Sales promotions in the consumer packaged goods market have been growing rapidly in the last decade. One reason for the increase in the use of sales promotions is that the markets for most consumer products are in a mature stage with little or no growth in primary demand. Further the lack of product differentiation, which makes it difficult for advertisers to influence consumers by touting unique product features. Promotions have therefore become the key influence in many product categories. Promotions are also designed to directly influence behaviour which is immediately observable whereas advertising is often considered to affect attitudes, an antecedent of behaviour. Hence the results of advertising may not be observable until sometime after the expenditure is incurred. Therefore, managers pressed for immediate results turn to promotional tools.

Sales promotion tools can be categorised into two groups, viz., price-oriented promotions and non price oriented promotions. Price-oriented promotions consist of offers of various kinds such as price off, samples, premium offer, price coupons, gifts and compliments, sweepstakes and trading stamps whereas non-price oriented promotions consist of displays, sign boards, trade shows, fairs etc. In this research study an attempt is made to study the perception of consumers about the various price-oriented sales promotion offers given by the marketers of FMCGs in Kerala.

Some marketers now believe that sales promotions have made consumers more price sensitive which consequently has lowered the effective price which they can charge. However, support for value pricing strategy is not universal. There is uncertainly in both industry and academia about the
impact of sales promotion on consumer decision making. The empirical evidence to date is limited and mixed.

Although many previous studies examine the perception of consumers about advertising and its short and long term effects, few focus on the perception of consumers about sales promotion offers and their short and long term impacts on consumer decision making. It is observed that there are no much comprehensive and detailed studies about consumer behaviour in general and the perception of consumers about the various sales promotion strategies in particular in our country. In Kerala very few studies have been conducted on consumer behaviour. No study is seen to have been conducted about the promotion sensitivity and about the consumer perception about the sales promotion strategies especially price-oriented sales promotion offers. In this research it is intended to find out how the consumers of Kerala perceive and respond to the various price oriented promotions (offers) used by marketers with regard to beverages, one of the frequently used Fast Moving Consumer Goods.

**Objectives of the Study**

The specific objectives of the study are:

1. To examine the level of awareness of the consumers of Kerala about the various sales promotion strategies adopted by the marketers of FMCGs.

2. To study the attractiveness of the various sales promotion tools used by the marketers of FMCGs.

3. To analyse the effectiveness of the various promotion tools used by the marketers of FMCGd in creating (a) Brand Awareness (b) Trial Purchase and (c) Repeat Purchase and (d) Brand Loyalty.
4. To study the impact of the various sales promotion tools used by the marketers of FMCGs on the consumer decision making process.

5. To examine in detail the consumer perception about the different aspects of the various sales promotion strategies adopted by the marketers of FMCGs in general and sales promotion offers in particular and

6. To offer suggestions for improving the efficiency of sales promotion devices in achieving the specific marketing objectives of FMCGs in the context of Kerala.

Hypotheses

On the basis of the above objectives the following major hypotheses have been formulated.

1. The level of awareness about the various sales promotion strategies adopted by the marketers of FMCGs is independent of the consumers' gender, income level and place of domicile.

2. The perception of consumers as regards 'attractiveness of the various sales promotion tools' applied by the marketers is independent of their gender, income level and place of domicile.

3. The perception of consumers regarding the effectiveness or impact of the various sales promotion methods is independent of their gender, income level and place of domicile.

4. All consumers, irrespective of their gender, income level and place of domicile, consider alike the importance of the various factors affecting the purchase of beverages.
5. Price changes do not have any impact on Consumer Brand Choice in the case of beverages.

6. Frequent sales promotion offers do not have any impact on Consumer Brand Choice.

7. Consumers believe that marketers intentionally reduce the quality of the product or fix a higher price to it before introducing a promotional offer to compensate the cost of the sales promotion offer.

8. Sales promotions have no impact on consumers' price sensitivity and brand loyalty.

Methodology

The study is designed as a descriptive one based on both secondary and primary data. The sources of secondary data are journals like Journal of Marketing Research, Journal of Advertising Research, Journal of Consumer Research, Business Today etc.

Since the information collected from the secondary sources are not sufficient for the study, the researcher mainly based his study on relevant primary data collected by conducting a field survey.

Sample Design

Three districts viz., Thiruvananthapuram, Malappuram and Kannur have been selected at random as first stage sample to represent Southern Region, Central Region and Northern Region of Kerala respectively. As the second stage sample one urban taluk and one rural taluk have been selected at random from each of the three districts. Thiruvananthapuram and Chirayan Keezhu are the urban and rural taluks selected from Thiruvananthapuram district, Malappuram and Tirurangadi, the ones from Malappuram District and
Kannur and Thaliparamba are the ones from Kannur District. 300 samples have been collected altogether @ 50 households from each of the six taluks.

