

A study on the Effects of Sales Promotion of Herbal Products on Consumer Buying Behavior at Nagpur City

Taffajulali M. Sayyad, Snehal Godbole

Abstract: *With changing time the requirement and choices of the customers have changed. There are several factors that are responsible for this change. The Herbal industry is growing as customers are now becoming more health and skin conscious. The purpose of this research paper is to find out the behaviour of the consumers with respect to the promotional strategies uses by the herbal companies for profit maximization. For the purpose of this study the parameters that were considered to find out the influence on the buying behaviour were that how sales promotion techniques are most important to attract customers and through that process they can increase profit of the companies. Price Discount, Free sample, Buy-one Get-one free, Loyalty program.*

Keywords: *Promotional strategies, price discounts, loyalty programs.*

I. INTRODUCTION

Every businessman wants to increase the sales of that item in which he deals. He can adopt several ways for maximizing profit. One of us may have been specifically consulted about "Lakhpati Bano", "Win a Tour of Singapore", "30% Excess in a kilo pack", "Scratch card and win prize" etc. Lunch boxes, pencil boxes, pens, shampoo pouches etc. were given free with some products. Vital exchanges are offered, as in the case of the current model of television, you can get a starting model at a lower cost. It is being noticed that in the neighboring markets to attract customers to buy some products in "Winter Sale", "Summer Sale", "Business Fairs", "Up to 50% off" and many other plans. These are all incentives given to manufacturers or dealers to increase the sale of their goods. These promotions can be in the form of free samples, gifts, discount coupons, exhibitions, shows, competition etc. All these measures inspire customers to make more purchases and thus, it increases sales of the product. This method of selling goods is considered as "promoting sales". Personal sales include face-to-face contact with specific individuals, while advertising is directed towards the voluntary number of astronomical potential customers. They take advantage in increasing the sales of goods. Thus, advertising can be used as a sign of communication to inform potential customers about the promotion for the promotion of sales. Individual sales can be included in the promotion of personal sales as well as incentives. However, sales promotion is different from advertising and personal sales, which is in reference to its approach and technology.

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Sales promotion adopts short-term, non-recurring methods to promote sales in various ways. These offers are not available to customers all year round. During festivals, these plans are generally found in the market at the end of the season; end of year and on some other occasions.

II. LITERATURE REVIEW

Weerathunga A.K, Pathmini M.G.S in his research paper title Impact Of Sales Promotion On Consumer's Impulse Buying Behaviour Study In Supermarkets In Anuradhapura City, the author in his research recommends the retailers, Sales promotion techniques are most important to attract customers and through that process they can increase profit of the companies. Price Discount, Free sample, Buy-one Get-one free, Loyalty program.

Syed Ali Ahmad, Waqas Mehmood, Syed Aun Ahmed, Mazhar Mustafa, Muhammad Faisal Tahir Khan, Malka Yasmeen(2015) in their paper title Impact of Sales Promotion on consumer buying behaviour in Pakistan talks about the consumers' attitude towards different promotional tools on buying behaviour is favourable. It showed that sales promotion tools are supplementary or complementary to existing business as an additional marketing strategy.

Rahul Goel in his work titled as Effect of Sales Promotion on Consumers with reference to FMCG Companies in India tells about his findings that most of the FMCG companies are spending good deal of money for the sake of consumer oriented sales promotion. Most of them benefited and some of them faced high long term costs, In fact sales – promotion is a short -term device for quick results, while attractive prices may at the outset offer consumers enough inspiration to transform allegiance to a new product, it won't keep consumers for long.

III. STATEMENT OF THE PROBLEM

Herbal industry has emerged as one of the most dynamic and fast growing industries today. Organized retailing is primarily driven by changing lifestyle, increasing disposable income and favorable demographic divisions. Consumers have changed a lot in terms of their shopping behavior. Since, most retailers are fighting each other to attract customers and at this this point, they consider sales promotion as one of the most important techniques. To increase the sales of any product, manufacturers or manufacturers adopt different measures like sample, gifts, bonuses, and many more.



This study is most important to understand the effects of promoting the sale of herbal products on consumer buying behavior.

A. Objective of the Study:

The study is an attempt to find out the effect of sales promotion, value and premium promotion on consumer buying behavior.

