



A STUDY ON SALES PROMOTION TECHNIQUES USED IN SOAP/DETERGENT

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Abstract

Sales promotions are generally looked at as tools that undermine the brand; yet a tool that is necessarily meant to speed up sales. Consumer sales promotion take up a large share of the total marketing expenditure despite which it remains an area that still attracts attention as an essential component of the promotion mix meant to increase short term sales. It is therefore not surprising that most of the marketers resort to sales promotions to attract the competitor's market share. The present paper reports the results of the impact of consumer sales promotions on 200 customers. This study has attempted to explore which sales promotional techniques going to be dominate on personal care products in Fast Moving Consumer Goods.

1.1 Introduction

A detergent is a chemical compound or mixture of compounds used as a cleaning agent. Soap is a cleaning agent that is composed of one or more salts of fatty acids. Thus, by its broad definition, detergent is an umbrella term that includes soaps and other cleaning agents with various chemicals compositions. Often, however, the term detergent is used in a narrower sense to refer to synthetic cleaning agents that are not soaps (that is not salts of fatty acids). Conversely, the term soap is often used in a broader sense to include a verity of cleaning agents (such as "laundry soap"). Here the term detergent will be used in its broader sense (to include soaps), and the term soap will be used for products that consist mainly of fatty acid salts.

Detergents are commonly used in products for personal hygiene, dishwashing, and laundry. They are also used as ingredients in antiseptic agents, dry-cleaning solutions lubricating oils, and gasoline. Although detergent are very useful, the excessive use of certain ingredients has led to adverse effects on the environment. For instance, phosphate additives used for water softeners led to an increase in phosphorus content in lakes and rivers, triggering algal blooms that in turn consumed most of the oxygen in the waters, killing fish and plants. Efforts have been made to reduce such negative effects, but the results have been mixed.

1.2 History

The earliest known use of a natural soap-like material was the powder of nuts from the Reeta (Sapindus) tree, a power used by Indians since antiquity. In accordance with Ayurvedic teachings, Hindus in India were obliged to bathe at least once a day, every morning. The Boby Ionians used clay cylinders containing a soap-like substance, dating from 2800 B.C.E. A formula for soap-consisting of water, alkali, and cassia oil- was written on a Babylonian clay tablet around 2200 B.C.E. The Ebers papyrus (Egypt, 1550 B.C.E) indicates that ancient Egyptians bathed regularly and combined animal and vegetable oils with alkaline salts to create a soap-like substance. Egyptian documents that a soap-like substance was used in the preparation of wool for weaving.

1.3 Review of Literature

Behavioral research on sales promotions has tended to focus on the demographics of deal-prone consumers (Bawa and shoemaker 1987:Blattberg et al. 1978:Narasimhan 1984: Webster 1965) and on the identification of personal traits such a "coupon proneness," "value consciousness," or market mavenism" (Feick and price 1987: Lichtenstein, Netemeyer, and Burton 1990: Mittal 1994).These studies offer a coherent portrait of the demographic and psychographic characteristics of deal prone consumers (for a review, see Blattberg and Neslin 1990, pp. 65-82; Chandon 1995).However, because of their focus on individual variables, these studies did not examine the nature, and the number, of the specific consumer benefits of sales promotions. As a result, most analytical and econometric models of sales promotions assume that monetary savings are the only benefit motivating consumers to respond to sales promotions(for a review, see Blattberg and Neslin 1993).

Although we have predicted that sales promotions have a positive effect on brand knowledge, this effect may depend on the type of promotion. The most recent literature on sales promotions (Chandon & Laurent 1999; Chandon *et al.* 2000) stresses the need to distinguish between two types, monetary and non-monetary, because there are important differences between them. On the one hand, monetary promotions (e.g. free product and Coupons) are primarily related to utilitarian benefits, which have an instrumental, functional and cognitive nature. They help consumers to increase the acquisition utility of their purchase and enhance the efficiency of their shopping experience. On the other hand, non-monetary promotions (e.g. contests, sweepstakes, free gifts, and loyalty programs) are related to hedonic benefits with a non-instrumental, experiential and affective nature, because they are intrinsically rewarding and related to experiential emotions, pleasure and self-esteem.



