CHAPTER I

INTRODUCTION

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

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

The liberalization programme initiated during the last few years has made tremendous changes in the competitive scenario of the economy of our country. The simplification of the licensing procedure, delicensing of large number of items, reduction of tariffs, removal of entry barriers etc., have made tremendous impact on the business activity of the nation in terms of expansion of capacity of domestic players, access to state of art technology and flow of foreign capital to India. All these measures have solved the supply side of the problem of our economy to a good extent. But the demand side of the problem still remains. In the present competitive market where
there is cut throat competition among the concerns, a marketer to win over others, should formulate some promotion strategies. Different promotion strategies are being used by different companies to liquidate the large volume of finished goods inventory. In addition to the conventional Mass advertising and Publicity, marketers all over the world have also been experimenting with a wide range of alternate methods to catch up with the changing consumer behaviours. One of the most prominent among these is 'Sales Promotion'.

Decision Making by Buyers

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

External factors (Socio cultural environment)

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

Cultures and Subcultures: The sum of learned beliefs, values and customs that regulate the beahviour of members of a particular society is called culture. The three components of culture are beliefs, values and customs. Belief is a proposition that reflects a person's particular knowledge and assessment of something. Values are general statements that guide behaviour and influence beliefs and attitudes. It has been stated that the function of a value system is to help a person to choose between alternatives in every day life. Marketers have a special interest in values, because values are influential in shaping behaviour. Practical considerations force the marketer to be more interested in cultural values than personal values. If a culture
begins to value family and personal health and relaxation over achievement and material success, this cultural trend would be of interest to many marketers. Customs are overt modes of behaviour that constitute culturally approved ways of behaving in specific situations. Customs do vary from region to region, from country to country and even from family to family.

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

**Demographics**

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

The demographic environment of every country is subject to change. The promoters have to watch constantly the changes occurring in the demographic environment of the country and to formulate promotional devices in accordance with these changes. For eg: a baby boom occurred
during the period 1946 - 1964 in the United States. Seventy six million babies were born during this period. 70 million of them are still alive. They are now between 28 and 46 years of age and make up about one third of the total population. The point is that this largest group in the American population will go through predictable stages, and wise managers will be sensitive to these patterns.

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

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

The prevalence of working women has been one of the key economic and social development of our times. The overall percentage of working women will continue to increase, with 61% expected to be in the works force by 2010. In USA, women now head 28% of America's 91 million households. For the promotion manager, the increase in working women offers problems as well as opportunities. Home delivery and guarantees are two sales promotion techniques that appeal to working women.

Distribution of income and wealth is another factor to be considered by marketers while formulating promotional devices. For example, a few years ago, middle income consumers could be counted on to go to a middle priced
store for most of their purchases. However, as they have become more astute shoppers, they are more likely to purchase a microwave oven with a brand name from a discounter.

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

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

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

**Marketing - Meaning And Definition**

Marketing is a function which assesses consumer needs and then satisfies them by creating an effective demand for, and providing the goods and services at a profit. It involves identifying the needs and wants of consumers, translating these into products and services and achieve transfers of ownership of products and enjoyment of services in a better way than the competitors do. A furniture company, for example, expects its marketing
experts to provide information on consumer preferences as to furniture types and styles, the location of prospective buyers, and the relative strengths and weaknesses of competitors' products; tell prospective consumers about its products and where to buy them; make furniture available where consumers can buy them conveniently, and provide recommendations on prices that will sell the products and yield a satisfactory profit. Marketing plays the same basic role for all producers of goods, whether they produce steel for industrial buyers, pencils for school children or fresh fruits and vegetables for household consumption.

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

As per the definition put forth by Paul Mazur "marketing is the delivery of a standard of living to society". As it is consumer oriented, this definition has much to recommend. It stresses marketing's major function of satisfying society's desire for material goods and services. Product planning falls with in this definition because a vital factor in delivering to society its desired standard of living is the interpretation of the products and product features it demands. In essence, this definition makes the entire business firm, a marketing organization, because its every action should be directed toward satisfying some needs or desires of the society. This definition, however, fails to clarify the nature of activities included in marketing.
Ray. R. Eppert defined marketing from the viewpoint of the firm. According to him "It is marketing's responsibility to generate revenue at a cost that will allow a profit to be realized from operations". Under this definition of marketing, any activity connected with obtaining income is a marketing action.

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

Clarence, E. Eldridge, in his series of sixteen essays on marketing made an interesting combination of the standard of living and revenue definitions when he said "Marketing is ascertaining, creating and satisfying the wants of the people and doing it at a profit." According to Huegy and Mitchell "Marketing is the performance of business activities that direct the flow of goods and services from the producer to consumer or user". As per this definition all activities that are undertaken to facilitate the flow of good and services come under marketing.

