**CHAPTER 1**

**INTRODUCTION**

**1.1 Introduction to the FMCG Sector**

The term FMCG (fast moving consumer goods), although popular and frequently used does not have a standard definition and is generally used in India to refer to products of everyday use. Conceptually, however, the term refers to relatively fast moving items that are used directly by the consumer. Thus, a significant gap exists between the general use and the conceptual meaning of the term FMCG.

Further, difficulties crop up when attempts are made to devise a definition for FMCG. The problem arises because the concept has a retail orientation and distinguishes between consumer products on the basis of how quickly they move at the retailer’s shelves. The main question therefore, is what industry turnaround threshold should be for the item to qualify as an FMCG. Should the turnaround happen daily, weekly, or monthly?

“One of the factors on which the turnaround depends is the purchase cycle. However, the purchase cycle for the same product tend to vary across population segments” [1]. “Many low-income households are forced to buy certain products more frequently because of lack of liquidity and storage space while relatively high-income households buy the same products more infrequently. Similarly, the purchase cycle also tends to vary because of cultural factors. Most Indians, typically, prefer fresh food articles and therefore to buy relatively small quantities more frequently. This is in sharp contrast with what happens in most western countries, where the practice of buying and stocking foods for relatively longer period is more prevalent” [2]. Thus, should the inventory turnaround threshold be universal, or should it allow for income, cultural and behavioral factors?

**1.2 Characteristics of FMCG Products**

* “Individual items are of small value. But all FMCG products put together account for a significant part of the consumer's budget.
* The consumer keeps limited inventory of these products and prefers to purchase them frequently, as and when required. Many of these products are perishable.
* The consumer spends little time on the purchase decision. Rarely does he/she look for technical specifications (in contrast to industrial goods). Brand loyalties or recommendations of reliable retailer/dealer drive purchase decisions.
* Trial of a new product i.e. brand switching is often induced by heavy advertisement, recommendation of the retailer or neighbors/friends.
* These products cater to necessities, comforts as well as luxuries. They meet the demands of the entire cross section of population. Price and income elasticity of demand varies across products and consumers” [3].

**1.3 Research Objectives**

1. To study consumer preferences with respect to sales promotion in FMCG sector.
2. To examine tradeoffs, relative importance of different attributes while responding to a sales promotion offer.
3. To study the effect of sales promotions in FMCG sector especially in soaps and detergent industry.
4. To study consumer behavior in purchase of soaps and detergent.

**CHAPTER 2**

**LITERATURE SURVEY**

**2.1 Literature Survey**

“A typical sales promotion budget covers almost 70% of the total consumer sales promotional budget. It is also considered as a brand differentiator by many big players like Coca-Cola, Pepsi, Heinz and many more. For many business experts and academics, sales promotion is regarded as typical marketing techniques that add value to a product in order to achieve specific marketing goals. The primary purpose of sales promotion is to induce the consumers to make a quick buying-decision in order to create increases sales. Typical example of sales promotion is to offer customers to take chance of winning a prize or offering some extra products with the same price.

Sales promotion and marketing are inter-related but not have the similar purpose. It is advertising which makes a platform for sales promotion where customers can see the direct added value of buying your product. On the other hand, advertising is an intangible promotion of your products to send the marketing message to the customer base.

Sales Promotion: Advantages & Disadvantages -The main advantages associated with promotional sales are-an easy way to learn customer response and it works fast. It is also an inexpensive marketing technique. Sales promotion does not always bring positive impact to business, Sometime this type of promotion cause negative brand impact to customers mind in the long-term. So, a promotional campaign needs to be designed taking into account the consequences of losing brand value.

A PIMS study of 1991 suggests that overuse of sales promotion brings low ROI, almost 15% less, in comparison to balanced and calculated promotional offers. It is advisable not to use sales promotion as a tool of brand imaging; advertising is always the best way as far as branding is concerned. So, marketers need to be careful and must understand the difference between the sales promotion and advertising” [4].

“Blattberg, Peacock and Sen (1976) define a purchase strategy as a general buying pattern which "incorporates several dimensions of buying behavior such as brand loyalty etc”. A greater understanding of the different types of consumer responses to promotions can help managers to develop effective promotional programs as well as provide new insights for consumer behavior theorists who seek to understand the influence of different types of environmental cues on consumer behavior. Blattberg, Eppen, and Liebermann (1981), Gupta (1988), Neslin, Henderson, andQuelch (1985), Shoemaker (1979), Ward and Davis (1978), and Wilson, Newman, and Hastak (1979) find evidence that promotions are associated with purchase acceleration in terms of an increase in quantity purchased and, to a lesser extent, decreased inter purchase timing. Researchers studying the brand choice decision-for example, Guadagni and Little (1983) and Gupta (1988)-have found promotions to be associated with brand switching. Montgomery (1971), Schneider and Currim (1990),and Webster (1965) found that promotion-prone households were associated with lower levels of brand loyalty.

Blattberg, Peacock, and Sen (1976, 1978) describe 16 purchasing strategy segments based on three purchase dimensions: brand loyalty (single brand, single brand shifting, many brands), type of brand preferred (national, both national and private label), and price sensitivity (purchase at regular price, purchase at deal price)” [5].

“The growth potential for FMCG companies looks promising over the long-term horizon, as the per- capita consumption of almost all products in the country is amongst the lowest in the world. As per the Consumer Survey by KSA-Technopak, of the total consumption expenditure, almost 40% and 8% was accounted by groceries and personal care products respectively” [6].

“Rapid urbanization, increased literacy and rising per capita income are the key growth drivers for the sector [6]. Around 45% of the population in India is below 20 years of age and the proportion of the young population is expected to increase in the next five years. Aspiration levels in this age group have been fuelled by greater media exposure unleashing a latent demand with more money and a new mindset .In this backdrop, industry estimates suggest that the industry could triple in value by 2020 (by some estimates the industry would double by 2015 )” [7].

**2.2 The Short term Impact of Promotions**

Let’s have a look at the impact of promotions on purchase behavior during the promotional period i.e. the week or the month when the promotion was being run. The majority of the empirical studies have focused on the impact of promotions in the short term. The key findings across the studies are discussed below.

**2.2.1 Temporary price reductions (price off) substantially increase sales:**

There is ample evidence to show that promotions lead to dramatic increases in sales of promoted brand in the short term. Studies have consistently reported high sales effects and high price elasticity of brands which are on promotion. The economic rationale for the promotional response is clear – temporary price cuts increase the value of the product to the consumer and it leads to immediate action. Sales boost can be quantified on the basis of brand switching, primary demand expansion and consumer stockpiling during a promotion.

