up to SSLC / Undergraduate / Graduate / PG / Professional

Occupation: Daily Wages / Employment / Profession / Business / Others

Age Group: Below 20 / 20-40 / 40-60 / Above 60

Number of members in the family: Up to 3 / 4-6 / 7-9 / Above 9

Annual income (please tick against the appropriate group):

Up to Rs.100000 / Rs.100001-Rs.300000 / Above Rs.300000

Regularly used infotainment media (Please tick against the relevant item):

Newspapers Journals and Magazines Radio Television Internet

Name of the news paper/s read regularly:

Name of the journal and magazines read regularly:

Most favourite TV channel:

1. Where do you shop at regularly for fast moving consumer goods? (Please tick whichever is applicable)

The nearby shop	☐
A fixed shop in the town	☐
Super markets	☐
Cooperative stores	☐
Any other (please specify)	☐

2. There are various consumer sales promotion techniques adopted by marketers of fast moving consumer goods. Which of them are you familiar with? (Please tick in the appropriate box)

Techniques	Yes	No
Price-offs/discounts	☐	☐
Price coupons	☐	☐
Rebates	☐	☐
Products bundling	☐	☐
Premiums/gift and compliments	☐	☐
Free samples	☐	☐
Contests/Sweepstakes	☐	☐
Trading stamps	☐	☐
Point-of-Purchase promotion (displays, features, etc.)	☐	☐

3. In a "price-off" or "discount" deal, a reduction is allowed from the normal price of the product that is marked on the pack by the producer or wholesaler. Have you bought any FMCG under such an offer during the last one year?

☐ Yes ☐ No

- a) If "yes", how did you purchase / intent to purchase the same brand subsequently?

No subsequent purchase	Next immediate purchase	Next one month purchase
Next 3 months purchase	Next 6 months purchase	Regular purchase

- b) If you did not make any purchase under a price-off offer during the last year, what were the reasons? (Please rank the points)

Reasons	Ranks
The normal price itself is very high	
The quality of the product under such an offer ought to be inferior	
There are similar offers on many other brands	
You are very loyal to the present brand	
The offer is not worth enough	
Other reasons, if any (please specify)	

4. Have you purchased any FMCG using coupons (which enable buyers to save some money) during the last one year?

☐ Yes ☐ No

- a) If "yes", how did you purchase / intent to purchase the same brand subsequently?

No subsequent purchase	Next immediate purchase	Next one month purchase
Next 3 months purchase	Next 6 months purchase	Regular purchase

- b) If no coupon was redeemed in the last one year, kindly state the reasons (Please rank the points).

Reasons	Ranks
The normal price itself is very high	
The quality of the product under such an offer ought to be inferior	
There are similar offers on many other brands	
You are very loyal to the current brand	
Failed to collect any coupon	
The offer is not worth enough	
Other reasons, if any (please specify)	

- c) Which of the following methods of coupon distribution is the most attractive one? (Please tick the appropriate box)

With Newspapers and Magazines	
Direct Mail	
In or on-Pack	
On-line	
At the point of Purchase	

5. In a premium offer goods are offered either free or at a low cost as an incentive to buy a product. Have you bought any fast moving consumer good with a premium offer during the last one-year?

Yes No

- a) If "yes", how did you purchase / intent to purchase the same brand subsequently?

No subsequent purchase	Next immediate purchase	Next one month purchase
Next 3 months purchase	Next 6 months purchase	Regular purchase

- b) If "No", give your reasons (Kindly rank the points)

Reasons	Ranks
The normal price itself is very high	
The quality of the product under such an offer ought to be inferior	
There are similar offers on many other brands	
You are very loyal to the present brand	
The offer is not worth enough	
Other reasons, if any (please specify)	

- c) There are various types of premium offers as far as the nature of the premium is concerned. Please distribute 100 points on the basis of their appeal to you.

Types	Points
Free gifts and compliments	
Bonus packs (extra quantity for the same price)	
Bundled products (same or different)	
Self Liquidating offer (cost of the premium payable)	
Total	100

6. Have you bought a new brand of any FMCG in respect of which marketers distributed samples during the last one year?

Yes No

- a) If “yes”, how did you purchase / intent to purchase the same brand subsequently?

No subsequent purchase	Next immediate purchase	Next one month purchase
Next 3 months purchase	Next 6 months purchase	Regular purchase

- b) If “No”, what discouraged you to purchase the sampled brand? (Please rank the points)

Reasons	Ranks
Poor quality of the product	
Unattractive price	
Loyalty to the current brand	
No samples received	
The offer is not worth enough	
There are similar offers on competing brands	
Other reasons, if any (please specify)	

- c) Which of the following methods of sample distribution you like most in the case of FMCGs (Please tick the appropriate box)?

Direct Mail	☐
Newspaper & Magazines	☐
On- or In-pack	☐
High-traffic locations	☐
In-store	☐

7. Have you been attracted to a store where one of the FMCGs is on display (window, counter, shelf, etc) and purchased the product during the last one year?

Yes	No
-----	----

- a) If “yes”, how did you purchase / intent to purchase the same brand subsequently?

