A STUDY OF IMPACT OF SALES PROMOTIONAL ACTIVITIES ON PERFORMANCE OF BATH SOAP (A CASE OF SOLAPUR CITY)

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ABSTRACT

The study reflects that the use of sales promotion undeniably has increased over the years in India. Future holds lot of promise for such schemes across wider range of product-markets. Sales Promotion has ceased to be major differentiator at least in the Small Cities, with almost all companies offering similar freebies and gifts. As a result now marketers have to find out some innovative ways of sales promotion to differentiate from competitors. Currently Price off and Bye one get one free offers are very effective to attract the consumers towards the products. With the increasing number of supermarket, the branded packaged goods work as silent sales person. So in such stores, sales promotion plays a more effective role in stimulating consumers’ demands. The sale of goods which contain large quantity and having big packaging e.g. detergent are stagnating because consumer prefer to buy small pack goods, the reasons are: small pack goods reduce risk of bad quality, It had low cost or say price, and last but important factor i.e. mentality to purchase just to try first. Sales of small pack goods are quite high, but from the company’s point of view small pack goods is less profitable compare to large pack goods. So here marketer tries to increase sales of large pack goods by using sales promotion tactics like price off and percentage extra.

Keywords: Sales, schemes and bath soap.

INTRODUCTION

The importance of consumer sales promotion in the marketing mix of the fast moving consumer goods (FMCG) category throughout the world has increased. Companies spend considerable time in planning such activities. However, in order to enhance the effectiveness of these activities, marketers should understand consumer and retailer interpretations of their promotional activities. The study here pertains to consumer’s perceptions regarding sales promotion. Some past researches have suggested that promotion itself has an effect on the perceived value of the brand. This is because promotions provide utilitarian benefits such as monetary savings, added value, increased quality and convenience as well as hedonic benefits such as entertainment, exploration and self-expression (Aradhna et al., 1991 and Huff and Alden Dana. 1998).

Promotion is one of the important elements of marketing mix. There are so many elements of promotion such as, Advertising, Direct Marketing, Public Relations and Sales Promotion. Traditionally, sales Promotions have been used by marketer to increase sales in the short term (Page Moreau et al., 2001). However, in the last few decades this communication tool has evolved and now is considered from a strategic point of view. For this reason, it is necessary to realize new studies in this area and study how consumers evaluate sales promotions. Sales promotions have grown in both importance and frequency over the past few decades. Although an accurate estimate for total sales promotions expenditures does not exist, we can be sure that the trend is up. Sales promotion serves three essential roles: It informs, persuades and reminds prospective customers about a company and its products. Even the most useful product or brand will be a failure if no one knows that it is available. As we know, channels of distribution take more time in creating awareness because a product has to pass through many hands between a producer and consumers. Therefore, a producer has to inform channel members as well as ultimate consumers about the attributes and availability of his products (Barbara and Raju, 1991 and Kotaer Phillip, 1997). The second purpose of promotion is persuasion. The cut throat competition among different products puts tremendous pressure on their manufacturers and they are compelled to undertake sales promotion activities. The third purpose of promotion is reminding consumers about products availability and its potential to satisfy their needs (Strang Roger, 1976). From these elements Sales Promotion is the element which is in the focus of this project. Further Sales Promotion is quite broad term it includes Consumer Oriented Sales Promotion and Trade Oriented Sales Promotion.

METHODOLOGY OF THE STUDY:

Following is the proposed Methodology of the Study...
Population: Research is intended to study the impact of sales promotional activities on the performance of Bath Soap in Solapur city. Population of research is confined to consumers and retailers who are residents of Solapur city.

Sample Plan: The geographic territory is restricted to Solapur city. Samples for each population are selected as per convenience sampling method (as per their availability and willingness).

Sample Size:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Respondent Class</th>
<th>No. of Respondent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Consumers</td>
<td>100</td>
</tr>
<tr>
<td>2</td>
<td>Retailers</td>
<td>100</td>
</tr>
</tbody>
</table>

Methods of data Collection:

Primary Data: First-hand and primary information will be collected with the help of well-structured Questionnaire along with formal interview.

Secondary Data: Secondary data will be collected from:
- Published literature in magazines, journals, and newspapers.

Method of Study:
- Nature of investigation: Exploratory
- Type of Questionnaire: Well-structured Objective type and probing Questionnaire
- Techniques Applied: To collect personal views and to investigate the practical aspect, formal interview and observation techniques are used.

Method of Analysis: The information collected during data collection both quantitative and qualitative will be coded first, and tables will be generated, analyzed, and interpreted with the help of excel sheets in computer. On the basis of findings based on tabulated information and observation, the conclusion will be drawn which will help the researcher to give suggestions.