Research instruments used

Taking into account the objectives of the study an interview schedule was developed. A pre test was conducted on a small trial group consisting of 25 samples. On the basis of the response to the pilot study, necessary modifications were made in the schedule. The modified interview schedule containing 56 questions in two sections A and B was used for the collection of primary data.

Variables used for the study

Gender, age, domicile, occupation, income and religion of the consumers are the variables used for preparing the profile of the respondents. To analyse the consumption habits of consumers as regards beverages the rate of consumption, level of awareness about the various sales promotion strategies and attractiveness of sales promotion methods are used. Role of various sales promotion tools in creating brand awareness, trial purchase, repeat purchase and brand loyalty are the variables used to study the impact of promotional tools on consumer behaviour. To identify the factors affecting purchase of beverages price, quality and taste of the product are studied along with offers and brand image. Chance of switching from a long used brand, from a short used brand, from a 'high price high quality' brand and from a 'low price low quality' brand to avail of promotional offers are the variable used to study the impact of sales promotion offers on Consumer Brand Choice. To identify the factors preventing consumers from purchasing 'high price high quality' brands, price, non-availability of the product and other reasons are the variables used. Chance of intentional reduction of quality and hike in price of the product and reluctance on the part of retailers to give the offers to the final
consumers are studied for analysing the consumer perception about other aspects of sales promotion offers. To analyse the factors which attracted the consumers to prefer the present brand of beverage quality, cheapness, brand image, attractiveness of packaging, influence of advertisement, attractiveness of offers and other reasons are the variables used. To study the response of consumers towards the sales promotion strategies of newcomers, attractiveness of gifts and compliments, price charged and attractiveness of packet have been studied. Impact of price oriented and non-price oriented promotions on the consumers' price sensitivity, and brand loyalty have also been studied.

Tools Used

Standard deviation, coefficient of variation, mode, chi-square, test, $t$-test, ANOVA and DUNCAN test are the important statistical tools used for analysing the data collected.

Structure

The whole study is structured in five chapters. Chapter One, the introductory chapter, highlights the importance of sales promotion as a marketing strategy in the hands of marketing of FMCGs. It also outlines the scope, objectives, hypotheses, sampling design, procedure of data collection, variables used for the study, tools of data analysis and limitations of the study. Chapter Two contains a brief review of literature related to the topic under study. Chapter Three provides the theoretical background of 'Promotion' and 'Sales Promotion'. Chapter Four deals with a brief account of the profile of the sample units followed by analysis and interpretation of the data. Chapter Five, the last chapter, summarises the whole study, lists the findings and offers a few suggestions.
Limitations

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

1. There were so many technical and marketing terms in the schedule which the researcher had to explain to the respondents to get correct answers from them. Hence the job of data collection was quite tiresome. The respondents also had to spend one or two hours with the researcher which might create unrest in the minds of them. The situation was somehow tackled by the researcher by sharing bits of knowledge about the various aspects of sales promotion with the respondents.

2. The constant sum scaling method used for evaluating the variables in many cases created some doubts for respondents while allotting weightage to the variables. The researcher has solved this problem upto a certain extent by giving the appropriate explanation and demonstration to the respondents in a befitting manner.

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

Review of Literature

A large volume of literature on the various aspects of marketing and promotion are available in India and abroad. The researcher has gone through most of the available literature on the subject under study. A brief review of the various studies is given under four heads viz.,
1. Internal influences on consumer behaviour.
2. External influences on consumer behaviour.
3. Consumer decision making.

**Internal influences on consumer behaviour**

In this section references about studies pertaining to the internal influences on consumer behaviour are given. Studies on the topic reveal that overall customer satisfaction has three antecedent such as perceived quality, perceived value and customer expectations. The first determinant of overall customer satisfaction is perceived quality or performance, which is the served market's evaluation of recent consumption experience, and is expected to have a direct and positive effect on overall customer satisfaction. The second determinant of overall customer satisfaction is perceived value, or the perceived level of product quality relative to the price paid. The third determinant of overall customer satisfaction is the served market's expectations. The served market's expectations represent both served market's prior consumption experience with the firm's offering. On analysis of the available literature it is found that customer expectations are positively related to perceived quality and consequently to perceived value. Customers have expectations that are largely rational and that reflect customer's ability to learn from experience and predict the levels of quality and value they receive.