- To investigating the effect of sales promotion on consumers buying behavior.
- To investigating the nature of purchasing consumer behavior.
- To check the most effective sales promotion techniques that affect the customer. Free samples, discounted prices, joint promotions, vouchers and coupons, buy-one-one-free, customer loyalty programs.

B. Hypothesis

Based on the review of literature and previous studies, the following hypotheses were constructed for the study of the effects of sales promotion on consumer purchase behavior.
 H0: Sales promotion has a significant impact on consumer buying behavior.

C. Sampling Detail

1. Target population: The population for this research study consists of the residence of Nagpur
2. Sampling unit: In this study the sampling unit is individual consumer.
3. Sample size: **100** consumers.
4. Sampling method: The sample is selected by using simple random- sampling method. The study area was spread across Nagpur District and 100 samples were taken for the study of the

D. Limitations of the study

1. Limited number of respondents.
2. Time limitation for compiling the research work.
3. Respondents may have bias behavior which may not give a true picture of the chosen research topic.
4. This study is limited to Nagpur urban region only so the conclusion could not be universally applied.
5. The information obtained from the respondents is based on a questionnaire which was assumed to be factual.

E. Data Analysis

1. Age- Sample size is targeted at 100 respondents. Where 84% respondents are from the age group of 20-30, 11% of respondents are from the age group of 30-40 and remaining are from below 20 and above 40.

Age

100 responses

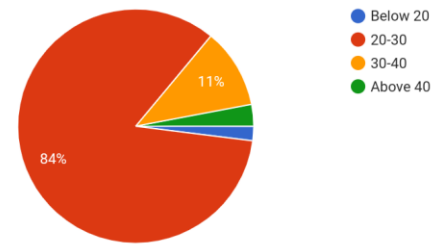


Figure-1

2. Gender- out of 100 respondent 52% responses are from Males and 48% responses are from Females.

Gender

100 responses

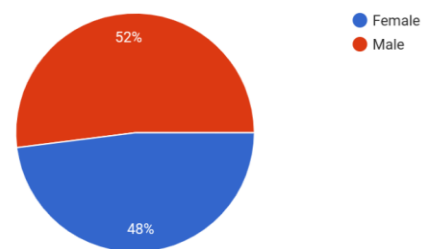


Figure-2

3. How did you come to know about sales promotion of Herbal Products?

Advertisement	63%
News Paper	10%
Magazines	1%
Friends	26%

How do you come to know about Sales Promotion of Herbal Products ?

100 responses

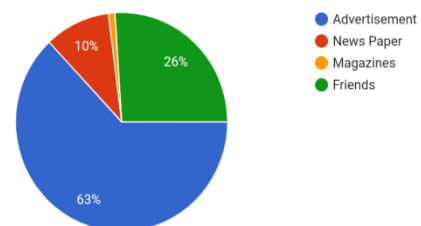


Figure-3

63% of respondents are known about sales promotion from Advertisement, where as 26% of respondents are known about sales promotion from Friends, 10% of respondents are known about it from News Paper and remaining are from Magazines.

4. What influence you to buy a Herbal Product?



Brand	42%
Pricing	18%
Chemical Content	38%
Brand Ambassador	2%

What influence you to buy a Herbal Product ?

100 responses

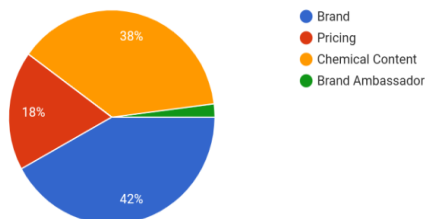


Figure-4

42% of respondents are influenced by Brand, 38% of respondents are influenced by Chemical Content, 18% of respondents are influenced by Pricing and remaining 2% are influenced by Brand Ambassador.

5. Sales promotion affects the purchasing decision.

Strongly disagree	3%
Disagree	5%
Neutral	38%
Agree	41%
Strongly agree	13%

Sales Promotion affect the purchasing decision.

100 responses

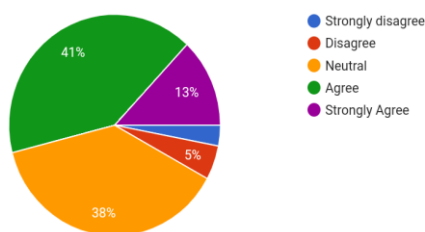


Figure-5

13% of respondents are strongly agree with the statement, 41% of respondents are agree with the statement, 38% of respondents are Neutral, 5% of respondents are Disagree with the statement and remaining are strongly disagree with the statement.