Traditionally, sales promotions are regarded as a technique that brings about direct sales increase (Bawa & Shoemaker, 1987; Dodson, Tybout, & Sternthal, 1978; Doob et al., 1969; Gupta, 1988). This perspective contrasts with the way in which advertising—another element of promotion mix—is studied as an important means of establishing brand goodwill, brand attitude, and brand equity (Aaker & Carman, 1982; Mela, Gupta, & Lehmann, 1997).

“The term sales promotion refers to many kinds of selling incentives and techniques intended to produce immediate or short-term sales effects. Typical sales promotion includes coupons, sample, in pack premiums, self liquidating premiums, value-packs, refunds and rebates, price-off packs, contests, sweepstakes, tradeshows, continuity plans and others. Sales promotion techniques can be applied across a broad range of products- from chewing gum to houses and cars. Perhaps the only unifying theme among these various methods is that they all must be communicated to the appropriate audience to be effective” - John, C., Totten and Martin, P., Block.

1.4 Statement of the Problem

The business world today is a world of competition. A business cannot survive if its products do not sell in the market. Thus, all activities are undertaken to increase sales. Producers may spend a lot on advertising and personal selling. Still the product may not sell. So incentives need to be offered to attract to buy the product. Thus, sales promotion is important to increase the sales of any product.

1.5 Objective of the Study

Main objective of the current study is to identify the best sales promotion techniques. This study focused on the following objectives:

- Factors do you normally consider while purchasing a particular brand of soap/detergent.
- Consideration of the promotional schemes while purchasing a particular brand of soap/detergent.
- To choice the medium which is suitable to promote the various promotional schemes
- To know which attractive promotional offer is making the customer to switch over to other brand.

1.6 Research Methodology

The population for this study consisted of all the households (sampling size was 200) in Thanjavur district. The sample for the study was selected from the population by descriptive method. Thanjavur Districts is the geographical areas of the study. In these districts, women from different walks of life live in this district are considered as a respondent. 200 sample consumers selected at random from the large population.

1.6.1 Data and Sources

Both types of data viz., secondary and primary have been used in this study. The secondary data were at first collected from the secondary sources such as books, journals, records etc. The primary data were collected from a structured questionnaire.

1.6.2 Period of the Study

One year period has been taken for this study (2015- 2016). The extent of period is sufficient to cover consumer buying behavior on sales promotion techniques used in soap/detergent.

1.7 Analysis of Data

In this section, it is attempted that the overall satisfaction of the 200 customers compared with some demographic variables. The overall satisfaction was ascertained by calculating the total scores that a respondent secured. When these variables are compared with the overall satisfaction the level of satisfaction has been termed as high level of satisfaction, medium level of satisfaction and low level of satisfaction. The degrees of satisfaction viz., high, medium and low were determined on the basis of scores secured by the women in respect of these variables. If the scores reach 75% it is termed as the high level of satisfaction. If it is in between 50% to 74% it is treated as medium level of satisfaction. If the scores are up to 50% it is the lower level satisfaction. On the basis of this methodology, the overall satisfaction is compared.

1.7.1 Analysis of demographic profile of sales promotion techniques used in soap/detergent

This section deals with demographic profile of the 200 sample of sales promotion techniques used in soap/detergent in Thanjavur districts.

Table – 1, Frequency analysis for sales promotion techniques used in soap/detergent

