



## A Study on Role of Sales Promotion in FMCG Products Towards Instant Cooking Food Products (With Special Reference to Chennai City)

## KEYWORDS

Consumer Attitudes, Impulsive buying, Instant cooking, Sales promotion

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**ABSTRACT** In FMCG Instant Cooking food products play a key role among the people in today's busy lifestyle. It is observed that there is a huge flow of products into the consumer market in Chennai city. The present study made an attempt to analyze the role of sales promotion towards Instant Food Products by individual households and to predict the demand for Instant Food Products. All the respondents were aware of pickles and Sambar masala but only 56.67 per cent of respondents were aware of Dosa/Idli mix. 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.

## INTRODUCTION

Health consciousness was the major factor indicated by the non buyers of these products. Moreover planned purchase was common among majority of the elders while impulse buying behavior is shown among many consumers preferred milk based products. Low cost of home preparation and differences in tastes were the major reasons for non consumption, whereas ready availability and save time of preparation were the reasons for consuming Instant Food Products. Retail shops are the major source of information and source of purchase of Instant Food Products. The word 'food' refers to the chemical substances taken into the body in order to keep the body in a healthy and active condition. The body requires food for growth, repair and replacement of its worn-out tissues. Hence, food has to provide the required raw material, energy and other regulating substances, like vitamins and minerals, for the smooth functioning of the body, besides meeting the calorific requirements like carbohydrates, proteins, fats, etc., India is the world's second largest producer of food next to China and has the potential of being biggest industry with food and agricultural sector contributing 26 per cent to Indian GDP. It has the capacity of producing over 600 million tons of food products every year; it is likely to be doubled in next ten years. Food accounts for the largest share of consumer spending. Food and food products account for about 53 per cent of the value of final private consumption. This share is significantly higher than in developed economies, where food and food products account for about 20 percent of consumer spending (www.tata.com). The average monthly per-capita consumer expenditure (MPCE) was Rs. 511 for rural India, which comprised of Rs.305 for food and Rs. 206 for non-food commodities. For urban population, it is Rs. 1060, which comprised of Rs.441for food and Rs. 619 for non-food items. There was a decline in the share of food in total expenditure that is 54 per cent in rural areas compared to 64 per cent in 1987-88 and 42 per cent in urban areas compared to 56 percent during 1987-88 (National Sample Survey Organization, GOI).

## OBJECTIVE

The specific objectives of the study were;

- ❖ To study the extent of awareness in FMCG towards Instant Food Products and role of sales promotion.
- ❖ To analyze factors influencing the buying behavior of Instant Food Products towards promotion and offers
- ❖ To analyze brand loyalty for Instant Food Products.
- ❖ To study brand composition of Instant Food Products towards sales promotion

## LIMITATION OF THE STUDY

This study was based on primary data collected from sample consumers by survey method. As many of the consumers furnished the required information from their memory and experience, the collected data would be subjected to recall bias. The study area was limited to only in Chennai city and the findings may not be applicable to other markets, as vast differences exist among the consumers with regard to demographic and psychographics characteristics. Hence, the findings of the study may be considered appropriate for the situations similar to study area and extra care should be taken while generalizing the results

## REVIEW OF LITERATURE

**Brown et al.(2000)** reported that the need for effective nutritional education for young consumers has become increasingly apparent, given their general food habits and behavior, particularly during adolescence and analyzed that the interaction between young consumers' food preferences and their nutritional awareness behavior, within three environments The authors suggested towards sales promotion aware the food preferences are often of a 'fast food' type and consequently the food habits of many young consumers may fuel the consumption of poorly nutritionally balanced meals

**Aaker (2000)** Several sales promotion were offered with regarded to brand awareness as a remarkably durable and sustainable asset. It provided a sense of familiarity (especially in low- involvement products such as soaps), a sense of presence or commitment and substance and it was very important to recall at the time of purchasing process. Apart from the conventional mass media, there were other effective

means to create awareness viz., event promotions, publicity, sampling and other attention-getting approaches.

**Yee and Young (2001)**, Sales promotion were aimed to create awareness of high fat content of pies, studied consumer and producer awareness about nutrition labeling on packaging. For this, seven leading pie brands were analyzed for fat content and are ranged from 7.1 to 19.2% fat. Potato topped or cottage pies had the lowest fat content (7.19.2% fat). Most pies did not display nutritional labeling on packaging. Over half of the consumers (52%) who responded to the survey (42% response rate) were aware of the campaign.

**SAMPLING DESIGN AND DATA COLLECTION**

**Selection of instant food products**

Based on less cost and frequent use of instant food products, for the sales promotion products such as dosa/idli mix, pickles and sambar masala were selected after discussion with the local consumers of the study area about the consumption of instant food products, which are either homemade or purchased from the market and the marketers as well as about the brands available and preferred in the study area. The particular products were selected in such a way as to represent one product from each group like cereals, fruits and vegetable and spice based categories. The respondents were post classified into four income groups based on their income. Respondents with monthly income of less than Rs. 2,500 were considered to belong to Income Group 1 (IG1), those with income group between Rs. 2,501 and Rs. 5,000 were classified into Income Group 2 (IG2), those with income of Rs. 5,001 to Rs.10, 000 were grouped as Income Group 3 (IG3) and finally those with income of more than Rs. 10,000 were categorized as Income Group (IG4).

