

**A STUDY ON THE EFFECT OF SALES PROMOTION ACTIVITIES ON THE
CONSUMPTION OF FMCG WITH SPECIAL REFERENCE TO HYPER BUDGET
SUPER MARKET MANJERI**

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ABSTRACT

Sales are the life blood of a business, without sales there would be no business in the first place; therefore, it is very important that if a business wants to succeed, it should have a sales promotion strategy in mind. The primary objective of a sales promotion is to improve a company's sales by predicting and modifying your target customer's purchasing behavior and patterns. Sales promotion methods are many and these are selected as per the target groups. For this purpose, a sales promotion strategy is to be prepared to achieve the objective effectively. So, most of the companies are depend on sales promotion as it is considered to be effective short-term sales tool.

In recent marketing trends, majority of fast-moving consumer goods companies do consider sales promotion being an integral part of their overall marketing strategies. Generally, FMCG are those goods which require less shopping and decision-making efforts and used directly by end consumer. It may include any kind of goods brought frequently. Today, an average FMCG companies allocate its 74% of all marketing budget in sales promotion. Sales promotion is generally more effective when used with advertising, personal selling and other promotional tools. As there are many companies in the market with products of different brands, the competition in the market is very high; companies are adopting different promotional techniques to make consumer loyal to their product.

KeyWords: FMCG, Sales Promotion

INTRODUCTION

Sales promotion has been characterized as 'an immediate affection that offers an additional esteem or incentive for the product to the sales force, distributors, or the final consumers with the primary objective of making an immediate sales' (haugh 1983). The numerous meanings of sales promotion have a typical perspective: they all include an impermanent and unmistakable adjustment of supply, for a definitive objective of direct

effect on the behavior of the consumer, retailer or sales force. Inside the marketing mix, sales promotion has one of the most grounded effects on transient consumption behavior. Sales promotion in FMCG industries is utilized to make a temporary stimulus on the sales of a brand by making consumer a special offer.

The fast-moving consumer goods sector (FMCG) is seeing developing utilization of sales promotion activities all over the world. The segment is portrayed by products having low unit esteem, requiring continuous buys, purchaser conduct reflecting less devotion, drive purchasing, and low inclusion with respect to a consumer. As the risk of purchase is moderately less contrasted with high involvement buying situation, consumers do wouldn't fret testing distinctive brands while benefiting sales promotion.

So, this project deals with the study on how much consumer are aware about the various sales promotional techniques that are used by the marketers and their satisfaction towards particular promotional strategy of fast moving consumer goods.

IMPORTANCE OF THE STUDY

This study would be significant to understand the effect of sales promotion activities on the consumption of FMCG with special reference to hyper budget super market Manjeri. The study would determine the relevant short term marketing strategy that would have greater effect on increase in sales volume and market share.

The present study is intended to throw some light in to this aspect of the effectiveness of sales promotion in achieving various needs of consumer in purchasing decision of fast-moving consumer goods. It primarily examines the different tools of sales promotion which the consumer like and use most and their ability to initiate trial purchase, motivate brand switching, encourage stocking, and accelerate consumption in the context of budget supermarket Manjeri, one of the famous supermarket in Manjeri.

OBJECTIVE OF THE STUDY

- To study the effectiveness of sales promotion activities on the consumption of fast-moving consumer goods.
- To find out the sales promotional activities carried by budget supermarket.

METHODOLOGY OF THE STUDY

This study is conducted in Manjeri. The sample size of the study contains 50 consumers. Convenient sampling has been used to obtain information from the respondents. Data required for the study is collected by using questionnaire. The statistical tools like ranking, percentage and weighted average were used for analysis.

DATA ANALYSIS

Table 1 –Age wise classification of consumers

Age	No. of respondents	Percentage
15-20	5	10
20-25	21	42
25-30	14	28
30-35	3	6
Above 35	7	14
Total	50	100

Source: primary data

From the above table it is clear that out of 50 respondents, most of them (42%) are from 20-25 age groups, followed by, 25-30 age group. Least of them are from 30-35 age group.