**External influence on Consumer Behaviour**

In this section the references of studies conducted by various researchers about the external influences of consumer behaviour are given. It is found that the external influences on consumer behaviour are the firm's marketing mix and the socio-cultural environment. Promotion interacts with the three other components of the marketing mix: product, channels of
distribution and pricing. Promotional strategies who plan to operate and survive in the dynamic marketing environment have to monitor and evaluate the socio-cultural environment. The demographic environment with important implications for promotion include the baby boom, senior citizens, migration patterns, education and occupation, the employed women, distribution of income, and ethnic surge. On analysis of the available literature it is found that consumer purchases are influenced by the demographic traits and the socio-cultural environment. Changes occurring in the socio-cultural environment offer dramatic challenges and opportunities for promotion managers.

**Consumer decision making**

In this section references about studies conducted by eminent academicians and researchers about the decision making process of consumers are given. The findings of the researchers on this subject reveal that consumer decision making is influenced by the socio-cultural environment, the marketing mix and individual characteristics such as motivation and attitudes. Simple decision does not require information search or evaluation. On analysis of the various studies on the subject it is found that there are three psychological concepts inherent in complex decision making such as motivation, learning and attitude. Motivation is an inner drive to take action, learning is a process of taking in information and attitude is an enduring favourable or unfavourable disposition toward some object. These three psychological concepts are seen to influence the various stages of complex decision making.

**Consumer perception about promotion strategies**

Several models of consumer response to promotions suggest that a current decision on brand and purchase quantity depends on their perception
about the various sales promotion strategies adopted by the marketers – studies conducted by various researchers on the various aspects of consumer perceptions of deal frequency, deal prices, etc. are explained in this section of the chapter. Some of the studies describe the interactions between consumers and retailers or manufacturers as retail price promotions are implemented. How retailers or manufacturers influence in-store promotional activity and could use information on consumer perceptions and purchasing to design future promotions, is the subject of studies of some researchers. Some others try to find out the several key constructs in consumer decision making about deal purchases and suggest several hypothesis about the relationship between consumer characteristics and perceptions of deal activity. Inspite of the importance of the study in formulating promotional strategies of marketers, relatively little empirical work has been reported on the topic especially in the context of Kerala.

PROMOTION

The term promotion is originated from the Latin term 'Promovere' which means to move forward. Promotion is the marketing function concerned with persuasively communicating to target audiences the various components of the marketing programme in order to facilitate exchange between the marketer and the consumer and to help satisfy the objectives of both.

The key tools of promotion are

(a) Advertising
(b) Personal Selling
(c) Public relations and
(d) Sales Promotion
The following are the various factors contributing to the increased importance of promotion.

(a) The existence of large number of product choices.
(b) The widening physical and emotional distance between producers and consumers.
(c) Intense competition within and between industries.
(d) The movement of the consumers toward fulfilling their desires.
(e) The high cost of promotion.
(f) The ability of promotion to help a company remain competitive during economic decline.

Promotion is one of the marketing plan, which consists of the following stages.

(a) Selecting of marketing objectives.
(b) Using marketing intelligence.
(c) Identifying market opportunities.
(d) Selecting target markets.
(e) Developing marketing strategies.
(f) Designing action plans.
(g) Executing plans.
(h) Measuring results and
taking corrective action (its necessary)

The promotion plan specifies how promotion objectives are to be achieved, along with how promotion will interact with the other marketing mix elements.

To identify promotional opportunities managers should examine the other elements of the marketing mix, the environment and the consumer.
Most promotional objectives can be classified into five categories.

(a) Creating awareness
(b) Creating understanding
(c) Changing attitudes
(d) Changing behaviour
(e) Creating reinforcement.

After promotional opportunities have been analysed and promotion objectives specified, promotion managers design the promotional strategy. This stage of the promotion plan requires organising for promotion; selecting the audience, theme, and promotional mix; and determining how much to spend.

The process of promotion planning ends with implementation of the strategy and measurement of the results.

SALES PROMOTION

Sales promotion is a marketing activity that adds to the basic value of the product for a limited time and directly stimulates consumer purchasing seller effectiveness, or the efforts of the sales force. Unlike the other elements of the promotional mix, sales promotion tends to separate on a short time frame, employs a more rational appeal, provides tangible value, is intended to create an immediate sale, and makes a high contribution to profitability.

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

Consumer sales promotions are directed at the ultimate users of the product. Price deals, contests, sweepstakes, premium offers, samples, event
sponsorships etc. are examples. A price deal is a temporary reduction of price. It may be offered through (a) Price discounts or cents-off deals, (b) pack deals, either bonus packs or branded packs (c) refunds or rebates and (d) coupons.

Contests, sweepstakes and lotteries require skill or a consideration inorder to create excitement and the chance is random.

Premium offers provide a tangible reward for purchasing the product.

Consumer sampling offers trial sizes of a product either free or for a small price.

Even sponsorship allows marketers to create support among a homogeneous market segment.

The objectives of consumer sales promotions include the following.