**Collection of Data**

To evaluate the objectives of the study, required data were collected from primary as well as secondary sources.

**Primary data**

The data required for the study were collected from the selected respondents by personal interview method using well-structured schedule. Sales promotion information on the following aspects was collected from 100 households.

1. General information from the individual respondents on their social, economical and demographic characteristics like age, educational status, occupation, annual income, family size and family type.
2. Monthly family expenditure on food and non-food items in general and instant food products offers like discount coupons in particular.
3. The type of instant food products consumed and their source viz., branded, unbranded and homemade; Satisfaction level of the respondents regarding their present brand and awareness about various brands of instant food products, etc...

**Secondary data**

The secondary data on location, demography and other details about the study area were collected from Chennai Statistical office. The survey was undertaken during the month of SEP-OCT 2013.

**TOOLS OF ANALYSIS**

**Sample Size:** 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 collected data were tabulated and analyzed.

The tools used for analysis are as follows.

**Tabular analysis and Percentage analyses** were used to study the socio-economic Characteristics of the sample respondents like age, educational status, occupation and, family size and type, Consumer awareness towards instant food

products and brands towards sales promotion. The buying behavior of consumers for Instant food products, purchase decision, place of purchase, frequency of purchase and quantity per purchase were also analyzed using percentage analysis.

**Scaling technique** Scaling technique was used to measure the sales promotion on the brand loyalty of consumers towards instant food products. The statements such as confirm to use the brand, recommend the brand to others, purchase the brand even if price increases and purchase the same brand even in absence of sales promotion were used in the study. The responses to the above statements were measured in a three-point scale namely; definitely, probably, definitely not and the scores of 3, 2, and 1 were given to the above scales and the respondents were classified into three categories based on the total scores obtained by them. The respondents with a score of 9 to 12 was considered as highly brand loyal, the respondents with a score of 5 to 8 were considered as medium loyal and the respondents with a score of up to 4 were considered as low brand loyal.

**Regression Analysis** To study the factors influencing the sales promotion factor like demand for instant food products in Chennai city, multiple linear Regression Analysis was used. In the analysis, monthly quantity consumed is used as a dependent variable and the other independent variables used were price of the product, monthly family income and number of family members.

**Data analysis**

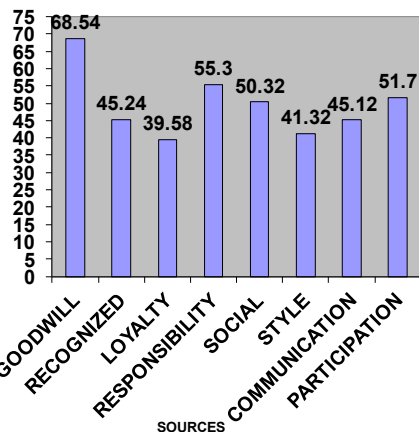
**FRAMEWORK OF ANALYSIS**

The study has been analyzed through tables, percentage, Garrett ranking techniques and factor analysis. There are some important aspects which makes the consumer behavior towards instant food products on Consumers' Purchase Intentions and Overall Brand.

**Table 1 Sales Promotion makes the Consumer purchase intention towards Instant food products**

s.no	sources	garrett mean score	rank
1	Goodwill	68.54	i
2	recognised	45.24	v
3	loyalty	39.58	viii
4	responsibility	55.3	ii
5	social	50.32	iv
6	style	41.32	vii
7	communication	45.12	vi
8	participation	51.7	iii

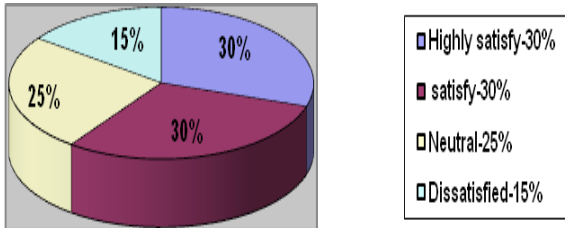
Sales promotion towards purchase intention of consumers



SOURCE: PRIMARY DATA

**TABLE 2: Sales promotion towards instant products and Overall Brand**

<b>Total respondent</b>	<b>= 100</b>
1) Highly Satisfy	= 30%
2) Satisfy	= 30%
3) Neutral	= 25%
4) Dissatisfied	= 15%



SOURCE: PRIMARY DATA

**FACTOR ANALYSIS**

One of the main objectives of the research was to identify the underlying factors towards sales promotion which motivate customers to instant cooking food products. The statements considered for studying the brand preferences of consumers were best quality of the product, good brand image, retailers influence, reasonable price, readily available, good packaging, advertisements, attractive packaging design and convenience. In contrast, poor quality, poor taste, high price, poor brand image, poor flavour, not good colour, less keeping quality were the statements used in asking the reasons for not using a particular brand of instant food products. The responses to the above statements were measured in a five-point scale namely; Strongly Agree, Agree, Undecided, Disagree, and Strongly Disagree and the scores of 5, 4, 3, 2, and 1 were given to the above scales. Later scores were added and the mean score was calculated. Based on the mean score inference was drawn for factors influencing brand preferences and reasons for not using the particular brand of instant food products.

