



Promotion mix strategy of jammu and kashmir co-operatives supply and marketing federation limited in jammu district of J&K state

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ABSTRACT

Promotion is an exercise in information, persuasion and influence. It may be defined as “the coordination of all sellers initiated efforts to set up channels of information and persuasion to facilitate the sale of a good or service or the acceptance of an idea”. It refers to activities and process design to change or reinforce behavior and / or ideas through communication. Retail communication is the descriptive term for the mix of communication activities designed to create an awareness of audience predisposition toward the product, the outlet, and the overall store or merchandise image. Retail promotion involves a complex series of communications to inform the target groups of the retailer’s store and its offerings so as to increase demand and profits. The four components to achieve these goals are advertising, personal selling, sales promotion and publicity. The various components of the promotional mix should be coordinated not only with each other but with the store’s total operations and its merchandising plan. In the present study an attempt has been made to evaluate the efficacy of “Promotion-Mix Strategy of Jammu and Kashmir Co-operatives Supply and Marketing Federation Limited (JAKFED) in Jammu District.”

Keywords : Retail promotion, advertising, personal selling, sales promotion and publicity

INTRODUCTION

As stated by Marvin Rothenberg, “stores have to segment their messages as well as merchandise assortment. It all goes back to knowing precisely who your customer is and understanding the life style”. The important groups which need to be influence are the target market group of current and potential customer, agents and suppliers as well as opinion leaders such as journalists and writers, local, national and international politicians and important professional groups. The four major components of the retail promotion mix used for influencing consumer perception, attitude and behaviour in order to increase store loyalty, store visit and product purchase are advertising, personal selling, sales promotion and publicity.

PROMOTIONAL OBJECTIVES

The marketing objectives need to be clearly defined so that a campaign which uses all the elements of promotion could be developed to elicit desired response from the consumer.

The promotional objectives should have some terms in order to carry out the promotion and then monitor the results — so — called SMART objectives. SMART objectives will provide specific, measurable, actionable, realistic and time bound results. Table 1 shows the promotional objectives reported by consumer stores in Jammu Districts.

TABLE 1
PROMOTIONAL OBJECTIVES OF CONSUMER STORES IN JAMMU DISTRICT

No	Name of the consumer store	Promotional objectives
1.	JAKFED	-Promotion of skills and special offers. -To enhance the goodwill of the concern.
	Malik cement store	-To attract new customers. -Processing telephonic and mail orders. -To increase consumer awareness about the assortment quantity etc. -Identify the store with specific nationally advertised brands.

Janak Fertilizer Store	-To build the stores reputation. -To attract new customers. -To increase the volume of sale -To educate the people about the use and application of the product.
Adarsh L.P.G Distributor	-To provide home delivery facility to the customers. -To increase the volume of sale.

Source :- Market survey

As evident from the above table, the promotional objectives of JAKFED are not designed to inform, persuade, and influence the purchase decisions of consumers within the target market. The organization can systematically plan the message for ensuring profitable sales volume both on a short-term and long- term basis.

ADVERTISING

Advertising is a process of persuasion that is attempted through mass communication media. It is any “paid form of non-personal communication through the media about a product, that has an identified sponsors.” (A.M.A.2000). Through advertising, the retailer make the potential customer aware of the store and its range of offers. Kotler (2000) has defined advertising as, “any paid, non-personal communication through various media by an advertising firm”. Wright, Winter and Zeigler (1984) considered as, “controlled, identifiable information and persuasion by means of mass communication media”.

Types of advertising

The two major types of retail advertising as shown inTable 2 are product and institutional.

TABLE 2
MAJOR TYPE OF RETAIL ADVERTISING

Product Advertising Institutional Advertising
A. Regular-price advertising A. Prestige-oriented advertising
B. Reduced-price advertising B. Service-oriented advertising
C. Clearance-sale advertising

Source: - Beisel John L. (1987), 'Contemporary Retailing,' McMillan Publishing, New York. P.475.

JAKFED is reported to be using institutional advertising compared to product advertising being used by private consumer stores in Jammu District.

Advertising media

There are a number of vehicles from which the retailer can choose to convey a message to the customer. Table 3 summarizes the advantages and disadvantages of selected types of retail advertising media.

**TABLE 3
ADVANTAGES AND DISADVANTAGES OF SELECT MEDIA FOR THE RETAIL ADVERTISING**

S.N	Media	Advantages	Disadvantages
1.	Newspapers	-Low cost -Wide coverage -Timely available	-Short life -Lack of quality reproduction -Waste in circulation -Possibility of duplication
2	Magazines	-Longer life -Visual display -Selectivity -Loyalty and prestige	-Costlier -Restricted frequency -Inflexibility
3	Radio	-Human touch -Selectivity -Flexibility and timing -Mass coverage -Economical	-Message perishability -Lack of illustration -Limited time
4	Television	-Can reach specific market segments -Deep impact -Can demonstrate products -The clutter problem appeals to both sense of sight and sense of sound	-Shortest life -Costlier -Time taxing

Source: - John Beisel L.(1987), 'Contemporary Retailing,' McMillan Publishing Company, New York, P.487.

