

The impact of sales promotion techniques on consumer purchase intention in FMCG products

V Vetrivel¹, P Sasikumar¹, V Vijayalakshmi², A Gokulakrishnan¹, M Ruby Evangelin¹, V Jayanthi¹

¹ Assistant Professor, Department of Business Administration, School of Management Studies and Commerce, Vels Institute of Science, Technology & Advanced Studies, Pallavaram, Chennai, Tamil Nadu, India

² Associate professor & Head Department of Business Administration, School of Management Studies and Commerce, Vels Institute of Science, Technology & Advanced Studies, Pallavaram, Chennai, Tamil Nadu, India

Abstract

Sales promotion is an important factor, it also a vital tool for marketers, and it has constantly is often used to create a competitive advantage, improve sales, and attract new customers and consumer purchase intention. Sales promotion influences the consumer purchase quantity and reduces the time for decision-making. Sales promotion is an immediate purchase encouraging strategy to increase sales or purchase of brands. This paper is investigated of sales promotion tools on consumers purchase intension in FMCG products. The descriptive research designs were used for this study. 613 consumers were approached as a sample size for the research. Descriptive analysis, ANOVA test, and Post- Hoc test were applied to examine the sample, to indicates that which are the attributes those that mostly impact the consumers and examine the linear association between the dependent variable and independent variable. It is observed that the coupon discount, price discount, buy one and get one, and extra quantity offer highly related and influence with the purchase intention of the customers in the purchase of FMCG products.

Keywords: consumer sales promotion techniques, purchase intension, FMCG product

Introduction

The market is the full of the circumstance or environment in which buyers and sellers' resources, activities, and attitudes influence product demand in a specific area. The term market can also refer to a gathering of buyers and sellers in person, via mail, phone, telegraph, cable, or any other means of communication. The special features of modern marketing are namely, Consumer orientation, Present marketing begins with the customers, it begins before production and It is a guiding element (Baavathy and Pillai 2000) [3]. At the present stage, marketing has gained a wide recognition due to the increasing pace of production. The economic growth of a country, to a greater extent, depends on the performance of marketing activities, which stimulates the demand for goods and services and leads to higher production.

Sales promotion is a strategy used by businesses to promote and boost product or service for the sales, usage, or trial (Aderemi, 2003) [2]. The providing of incentives to the customers or the distribution channel of organisation to generate demand for a product is referred to as sales promotion. Public relations, advertisement, and direct selling, it is an inherent element of a company's marketing strategy. Sales promotion serves as a competitive weapon by giving an additional incentive for the target audience to choose one brand over another. It's especially good at encouraging product tries and accidental purchases (Aderemi, 2003) [2].

Consumer promotion activities are those activities which are done to educate or inform the consumers and at the same time stimulate the product/ service usage at the consumer level. Success in sales depends on consumers' co-operation. Moreover, consumer sales promotion has been increases the

use of products by the consumers, attracts new customers and stands straight among the competitors, to introduce new products and to promote established products. A few consumer promotional tools are namely Price discount, Coupon discount, Free trial, Buy-one-get-one-free, Free extra quantity offers, Saver pack offers, Free gift offers. So, sales promotion activities are necessary while introducing a new product to attract the new customers, to reduce seasonal fluctuations and to counter-attack on the promotion strategy of the competitors in the market. Consumer promotion has become an indispensable as well as inevitable in marketing environment. Its activities are designed to serve multiple purposes. They help manufacturers to sell more products, both in lean and active seasons. They also give a certain differentiation in the market. With the result, Indian consumers have become extremely value sensitive and want to maximize the benefit from any purchase.

The current research attempts to discuss the promotional tools which are used by major FMCG product companies for improving their brand visibility, goodwill and sales in the rural markets of India. It also examines the significant changes in customer behaviour as a result of top marketers' promotion techniques. Consumers have an eager desire to meet their demands and acquire something new or better, and each individual has their own behaviour, attitude, and thought process while selecting products and making purchasing decisions. In this study, researcher examined the effect of sales promotion tools purchase behavior of the buyer.

Research Methodology

The objective of the paper is to investigate impact of the sales promotion techniques on consumer buying decision in

purchase intension. The descriptive research design were used for this study. The researchers proceeded over all of the reviews and had personal interactions with the customers, as well as collecting their views. Based on the information, it is consider some sales promotion tools namely free samples, coupons, demonstration, contests, cash refund offer, buyback allowance and discounts research schedule is framed in the five point scale where 5 stands for strongly agree, 4 stands for agree, 3 for neutral, 2 for disagree and 1 stands for strongly disagree. Simple random sampling method was adapted for this study and the samples are chosen from urban areas of Villupuram District, Tamilnadu. Those made shopping frequently with FMCG product. Totally 700 consumers were approached. Finally 613 consumers are considered as a sample size for the study. Descriptive statistics, correlation and regression anlaysis are applied to describe the sample, to show that which are the features those that highly influenced the consumers and measure the linear association between the dependent and independent variable.

