CHAPTER 5
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FINDINGS AND CONCLUSIONS

The study was carried out with an objective to access the impact of sales promotion on brand choice in various product categories and to study the difference in impact due to regional differences. Analysis of the data collected led us to the following overall findings and conclusions.

5.1 Sources of Information

Companies need to communicate about the incentive offer so as to get the return on the money spent for giving incentive. Effectiveness of the communication programs depends upon the media used to disseminate information. Thus, it is important for any marketer to know the effective media to ensure that the sales promotion offer does not go unnoticed by the potential customers. The collected data indicate that TV and newspapers are the major and effective media to disseminate information about sales promotion in both Gujarat and Saurashtra region.

5.2 Brand loyalty

In present work, an attempt was made to know the products in which customers prefer to change the brand (i.e. variety seeking behaviour) frequently and the products for which the brand shift is low (i.e. loyalty behaviour). It was observed that, irrespective of the region, in case of personal care products and noticeably in case of tea, the hesitation to shift the brand is more and therefore customers resist changing brand. In case of personal products the brand shifting is more. It could be concluded that people avoid experiments with the products which may have direct impact on health and beauty and the products for which customers are habitual or have addiction (e.g. addiction to the taste of a particular brand of tea). Variety
seeking is more prominent in products which are purchased more upon the design of the products, life style and fashion trends.

5.3 Decision maker for the selected product categories

Coming to the role played by family members and the influence of various members of family in purchase decision making, following conclusions were drawn for selected product categories on the basis of information collected for the study:

5.3.1 Personal Care Products

In Gujarat region the extent of influence of mother in brand choice is significantly high as compared to father and children whereas in Saurashtra region, both mother and children have significantly high influence in brand decision making for personal care products. The extent of influence of children in brand decision making in personal care products was found to be more in Saurashtra region as compared to Gujarat region. Also it was observed that in case of certain specific personal care products, like shampoo and talcum powder that may be used by customers of all ages, children’s impact is high on brand decision making. Thus it can be concluded that a lady of a family has major influence in deciding the brand of personal care products and certain personal care products like shampoo and talcum powder should also be targeted equally to children.

5.3.2 Food Products

Food products are mainly decided by the lady of the family except in case of biscuits and energy drinks where children’s choice also has a high impact on brand decision making.

5.3.3 Durable Goods

It was concluded from the analysis of collected data that the male member in a family has majority say in brand decision making in case of durable goods while female member of a family has more influence in the
purchase decision making of the durable goods which are ultimately/ mainly used by them.

5.3.4 Personal Products

Decision of brand for purchase of personal care products like watches is generally decided by father in a family whereas the second major influence was found to be that of children. In case of products such as clothing and footwear, the brands are decided by individuals who will be the end users.

5.4 Age Group of Decision Maker

In our study an attempt was made to know the age group of the major decision maker in selected product categories. This information can be used by the marketers in classifying their customers on the basis of customer's age and targeting customers in the age group who play major role in purchase decision making. Following conclusions were drawn based on the data collected for the study.

5.4.1 Personal Care Product

In majority of cases the brand decision making for personal care products are taken by customers of age group 35-50 years in both the region. The second most influencing age group was that of 20-35 from Gujarat region whereas in Saurashtra region it was less than 20 years. In case of personal care products which are used for external beauty like shampoo and talcum powder, customers of age group less than 20 years have high impact on brand decision making.

5.4.2 Food Products

In food product category, it was found that in majority of the cases brand is decided by people of age group 35-50 and that of less than 20 years. In case of tea and coffee, purchase decision making is generally done by people of age group 35-50, whereas in case of biscuits and snacks major influencer in brand decision are the customers below 20 years of age.
5.4.3 Durable Goods
In durable goods category the major influence in purchase decision making were found to be that of people from age group 35-50 years in both the region.

5.4.4 Personal Product
The impact on purchase decision making was not found to be significantly high for customers of any of the age group among less than 20, 20-35 and 35-50 years suggesting that companies in personal product segment can target customers of these age groups indiscriminately. Customers of age group less than 50 years have less impact on decision making as compared to other age group and targeting them may not lead to much gain from the promotion offers.

