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A Study On Effectiveness Of Sales Promotional Activities In Unique Roof Pvt. Ltd. Coimbatore

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ABSTRACT:

The project titled “Effectiveness of Sales Promotional Activities in Unique Roof Private Ltd., Coimbatore” was carried out with the objectives of studying the effectiveness of sales promotional activities such as advertisement, public relations and sales promotional techniques and recommend suggestions to the company for more effectiveness in sales promotional activities. The data were collected with the help of a questionnaire, which contained three sections - advertisement, public relations and sales promotional techniques. The study was conducted by using responses from 100 customers from various domains. Simple percentage analysis, weighted average analysis, chi-square analysis and ANOVA were used for the analysis. The study found that the advertisement, public relations and sales promotional techniques were effective. There were no relationship between nature of business and purchase of product and there is relationship between annual income and purchase of product and between tele-marketing and tele-selling workforce. There were no difference of opinion among the respondents in effectiveness of advertisements through radio, internet, intercity billboard and posters, brochures and exhibition in purchase of the products. On the basis of the findings, the management should provide more sales promotional activities to make their sales more effective. In order to face the competition prevailing in market, it is very much essential for the organization to promote their products. The organization should focus on providing good quality products to the people with good service. The digitalized marketing can be done with innovative ideas. The usage of social media is increasing today. So the advertisement can be posted on social media. This helps to bring more customers. So this helps in producing product according to the customers taste and preference and helps to maintain a good relationship with the customers.

KEY WORDS : Sales Promotion , Tele Marketing Workforce, Social Media , Customer Opinion

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1. INTRODUCTION :

For the purpose of this study following definitions of sales promotion were kept in mind. Kotler said that sales promotion consists of a diverse collection of incentive tools, mostly short term, designed to stimulate quicker and greater purchase of particular products or services by consumers or the trade. Roger string has given a more simplistic definition i.e. sales promotions are short term incentives to encourage purchase of a product or service. These are the four basic pillar of marketing mix. Most of the marketing strategies are built on the basic of criteria. Promotion is one of the important elements of marketing mix. There are so many elements of promotion such as advertisement, direct marketing and public relations. Sales promotion has grown in both importance and frequency over the past few decades. Although an accurate estimate for total sales promotion expenditure does exist, we can be sure that the trend is up. There are number of reasons that are favourable to the growth of sales promotion:

1. Increasing competition

The air of change is gaining momentum after the introduction of economic liberalization due to increase in competition. Companies are finding it increasingly difficult to compete on quality.

2. Customer have become more price sensitive

This increased price sensitivity is a direct result of rampant inflation. Economic recession is likely to fuel this trend further, as consumers and dealers become more sensitive towards prices.

3. An immediate positive Impact on sales Advertising, personal selling and other methods of promotion are mostly for short duration for a specified period leading to a sense of urgency in consumers to buy now. This creates an immediate positive impact on sales.

4. Consumer acceptance

As competition intensifies and promotion proliferates, consumers have learnt to earn the rewards of being smart shoppers. Over a period of time, they have learnt that brands on promotion are not necessarily of lower quantity.

5. Emphasis on sales volumes

Towards achieving the long term profit goals, manufacturers try to attain high sales volume. Brand managers find themselves under pressure to achieve short term sales for the sake of their careers. Compared to any other promotional method, sales promotion is a more effective method to generate short term sales volume.

2. OBJECTIVES OF THE STUDY

1. To analyse whether sales promotion techniques followed by the company is effective.
2. To analyse the effectiveness of advertisements in media in increasing sales level.

3. RESEARCH METHODOLOGY

Research Methodology is a way to systematically solve a research problem that explains various steps along with logic behind them. A research design indicates plan of action to be carried out in connection with the proposed research work. The research design is simply a specific presentation of the various steps in the process of research. This is a descriptive research problem. Descriptive research studies are concerned with describing the characteristics of a particular individual, group, community or people. The main characteristics of this method are that the research has no control over the variables; it can only report what happened or what is happening. The data for the study was collected in form of primary and secondary. The primary data was collected from the customers of the company with help of the questionnaire, which contains three sections like sales promotion technique, advertisement media and public relations. The secondary data were collected from the company records, magazines, journals and from the websites. The sampling procedure used in the study is convenience sampling. A sample of 100 customers was selected as respondents for the study.

