

A Study on Impact of Sales Promotion Techniques Affecting Purchase Behaviour on FMCG Products in Urban Market with Reference to Hyderabad, Telangana

R. Sampath Kumar*

Abstract

Sales promotion strategies are categorized as in-store and out-of-the-store promotions. The primary goal of this research is to investigate the relationship between how customers perceive sales promotion methods and how that impression influences their purchasing decisions. Purchase behavior in this study has been identified as the store loyalty, the basket size, and the shopping frequency. These aspects have been highlighted in FMCG markets, which are typified by low involvement items, a lack of obvious brand distinction, and intense competition. Premium brands and market leaders are not immune to these problems, since it has been discovered that followers and market leaders face the same amount of competition, even though their brand features differ significantly. In this study, the five major purchasing behavioral dimensions namely, brand switching, store switching, purchase acceleration, repeat purchase, and category expansion, have been considered as the dependent variables while perceptions about sales promotion strategies are treated as independent variables. One of the major issues concerning increase in sales volume is to design appropriate sales promotional strategies and tools to stimulate perch's behaviors of the people in the industry. This way, the effectiveness of the sales promotion activities can be understood. Besides, such attempts will help redesigning the sales promotion tools and strategies that can strongly influence the purchase behaviour of the customers. Thus, in the present study such concerns are addressed while collected data from the customers of various stores in Hyderabad. Aside from the type of breakdown used (elasticity versus unit sales), the procedure of assigning promotional sales to the various response patterns is found to be critical. Given the ability hyperlink among advertising and emblem fairness, understanding FMCG consumers' attitudes approximately consumer-primarily totally based emblem fairness reasserts is crucial. Despite a wealth of literature at the separate subjects of Brand Equity and income promotion, there has handiest been a small amount that without delay tackles the connection among the two; this lends credence to Schultz's declare that they do not know a good deal yet.

*Author for Correspondence

R. Sampath Kumar
E-mail: drrsmpath@osmania.ac.in

Associate Professor, Department of Business Management,
The Osmania University College of Commerce and Business
Management, Hyderabad, Telangana, India

Received Date: April 28, 2022
Accepted Date: June 30, 2022
Published Date: July 04, 2022

Citation: R. Sampath Kumar. A Study on Impact of Sales Promotion Techniques Affecting Purchase Behaviour on FMCG Products in Urban Market with Reference to Hyderabad, Telangana. NOLEGEIN Journal of Consumer Behavior & Market Research. 2022; 5(1): 1–9p.

Keywords: Sales promotion, display promotions, buyer behaviour, urban market, FMCG companies, store loyalty, basket size, shopping frequency, premium brands, market leaders, non-durable products, product mix, direct market, rebates, schemes, services

INTRODUCTION

A descriptive research design was used to conduct the current investigation. The study intended to describe the sales promotion and purchase behaviour of customers in FMCG sector in the twin cities of Hyderabad and Secunderabad.

Primary data were collected along with Secondary data from various journals, books and websites for the study. Based on the secondary data review designed the questionnaire to study the objectives of the Research. The study's universe includes all FMCG customers in the state of Telangana.

When constructing a sales promotion system, many attributes and attribute levels should be considered. Managers can refer to the main features and their levels that are important and desired by consumers when responding to sales promotion schemes to accomplish the efficiency and effectiveness of the sales promotion schemes based on the findings of the research study [1].

There are two major issues that are addressed in this study as are of serious concern for both managers and as well as academicians. Therefore, understanding sales promotional tools practiced by the companies and their influence on the purchase behaviour of the customers has been felt as the need of the hour. Various earlier research studies have consistently found support for the direct influence of sales promotion tools on the individual's purchase behavior, thus, in the present study, five major sales promotional tools/strategies adopted by the FMCG companies today and similarly five dimensions of purchase behavior influence by the promotional tools.