**2.2.2 Sales Promotion leads to brand substitution with the product category:**

The sales ‘bump’ during the promotional period into sales are due to brand switching, purchase time acceleration and stockpiling. Studies on brand switching have shown that brand switching effects within a category are asymmetric such that promotions on higher quality brands impacts weaker brands disproportionately. During a promotion, higher quality brands induce a large number of consumers to switch to them as compared to lower quality brands. One explanation advanced for this finding by researchers is that large share brands have higher brand equity and attract switchers more than low share brands.

**2.2.3 Sales Promotion leads to purchase acceleration/stockpiling effects:**

In response to a promotion, consumers may buy more quantity of the product category or buy at an earlier time than usual (purchase acceleration effect). If consumers buy extra quantity during a promotion or earlier than normal, then they are not in the market to buy products once the promotion is over. Thus, purchase acceleration is demonstrated through a lengthening of inter purchase times after a promotion. Purchase acceleration was more likely to be exhibited in increased purchase quantity than in shortened inter purchase times. Results showed that consumers mostly made up for the large quantity purchased by waiting longer until purchasing again. Results indicated that heavy users tended to accelerate purchases more than light users. There was negligible difference in the acceleration propensities of high versus low income groups.

**2.2.4 Sales Promotions affect sales in complementary and competitive categories:**

From this project it is found that promotion not only increases sales of main product but it also leads to increase in sales of complementary categories. Found strong cross relationships between products of the promoted product category indicating brand substitution behavior. They stated that retail price promotions work as a form of implicit price bundling whereby the consumer surplus is transferred from the promoted item to non promoted items. Also retail price promotions create significant complementary and substitution effects within the store.

**2.3 The Long term Impact of Promotions**

Strategies are built to reap the benefits for longer period of time; same is true in sales promotion strategies. Let us see impact of promotions effort and study the impact over a longer time period e.g. 4-6 months or even a few years after a sales promotion campaign.

The result showed that consumer promotions for leading brands of established packaged products had no after-effects on the brand’s sales or repeat buying loyalty. The extra sales of a brand while promoted came virtually all from the brand’s existing long-term customer base for which the experience of buying the promoted brand was nothing new.

It is found that although the short term effects of promotions are strong; these promotions rarely exhibit long term effects. It is observed that each sales component generally lacked a permanent effect and the effect of promotion was short lived and increase in promotions affected consumers’ stockpiling decisions in the long run. Thus the combined short and long-term elasticity of promotions was zero. The stockpiling induced by a promotion was essentially offset by reduced demand in the long term. Thus increased sales were more a result of sales borrowed from the future than increased consumption

**CHAPTER 3**

**THEORY**

**3.1 Introduction to the topic**

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, manufacturers 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.

Broadly speaking most of the companies using Marketing Mix which includes [8]…

Price

Place (Channel of Distribution)

Product

**Promotion**

These are the four basic pillar of marketing mix. Most of the marketing strategies are built on the basis of these criteria.

Promotion is one of the important elements of marketing mix. There are so many elements of promotion such as …

Advertising

Direct Marketing

Public Relations

**Sales Promotion**

Traditionally, sales Promotions have been used by marketer to increase sales in the short term. 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” [9].

Therefore, a producer has to inform channel members as well as ultimate consumers about the attributes and availability of his products. 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.

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**

**Trade Oriented Sales Promotion**

**3.2 Consumer Oriented Sales Promotion**

Consumer Oriented Sales Promotion is the main topic of this project. Here emphasize is given to motivate consumer to increase sales. Consumer Oriented Sales Promotion includes Sampling, Couponing, Premiums, Contest, Refunds, Rebates, Bonus Pack’s, Price-off, Event marketing etc.

**Definition:**

For the purpose of this study, following definitions of sales promotion were kept in mind.

Kotler defines sales promotion as: “Sales promotion consists of a diverse collection of incentive tools, mostly short-term, designed to stimulate quicker and/or greater purchase of particular products/services by consumers or the trade.”

Roger Strang has given a more simplistic definition i.e. “sales promotions are short-term incentives to encourage purchase or sales of a product or service.”

Hence, any forms of incentives (price cut or value added nature) offered for short period either to trade or consumers are considered as sales promotion activities.

Marketer’s uses consumer oriented sales promotion tools for the following reasons [8]:

* To increase short term sales
* To induce trial
* To reduce inventory
* To establish a brand name
* To make cross selling
* To cope up with competition
* To avoid advertising clutter

**3.2.1 Tools of Consumer Oriented Sales Promotion:**

There are so many tools or technique available to the marketers for achieving objective of sales promotion. These tools should be used considering all other factors affecting such as cost, time, competitors, availability of goods, etc. These tools are as under [10]…

1. Coupons
2. Price-Off
3. Freebies
4. Scratch Cards
5. Lucky Draws
6. Bundling Offer
7. Extra Quantity

Let’s have look at each tool…

1. **Coupons**

Coupon is the oldest and most widely used way of sales promotion. Coupons have been used since 1895. It is mostly used by packaged goods. It is worthwhile to use coupon as a promotion tool because data shows that market for packaged goods increased from 16 billion in 1968 to 310 billion in 1994. To boost up the sales, not only manufacturer but retailers personally can use it. A coupon leads to price reductions so as to encourage price sensitive customers.

1. **Price-off**

A price-off is simply a reduction in the price of the product to increase sales and is very often used when introduction a new product. A reduction in price always increases sales but the use of this technique should be carefully considered in the current market situation.

Price-off is the most preferred sales promotion technique because consumers response very positively to this scheme. Not only that but it also cause large increase in sales volume. Price-off reductions are typically offered tight on the package through specially marked price packs. E.g. Krack Jack offers 30% Price-off.

1. **Freebies**

Freebies are a popular form of modern marketing and are some of the best things about the internet. The definition of freebies is products or services given away for free at no cost to the consumer.

At different times, big and small companies often give away prizes and money which is too good to be true. Often it’s in the pursuit of more customers or a larger fan base and it often works.

1. **Scratch Cards**

A scratch card (also called a scratch off, scratch ticket, scratcher, scratchie, scratch-it, scratch game, scratch-and-win or instant game) is a small token, usually made of cardboard, where one or more areas contain concealed information: they are covered by a substance that cannot be seen through, but can be scratched off.

