

A Study on Role of Sales Promotion in Fmcg Products towards Instant Food Products with Special Reference to Pudukkottai District

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ABSTRACT

The importance of packaging design as a vehicle for communication and branding is growing in competitive markets for packaged FMCG products. This research utilized a focus group methodology to understand consumer behaviour toward instant food products. The challenge for researchers is to integrate packaging into an effective purchasing decision model, by understanding consumer's behaviour towards the packaging of FMCG products. The present study made an attempt to analyze the role of sales promotion towards instant food products by individual households and to predict the demand for instant food products. All the respondents were aware of cooking materials but only 64.23% of respondents were aware of cooking material mix. The main objective of this study is to identify factors (demographic factors and behavioural factors) influencing on sales promotion towards these products. For this purpose, 75 respondents were selected by using area probability sampling method with an association of Judgement sampling and data gathered from them through questionnaire and personal

interviewing. The findings showed the majority of the consumers for these products were young generation people especially students and working people below 50 years who belongs to nuclear family with moderate monthly income level. It was also found that television was the major source of medium for consumer awareness, and the interest of consumer towards these products was instant consumption, timesaving, taste and convenience to use them as snacks. Therefore it is recommend that these food manufacturers should pay much attention on attractive packaging, health and nutrients and quality and intermediaries should stress on effective sales promotion activities to increase the consumption of these products and sustainability.

Key words: Consumer behaviour, buying pattern, instant cooking, sales promotion.

INTRODUCTION

In today's competitive business environment, the role of packaging has changed due to the consumers' lifestyle change and increasing self service. Packages act as a very good tool of sales promotion, which also

stimulates consumer impulsive buying behaviour, which increase market share & cuts various costs involved in marketing. Packaging is the science, art and technology of enclosing or protecting products for distribution, storage, sale and use. Health consciousness was the major factor indicated by the non buyers of these products. Moreover planned purchase was common among majority of the elders while impulse buying behaviour is shown among many consumers preferred milk based products. Low cost of home preparation and differences in tastes were the major reasons for non consumption, whereas ready availability and save time of preparation were the reasons for consuming instant food products. Retail shops are the major source of information and source of purchase of instant food products.

OBJECTIVES OF THE STUDY

1. To know the extent of awareness in FMCG towards instant food products and role of sales promotion.
2. To examine the influence of income level on consumer buying behaviour.
3. To analyze brand loyalty for instant food products.

STATEMENT OF THE PROBLEM

The research problem lies in the fact that role of sales promotion in FMCG products towards instant food products. This research utilized a focus group methodology to understand consumer behaviour toward instant food products. The challenge for researchers is

to integrate packaging into an effective purchasing decision model, by understanding consumer's behaviour towards the packaging of FMCG products. The present study made an attempt to analyze the role of sales promotion towards instant food products by individual households and to predict the demand for instant food products.

LITERATURE REVIEW

Ailawadi, L. Kusum and Nelsin, A Scott (1998) empirically demonstrated the existence of flexible consumption rate in packaged goods products, how this phenomenon could be modeled and its importance in assessing the effectiveness of sales promotion. Results of their study show that sales promotion increases consumption because of higher usage rate and stockpiling.

Vecchio, Del, Devon et.al. (2006) report the results of the study, which examined the effect of sales promotion on brand preference through Meta analysis. Results of 51 studies had been integrated. As per the study sales promotions do not affect post promotion brand preferences in general. But depending upon characteristics of sales promotion and the promoted product, promotion can either increase or decrease preference for a brand.

Soman, Dilip and Gourville, T. John (2001) investigated how and why price bundling affect the consumption of a service based product such as a sporting event or a theatre performance. The results of the study showed

that price bundling leads to a decoupling of the sunk cost and pending benefits of a transaction there by reducing the likelihood of downstream consumption.

RESEARCH METHODOLOGY

Research methodology proposed examines role of sales promotion in FMCG towards instant food products. For research, the author used primary data and secondary data with well-structured questionnaire. The questionnaire designed with respect role of sales promotion in FMCG products towards instant cooking food products. First part of questionnaire having information regarding demographic of consumers. Second part of questionnaire having closed ended indirect questions, which were based on daily bases,

used FMCG products. Author used 75 respondents were selected by using area probability sampling method with an association of Judgment sampling and data gathered from them through questionnaire and personal interviewing. After collection data in form of questionnaire from respected respondents, author used SPSS 17, and used Chi-square for test the hypothesis.

ANALYSIS AND INTERPRETATION

Hypothesis 1

H₀: Sales promotion does not create favourable impact of FMCG products towards instant food products.

