

Effect Of Sales Promotions And Their Availability On Consumers' Buying Behavior: A Perspective On Personal Care Products

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ABSTRACT

The current market is cluttered with promotions and lucrative marketing offers in any and every category of consumer products. However, consumer loyalty still ranges supreme as a benchmark for comparisons, which acts as a prime barrier to consumer responses to different sales promotion schemes. The present paper attempts to investigate the consumer reflections on various sales promotion schemes in the Indian personal care market in accordance with several other important factors like availability, consistency in schemes, packaging and so on. The impact and influence of such factors are discussed in detail in the paper. The study highlights consumer responses to various marketing tactics used by different companies and analyses purchase decisions made during various sales promotion schemes and after viewing advertisements. It is concluded that sales promotions are considered to be a successful and effective weapon in the hands of the companies to make more sales and influence consumers to purchase personal care products as the consumers are rarely brand loyal for this category of products. However, sales promotion schemes may win a "share of the mind" but do not guarantee a place in the "share of the heart" for the firm.

Keywords: Personal Care (Hygiene) Products, Sales Promotions, Brand Loyalty, Marketing

INTRODUCTION

Today's consumer is habituated with sales promotion activities. So, without such activities, it has become difficult for companies to achieve their targets. The term Sales Promotion refers to many kinds of selling incentives and techniques intended to produce immediate and short-term sales effect. Typical sales promotion includes coupons, samples, in pack premiums, value packs, refunds and rebates. Sales promotion techniques can be applied across a broad range of products starting from chewing gums to houses and cars. Perhaps, the only unifying theme is that they must be communicated to the appropriate audience to be effective. The other defining characteristics of sales promotion are; it is short-term or immediate. The distinction between short-term and long-term results may vary with the product category and the particular industry, making a specific time definition somewhat arbitrary. However, the important goal for sales promotions are its results in the current promotional period and not in the later time periods. Sales promotion audience comprises of the consumers and the trade. The present study is mainly focused around the consumers who are the final purchasers of the products. The sales promotion efforts are aimed directly towards this group and are normally termed as "Consumer Promotions". For the present paper, the researchers considered the household consumers for their primary survey, as the products that they have taken into consideration come under the "personal hygiene category". While by definition, the personal hygiene category consists of many items, however, the items taken into consideration for the present study are shampoos, conditioners, bathing soaps, toothpastes, various brands of face- wash and hand-wash.

LITERATURE REVIEW

The Indian personal care industry is crowded with numerous national, regional and local players. To win the consumers' heart and to retain the market share, the competition amongst the various players is cut-throat. The major companies ruling the Indian Market in the category of personal care items are HUL, P&G, and Nirma to name a few.

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Every day, the Indian consumers who watch television and listen to the radio are thrown in front of a huge clutter of TV ads and commercials by these firms with the same intention and common purpose of convincing the customer that their product is the best. Since India is a country where profiles of the customers also vary significantly with age, demography, income level, etc., in order to cater to the needs and demands of the different customers, the companies come out with different varieties and price ranges for products. However, we can easily understand that different products offered by different companies vary only in the brand name, packaging, etc., and when it comes to the purpose, utility and to some extent, the ingredients, it is very hard to differentiate amongst them. So, in this kind of a situation, where one is in no way lagging behind the others, the companies, to fight with their competitors and to retain their market share, come up with tactics like Sales Promotion, which include coming up with attractive offers and schemes for the consumers to provoke them to try out their product and switch from their existing brands. The major brands which currently rule the Indian personal care market are Lifebuoy, Lux, Pantene, Head and Shoulders, Sunsilk, Dove, Clean and Clear, Dettol, Fair and Lovely, etc.

In India, many sales promotion schemes are highly successful as the market is price sensitive as well as highly competitive. Even a difference in a few paise can provoke the customer to switch to a different brand. The concept of brand loyalty and brand attachment takes a back seat in this situation. When the consumers feel that they are getting something extra, but at the same cost, they do not mind switching from one brand to the other. However, even today, there exists a class of customers who still consider quality and brand as the deciding factor, but their number is comparatively less. Majority of the consumers in India, till date, consider price to be the most important and deciding factor in the purchase of personal care products.

