

## ***Sales Promotion's Influence on Fast-Moving Consumer Goods Products and its Effects on Sales***

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### ***Abstract***

*To advertise their products and services through its salesperson, every firm requires sales promotion and distribution. In today's industry, sales promotion and distribution are critical. So it is critical to understand how far these promotional activities are instilling brand awareness in the minds of customers and persuading them to purchase products and services, as well as the need to improve the quality, innovation, and use of technology in distribution and sales promotions. The study's major goal is to investigate FMCG firms' advertising and promotional tactics for the service offered, as well as to find the most successful sales promotion approach for chosen items promoted by the companies. A sample of 150 respondents was collected for this purpose, and percentage analysis, mean rank, and chi square were used as statistical tools to analyse the data. The conclusion is that the companies have a reach towards the advertisements they make, but some effective measures must be taken by them to make the advertisements more effective in the future.*

***Keywords:*** *FMCG products, Sales Promotion and Distribution, Effect on Sales*

### **INTRODUCTION**

In order to capture the attention of customers in a highly competitive market, organisations are moving their focus from

traditional advertising to new marketing methods and communication platforms. The practise of encouraging a potential consumer to purchase a product is known

as sales marketing. Sales promotion is intended to be used as a short-term strategy to increase sales; it is not intended to generate long-term consumer loyalty. To advertise their products and services through its salesperson, every firm requires sales promotion and distribution. In today's industry, sales promotion and distribution are critical. So it is critical to understand how far these promotional activities are instilling brand awareness in the minds of customers and persuading them to purchase products and services, as well as the need to improve the quality, innovation, and use of technology in distribution and sales promotions.

### **Promotion Concept Development Process:**

- Promotion ideas are never created in solitude. Only with a thorough comprehension of each of the following components of the overall assignment can the appropriate "Concept" be developed.
- Brand or corporate goals
- Marketing Objectives
- Brand Profile, Image, and Personality
- Target Audience Knowledge
- Promotion Strategies

### **Tools of Sales Promotion:**

Sales promotions are short-term marketing methods used by manufacturers to achieve a specific goal, such as expanding market share or encouraging sales during off-peak times. Sales promotions are frequently used as part of an advertising or marketing effort. Price discounts, product freebies, and special trial periods are just a few of the sales promotion methods accessible.

### **Free Samples:**

Free samples are a risk-free option for customers to experience a new product before making a purchase decision. Manufacturers frequently deliver a tiny package of a new laundry detergent to families by postal mail. Coupons are generally included by the company to promote subsequent purchases.

### **Promotional Periods:**

A promotional period entitles a customer to free usage of a product for a set length of time, such as 30 days. Promotional or guarantee periods are used in television infomercials to entice people to buy a product. If the buyer does not cancel or return the product during the promotional time, the consumer is automatically paid or a charge is made to her credit card.

### **Point of Purchase Displays:**

Purchase Locations Displays are utilised in retail businesses to draw a customer's attention. The products chosen may be on sale, but they may also be seasonal or in great demand. The displays are erected in a conspicuous area, such as at the end of an aisle or at the entrance to the store. Signs may also be placed at the product's usual shelf positions by the shop.

### **LITERATURE REVIEW**

Close According to Finney, Lacey, and Sneath (2006), companies use events marketing to achieve a range of goals. Higher brand recognition, better sales, and image enhancement are the most prevalent goals. Dawes (2004) A sales campaign that drew some new users may have a favourable aftereffect if those new customers repurchase later. However, data suggests that there are no long-term benefits for establishment brands. The primary reason is because price promotions frequently attract frequent purchasers, and the tiny number of attracted new buyers has a low likelihood of repeat purchase. According to Hellam (2005), sales promotional efforts that are crucial to a prospect's business might be centred on the product itself. This type of promotion might include free samples, a tour to a manufacturer, free value-added

training, and so on. Because a product makes the strongest sales argument for itself, these many actions are known as intrinsic and are the most direct, economical, and successful strategy.

### **Statement of the Problem:**

Advertising is a component of the promotion or communication mix. Advertising is a short-term inducement to acquire a product or service. Advertising is defined as marketing actions that contribute to the basic value of a product or service for a brief period and directly motivate customer purchase, distributors to carry the product and/or promote the product, or sales force effort via salesperson. Effective advertising boosts sales, earnings, and market share while also improving the organization's reputation. This prompted the researcher to conduct a study titled "A Study on Customer Perception of Advertising Techniques Used by FMCG Companies."

### **Objectives of the Study:**

- Research the advertising and promotional tactics used by FMCG firms based on the service offered.
- To investigate the link between respondents' demographic factors and the services supplied by FMCG firms.

