"IMPACT OF SALES PROMOTION STRATEGIES ON CONSUMER BEHAVIOUR WITH SPECIAL REFERENCE TO SOAP & DETERGENT INDUSTRY"

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ABSTRACT

The marketing scenario in India has undergone vast change since 1991 due to the economic reforms. Post-liberalization, competition intensified in every product line and market, which forced brands to redefine their norms of existence in all industries. In the FMCG industry, especially in toilet soap sector there has been severe competition among the MNCs, national and local players. The toilet soaps can be divided into four price segments: Premium, popular, economy and carbolic soaps. At the same time, penetration level of toilet soaps in urban areas is very high, but per capita consumption levels remain low. In this scenario, it is very important for marketers to know the consumer behavior with respect to toilet soaps, which will be very useful in adopting suitable strategies. This research paper attempts to analyze the impact of demographic factors and switching behavior of consumers regarding the price of soaps and detergent. For the study, the number of items (respondents) is the population of 4 areas of Vindhya region (Rewa, Sidhi, Satna, Sirmour) of Madhya Pradesh. Primary data was collected with the help of structured questionnaire and using 5 point Likert scale. Statistical techniques like chi-square test, correlation, Simple percentage, are used for data analysis and hypothesis testing.

KEYWORDS: Promotional Strategies, Marketing Mix, Product Attributes, Toilet Soaps and Detergent

INTRODUCTION

Traditionally, soap has been manufactured from alkali (lye) and animal fats (tallow), although vegetable products such as palm oil and coconut oil can be substituted for tallow. American colonists had both major ingredients of soap in abundance, and so soap making began in America during the earliest colonial days. Tallow came as a by-product of slaughtering animals for meat, or from whaling. Farmers produced alkali as a by-product of clearing their land; until the nineteenth century wood ashes served as the major source of lye. The soap manufacturing process was simple, and most farmers could thus make their own soap at home. The study here pertains to consumer's perceptions regarding sales promotion. Some past researches have suggested that promotion itself has an effect on the perceived value of the brand. This is because promotions provide utilitarian benefits such as monetary savings, added value, increased quality and convenience as well as hedonic benefits such as entertainment, exploration and self-expression. This Research work is focused on Promotional strategies in soap and detergent industry, which is one of the important elements of marketing mix. Traditionally, Sales promotions have been used by marketer to increase sales in the short term. For this reason, it is necessary to realize new studies in this area and study how consumers evaluate sales promotions. It serves three essential roles: It informs, persuades and reminds prospective customers about a company and its products.

Consumer Behaviour

Behavior is a mirror in which everyone shows his or her image. In the words of Prof. C.G. Walter and Prof. G.W. Paul, it is "The process whereby individuals decide whether, what, when, where, how and from whom to purchase goods and services". Consumer or Customer behavior is the psychological, social and physical behavior of potential customers as they become aware of evaluate, purchase, consume and tell others about the products or services. There are various factors, which influence consumer behavior such as social and cultural influences, specific social influences: Social class, Reference groups etc. The purpose of this study is to analyze consumer behavior towards sales promotion activities for the detergent and soap.

SOAP AND DETERGENT MARKET IN INDIA

Toilet soap is an important day to day requirement of any consumer. It is generally used for cleansing one's body. Soaps, depending on the other ingredients, may also moisturize the skin and/or kill or reduce bacteria that can cause odor or diseases. Over the years, the transformation in the soap market has been immense. When first introduced in India at the end of the nineteenth century, all soaps were positioned as cleansers. However, as the markets developed, the reasons for buying soap also evolved. Several brands appeared with the promise of more than just cleansing. Some special attributes such as unique ingredients, impact on skin and complexion, brand name, fragrance, TFM of the soap, freshness, protection from pimples etc are promoted to attract the customers. Skin care has also become an important reason to buy soap. The market size of the Indian soap industry is around Rs. 7129 crores. It can be classified into four categories namely premium, popular, economy and carbolic soaps. The "Premium1 category includes Dove, Mysore Sandal, Pears and some international brands. Brands in the "Popular' category include Cinthol, Santoor, Rexona etc. Likewise, Fairglow, Godrej No. 1 etc. come under economy brands. Carbolic brands include Lifebuoy and Nima bath soap. Over the years, the "popular' segment has witnessed rapid growth and has been the category driver. Consumers shift from the premium segment as and when they see better value in the popular category. At the same time, consumers upgrade from the economy segment due to increased in tune with the increasing disposable incomes in both urban and rural areas. As a result, the industry has witnessed a fifteen percent growth in premium brands.