**TABLE 3 – PRODUCT ATTRIBUTES PREFERRED FOR INSTANT COOKING FOOD PRODUCTS TOWARDS SALES PROMOTION**

	Responses		Percent of Cases
	N	Percent	N
Price of the product	20	20%	22%
Good packaging	25	25%	23%
Quality of the product	20	20%	22%
Value for the money	20	20%	22%
Brand Name	15	15%	18%
	100%	100.0%	107%

**FINDINGS**

- ❖ More than 45% of respondent indicates due to Sales promotion towards the development of the metropolitan cities due to increase in population, emergence of industries, evolution of various new factors, time factor, etc., created the need for instant foods in the market.
- ❖ 50% of respondent feels through sales promotion in the industrialization, the labor category is getting attracted to it because of better emoluments and hence there is a shortage of home maids-servants. Due to this, the housewives in order to save time started using instant foods.
- ❖ 35% of respondents indicate on promotion of instant products were the literacy rate is increasing among women, a large number of them in our country are taking up jobs to setup their own status in the society and to use

the extra income generated. These are creating the need for ready-to-eat foods.

- ❖ 66% of respondent have an emergence of nuclear families- Earlier times, a single family consisted of many people i.e., a group of several nuclear families were living in a single place. Hence larger quantities of the food were used to be prepared. But as these joint families started disappearing due to various reasons, each single family started using these instant foods in order to save time and energy.
- ❖ 25% of respondent feels that the major factors for the use of instant foods in the present world. As the prices of some of the raw materials are continuously increasing, the purchases of these foods formed more economical.
- ❖ 32% of respondent indicates that the different new products coming up in the markets daily that are very cheap and easy for using and preparing, the popularity of instant foods is increasing towards effective sales promotion.

**SUGGESTIONS**

It was observed from that majority of the consumers of pickles and sambar masala preferred retail shop as the major source of information as the sellers themselves influence and motivate the consumers to opt for these products while making purchase followed by Sales promotion as these are the common mass medias existing in almost all the households in all the selected areas

- ❖ Most of the respondents in the study area are not purchasing the Dosa/ Idli mix, Pickles and Sambar masala even though they are readily available in the market, instead like to prepare their own. Hence, importance and awareness towards these products should be created through various media or literatures especially in rural areas.
- ❖ The study revealed that in majority of the household's women made the buying decisions of instant food products. Sales promotion should target this group.
- ❖ High price was an important reason for non-consumption of Dosa/Idli mix by significant proportion of households. Thus, efforts may be made to reduce the price of this product so as to increase its sale
- ❖ The retailers influence plays very important role in the purchasing of instant food products and retail shops are the important source for purchase of these products by consumers, retailers should be given training and incentives to promote sales

**CONCLUSION**

To study the Sales promotion towards instant food product it also analyze the Consumers behaviorness and factors influencing the consumption of Instant Food Products, simple averages and percentages were calculated. To measure the brand loyalty of consumers towards instant food products scaling was used. Likert Scaling technique was employed to study the factors influencing the brand preferences and reasons for not preferring the particular brand by the consumers of instant food products. The potential demand for the Instant Food Products was estimated using the total population in the study area and per capita consumption of instant food products. The advancement of science and technology offered the people new foods processing vessels, equipment and tools but still people were in search of new techniques to speed up the cooking process in order to cope up with mechanical life, as they do not have sufficient time to cook food in the conventional methods. Capitalizing this situation, business houses ranging from small time manufactures to multinational corporations have started innovating and commercializing "easy to cook food items" like noodles, vermicelli, gulab jamun, instant idli, vada, dosa mix etc... that are otherwise called instant. The instant food products are not only easy to cook but also have a significant role and place in the celebration of the family functions and religious functions of the people. 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.

#### FUTURE RESEARCH

As suggestions for future research, replication and expansion of the same study should be made by doing a comparative analysis study of the consumer behavior towards instant cooking food products. This would serve to bring clarity to this research conducted by the author. Furthermore as this

study has focused its research only on consumers within the age bracket 21-40 years, future research can be undertaken targeting different age groups in India which would probably bring to light different perceptions regarding the topic in hand. The research undertaken on sales promotion and also consumer behavior of instant food products in this paper will be useful on both academic and professional platform, as it looks into the perception of Indian consumers on food products, providing theory for scholarly and directives for managers and professionals.

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