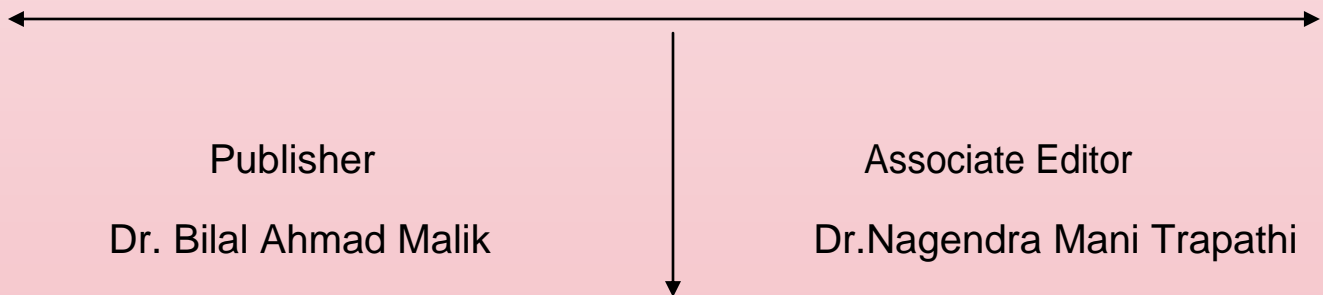


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## A STUDY ON FMCG'S SALES PROMOTION: WITH SPECIAL REFERENCE TO BISCUITS PRODUCTS

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### **ABSTRACT:**

*Indian population is spreading and becoming wealthy day by day, particularly the middle class and the rural segments, offers immense opportunity which is left untapped to Fast Moving Consumer Goods players. Growth effect will be seen from product customization in the matured product categories like skin care, processed and packaged food etc. In India, many MNCs have made their presence through their subsidiaries mainly HUL and introduces new products to create market regularly and makes steady growth. India is a agriculture based economy and has a varied agro-climatic condition which offers extended raw material base suitable for many Fast Moving Consumer Goods sub sections like food processing industries etc. India is one among those countries which has the highest production of livestock, milk, spices, sugarcane, cashew, and coconut and has the second highest production of wheat, rice, vegetables and fruits. FMCG companies have privilege of having easy availability of raw materials, cheaper labour costs and presence across the entire value chain gives India a competitive advantage. Products which have a swift turnover and relatively low cost are known as Fast Moving Consumer Goods (FMCG). FMCG items are those which generally get replaced within a year.*

**Keywords:** FMCGs, Sales Promotion, Biscuits Industry and Results and Discussions

### **INTRODUCTION:**

Fast-Moving Consumer Goods (FMCG) or Consumer Packaged Goods (CPG) are products that are sold quickly and at relatively low cost. Though the profit margin made on FMCG products is relatively small (more so for retailers than the producers/suppliers) Products which have a swift turnover and relatively low cost are known as Fast Moving Consumer Goods (FMCG). FMCG items are those which generally get replaced within a year. In India FMCG sectors' comprises of few significant characteristics like well connected distribution network, high

level of competition between the organized and unorganized areas, Some Fast Moving Consumer Goods, such as meat, fruits and vegetables, dairy products, and baked goods, are highly perishable. Other goods, such as alcohol, toiletries, pre-packaged foods, soft drinks, chocolate, candies, and cleaning products, have high turnover rates. Fast Moving Consumer Goods may also include pharmaceuticals, consumer electronics, etc. This segment comprises of the food processing industry- packaged foods, health beverage industry- bread and biscuits, chocolates & confectionery, Packed Mineral Water and ice creams. The three largest consumed categories of packaged foods are packed tea, biscuits and soft drinks.

### **Britannia Good Day:**

Britannia is recognized as one of the most trusted, valuable and popular brands among Indian consumers in various reputed surveys. Today Britannia Dairy products contribute close to 10% of the company's revenue. Britannia markets its dairy portfolio on the back of a well integrated cold chain logistics network and reaches 3 million outlets across the length & breadth of this country Britannia Dairy had its beginnings in 1997.