4. REVIEW OF LITERATURE

Ailawadi and Neslin¹ found that promotions induce consumers to buy more and consume faster based on product categories. They found that price promotion led consumers to buy Yogurt (more perishable) than Ketchup (less perishable). With regards to substitution and complementary goods, Sales Promotions play a vital role.

Blattberg and Neslin and Mela, Gupta, and Lehman² categorised Sales Promotion as price based and non-priced (Premium) promotion. According to them, price based promotions are defined as promotions such as coupons, cents off, refunds and rebates that temporarily reduce the cost of goods or services and non-price based promotions are defined as promotions such as give always and contents in which value is added to the product.

Dekimpe, Steenkamp and Hanssens examined³ if price promotions increased short run and long run category demand. They studied the category demand effects of price promotion across 560 product categories over a four year period. They found that although the short-term effect of price promotion is strong, these promotions rarely exhibit long term effects. They noted that category demand was stationary either around a fixed mean or deterministic trend.

Engle, Blackwell and Miniard⁴ proposed three main Sales Promotion tools motivating purchases on new products which included sampling brand trial offers, coupons, as well as rebates while primary Sales Promotion tools driving consumption purchase on existing product included price-offs, premiums and contests.

Mulhern and Padgett⁵ examined the relationship between retail price promotions and regular price purchases based on analyses of individual purchases. They found a significant positive relationship between regular price purchases and promotion purchases. Shoppers visiting the store for the promotion spent more money on regular price merchandise than on promoted merchandise.

Nijs, Dekimpe, Steenkamp and Hanssens examined⁷ if price promotions increased short run and long run category demand. They studied the category demand effects of price promotion across 560 product categories over a four year period. They found that although the short-term effect of price promotion is strong, these promotions rarely exhibit long term effects. They noted that category demand was stationary either around a fixed mean or deterministic trend.

Shimp¹⁰ suggested that Sales Promotion was an incentive which induced distributors and consumers to purchase products, or motivated salespersons to actively increase Sales Promotion.

5.ANALYSIS AND INTERPRETATION

TEST NO: 1 RELATIONSHIP BETWEEN NATURE OF BUSINESS AND PURCHASE OF PRODUCT

NULL HYPOTHESIS (H0):

There is no relationship between nature of business and purchase of product.

ALTERNATIVE HYPOTHESIS (H1):

There is relationship between nature of business and purchase of product.

Table1 Relationship between nature of business and purchase of product

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	4.890(a)	9	.844
Likelihood Ratio	6.519	9	.687
Linear-by-Linear Association	.073	1	.787
N of Valid Cases	100		

A. 10 cells (62.5%) have expected count less than 5. The minimum expected count is .12.

INTERPRETATION:

The chi-square value (0.844) is greater than significant value (0.05). So, the null hypothesis (H0) is accepted and the alternative hypothesis (H1) is rejected. So, there is no relationship between nature of business and purchase of product.

TEST NO: 2 RELATIONSHIP BETWEEN ANNUAL INCOME AND PURCHASE OF PRODUCT

NULL HYPOTHESIS (H0):

There is no relationship between annual income and purchase of product.

ALTERNATIVE HYPOTHESIS (H1):

There is relationship between annual income and purchase of product.

Table 2 Relationship between annual income and purchase of product

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	300.000(a)	9	.000
Likelihood Ratio	227.778	9	.000
Linear-by-Linear Association	99.000	1	.000
N of Valid Cases	100		

A. 8 cells (50.0%) have expected count less than 5. The minimum expected count is .16.

INTERPRETATION:

The chi-square value (.000) is less than significant value (0.05). So, the null hypothesis (H0) is rejected and the alternative hypothesis (H1) is accepted. So, there is relationship between annual income and purchase of product.

TEST NO: 3 RELATIONSHIP BETWEEN PURCHASE OF PRODUCT AND DISCOUNT PROVIDED

NULL HYPOTHESIS (H0):

There is no relationship between purchase of product and discount provided.

ALTERNATIVE HYPOTHESIS (H1):

There is relationship between purchase of product and discount provided.