Sales promotion techniques used in soap/detergent	Classification	No. of Respondents	Total
Gender	Male	98(49)	200
	Female	102(51)	
Age	Below 20	4(2)	200
	21 – 40	51(25.5)	
	41 – 60	96(48)	
	61 and above	49(24.5)	
Marital Status	Married	99(49.5)	200
	Unmarried	101(50.5)	
Educational Qualification	Upto H.S.C/P.U.C	21(10.5)	200
	Degree/Diploma	51(25.5)	
	P.G Degree	81(40.5)	
	Professional Degree	47(23.5)	
Occupation	Employee	25(12.5)	200
	Business	53(26.5)	
	Profession	7(3.5)	
	Agriculture	24(12.0)	
	Household	63(31.5)	
	Student	21(10.5)	
	Others	7(3.5)	
	Annual Income	Upto 1.00.000	
1, 00,001 – 2, 00,000	68(34.0)		
2, 00,001 – 3, 00,000	19(9.5)		
Above 3, 00,000	22(11.0)		
Area of Residence	Rural	75(37.5)	200
	Urban	97(48.5)	
	Semi-Urban	28(14.0)	
Family Type	Join Family	146(73)	200
	Nuclear Family	54(27)	
Brand of soap /detergent which was using	Power soap /detergent	39(19.5)	200
	Tide soap /detergent	41(20.5)	
	Surf Excel soap /detergent	40(20)	
	Ariel soap /detergent	37(18.5)	
	Arasan soap /detergent	7(3.5)	
	Ponvandu soap /detergent	6(3)	
	Rin soap /detergent	6(3)	
	Mr.White soap /detergent	6(3)	
	Ujala soap /detergent	6(3)	
	Henko soap /detergent	6(3)	
	Others	6(3)	

Source: Output generated from SPSS 20

The above table displays demographic profile of the 200 sample respondents. The demographic details of the samples are very important in any research because the personal variables of the sample respondents are the basic background for socio-economic conditions. The table is comprehensive in nature and it is self explanatory also so that it is needless to describe the features of the sample respondents. However, the following points are worth noting:

- 102 of the respondents are female and 98 of them are male.
- 41 - 60 is the age group that has the majority (96%).
- Majority respondent are unmarried (101%) in the sample frame.
- 81 respondents are P.G holder, 51 of them are degree/diploma holder, 47 of them are done their professional degree and 21 respondents are qualified up to H.S.C / P.U.C and in the sample frame.

- Majority (63) respondents are Household, 53 of them are doing Business, 25 of them are working (Employee), 24 of them are doing agriculture, 21 respondents are student, and 7 of the respondents are profession in the sample frame.
- 91% respondents have an annual income of below up to Rs.1, 00,000.
- 97% respondents dwell in towns of this district.
- Majority of the respondent are in join family (146%)
- Tide soap /detergent are the mostly (41%) preferred brand by the customer, due to the low price and the fragrances.
- 40% of the customer preferred Surf Excel soap /detergent. Even though the price was high the quality of the product was good for the washing machine user.
- Arasan soap /detergent, Ponvandu soap /detergent, Rin soap /detergent, Mr.White soap /detergent, Ujala soap /detergent, Henko soap /detergent are mainly (6%) used by the customer of hand wash in this sample frame.

1.7.2 Always buy the same brand of soap/ detergent:-

Not all kinds of soap/detergent are created equal. These days it is possible to choose between a wide verity of specialized detergent brands for every type of fabric, washing machine and cleaning task you can think of!

Table-2,Always buy the same brand of soap/ detergent

Same brand	Frequency	Percent
Yes	100	50.0
No	100	50.0
Total	200	100.0

Source: Output generated from SPSS 20

Sale promotion techniques may raise the sales immediately. But does not create brand loyalty. Some customers are not willing to choose other products, 50% of the customer said they always buy the same brand of soap/ detergent. And also 50% of the customer said “no”. It means they won’t buy the same brand of soap/ detergent in this sample frame.

1.7.3 Factors do you normally consider while purchasing a particular brand of soap/detergent:-

The aim of this research is to identify what is meant by sales promotion and consumer buying behavior. Moreover, this study will examine how sales promotion is influencing on consumers while they are purchasing Soap/detergent.

Table-3,Factors do you normally consider while purchasing a particular brand of soap/detergent

Factors	Frequency	Percent
Fragrance	53	26.5
Price	53	26.5
Quality	52	26.0
Packing	14	7.0
Company Image	14	7.0
Others	14	7.0
Total	200	100.0

Source: Output generated from SPSS 20

Majority of the customer (53) feel that consider the fragrance and price of the soap/detergent while purchasing a particular brand of soap/detergent. Then quality (52) plays a second place in purchasing a particular brand of soap/detergent. From this analysis it was concluded that customer will chose the product only based on the fragrance and price.