### **Sun feast Biscuit:**

Biscuit industry is estimated to be about 1.95million tones valued at Rs. 68.6 billion of which organized sector produces about 57% of branded biscuits in volume terms and 64% in value terms. It has a turnover of around Rs.3000 crores. In biscuit category we have three very large players Parle, Britannia and Sun feast.

### **Marie Gold Biscuit:**

Glucose and Marie are two varieties of biscuits which represent the largest segments. India Biscuits Industry came into limelight and started gaining a sound status in the bakery industry in the later part of 20th century when the urbanized society called for readymade food products at a tenable cost. Biscuits were assumed as sick-mans diet in earlier days. Now, it has become one of the most loved fast food product for every age group.

### **Nestles Products:**

Nestles products include baby food, bottled water, breakfast cereals, coffee, confectionery, dairy products, ice cream, pet foods and snacks. Nestles India's first production facility was set up in 1961 at Punjab. The Nestlé India head office is located at Gurgaon along with other branch offices in Delhi, Mumbai, Chennai and Kolkata. It has 2, 50,000 employees, 500 factories and 4000 range of products across the globe.



## Importance of Sales Promotion:

Sales are the lifeblood of a business without sales there would be no business in the first place; therefore it is very important that if a business wants to succeed, it should have a sales promotion strategy in mind. The primary objective of a sales promotion is to improve a company's sales by predicting and modifying your target customer's purchasing behaviour and patterns. Sales promotion is very important as it not only helps to boost sales but it also helps a business to draw new customers while at the same time retaining older ones. A business can promote itself through an effective sales promotion because it says something about work and helps the business to identify themselves. They can be an inexpensive way of increasing awareness, of reaching new buyers or extending the buying choices of existing audiences. As an essential part of any promotional campaign they should be planned from the beginning.

Conventionally, advertising has been the "glamorous promotional implement, attracting much managerial attentions in many forms but now the dynamic situation had changed as expenditures incurred for sales promotions have rapidly increased more than the initial outlays in most organizations compared to advertising expenditures, reason being that sales promotion is being integrated to the total marketing strategy in many organizations as it is introduced at the inception of a campaign as against tackling afterward changes in the marketing environment which exhibits upward pressure on the need for sales promotion. In the recent times, dissatisfied customers with respect to retail selling could be improved by good sales promotion activities. Sales promotion campaign is often the only promotional material available at the point of purchases which inform, remind and also stimulate the buyers.

## Sales Promotion:

Sales promotion is designed to supplement advertising and co-ordinate personal selling includes sales promotion are screen activities as contents for sales people and consumers trade shows in store displays, samples. Sales promotion is one of the most commonly used in the marketing vocabulary. We define sales promotional activities that are intended to stimulate customers demand and improve the marketing performance of sellers. Sales promotion includes coupons, premiums, displays and samples.

Sales promote on activities may be conducted by producers or middlemen. The target for producer's sales promoters may be middleman or end users households. Business or the producers own sales force middleman



direct sales promotion at his sales people or prospects further down the channel of distribution. Sales promotion is different form advertising and personal selling. But all these activities often are interacted. In fact a major function of sales promotion is to serve as bridge advertising and personal selling to supplement and coordinate efforts on these two areas. Recently sales promotion has been fastest.

### **Production and Selling Concept:**

The production concept is based on the fact that customers prefer products that are available and affordable. This means that production managers focus on the superiority of products as well as constant product development. The selling concept is based on the drive of the marketing, in other words that the customer will not buy enough of a single product unless it is constantly promoted [20]. The selling concept holds that consumers will not buy enough of the company's products unless they are stimulated through heavy selling and promotion.