Lichtenstein, Burton and Netemeyer (1997) examined if there are consumer segments that have a propensity to be deal prone in general and/or segments that reflect a proneness to deals at some more specific level (e.g., a segment reflecting a propensity to respond to price promotions but not non-price promotions, a specific coupon prone segment, a rebate prone segment). Consumer proneness to eight different types of sales promotions was analyzed by using multi-item scales. The findings indicate that there exists a consumer segment that is deal prone across deal types. There are clearly evident differences between the consumer segments across eleven dependent measures. The results indicate that it may not be necessary to use a broad variety of promotions to reach deal prone consumers efficiently.

Vyas and Sinha (2006) in their study on loyalty programmes attempted to provide a conceptual overview of loyalty in the organized retail sector, and also outlined the practices of grocery retail outlets in Ahmedabad. They attempted to answer the following questions - what is loyalty?; what factors influence/shape loyalty?; what objectives can be achieved?; how do loyalty programmes help in various decision areas?; how these programmes have developed over time?; how are loyalty programmes beneficial to the organization and to the customers?; how is consumer behaviour influenced by these programmes?

O'Malley in her study (1998) "Can Loyalty Schemes Really Build Loyalty" concluded that loyalty schemes may be of use or relevance only in cases or situations where no loyalty or spurious loyalty exists. However, for sustainable and long term loyalty, such schemes are of importance only as part of a coherent value proposition.

Singh (2010) in the Third Eyesight said that sales promotions would continue to play a growing role in the promotion mix and will remain as one of the most important tools. For these promotions to be more effective, retailers need to define the sales promotion objectives, select the right tools and undertake a proper construction of the sales promotion programmes.

Kumar and Das (2009) in their article "Impact Of Sales Promotion On Buyer Behaviour - An Empirical Study Of Indian Retail Customers" opined that today's consumer can greatly influence the manufacturer or the marketer regarding size, quality, content of the product, price, post sales service, etc. Markets today have, therefore, become "customer driven" rather than being "seller driven". With the entry of several new retail formats in the country, the competitive scenario is undergoing a major change and is becoming extremely challenging. Price sensitive customers are targeted by companies with lucrative promotion schemes. In the present study, the authors attempted to find out the impact of retail sales promotions on consumers' buying behaviour.

SCOPE OF THE STUDY

The study highlights consumer behaviour and purchase decisions made during various sales promotion schemes after viewing advertisements and analyzes the effect of various marketing tactics used by different companies. It also

investigates areas like consistency of sales promotion schemes and availability of schemes along with the products to analyze their impact on the minds of the consumers. The study would prove to be helpful for the companies in deciding schemes that attract consumers, their buying patterns, importance of distribution coordination, time period of the scheme availability, motivation levels of different consumers by sales promotions, advertisements and so on.

OBJECTIVES

The objectives of the study are:

- 1) To analyze the effect of sales promotion and advertisements on the consumer buying behavior and purchase decision of personal care products.
- 2) To investigate the effects of inconsistency in sales promotion schemes and unavailability of the products during the offer period, on the perceived brand image of the personal care products.

METHODOLOGY

❖ **Research Design And Methodology :** The research design in this project is descriptive in nature as it refers to a set of methods and procedures that describe marketing variables and tries to build on the previous established environment and circumstances. The study is built on secondary sources, and further researched by primary data collected through personal interviews. As the study is related to personal hygiene products, the primary data was collected by interviewing visitors of supermarkets, provision stores and pharmaceutical outlets like Planet Health. A sample size of 150 respondents was considered for the present study. The data collection was done by convenience sampling method. Five different areas of Ahmedabad city were covered to collect the data. The survey was done by covering different time periods of the day in order to cover customers of all demographic profiles. The research was conducted between July 2010 to February 2011.

The instrument used for collection of primary data was a structured questionnaire. The questions covered were double checked with two store managers to assess their relevance. Questions related to demographics and other characteristics like occupation and income level of the customers were also incorporated in the questionnaire. Likert's

Analysis : Table 1						
Count Age - Advertisement Cross-tabulation						
		Advertisements				Total
		Most Important	Important	Neutral	Unimportant	
Age in yrs.	20-30	9	15	33	6	63
	30-40		36	15		51
	40-50	9	9	6		18
	50-60	9	9	6		18
	Total	27	57	60	6	150

Source : Authors' Research

Table 2						
Count Age - Sales Promotion Schemes Cross-tabulation						
		Sales Promotion Schemes				Total
		Most Important	Important	Neutral	Unimportant	
Age in yrs.	20-30	6	42	12	3	63
	30-40		12	24	3	51
	40-50		15	3		18
	50-60	12	15	3		18
	Total	18	84	42	6	150

