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MEASURING CONSUMERS' PREFERENCE TOWARDS SALES PROMOTION FOR TOOTHPASTE AND DETERGENT

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ABSTRACT

The purpose of this research is to measures the consumer preference towards sales promotions for two categories of goods toothpaste and detergent soap in Salem City. There are nine constructs are used to measure the consumers preference. Four constructs were grouped in to monetary promotions such as price reduction, rebate, bundle price reduction and Price coupon. The remaining five constructs used under non-monetary promotions such as premium, contest, display, extra volume pack and buy one get one free. It is found that consumers' preference for monetary promotions is higher than non-monetary promotion. Also among the nine types of promotions used in the study price reduction and premiums were preferred by majority of the consumers. The consumers' preference for sales promotions was not influenced by the demographic characteristics of the consumers.

KEY WORDS

Sales Promotions, Monetary Promotions, Non-Promotions and Consumer Preference

INTRODUCTION

The role and importance of sales promotion in the companies' marketing program have increased dramatically over the past decades. The proportion of marketing budget allocated for sales promotion rose sharply, while the amount spent on media advertising declined. The increase in spending on sales promotion at the expense of media advertising is the ongoing trend. Currently, estimates are that marketers spend between 60 to 75 percent of their promotional budgets on sales promotion, with the remainder being allocated to media advertising. Therefore studying sales promotion effectiveness from the consumer perspective is crucial in today's market situation.

CONCEPT OF SALES PROMOTION

Sales promotion is the set of incentive tools, mostly short term, designed to stimulate quicker or greater purchase of particular products or services by customers or the traders. (Philip Kotler, 2013) Sales promotions are classified in to two major categories; consumer oriented promotion and trade oriented promotion. This paper analyzes the consumer preference for consumer oriented promotions. The consumer oriented promotion also classified in to two categories monetary promotion and non-monetary promotion. The monetary promotions used in the study are price reduction, rebate, bundle price reduction and Price coupon. The non-monetary promotions used in the study are premium, contest, display, extra volume pack and buy one get one free.

REVIEW

Neslin and Blattberg (1989) found that coupon has positive impact on consumer purchase preference. Majority 80% percent of consumers were positively influenced by coupon and that resulted in brand switching and stockpiling behavior. Francis, J. Mulhern and Daniel, T. Padgett (1995) stated the three fourth of the store consumers purchased on regular prices products because of introduction of promotion in the stores. Sales promotion preference had positive impact on promotional product purchase as well non promoted regular priced products. Chen, Shih-Fen S, Kent B. Monroe and Yung Chien Lou (1998), reported high-price product sales

promotion in the form of price reduction in dollar terms (rupee value) seemed more significant than the same price reduction framed in percentage.

Consumers' preference is high for coupon promotion than the discount promotion even though saving on coupon and discount is same. Chu-mei, Liu (2002) concluded that advertisement impact is felt useful for product information and promotion is felt useful for economic value. They also stated that preference for a brand is higher when the sales promotion economic benefits and advertisement information benefits are more. Douglas D. Davis and Edward L. Millner (2005) found that among three types of promotions such as rebates, buy one get one free chocolate and price discount; the preference for buy one get one free is higher than rest two types of promotion. It is contrary to standard theoretical prediction monetary promotion preference for price reduction and rebate will be high. Stanley George (2012) stated consumer durable companies and retailers are adapting monetary and non-monetary promotion to attract promotion prone customers. The result of this study is consistent with (Bhatt2006) that price-off (price reduction) promotions work better than many other forms of promotions.

Mohamad Yaman Obeid (2014) the consumer preference for price discounts was higher than sweepstakes and games. The non-monetary promotion sweepstakes and contest were felt to be relatively ineffective in terms of generating all types of consumer response. Hong Zhou and Zhe Gu (2015) studied the effect of different price presentations on consumer impulse buying behavior and found that price presentation (based on the amount of money or percentage-off) has a significant impact on consumer impulse buying behavior. The past research reviews summary give a picture that in consumer oriented sales promotion; the monetary promotions preference among consumers is higher than non-monetary promotions.

OBJECTIVES OF THE STUDY

1. To measures the consumer monetary sales promotion preference for toothpaste and detergent soap among the consumers in Salem City.
2. To measures the consumer non-monetary sales promotion preference for toothpaste and detergent soap among the consumers in Salem City.
3. To study the relationship between monetary sales promotions preference and non-monetary sales promotions preference for toothpaste and detergent soap.

HYPOTHESIS

H1: There is no relationship between monetary promotion and non-monetary Promotion.

H2: There is no relationship between demographic variables and sales promotions preference for toothpaste and detergent soap.

H3: Consumer Preference for monetary promotion is higher than non-Monetary promotion.

RESEARCH METHODOLOGY

The primary data is collected through well framed questionnaire. The first part of the questionnaire is consumer demographic characters and second contains sales promotion preference for monetary and non-monetary promotion. There are eleven constructs are used for measuring sales promotion preference and two constructs were eliminated after the content validity test. The content validity ratios ranged from 0.63 to 0.97. The content validity ratio's minimum value is 0.62, in the case of a fifteen panel list (Lawsche, 1975). Based on this, the content validity of the instrument is subjected to a pilot study before confirming the instrument for the main study. Those statement values are having less than 0.62; it has been removed from the final questionnaire.