6. The advice of retailer and wholesaler affect your buying decision at last.

Strongly disagree	5%
Disagree	14%
Neutral	36%
Agree	41%
Strongly agree	4%

The Advice of Retailer and Wholesaler affects your buying decision at the last.

100 responses

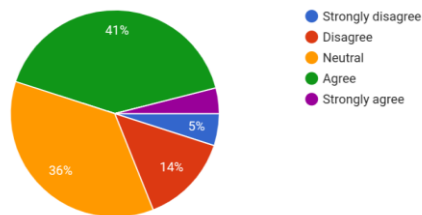


Figure-6

4% of respondents are strongly agree with the statement, 41% of respondents are agree with the statement, 36% of respondents are Neutral with the statement, 14% of respondents are disagree with the statement, and remaining are strongly disagree with the statement.

7. Low priced products are preferred over high priced products.

Strongly disagree	4%
Disagree	18%
Neutral	28%
Agree	28%
Strongly agree	22%

Low priced products are preferred over high priced products.

100 responses

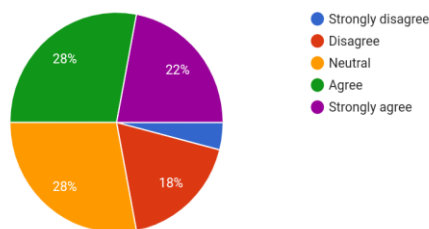


Figure-7

22% of respondents are strongly agree with the statement, 28% of respondents are agree with the statement, 28% of respondents are Neutral with the statement, 18% of respondents are disagree with the statement and remaining are disagree with the statement.

8. If a particular herbal product is not available with the retailer, what you will do?

Drop the idea of buying product.	10%
Go to another retail outlet.	48%
Try another (Competitors) Brand.	10%
Ask the retail to make the product available in few days.	32%

If a particular herbal product is not available with the retailer, What you will do ?

100 responses

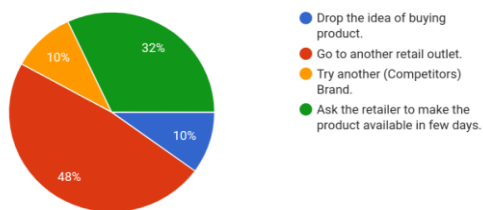


Figure-8

48% of respondents go to another retail outlet, 32% of respondents Ask the retailer to make the product available in few days, 10% of respondents Try another Brand, 10% of respondents Drop the idea of buying product.

9. According to you, in store advertising affects your purchase decision

Yes	48%
No	11%
Maybe	41%

According to you, In store advertising affects your purchase decision ?

100 responses

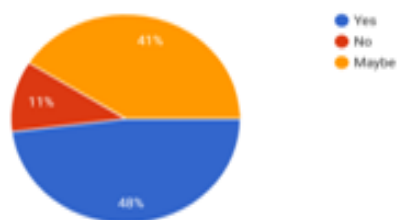


Figure-9

48% of respondents are in favor that, in store advertising affects their decision and 41% of respondents are not sure about in store advertising and rest 11% of respondents find no connection between in store advertising and their purchase decision.

10. The most effective strategy for the promotion of herbal product is

The most effective strategy for the promotion of the herbal product ?

100 responses

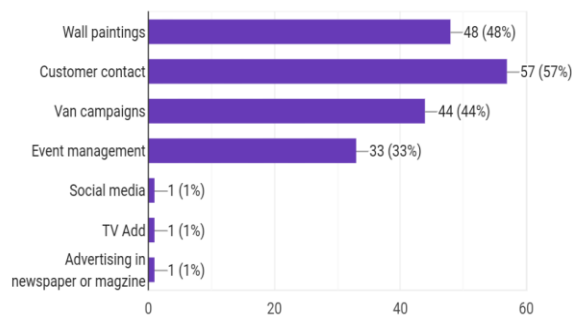


Figure-10

According to 57% of respondent Customer contacts are the most effective strategy for the sales promotion.