Source : Authors' Research

scale was used in the questionnaire, which helped in measuring the attributes which are qualitative in nature. It can be inferred from the Tables 1 and 2 that sales promotions were more important than advertisements while purchasing personal care products for the respondents in the age group of 20 to 30 years. However, for the respondents in the rest of the age group, advertisements and sales promotions were more or less equally important. One of the common comments of the respondents in the age group of 20 to 30 years was that “*advertisements help in narrowing down the options for purchase, whereas, schemes and other promotions influence a purchase decision at the time of the purchase.*” However, a popular comment of the respondents in the age group of 30-40 years was “*we straightaway go to the shelf of a product and don't look around more for schemes on other products. We are happy if schemes are available on the product that we want to buy.*”

Table 3					
Count					
Age - Attractive Packaging Cross-tabulation					
		Attractive Packaging			Total
		Neutral	Unimportant	Most Unimportant	
Age	20-30	12	51		63
in yrs.	30-40	3	48		51
	40-50	3	15	3	18
	50-60		15		18
	Total	18	129	3	150
*Author's Research					

According to the Table 3, attractive packing was not an important factor while purchasing personal care products for any age group. 86% of the respondents considered packaging as an unimportant factor while making a purchase decision and 12% of the respondents were neutral about it. According to the opinion of the respondents, especially the ones in the age group of 30-40 years, good packaging does not lead to buying of a particular product, but at the same time, a product that lacks neat and attractive packaging may displease the customer who is otherwise certain to buy a particular product.

Table 4						
Count						
Age - Brand Loyalty Cross-tabulation						
		Brand Loyalty				Total
		Most Important	Important	Neutral	Unimportant	
Age	20-30	6	6	45	3	63
in yrs.	30-40	12	6	33		51
	40-50	6		12		18
	50-60	9		6	6	18
	Total	36	12	96	6	150
Source : Authors' Research						

It is evident from the Table 4 that more than 60% of the respondents in each category of age group had a high switching attitude for personal care products. However, as compared to other age groups, the respondents between 30-40 years of age displayed brand loyalty.

Cross tabulations were created with gender and occupation for advertisements and sales promotions. However, the results did not have any significant difference from the age cross tabulation analysis. On the whole, females were more influenced by advertisements than males as they had more access to and familiarity with TV advertisements, which is one of the most utilized mediums for advertisements of personal-care products.

The purchasing pattern for personal-care products was found, which suggested that almost 60% of the respondents were habituated to buy personal care products once in a month (Annexure 1). The next popular pattern was once in 15 days or according to usage. It was also mentioned by the respondents that any scheme or offer does not influence them

to initiate a purchase, but the same influences the purchase decision on a product at the time of the purchase. This suggests that any scheme or offer should last for at least a month (after careful consideration of the buying pattern of the consumers). Furthermore, top of the mind recall for a scheme for personal care products was of the 'buy one get one' with 58%, followed by free gifts with 16% (Annexure 2).

The study also looked into the impact on frequent changes in promotion schemes, availability of schemes (where the product is sold) during sales promotion campaigns, and the effect of stock out situations during the sales promotion campaigns on consumer satisfaction and probability of switching to other brands.

It was observed that more than 50% of the respondents were not in favor of frequent changes in sales promotion schemes (Annexure 3). About 70% of the respondents expressed that non-availability of promotional schemes at shops during ongoing sales promotion campaigns can lead to a negative impression about the brand (Annexure 4). About 78% of the respondents agreed that stock out situations during sales promotion campaigns create dissatisfaction and there are fair chances of a customer switching to another brand in such a scenario (Annexure 5). At the same time, 80% of the respondents believed that the purchase quantity tends to increase if the product is under any scheme or offer (Annexure 6).

The above findings suggest a strong need for a well-organized and well-coordinated distribution system, better estimation of increased sales to avoid stock out situations and frequent replenishments, and proper implementation of schemes are important issues while running a sales promotion campaign. Any lack in distribution performance can reduce effectiveness of sales promotion campaigns.