Table 2 Most preferred place of purchase

Place of purchase	No. of respondents	Percentage
Nearby shop	15	30
Fixed shop in the town	4	8

Supermarket	26	52
Co-operative store	4	8
Others	1	2
Total	50	100

Source: primary data

As given in the table 7 people mostly prefer supermarket (26%) for buying their daily requirements. This is followed by near-by shops (30%), fixed shop (8%) and co-operative store (8%). Only 2% are buying from other places.

Table 3 Factor consider for purchase from supermarket

Factor	1	2	3	4	5	Total	Total score	Mean score
ambience	16 (32)	7 (14)	17 (34)	8 (16)	2 (4)	50 (100)	177	3.54
availability	28 (56)	7 (14)	6 (12)	5 (10)	4 (8)	50 (100)	200	4
Brand image	13 (26)	21 (42)	8 (16)	4 (8)	4 (8)	50 (100)	185	3.7
price	27 (54)	8 (16)	6 (12)	5 (10)	4 (8)	50 (100)	199	3.98
others	7 (14)	11 (22)	13 (26)	13 (26)	6 (12)	50 (100)	150	3

Source: primary data

From the table 8, it can be stated that availability of product is the most influencing factor considered for the purchase of products from supermarket. It has the mean score of 4. Out of 50 respondents 56 % consumers gave first rank to availability. It is followed by price of a product. Consumers are not considering other factors .

Table 4 Customers' awareness of promotion scheme

Response	No. of respondents	Percentage
Yes	42	84
No	8	16
Total	50	100

Source: primary data

Table shows that most of the customers (84%) of hyper budget super market consider sales promotion while purchasing. Out of 50 respondents only 8 respondents are not considering sale promotion

Table 5 Opinion about sales promotion

Response	No. of respondents	Percentage
Excellent	4	8
Good	36	72
Fair	7	14
Poor	2	4
Very poor	1	2
Total	50	100

Source: primary data

From above table it is clear that, most of the customers of hyper budget supermarket are happy, sales promotion carried by the budget is satisfiable to them (72%). Out of 50, only few numbers of respondents (3) are not satisfied.

Table 6 Source of information

Radio	12 (24)	4 (8)	3 (6)	9 (18)	6 (12)	16 (32)	159	3.18
News paper	13 (26)	15 (15)	8 (16)	11 (22)	2 (4)	1 (2)	223	4.46
television	14 (28)	14 (28)	11 (22)	5 (10)	4 (8)	2 (4)	223	4.46
Print media	10 (20)	15 (30)	12 (24)	8 (16)	3 (6)	2 (4)	215	4.3
Product label	10 (20)	13 (26)	11 (22)	8 (16)	5 (10)	3 (6)	206	4.12
Friends & relatives	18 (36)	6 (12)	10 (20)	6 (12)	6 (12)	4 (8)	212	4.24

From the above table it is clear that newspapers (4.46) and television (4.46) are the main sources where customers get information about fast moving consumer goods.. It is followed by print media (4.3). Product label (4.12) is the least used source of information.

Table 7 Factors influencing buying of FMCG

Factors	1	2	3	4	5	6	Total	Total score	Total mean
Financial constraints	14 (28)	13 (26)	13 (26)	7 (14)	2 (4)	1 (2)	50	227	4.54
Store loyalty	8 (16)	18 (36)	12 (24)	8 (16)	1 (2)	3 (6)	50	215	4.3
Promotion offers	19 (38)	14 (28)	12 (24)	2 (4)	1 (2)	2 (4)	50	242	4.84
Brand loyalty	13 (26)	12 (24)	18 (36)	3 (6)	2 (4)	2 (4)	50	225	4.5
Variety seekers	8 (16)	10 (20)	16 (32)	7 (14)	5 (10)	4 (8)	50	197	3.94
Time pressure	11 (22)	13 (26)	12 (24)	4 (8)	7 (14)	3 (6)	50	208	4.16

Source: primary data

From the table 15 it is clear that promotional offers (4.84) are the main factor which influences the buying decision of customer. So, a seller can increase his sales of FMCG products by increasing promotional offers. Time is least influencing factor (4.16).