11. Does a change in price of a product affect consumer's preference

Yes	67%
No	10%
Maybe	23%

Does a change in price of a product affect consumer's preference

100 responses

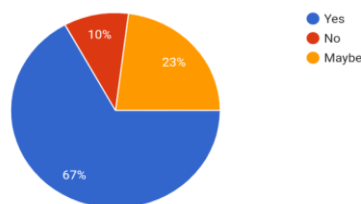


Figure-11

According to 67% of respondents change in price of a product affect consumer's preference, 23% of respondents are confused about it and remaining 10% of respondents are not found any connection between price and product preference.

12. Which promotion techniques do you like? & you think it change your purchasing decision

Which Promotion techniques do you like? & You think it change your Purchasing Decision.

100 responses

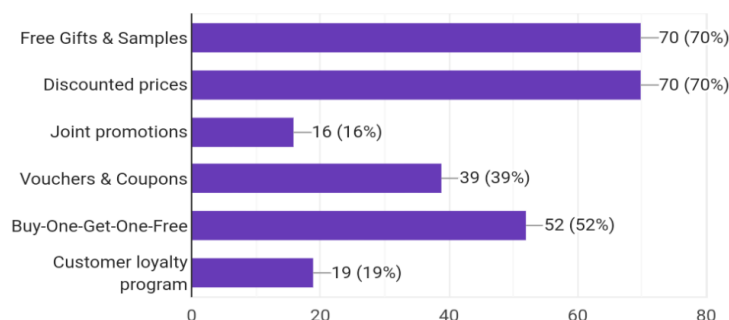


Figure-12

Free Gifts & Samples & Discounted prices these two techniques respondents are like the most and they think it change their purchasing decision.

Hypothesis testing

- **Sales promotion has significant effects on consumer buying behavior.**

Particulars	Observed Value(O)	Expected Value(E)	O-E	(O-E) ²	$X^2 = \frac{\sum (O-E)^2}{E}$	$X^2 = \frac{\sum (O-E)^2}{E}$
Strongly Agree	13	20	-7	49	2.45	3.33
Agree	41	20	21	441	22.05	
Neutral	38	20	18	324	16.2	
Disagree	5	20	-15	225	11.25	
Strongly Disagree	3	20	-17	289	14.45	
Total respondents	100					

Significance at probability 0.05 is tested and the degree of freedom is 4
The tabulate critical value is 14.8063

The chi-square value is 3.33 at probability of 0.05 and the tabulated chi-square value is 14.083 which is more than the calculated value hence here we **accept** our null hypothesis that the **Sales promotion has significant effects on consumer buying behavior.**

IV. CONCLUSION

Consumers' attitude towards various promotional devices is favorable for buying herbal products. It has been shown that the Sales Promotion Tool is supplementary or complementary in the form of additional marketing strategies in addition to existing marketing. This research demonstrated that consumers' purchase behavior was motivated by a variety of factors, including socio-demographics; publicity tools such as free samples, discounted prices, joint promotions, vouchers and Buy-one Get-one free, customer loyalty are included. In addition, the framework provides new insight into the understanding of the various promotional tools offered by marketers and the effects on their purchase behavior, which may be necessary for marketers to use accurate marketing strategies to promote products. is. Studying consumer behavior enables market researchers to estimate how consumers will respond to promotional messages and to understand why they make purchasing decisions. Marketers felt that if they know more about the consumer decision-making criteria, then they can design marketing strategies and promotional messages to influence consumers more effectively.

- Most of the people come to know about sales promotion of herbal products through Advertisements and Friends.
- Mostly Brand and Chemical content influence buyers to buy Herbal products.
- The advice of retailer and wholesaler affect buying decision.
- Most of the people preferred Low priced products over high priced products.
- Most of the people things that in store advertising affects their purchase decision.
- Most of the consumer things that customer contacts, wall paintings, van campaign are the most effective tools of sales promotion.

RECOMMENDATION & FUTURE SCOPE

Most herbal products are affected by the buyer's chemical content, which companies have to focus on their chemical

material. Due to the different marketing strategies of organizations, the attitude of brand selection and shopping habits is changing. Brand loyalty has always been one of the major concerns of the marketers. Brand loyalty helps in predicting future trends in the market. Loyalty means that customers will continue to buy brands, and represent future revenue flows. The brand is one of the quality important pillars in developing loyalty. To generate awareness, companies need to create adequate awareness about the sales promotion schemes through mass media. Herbal products are low participation products that change behavior. Apart from this, the person visiting the shop for the purchase of soap is the final decision maker of the brand, so it is essential that the companies need to design attractive, striking, visible POP for plans announcements.

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