- Determine the most efficient sales marketing approach for chosen items promoted by firms.
- To learn about client satisfaction levels with various brands.

### **Scope of the Study:**

The survey is being done with clients of several mobile network service providers. The study is to examine various sales promotion strategies, customer perception, and the link between FMCG firms' delivery of service and consumer perception. It also examines the best efficient sales promotion strategy for specific items offered by corporations using various tactics.

### **Significance of the Study:**

Advertising merits more serious scholarly study than it frequently receives. It, like psychology, political science, and economics, is concerned with individuals and how they react to their surroundings. Today, advertising is the most powerful force in the world. Firms spend a significant amount of money on advertising to promote their products. Even yet, only a few products succeed. A thorough study should be undertaken to determine why so few individuals utilise a certain product.

## **RESEARCH METHODOLOGY**

To complete any activity, a methodical approach is required. This study's methodology is described in detail here.

### **Type of Study:**

The research was descriptive in nature. Descriptive studies seek to correctly reflect the attitudes or perceptions of a certain group of individuals regarding any circumstance.

### **Source of Information:**

The following sources provided useful data in the subject under research. Primary information: These data were gathered from the store's consumers using a questionnaire and an interview schedule.

**Sampling Design:** For the research, convenience sampling method was adopted.

**Sample Size:** Sample size is 150 and the respondents are the customers of FMCG companies.

### **Tools for Data Collection and Analysis:**

The tools used for data analysis include, percentage analysis and chi square test.

**LIMITATIONS:**

- Most of these outlets would be highly busy with their business at specific times of the day, since they would not promote all of these research efforts.
- The survey was only available in Coimbatore.
- Why Respondents were less interested in answering the questionnaire since it interfered with their daily employment.

**Analysis and Interpretation:**

| Personal Factors          | Particular          | No. of Respondent | Percentage |
|---------------------------|---------------------|-------------------|------------|
| Gender                    | Male                | 52                | 34.7       |
|                           | Female              | 98                | 65.33      |
|                           | Total               | 150               | 100        |
| Age                       | 21-30               | 66                | 44         |
|                           | 31-40               | 37                | 24.7       |
|                           | 41-50               | 30                | 20         |
|                           | Above50             | 17                | 11.33      |
|                           | Total               | 150               | 100        |
| Marital Status            | Married             | 58                | 38.7       |
|                           | Unmarried           | 92                | 61.33      |
|                           | Total               | 150               | 100        |
| Educational Qualification | School level        | 38                | 25.33      |
|                           | College level       | 112               | 74.7       |
|                           | Total               | 150               | 100        |
| Occupation                | Agriculturalist     | 19                | 12.7       |
|                           | Businessman         | 45                | 30         |
|                           | Professional        | 30                | 20         |
|                           | Private Employee    | 35                | 23.33      |
|                           | Government Employee | 21                | 14         |
|                           | Total               | 150               | 100        |

|                             |                 |     |       |
|-----------------------------|-----------------|-----|-------|
| Income Level                | Below 10000     | 30  | 20    |
|                             | 10001-20000     | 29  | 19.33 |
|                             | 20001 –30000    | 17  | 11.33 |
|                             | 30001 –40000    | 27  | 18    |
|                             | Above 40000     | 47  | 31.33 |
|                             | Total           | 150 | 100   |
| No of Members in the Family | Up to 3 members | 33  | 22    |
|                             | 4 - 6members    | 67  | 44.7  |
|                             | Above 6 members | 50  | 33.33 |
|                             | Total           | 150 | 100   |
| Type of Family              | Joint family    | 39  | 26    |
|                             | Nuclear family  | 111 | 74    |
|                             | Total           | 150 | 100   |

**Interpretation:**

Out of 150 respondents 65.33% of the respondents are female and remaining 34.7% of the respondents are male. 44% of the respondents are comes under 21-30years and 24% of the respondents are 31-40 age group and 20% of respondents are 41-50 age group,11% respondents Above 50 age group. 61% of the respondents are comes unmarried and reaming 38% of the respondents Married. 74% of the respondents are comes school level educated and remaining 25% of the respondents college level educated. and 23% of the respondents are private employee, and 20% of respondents are professional,14% respondents Government

employee 12% of respondents are Agriculturalist. 31% of the respondents earned Above 40000, and 20% of the respondents are earned Below 10000, and 19% of respondents are Rs10000 to Rs20000, 18% respondents earned 30000 to 40000. 11% of respondents are earned Rs 20000 to Rs30000. 44% of the respondents are 4-6 members, and 33% of the respondents are Above 6 members, and 22% of respondents are Up to 3 members. 74% of the respondents are Nuclear family, and 26% of the respondents are Joint family.