(a) To prompt trials by new users.
(b) To introduce new or improved products.
(c) To stimulate repeat use of the product.
(d) To encourage more frequent or multiple purchase.
(e) To counter competitor's activities.
(f) To maintain present customers by providing an implied reward and
(g) To reinforce advertising or personal selling.

Ultimately, consumer sales promotions are short-term strategies that are not very effective in creating brand loyalty. Such tactics should be used with caution and integrated with the total marketing mix.

Sales force promotions are divided into two types of programmes.

1. Supportive programmes attempt to better prepare sales people to do their job. Such programmes include the following.
(a) Holding sales meetings.
(b) Supplying supportive materials like sales manuals, sales
portfolios and product models.
(c) Distributing house organs.

2. Motivational programmes which attempt to stimulate sales people to
try harder steps in developing these programmes are the following:

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

Trade sales promotions are directed at retailers who distribute products
to ultimate consumers. Specific goals of trade sales promotions include the
following:

(a) Providing strong support at the point of sale.
(b) Controlling inventory.
(c) Expanding and improving distribution and
(d) Motivating channel members.

The most common types of dealer sales promotion are as follows.

(a) Point-of-purchase displays, including special racks, display curtains,
banners, signs, price cards etc.
(b) Push money (spiffs): Extra payment given to retailers or sales people
for meeting specified sales goals.
(c) Dealer loaders: Premiums given for purchasing large quantity of a product, and

(d) Trade deals: Price discounts given for meeting certain purchase requirements.

Sales promotion has become a primary part of the promotional strategy rather than a secondary element that is considered after the advertising is designed and paid for. Consumer sales promotion is that something extra that is offered to the consumers. It may provide additional incentives to facilitate purchase.

Sales promotions directed at the dealers and the sales force are intended to increase the productivity of the sales person by building enthusiasm for the task.

Findings of the survey

Sample Profile

- About two thirds of respondents are males and one third females.
- More than 50% consumers belong to the age group 35-50 years.
- Thirty six per cent of respondents are graduates.
- Majority of consumers belong to the service sector followed by business sector.
- Majority (62.3%) belongs to the income group Rs.50000 – 1,50,000
- Of the total sample population 64% belongs to Hindu community followed by Muslims community (23.3%) and Christian community (12.7%).
Consumer Perception about Sales Promotion Strategies of Marketers of FMCGs

**Consumption habits of consumers as regards beverages**

- Majority of consumers are regular users of tea (87%) whereas only 43% regularly use coffee. Only 8.7% of the total population regularly use health drinks.
- There is not much difference in the consumption pattern of tea and coffee in the case of men and women and rural and urban people.
- The rate of consumption of coffee is more in the case of high income group whereas it is just opposite in the case of tea. In the case of tea the difference in the rate of consumption is significant whereas the differences are not significant in the cases of coffee and health drinks.
- All categories of consumers, both male and female, rural and urban consumers and consumers belonging to all income groups are very much aware of the various sales promotion strategies used by marketers of FMCGs except the promotional tool 'Trading Stamps'.
- In the level of awareness 'Price off' stands the first followed by 'free samples' and then 'Gifts and Compliments'.
- Male consumers are more aware of the promotional tools 'Price coupons', 'Premium officers', 'contests and sweepstakes' and 'Trading stamps' than females.
- In the case of the level of awareness about the various sales promotion methods rural and urban people are alike. Both are well aware about the various methods except 'Trading stamps'.
- Consumers belonging to high income and middle income groups are more aware than those belonging to low income group about the sales promotion methods 'Price coupons', 'Premium Offers', 'Contests and Sweepstakes', 'Trading Stamps' and 'Point of Purchase Promotions'.
Attractiveness of various sales promotion methods

- So far as Keralites are concerned 'Price off' and 'Gifts and Compliments' are the most attractive sales promotion tool in the case of FMCGs.

- Eventhough, in the case of the level of awareness the position of 'free samples' is second it doesn't seem to be an attractive method of sales promotion to consumers.

- 'Trading Stamps' is the least attractive sales promotion tool so far as consumers in Kerala are concerned.

- While male consumers consider 'Gifts and Compliments' as the most attractive sales promotion device, it is 'Price off' in the case of female consumers.

- Urban consumers consider 'Gifts and Compliments' as the most attractive promotional tool whereas it is 'Price off' in the case of rural consumers.

- Consumers belonging to low and middle income groups consider 'Price off' as the most attractive sales promotion tool where as in the opinion of consumers belonging high income group, 'Gifts and Compliments' is the most attractive promotional device.

Effectiveness of sales promotion tools in crating brand awareness

➤ 'Gifts and Compliments' is the best sales promotion tool that can be used by the marketers for creating brand awareness among the consumers of FMCGs followed by 'Price off.'

