
ANALYSIS OF PROMOTIONAL PLANS ON CONSUMER PROMOTION

Dr. Neeraj Chaudhary

Assistant Professor

Institute of Business Studies

Ch. Charan Singh University Campus, Meerut

ABSTRACT

The main reason of conducting this research was to explore the influence of social surrounding, discount level and buying behavior on sales promotion. The research results found that there was no significant relationship of social surrounding, discount level with sales promotion. But on the other hand buying behavior, free sample, price reduction has a significant relationship with sales promotion. The results of this research paper will help the marketers to understand best promotional techniques to increase significantly in their sales as well as revenues. This research paper also plays a vital role in helping businessmen to develop their business planes more effectively so that they can get the competitive advantage over their competitors and make them able to maximize their profits.

KEYWORDS: *Promotion, effectively*

INTRODUCTION

Consumer promotion is an important component of a small business's overall marketing strategy, along with advertising, public relations, and personal selling. The American Marketing Association (AMA) defines consumer promotion as "media and non-media marketing pressure applied for a predetermined, limited period of time in order to stimulate sale, increase consumer demand, or improve product quality." But this definition does not capture all the elements of modern sales promotion. Effective consumer promotion increases the basic value of product for a limited time and directly stimulates consumer purchasing, selling effectiveness, or the effort of the sales force. It can be used to inform, persuade, and remind target customers about the business and its marketing mix. Some common types of consumer promotion include samples, coupons, sweepstakes, contests, in-store displays, trade shows, price-off deals, premiums, and rebates

EFFECTS OF PROMOTION

- The present day market is very competitive due to the large number of rivals and substitutes. With the help of promotion producer must create product differentiation in the minds of consumers.
- Consumer promotion is very essential to communicate the use of the product and the nature of the product to consumers and middlemen.
- Nowadays most of the consumers market their products in wider area and the consumers are also very large in number. In such cases personal selling alone cannot be used and so all the steps for promotion are to be followed.
- During the periods of depression it is essential to maintain at least some minimum market. Therefore it is very essential to use consumer promotion.

KINDS OF CONSUMER PROMOTIONS

There are two basic types: trade and consume sales promotions. The schemes, discounts, freebies, commissions and incentives given to the trade (retailers, wholesalers, distributors, C&Fs) to stock more, push more and hence sell more of a product come under trade promotion. These are aimed at enticing the

trade to stock up more and hence reduce stock-outs, increase share of shelf space and drive sales through the channels. However, the cost incurred by the company as well as the limitations of the trade in India to stock up free goods limits trade schemes. Incentives can be overseas trips and gifts. A typical trade scheme on soaps would be buy a case of 12 soaps, get 1 or 2 free—or a 8% discount scheme ($1/12=8\%$). Such schemes are common in FMCG and pharma industries. But consumer promotion activity aimed at the final consumer is called consumer schemes. These are used to create a pull for the product and are advertised in public media to attract attention. Maximum schemes are floated in festival times, like Diwali or Christmas. Examples are buy soap, get diamond free; buy biscuits, collect runs; buy TV and get some discount or a free item with it and so on. Consumer schemes become very prominent in the maturity or decline stages of a product life cycle, where companies vie to sell their own wares against severe competition.

GROWTH OF THE CONSUMER PROMOTION

Consumer promotion has grown substantially in recent years. There are several reasons for this dramatic growth in consumer promotion. First, consumers have accepted sales promotion as part of their buying decision criteria. It provides reluctant decision makers with an incentive to make choices by increasing the value offered by a particular brand. Second, the increasing tendency of businesses to focus on short-term results has helped spur growth in sales promotion, which can provide an immediate boost in sales. Product managers also tend to view sales promotion as a way to differentiate their brand from that of competitors in the short term. Third, the emergence of computer technology has enabled manufacturers to get rapid feedback on the results of promotions. Redemption rates for coupons or figures on sales volume can be obtained within days. Finally, an increase in the size and power of retailers has also boosted the use of consumer promotion. Historically, the manufacturer held the power in the channel of distribution. Mass marketers utilized national advertising to get directly to consumers, creating a demand for the heavily advertised brands that stores could not afford to ignore. With consolidation and the growth of major retail chains, however, retailers have gained the power to demand incentives from manufacturers to carry their products. Many consumer promotions are designed to provide benefits to the retailers.