FINDINGS

- ❖ Sales promotion schemes play a very important role in influencing the consumers' purchase decision. More than 50% of the respondents considered sales promotion schemes as an important factor to be considered while purchasing personal care products.
- ❖ The most sensitive age group, which was largely influenced by sales promotion schemes, was between the age group of 20 - 30 years.
- ❖ 74% of the females were largely influenced by sales promotion schemes, and 57% of the males were influenced by sales promotion schemes.
- ❖ 84% professionals, 53% students and 50% homemakers considered sales promotion schemes as an important factor while purchasing personal care products. However, a large number of executives i.e. 71% were neutral about sales promotion schemes.
- ❖ Brand loyalty for this category of products is diminishing drastically. 54% of the female respondents and 78% of the male respondents were neutral about the brand loyalty factor.
- ❖ Advertisements are equally important in making a purchase decision, as 56% of the respondents were influenced by advertisements while making a decision to purchase a product.
- ❖ Packaging was not an influencer, but was considered as a hygienic factor by the consumers.
- ❖ 'Buy one, get one free' was at the top of the mind scheme in sales promotion of personal hygiene products. However, the respondents were attracted by surprise gifts along with some products. e.g. a gold coin in a soap.
- ❖ 60% of the consumers bought the products in this category once in a month along with other grocery items. 92% of the homemakers made the purchase once in a month, whereas 57% of the executives and 30% of the students made their purchase once in a month.
- ❖ The most popular reason for choosing a supermarket was more variety of products and various schemes that were made available by the company as well as the store.
- ❖ 54% of the consumers believed that frequent changes in sales promotion schemes create a bad impression of the brand, whereas 32% of the consumers were neutral about the same.
- ❖ 70% of the respondents believed that non-availability of schemes during sales promotion campaign created dissatisfaction and increased the propensity to switch their brand.
- ❖ 80% of the respondents were motivated to purchase more during sales promotion schemes and just 8% of the respondents were brand loyal and were not affected by sales promotion schemes.

CONCLUSION AND RECOMMENDATIONS

Sales promotion is considered to be a successful and effective weapon in the hands of companies in the personal hygiene product category to influence consumers to purchase. However, sales promotion schemes may win a “share of mind” but do not guarantee a place in the “share of heart” for the firm. Introducing schemes is not the only sufficient mechanism for firms. It needs to be ensured that during the schemes, the products are also made available in the stores. The non-availability of the items in the stores after the company has declared the promotional offer/scheme creates a negative impact in the minds of the customers. At the same time, too much indulgence in sales promotion can also dilute the brand image and equity of a Brand. Moreover, frequent modifications in the offers have a negative impact on the perception of the brand in customer's mind. This is more relevant with personal care products as buyers of this category of products are less involved, less brand loyal and have more variety of substitute brands to choose from. Hence, purchase behavior of the customer is highly influenced at the time of making a purchase decision by factors such as availability, promotional schemes and on shelf visibility of respective brands, which are in the consideration set of a customer. Demographics such as age, occupation and gender also determine the level of importance given to the promotional schemes in this category of products. The younger age group between 20-30 years is more sensitive towards promotional schemes. Hence, in-store communication is equally important. Overall, the brand loyalty is less visible across both genders in this product category.

