Sales Promotional Impact on Consumer Decision Making Style for Personal Care Products

Dr. B. Karthikeyan
Assistant Professor, Department of Business Administration, Annamalai University, Chidambaram
bkn-au@yahoo.com

Abstract- Sales promotions are used by a wide range of organizations in both the consumer and business markets, though the frequency and spending levels are much greater for consumer products marketers. Sales promotion may not seem as stylish and sophisticated as mass media advertising, but expenditures on this tool are impressive. This paper has analysed the impact of sales promotion on consumer decision making styles for the personal care products.

Keywords: Sales Promotion, Consumer Decision Making, Personal Care Products.

I. INTRODUCTION

Sales promotion is an initiative undertaken by organizations to promote and increase sales, usage or trial of a product or services. Sales promotion refers to the provision of incentives to customers or to the distribution channel to stimulate demand for a product. It is an important component of an organizations overall marketing strategy along with advertising, public relations and personal selling. Sales promotion acts as a competitive weapon by providing an extra incentive for the target audience to purchase or support one brand over the other. It is particularly effective in spurring product trials and unplanned purchases.

Sales promotions are generally looked at as tools that undermine the brand; yet a tool that is necessarily meant to speed up sales. Consumer sales promotion take up a large share of the total marketing expenditure despite which it remains an area that still attracts attention as an essential component of the promotion mix meant to increase short term sales. It is therefore not surprising that most of the marketers resort to sales promotions to attract the competitor's market share. Sales promotions offer the customer extra value in return for purchases. The idea is for customers to buy more during the sales promotion period, thereby increasing total sales. Companies evaluate the success of their promotion based on the sales volume and the associated costs. They check the increase in sales against a baseline and calculate additional profit compared to what the profit would have been, had the sales promotion not taken place. They check for additional brand awareness or a better brand profile by performing customer surveys. Long-term, a successful sales promotion must result in better sales.

Building Product Awareness – Several sales promotion techniques are highly effective in exposing customers to products for the first time and can serve as key promotional components in the early stages of new product introduction. Additionally, as part of the effort to build product awareness, several sales promotion techniques possess the added advantage of capturing customer information at the time of exposure to the promotion. In this way sales promotion can act as an effective customer information gathering tool (i.e., sales lead generation), which can then be used as part of follow-up marketing efforts.

The Personal Care Products Industry India’s personal care industry is composed of hair care, bath products, skin care and cosmetics, and oral care. The sector is driven by rising income, rapid urbanization, and celebrity promotions. This industry accounts for 22% of the country’s fast-moving consumer goods (FMCG), which is the term for Consumer Packaged Goods in India. Foreign direct investment in this sector totaled $691 million in 2014. It creates, manufactures, and sells personal-care, beauty, and hygiene products. Examples include cosmetics, toothpastes, sunscreen, razors, shaving cream, deodorant, soaps and other products for bathing, hair care products, skin care products, nail and cuticle care products, fitness products (such as specialized running shoes and supports and braces), and many other items. Products are sold in retail stores, door-to-door, by mail order, and online.
Sales Promotion Vs Decision Making

Sales promotions are a vital strategic and tactical tool within the marketing value chain and those responsible for campaign planning must negotiate objectives, options and outcomes to ensure their initiatives deliver real results in competitive trading environments. Managers with limited understanding of the principles and practices of sales promotions often rely on past experience or preferences to guide their decision-making. Not surprisingly, without guiding principles, many sales promotions fail to achieve their full potential.

Among the various promotional tools it has been found that sales promotion is one which stimulates quick and large purchases in a limited period of time. It can be said that, it’s a marketing activity that adds the value proposition related to a product (i.e., getting more for less) for a limited time in order to stimulate consumer purchasing, effective sales and the effort made by the sales force. It includes price offs, free gifts, premium, contest, exchange offer, rebates, sweepstake, buy one get one free, discount, point of purchase, event etc.

II. REVIEW FOR THE STUDY

Burnett (1991) studied the decision making styles and self-concept. He used the conflict model of decision making to investigate further the influence of self concept on decision making behaviors.

Shimp (2003) defines sales promotion as any incentive used by manufacturer or a retailer to encourage the sales force to aggressively sell the product and also to induce the buyer to buy the product.

Methodology

The Flinders Decision Making Questionnaire (DMQ; Mann, 1982) was designed to measure decision making coping patterns identified by Janis and Mann (1977). The validity of four DMQ Scales (vigilance, defensive avoidance, hyper-vigilance, and decision self-esteem) were tested as predictors of consumer purchase decision making. The reliability for the items was found to be acceptable (alpha> 0.7). Minor changes were made to improve the clarity and readability of the instrument. Answers were given using a 5- point Likert scale where responses ranged from 1= Strongly Agree to 5= Strongly Disagree.

Vigilance involves a careful, unbiased, and thorough evaluation of alternatives and rational decision making.

Hypervigilance involves a hurried, anxious approach.

Decision Avoidance involves escaping decisions through procrastination, avoiding responsibility, or wishful bolstering of the least objectionable option.

The data was analyzed by Statistical Package for the Social Sciences (SPSS). Data analysis was carried out in regression analysis were also used to reach the research objectives.

Objective of the Study: To analyse the sales promotional impact (Getting Awareness) based on consumer decision making style for Personal Care Products (PCP).