Objectives of the Study

1. To explore the association between perception about sales promotion schemes by the respondents and the type of store
2. To comprehend the purchasing habits of customers in relation to the store type
3. To understand the association between promotion schemes as perceived by the respondents and their purchasing behavior

Hypothesis

1. There is no relationship between type of sales promotion schemes and type of store perceived by the respondents
2. There is no relationship between Purchase behaviour according to the type of stores perceived by the respondents.
3. There is no relationship between sales promotion schemes as perceived by the respondents and their purchasing behavior

Sample Size is 280 urban consumers of FMCG products have participated in this study. Using a Convenient Sampling Method, Primary Data has been collected using a questionnaire containing questions pertaining to demographic profile, sales promotion schemes perceived and the purchase behaviour of the customers. Questionnaire method is considered suitable for the collection of the data since customers visiting the FMCG outlets are in general education enough to answer the questions on their own.

Data Analysis

It was found that a majority of the respondents in supermarkets and discount stores were below 35 years of age as opposed to a majority who are above 35 years of age in retail stores and whose markets.

Interestingly, half each of the respondents are either men or women in all the types of stores, indicating that both of them were equally representing the study [2].

As regards education, a majority of them were graduates in supermarkets. Whereas a large number of them is post graduate in retail, wholesale market.

A good number of the customers are in government service visiting supermarkets. Whereas professionals are visiting retail stores, wholesale markets and discount stores. A large number of them have two children irrespective of visiting various stores. A majority of respondents earn above Rs

20,000, visiting all the four types of stores in this study. Either a majority or large number of them spend about Rs.4000 per month in all the types of stores visited by them [3].

It is evident from the Table 1 that in large supermarket, a majority are graduates (60.0%), followed by nearly one third (30.0%), are post graduates and undergraduates (10.0%), In retail store, nearly an equal percentage of them are either graduates (41.4%) or post graduates (40.0%). The remaining are under graduates (18.6%). In wholesale market, nearly half of them (48.6%) are post graduates followed by graduates (40.0%) and undergraduates (11.4%). Lastly, in case of discount store, nearly equal percentages of them are either graduates (42.9%) or postgraduates (40.0%). The remaining are undergraduates (17.1%).

Table 1. Type of store and education.

Type of Store	Education			Total
	Undergraduate	Graduate	Post Graduate	
Supermarket	7	42	21	70
	10.0%	60.0%	30.0%	100.0%
Retail Store	13	29	28	70
	18.6%	41.4%	40.0%	100.0%
Wholesale Market	8	28	34	70
	11.4%	40.0%	48.6%	100.0%
Discount Stores	12	30	28	70
	17.1%	42.9%	40.0%	100.0%
Total	40	129	111	280
	14.3%	46.1%	39.6%	100.0%

It's quite clear from the Table 2 that in case of supermarket, a little over one third of the respondent are in private service (34.3%), followed by government service (28.6%), unemployed (21.4%). The remaining few are in business (8.6%). Professional (4.3%) and part time job (2.9%). In case of retail store, little over one third are unemployed (35.7%), followed by professional (24.3%), private service (17.1%) and government service (12.9%). The remaining few are either in part time job (8.6%), or business (1.4%). In case of whole sale market a similar trend is observed that is a little over one third of unemployed (37.1%) followed by professional service (24.3%) government service (15.7%) and private service (12.9%). The remaining are in business (10.0%). Lastly, in case of discount store, a large number of them is unemployed (44.0%), followed by one third of them are in professionals (32.9%), private service (7.1%) business (7.1%), government service (4.3%), and part time job (4.3%).

Table 2. Types of store and occupation.

Type of Store	Occupation						Total
	Government Service	Private service	Business	Professional	Stay at home	Part time job	
Super market	20	24	6	3	15	2	70
	28.6%	34.3%	8.6%	4.3%	21.4%	2.9%	100.0%
Retail Store	9	12	1	17	25	6	70
	12.9%	17.1%	1.4%	24.3%	35.7%	8.6%	100.0%
Wholesale Market	11	9	7	17	26	0	70
	15.7%	12.9%	10.0%	24.3%	37.1%	0.0%	100.0%
Discount Stores	3	5	5	23	31	3	70
	4.3%	7.1%	7.1%	32.9%	44.3%	4.3%	100.0%
Total	43	50	19	60	97	11	280
	15.4%	17.9%	6.8%	21.4%	34.6%	3.9%	100.0%