1. **Bundling Offers**

Product bundling is a [marketing](http://en.wikipedia.org/wiki/Marketing) strategy that involves offering several [products](http://en.wikipedia.org/wiki/Product_(business)) for sale as one combined product. This strategy is very common in the [software](http://en.wikipedia.org/wiki/Software) business (for example: bundle a [word processor](http://en.wikipedia.org/wiki/Word_processor), a [spreadsheet](http://en.wikipedia.org/wiki/Spreadsheet), and a [database](http://en.wikipedia.org/wiki/Database) into a single [office suite](http://en.wikipedia.org/wiki/Office_suite)), in the [cable television](http://en.wikipedia.org/wiki/Cable_television) industry (for example, basic cable in the [United States](http://en.wikipedia.org/wiki/United_States) generally offers many channels at one price), and in the [fast food](http://en.wikipedia.org/wiki/Fast_food) industry in which multiple items are combined into a [complete meal](http://en.wikipedia.org/wiki/Value_meal). A bundle of products is sometimes referred to as a package deal or a compilation or an anthology.

**3.2.2 Factors Influencing Consumer Oriented sales promotion:**

Mainly four factors should be taken into account while determining the sales promotion program.

> Target market

> Nature of product

> Stage of product life cycle

> Budget available for promotion

**1. Target Market**

While doing sales promotion, marketer must know who their target market is; otherwise there is no use of all effort because it leads to no where. A target market can be in any of the stages of buying hierarchy i.e. awareness, knowledge, liking, preferences, conviction and purchase. Each stage defines a possible goal of promotion.

**2. Nature of the product**

There are various product attributes which influence sales promotional strategy. When the unit price is low the manufacturer as well as the customer has low risk but he can get the benefit of mass marketing. Therefore, mass marketing requires mass sales promotion schemes. Sales promotion scheme differ for products like its durability, perishable goods etc.

**3. Stage of product Life Cycle**

Sales promotion strategies are influenced by the life cycle of a product. When a new product introduced, prospective buyers must be informed about its existence and its benefits and middlemen must be convinced to stock it. Later, if a product becomes successful, competition intensifies and more emphasis is placed on sales promotion to increase its sales.

**4. Budget Available for Promotion**

The funds available for promotion are the ultimate determinant of the promotional programme. A business with ample funds can make more effective use of sales promotion programme than a firm with limited financial resources. The budget for sales promotion can be prepared by the following methods…

Percentage of Sales

Fixed funds available for sales promotion

The extent of competition

**3.2.3 Sales Promotion from the Consumers point of view**

**Willingness to buy on sales promotion offer**

Sixty per cent of the sample did not show willingness to buy a brand due to promotion while 30% showed willingness and 10% were not sure. This indicates that when 30% showed willingness and 10% consumers who were not sure, these groups might be lured through innovative and lucrative sales promotion offer.

**Ability to induce trial**

Forty per cent of the Response had said that sales promotion had the ability to induce trial which reinforces the above inference.

**Long-term impact**

In order to understand ability of the promotions to increase long-term sales, Response were asked about continuity of purchase of a brand after the withdrawal of promotion. Eighty per cent of the Response indicated that they would not continue. But 20% said they would. Thus, it could be inferred that promotions in this category (low involvement products) might encourage trial and brand switching but not long term loyalty.

**Preference of Schemes**:

Price off was the most preferred type of scheme. Maximum customers’ ranked price-offs as number one or two.

**Perceived Quality**

Majority of Response had a perception that the quality of the promoted brands remained the same during promotion, while some of them felt that it was inferior than before. It can be inferred that promotions were not leading to negative brand quality perceptions. It is found that some customer strongly preferred to buy their regular brand and said that sales promotion would not weaken their loyalty towards the brand.

**Perceptions regarding underlying company motivations**

On tapping perceptions’ regarding underlying company motivations for sales promotion, “to increase sales” was ranked highest followed by “to attract switchers” and “to sell excess stocks”. While providing value to customers” and “To reinforce company image” were ranked lowest. This indicates that consumers believed that companies were undertaking such activities only for their own benefit and not for the benefit of consumers.

Findings from retailer and consumer perception studies, it is evident that there was a matching of perceptions regarding nature of scheme (price offs as most preferred type of scheme mentioned by consumers and retailers’ perceptions about consumer preferences). Since retailers observe consumers in store more frequently and directly, their perceptions regarding providing consumer behavior are likely to be accurate. Such inputs from the retailers would be useful to companies.

The retailers had the perception that those schemes which were announced through mass media had better response. This was reinforced by the consumer survey which showed that recall in case of heavily promoted schemes on TV was found to be very high.

Retailers’ prediction of companies’ motivation for offering sales promotion were matching with the consumer perception regarding the same. Thus both viewed that companies were using sales promotion activities mainly to increase short term sales or encourage switching or selling excess stock and not really to give value benefit or enhance/reinforce brand/company image.

**3.3 Trade Oriented Sales Promotion**

Trade Oriented Sales Promotion aimed to motivate channel member of the company and to encourage them to push company’s product. Trade Oriented Sales Promotion includes dealer contest and incentives, trade allowances. Point-of-purchase displays, sales training programs, trade shows, cooperative advertising, and other programs designed to motivate distributors and retailers to carry a product and make an extra effort to push it to their customers

**3.3.1 Sales promotion from the retailer’s point of view:**

**Perceptions on Scheme Preference**

It was found that retailer perceived price offs as a better form of sales promotion activity. Price offs in their opinion had relatively a greater impact compared to any other form of sales promotion activity like Bonus packs, Premium, Contests etc. Retailers preferred price offs the most, then bonus pack, premium, contests, in order of importance.

**Perceptions about Buying Roles**

Retailers viewed that the person who came to the shop (who may be a maid, son, daughter, daughter-in-law and child) was the decider of a toilet soap brand and not the Income provider (e.g. head of the family). It could be inferred that visibility of information about the sales promotion activity at the point of purchase could result into the purchase of a promoted brand.

**Perceptions about their role in decision-making**

Retailer had relatively very low influence in affecting choice. It could be inferred that visibility and awareness about the scheme were the critical success factors so that pull could be created.

**Perceptions about Response to Sales Promotion Offers**

They believed that younger age-groups were more experimental in nature, amenable to trying new brands, and sought/looked for or asked whether there were any) sales promotion schemes running on any toilet soap at the time of purchase.