➤ While male respondents consider 'Gifts and Compliments' as the most effective promotion tool in creating brand awareness, females consider 'Price off' as the most effective one.
Between rural people and urban people there is no difference in their perception regarding the effectiveness of the various sales promotion strategies in creating brand awareness except in the case of 'Trading Stamps.'

While high income and middle income groups consider 'Gifts and Compliments' as the most effective tool in creating brand awareness low income group perceives 'price off' as the most effective tool.

**Effectiveness of sales promotion tools in creating Trial Purchase**

Consumers belonging to all groups unanimously agree that 'Free Samples' is the most effective sales promotion tool for creating Trial Purchase, followed by 'Gifts and Compliments.'

**Effectiveness of Sales Promotion Tools in Creating repeat purchase**

Consumers belonging to all groups have the opinion that 'Price off' is the most effective promotional tool in creating repeat purchase followed by 'Premium Offers'.

**Effectiveness of Sales Promotion Tools in creating Brand Loyalty**

'Premium offers' and 'Price off' are the two important price oriented promotional tools that can be used by the marketers for creating brand loyalty among the consumers of FMCGs.

While male respondents consider 'Premium offers' as the most effective promotional tool in creating brand loyalty, females consider 'Price off' as the most effective one.

While rural people consider 'Price off' as the most effective promotional tool in creating brand loyalty, urban people consider 'Premium offers' as the most effective one.
People belonging to low income group consider 'Price off' as the most effective tool in creating brand loyalty whereas so far as people belonging to middle income and high income groups are concerned 'Premium Offers' is the most effective one.

'Gifts and Compliments' are also considered by all groups to be very much effective in creating brand loyalty.

**Factors affecting purchase of beverages**

- Price, quality, taste, offers and brand image are the important factors which influence the purchase decision of consumers as regards beverages.

- Consumers give prime importance to 'quality' in the case of tea and health drinks whereas it is 'taste' in the case of coffee.

- It is interesting to note that all the factors mentioned above are given more or less, equal importance by consumers belonging to all groups in the selection of a brand of tea and coffee whereas in the case of health drinks the consumers are least bothered about the price.

**Impact of price changes on Consumer Brand Choice**

- There are very few persons who always switch over to other brands consequent on price changes. But there are considerable number of frequent switchers. Most of the consumers are occasional switchers in the case of tea and coffee whereas most of the consumers of health drinks rarely switch over to other brands consequent on price changes.

- Male consumers are found more brand loyal than female consumers in the case of tea whereas it is just reverse in the case of coffee and health drinks.

- Female consumers are found more price sensitive than male consumers in the case of tea.
Impact of Sales Promotion Offers given by the Marketers on Consumer Brand Choice

- In the case of coffee and health drinks consumers are somewhat reluctant to switch over to a new brand from a long used brand. But in the case of coffee, majority of consumers see a medium chance for brand switching from a long-used brand to a new one to avail a promotional offer.

- In the case of health drinks most of the consumers belonging to middle and high income groups see a low chance for a brand switching from a long-used one to a new one to avail a promotional offer. The chance is medium in the case of consumers belonging to low income group.

- Consumers belonging to all groups see a high chance for a brand switching from a short used brand to a new one to avail a promotional offer in the case of tea, coffee and health drinks.

- Most of the consumers of beverages of all kinds are found to be brand loyal because nearly 50% of the total number of consumers have been using the same brand for more than 4 years. It can, therefore, be assumed that the number of brand loyal consumers is more than that of switchers.

- The chance of switching over from a 'high price high quality' brand to a 'low price low quality' brand to avail a promotional offer is very low.

- It is the value and attractiveness of the offers which determine whether the consumers would switch over to a 'low price low quality' brand.

- Majority of the consumers belonging to all groups see a high chance for brand switching to a high price high quality brand to avail a promotional offer.
Most of the consumers belonging to all groups believe that there is a high degree of chance for 'high price' goods to be qualitatively high ones.

'High price' is the main reason why consumers keep away from high quality' brands.

Consumer Perception about the Other aspects of Sales Promotion

Most of the consumers belonging to all groups see very rare chance for an intentional reduction in quality on the part of producers/marketers before introducing a promotional offer.

Most of the consumers belonging to all groups expect only an occasional chance for an intentional increase in price of a product by the marketers before introducing a promotional offer.

Irrespective of sex, location and income of consumers, all think in the same manner that retailers are not at all reluctant to give the gifts offered by the marketers to the final consumers. According to them retailers frequently give the gifts and compliments to the consumers without their demand for the same.

Cheapness of the products and attractiveness of packets have lesser role in attracting consumers to a brand. 'Quality' is the main reason for the consumers to stick to the present brand of tea, coffee and health drink followed by 'brand image'.