5.5 Brand Shift under the Influence of Sales Promotion
One of the objectives of the study was to assess the impact of sales promotion strategies on different product categories. Sales promotions induce customers to buy products due to directly associated benefits. An attempt was made to know how many respondents have purchased products due to sales promotion offers. The data collected was used to conclude the difference in the customers’ response to sales promotion schemes for different product categories. It was also used to see the difference in the consumers’ response due to regional differences. A hypothesis “People respond more positively to sales promotion schemes in case of non durables as compared to durable goods” was framed to judge difference if customers’ response in different product categories.

Chi- Square test was applied to check any difference in the response to sales promotion offers in different product categories. The test was applied separately for both the region (ref table 4.9 and 4.14) at 5 percent significance level. It was concluded that there is a significant difference in the customers’ response to the sales promotion offer for different product
categories in both the region. Clubbing the chi-square values with the frequencies of respondents who were interested in shifting the brand under the influence of the sales promotion, it can be statistically concluded that the hypothesis is true.

It was observed that the sales promotion offers are more successful in attracting customers from Gujarat region in case of personal products and food products. The resistance to shift was observed maximum in case of durable goods followed by personal care products, food products and was least in case of personal products. There is no significant difference in the response to sales promotion for the personal care, food and personal products by the customers from Ahmedabad, Baroda and Surat but in case of consumer durable category, customers of Ahmedabad are more responsive to the sales promotion schemes as compared to Baroda and Surat.

In case of Saurashtra region, the proportion of respondents who shifted brand due sales promotion offer was less than those who did not shift except in case of personal products. However, in case of Gujarat region it was only in case of durable goods where the proportion of respondents who shifted under the influence of promotion offer was less than those who did not shift. Thus it can be concluded that customers of Gujarat region are more responsive to sales promotion offers as compared to Saurashtra region. It can be concluded that the most favourable response to sales promotion offer in Saurashtra region can be obtained in personal products followed by personal care products, consumer durables and food products.

It was also observed that the response to sales promotion schemes is different for the cities within Saurashtra region. The positive response was observed maximum in case of Rajkot, followed by Bhavnagar whereas in case of Jamnagar it was least. Also, the pattern of response from Rajkot, a developed part of Saurashtra region was similar to that of cities of Gujarat region.
It was also observed and concluded that the customers who purchase a brand with a strong USP (unique selling Proposition) (example Dove, Dettol soap) are less prone to shifting brand as compared to products offering a normal products.

5.6 Shift Back

One of the disadvantages of sales promotion is that customers stop purchasing products they buy under the influence of sales promotion offer once the company stops offering incentive. Thus one of the objectives of the study was to identify the role of sales promotion schemes in motivating the customers in brand switching.

On the basis of the data collected it was concluded that around 50 percent of the customers who purchase products due to incentive offer in Gujarat region stop purchasing a brand once the sales promotion schemes get over. Whereas proportion of respondents who shift permanently and continue to purchase even after lifting of the incentive offers is more in case of personal care products and consumer durables this proportion is around 20 percent. The proportion of customers who were indecisive was significantly high in all product categories to the extent of 30 percent. Within the region the proportion of customers who responded positively for the continual use of promoted product was high in Ahmedabad as compared to the regional average whereas it was low in case of Surat.

High proportion of customer response for having shifted back to other brand (with the lifting of incentive offer in the brand purchased under the promotional influence) indicates that customers have become deal loyal rather then brand loyal. These percentages were calculated only out of the respondents who generally purchase under the influence of the incentive schemes and not out of total respondents surveyed. [Illustration: if 20 percent of the respondent have purchased product due to sales promotion offer, and of these 50 percent shift back to the previous brand then effective
proportion of customers shifted brand is 0.2 X 0.5 i.e. 0.1 (10 percent)]. Thus it can be inferred that the sales promotion strategies have failed to give significant long term boost to any brand and that the probability of permanently attracting customers of rival brand is very low.