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

Marketing has been defined by Stanton and Futrell as "a total system of business activities designed to plan, price, promote and distribute want satisfying products, services and ideas to target markets in order to achieve organizational objectives".
According to Kotler Marketing is "a human activity directed at satisfying needs and wants through exchange processes".\textsuperscript{17}

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

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

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

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

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

**Promotion - Meaning And Definition**

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

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

1. Advertising is any paid form of non-personal communication and promotion of ideas, goods or services by an identified sponsor. Although some advertising is directed at specific individuals, most advertising messages are tailored to a group and use mass media such as radio, television, newspapers and magazines and outdoor.

2. Personal selling is the interpersonal communication with one or more prospective purchasers for the sake of making sales. Examples include sales calls to business by a field representative (field selling), in store assistance of a salesman (retail selling) and representative calling at homes (door to door selling).

3. Public relations is a coordinated attempt to create a favourable product image in the mind of public by supporting certain activities or programmes, publishing commercially significant news in a widely
circulated medium, or obtaining favourable publicity - that is, favourable presentations on radio, television or stage that are not paid for by the sponsor.

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

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

Sales Promotion - Meaning and Definition

People often confuse 'Sales Promotion' with the broader term 'Promotion'. Promotion is one of the four major elements of a company's marketing mix, the others being 'Product' 'Price and 'Place'. 'Sales Promotion' consists of those marketing activities other than personal selling, advertising and publicity that stimulate consumer purchasing and dealer effectiveness such as price offs, premium offer, gifts, coupons, displays, shows and expositions, demonstrations and various non recurrent selling efforts not in the ordinary routine. Every thing that we commonly think of as advertising, but which do not use mass media falls in to the category of sales promotion. Sales promotion is used to motivate consumers at the point of purchase.
What is left over after one account for advertising, personal selling and public relations was viewed as sales promotion once (three decades ago). In the ensuring years, definitions were developed by looking at what sales promotion agencies did. John F. Luick and William L. Ziegler define. "'Sales promotion' includes those activities which enhance and support mass selling and personal selling and which help compete and/or coordinate the entire promotional mix and make the marketing mix more effective". As per this definition sales promotion is only an ancillary element of the promotional strategy, less important than advertising and personal selling. This perspective is no longer valid. Sales promotion has grown substantially in recent years. Donnelley Marketing estimates that spending on sales promotion hit $135 billion in 1989. This amount is greater than the amount spent on media billing. More promotion dollars are being spent on sales promotion than on advertising (65% verses 35%). Sales promotion is growing at a 9% annual rate while the growth rate for advertising is approximately 6%.

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

**Importance and relevance of the study**

Various sales promotion devices are seen used by the marketers of Fast Moving Consumer Goods as well as durable in order to motivate consumers. They offer strong incentives by providing inducements or contributions that
give additional value to consumers. Sales promotion tools are used by companies to create stronger and quicker responses. The most distinguishing characteristic of sales promotion when compared to advertising is that they have immediate and quantifiable effects. While managers might disagree on the strategic value of sales promotion, most will agree that they typically represent the largest share of the total promotion target. In the opinion of Philip Kotler where as advertising says "buy our product", sales promotion says "buy it now". But he also explains that sales promotion effects are short lived and sale promotion tools are not effective in building long run brand preference.

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

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

There are rival hypotheses about the asymmetry of consumer response to price deviations, which are based on a variety of factors such as innate
psychological reaction to gains versus losses (Kahneman and Tversky, 1979. Ulil and Brown, 1971), switching costs (Bultez, 1975) and regular versus impulse purchases (Kalwani, Rinne and Sugita, 1986).

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

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

**Scope and Coverage of the Study**

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

**Statement of the Problem**

Sales promotion constitute a major share of promotion expenditure for packaged goods manufacturers than advertising does. Currently the ratio of sale promotions to advertising is approximately two to one. In many frequently purchased product categories more than 50% of the total sales volume is sold on promotion. Trade promotions account for 50% of $70 billion budget of consumer packaged goods manufacturers in the whole US. Forbers (1991) also reports an increase in consumer and trade promotional
spending for consumer packaged goods manufacturers from 50% to 75% of marketing budgets during 1985-90.\textsuperscript{33} It is a fact that price promotions in consumer packaged goods market have been growing rapidly in the last decade.