**Perceptions about Communications of Sales Promotion Schemes**

Retailers perceived that role of word of mouth and television advertising played an important part in providing information inputs to consumers regarding sales promotion activities.

**Variations in Information Flow**

Smaller (non-supermarket, small format store) retailers received relatively less support compared to supermarkets in terms of servicing, margins, information about sales promotion activities from the dealers. Many a times small retailers were only informed verbally about sales promotion schemes by the dealer salesmen during the scheduled weekly visits.

**Dealer-Retailer Dynamics**

At the time of sales promotion activities, dealers had tendency to push unwanted stocks onto the smaller retailers. In fact these retailers preferred to stock variety of brands and wanted payment for shelf and window display to increase traffic into their store. However, supermarkets and big retailers were pampered and given special services and given better margins and better allowances.

**Margins**

It was found that in sales promotion schemes margins varied from 6 to15% depending of the size of the retail outlet, bargaining power of a retailer, quantity ordered by him etc. Mostly margins were linked to size of the volumes that were ordered.

**Perceptions about terms and conditions**

Retailers were not found to be happy with sales promotion schemes where their margins were cut on the pretext of just fast movement of inventory of the brand being promoted. Also if additional incentive was offered it was subject to minimum performance requirement.

**Nature of POP**

Retailers indicated that most of the POP (Point of Purchase) materials were meant for brand advertisement and not for giving information regarding the schemes. Thus it could be inferred that company’s follow up was not adequate.

**Servicing during duration of Scheme**

In stock-out situation during the running of the sales promotion schemes, smaller retailers had to wait for replenishment of stocks till the next scheduled weekly visit by the dealer salesman but big retailers were serviced on telephonic request for replenishment of stocks. This clearly indicated the disparity in treatment.

**Problem of left-over**

A leftover stock at the end of any scheme was required to be sold by the retailers before they ordered fresh stocks. In case of bonus packs scheme, leftover stock was often dismantled (cut open buy one get one free) and sold them individually as a regular soap. This approach of the company leads to misappropriation which in turn could result in adverse brand image.

**Gifts for Retailer motivation**

Companies at times were rewarding retailers by giving free gifts like thermos flasks or clocks if they sold more than certain quantity in a given period. Companies were making a half-hearted effort to motivate retailers.

**Perceptions about mass media announcements**

Retailers viewed that whenever sales promotion scheme was announced on TV, it created pull and they were more than willing to stock such brands. For example Medimix and Dettol contest was not advertised on TV, hence there was very little awareness leading to unsold stock till 6 months. While Lux Gold Star which was heavily promoted on T.V. is recalled even today.

**Post Promotion Behavior**

Retailers observed that in most cases sales promotion scheme on a brand might encourage a buyer to switch a brand temporarily but he would revert back to original brand after promotion.

**Handling Problems**

Many a time’s retailers had to handle various sales promotion offers simultaneously in a category and also across categories and there was no formal communication planning either from the dealer or the company. Remembering each offer and handling was a problem especially for a small retailer which was often an as one-man show.

**3.4 Why do Sales promotion schemes affect sales?**

There are three mechanisms behind these facts. It is Purchase quantity, Brand switching and Category expansion.

**First,** consumer can increase the quantity they buy just because the product is on sale.

**Second,** consumers are inducing to purchase another brand different from the one they would have purchased when there is no promotional incentive.

**Finally,** consumer’s total consumption of the product category is increased by the promotion. However, in the long term this positive effect may be diluted because a promotional campaign has no permanent effect in the sales of the firm

# 3.5 Sales Promotion Strategy

Sales are the lifeblood 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 is very important as it not only helps to boost sales but it also helps a business to draw new customers while at the same time retaining older ones. There are a variety of sales promotional strategies that a business can use to increase their sales, however it is important that we first understand what a sales promotion strategy actually is and why it is so important.

A sales promotion strategy is an activity that is designed to help boost the sales of a product or service. This can be done through an advertising campaign, public relation activities, a free sampling campaign, a free gift campaign, a trading stamps campaign, through demonstrations and exhibitions, through prize giving competitions, through temporary price cuts, and through door-to-door sales, telemarketing, personal sales letters, and emails.

The importance of a sales promotion strategy cannot be underestimated. This is because a sales promotion strategy is important to a business boosting its sales.  
  
 When developing a sales promotion strategy for your business, it is important that you keep the following points in mind.

* Consumer attitudes and buying patterns
* Your brand strategy
* Your competitive strategy
* Your advertising strategy
* Other external factors that can influence products availability and pricing.

**3.5.1 There are three types of sales promotion strategies:**

* A push strategy
* A pull strategy or
* A combination of the two

**A Push Strategy**

A ‘push’ sales promotion strategy involves ‘pushing’ distributors and retailers to sell your products and services to the consumer by offering various kinds of promotions and personal selling efforts. What happens here is that a company promotes their product/services to a reseller who in turn promotes it to another reseller or to the consumer. The basic objective of this strategy is to persuade retailers, wholesalers and distributors to carry your brand, give it shelf space, promote it by advertising, and ultimately ‘push’ it forward to the consumer. Typical push sales promotion strategies include; buy-back guarantees, free trials, contests, discounts, and specialty advertising items.

**A Pull Strategy**

A ‘pull’ sales promotion strategy focuses more on the consumer instead of the reseller or distributor. This strategy involves getting the consumer to ‘pull’ or purchase the product/services directly from the company itself. This strategy targets its marketing efforts directly on the consumers with the hope that it will stimulate interest and demand for the product. This pull strategy is often used when distributors are reluctant to carry or distribute a product. Typical pull sales promotion strategies include; samples, coupons, cash refunds or rebates, loyalty programs and rewards, contests, sweepstakes, games, and point-of-purchase displays.

**A Combination of Two Strategies**

A ‘combination’ sales promotion strategy is just that; it is a combination of a push and a pull strategy. It focuses both on the distributor as well as the consumers, targeting both parties directly. It offers consumer incentives side by side with dealer discounts.

**3.6 SWOT Analysis of FMCG Sector**

**Strengths:**

* Well-established distribution network extending to rural areas.
* Strong brands in the FMCG sector.
* Low cost operations.

**Weaknesses:**

* Low export levels.
* Small-scale sector reservations limit ability to invest in technology and achieve economies of scale.
* Several "me-too’’ products.