**Classification of Respondents according to Advertisement Status Respondents:**

| Particular                | No. of Respondents | Percentage |
|---------------------------|--------------------|------------|
| News papers and magazines | 30                 | 20         |
| FM radio                  | 22                 | 14.7       |
| Television                | 35                 | 23.33      |
| Internet                  | 19                 | 12.7       |
| Cell phone                | 20                 | 13.33      |
| Others specify            | 24                 | 16         |
| Total                     | 150                | 100        |

**Inference:**

The above table shows that 23% of respondents by Television, 20% of the respondents by News papers and magazines, and 16% of the respondents by others specify 14% respondents by FM radio, and 13% respondents by Cell phone 12% respondents by Internet.

**Classification of Respondents according to Advertisement related Respondents:**

| Particular                                       | No. of Respondents | Percentage |
|--------------------------------------------------|--------------------|------------|
| Create an awareness of the cause and product     | 34                 | 22.7       |
| Create and maintain brand loyalty and price deal | 39                 | 26         |
| Encourage the buyers to support good cause       | 26                 | 17.4       |
| Other if any (specify)                           | 51                 | 34         |
| Total                                            | 150                | 100        |

**Inference:**

The above table shows that 34% of respondents by Others, 26% of the respondents by Create and maintain brand loyalty and price deal, and 22% of the respondents by Create an awareness of the cause and products , 17% respondents by Encourage the buyers to support good cause.

**Classification of Respondents of Commercial Source:**

| Commercial Source | Mean   | Std Deviation | Rank |
|-------------------|--------|---------------|------|
| Advertisement     | 2.3333 | 1.20773       | 4    |
| Salesperson       | 2.4867 | 1.03455       | 2    |
| Dealers           | 2.6333 | 1.07076       | 1    |
| Packing           | 2.48   | 1.10957       | 3    |

### Interpretation:

From the above table by considering Mean value we should conclude that 2.6333 of respondents are influenced by the source dealers, 2.4867 of respondents are influenced by the source sales promotion, 2.4800 of respondents are influenced by the source packing, 2.3333 of respondents are influenced by the source advertisement. Majority of the respondents (2.633) of respondents are influenced by the source.

### Chi-Square Analysis:

#### Relationship between Gender and Family Income:

| Monthly Income Gender | Below 10000 | Rs 10001- Rs20000 | Rs 20001- Rs30000 | Rs 30001- Rs 40000 | Above 400000 | Total |
|-----------------------|-------------|-------------------|-------------------|--------------------|--------------|-------|
| Male                  | 7           | 13                | 10                | 14                 | 01           | 45    |
| Female                | 10          | 50                | 17                | 23                 | 05           | 105   |
| Total                 | 17          | 63                | 27                | 37                 | 06           | 150   |

### Inference:

In the above table, the calculate value is greater than the table value. Hence the null hypothesis is rejected it is founded that there is a significant relationship between gender and preference of monthly income. Table value = 9.488 for degrees of freedom and 5% level of significance Calculator value = 10.22

As calculator value > table value the null hypothesis is rejected.

Therefore, it is that there is a significant relationship between gender and monthly income

### Findings:

- 65% of the respondents are female.

- 44% of the respondents are coming under 21-30years of age.
- FMCG companies 74% of the respondents have completed their school level
- % of the respondents are Business man.
- 31% of the respondents earned Above 40000.

### SUGGESTIONS

- As incentives, consumers like to receive value-added offers in the form of larger quantities of the same product they purchase. Bonus pack ideas are more successful than fake presents and praises.

- The coupon distribution method should be simplified, as most customers prefer to obtain coupons through newspapers and magazines.
- Marketers may employ a price-off or discount approach to achieve short-term promotional goals such as brand switching, trial buy, and stockpiling ahead of later programmes.
- Sales marketing has a relatively limited long-term effectiveness. Sales promotion does not result in repeat purchases or brand loyalty in an acceptable manner. It can be used as a short-term strategy to minimise inventory or deter competition.
- Sales promotion is more effective in non-food categories such as detergent, toothpaste, and so on. These things can be marketed more often.
- Women are more drawn to point-of-purchase displays and feature advertising than males. As the number of female consumers grows, counter and window displays, as well as feature ads, may be employed more frequently.

- To increase the effectiveness of a new product, a sample may be provided with another product from the same marketer or through the retail counter.

## CONCLUSION

The conclusion is that firms have a reach with their advertisements, but they must take effective measures to make the advertisements more successful in the future.

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