The market is flooded with several, leading national and global brands and a large number of small brands, which have limited markets. Competition amongst the MNCs has intensified, leading to shrinkage of margins. The leading players in this market are HUL (Dove, Pears, Lux, Lifebuoy, Breeze), Nirma (Nima), Godrej Soaps (Cinthol, FairGlow, Shikakai, Nihar), Wipro (Santoor), and Reckitt and Benckiser (Dettol). The rest of the market is highly fragmented, with companies having strong presence in select segments or regions. In the toilet soap industry, positioning of the product is very important to attract the customers.

The Indian fabric wash products market is a highly fragmented one. Detergent cakes accounted for 40% of the synthetic detergent used, while powder accounted for the rest. Washing powders were categorized into four segments - economy (selling at less than Rs. 25 per kg), mid-priced (Rs. 25 - Rs. 90 per kg), premium (Rs. 90 - Rs. 120 per kg) and compact (selling at over Rs. 120 per kg). The compact, premium and medium priced segments together accounted for 20% of the volume share and 35% of the value share. The economy segment made up the remaining lion's share of the market. The major players in the Indian detergent market were HLL, P&G, Nirma and Henkel (through its joint venture with SPIC, a leading petrochemical company based in the south Indian city of Chennai).

LITERATURE REVIEW

To have an in depth understanding of Indian consumer and to analyze the factors infusing his purchase decision one has to conduct studies in relation to his environment his demographic factors culture and level of exposure some important studies conduct in the area of consumer behavior and perception in relation to non durable goods. It is seen that positive attitude of consumer towards advertising of particular brand of is very useful in purchasing that brand (Dahiya 1996). Consumer perceived that the information received form source is reliable and advantage on making purchase decisions (Prasant Mishra 1996). At some time Indian middle class consumer are willing to pay a premium for better Product rather than getting satisfied the generic product (Srinivas shiru 1996). People belonging to different lifestyles has different interests in shopping (D.P.S. Verma at 2000) There is a price the sold at which consumer make decisions to product stockpile the (Arindam Banarjee 2001). It the sometime gender of the celebrity significantly influences. Consumer perception about the product irrespective consumer gender (Prashant Mishra 2001). Similarly they develop risk reduction strategies to help them act with greatest confidence in making product purchase decisions (Debashis Bhattacharya 2002). Attempt to analyze urban consumer's personal preferences buying behaviour and brand loyalty with regard to soap (Abhigyan 2011).

OBJECTIVES OF THE STUDY

- To study consumer buying behavior with respect to sales promotion in Soap and detergent Industry,

- To study the impact of price on consumer buying behavior for soaps and detergents on the basis of demographic factors like, age, occupation, gender, income.

Research Hypothesis

Following hypothesis has been formulated to get an insight into the consumers' response towards soap and detergent products.

Hypothesis 1: There is no significant impact of Company Image on the purchase decision of the consumers' with respect to age

Hypothesis 2: There is no significant impact of Company Image on the purchase decision of the consumers' with respect to Gender.

Hypothesis 3: There is no significant impact of Company Image on the purchase decision of the consumers' with respect to Occupation.

Hypothesis 4: There is no significant impact of Price on the purchase decision of the consumers' with respect to Income.

RESEARCH METHODOLOGY

Research Design

The exploratory as well as descriptive research design is adopted for the research. The exploratory research includes an initial research which analyses the available data (Literature survey) and explores the possibilities of obtaining as many relationship as possible between different variables of the study. The extensive literature review was conducted involving a collection of literatures related to the area of research i.e. consumer response towards soap and detergent

products. It was critically examined and compared for better understanding and setting objectives and formulating hypothesis of the study.

The descriptive research is carried out with the specific objectives that have been formed after the exploratory research.

Sample Design

The description of the sample design is as follows:

- **Type of Universe:** For the study, the number of items (respondents) is the population of 4 areas of Vindhya region (Rewa, Sidhi, Satna, Sirmour) of Madhya Pradesh.

- **Sample Unit:** Two stage sampling was used to take sample. In first stage divisional head cities of Madhya Pradesh was selected by using convenience sampling method and the second strata was on the basis of various demographic characteristics like age, income, education, occupation and gender. The priority was given to age group while selecting the samples so as to accommodate equal responses from each age group.

- **Sample Source:** Four area of Vindhya Region of Madhya Pradesh were taken as field of the study it was conducted in different location.

- **Sample Size:** For the research 200 consumers from four different areas were taken as a sample of respondents who are aware/unaware to soap and detergent product.

METHODS OF DATA COLLECTION

Both primary and secondary data are used for this research. Primary data was collected with the help of structured questionnaire and using 5 point Likert scale and it was from strongly agreed to strongly disagree. Relevant secondary data have been used for the extensive study and for point of references as per the requirement.

METHODS OF DATA REPRESENTATION AND ANALYSIS

Statistical techniques like chi-square test, correlation, Simple percentage, are used for data analysis and hypothesis testing.