**Opportunities:**

* Large domestic market.
* Export potential.
* Increasing income levels will result in faster revenue growth..

**Threats:**

* Imports.
* Tax and regulatory structure.
* Slowdown in rural demand.

**CHAPTER 4**

**RESEARCH METHODOLGIES**

4.1 Research Methodology

**Product categories under study**

**DETERGENTS:**Washing Powder for Clothes

**TOILETERIES:**Soaps

**Research Design**

Research design selected for this project is descriptive.

**Data collection Method**

1. **Primary Data Collection Method:**
   * Survey method was used for primary data collection.
   * We used questionnaire as an instrument for survey method.
   * Structured questionnaire.
   * Type of questionnaire: Open ended and closed ended.
2. **Secondary Data Collection method:**
   * Reference books.
   * Internet.

**4.2 Sampling Detail**

1. Target population: The population for this research study consists of the residence of Delhi.
2. Sampling unit: In this study the sampling unit is individual consumer.
3. Sample size: **50** consumers **10** retailers.
4. Sampling method: The sample is selected by using convenience-sampling method.

**4.3 Deliverables**

* Effect of sales promotion on customer’s loyalty, perception about the quality of product.
* Effect of various schemes on the customer.
* Which media attracts most of the customer attention?
* What other factors a manager should focus on (other than sale promotion) in order to get into consideration of the customers

**CHAPTER 5**

**DATA ANALYSIS**

**Consumers**

**Q1. Which brand of Soap / Detergent do you use?**

|  |  |
| --- | --- |
| **Bathing –soaps** | **Response** |
| Lux | 21 |
| Hamm | 2 |
| Lifebuoy | 7 |
| Nirma | 4 |
| Others | 16 |

**Bathing soaps**

0

10

20

30

40

50

Response

21

2

7

4

16

Lux

Hamam

Lifebuoy

Nirma

Others

Fig. 1a

**Interpretation:**

The above question has been formed to know the soaps and detergents at the top of the mind of the customers. It shows those consumers’ purchase and use of that particular brand. It will help to the company to know the market scenario and the major brands in the market.

Form the above result it is clear that out of 50 customers more than 20 consumers are having the same brand as the image in their mind, whereas others category is also showing the higher reponse than these 3 major players(Hamam, Lifebuoy, Nirma).

|  |  |
| --- | --- |
| **Detergent powder** | **Response** |
| Nirma supper | 10 |
| Wheel | 7 |
| Surf | 17 |
| Ariel | 9 |
| Others | 7 |

**Detergent Powder**

0

5

10

15

20

25

30

35

40

Response

10

7

17

9

7

Nirma sup

Wheel

Surf

Ariel

Others

Fig. 1b

**Interpretation:**

Form the above result it is clear that out of 50 customers 17 are purchasing the same brand of detergent, whereas all others are on same level.

**Q2. Do you always buy the same brand of Soap / Detergent?**

|  |  |
| --- | --- |
| **Particulars** | **Response** |
| Yes | 28 |
| No | 22 |

**Brand loyal**

0

10

20

30

40

50

60

Response

28

22

Yes

No

Fig. 2

**Interpretation:**

The objective behind the formation of this question is to know the level of brand loyalty of the consumers towards the brands of soaps available in the market. The above figure shows that on 56% of the Response are loyal to their brands of detergent/soap.

**Q3. Which factors do you normally consider while purchasing a particular brand of Soap / Detergents?**

|  |  |  |
| --- | --- | --- |
| **Factors** | **Bathing soap** | **Detergent**  **powder** |
| Fragrance | 10 | 9 |
| Quality | 16 | 18 |
| Company image | 8 | 7 |
| Price | 12 | 9 |
| Packaging | 3 | 5 |
| Others | 2 | 2 |

**Factors affecting purchase behavior**

0

10

20

30

40

Bathing soap

19

33

16

23

6

3

Det.powder

18

36

13

19

11

3

Fragrance

Quality

Company

image

Price

Packaging

Others

Fig.3 (in percentage out of 50)

**Interpretation:**

The objective behind this question is to know the effect of influencing factors in the purchase decision of the soaps and detergent powders. It mainly contains the factors like, quality which plays an important role in the purchase decision of the soaps and detergents both.

If we look at the graph of the soaps and detergent it shows quality as the most influencing factors in the purchase decision while price is also an important for purchase decision.

**Q4. Do you consider promotional schemes while purchasing a particular brand of Soap / Detergent?**

|  |  |
| --- | --- |
| **Particulars** | **Response** |
| Yes | 39 |
| No | 11 |

**If yes, go to question No. 5**

**Effect of schemes purchase behavior**

0

20

40

60

80

100

Response(%)

78

22

Yes

No

Fig. 4 (in percentage out of 40)

**Interpretation:**

Answer of this question will give idea about the effect of promotional schemes in the purchase decisions. Such types of 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.

Here the graph shows that 78 percent consumers are looking for such schemes before they make purchase.

**Q5. Which of the following promotional schemes you have come across so far?**

|  |  |
| --- | --- |
| **Promotional schemes** | **Response** |
| Coupons | 6 |
| Discounts | 3 |
| Freebies | 10 |
| Scratch cards | 5 |
| Lucky draw | 4 |
| Bundling | 12 |
| Extra quantity | 18 |

**Familiarity of promotional Schemes**

0

20

40

60

80

100

Response(%)

16

84

24

12

9

31

44

Coupons

Discounts

Freebies

Scratch

cards

Lucky draw

Bundling

Extra

quantity

Fig. 5 (in percentage out of 40)

**Interpretation:**

The above stated question clearly states the awareness of promotional schemes offered in the market by the marketers to attract more and more consumers.

The results show that discount and extra quantity is the two main offers/schemes which consumers have came across at the time of purchase. It will help the manufacturers and marketers how to launch their new products in the market i.e. with which schemes.

**Q6. In your opinion, which medium is most suitable to promote the various promotional schemes?**

|  |  |
| --- | --- |
| **Source** | **Respondents** |
| Radio | 11 |
| TV | 39 |
| Newspaper | 25 |
| Hoarding | 15 |
| Others | 12 |

Fig. 6

**Interpretation**:

This question gives stress on the media habit of the people and through which the product should be launch or they think it would be better than other Medias.

The above result shows TV as the best media to market the product which will cover majority of the viewer ship. On the second place it shows news papers as the media to promote the product in the market.