No subsequent purchase	Next immediate purchase	Next one month purchase
Next 3 months purchase	Next 6 months purchase	Regular purchase

- b) If “No”, please give your reasons. (Please rank the points)

Reasons	Ranks
High price of the product	
Low quality of the product	
Displays are not attractive	
You were loyal to another brand (other than the displayed)	
You were loyal to another store	
This type of promotion is very common	
Other reasons (please specify)	

8. What are your criteria in buying the following products? (Please rank them in the order of your preference)

Criterion	Tea	Toothpaste	Cereals	Detergent
Quality				
Price				
Promotion offers				
Convenience				
Credit				

9. How often do you buy the following products? (Please tick in the appropriate boxes)

Periodicity	Tea	Toothpaste	Cereals	Detergent
Daily				
Weekly				
Fortnightly				
Monthly				
Quarterly				
Occasionally				
Never				

10. For how long do you use the present brand? (Tick in the appropriate box)

Period	Tea	Toothpaste	Cereals	Detergent
Less than 3 months				
3 to 6 months				
6 to 9 months				
9 to 12 months				
More than 12 months				

11. What is your chance of purchasing the following products for the only reason that they are on promotional offers? (Tick whichever is applicable)

Possibility	Tea	Toothpaste	Cereals	Detergent
Never				
Up to 25%				
25% - 50%				
50% - 75%				
Above 75%				

- a) Which of the following sales promotion techniques would induce you to make such a purchase? (Please distribute 100 points)

Sales Promotion Techniques	Tea	Toothpaste	Cereals	Detergent
Price-off / discounts				
Price coupons				
Premium / gifts and compliments				
Free samples				
Point of purchase promotion				
Total	100	100	100	100

12. How did you come to use the present brand of the following products? (Please tick the appropriate items)

Reasons	Tea	Toothpaste	Cereals	Detergent
Promotional deals				
Advertisements				
Motivated by salesman				
Reference groups (on advice of friends)				
By convention				
Impulse buying (e.g. Attractive package)				
Other reasons (please specify)				

13. What is your chance of switching from your current brand to another, which is on a promotional offer? (Tick whichever is applicable)

Possibility	Tea	Toothpaste	Cereals	Detergent
Never				
Up to 25%				
25% - 50%				
50% - 75%				
Above 75%				

- a) Which of the following sales promotion schemes would induce you to make a switch over? (Please distribute 100 points).

Schemes	Tea	Toothpaste	Cereals	Detergent
Price-off / discounts				
Price coupons				
Premium / gifts and compliments				
Free samples				
Point-of-Purchase promotion				
Total	100	100	100	100

14. What are your chances of switching back to the earlier brand when the promotional offer is withdrawn? (Tick whichever is applicable)

Possibility	Tea	Toothpaste	Cereals	Detergent
Never				
Up to 25%				
25% - 50%				
50% - 75%				
Above 75%				

15. What is your chance of buying larger quantities and stockpile during promotion period? (Tick whichever is applicable)

Possibility	Tea	Toothpaste	Cereals	Detergent
Never				
Up to 25%				
25% - 50%				
50% - 75%				
Above 75%				

- a) If you would buy larger quantities during promotion period, why? (Please distribute 100 points)

Reasons	Tea	Toothpaste	Cereals	Detergent
To reduce shopping transaction cost				
Fearing stock outs in the future				
To save money (price difference)				
To consume more of a favourite product				
For other reasons (please specify)				
Total	100	100	100	100

- b). How powerful the following sales promotion schemes are in inducing you to buy more quantity of products? (Please distribute 100 points)

Schemes	Tea	Toothpaste	Cereals	Detergent
Price-off / discounts				
Price coupons				
Premium / gifts and compliments				
Free samples				
Point-of-Purchase promotion				
Total	100	100	100	100

16. What is your chance of consuming larger quantities, as the product is stock piled? (Tick whichever is applicable)

Possibility	Tea	Toothpaste	Cereals	Detergent
Never				
Up to 25%				
25% - 50%				
50% - 75%				
Above 75%				

- a). If you would consume larger quantities as the product is stockpiled, why? (Please distribute 100 points)

Reasons	Tea	Toothpaste	Cereals	Detergent
Increase in the rate of consumption				
Increase in the consumption incidence				
Other uses of the product				
Other reasons (please specify)				
Total	100	100	100	100

17. What is your chance of consuming lesser quantities or delay purchases expecting a promotional deal? (Tick whichever is applicable)

Possibility	Tea	Toothpaste	Cereals	Detergent
Never				
Up to 25%				
25% - 50%				
50% - 75%				
Above 75%				

18. Sales promotion schemes differ in their attractiveness to consumers. In your opinion how attractive are the following sales promotion techniques with respect to FMCGs? (Please distribute 100 points)

Schemes	Points
Price-offs/discounts	
Price coupons	
Rebates	
Products bundling	
Premiums/gift and compliments	
Free samples	
Contests/Sweepstakes	
Trading stamps	
Point-of-Purchase promotion (displays, features, etc.)	
Total	100