SL. NO.	DESCRIPTION OF FACTORS	CVR
1.	Monetary Promotion Preference	0.73
2.	Non-Monetary Promotion Preference	0.73

It was found that the dimensions and the related factors were perceived positively in relation to the Research objectives. However during the overall process, two factors removed from the eleven constructs. Finally for monetary promotion four and for non-monetary promotions five constructs were employed in the questionnaire.

The sample unit of the study is consumer who frequently shops for the family. The entire Salem City consumers are considered as the population of the study. The population of Salem City is 829,267 as per 2011 Census data. The researcher has determined the sample as 384 consumers from Salem City. Quota sampling is adopted to select the final respondents. The Salem City is divided into four quotas Suramangalam, Hasthampatty, Ammapet and Kondalampatty. From each quota 96 respondents were chosen using convenient sampling technique. Using the structured schedule researcher contacted the consumers in the retail stores as well as in their house.

RESULTS AND DISCUSSIONS

Consumers' preference for Sales Promotions

It is found through mean score test consumer sales promotion preference for toothpaste Monetary Promotions type occupies the first place (Mean 3.6094; and Standard Deviation 0.68822) followed by Non-Monetary Promotion type (Mean 3.5937; and Standard Deviation 0.80893). For detergent also the consumer preference for monetary promotion is high (Mean 3.5312; and Standard

Deviation 0.82333) than Non-Monetary Promotion types (Mean 3.5026; and Standard Deviation 0.76475). Hence, consumer sales promotions preference for Monetary Promotion is high for both product category toothpaste and detergent soap.

Demographic Variables Impact on Preference towards Sales Promotion for Toothpaste

ANOVA^a

	Sum of Squares	df	Mean Square	F	Sig.
Regression	48.512	10	4.851	17.496	0.000 ^b
Residual	103.423	373	0.277		
Total	151.935	383			

a. Dependent Variable: Consumers Preference for Sales Promotions (Toothpaste)

Above table shows that F value is 17.496, and p value is 0.000 at $\alpha = 0.05$ level of significance. Therefore educational qualification, marital status, family size, gender, occupation, age, and monthly income level are having impact on sales promotion preference for Toothpaste in Salem City. Since p-value < 0.05, we shall reject null hypothesis H_0 : Demographic variables are not having impact on sales promotion preference for Toothpaste and accept the alternative hypothesis H_1 : Demographic variables are having impact on sales promotion preference for Toothpaste.

Demographic Variables Impact on Preference towards Sales Promotion for Detergent Soap

ANOVA^a

	Sum of Squares	df	Mean Square	F	Sig.
Regression	42.862	10	4.286	16.406	0.000 ^b
Residual	97.448	373	0.261		
Total	140.310	383			

a. Dependent Variable: Consumers Preference for Sales Promotions (Detergent soap)

Above table shows that F value is 16.406, and p value is 0.000 at $\alpha = 0.05$ level of significance. Therefore educational qualification, marital status, number of members in family, gender, occupation, age, monthly income level are having impact on Consumers Preference towards Sales Promotions for Detergent soap in Salem City. Since p-value < 0.05, we shall reject the null hypothesis demographic variables are not having impact on consumer preference towards sales promotion and accept the alternative hypothesis.

Relationship between Monetary Promotion and Non-Monetary Promotion

It is found that the correlation coefficient is very highly not significantly different, between monetary and non-monetary promotion for Toothpaste since p-values (0.659 and 0.657) are greater than the usual threshold significant value of 0.05. So, we accept the null hypothesis, and reject the alternative hypothesis. Therefore consumer preference for monetary promotion is differ from non-monetary promotion that consumer preference for monetary promotions is higher than non-monetary promotions for Toothpaste Category.

For detergent soap also the correlation coefficient is very highly not significantly different between monetary and non-monetary promotion since p-values (0.589 and 0.883) are greater than the usual threshold significant value of 0.05. So, we accept the null hypothesis that there no relationship between preference for monetary promotions and non-monetary promotions. But for detergent the preference for non-monetary promotions are higher than monetary promotions.

SUGGESTIONS

The study result is consistent with past research that consumer preference for monetary promotions is higher than non-monetary promotions. So it is suggested that companies particularly consumer goods marketing firms can use monetary promotion more frequently than non-monetary promotions.

Consumers' preference for price reduction is higher than rest of the three monetary promotion coupons, rebate and bundle price therefore price reduction promotions can be a better option in monetary promotion for consumer goods category.

Among the five non-monetary promotions premium, buy one get one free, contest, display and extra volume the premium promotion was highly preferred by majority of the customers. So it is recommended consumer goods marketing companies can use more premium promotion in non-monetary category.

CONCLUSION

The study summarize that consumers' preference for monetary promotions is higher than non-monetary promotion. Among the nine types of promotions used in the study price reduction and premiums was preferred by majority of the consumers. The consumers' preference for sales promotions was not influenced by the demographic characteristics of the consumers.

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