**Q7. Have you used any scheme on the Soap / Detergent till now?**

|  |  |
| --- | --- |
| **Particulars** | **Respondents** |
| Yes | 29 |
| No | 21 |

**Existing scheme on the Soap / Detergent**

0

10

20

30

40

50

60

70

Respondents

58

42

Yes

No

Fig. 7(in percentage out of 50)

**Interpretation:**

The answer of the respondents give idea about the awareness of the promotional schemes offered in the market on their existing soaps and detergents.

In this situation more than 40% of the people are not aware or having vague idea about the promotional schemes running into the market.

It shows that people are not much aware of the schemes which continue in the market it may be because of the present stock of the product at their place.

**Q8. If yes, please specify?**

|  |  |
| --- | --- |
| **Particulars** | **Response** |
| 3+1/Other Free | 20 |
| Discount | 15 |
| No idea | 6 |
| No answer | 19 |

Fig. 8

**Interpretation:**

This question supports the above question. It enlists the answers of those customers who are aware of the present schemes offered in the market and also those schemes which are more demanded in the market.

The result shows that 1+1 or 2+1 or other free schemes are more demanded and more aware schemes in the market.

So manufacturers may go for the same at the time of launching their product.

**Q9. If case of an attractive sales promotion scheme, do you switch over to a new product from your existing product?**

|  |  |
| --- | --- |
| **Particulars** | **Response** |
| Yes | 36 |
| No | 14 |

**Switching behavior**

0

10

20

30

40

50

60

70

80

Response (%)

72

28

Yes

No

Fig. 9(in percentage out of 50)

**Interpretation:**

It shows the level of brand loyalty among the consumers. The result clearly shows that out of 50, 36 people are ready to switch over to another brand if they find better promotional schemes which suits their budget means more quantity + less cost + quality.

Combination of all these schemes will run better in the market.

**Q9b. If yes, then which of the following will be preferred sales promotion scheme on new product?**

|  |  |
| --- | --- |
| **Particulars** | **Response** |
| Cost + quantity | 11 |
| Quality | 12 |
| Satisfaction | 2 |
| Brand loyal | 4 |
| More benefit/budget | 17 |
| Season change | 1 |
| No answer | 26 |

Fig. 9b

**Interpretation:**

The above question gives specific reasons for switching to other products. It shows that extra quantity with less or same price, more satisfaction, quality influence consumers to switch over to other brands.

**Retailers**

**Q1. Since how long are you in this business?**

|  |  |
| --- | --- |
| **Particulars** | **Response** |
| 1-5 Years | 2 |
| 5-10 Years | 3 |
| More than 10 years | 5 |

Fig.1

**Interpretation:**

This question gives idea about the benefit to the retailers who are on the market from long period of time and the benefits they are getting more as compare to others. It also shows their experience in the field and the services they are providing too their new and regular customers. It also gives idea about the benefits they are gaining for wholesalers and direct from the company.

**Q2. Name the Soap / Detergent (Company) you stock for.**

|  |  |
| --- | --- |
| **Companies** | **Response** |
| Nirma | 9 |
| HUL | 10 |
| P&G | 9 |
| Godrej | 9 |
| Others | 7 |

Fig. 2

**Interpretation:**

It gives idea about the capacity of the retailers to stock the goods and also the variety of the products they are stocking. It will also make clear the demand of the goods in their stores and the selling of the product in market. Most of the retailer stocks all types of soap and detergent.

**Q3. Rank the following factors that customers look for in the purchase of Soap / Detergent. (Rank from 1 to 6)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | 1 | 2 | 3 | 4 | 5 | 6 |
| Fragrance | 0 | 3 | 3 | 2 | 1 | 1 |
| Quality | 4 | 1 | 2 | 2 | 1 | 0 |
| Company Image | 1 | 2 | 3 | 2 | 1 | 1 |
| Price | 4 | 2 | 2 | 1 | 0 | 1 |
| Packaging | 1 | 1 | 2 | 2 | 4 | 0 |
| Others | 0 | 1 | 0 | 1 | 3 | 5 |
|  |  |  |  |  |  |  |

Fig. 3a

**Interpretation:**

It gives an idea about the priority in the influencing factors of the consumers and also the weight age of that factor over other factors.

In the above result people are more quality and price oriented. On the other hand people are also conscious about the company image because sometimes the consumer remembers the name of the product by the company name and also from the past performance of that company. Fragrance and packaging are not influencing factor as per the response.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | 1 | 2 | 3 | 4 | 5 | 6 |
| Fragrance | 3 | 2 | 3 | 1 | 1 | 0 |
| Quality | 4 | 3 | 2 | 1 | 0 | 0 |
| Company Image | 1 | 2 | 3 | 2 | 1 | 1 |
| Price | 2 | 3 | 2 | 1 | 0 | 2 |
| Packaging | 3 | 1 | 0 | 2 | 3 | 1 |
| Others | 0 | 0 | 0 | 1 | 3 | 6 |

Fig. 3b

**Interpretation:**

It gives an idea about the priority in the influencing factors of the consumers and also the weight age of that factor over other factors.

In the above result people are more quality and price oriented. On the other hand people are also conscious about the company image. Fragrance and packaging are also play important role for purchasing detergent powder.

**Q4. Do you guide customers to purchase a certain brand?**

|  |  |
| --- | --- |
| **Particular** | **Response** |
| Yes | 3 |
| No | 7 |

**Suggestion**

0

10

20

30

40

50

60

70

80

Response

30

70

Yes

No

Fig. 4(in percentage out of 10)

**Interpretation:**

This could be a very help question to understand the role of retailers in the purchase decision.

In above graph 70% of retailer do not suggest to purchase particular brand because of personal relation or that customer are brand loyal. While 30% of the retailer suggest the consumers to buy a particular brand. There could be many reasons like, extra margin, relations with consumers and quality of the products which retailer may get the benefit of the same.

**Q5. If Yes why? (Tick the best option)**

|  |  |
| --- | --- |
| **Particular** | **Response** |
| High margin | 1 |
| Quality | 0 |
| Relationship | 2 |
| No reason | 0 |

Fig. 5

**Interpretation:**

It gives idea about the reasons why retailers suggest the consumers to buy particular brand.

In above graph and table it is clear that for margin and of better relations with consumers, they suggest consumers to buy particular brand. For the company it may be helpful to target such retailers to sell their product in the market easily.