RESULTS

The ranking has been given by the respondents according to their order of preference for different sales promotion schemes. The findings its implications of the following figure will follow.

The ranking given according to the mean and standard deviation can be seen in the following table

Table-1: Ranking of Sales Promotion Schemes on basis of Mean and Standard Deviation

Sales promotion scheme	Mean	Standard deviation	Ranking
Price offs	1.74	0.803	1
Percentage extra	3.02	1.039	4
Bonus packs	2.9	1.265	3
Buy X get Y free	2.86	1.277	2
Coupons/Freebies	4.48	1.164	5

The above table reiterates some of the preferences shown by the consumer. In order to gauge the different benefits from different Sales promotions, the questionnaire administered shows the following results

Table-2: Perceived Benefits derived from different Sales promotion schemes

Sales promotions Benefits	Price Offs	Percentage extra	Bonus Packs	Buy X Get Y Free	Coupons
Savings	5.58 (1.64)	5.38 (1.83)	5.46 (1.47)	4.82 (2.26)	3.1 (2.14)
Convenience	3.92 (2.12)	3.98 (1.99)	4.02 (1.86)	4.64 (1.82)	2.28 (1.77)
Buying Quality Products	2.8 (1.64)	2.86 (1.69)	2.76 (1.93)	3.26 (1.86)	1.94 (1.01)
Information gathering	3.24 (2.08)	2.8 (1.65)	3.04 (1.67)	4.6 (2.2)	2.92 (2.12)
Entertaining	4.28 (1.91)	3.7 (2.19)	4.34 (1.99)	3.82 (2.31)	3.42 (2.21)
Value Expression	4.92 (1.62)	4.78 (1.52)	4.72 (1.76)	5.06 (1.39)	2.96 (1.89)

CONCLUSIONS

Consumer sales promotions encompass a variety of short-term promotional techniques designed to induce customers to respond in some way. The most popular consumer sales promotions are directly associated with product purchasing. These promotions are intended to enhance the value of a product purchase by either reducing the overall cost of the product (i.e., get same product but for less money) or by adding more benefit to the regular purchase price. The overall conclusion of this research is we found positive customers attitude towards diverse promotion tools on Sales Promotion. The study conform that Sale Promotion is Influences direct on the Customer Buying behavior. Furthermore this study shows that different customer have different response for the sale promotion.

REFERENCES

1. Achbar, Mark (editor) (2014), Manufacturing consent: Noam Chomsky and the media: the companion book to the award-winning film by Peter Wintonick and Mark Achbar, Montreal; New York: Black Rose Books, 2014. ISBN 1551640031
2. Biagi, S. (2015). Media/ Impact: An Introduction to Mass Media. Chicago: Thomas Wadsworth.
3. Bogue, J., Seymour, C. and Sorenson, D. (2012) "Market-oriented new product development of meal replacement and meal complement beverages." *Journal of Food Products Marketing*, 12(3): 1-18.
4. Campbell, Leland; Diamond, William D. (2005), "Framing and Sales Promotions : The characteristics of a 'Good Deal'", *Journal of Consumer Marketing*, (7 : 4), pg. 25.
5. Cutlip, Scott (2016). *The Unseen Power : Public Relations, A History* Hillsdale, N. J. : Erlbaum Associates. ISBN 0-8058-1464-7.
6. Diamond W. D., and Campbell, L. (2014) "The Framing of Sales Promotions : Effects on Reference Price Change," *Advances in Cnsumer Research*, Vol. 16, pp. 241-247.
7. Habermas, Jiirgen. (2016) *The Structural Transformation of the Public Sphere: an Inquiry into a Category of Bourgeois Society*. Cambridge, Mass.: MII' Press.
8. Kipphan, Helmut (2011). *Handbook of print media : technologies and production methods* (Illustrated ed.). Springer. pp. 48-52. ISBN 3540673261.
9. Ndubisi, Nelson Oly; Moi, Chiew Tung (2015), "Customer Behavioural Responses to Sales Promotion : The role of fear of losing face", *Asia Pacific Journal of Marketing and Logistics*, (17 : 1), pg 32-49.