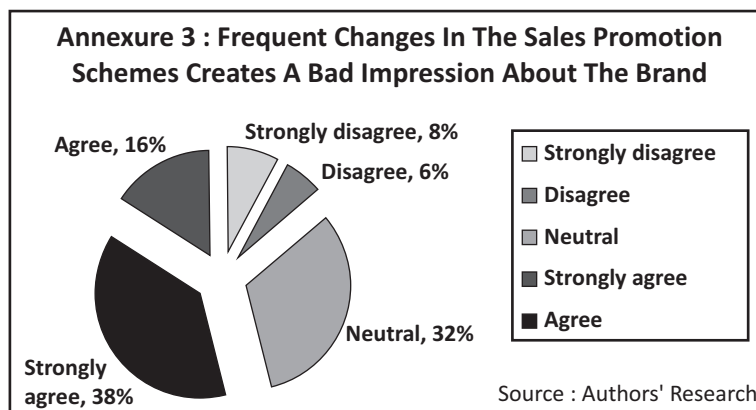
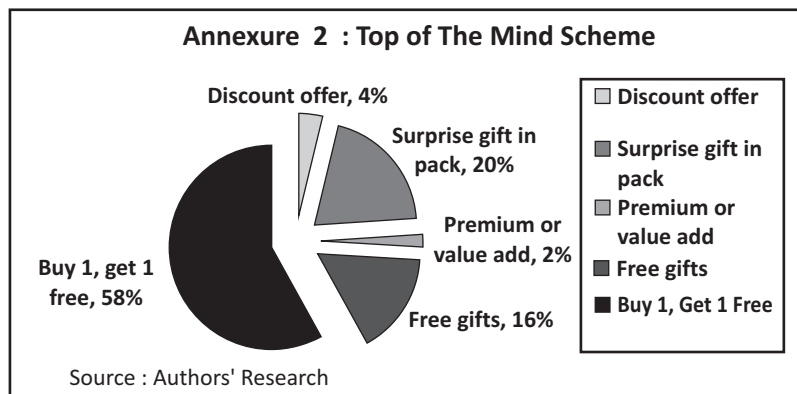
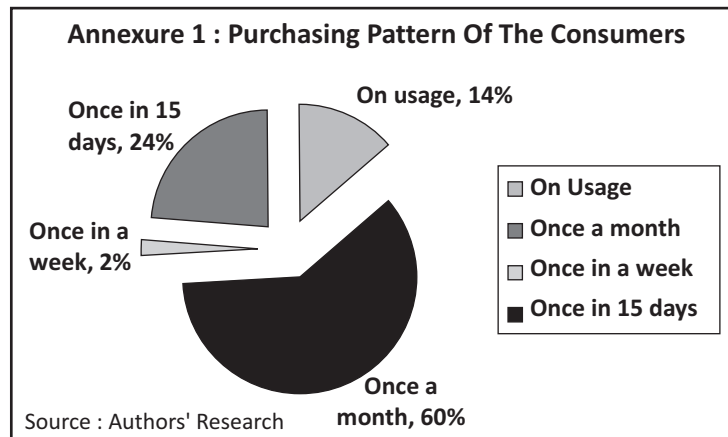
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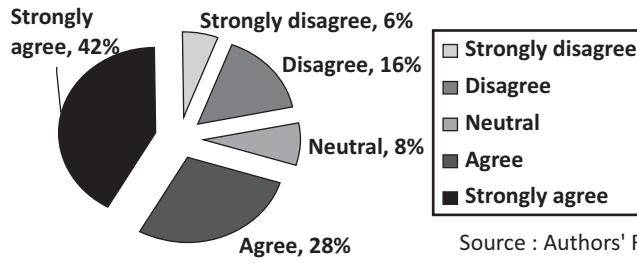
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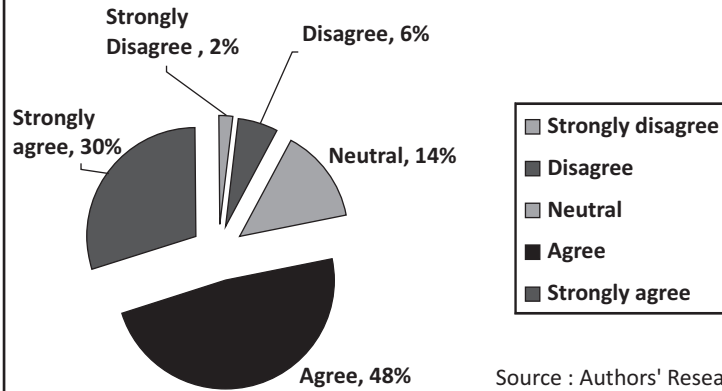


Annexure 4 : Non-availability Of Schemes/Offers During Sales Promotion Campaigns Depicts The Brand In A Negative Light



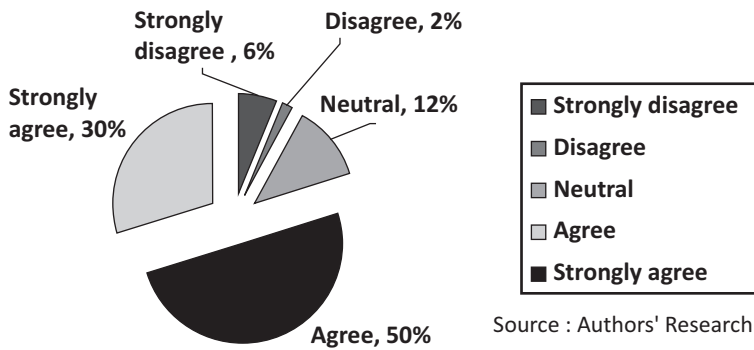
Source : Authors' Research

Annexure 5 : Stock Outs Lead To Lower Consumer Satisfaction And Increased Propensity To Switch



Source : Authors' Research

Annexure 6 : During Sales Promotions, Consumers Tend To Purchase A Good Number Of Personal Care Products



Source : Authors' Research