**Q6. Do customers look for various schemes in the product?**

|  |  |
| --- | --- |
| **Particular** | **Response** |
| Yes | 9 |
| No | 1 |

**Customers look for various schemes**

0

20

40

60

80

100

Response

90

10

Yes

No

Fig. 6(in percentage out of 10)

**Interpretation:**

This gives a real helpful data for checking the effect of sales promotions in the market and how seriously consumers follow the promotions before they go for purchase particular brand.

The above result shows that only 1 out 0f 10 didn’t go for the promotion otherwise all are looking for any type of the promotions on the product.

**Q7. If yes which schemes?**

|  |  |
| --- | --- |
| **Promotional Schemes** | **Response** |
| Coupons | 1 |
| Price Off | 8 |
| Freebies | 3 |
| Scratch Cards | 2 |
| Lucky Draws | 2 |
| Bundling Offer | 6 |
| Extra Quantity | 8 |

Fig. 7

**Interpretation:**

The above stated results show the demand of various types of promotional schemes in the market by the consumers. Almost all types of schemes are being demanded by the consumers in the market but there are three major schemes which consumers generally look at the time of purchase or before that.

Price off, product bundling and extra quantity are more demanded by the consumers over others schemes.

**Q8. Which Trade Promotions (during festive season) do various companies offer?**

|  |  |
| --- | --- |
| **NIRMA** | |
| **Promotions** | **Response** |
| Extra Margin | 4 |
| Extra Units | 3 |
| credit facility | 5 |
| Gifts | 2 |
| promo. Exp. | 8 |

Fig. 8a

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |

**Interpretation:**

The above graph shows the trade promotions offered by the NIRMA Ltd to the retailers to attract them towards stocking their goods and also stop them switching them too other major players in the market.

NIRMA is mainly offering credit facility which is offered by all major players but it may differ in the time limit of the credit. It is also providing extra margin, and units with occasional gift with their schemes.

|  |  |
| --- | --- |
| **HUL** | |
| **Promotions** | **Response** |
| Extra Margin | 4 |
| Extra Units | 3 |
| Credit facility | 6 |
| Gifts | 2 |
| Promo. Exp. | 5 |

Fig. 8b

**Interpretation:**

The advantage of HLL over NIRMA is that it bare promotional expenses which NIRMA is not doing. It attracts more consumers through such promotions, such as display of the product, banners etc.

So this may help it to attract more retailers. It may be because of its less cost of production in other segments in which NIRMA is not operating.

|  |  |
| --- | --- |
| **P & G** | |
| **Promotions** | **Response** |
| Extra Margin | 4 |
| Extra Units | 3 |
| Credit facility | 6 |
| Gifts | 2 |
| Promo. Exp. | 2 |

Fig. 8c

**Interpretation:**

P&G is also a big player in the FMCG market. It is also providing all the facilities which others are providing to retailers.

|  |  |
| --- | --- |
| **GODREJ** | |
| **Promotions** | **Response** |
| Extra Margin | 5 |
| Extra Units | 3 |
| Credit facility | 6 |
| Gifts | 2 |
| Promo. Exp. | 1 |

Fig. 8c

**Interpretation:**

Godrej is a big player in the FMCG market. It is also providing all the facilities which others are providing to retailers. But it is lacking in bearing expenses which HUL is providing to maximum number of retailers.

|  |  |
| --- | --- |
| **OTHERS** | |
| **Promotions** | **Response** |
| Extra Margin | 3 |
| Extra Units | 2 |
| Credit facility | 4 |
| Gifts | 2 |
| Promo. Exp. | 1 |

Fig. 8d

**Interpretation:**

Others include local players, as well as we established players like, Wipro but their products are not in demand like other players but still they are providing all the facilities to retailers to attract towards stocking their products.

**Q9 Any Suggestions**

Retailer suggested that packaging should be further improved and used as promotional tool, to encourage sales during certain periods the company should provide price off or extra quantity because that influences directly to the consumer.

**CHAPTER 6**

**INFERENCE**

**6.1 Findings of the report**

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

* FMCG are such a market where the level of loyalty remains low.
* Quality as the most influencing factors in the purchase decision while price is also an important for purchase decision.
* 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
* TV as the best media to market the product which will cover majority of the viewer ship. On the second place it shows news papers as the media to promote the product in the market
* People are not much aware of the schemes which continue in the market it may be because of the present stock of the product at their place.
* 1+1 or 2+1 or other free schemes are more demanded and more aware schemes in the market.
* People are ready to switch over to another brand if they find better promotional schemes which suits their budget means more quantity + less cost + quality.
* Extra quantity with less or same price, more satisfaction, quality and other factors influence consumers to switch over too other brands.
* Retailer stocks all types of soap and detergent because of competition.
* People are more quality and price oriented.
* Consumer remember that name of the product by the company name and also from the past performance of that company
* Retailers do not suggest to purchase particular brand because of personal relation or that customer are brand loyal
* Margin and better relations with consumers provide quality product to consumers as the retailers suggest consumers to buy particular brand.
* Customers are looking for any type of the promotions on the product before going them to purchase.
* Price off, product bundling and extra quantity are more demanded by the consumers over others schemes.
* NIRMA is mainly offering credit facility which is offered by all major players it may differ in the time limit of the credit.
* HUL attracts more consumers through such promotions, such as display of the product, banners etc.

**6.2 Recommendation**

The findings of the empirical 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 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.

**6.3 Conclusion of the Survey**

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 metros, 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.

We have noted that these kind of promotional tools are useful for short term increase in sales and to induce first trial. These types of promotional schemes should be consistent and changed from time to time depending upon season and competitor’s schemes.

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.

**CHAPTER 7**

**LIMITATIONS**

**Limitations of the study**

* We considered Delhi region only because of limited time duration.
* Due to this, our sample size is only 50, which is not very large.
* All the Response could not fill their questionnaire on their own due to language problem and also problem of time and lack of positive behavior.
* Respondent may give biased answer due to some lack of information about other brands.
* Findings of the study are based on the assumption that the respondent has given correct information.

**CHAPTER 8**

**EMERGING TRENDS**

**8.1 Joint Sales Promotion**

So far asFMCG market is concern there is new trend is emerging known as **Joint sales promotion**. Actually it is old concept but it was more prevailing in durable products but now it is coming into non durable goods also. When any sales promotion scheme either for trade or consumer is announced by more than one company and /or more than one brand of the same company, it is referred as joint sales promotion or horizontal co-operative sales promotion or cross promotion or umbrella sales promotion.