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

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

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

Promotions are being used with increasing frequency by marketers facing highly competitive markets which is causing concern among some marketers who feel that frequent promotions can hurt a brand. Two potential negative effects of promotions that have been mentioned are an increase in
price sensitivity and a decrease in brand loyalty. The literature, however, does not provide concrete empirical evidence regarding such effects.

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

Objectives of the Study

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

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

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

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

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

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

Hypotheses

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

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

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

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

4. All consumers, irrespective of their gender, income level and place of domicile, consider alike the importance of the various factors affecting the purchase of beverages.

5. Price changes do not have any impact on Consumer Brand Choice in the case of beverages.
6. Frequent sales promotion offers do not have any impact on Consumer Brand Choice.

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

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

Methodology

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

Source of secondary data

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

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

Primary Data

Since most of the information necessary to fulfill the objectives of the study are not available from secondary source, the researcher mainly based
his study on relevant primary data collected by conducting a field survey from the selected sample respondents in Kerala.

**Sample Design**

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

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

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

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

From Thiruvananthapuram
Urban - Thiruvananthapuram
Rural - Chirayan Keezhu

From Malappuram
Urban - Malappuram
Rural - Thirurangadi

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

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

**Method of data collection**

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

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

**List of Variables analysed**

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<th>Purpose</th>
<th>No. of Variables</th>
<th>Sl. No.</th>
<th>Name of Variables</th>
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<td>To prepare the profile of respondents</td>
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<td>To analyse the consumption habits of consumers as regards beverages</td>
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<td>Rate of consumption of beverages</td>
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<td>Level of awareness about the various sales promotion strategies</td>
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<td>Attractiveness of sales promotion strategies</td>
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<td>To study the impact of promotional tools on consumer behaviour</td>
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<td>Role of various sales promotion tools in creating brand awareness</td>
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<td>Role of various sales promotion tools in creating Trial Purchase</td>
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<td>To identify the factors affecting purchase of beverages</td>
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<td>Role of sales promotion strategies in creating brand loyalty</td>
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<td>Price of the product</td>
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<td>Quality of the product</td>
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<td>Taste</td>
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<td>Offers</td>
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<td>Brand Image</td>
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<td>To identify the factors preventing consumers from purchasing 'high price high quality' brands</td>
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<td>Non availability of the brand</td>
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<td>Promotion Offers</td>
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<td>8 To analyse the factors which attracted the consumers to prefer the present brand</td>
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<td>9 To study the response of consumers towards sales promotion strategies of new comers</td>
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<td>10 To study the impact of price oriented and non price oriented promotions on consumers' price sensitivity and their brand loyalty</td>
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| Intentional hike in the price of the product before introducing a promotional offer |
| Reluctance on the part of retailers to give the offers to the final consumers |
| Quality of the brand |
| Cheapness of the brand |
| Brand Image |
| Attractiveness of packaging |
| Influence of Advertisement |
| Attractiveness of offers |
| Other reasons |
| Attractive gifts and compliments |
| Reduced price/premium |
| Attractive packets |
| Impact of price oriented promotions on consumers' price sensitivity |
| Impact of non price-oriented promotions on consumers' price sensitivity |
| Impact of price oriented promotions on consumers' brand loyalty |
| Impact of non price oriented promotions on consumers' brand loyalty |
### Tools used for data analysis

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<tr>
<th>Sl. No.</th>
<th>Tools Used</th>
<th>Purpose</th>
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</table>
| 1.      | Standard Deviation and coefficient of variation | (a) To study the attractiveness of sales promotion offers  
(b) To study the role of various sales promotion tools in creating brand awareness  
(c) To study the role of various sales promotion tools in creating trial purchase  
(d) To study the role of various sales promotion tools in creating repeat purchase  
(e) To study the role of various sales promotion tools in creating brand loyalty  
(f) To identify the factors affecting the purchase of beverages  
(g) To identify the factors which attract the consumers to prefer the present brand |
| 2.      | Mode       | To assess the level of awareness of consumers about the various sales promotion strategies and to test the perception of consumers about the various aspects of sales promotion strategies |
| 3.      | Chi-square test | To test the statistical significance in various cases |
| 4.      | t-test     | To test the statistical significance in various cases (In gender wise and domicile wise analyses) |
| 5.      | ANOVA      | To test the statistical significance in various cases (In Income wise analysis) |
| 6.      | DUNCAN test | To test the significance of differences in the attitudes of consumers pertaining to the various aspects of sales promotion strategies of marketers |
Classification of data

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

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

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

Limitations of the study

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

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

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

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

**Chapter Scheme**

The whole study is structured in five chapters.

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

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

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

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

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