### **Promotional Mix:**

As one of the marketing mix elements, promotion includes all the activities directed to the targeted consumers, that lead to facilitate the process of contacting with them for the purpose of formatting a sense of the importance of the commodity in achieving a high degree of consumers satisfaction of their wishes and needs comparing with the competitors commodities.

Promotion is one of the key factors in the marketing mix and has a key role in market success. Promotion is used to ensure that consumers are aware of the products that the organization is offering. The promotional mix is the combination of the different channels that can be used to communicate the promotional message to the consumers. The channels to be used are; advertising, direct marketing, public relations and publicity, personal selling, sponsorship and sales promotion. One of most important of channels is sales promotion.

### **Roles of Sales Promotion:**

- To encourage the existing customers for larger purchase.
- To enhance goodwill of the business.
- To simplify the efforts of sales force & motivate them for large purchase.
- To facilitate coordination & proper link between advertising and personal selling.

## REVIEW OF LITERATURE:

**Krishna (2014)** The main objective of this study is to identify factors (demographic factors and behavioral factors) influencing on sales promotion towards these products. For this purpose, 100 respondents were selected by using Area Probability Sampling method with an association of Judgment Sampling and data gathered from them through questionnaire and personal interviewing. The findings showed the majority of the consumers for these products were young generation people especially students and working people below 45 years who belongs to nuclear family with moderate monthly income level. It was also found that television was the major source of medium for consumer awareness, and the interest of consumer towards these products was instant consumption, timesaving, taste and convenience to use them as snacks. Therefore it is recommend that these food manufacturers should pay much attention on attractive packaging, health and nutrients and quality and intermediaries should stress on effective sales promotion activities to increase the consumption of these products and sustainability.

**Shahriar Ansari Chaharsoughi (2012)** Sales promotions have become a vital tool for marketers and its importance has been increasing significantly over the years. Studies that strive to understand the impact of sales promotions on consumers' behavior are very important. As well as culture has profound implications on the psyche of the consumers' behavior, adaptation to cultural values leads to marketing effectiveness. So to this study, understanding consumer behavior in a different framework is very useful for the success of an organization in national or international level. According to the issues mentioned, this article examines the impact of sales promotion on consumer behavior based on important cross cultural models.

**Kofi Poku (2014)** The promotional activities have become more sophisticated and an increasing number of companies are using them to ensure their survival in today's competitive market. Essentially, the study analyzed the nature of sales promotional activities of Unilever Ghana Limited; determined factors that influence the consumption of Unilever products in Kumasi and finally examined the relationship between sales promotions and the consumption of Unilever products. Primary and secondary data sources were used to select 220 consumers of Unilever in Kumasi and an in-depth interview with the Managers of the companies in Kumasi. Convenient sampling technique was employed in the study. The findings revealed that Personalities in promotions, Prices in promotions, Messages in promotions and Promotional tools have strong influence on consumption but the Medium in promotion did not have influence on consumption during promotions. It was therefore recommended for celebrities to be used in the company's promotions.



**Daramola, GC, Okafor, LI and Bello (2014)** The study design was descriptive survey; the respondents were randomly selected among the customers and staff members of PZ Cussons Nigeria Plc. thus bringing the population total to 137. Questionnaire was use as the instrument for data collection and convenient sampling technique was employed. Simple percentage was used to analyze the data and Chi-square was the means of testing the stated hypothesis. The study revealed that sales promotion is the most prominent promotional contrivance essential for the products which leads to product loyalty and good public perception of the products and effective and efficient sales promotion attracts consumers and evokes positive reaction, but the organization should ensure that various sales promotion engaged must align with the target customer.