It is clear from the Table 3 that in case of supermarket most of the respondents income is above Rs. 20000/- (67.1%), followed by nearly one fourth (24.3%) of them have income of Rs. 10,000–20,000. The remaining of them has below Rs. 10,000. In case of retail store, a similar trend is observed. That is, most of them earn above Rs. 20,000/- (64.3%) followed by remaining of them earning Rs. 10,000–20, 0000. (18.6%), remaining below Rs. 10,000 (17.1%). In wholesale market, a majority of them earn above Rs. 20000 (64.3%), followed by one fourth of them earning Rs.10000 to 20000 (25%). In case of discount stores, similar trend is observed, that is, a majority earns about Rs. 20,000(60.0%) followed by one fourth of them earn between Rs. 10,000 to 20,000 (25.7%). The remaining earn below 10,000/- (14.3%)

Table 3. Type of store and monthly income (in Rupees).

Type of Store	Monthly Income (in Rupees)			Total
	<i>Below Rs.10000/</i>	<i>Rs.10000–20000/</i>	<i>Above Rs. 20000/</i>	
Super market	6	17	47	70
	8.6%	24.3%	67.1%	100.0%
Retail Store	12	13	45	70
	17.1%	18.6%	64.3%	100.0%
Wholesale Market	5	18	47	70
	7.1%	25.7%	67.1%	100.0%
Dis Stores	10	18	42	70
	14.3%	25.7%	60.0%	100.0%
Total	33	66	181	280
	11.8%	23.6%	64.6%	100.0%

It's clear from the Table 4 that majority in case of supermarket spend above Rs. 4000 per month (52.9%), followed by one third below Rs. 3000 to 4000 (32.9%) and less than 3000 (14.3%). In retail store, a large number of the spend above Rs. 4000 (44.3%) and 3000 to 4000 (42.9%), the remaining less than 3000 (12.9%). In wholes sale market, a similar trend is observed. That is, a large number of them spend above Rs.3000 to Rs. 4000 (47.1%) or above Rs. 4000 (40.0%). In discount stores a large number spend Rs. 3000 to Rs. 4000 (45.7%), a little over one third (37.1%) spend above Rs. 4000.

Table 4. Type of store and monthly expenditure (in Rupees).

Type of Store	Monthly Expenditure (in Rupees)			Total
	<i>Less than Rs. 3000/ Less than Rs. 500</i>	<i>Rs.3000–4000/ Rs. 500–2000</i>	<i>Above Rs. 4000/ Above Rs. 2000</i>	
Supermarket	10	23	37	70
	14.3%	32.9%	52.9%	100.0%
Retail Store	9	30	31	70
	12.9%	42.9%	44.3%	100.0%
Wholesale Market	9	33	28	70
	12.9%	47.1%	40.0%	100.0%
Discount Stores	12	32	26	70
	17.1%	45.7%	37.1%	100.0%
Total	40	118	122	280
	14.3%	42.1%	43.6%	100.0%

Type of Store and Brand Switching

Brand switching is a common purchase behavior among customer there are several reasons such behavior [4]. There for data collected in the regard are cross tabulated according to type of store and presented in the following Table 5.

Table 5. Type of store and brand switching.

Type of Store	Brand Switching				Total
	<i>Strongly Disagree</i>	<i>Dis agree Disagree</i>	<i>Agree</i>	<i>Strongly Agree</i>	
Supermarket	27	6	7	30	70
	37.1%	8.6%	10.0%	44.3%	100.0%
Retail Store	20	7	6	37	70
	28.6%	10.0%	8.6%	52.9%	100.0%
Wholesale Market	9	13	12	36	70
	14.3%	18.6%	17.1%	50.0%	100.0%
Discount Stores	18	6	9	37	70
	25.7%	8.6%	12.9%	52.9%	100.0%
Total	74	32	34	140	280
	26.4%	11.4%	12.1%	50.0%	100.0%
Pearson Chi-square: Value 16.61; d.f 9, P = 0.05					

It is clear from the Table 5 that in case of supermarket, a large number of them (44.3%) strongly agreed with the statement followed by a few of them either disagreed (8.6%) or agreed (10.0%) with statement. In case of retail store a majority of them (52.9%) as strongly agreed with the statement relatively a little one fourth of them (28.6) strongly disagreed. few of them are either disagreed (10.06%) or agreed (8.6%) with statement. In case of wholesale market half of them (50.0%) of them strongly agreed. with the statement followed by those who either disagree, or strongly agreed with the statement. In case of discount store, a majority of them (52.9%) strongly agreed with the statement, followed by those who either strongly agreed (52.9.7%) followed by one forth strongly dis agreed (25.7%). The calculated chi-square value is found more than table value at a 9 degree of freedom and 0.05 levels of significance. Thus, the association between both the variables is statistically significant.