5.7 Impact of Age Group on the response to Sales Promotion

Age is one of the prominent factors used for segmenting the customers. The other objective of the research study was to find influence of sales promotion on different age groups.

In case of Gujarat region it was observed that as compared to customers of age group 35 and above, the customers of age group below 35 years are more prone to purchasing brand offering sales promotion incentives. Similarly higher age group people were found to be more brand-loyal as compared to lower age group customers.

In case of Saurashtra region, except personal care products, brand shifting under the influence of sales promotion was observed to be highest in case of age group below 20 years followed by customers of age group 20-35. In case of personal care products customers of age group 20-35 responded more positively as compared to other age group. It was concluded that except for personal products, customers of age group 35 and above are more resistant to brand shifting due to incentive offers. The resistance to shift brand was found to be more in case of higher age group customers except for the personal care product category.

Chi-square test applied to test the significance of difference in response to sales promotion schemes by the respondents from Gujarat region for different product categories. This was applied separately on data collected from respondents of different age group considered for the study. It was concluded that customers from any age group except 20-35 respond differently to sales promotion offers in different product categories, whereas
in Saurashtra region customers of all the age group respond significantly different to sales promotion offers in different product categories.

Chi-Square test was also applied to test if the response of the respondents from different age group to sales promotion schemes was different for the same product category. Significant difference was found in the influence of sales promotion on customers of different age group for all product categories except personal products where no significant difference was found in the influence of sales promotion. In case of Saurashtra the difference was significant for all the product categories.

5.8 Impact of Gender on the Reaction to Sales Promotion

5.8.1. Gujarat Region

Comparing the proportion of 'Yes' or 'No' responses to buying a promoted brand from female respondents, it was concluded that maximum possible influence of sales promotion can be obtained in case of personal products, followed by food products, personal care and consumer durable products in that order.

In case of male respondents maximum possible influence can be obtained in case of personal products, followed by personal care, food products and consumer durables in that order.

5.8.2. Saurashtra Region

Significant difference was observed in the influence of sales promotion offers on different product categories in case of both male and female are different. It can be concluded that both male and female respond differently to sales promotion offers in different product categories.

On the basis of responses obtained from the female respondents, it can be concluded that maximum possible influence can be obtained in case of personal products, followed by consumer durable, personal care and food products in that order.
In case of male customers as per the responses obtained it can be concluded that maximum possible influence can be obtained in case of personal care products, followed by personal products, consumer durables and food products in that order.

To see if the impact of sales promotion schemes is different on male and female customers for same product category, chi-square test was applied separately on the responses obtained for different product categories. It can be seen from tables 4.34 that chi-square statistic for all the four product categories fall in acceptance region. In Gujarat region it can be concluded that there is no significant difference in the influence of sales promotion on male and female (gender) of Gujarat region for a specific product category.

In case of Saurashtra region there was no significant difference in the influence of sales promotion schemes on male and female respondents in case of food products and consumer durables, whereas the impact is different in case of personal care products and personal products (Table 4.40). Data led to the conclusion that male are more responsive to sales promotion offers in case of personal care products, whereas in case of personal products female get more influenced by sales promotion.

Thus one of the hypothesis of the study (Women are more responsive to sales promotion scheme) stands wrong in case of Gujarat region as per the data collected for the study.

The hypothesis also stands false in case of Saurashtra region for food products and consumer durables. But in case of personal products the hypothesis is true.

5.9 Preferred Sales Promotion Schemes

5.9.1 Gujarat Region

In Gujarat region applying Pareto analysis the most preferred sales promotion schemes identified for different product categories are off, quantity discount and free sample (personal care products); price off,
quantity discount and free sample (food products); price off, gifts and lucky coupon (consumer durable) and price off and gifts (personal products).