1.7.4 Consider promotional schemes while purchasing a particular brand of soap/detergent:-

Mainly, sales promotion has a temporary effect on consumer buying behavior. Many researchers are arguing that sales promotion does not have a long term effect on consumer buying behavior and also it reduces the revenue, as in coupon, refunds and rebates. These techniques are increasing costs. Hence other researchers are stating that sales promotion does not reduce revenues because sales promotion can attract and encourage consumer to purchase the product in a higher quantity in lower prices.

Table-4
Consider promotional schemes while purchasing a particular brand of soap/detergent

Consider promotional schemes	Frequency	Percent
Yes	136	68.0
No	64	32.0
Total	200	100.0

Source: Output generated from SPSS 20

Majority of the customer (136) said they will consider promotional schemes while purchasing a particular brand of soap/detergent and 64 of the customer said “No”. So, sales promotion scheme also plays a vital role in purchasing a particular brand of soap/detergent.

1.7.5 Following promotional schemes

According to Clow and Baack there are several types of sales promotion that are Coupons, Price off, Freebies, Scratch Cards, Lucky Draw, Bundling and Extra Quantity.

Table-5, Following promotional schemes

Following promotional schemes	Frequency	Percent
Coupons	18	9.0
Price off	12	1.5
Freebies	10	5.0
Scratch Cards	20	10.0
Lucky Draw	56	28.0
Bundling	55	27.5
Extra Quantity	26	13.0
Others	3	6.0
Total	200	100.0

Source: Output generated from SPSS 20

Lucky draw is most famous sales promotional schemes up to 56%, the second place goes to bundling (55%), then Extra Quantity stands in third place (26%), Scratch Cards comes next with 20%, Coupons with 18%, Price off with 12%, Freebies with 10% and then some other promotional schemes have 3% in this sample frame.

1.7.6 Medium do you feel is suitable to promote the various promotional schemes:-

Customer awareness is most important, once the customer aware about the promotional scheme then only the customer will able to choice the product. Customer will aware about the product through various medium they are Radio, TV, Newspaper and Hoardings

Table-6, Medium do you feel is suitable to promote the various promotional schemes

Suitable to promote various promotional schemes	Frequency	Percent
Radio	22	11.0
TV	70	35.0
Newspaper	100	50.0
Hoardings	4	2.0
Others	4	2.0
Total	200	100.0

Source: Output generated from SPSS 20

Newspaper (100) is a highly suitable medium of sales promotion scheme. Because the promotion scheme which is available in the local area will be know by the newspaper only (through pamphlets). Then 70 of the customer said they will aware of

the promotional schemes only through TV only. TV is an attractive medium of the sales promotion because everyone will have the TV in their home (even illiterate).

1.7.7 Switch over to other brand while attractive promotional offer is available:-

The customer will value the options available for him/her and select the one that best fits his desires. An attribute-based alternatives evaluation process which differs from the attitude-based alternatives evaluation process. A customer who is examining the attributes of pick the one that best fits him/her is carrying out an attribute based alternatives evaluation process. If a customer loves a certain brand and goes for it directly, then he/she has made an attitude based choice.

Table-7, Switch over to other brand while attractive promotional offer is available

Attractive promotional offer	Frequency	Percent
Yes	136	68.0
No	64	32.0
Total	200	100.0

Source: Output generated from SPSS 20

When some attractive promotional offer is available the customers are (68%) willing to switch over to other brand. And 32% of the customers are not willing to switch over in this sample frame.