Very few persons are in the habit of searching for offers 'always' while shopping in the case of beverages, especially in the case of health drinks. Considerable number of persons look for offers 'frequently' in the case of tea and coffee. But offers are not at all seen to be an attractive force in motivating consumers to purchase a brand of health drink.
Sales Promotion Strategies adopted by new comers

- Attractive gifts and compliments are seen to be the most effective promotional tool that can be used to introduce or launch the product of a new company.

Impact of sales promotion on consumer behaviour

- Majority of consumers, irrespective of their gender, place of domicile and income, firmly believe that frequent price oriented promotions will increase the price sensitivity of consumers.

- Most of the consumers belonging to all groups firmly believe that non-price oriented promotions will decrease consumers' price sensitivity.

- Most of the consumers belonging to all groups firmly believe that price oriented promotions will adversely affect brand loyalty of consumers and non price oriented promotions have a favourable impact on brand loyalty.

- Most of the consumers belonging to all groups see only an occasional chance for being misguided or cheated by promotional offers.

- Majority of consumers belonging to all groups prefer offers in kind (Gifts, Compliments and Premium offer) to price off.

- Most of the consumers belonging to all groups prefer 'gifts and compliments' to 'premium offer.'

Consumers' responsiveness to offers

➢ Majority of consumers belonging to all groups agree that they often purchase beverages attracted by offers.

➢ Majority of consumers belonging to all groups agree that consumers will go back to their previous brand when offers are withdrawn by a promoted brand.
➢ Majority of consumers in Kerala belonging to all groups have brand preference in the case of beverages.

➢ Majority of consumers are in the habit of comparing the prices of different brands of tea and coffee before purchasing a brand.

➢ In the case of health drinks, majority of consumers belonging to all groups are not in the habit of comparing the prices of different brands at the time of purchase.

➢ Majority of consumers belonging to all groups firmly believe that a reputed company will never produce and market an inferior product.

➢ Whenever a new product is introduced by a highly reputed company majority of consumers belonging to all groups purchase it without any body's advice.

➢ Majority of consumers belonging to all groups do not see any chance for stock piling of any beverage during off seasons.

➢ Majority of consumers belonging to all groups do not see any chance for an increase in the consumption rate of beverages of any kind during off season.

➢ Majority of consumers belonging to all groups show interest in filling sweepstakes and collecting wrappers with an intention to win prizes offered by various brands.

➢ Majority of consumers belonging to all groups agree that frequent promotions adversely affect the perceived price of a brand.

➢ Majority of consumers often take the price of a brand as a cue for predicting its quality.
Conclusion

From the foregoing analysis it is very clear that the people of Kerala are well aware about the various sales promotion strategies adopted by the marketers of FMCGs. There are no significant differences in the level of awareness between the two genders, between rural and urban people and among the various income groups. 'Price off' and 'Gifts and Compliments' are found to be the most attractive sales promotion devices in the case of beverages. For creating brand awareness among consumers 'Gifts and Compliments' is found to be the most effective promotional tool. 'Free samples' is the most effective promotional tool for creating 'Trial Purchase whereas it is 'Price off' for creating 'Repeat Purchase'. Even though price, offers etc. affect the purchase decision of consumers to a considerable extent quality, itself is the most important factor which influences the purchase decision of Keralites in the case of beverages especially in the case of health drinks. Majority of the people of Kerala are brand loyal. Most of the consumers are occasional switchers and they also tend to return to the previous brand when the offer is withdrawn. However, majority of consumers, irrespective of their gender, place of domicile and income firmly believe that frequent price oriented promotions will increase the price sensitivity of consumers and there by adversely affect the brand loyalty. Inspite of all the above derivations it is also found that consumers belonging to all groups do often purchase FMCGs attracted by offers; but the impact is short term.

Results of the hypothesis testing

On the basis of the above findings and conclusions the hypotheses set for the study have been tested and the results are as follows.
Hypothesis I: *The level of awareness about the various sales promotion strategies adopted by the marketers of FMCGs is independent of the consumers' gender, place of domicile and income level.*

Result:

<table>
<thead>
<tr>
<th>Sales promotion strategy</th>
<th>Between Male and Female Consumers (test applied $\chi^2$)</th>
<th>Between Rural and Urban people (test applied $\chi^2$)</th>
<th>Among Various income groups (test applied $\chi^2$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price off</td>
<td>Accepted</td>
<td>Accepted</td>
<td>Accepted</td>
</tr>
<tr>
<td>Price coupons</td>
<td>Rejected</td>
<td>Accepted</td>
<td>Rejected</td>
</tr>
<tr>
<td>Premium offers</td>
<td>Rejected</td>
<td>Accepted</td>
<td>Rejected</td>
</tr>
<tr>
<td>Contests and Sweep states</td>
<td>Rejected</td>
<td>Accepted</td>
<td>Rejected</td>
</tr>
<tr>
<td>Gifts &amp; Compliments</td>
<td>Accepted</td>
<td>Accepted</td>
<td>Rejected</td>
</tr>
<tr>
<td>Trading stamps</td>
<td>Rejected</td>
<td>Accepted</td>
<td>Accepted</td>
</tr>
<tr>
<td>PPP</td>
<td>Accepted</td>
<td>Accepted</td>
<td>Rejected</td>
</tr>
</tbody>
</table>