5.9.2 Saurashtra Region

In Saurashtra region applying Pareto analysis it can be concluded that most preferred sales promotion schemes for various product categories are price off and quantity discount (personal care products); price off and gifts (food products); price off, gifts and scratch cards (consumer durable); and price off and gifts (personal products).

5.9.3 Regional Difference

To assess regional differences in the preference for sales promotion schemes in different product categories was one of the objectives of the study. Chi-square test was applied to test the regional differences in the preference for the sales promotion schemes by the respondents of two regions for same product category (Table 4.55-4.58). It was observed that the level of preference for various sales promotion schemes for personal care products, food products and consumer durables are significantly different, whereas there was no significant difference in the preference for sales promotion schemes for personal products.

5.10 Gender-wise Preference for Sales Promotion Schemes

5.10.1. Personal care products

Applying Pareto analysis for Gujarat region, it can be concluded that in 80 percent of the cases female customers prefer Price off, quantity discount and free sample with personal care products, whereas male customers prefer quantity discount, price off and cross promotion. In Saurashtra region, preferred sales promotion schemes with personal care products for female customers are price off, quantity discount and free sample, whereas for male customers it was price off and quantity discount.
5.10.2. Food products

Female customers from Gujarat region preferred price off, gifts and quantity discounts whereas their male counterpart preferred price off, gifts, quantity discounts and lucky coupon.

In Saurashtra region it was observed that female customers preferred price off, gifts and free samples as an incentive offers with food products, whereas male customers preferred price off, gifts and quantity discount.

5.10.3. Consumer Durable

In case of both male and female customers from Gujarat region, preferred sales promotion schemes were price off, gifts and lucky coupon in that order. Female customers from Saurashtra region preferred price off, gifts, scratch cards and lucky coupon while male customer preferred scratch card, gifts, price off and lucky coupon in that order.

5.10.4. Personal Products

Female customers from Gujarat region preferred price off as an incentive offer whereas male customers preferred price off, gifts and cross promotion. Female customers from Saurashtra region preferred price off and gifts as an incentive offer whereas male customers preferred price off, gifts and scratch cards.

5.10.5. Gender Differences

Chi-square test was applied at 5 percent significance level to test the difference in the preference for sales promotion schemes by male and female customers. Test was applied separately on the responses obtained for different product categories. Calculations for the $\chi^2$ statistics are given in table no 4.47 to 4.50 for Gujarat region and table no 4.51 to 4.54 for Saurashtra region. It was concluded that there is no significant difference in the level of preference for various sales promotion offers by the male and female customers for any product category.

In congruence with the above objectives, an attempt was made to test following hypotheses:
Hypothesis: “Different sales promotion schemes are preferred in different product categories by customers”

Chi-square test was applied at 5 percent significance level separately for both the region to test if the preferred sales promotion schemes are different for different products categories. It was found that there is a significant difference in the preference for various sales promotion schemes for different product category in both the region. Thus the hypothesis stands true.

Hypothesis: “People respond more to monitory promotions than non-monitory promotions”

Price off and quantity discounts can be categorised as the monitory promotions as there is direct money saving to the customers under these two promotional strategies. It was observed that irrespective of the product categories, price-off was the most preferred sales promotion scheme of the customers of both the regions. Thus it can be concluded that the assumption that the monitory promotions are preferred over non monitory promotion is correct.

Some of the major outcomes of the study are:

1. Customers prefer to shift brand mostly in case of personal products, whereas they are hesitant in case of durable goods and personal care products.

2. Customers of personal care product brands having strong USP (unique Selling Proposition) are loyal to brand.

3. In case of personal products majority of customers are deal loyal.

4. Irrespective of the product categories monetary incentives are preferred over non monetary incentives.

5. Attractiveness of SP schemes other than monetary scheme is different for different product categories.

6. Influence of sales promotion on male and female customers is same for a product category.
7. Sales promotion in all the product categories does not influence male and female customers equally.

8. Customers of higher age group get less influenced by sales promotion offers to shift brand.

9. Customers are getting deal loyal. With the lifting of promotion offers almost 50 percent of the customers shifted back to their original buying behaviour.