Analysis and interpretation

Table 1: Customers attitude towards purchase intention

Purchase intention	SA	A	N	DA	SDA
I buy it regularly	159 25.90%	248 40.50%	98 16%	45 7.30%	63 10.30%
The best overall quality	158 25.80%	240 39.20%	90 14.70%	72 11.70%	53 8.60%
Buy well known brands	166 27.10%	178 29%	144 23.50%	72 11.70%	53 8.60%
Buy the best selling brands	141 23%	284 46.30%	63 10.30%	44 7.20%	81 13.20%
Buy something new and exciting	157 25.60%	205 33.40%	116 18.90%	72 11.70%	63 10.30%
Find the best value for money	130 21.20%	223 36.40%	108 17.60%	90 14.70%	62 10.10%
Possible at sale prices	117 19.10%	219 35.70%	125 20.40%	72 11.70%	80 13.10%
Buy the lower price products	141 23%	139 22.70%	207 33.80%	72 11.70%	54 8.80%
Shop in different stores and buy different brands	124 20.20%	139 22.70%	215 35.10%	45 7.30%	90 14.70%
Spend more time deciding on the products	133 21.70%	167 27.20%	142 23.20%	45 7.30%	126 20.60%
Buying the first product or brand	159 25.90%	141 23%	143 23.30%	63 10.30%	107 17.50%
I learn about products, the harder it seems to choose the best	113 18.40%	204 33.30%	126 20.60%	99 16.20%	71 11.60%
I carefully watch how much I spend	143 23.30%	237 38.70%	108 17.60%	44 7.20%	81 13.20%

Source: Primary data computed;

There are total of 13 statements are used to examine the respondents opinion towards their purchase intention. Customers are asked to rate their responses in the five point scale. Table 1 indicates the frequency analysis of each statement for purchase intention of the customers. From analysis, it is observed that majority (69.3%) of the respondents are agreed that they are preferred to buy the bestselling brands, followed by, 69 percent of the respondents are agreed that it is funny to buy something new and exciting. 66.4 percent of the respondents are agreed

that once they find a product they like to buy it regularly. 65 percent of the respondents are agreed that they are try to get the best overall quality. 59.6 percent of the respondents are agreed that they look very carefully and find the best value for money. 56.1 percent of the respondents are agreed that they usually buy well-known brands.

54.8 percent of the respondents are agreed that they buy as much as possible at sale prices. 52.0 percent of the respondents are agreed that they carefully watch and then decide how much to be spend. 51.7 percent of the respondents are agreed that they are learn about products and to choose the best.

It is found that the majority of the customers are preferred to buy the bestselling brands. It is funny to buy something new and exciting in purchase intention. However, they usually buy the lower price products, but if they want to get variety, they search in the different stores and they buy different brands. They are spending more time on deciding the products and brands.

Brown (2007) stated that the buying behavior refers to the decision making processes and act as the people involved in buying and using products. The customers, who are having all high level of buying behavior they are all having high level of involvement during their purchase. However, they are paying more attention towards sales promotion schemes (Raaij, et al, 2001) ^[14].

Table 2: Purchase intention level for customers

Purchase intention	Frequency	Percent
Low	98	16
High	515	84
Total	613	100

Source: Primary data computed;

Purchase intention is measured with 13 statements in the five point scale. The total mean score is lies between 13 to 65. Here, the researcher is categorized the purchase intention of the customers in to low and high level based on the mean score. Respondent, who has greater than the mean score of 36 is grouped into higher level of purchase intention and less than 36 point is classified into lower level of purchase intention. The result of the customers purchase intention level is shown in table -2. 84 percent of the customers are having higher level of purchase intention and 16 percent of them are having lower level purchase intention. It is found that the majority of the respondents are having higher level of purchase intention towards purchase of FMCG products during sales promotion period.

Table 3: Sales promotion schemes and purchase intention

Sales Promotion Schemes	Purchase Intention	
	r-value	p-value
Price discount	0.601	0.001*
Coupon discount	0.728	0.001*
Free trial	0.596	0.001*
Buy-one-get-one-free	0.698	0.001*
Free extra quantity offer	0.640	0.001*
Saver pack offer	0.596	0.001*
Free gift offer	0.663	0.001*