Table 3 Relationship between purchase of product and discount provided

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	12.153(a)	9	.205
Likelihood Ratio	13.664	9	.135
Linear-by-Linear Association	.813	1	.367
N of Valid Cases	100		

A. 8 cells (50.0%) have expected count less than 5. The minimum expected count is .80.

INTERPRETATION:

The chi-square value (0.205) is greater than significant value (0.05). So, the null hypothesis (H0) is accepted and the alternative hypothesis (H1) is rejected. So, there is no relationship between purchase of product and discount provided.

TEST NO: 4 RELATIONSHIP BETWEEN TELE-MARKETING AND TELE- SELLING WORKFORCE

NULL HYPOTHESIS (H0):

There is no relationship between tele-marketing and tele-selling workforce.

.ALTERNATIVE HYPOTHESIS (H1):

There is relationship between tele-marketing and tele-selling workforce.

Table 4 Relationship between Tele-marketing and Tele- selling workforce

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	46.884(a)	12	.000
Likelihood Ratio	63.677	12	.000
Linear-by-Linear Association	1.294	1	.255
N of Valid Cases	100		

A. 8 cells (40.0%) have expected count less than 5. The minimum expected count is .19.

INTERPRETATION:

The chi-square value (.000) is less than significant value (0.05). So, the null hypothesis (H0) is rejected and the alternative hypothesis (H1) is accepted. So, there is relationship between tele-marketing and tele-selling workforce.

6. FINDINGS

The study was conducted with group of peoples who are customers of Unique Roof Pvt Ltd. The data was collected from 100 respondents using the questionnaire which contains 31 questions. The data collected is analyzed using the statistical tools like percentage analysis, weighted average method, chi-square tests and ANOVA.

1. 50 percent of the respondents do business and 43 percent are domestic users.
2. 48 percent of the respondents earn Rs.20-30 lakhs annual income and 16 percent earn greater than Rs.30lakhs.
3. 43 percent of the respondents came to know about Unique Roof Pvt Ltd through advertisement and 50 percent through relatives.
4. 45 percent of the respondents purchased pre-engineered products, 32 percent purchased carbonated sheets.
5. Majority of the respondents have said that advertisement through the media like radio, internet, newspaper and magazines, intercity billboard are effective and through TV, brochures are neutrally effective in promoting the sales of Unique Roof Pvt Ltd. Therefore, the effectiveness through advertisement media is effective.
6. Majority of the respondents have said that public relation methods like participating in seminars and forums, taking part in charities and participating in specialized trade/fair exhibitions are effective and through interview to newspapers and mass media, publishing weekly and monthly newsletters , sending catalogues and special price offers to potential customers, creating positive image through mass media, involved in CSR activities is neutrally effective in creating public relation. Therefore, the overall public relation is neutral.
7. Majority of the respondents have said that sales promotion techniques like replacement of product with discount, special instalment plans, special discounts on occasions, setting up plans for interested parties, work up loans, schemes for new products, setting public visit plans, telemarketing arrangement, tele-selling workforce, introducing new customers through existing customer, providing guarantee warranty are neutrally effective and providing guarantee and warranty for products is effective

in sales promotion. Therefore, the overall sales promotion technique is neutrally effective.

8. There is no relationship between nature of business and purchase of product, purchase of product and discount provided and there is relationship between annual income and purchase of product and between tele-marketing and tele-selling workforce.
9. There is no difference of opinion among the respondents in effectiveness of advertisements through radio, internet, intercity billboard and posters, brochures and exhibition in purchase of the products and there is difference of opinion among the respondents in effectiveness of advertisements through TV, newspaper and magazines in purchase of the products.

7. CONCLUSION

The Study on Effectiveness of Sales Promotional Activities was done at Unique Roof Pvt. Ltd., Coimbatore with the objectives of to study the effectiveness of Sales Promotional activities in the company such as advertisement, public relations and sales promotional techniques. It was conducted for a period of six months. Data were collected with the help of the questionnaire which contained effectiveness of advertisement, public relations and sales promotional techniques from 100 respondents. The collected data were analysed using SPSS and recommendations were suggested to the company for more effectiveness in sales promotional activities.

9. REFERENCES

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