Type of Store and Store Switching

Store switching a behavior is due to comfort and convenient to the customer. However, sales promotion tools also stimulate customer to another store [5]. Data collected in this regard in cross tabulated with type of store. Result in their regards are presented in following Table 6.

Table 6. Store switching by type of store.

Type of Store	Store Switching					Total
	<i>Neutral</i>	<i>Strongly Disagree</i>	<i>Disagree</i>	<i>Dis Agree</i>	<i>Strongly Agree</i>	
Supermarket	0	24	11	4	31	70
	.0%	34.3%	15.7%	5.7%	44.3%	100.0%
Retail Store	1	17	13	5	34	70
	1.4%	24.3%	18.6%	7.1%	48.6%	100.0%
Wholesale Market	0	13	16	3	38	70
	.0%	18.6%	22.9%	4.3%	54.3%	100.0%
Discount Stores	1	20	8	8	33	70
	1.4%	28.6%	11.4%	11.4%	47.1%	100.0%
Total	2	74	48	20	136	280
	.7%	26.4%	17.1%	7.1%	48.6%	100.0%
Pearson Chi-square: Value 28.11; d.f 12; P = 0.005						

In case of supermarket a majority of them strongly agreed that they are store switching because of sales promotion followed by little over one third (34.3%). The remaining of them either disagreed (15.7%) or agreed (5.7%) In case of retail store nearly half (48.6%) of them have strongly agreed that they switched one because of sales promotion. Followed by nearly one fourth (24.3%) strongly disagreed. The remaining of them either disagree or strongly disagreed. In case of whole sales market

more than half of them (54.3%) strongly agree that they switched one because of sales promotion. Followed by those also disagree (22.9%) with the statement. In case of discount store, nearly half of them (47.1%) strongly agreed that they switched one because of sales promotion. Followed by nearly one third (28.6%) of them strongly disagreed. The remaining of them either agrees or disagrees [6]. The calculated Chi-square is found more than 12 degrees of freedom at 0.005 level of significance, indicating that the association between the variables is statistically significant.

Type of Store and Purchase Acceleration

The more stimulating is the sales promotion tool, the greater in the speed at which customer purchase [7]. This data collected with regard to purchase acceleration and cross tabulated by type of store. Result in this regard is presented in following Table 7.

Table 7. Purchase acceleration.

Type of Store	Purchase Acceleration					Total
	Neutral	Strongly Disagree	Disagree	Agree	Strongly Agree	
Supermarket	0	20	2	16	32	70
	.0%	28.6%	2.9%	22.9%	45.7%	100.0%
Retail Store	1	11	1	13	44	70
	1.4%	15.7%	1.4%	18.6%	62.9%	100.0%
Wholesale Market	0	13	3	20	34	70
	.0%	18.6%	4.3%	28.6%	48.6%	100.0%
Discount Stores	1	14	0	14	41	70
	1.4%	20.0%	.0%	20.0%	58.6%	100.0%
Total	2	58	6	63	151	280
	.7%	20.7%	2.1%	22.5%	53.9%	100.0%
Pearson Chi-square: Value 44.13; d.f 12; P = 0.000						

In case of super market, a large number of them strongly agreed that they accelerate purchasing because of sales promotion (45.7%). Followed by little over one fourth of them strongly disagreed. The remaining of them either agreed (22.9%) In case of retail store, a majority of them strongly agreed that they accelerate purchasing because of sales promotion. Followed by those who either agreed (18.6%) or strongly disagreed with the statement. In case of whole sales market, nearly half of them strongly agreed (48.6%) that they accelerate purchasing because of sales promotion. Followed by a little over one fourth (28.6%) of them strongly agreed or strongly disagree (18.6%).