**8.2 Classification of joint sales promotion:**

* Use complementarily due to natural use
* New use catering complementary relationships
* Commonality of need due to use time
* Tie-up of a new /slow moving brand with an established brand
* Target market commonality
* Seasonal demand
* Distribution commonality
* Targeting new segment
* Derived demand
* Countering competitive joint sales promotions

**CHAPTER 9**

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**CHAPTER 10**

**Annexure Questionnaire**

***Customers***

I am student of MBA studying in the DELHI SCHOOL OF MANAGEMENT, NEW DELHI and conducting a survey for our academic project on **“Role of sales promotions in FMCG”**. So please fill this questionnaire. Your identity would not be revealed and information will only be used for academic purpose.

**Q1. Which brand of Soap / Detergent do you use?**

|  |  |
| --- | --- |
| Detergent powder | Response |
| Nirma supper |  |
| Wheel |  |
| Surf |  |
| Ariel |  |
| Others |  |

|  |  |
| --- | --- |
| Bathing –soaps | Response |
| Lux |  |
| Hamam |  |
| Lifebuoy |  |
| Nirma |  |
| Others |  |

**Q2. Do you always buy the same brand of Soap / Detergent?**

|  |  |
| --- | --- |
| Particulars | Respondent |
| Yes |  |
| No |  |

**Q3. Which factors do you normally consider while purchasing a particular brand of Soap / Detergents?**

|  |  |  |
| --- | --- | --- |
| Factors | Bathing soap | Detergent powder |
| Fragrance |  |  |
| Quality |  |  |
| Company image |  |  |
| Price |  |  |
| Packaging |  |  |
| Others |  |  |

**Q4. Do you consider promotional schemes while purchasing a particular brand of Soap / Detergent?**

|  |  |
| --- | --- |
| Particulars | Respondent |
| Yes |  |
| No |  |

**If yes, go to question No. 5**

**Q5. Which of the following promotional schemes you have come across so far?**

|  |  |
| --- | --- |
| Promotional schemes | Response |
| Coupons |  |
| Discount |  |
| Freebies |  |
| Scratch cards |  |
| Lucky draw |  |
| Bundling |  |
| Extra quantity |  |

**Q6. In your opinion, which medium is most suitable to promote the various promotional schemes?**

|  |  |
| --- | --- |
| Source | Response |
| Radio |  |
| TV |  |
| Newspaper |  |
| Hoarding |  |
| Others |  |

**Q7. Have you used any scheme on the Soap / Detergent till now?**

|  |  |
| --- | --- |
| Particulars | Response |
| Yes |  |
| No |  |

**Q8. If yes, please specify?**

|  |  |  |
| --- | --- | --- |
| Particulars | Response | |
|  | Soap | Detergents |
| 3+1/Other Free |  |  |
| Discount |  |  |
| No idea |  |  |
| No answer |  |  |

**Q9a. In case of an attractive sales promotion scheme, do you switch over to a new product from your existing product?**

|  |  |
| --- | --- |
| Particulars | Response |
| Yes |  |
| No |  |

**Q9b If yes, then which of the following will be preferred sales promotion scheme on new product?**

|  |  |
| --- | --- |
| Particulars | Response |
| Cost + Quantity |  |
| Quality |  |
| Satisfaction |  |
| Brand loyal |  |
| More benefit/budget |  |
| Season change |  |
| No answer |  |

***Retailers***

I am student of MBA studying in the DELHI SCHOOL OF MANAGEMENT, NEW DELHI and conducting a survey for our academic project on **“Role of sales promotions in FMCG”**. So please fill this questionnaire. Your identity would not be revealed and information will only be used for academic purpose.

**Q1. Since how long are you in this business?**

|  |  |
| --- | --- |
| Particulars | Response |
| 1-5 Years |  |
| 5-10 Years |  |
| More than 10 years |  |

**Q2. Name the Soap / Detergent (Company) you stock for.**

|  |  |
| --- | --- |
| Companies | Response |
| Nirma |  |
| HUL |  |
| P&G |  |
| Godrej |  |
| Others |  |

**Q3. Rank the following factors that customers look for in the purchase of Soap / Detergent. (Rank from 1 to 6)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Factors | 1 | 2 | 3 | 4 | 5 | 6 |
| Fragrance |  |  |  |  |  |  |
| Quality |  |  |  |  |  |  |
| Company Image |  |  |  |  |  |  |
| Price |  |  |  |  |  |  |
| Packaging |  |  |  |  |  |  |
| Others |  |  |  |  |  |  |

**Q4. Do you guide customers to purchase a certain brand?**

|  |  |
| --- | --- |
| Particular | Response |
| Yes |  |
| No |  |

**Q5. If Yes why?( Tick the best option )**

|  |  |
| --- | --- |
| Particular | Response |
| High margin |  |
| Quality |  |
| Relationship |  |
| No reason |  |

**Q6. Do customers look for various schemes in the product?**

|  |  |
| --- | --- |
| Particular | Response |
| Yes |  |
| No |  |

**Q7. If yes which schemes?**

|  |  |
| --- | --- |
| Promotional Schemes | Response |
| Coupons |  |
| Price Off |  |
| Freebies |  |
| Scratch Cards |  |
| Lucky Draws |  |
| Bundling Offer |  |
| Extra Quantity |  |
| Any other |  |

**Q8. Which Trade Promotions (during festive season) do various companies offer?**

|  |  |
| --- | --- |
| HUL | |
| Promotions | Response |
| Extra Margin |  |
| Extra Units |  |
| Credit facility |  |
| Gifts |  |
| Promo. Exp. |  |

|  |  |
| --- | --- |
| NIRMA | |
| Promotions | Response |
| Extra Margin |  |
| Extra Units |  |
| credit facility |  |
| Gifts |  |
| Promo. Exp. |  |

|  |  |
| --- | --- |
| P & G | |
| Promotions | Response |
| Extra Margin |  |
| Extra Units |  |
| Credit facility |  |
| Gifts |  |
| Promo. Exp. |  |

|  |  |
| --- | --- |
| GODREJ | |
| Promotions | Response |
| Extra Margin |  |
| Extra Units |  |
| Credit facility |  |
| Gifts |  |
| Promo. Exp. |  |

|  |  |
| --- | --- |
| OTHERS | |
| Promotions | Response |
| Extra Margin |  |
| Extra Units |  |
| Credit facility |  |
| Gifts |  |
| Promo. Exp. |  |