Regression Analysis of Sales Promotional Impact (Getting Awareness) based on Consumer Decision Making Style for Personal Care Products (PCP)

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>44.623</td>
<td>6</td>
<td>7.437</td>
<td>1.537</td>
<td>.164(a)</td>
</tr>
<tr>
<td>Residual</td>
<td>2768.023</td>
<td>572</td>
<td>4.839</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2812.646</td>
<td>578</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a) Predictors: (Constant), Decision Making: - Rationalization, Vigilance, Defensive Avoidance, Hyper-vigilance, Buck-passing, Procrastination

b) Dependent Variable: Getting awareness due to the offers in Personal Care Products
The above table summarizes the results of the analysis of variance. Sum of squares, degrees of freedom, mean square are displayed for two sources of variations, regression and residual. The above output for regression displays information about the variations accounted for by the model. The output for a total (2812.646) is the sum of information for regression (44.623) and residual (2768.023). A model with the large regression sum of squares in comparison with residual sum of squares indicates that the model accounts for the most of the variation in the dependent variable. F statistics (1.537) are the regression mean square divided residual mean square. Regression degree of freedom is the numerated degree of freedom and the residual degree of freedom is the denominator degree of freedom for the ‘F’ statistics. The total number degree of freedom is the number of cases minus 1. The table shows that significance of ‘F’ statistics is higher than 0.05, then the independent variable does a chance of litter impact in explaining the variation in the dependent variable.

Consumers may be involved in buying a product for various reasons and different consumers may not be involved for the same reason. Consumers may purchase perfume because of its capacity to give pleasure, whereas consumers are more likely to focus on avoiding negative consequences of a bad choice when buying a vacuum cleaner (Laurent & Kapferer, 1985).

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Decision Making Scale Dimensions</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>B</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td></td>
<td>4.918</td>
<td>.739</td>
<td>.041</td>
<td>6.655</td>
</tr>
<tr>
<td>1</td>
<td>Vigilance</td>
<td>.032</td>
<td>.036</td>
<td>.041</td>
<td>.896</td>
</tr>
<tr>
<td>2</td>
<td>Hyper-Vigilance</td>
<td>-.080</td>
<td>.048</td>
<td>-.077</td>
<td>-1.663</td>
</tr>
<tr>
<td>3</td>
<td>Defensive Avoidance</td>
<td>.096</td>
<td>.051</td>
<td>.090</td>
<td>1.880</td>
</tr>
<tr>
<td>4</td>
<td>Procrastination</td>
<td>.061</td>
<td>.057</td>
<td>.053</td>
<td>1.078</td>
</tr>
<tr>
<td>5</td>
<td>Buck-passing</td>
<td>-.042</td>
<td>.052</td>
<td>-.039</td>
<td>-.805</td>
</tr>
<tr>
<td>6</td>
<td>Rationalization</td>
<td>.005</td>
<td>.056</td>
<td>.004</td>
<td>.091</td>
</tr>
</tbody>
</table>

\[ \hat{Y} = 4.918 + (0.041)x_1 + (-0.077)x_2 + (0.090)x_3 + (0.053)x_4 + (-0.39)x_5 + (0.004)x_6 \]

Where, \( \hat{Y} \) is the estimated getting awareness due to sales promotional impact through decision making scale dimensions.

Ho: There is no influence of Consumers’ Decision Making Styles on various impacts of consumers for Personal Care Products.

H1: There is an influence of Consumers’ decision Making Styles on various impacts of consumers for Personal Care Products.

For the purpose of research various past studies have been reviewed. Sales promotion has been considered as most stimulating technique of promotion for influencing the purchase decision. Lee and Labroo (2004) suggest that consumers prefer brands that are easy to recognize and brands whose information is easy to understand. Earlier research has shown that ease of processing may be perceptual or conceptual in nature. It may increase the awareness towards the brand whether it may be regular brand or a new one. The above equation shows the estimated getting awareness due to sales promotional impact through decision making scale dimensions such as Rationalization, Vigilance, Defensive Avoidance, Hyper-vigilance, Buck-passing and Procrastination.

Findings:

The result of the t-test reveals that the calculated significance of the partial regression coefficient not valid at 5 percent level respectively. The f test shows that the explained variation was not significant at 1 percent level. From the above coefficient table, it has been concluded that the different consumers’ decision making styles are not dominant in creating
awareness towards offered products in PCP categories.

Suggestions

The marketer cannot rely on one tool to achieve its objectives. They need to blend the various sales promotion tools at their disposal to their advantage. The cost effectiveness and reach of each tool is considered and the list of the sales promotion tools is finalised. Different sales promotion tools serve different objectives and trigger different consumer responses. It is essential that managers understand each of these tools, their underlying objectives and likely consumer response while designing a promotional offer.

IV. CONCLUSION

The personal-care industry is an important segment of the Indian economy. People will always need hygiene products such as toothpaste and soap, cosmetics will remain popular. The value created by sales promotion may also vary depending upon the different types of sales promotion such as free sample, price discounts, coupons, point of sale display promotions etc. It provides direct impact on consumer behavior and accelerates the selling process by influencing consumer to make a swift purchase. Customers look for more fun from the brands they buy.

REFERENCE


