ABSTRACT

Retailing in India records best growth rate globally holding the second position in population with both local and international players attempting to penetrate Indian market with greater force. In retailing the traditional food, beverages, and grocery market have seen the growth in number of chain stores, supermarkets, hypermarkets and convenience stores. In this study the retail outlets were classified based on Location wise(Urban, Semi-Urban, and Rural), Size of the outlet, Years of Establishment and Ownership Type (Owned, Rented and Leased). The retailers were classified based on Family Background (Agriculture, Retail, Business and Employed), Education(School Level, Diploma, UG, PG and Above PG) and Position of the respondent in the Retail Shop(Owner, Manager, Others).

In this study trade promotion methods and schemes were analyzed for the FMCG products under the major classification as Personal care, House-hold care, Packaged food & Beverages and Health Care. These study includes trade promotion methods like sales-contests, couponing, freebies, displays, premiums, gifts, samples, rebates etc., From these , the schemes for FMCG products were grouped in to four major categories, Quantity Based Discount Scheme, Trade Allowances, Trade reward contests and Trade support by Branding.

As there exists the least number of studies related to retailers preference of promotional schemes the study was undertaken to evaluate the effect of various promotional schemes for retailers with respect to the category of products in FMCG industry. The research findings showed that nearly half of the retail outlets were located in urban and another half of the outlets were located in a rural location. The presence of retail outlets based on their store size was observed to have a wide spread in both urban and rural locations. Among which small-sized stores(less than 300 square feet) and above average sized stores(601 to 1200 square feet) were observed to be having more presence.

Most of the retail outlets were established more than six to twelve years before, with enough market experience were in larger volume, they might have an understanding of the net benefit calculation from the provided schemes. The type of the outlets in the study was mostly in the organized category even in rural areas. As the majority of the retail outlets were rented profitability from the sales of the products and trade scheme benefits were given important while making the purchase of the products. Majority of the respondents were from family with business background and having college-level education with enough estimating ability in ordering products and preference of trade promotion schemes.

Retailers irrespective of their retail location, size, and type of outlets have expressed their higher preference level to Quantity Based Discount Scheme followed by Trade
Allowance Scheme. According to FMCG retailers, Trade Reward schemes and Trade Support by Branding Schemes might not give immediate profitability and push products to customers slowly. Majority of the respondents were expressed their interest to receive the benefits of the scheme immediately along with the product purchase. From the analysis of the study with respect to objectives, it is found that the FMCG Product categories created no significant differences in perceived consumer response but have significant differences in Influence on consumers. The Scheme and interaction category creates no significant differences in either perceived consumer response or influence on consumers.

In channel related characteristics, scheme, product and interaction categories found significant relationship with respect to location of the retail outlets and family background of retailers. Another significant finding from the study is the existence of relationship is noticed in product and interaction category but not in scheme category with respect to demographic factors considered.

In profitability related characteristics, product and interaction categories recorded significant relationship with the retailers' scheme preference with respect to location of the retail outlets while only scheme category shows relationship with non-business background retailers. But their exists significant relationship with all the categories of the study with the scheme preference of retailers' with business background.

Considering product categories, mostly high positive evaluation rating are found in Food and Beverages category but very less evaluation rating with Health care category with respect to retailers' scheme preference for FMCG products. This study creates a different dimension to manufacturers for designing the trade promotion schemes for effective marketing of FMCG products. The findings from this study suggests the FMCG manufacturers that they shall standardize and customize certain trade promotion schemes according to the product and retail characteristics to optimize the budget and for effective retailing.