Table 8 Awareness of promotion techniques

Response	No. of respondents	Percentage
Discounts	41	82

Price coupons	27	54
Rebate	9	18
Product bundling	12	24
Gifts	23	46
Free samples	18	36
Trading stamps	5	10

Source: primary data

From the above table it is clear that most of the customers are aware about discount (82%), price coupon (54%), gifts (46%), and free samples (36%). Trading stamps are the least known.

Table 9 Opinion about promotion techniques

Response	No. of respondents	Percentage
Excellent	9	18
Good	34	68
Fair	5	10
Poor	2	4
Very poor	0	0
Total	50	100

Source: primary data

The above table shows that out of 50 samples more than half of the customers are agreeing that sales promotion techniques carried by the budget super market is good. Only few respondents are not agreeing (10%).

Table 10 Sales promotion schemes expected by customers

	1	2	3	4	5	6	7	Total	Total score	Total Mean
Discount	30 (60)	7 (14)	4 (8)	5 (10)	2 (4)	1 (2)	1 (2)	50	301	6.02
Rebate	13 (26)	8 (16)	10 (20)	5 (10)	9 (18)	2 (4)	3 (6)	50	243	4.86
Price coupons	16 (32)	15 (30)	10 (20)	3 (6)	3 (6)	2 (4)	1 (2)	50	278	5.56
Free samples	16 (32)	8 (16)	12 (24)	5 (10)	7 (14)	1 (2)	1 (2)	50	264	5.28
contest	14 (28)	6 (12)	8 (16)	9 (18)	4 (8)	3 (6)	3 (6)	50	231	4.62
gift	13 (26)	8 (16)	15 (30)	3 (6)	3 (6)	3 (6)	5 (10)	50	246	4.92
Trading stamps	3 (6)	11 (22)	5 (10)	10 (20)	5 (10)	1 (2)	15 (30)	50	184	3.68

Source: primary data

From above table it is clear that, most of the customers are expecting to get discount (6.02) from budget. It is followed by price coupon and free samples. So, we can conclude that budget can attract more customers by increasing this type of promotional offers.

Table 11 Influence of sales promotion

Response	No. of respondents	Percentage
yes	36	72
No	14	28
Total	50	100

From above table it is clear that out of 50 respondents 36 respondents are influenced by sales promotion techniques used by the supermarket. Only 14 people are saying no.

Table 12 Importance of sales promotion

Response	No. of respondents	percentage
yes	34	68
no	16	32
Total	50	100

From the above table it is clear that promotional offers are playing a great role in the purchasing of a product. 68% of respondents feel disappointed if there are no sales promotion. From this we can conclude that if a seller provides promotional offer he can enjoy more sales, than a seller who doesn't give any offer.

FINDINGS OF THE STUDY

- The study revealed that most of the customers of hyper budget super market are females (74%)

- Most of the respondents (42%) are between the age group of 20-25
- It has been revealed that most of the educated people are the main users of FMCG.
- 58% respondents are graduates.
- Consumption of the branded FMCG is mainly done by the consumers with low-income group (below 10000).
- Out of 50 respondents, 23 respondents are purchasing products once in a week.
- Consumers like to satisfy their needs from super markets more than any other source.
- Discounts and price coupons are the most familiar promotional offers to the customers. So, sellers need to increase this kind of offers.
- 68% of customers are happy with the promotion offers like discount, price coupons, rebate, gifts etc.
- Among the variety of promotional offers discount is the most expected promotional offer.

CONCLUSION

The research concludes that consumer consumption of FMCG products in relation with sales promotion techniques used by the marketers and majority of them are collecting information from newspaper and television. Only small portion of sample doesn't stick in a brand when there is no promotion offer. The main factor considered is quality and discount are the favourite promotion offer of customers. Promotional offers are playing an important role in increasing sale, selling and brand loyalty. Hence marketers must use this type of promotional techniques to increase sales and their popularity.

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