In case of discount store, nearly half of them (58.6%) strongly agreed that they accelerate purchase behaviour because of sales promotion. Followed by (20.0%) each of them either agreed or strongly disagreed. At 12 degrees of freedom and 0.02 threshold of significance, the estimated Chi-square value is more than the table value, showing that the relationship between the variables is statistically significant.

Type of Store and Repeat Purchase

Repeated purchase is a very crucial behavior companies expected their customer to manifest [8]. Additionally, sales promotion tools and methods influence buying behaviour. Thus, data collected in this regard, is cross tabulated by type of store and presented in the following Table 7.

It is quite clear from the Table 8, in case for super market, a large majority (75.7%) of respondents is strongly agree the, repeatedly purchase. The remaining of them either strongly disagree (17.1%) or agree (7.1) of repeat purchase. In case of retail store, a large majority (77.1%) strongly agree that the repeat purchase., the remaining of them either agreed (10.0%) or strongly disagree (8.6%) or neutral (2.9%) or disagree (1.4%) of repeat purchase. In case of whole sale market, a large majority (70.0%) are strongly agree the repeat purchase behaviour., the remaining of them either agreed (15.7%) or

strongly disagree (11.4%) of repeat purchase behaviour. In case of Discount store, a majority (68.6%) are strongly agree the repeat purchase behaviour, The remaining of them either strongly disagreed (17.1%) or agree (12.9%) or neutral (1.4%) of repeat purchase behaviour. The calculated Chi-square value is found more than the table value at 12 degree of freedom at 0.02 level of significance, indicating that the association between the variables is statistically significant.

Table 8. Repeat purchase by type of store.

Type of Store	Repeat Purchase					Total
	Neutral	Strongly Disagree	Disagree	Agree	Strongly Agree	
Supermarket	0	12	0	5	53	70
	.0%	17.1%	.0%	7.1%	75.7%	100.0%
Retail Store	2	6	1	7	54	70
	2.9%	8.6%	1.4%	10.0%	77.1%	100.0%
Wholesale Market	1	8	1	11	49	70
	1.4%	11.4%	1.4%	15.7%	70.0%	100.0%
Discount Stores	1	12	0	9	48	70
	1.4%	17.1%	.0%	12.9%	68.6%	100.0%
Total	4	38	2	32	204	280
	1.4%	13.6%	.7%	11.4%	72.9%	100.0%

Pearson Chi-square: Value 29.97; def. 12; P = 0.002

Secondly, the sales promotion tools or strategies devised by the companies may or may not differ according to the type of store wherein the FMCG products are soled. The list of such tools is only confined by the limitations of the creativity and innovativeness of these companies under studied.

Thirdly, the purchase behaviour expressed by the respondents forms another objective of the study. Here again the variations in purchase behaviour of the respondents have been examined in relations to the type of stores studied. Five buying behaviors were explored in this study: brand switching, store switching, purchase acceleration, repeat purchase, and category expansion. Lastly, the relationships between all the sales promotional tools and all the self-report purchase behaviour have been studied as they form the centrality of the study [9]. This way, which sales promotional tools would have more impact on the purchase behaviour of the respondents will be of serious implications for the managers of sales promotion and the purchase behaviour which determine the effectiveness of sales promotion and the return on investments on such promotions.

As regards price pack, a large number of the respondents either less perceived or moderately perceived the effect of price pack in all the types of stores. Whereas, with regard to rebate, a majority of them perceived its effect moderately in all the types of stores.

With regard to offers, a large number of them perceived less effective in all the types of stores visited by them. Whereas with regard to premium, a majority of them perceived moderately the effect of premiums in all the types of stores. Lastly, with regard to contests, a majority of customers moderately perceived the effect of contents in all the type of stores visited by them.

Interestingly, the null hypothesis was found rejected as all the sales promotion tools perceived by the respondents were significantly associated with the type of stores visited by them.

Implications

According to data on sales promotion schemes on various FMCG products, cash discounts and free gifts are two types of value-added sales promotion schemes that are extensively used by marketers [10]. This study suggests that as a sales promotion plan, monetary discounts should be preferred over free gifts. Further, while examining various attributes and their levels of sales promotion schemes,

conjoint analysis suggests that value added schemes should be given preference over other forms of sales promotion schemes. Because sales promotion strategies on foreign brands are favored, maintaining brand perception is also critical in the FMCG business. As a result, it is recommended that the brand's perception be managed. Word of mouth is favored above other methods for disseminating information about sales promotion plans. Given the findings of this study, the company's promotion mix should be determined in order to take advantage of sales promotion schemes.