### STATEMENT OF THE PROBLEM:

As per previous studies it has been found that among the various promotional mix elements sales promotion is the most stimulating variable for quick selling. There are various types of sale promotion tools used by the marketer but how to decide that which of them can stimulate the purchase. An effort is made to know what can be best way to use the various tools of sales promotion. Majority of the Biscuit industries are currently facing unprecedented competition, declining brand loyalty, increased promotional sensitivity, brand proliferation, increases in taxes and increased accountability as a result of the government's trade liberalization policy. This situation has resulted in loss of sales revenue to firms, sometimes so severe that some have to close down. This is in accordance with sales promotions becoming so common that firms are obliged to follow or risk losing market share or close down. Previous researchers have mainly investigated the effectiveness of the traditional marketing communication channels like advertising, personal selling, public relations as well as mass media or the print advertising in eliciting consumers' responses with little emphasize on the promotional mix.

### RESEARCH OBJECTIVE:

- ❖ To know about the sales promotion activities in biscuits industry in India.

### RESEARCH DESIGN:

A research design defines the structure or framework within research is carried out. In this study descriptive research design has been used in order to describe the impact of sales promotional activities of Britannia Good Day Biscuits.





### **Sample Size:**

Data were collected from the primary source of 100 respondents who are using Britannia Good Day Biscuits.

### **Sources of Data:**

The researcher used both primary and secondary data, to accomplish the objective of the study.

### **Primary Data:**

The primary data are concerned using the following techniques Questionnaire method and Direct Interview method. The main tool used was, the questionnaire method. Further direct interview method, where a face-to-face formal interview was taken.

### **Secondary Data:**

The theoretical aspects of the study is collected from various sources which includes books, journals, magazines, websites and other related projects.

## **RESULTS AND DISCUSSIONS:**

### **Perception across Nature of the Outlets:**

The above table no.1 explains that 38.46% of respondents are highly satisfied with purchasing the biscuits in super market, remaining 30.76% & 7.62% respondents are satisfied and dissatisfied. 30.76% of respondents are highly satisfied with purchasing the biscuits in Departmental stores, 23.07% are completely satisfied and remaining 23.07 are dissatisfied with this nature. 53.84% of the respondents are highly satisfied in purchasing the biscuits in provision stores and remaining 15.38% & 7.62% are satisfied and dissatisfied.

### **Perception across the Stock on Brand Flavors:**

The above table no.2 explains that 53.84% of respondents are highly satisfied with the purchasing Britannia good day biscuits in, remaining 15.38% & 7.62% respondents are satisfied and dissatisfied. 30.76% of

respondents are highly satisfied with purchasing the biscuits in Departmental stores, 23.07% are completely satisfied and remaining 34.61% & 19.23% are completely satisfied and dissatisfied with this sun feast brand, 46.15% of the respondents are highly satisfied in purchasing the nestle biscuits and remaining 15.38% & 15.38% are satisfied and dissatisfied.

### **Perception across the Variety of Stock:**

The above table no.3 explains that 15.38% of respondents are highly satisfied with the variety of regular pack, remaining 15.38% & 30.76% respondents are satisfied and dissatisfied. 38.46% of respondents are highly satisfied with the purchasing of family pack, 7.69% & 7.69% are completely satisfied and dissatisfied 38.46% are satisfied with the huge pack remaining 20.37% & 15.38% are completely satisfied and dissatisfied with this huge pack

### **Perception on Reasons of Buying:**

The above table no.4 explains that 15.38% of respondents are highly satisfied with the availability of price, remaining 15.38% & 30.76% respondents are satisfied and dissatisfied. 38.46% of respondents are highly satisfied with the quality of the product, 7.69% & 7.69% are completely satisfied and dissatisfied 38.46% are satisfied with the advertisement remaining 20.37% & 15.38% are completely satisfied and dissatisfied with this advertisement.