The selection of proper media will depend on a number of factors such as reach, cost, lead time, frequency, sensory appeal etc. JAKFED is reported to be using only newspapers as media for advertising their products.

Advertising budget

The advertising budget is a plan of expenditure to be incurred on the advertising campaign. The appropriation for advertising may be determined on the basis of the affordable approach, competitive parity, percentage of sale, unit of sales, objective and task, marginal approach and mathematical models. These are further influenced by factors like advertising plans, marketing opportunities, production cost of advertising, product life cycle, type of product etc. Table 4 shows advertising budget appropriation of JAKFED in Jammu District.

**TABLE 4
ADVERTISING BUDGET APPROPRIATION OF JAKFED IN JAMMU DISTRICT**

S. No	Years	Methods of Advertising appropriation	Amount In Rs.	Percentage increase/decrease over the base year
1	2	3	4	5
1	2008-099	The percentage of sales method.	25522.40	--
2	2009-2010	-do-	24716.00	-3.16
3	2010-2011	-do-	18438.00	-27.76

Source: - Office record.

Thus, the amount incurred on advertising and publicity by JAKFED is reported to be Rs. 25522.40, Rs. 24716.00 and Rs. 18438.00 in 2008-2009, 2009-2010 and 2010-2011 respectively. The advertising appropriation fell by 3.16% in 2009-2010 and Rs. 27.76% in 2010-2011 as compared to 2008-2009. Institutional advertising to create an overall favourable image is being practiced by JAKFED. The theme is neither explicitly nor implicitly stated. The advertising time and frequency do not correspond with peak consumers in buying. The organization only relies on newspapers for projecting advertising message to reach target consumers. The advertising copy does not attract primary people and is not news oriented to make announcements regarding merchandise, price, service or specific events. The retail ad does not include a logo so that customers are able to identify the type face and / or pictorial design as belonging to JAKFED without needing to see its name.

PERSONAL SELLING

Personal selling is an attempt to gain benefits through face-to-face or telephonic contact between the seller's representatives and those people with whom the sellers wants to communicate. This may be based upon sales activities in stores, evening calls to try to sell services or products, or sales calls by paid sales persons either to companies or to private individuals.

Retail personnel at JAKFED are found to be transaction processing as compared to routine selling reported by private consumer retail stores. The owners of these private consumer stores present at the cash counter are creative sellers.

Table 5 shows expenditure incurred by JAKFED on personal selling during 2009-2011.

**TABLE 5
EXPENDITURE INCURRED BY JAKFED ON PERSONAL SELLING DURING 2009-2011**

S.No	Years —	Amount (in Rs.)	%increase/decrease
1	2	3	4
1.	2009-2010	20,68,6,465	--
2.	2010-2011	20,60,8,056	-0.38

Source: - Office record

Thus, the amount incurred by JAKFED as reported by its respective management on personal selling for the years 2009-2010 and 2010-2011 is Rs. 20,68,6,465 and 20,60,8,056 respectively. The expenditure on personal selling fell by 0.38% in 2010-2011 as compared to 2009-2010.

SALES PROMOTION

Sales promotion is defined "as any promotional activity other than advertising, personal selling and publicity that is intended to stimulate customer purchase".

JAKFED is reported to be providing home delivery service for cooking gas as the purchase is bulky and inconvenient for the consumer to take their purchase home with them. Various customer services including delivery, alterations, merchandise wrapping, handling customer complaints and making adjustments, check cashing are found to be non-existent at JAKFED. Orders are reported to be solicited on telephone by private consumers store. Retail credit is also being offered by them to selected consumers to retain consumer loyalty.

PUBLICITY

Publicity is a non-personal communication which changes opinion or achieve coverage in a mass medium, which is not paid for by the source. It can either be planned or unplanned.

No publicity activity is reported to be done by JAKFED and private retail consumer stores in Jammu district.

RESEARCH METHODOLOGY

In the present study, the data was collected with the help of a structured questionnaire and an interview schedule. The questionnaire for collecting information about the existing promotion-mix strategy of JAKFED in Jammu District. It was circulated among Managing Directors, Registrar co—operatives, Managers, Account Officers etc. Expert opinion of knowledgeable persons on co-operatives were also recorded. An interview schedule was circulated among 250 respondents of various consumer stores. To make the study comparative and result oriented respondents from three private consumer stores namely Malik Cement Store, Janak Fertilizer Store and Adarsh L.P.G. Distributor were also included. The responses were collected on five point likert scale ranging from lowest (1) to the highest (5).