H₁: Sales promotion creates favourable impact of FMCG products towards instant food products.

TABLE – 1

Consumer behaviour while purchasing FMCG products towards instant food products

Sl. No	Statements	SA	A	NA	DA	SDA
1	I like to explore new varieties of FMCG products towards instant food products	30	21	11	9	4
2	I doubt the quality of FMCG instant products purchased for first time and rely more on FMCG instant products	8	10	13	15	29
3	I am loyal towards my preferred FMCG brand only	6	14	11	16	28
4	I prefer buying any FNCG brand which provides unique combination of good quality and reasonable price	31	19	15	9	6
5	I buy only familiar FMCG brands	8	10	14	20	23

	Test Value = 3					
	t	df	Sig (2 tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Explore new varieties	8.564	72	0.000	0.6731	0.5421	0.6314
Quality-Perception	- 5.187	72	0.000	-0.5381	-0.3533	-0.4152
Brand-Loyalty	- 4.213	72	0.000	- 0.3819	-0.2142	-0.4166
Quality-price-Preference	8.36	72	0.000	0.6154	0.4751	0.6362
Buying Preference	-6.281	72	0.000	-0.3711	-0.7312	-0.5611

The question measurement scale is interval and therefore t-test has been used for measuring impact of sales promotion on sales of FMCG instant products. 5% level of significance is assumed and the calculated significance value is less than 0.05. Thus, t-test is significant and H1 will be accepted i.e., role of sales promotion is favourable towards instant food products.

TABLE – 2
Sales promotion makes the consumer purchase intention towards instant food products

S. No	Sources	Garrett mean score	Rank
1	Goodwill	71.43	I
2	Recognized	68.23	II
3	Loyalty	21.45	VII
4	Responsibility	11.98.	VIII
5	Social	35.15	VI
6	Style	41.67	V
7	Communication	66.12	III
8	Participation	50.75	IV

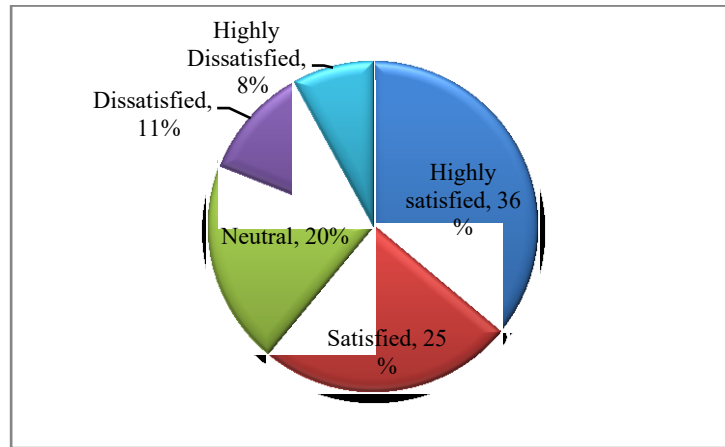
Source : Primary data

TABLE – 3
Sales promotion towards instant products and overall brand

Scales	Percentage (Total respondent = 100)
Highly satisfied	36%
Satisfied	25%
Neutral	20%
Dissatisfied	11%
Highly Dissatisfied	8%

Source: Primary data

FIGURE – 1



Hypothesis 2

- H₀: Lesser cost and good quality are not the most preferred factor while selling FMCG products.
H₁: Lesser cost and good quality are the most preferred factor while selling FMCG products.

TABLE – 4

Most preferred for purchase of FMCG products (1= Highest rank &5=lower rank)

S. No	Statements	1	2	3	4	5
1	Lower cost	28	25	13	7	2
2	Perfect quality	22	19	14	11	9
3	Wide range of varieties available to choose from	30	18	15	9	3
4	Sales promotional offers	33	20	11	8	3
5	Recommendation of retailer sales staff	24	21	14	12	4

Correlations

		Lesser cost	Good Quality	Varieties	Promotional Offers	Recommendations
Lesser Cost	Pearson Correlation	1	.835	0.945	.897	.796
	Sig (2 tailed)	0.000	0.000	0.000	0.000	0.000
	N	75	75	75	75	75
Good quality	Pearson Correlation	.876	.907	.943	.924	.971
	Sig (2 tailed)	0.000	0.000	0.000	0.000	0.000
	N	75	75	75	75	75
Varieties	Pearson Correlation	.911	.889	.925	.975	.874
	Sig (2 tailed)	0.000	0.000	0.000	0.000	0.000
	N	75	75	75	75	75
Promotional offers	Pearson Correlation	.973	.922	.963	.912	.893
	Sig (2 tailed)	0.000	0.000	0.000	0.000	0.000
	N	75	75	75	75	75
Recommendation	Pearson Correlation	.756	.891	.868	.937	.966
	Sig (2 tailed)	0.000	0.000	0.000	0.000	0.000
	N	75	75	75	75	75

The questionnaire measurement scale is ordinal and therefore Pearson's Correlation test is conducted for checking most preferred factor while selling FMCG products. 5% level of significance value is less than 0.05. Thus, correlation test is significant and H1 will be accepted i.e., lesser cost and good quality are most preferred factor while selling FMCG products.