### **Major Findings of the Study:**

- From this study 53.84% of respondents are highly satisfied with the purchasing Britannia good day biscuits.
- The customers are showing very much interested to maintain the standards and quality Products.
- 38.46% of the respondents are attracting towards the advertisement of purchasing the Britannia company.
- Advertisement and sales promotions methods attract more customers and personal selling is the least method that attracts customers.
- As per opinion of respondents the company interested to offer sales promotions benefits are ranked as first, Britannia Good Day second sun-feast third and Parle- G.
- The respondents opined that the timing for bringing sales promotions scheme are off season, during falls in sales volume and during peak season.



## CONCLUSION:

Consumers have an opinion that they are expecting different kind of sales promotions. This sales promotion has been related to their income and educations. Branded products are purchased frequently so special care should be taken for these products to increase sales and get business. Different promotions methods are useful for improvement of sales. A promotion mix should be selected very carefully to achieve the objective. More efforts needed to communicate to all concerned parties very often to increase more awareness regarding sale promotion methods.

## SUGGESTIONS:

- ✚ The level of awareness about various sales promotion tools is very low except in the case of Price-Off and Premium schemes. It is suggested that sales promotion schemes should be sufficiently backed and supported by print and electronic media advertising.
- ✚ Consumers prefer to get value added offers in the form of additional quantity of the same product they buy as incentives. Bonus pack schemes can be used more effectively than free gifts and compliments.
- ✚ Marketers should stop mindless promotion of FMCGs and use promotion schemes more sensibly and rationally. The promotion clutter has created a situation where none of the scheme is very attractive
- ✚ Marketers may use Price-off or discount strategy to achieve the short-term objectives of promotion like brand switching, trial purchase, and stockpiling ahead of other schemes.

## RECOMMENDATIONS:

- ✚ It is disclosed that over whelming majority of managers agreed that Liable for implement strategic plan of sales promotion techniques in the company are Top management, Head of sales department and Territory managers.
- ✚ Sales mangers of the company should pay proper attention to sales promotion techniques for customers, salesmen and dealers.
- ✚ Considering that sales promotion technique is the better way to increase the sales quantity all the parties such as customers, sales force and dealers are most vital under sales promotion techniques in rising sales.
- ✚ Indian companies' sales promotion strategy impact is tremendous sometimes but sometimes delayed.
- ✚ Sales promotion strategy formulation the impact should be kept in mind for successful efforts and unusual care must be taken by the sales manages on forecast dealer



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## LIST OF TABLES

**Table-1**  
**Nature of outlet on Sales Promotion**

Variables	Statements	Highly satisfied	Satisfied	Dissatisfied
Nature of Outlet	Supermarket	50 (38.46%)	40 (30.76%)	10 (7.62%)
	Departmental stores	40 (30.76%)	30 (23.07%)	30 (23.07%)
	Provision stores	70 (53.84%)	20 (15.38%)	10 (7.62%)

**Table-2**  
**Stock of Brand on Sales Promotion**

Variables	Statements	Highly satisfied	Satisfied	Dissatisfied
	Britannia Good Day	70 (53.84%)	20 (15.38%)	10 (7.62%)

Stock of Brand Flavors	Sun-feast	30 (23.07%)	45 (34.61%)	25 (19.23%)
	Nestle	60 (46.15%)	20 (15.38%)	20 (15.38%)

**Table-3**  
**Variety of Stock on Sales Promotion**

Variables	Statements	Highly satisfied	Satisfied	Dissatisfied
Variety of Stock	Regular Pack	20 (15.38%)	20 (15.38%)	40 (30.76%)
	Family Pack	80 (38.46%)	10 (7.69%)	10 (7.69%)
	Huge Pack	50 (38.46%)	30 (20.37%)	20 (15.38%)

**Table-4**  
**Reasons for Buying Biscuits**

Variables	Statements	Highly satisfied	Satisfied	Dissatisfied
Reasons for buying	Price Availability	20 (15.38%)	20 (15.38%)	40 (30.76%)
	Quality	80 (38.46%)	10 (7.69%)	10 (7.69%)
	Advertisement	50 (38.46%)	30 (20.37%)	20 (15.38%)



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