DATA ANALYSIS

Hypothesis Testing

Ho 1: There is no significant impact of Company Image on the purchase decision of the consumers' with respect to age.

Table 1: Frequency for Responses

		Age				Total
		0-20	20-40	40-60	More Than 60	
Company Image	Strongly Disagree	0	1	1	0	2
	Disagree	4	15	0	0	19
	Neutral	0	4	3	1	8
	Agree	9	86	8	0	103
	Strongly Agree	1	25	11	0	37
		14	**131**	**23**	**1**	**169**

Merged Table

The Above frequency table has been merged for convenience of analysis of chi- square.

Table 2

	0-20	20-40	40-60 More Than 60	Total
Strongly disagree	9	15	8	32
Neutral	9	7	14	30
Strongly agree	10	78	19	107
Total	**28**	**100**	**41**	**169**

To find out the value of the x^2 the formula is

$X^2 = (Oij-Eij)^2/Eij$

The derived value of $x^2 = 28.03$

Degree of Freedom = (C-1) (R-1)

= (3-1) (3-1)

Therefore, the calculated value of degree of freedom = 4

Chi Square Test

Table 3

Oij	Eij	Oij-Eij	$(Oij-Eij)^2$	$(Oij-Eij)^2/Eij$
9	5.3	3.69823	13.6769	2.58
15	18.93	-3.9349	15.4835	0.82
8	7.76	0.23669	0.05602	0.01
9	4.97	4.02959	16.2376	3.27
7	17.75	-10.752	115.594	6.51
14	7.28	6.72189	45.1839	6.21
10	17.73	-7.7278	59.7191	3.37
78	63.31	14.6864	215.69	3.41
19	25.96	-6.9586	48.4218	1.87
				28.03

Ho 2: There is no Significant Impact of Company Image on the Purchase Decision of Consumer with Respect to Gender

Table 4

		Gender		Total
		Male	Female	
Company Image	Strongly disagree	2	0	2
	Disagree	15	4	19
	Neutral	8	0	8
	Agree	86	17	103
	Strongly agree	23	14	37
Total		**134**	**35**	**169**

Merged Table

The Above frequency table has been merged for convenience of analysis of chi- square.

Table 5

		Gender		Total
		Male	**Female**	
Company Image	Strongly disagree	17	8	25
	Neutral	8	6	14
	Strongly agree	109	21	130
Total		**134**	**35**	**169**

$X^2 = (Oij-Eij)^2/Eij$

The derived value of $x^2 = 7.77$

Degree of Freedom = (C-1) (R-1)

= (2-1) (3-1)

Therefore, the calculated value of degree of freedom = 2

Chi Square Test

Table 6

Oij	Eij	Oij-Eij	$(Oij-Eij)^2$	$(Oij-Eij)^2/Eij$
17	19.82	-2.82	7.97	0.40
8	5.18	2.82	7.97	1.54
8	11.10	-3.10	9.61	0.87
6	2.90	3.10	9.61	3.32
109	103.08	5.92	35.08	0.34
21	26.92	-5.92	35.08	1.30
				7.77

Ho 3: There is no significant impact of Company Image on the purchase decision of the consumers' with respect to Occupation.

Table 7

Company Image * Occupation Cross Tabulation						
Count		Occupation				**Total**
		Service Persons	**Business Class**	**Student**	**Households**	
Company Image	Strongly disagree	1	1	0	0	2
	Disagree	7	9	3	0	19
	Neutral	3	4	1	0	8
	Agree	31	46	23	3	103
	Strongly agree	12	12	7	6	37
Total		**54**	**72**	**34**	**9**	**169**

Merged Table: The Above frequency table has been merged for convenience of analysis of chi- square.

Table 8

		Occupation		Total
		Service Persons	Student	
Company Image	Strongly disagree	12	5	17
	Disagree	14	6	20
	Neutral	10	7	17
	Agree	66	15	81
	Strongly agree	24	10	34
Total		126	43	169

$X^2 = (O_{ij} - E_{ij})^2 / E_{ij}$

The derived value of $x^2 = 7.77$

Degree of Freedom = (C-1) (R-1)

             = (2-1) (5-1)

Therefore, the calculated value of degree of freedom = 4

Chi Square Test

Table 9

Oij	Eij	(Oij-Eij)^2	(Oij-Eij)^2/Eij
12	12.7	0.5	0.0
5	4.3	0.5	0.1
14	14.9	0.8	0.1
6	5.1	0.8	0.2
10	12.7	7.2	0.6
7	4.3	7.2	1.7
66	60.4	31.5	0.5
15	20.6	31.5	1.5
24	25.3	1.8	0.1
10	8.7	1.8	0.2
	169.0		4.9

Ho 4: There is no significant impact of Price on the purchase decision of the consumers' with respect to Income.