1.8 Findings of the study

- 102 of the respondents are female and 98 of them are male.
- 41 - 60 is the age group that has the majority (96%).
- Majority respondent are unmarried (101%) in the sample frame.
- 81 respondents are P.G holder, 51 of them are degree/diploma holder, 47 of them are done their professional degree and 21 respondents are qualified up to H.S.C / P.U.C and in the sample frame.
- Majority (63) respondents are Household, 53 of them are doing Business, 25 of them are working (Employee), 24 of them are doing agriculture, 21 respondents are student, and 7 of the respondents are profession in the sample frame.
- 91% respondents have an annual income of below up to Rs.1, 00,000.
- 97% respondents dwell in towns of this district.
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- Tide soap /detergent are the mostly (41%) preferred brand by the customer, due to the low price and the fragrances.
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- Sale promotion techniques may raise the sales immediately. But does not create brand loyalty. Some customers are not willing to choose other products, 50% of the customer said they always buy the same brand of soap/ detergent. And also 50% of the customer said "no". It means they won't buy the same brand of soap/ detergent in this sample frame.
- Majority of the customer (53) feel that consider the fragrance and price of the soap/detergent while purchasing a particular brand of soap/detergent. Then quality (52) plays a second place in purchasing a particular brand of soap/detergent. From this analysis it was concluded that customer will chose the product only based on the fragrance and price.
- Majority of the customer (136) said they will consider promotional schemes while purchasing a particular brand of soap/detergent and 64 of the customer said "No". So, sales promotion scheme also plays a vital role in purchasing a particular brand of soap/detergent.
- Lucky draw is most famous sales promotional schemes up to 56%, the second place goes to bundling (55%), then Extra Quantity stands in third place (26%), Scratch Cards comes next with 20%, Coupons with 18%, Price off with 12%, Freebies with 10% and then some other promotional schemes have 3% in this sample frame.
- Newspaper (100) is a highly suitable medium of sales promotion scheme. Because the promotion scheme which is available in the local area will be know by the newspaper only (through pamphlets). Then 70 of the customer said they will aware of the promotional schemes only through TV only. TV is an attractive medium of the sales promotion because everyone will have the TV in their home (even illiterate).

- When some attractive promotional offer is available the customers are (68%) willing to switch over to other brand. And 32% of the customers are not willing to switch over in this sample frame.

1.9 Suggestion:-

Based on the findings of the study, the following suggestions are made for the better sales promotion techniques.

- Most analytical and econometric models of sales promotions assume that monetary savings are the only benefit motivating consumers to respond to sales promotions. So the sales promotion will be effective only in short run.
- Sales promotion schemes are mainly brought in off season during falls in sales volume and peak of the season. In future, for launching of schemes the timing is to be followed for better result.
- It is found that in planning and implementation of schemes MNCs like Nestle, Colgate and P&G are the leader in markets. Indian companies should wake up and learn a lesson from foreign competitors. They should work more effectively in this area so they can improve their sales market shares.
- For improving effectiveness of the management should focus on proper timing of launching scheme, communication and transparency regarding sales promotion schemes.
- Information regarding sales promotion methods not readily available to all customers. More efforts needed to communicate to all concerned parties very often to increase more awareness regarding sales promotion methods.
- Give out loyalty cards/use loyalty apps. Make someone's day by giving out loyalty cards/apps. Your customers want to feel valued, especially if they've been a long-time fan of your business. The best way to make them feel special is to give loyalty cards, with certain prizes, points and coupons!

1.10. Conclusion

It examines the role of sales promotion techniques on consumer buying behavior. Generally, consumer buying behavior is influenced on its pre purchase and purchase stage by sales promotions. Moreover sales promotion has only short term effect on consumer buying behavior. It is rare to find that sales promotion build loyal customer. It is just techniques that encourage consumers to try a new product. There are two extremes loyal consumers, who are purchasing certain product from certain brand regardless sales promotions that are offered in other brands. On the hand, consumers are not loyal at all. Mainly consumers are falling between those two extremes.

The researcher is convinced that a sales promotion has a short term effect on consumer buying behavior. The main aim of using such marketing techniques is increasing sales in short run. However, it is believed that sales promotion plays an important role in building loyal customers. It is stated before that sales promotion is used when certain company launch a new product. If this new product exceeds customer's expectations, it will lead to customer satisfaction and may be lead to customer loyalty.

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