Hypothesis II: *The perception of consumers as regards 'attractiveness of the various sales promotion tools' applied by the marketers is independent of their gender, place of domicile and income level.*

Result:

<table>
<thead>
<tr>
<th>Sales promotion strategy</th>
<th>Between Male and Female Consumers (test applied t-test)</th>
<th>Between Rural and Urban people (test applied t-test)</th>
<th>Among Various income groups (test applied ANOVA$^3$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price off</td>
<td>Accepted</td>
<td>Accepted</td>
<td>Rejected</td>
</tr>
<tr>
<td>Free Samples</td>
<td>Rejected</td>
<td>Accepted</td>
<td>Rejected</td>
</tr>
</tbody>
</table>
### Hypothesis III: The perception of consumers regarding the effectiveness of the various sales promotion methods is independent of the gender, place of domicile and income level.

### Results

1. Effectiveness of sales promotion devices in creating brand awareness.

<table>
<thead>
<tr>
<th>Sales promotion strategy</th>
<th>Between Male and Female Consumers (test applied t-test)</th>
<th>Between Rural and Urban people (test applied t-test)</th>
<th>Among Various income groups (test applied ANOVA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price off</td>
<td>Rejected</td>
<td>Accepted</td>
<td>Rejected</td>
</tr>
<tr>
<td>Free samples</td>
<td>Rejected</td>
<td>Accepted</td>
<td>Accepted</td>
</tr>
<tr>
<td>Price coupons</td>
<td>Rejected</td>
<td>Accepted</td>
<td>Accepted</td>
</tr>
<tr>
<td>Premium offers</td>
<td>Accepted</td>
<td>Accepted</td>
<td>Accepted</td>
</tr>
<tr>
<td>Contests and Sweep states</td>
<td>Accepted</td>
<td>Accepted</td>
<td>Rejected</td>
</tr>
<tr>
<td>Gifts &amp; Compliments</td>
<td>Accepted</td>
<td>Accepted</td>
<td>Accepted</td>
</tr>
<tr>
<td>Trading stamps</td>
<td>Accepted</td>
<td>Rejected</td>
<td>Accepted</td>
</tr>
<tr>
<td>PPP</td>
<td>Accepted</td>
<td>Accepted</td>
<td>Accepted</td>
</tr>
</tbody>
</table>
2. Effectiveness of sales promotion devices in creating trial purchase

<table>
<thead>
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<th>Sales promotion strategy</th>
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<td>Rejected</td>
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</tr>
<tr>
<td>PPP</td>
<td>Rejected</td>
<td>Accepted</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

3. Effectiveness of sales promotion strategies in creating repeat purchase

<table>
<thead>
<tr>
<th>Sales promotion strategy</th>
<th>Between Male and Female Consumers (test applied t-test)</th>
<th>Between Rural and Urban people (test applied t-test)</th>
<th>Among Various income groups (test applied ANOVA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price off</td>
<td>Rejected</td>
<td>Accepted</td>
<td>Rejected</td>
</tr>
<tr>
<td>Free samples</td>
<td>Accepted</td>
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<td>Price coupons</td>
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<td>Trading stamps</td>
<td>Accepted</td>
<td>Accepted</td>
<td>Accepted</td>
</tr>
<tr>
<td>PPP</td>
<td>Accepted</td>
<td>Accepted</td>
<td>Accepted</td>
</tr>
</tbody>
</table>
Hypothesis IV. *All consumers, irrespective of their gender, place of domicile and income level, consider alike the importance of the various factors affecting the purchase of beverages.*

<table>
<thead>
<tr>
<th>Factors</th>
<th>Sex wise (test t-test)</th>
<th>Place of Domicile wise (test t-test)</th>
<th>Income wise (test –ANOVA)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tea</td>
<td>Coffee</td>
<td>H.D</td>
</tr>
<tr>
<td>Price</td>
<td>Accepted</td>
<td>Accepted</td>
<td>Accepted</td>
</tr>
<tr>
<td>Quality</td>
<td>Accepted</td>
<td>Rejected</td>
<td>Accepted</td>
</tr>
<tr>
<td>Taste</td>
<td>Accepted</td>
<td>Rejected</td>
<td>Rejected</td>
</tr>
<tr>
<td>Offers</td>
<td>Accepted</td>
<td>Rejected</td>
<td>Rejected</td>
</tr>
<tr>
<td>Brand Image</td>
<td>Accepted</td>
<td>Accepted</td>
<td>Rejected</td>
</tr>
</tbody>
</table>

Hypothesis V: *Price changes do not have any impact on Consumer Brand Choice in the case of beverages.*

Result (Test applied – Chi-square)

The hypothesis is rejected in the case of tea and coffee as there are frequent switchers where as in the case of health drinks the hypothesis is accepted.