Table 10

* Income Cross Tabulation		INCOME			Total
		Up to 10,000	10001-20000	20001-50000	
Price	Strongly Disagree	5	1	0	6
	Disagree	18	1	0	19
	Neutral	8	0	0	8
	Agree	71	38	1	110
	Strongly Agree	24	4	0	28
Total		126	44	1	171

Merged Table: The Above frequency table has been merged for convenience of analysis of chi- square.

Table 11

Price * Income Cross Tabulation				
Count		**Income**		
		Up to 10,000	**10001-50000**	
Price	Strongly disagree	7	6	13
	Disagree	13	8	21
	Neutral	8	14	22
	Agree	71	20	91
1	Strongly agree	14	8	22
Total		**113**	**56**	**169**

$X^2 = (O_{ij}-E_{ij})^2/E_{ij}$

The derived value of $x^2 = 15.68$

Degree of Freedom = (C-1) (R-1)

= (2-1) (5-1)

Therefore, the calculated value of degree of freedom= 4

Chi Square Test

Table 12

Oij	Eij	Oij-Eij	(Oij-Eij)^2	(Oij-Eij)^2/Eij
7	8.69	-1.69	2.86	0.33
6	4.31	1.69	2.86	0.66
13	14.04	-1.04	1.08	0.08
8	6.96	1.04	1.08	0.16
8	14.71	-6.71	45.02	3.06
14	7.29	6.71	45.02	6.18
71	60.85	10.15	103.10	1.69
20	30.15	-10.15	103.10	3.42
14	14.71	-0.71	0.50	0.03
8	7.29	0.71	0.50	0.07
				15.68

Findings

The following are the findings that have emerged from the study.

Hypothesis-1

- It is evident that highest frequency is of agreed people, i.e., 103. Lowest frequency is for strongly disagreed people. Responses are maximum for agreement with the statement. Vertically, highest frequency is of the age group 20-40 years of age. Lowest frequency is in the age group more than 60, i.e. 1.

- It is evident that the calculated value of chi square for 4 degree of freedom is 28.03, which is much greater than the table value 9.488. Therefore hypothesis is not accepted that there is significant impact of Company Image on the purchase decision of the consumers' with respect to age.

Hypothesis-2

- It is evident that highest frequency is of agreed people, i.e., 103. Lowest frequency is for strongly disagreed people. Responses are maximum for agreement with the statement. Vertically, highest frequency is of the male respondent, i.e. 134 Lowest frequency is the female i.e. 35.

- It is evident that the calculated value of chi square for 2 degree of freedom is comes out to be 7.77 which is less than the table value 7.824. Therefore hypothesis is accepted that there is no significant impact of Company Image on the purchase decision of the with respect to gender.

Hypothesis-3

- It is evident that highest frequency is of agreed people, i.e., 103. Lowest frequency is for strongly disagreed people, i.e. 2. Responses are maximum for agreement with the statement. Vertically, highest frequency is of the business class respondents, i.e. 72 lowest frequencies is the households' respondents i.e. 9.

- It is evident that the calculated value of chi square for 4 degree of freedom is comes out to be 4.9 which is less than the table value. Therefore hypothesis is accepted that there is no significant impact of Company Image on the purchase decision of the consumers' with respect to Occupation.

Hypothesis-4

- It is evident that highest frequency is of agreed people, i.e., 110. Lowest frequency is for strongly disagreed people. Responses are maximum for agreement with the statement. Vertically, highest frequency is of the income up to 10,000. Lowest frequency is in the income 20001-50000.

- It is evident that the calculated value of chi square for 4degree of freedom is comes out to be 15.68 which are much greater than the table value 9.488. Therefore hypothesis not accepted that there is significant impact of price on the purchase decision of the consumer with respect to income.

CONCLUSIONS

It is concluded that difference between the sample unit i.e. Student, Service Class, Households and Business Class is Significant. Also the difference between the determinants i.e. Brand, Advertisement, Price, Availability, fragrance, Colour, Safe side, Celebrity endorsement, Quality and Size is significant.

The companies are therefore, advised to give more emphasis on cleanliness factors and price where as less emphasis on fragrance and colour. They are also advised to make different strategies for different parameters as they are showing different purchase behavior Currently Price off and Bye one get one free offers are very effective to attract the consumers towards the products. From the analysis done the following conclusion can be drawn:-

- From the survey it is clear that company image of soap and detergent product affect on consumer to purchase soap and detergent.

- People are interested in it's to use for soaps detergent products because its best quality.

- There is no impact of company image on consumer while purchasing soap and detergent on the basis of gender.

- There is no impact of company image on consumer while purchasing soap and detergent on the basis of occupation.

- There is impact of price on consumer while purchasing soap and detergent on the basis of income.

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