DATA ANALYSIS

ANALYSIS FOR CONSUMERS

Graph 1

Consumers when asked whether they purchase the same brand regularly, 62% of consumers are changing their brand regularly and only 38% consumers are loyal with their brand so, it is found that majority of consumers are not loyal with their brand due to several reasons.

Graph 2

From the above graph it is observed that 72% of the customer considers promotional scheme while purchasing Bath Soap whereas only 28% of consumers are not giving importance to promotional scheme while purchasing Bath Soap. Consumers are giving more importance to promotional schemes while taking purchase decision.

Graph 3

From the above graph it is clear that 39% of consumers come across price off promotional scheme followed by Extra Quantity (20%).

Graph 4

From the above graph it is clear that most (65%) of the Consumers are ready to switch over to Product other than their choice if they will get attractive promotional scheme.
ANALYSIS FOR RETAILERS

Graph 5

As per retailers opinion 85% of Consumers are giving preference to promotional scheme while purchasing product.

Graph 6

From the above graph it is clear that Most of the companies are giving (33%) Credit facility promotional scheme followed by Extra margin (28%) and Extra Units (20%).

FINDINGS

Sales Promotion, a short-term inducement, offered to a consumer or trade has gained momentum as a promotional tool world over. It represents nearly three fourth of the marketing budget at most consumer product companies. Sales promotions can enhance consumers’ self-perception of being “smart” or a “good” shopper.

➢ Bath Soap are such a market where the level of loyalty remains low and this is because of many reasons.

➢ Schemes always attract more and more consumers towards particular brand. Simultaneously it gives idea about the factors which consumers look most in the product before they make final decision.

➢ Price off and extra quantity is the two main offers/schemes which consumers have came across at the time of purchase.

➢ People are ready to switch over to another brand if they find better promotional schemes which suits their budget means more qyt. + less cost + quality.

➢ Extra quantity with less or same price, more satisfaction, quality and other factors influence consumers to switch over too other brands.

➢ Customers are looking for any type of the promotions on the product before them going to purchase.

➢ NIRMA is mainly offering credit facility which is offered by all major players it may differ in the time limit of the credit.

SUGGESTION AND CONCLUSION

The findings of the study indicate that unless the brand to be promoted is in the consideration set of the consumer, sales promotion by itself is unlikely to have any major impact. Clearly this shows that managers need to invest into brand building exercise so that his/her brand appears in the consideration set of the target consumers. Only after this should he spend time, money and energy on sales promotion activities. Sales promotion should not be used in isolation but need to be integrated with other tools and in line with the overall positioning of the brand. Also the importance of the role of mass media came out clearly in the study. Companies need to create sufficient awareness about sales promotion schemes through mass media in order to create awareness. FMCG products are low involvement products characterized by switching behavior. Also the person going to the shop for the purchase of soap is the final decision maker of the brand. Hence it is essential that companies need to design attractive, striking, visible POPs for scheme announcements. With respect to nature of scheme, the finding suggested that premium (free gift) was popular with companies. While both retailers and consumers preferred price offs. So it is necessary that the perceived value of a free gift has to be appealing and high for the target consumers.

Repetitive use of the same premium for a prolonged period may have negative effect on the loyal customers. When the company is giving its own product free as premium, it needs to ensure the quality of the product from it as it is likely to jeopardize the image of both its products. The findings exhibited that both the retailers and consumers perceived that sales promotion activities carried out by the companies for increasing sales in short term and clearing excess stocks. What it implies is that companies need to use sales promotion synergistically and communicate so that they provide value to the target audience and enhance brand quality/image perceptions. Companies need to systematize information flow regarding sales promotion activities particularly at dealer and retailer level. Ensuring proper information flow and devising checks and measures to reduce misappropriations and implementation flows should be considered critical aspects for the success of sales promotion activities by the companies. As retailing is fragmented, direct reach by companies is next to impossible. Through dealers and proper feedback.
mechanism, companies keep in touch with the market. From the study it was found that smaller retailers felt neglected and not enthused to implement the schemes, particularly when additional handling, stocking, accounting was required on the part of a retailer without compensatory margins. It can be seen that the retailer and consumer perceptions matched with respect to preferences of schemes, underlying motivations and role of mass media. This implies that the retailer would be a rich source of information about the consumer and the likely response to sales promotion activities. Developing a system to tap such responses from time to time both at retailer and consumer level would be helpful for planning future sales promotion activities. In order to build trust and commitment companies should tap preferences, perceptions of retailers as well as consumers.

REFERENCES:
Global Journal of Arts and Management

List of publications

Global Journal of Modern Biology and Technology (GJMBT)
Global Journal of Arts and Management (GJAM)
Global Journal of Mechanical Engineering and Computational Science (GJMECS)
Global Journal of Engineering and Applied Sciences (GJEAS)

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