Consumers are deal-prone, according to current research, indicating the need of initiating sales promotion programmed at the right time. Among the selected elements of the sales promotion strategy, brand type is the most essential, followed by the media used to generate awareness about the scheme. While designing sales promotion plans, these two factors should be given equal weight and consideration.

Managerial Implications

It can be referred from the findings that deal proneness is not the same across demographic variables. This offers the immense scope of segmenting the market based on the consumer deal proneness and designing the marketing strategies according to the target market, more specifically sales promotion strategy.

Comparing cash discount and free gift widely popular types of consensus sales promotions, cash discount is preferred over free gift, but at the same time among various consumer sales promotion schemes, value added type of sales promotion is preferred over price off according to conjoint analysis which implies that other than free gift as a value-added scheme is preferred by the consumers. Considering this finding, manager can design and innovate value added scheme other than free gift.

While taking media mix decision, manager can also consider that word of mouth as medium of spreading awareness of sales promotion scheme is preferred over other medium which helps managers to achieve promotion strategy objectives effectively and efficiently. This study also provides a range for coordinating promotional programs at various levels.

In today's market scenario, consumers are struck by similar monotonous commerce messages, and managers need to devise plans to break the turmoil and produce the necessary impact. If consumer promotion programs are offered, you need to choose carefully to make sure they are relevant to the consumer. This survey can provide useful information for administrators to design promotional programs that eliminate confusion. The study also highlighted the importance of the role of the mass media, as word-of-mouth is preferred over other media.

This study addressed two important issues in marketing and consumer behaviour. They are sales promotion and its effects on purchase behaviour. Thus, this thesis was presented in seven chapters. In chapter one, statement of the problem has been presented highlighting the research idea, the research questions, objectives and the hypotheses. Research idea includes the two major concepts of FMCG marketing namely, the sales promotion strategies adopted by the marketers and the response to such strategies by the customers in the form of purchase behaviour. Secondly, the rationale for exploring the relationships between these two research ideas was presented to project the importance of the research study on sales promotion and its consequent impact on purchasing behaviour.

CONCLUSION

India's marketing scenario Ocean change adapts to new patterns, with global business economic situation. Globalization Fierce competition Exceptional in the multinational section Corporate, Global Consumer Branding Conference Preference, global labeling and publishing, and expanded cross-border trading routines. The Indian market has begun to flood with various brands Different types of

products. I'm interested in packs Consumer goods have begun to expand significantly. Customers are becoming more quality and price conscious Sensitive as they are currently revealed international marketing terms and opportunities

REFERENCES

1. Berman, E. Marketing (4 ed.). New York: Macmillan Publishing Company.
2. Berman, J.R. (1990). Marketing. In Marketing (4 ed.). New York: Collier Macmillan.
3. Craig, B.S. (1982). Consumer Behavior-An information processing perspective.
4. D.L. Loudon, a. A. (1993). Consumer Behaviour Concepts and Applications (Vol. 2). New York: Mc Graw-Hill book Company.
5. Florian Badorf, a. K. (2019). The impact of daily weather on retail sales: An empirical study in brick-and-mortar stores. *Journal of Retailing and consumer Services*, 52.
6. J. William Stanton, M.J. (1993). Fundamentals of Marketing (10 ed.). New York: Mc Graw Hill International Edition.
7. Jiang, L. (2013). Measuring buyer perceptions of online shopping convenience. *Journal of Service Management*, 24 (2), 191–214.
8. Philip Kotler, K.L. (2011). Marketing Management (14 ed.). Dartmouth College: Pearson education.
9. Prahalad, C. a. (2002). Serving the world's poor, profitably. *Harvard Business Review*, 80 (9), 48–57.
10. Sarkar, R. a. (2017). Online Shopping vs Offline Shopping : A Comparative Study. *International Journal of Scientific Research in Science and Technology*, 3 (1), 424–431.