Source primary data computed: * significant one percent level

Table-3 indicates the relationship between various sales promotion schemes and purchase intention of the customers. Ho: Sales promotion schemes are not having the

relationship with purchase intention

In order to examine the above stated hypothesis, Pearson correlation is executed. From the test value, it is noted that price discount, coupon discount, free trial, buy-one-get-one-free, free extra quantity offer, saver pack offer, free gift offer are positively related with purchase intention. Therefore, the hypothesis is rejected. It is revealed that there is a significant relationship between sales promotion schemes and purchase intention of the respondents. The calculated correlation values are ranged between 0.728 to 0.596 which are significant with sales promotion schemes and purchase intention. Here the correlation value is found to be high between coupon discount and purchase intention (0.728). Followed by, buy-one-get-one-free and purchase intention (0.698), free gift offer and purchase intention (0.663), free extra quantity offer and purchase intention (0.640) and price discount and purchase intention (0.601). It is found that coupon discount, price discount, buy-one-get-one-free, and extra quantity offer highly related with the purchase intention of the customers in the purchase of FMCG products.

Table 4: Effect of sales promotion schemes on purchase intention

R	R Square	Adjusted R Square	F-value	p-value
0.799	0.638	0.634	152.153	0.001*

Predictors	B	A	Beta	t-value	p-value
(Constant)	0.421	0.047	-	8.929	0.001*
Price discount	-0.029	0.040	-0.034	-0.725	0.469(NS)
Coupon discount	0.354	0.037	0.399	9.539	0.001*
Free trial	-0.293	0.059	-0.313	-4.924	0.001*
Buy-one-get-one-free	0.190	0.050	0.203	3.823	0.001*
Free extra quantity offer	0.090	0.037	0.108	2.422	0.016**
Saver pack offer	0.103	0.049	0.110	2.110	0.035**
Free gift offer	0.381	0.049	0.418	7.719	0.001*

Source: primary data computed: * significant one percent level, **significant at five percent level, NS-non significant]

Ho: Sales promotions schemes are not influenced the purchase intention of the buyer

Table-4 explains the influence of sales promotion schemes on the purchase intention of the customers. Here, price discount, coupon discount, free trial, buy-one-get-one-free, free extra quantity offer, saver pack offer and free gift offer are the sales promotional schemes considered as an independent variables and purchase intention is treated as a dependent variable.

Regression analysis is applied to know the effect of independent variables on the dependent variable. The adjusted r-square value is found to be 0.634. It is inferred that the independent variables, such as price discount, coupon discount, free trial, buy-one-get-one-free, free extra quantity offer, saver pack offer, free gift offer are influenced at 63.4 percent on the purchase of FMCG products. Hence, the stated hypothesis is rejected. The unstandardized co-efficient beta value indicates the strength of relationship between dependent and independent variables. It is expressed by the equation.

Purchase intention = 0.421 + 0.381 (free gift offer) + 0.354 (coupon discount) + 0.190 (buy-one-get-one-free) + 0.103 (saver pack offer) + 0.090 (free extra quantity offer) - 0.293 (free trial)

The equation indicates that free gift offer, coupon discount, buy-one-get-one-free, saver pack offer and free extra quantity offer are positively influenced the buyer towards purchase of FMCG products. To have one unit increase in the purchase intention of the customers, free gift offers influenced by the 0.381 levels when other factors remain constant. In the same way, coupon discount influenced by 3.54 levels. Buy-one-get-one-free influenced by 0.103 levels. Saver pack offer influenced by 0.103 level and free extra quantity offer influenced by 0.090 levels.

It is found that free gift offer, coupon discount, buy-one-get-one-free, free extra quantity offer and saver pack offer are positively influenced the customer while purchase of the FMCG products. But, free trail is negatively influenced the buyer in the purchase of FMCG products.

Conclusion

The intention of the study is to determine the effect of sales promotion scheme on purchase intention of the buyer in the purchase of FMCG products. Further, it has been explored the effect of sales promotion scheme on perceived benefits of the customer and also benefits of the marketer. It is concluded that the majority of the customers are having favourable attitude towards various sales promotion schemes. However, buy-one-get-one-free is placed in the first position among the customers mind followed by free trial, saver pack offer, free gift offer, coupon discount and price discount. Hence, it is noted that buy-one-get-one-free is the best sales promotion tool in the FMCG products sectors. It is found that the majority of the customers are preferred to buy the best selling brands. Customers are felt that it is funny to buy something new and exciting in purchase intention. However, they usually buy the lower price products. In order to get variety, the customers are searching different stores and then purchase different brands. Majority of the customers are stated that they spend more time deciding the brands. However, majority of the customers are not purchase at a first look, though they are normally shop quickly, but they take enough time to purchase of FMCG products. Sales promotion schemes are influenced the buyer to purchase the FMCG products. It is found that free gift offer, coupon discount, buy-one-get-one-free, free extra quantity offer, saver pack offer are more influenced the customers on purchase of FMCG products. But, free trail is negatively influenced the buyer in the purchase of FMCG products.

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