It is observed based on the above test that lesser cost and good quality factors share highest positive correlation. Thus, they are most interested factors by consumers while selling FMCG products while the factor recommendations of retailer sales staff share least correlation with other factors.

FACTOR ANALYSIS

One of the main objectives of the research was to identify the underlying factors

towards sales promotion which motivate customers to instant food products. The statements considered for studying the brand preferences of consumers were best quality of the product, good brand image, retailers influence, reasonable price, readily available, good packaging, advertisements, attractive, packaging design and convenience. In contrast, poor quality, poor taste, high price, poor brand image, poor flavor, not good colour, less keeping quality were the statements used in asking the reasons for not using a particular brand of instant food products. The responses to the above statements were measured in a five point scale namely; Strongly Agree; Agree; Undecided; Disagree and Strongly Disagree and the scores of 5,4,3,2 and 1 were given to the above scales.

TABLE – 5

Product attributes preferred for instant food products towards sales promotion

	Responses		Percent of cases
	N	Percent	N
Price of the product	24	24	21
Good packaging	20	20	20
Quality of the product	21	21	22
Value for the money	19	19	20
Brand name	16	16	20
Total	100	100%	103

Source: Primary data

FINDINGS

➤ More than 65% of respondent indicates due to sales promotion towards the

development of the metropolitan cities due to increase in population, emergence of industries, evolution of various new factors, time factor,

etc., created the need for instant foods in the market.

➤ 50% of respondent feels through sales promotion in the industrialization, the labor category is getting attracted to it because of better emoluments and hence there is a shortage of home maids-servants. Due to this, the housewives in order to save time started using instant foods.

➤ 40% of respondents indicate on promotion of instant products were the literacy rate is increasing among women, a large number of them in our country are taking up jobs to setup their own status in the society and to use the extra income generated.

➤ 58% of respondent have an emergence of nuclear families. Earlier times, a single family consisted of many people i.e., a group of several nuclear families were living in a single place. Hence larger quantities of the food were used to be prepared. But as these joint families started disappearing due to various reasons, each single family started using these instant foods in order to save time and energy.

➤ 35% of respondent indicates that the different new products coming up in the markets daily that are very cheap and easy for using and preparing, the popularity of instant foods is increasing towards effective sales promotion.

SUGGESTIONS

✓ It was observed from that majority of the consumers of pickles and sambar masala preferred retail shop as the major source of information as the sellers themselves influence and motivate the consumers to opt for these products while making purchase followed by sales promotion as these are the common mass medias existing in almost all the households in all the selected areas.

✓ Most of the respondents in the study areas are not purchasing the Dosa / Idli mix, Pickels and Sambar masala even though they are readily available in the market, instead like to prepare their own, hence, importance and awareness towards these products should be created through various media or literatures especially in rural areas.

✓ The study revealed that in majority of the households' women made the buying decisions of instant food products. Sales promotion should target this group.

✓ High price was an important reason for non-consumption of Dosa / Idli mix by significant proportion of households. Thus, efforts may be made to reduce the price of this product so as to increase its sale.

CONCLUSION

The emergence trends in new product launch (FMCG), has seen a wide range of innovations in India, even though we have drawbacks. To study the Sales promotion

towards instant food product it also analyze the Consumers behaviours and factors influencing the consumption of instant food products, simple averages and percentages were calculated. To measure the brand loyalty of consumers towards instant food products scaling was used. Likert scaling technique was employed to study the factors influencing the brand preferences and reasons for not preferring the particular brand by the consumers of instant food products. The potential demand for the instant food products was estimated using the total population in the study area and per capita consumption of instant food products. The advancement of science and technology offered the people new foods processing vessels, equipment and tools but still people were in search of new technologies to speed up the cooking process in order to cope up with mechanical life, as they do not have sufficient time to cook food in the conventional methods. Therefore it is recommend that these food manufacturers should pay much attention on attractive packaging, health and nutrients and quality and intermediaries should stress on effective sales promotion activities to increase the consumption of these products and sustainability.

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