Hypothesis VI: *Frequent sales promotion offers do not have any impact on Consumer Brand Choice.*

Result (Test applied – Chi-square)

In the case of long used and high quality brands the hypothesis is accepted whereas in the case of short used and low quality brands the hypothesis is rejected as high chances are noticed for brand switching in these cases.
Hypothesis VII: Consumers believe that marketers intentionally reduce the quality of the product or fix a higher price to it before introducing a promotional offer to compensate the cost of the sales promotion offer.

Result: (Test applied – Chi-square)

As regards the 'intentional reduction' of quality the hypothesis is rejected as they see no or very rare chance for the same. As regards 'the fixation of a high price' the hypothesis is accepted as most of the consumers see an occasional chance for the same.

Hypothesis VIII: Sales promotions have no impact on consumers' price sensitivity and brand loyalty.

Result: (Test applied – Chi-square)

The hypothesis is rejected as majority believe that price oriented promotions reduce consumers' brand loyalty and increase their price sensitivity whereas non price oriented promotions reduce consumers' price sensitivity and increase their brand loyalty.

Suggestions

Based on the observations and findings of the study, the following suggestion are made.

1. Among the various sales promotion devices used by the marketers 'Price off' and 'Gifts and Compliments' are seen to be the most attractive ones to the people of Kerala. Hence it is advisable for the marketers/producers of FMCGs to resort to the above said tools instead of trying the other ones. For creating brand awareness among consumers also these methods are found to be the effective ones. High and middle income groups consider 'Gifts and Compliments' as the
most attractive sales promotion device. Urban people also consider 'Gifts and Compliments' as the most attractive one. As major part of sales comes from high and middle income groups and also from the consumers of urban areas it is adviceable for the marketers to give more importance to 'Gifts and Compliments' as a sales promotion device. Equal importance can be given to 'Price off also. 'Premium offers' are also effective.

2. When a new product is introduced, the most effective sales promotion device that can be resorted to is 'free samples'. 'Gifts and Compliments' are also found to be effective for creating trial purchase. So at the time of launching a new product the marketers should resort to these methods rather than the other ones.

3. In the case of mature goods, along with price off, premium offers can also be tried by the marketers as these two devices are found to be the most effective ones for creating repeat purchase.

4. Offers alone will not motivate consumers to purchase beverages. Consumers give prime importance to 'quality' in the case of tea and health drinks whereas it is 'taste' in the case of coffee – Price and Brand Image are the other factors which influence the purchase decision of consumers in the case of beverages. Hence all the above factors should be given due importance by the producers while marketing a beverage. Then only a promotional offer will do its job successfully.

5. Marketers of 'high price high quality' products can very effectively use the promotional tool 'price off' as majority of consumers keep away from these products due to their high prices. As there is a high degree of elasticity in the sale of 'high quality' products in accordance with the increase or decrease in their prices, the marketers of these products can
very easily capture the entire market by making a reduction in their prices and thereby can make an increase in the total revenue.

6. Majority of consumers often take the price of a brand as a cue for predictice its quality. Hence it is not at all adviseable for a marketer to fix a lower price to his product. It is adviseable for him to fix the normal price at a higher level. To capture market he can make price reduction, but as an offer.

7. Marketers of FMCGs should be aware of the fact that frequent price promotions do adversely affect the perceived price of a brand. In other words frequent promotions make consumers more price sensitive. This makes it difficult for the marketer to sell the product at its normal price or without any offer. In other words the impact of sales promotion is short term ie. whenever the offer is withdrawn the consumer shows a tendency to go back to his previous brand.

A marketer should do whatever he can to make the consumers loyal to his brand by applying or using those promitional devices which are found to be effective in that direction and by ensuring that his product is qualitatively better than those of his competitors. Unless there is a long term impact for a promitional method there is no use in trying the same in the market. Though promotions help to increase the short term sales of a brand, they may erode the long run profitability of the brand if used too often. This problem may be aggravated if the competitors also retaliate with frequent promotions of their own. Hence every marketer should try to find out the forms of price promotions which are suitable for his product, the ones suitable for making the consumers loyal to the brand and to find out the ways to minimize the adverse consequences of frequent promotions.