HYPOTHESIS TESTING

In order to study the difference between the perceptions of different categories of consumers, certain hypothesis are framed and tested with the help of chi-square test. These hypothesis are as under:

**TABLE 6
PERCEPTION OF CONSUMERS TOWARDS EFFECTIVE RETAIL SALES PEOPLE CUSTOMERS RELATIONSHIP AT JAKFED IN JAMMU DISTRICT**

Annual income of respondents (Rs.)	Highly stable	Stable	Neutral	Unstable	Highly unstable	No. of respondents
Below Rs. 20,000	01 (7.69)	04 (30.77)	02 (15.39)	04 (30.77)	02 (15.38)	13 (13)
Rs. 20,000 to 40,000	01 (2.50)	11 (27.50)	14 (35)	10 (25)	04 (10)	40 (40)
Above Rs. 40,000	02 (4.25)	10 (21.28)	16 (34.04)	13 (27.66)	06 (12.77)	47 (47)
Total	04	25	32	27	12	100

Calculated χ^2 value= 2.85 Table χ^2 value= 15.51, P>.05 at 8d.f

Note: Figure shown in () denote %

From the above description it is observed that in the category of consumers having income below Rs.20,000 ., 15.39 % respondents perceive that the sales people-customers relationship at JAKFED is neither satisfactory nor dis-satisfactory and 30.77% respondents perceive that it is satisfactory; where as 7.69% respondents perceive it as highly satisfactory.

in the income group between Rs.20,000() and 40,000, 35% respondents perceive that the sales people customers relationship at JAKFED is neither satisfactory nor dis-satisfactory and 27.50% consumers perceive it satisfactory, where as 25% respondents are of the opinion that the salespeople-customer relationship at JAKFED is highly satisfactory. 34.04% consumers having income above Rs.40,000 perceive that the salespeople-customer relationship at JAKFED is neither satisfactory nor dis—satisfactory and 21.28% respondents perceive that it is satisfactory, where as 4.25% consumers perceive that it is highly satisfactory.

HYPOTHESIS 1

There is no significant difference between the perception of consumers having different levels of income towards effective retail salespeople —customer relationship at JAKFED.

The observed χ^2 value being 2.85 is less than the table value 15.51 at 5% level of significance (8d.f).Thus ,the hypothesis is true, the perception of consumers regarding salespeople customers relationship at JAKFED does not depend upon the income level of consumers.

It is concluded that the dealing of salesman at JAKFED is neither satisfactory nor dissatisfactory as perceived by majority of the respondents. The perception of consumers is not effected by their level of income.

**TABLE 7
PERCEPTION OF CONSUMERS TOWARDS THE ORDER PROCESSING METHODS FOLLOWED BY JAKFED IN JAMMU DISTRICT**

Annual income of respondents (Rs.)	Highly stable	Stable	Neutral	Unstable	Highly unstable	No. of respondents
Below Rs. 20,000	02 (13.33)	08 (53.33)	03 (20)	02 (13.34)	NIL	15 (15)
Rs. 20,000 to 40,000	02 (5.26)	20 (52.63)	13 (34.21)	02 (5.26)	01 (2.64)	38 (38)
Above Rs. 40,000	03 (6.38)	23 (48.94)	16 (34.04)	04 (8.51)	01 (2.13)	47 (47)
Total	07	51	32	08	02	100

Calculated χ^2 value= 3.2 Table χ^2 value= 15.51, P>.05 at 8d.f

Note: Figure shown in () denote %

It is revealed from the above table that in the category of income blow Rs.20,000, 20% respondents perceive that the order-processing methods followed by JAKFED is neither satisfactory nor dis-satisfactory. 53.33% respondents perceive that the order-processing methods followed by JAKFED is satisfactory; where as 13.33% respondents are of the opinion that the order processing method followed by JAKFED is highly satisfactory.

In the income group between Rs.20,000 to Rs. 40,000, 34.21% consumers perceive that the order—processing technique followed by JAKFED is neither satisfactory nor dis-satisfactory and 52.63% respondents perceive that the order-processing method followed by JAKFED is satisfactory. Where as 5.26% respondents perceive that the order—processing method followed by JAKFED is highly satisfactory.

In the income group where consumers having income more than Rs.40,000 , 34.04% respondents perceive that the order- processing method followed by JAKFED is neither satisfactory nor dissatisfactory and 48.94% respondents perceive that the order-processing methods followed by JAKFED is satisfactory; whereas 6.38% respondents perceive that the order—processing method followed by JAKFED is highly satisfactory.

HYPOTHESIS 2

The perceptions of respondents belonging to different levels of income have no significant difference towards order-processing methods followed by JAKFED.

The calculated χ^2 value being 3.2 is less than the table value 15.51 at 5% level of significance (8 d.f) which means hypothesis is true. Thus means that the perception of consumers belonging to different income groups regarding the order-processing method followed by JAKFED is satisfactory as majority of the respondents perceive .The perception of consumers does not depend upon the income level of consumers.

OBJECTIVES OF THE STUDY

The research study was undertaken with the following objectives in view.

1. To evaluate the activities and promotional strategy of JAKFED in Jammu district.
2. To evaluate perception of consumers having different levels of income towards effective retail salespeople —customer relationship at JAKFED
3. To critically analyse the various components of promotion- mix on the operational efficiency of JAKFED in Jammu district.
4. To measure the perception of consumers about order processing methods followed by JAKFED.

5. To measure the perception of consumers towards the performance of JAKFED in Jammu district vis-a-vis private sector.
6. To advance suggestions for improving the working of JAKFED in Jammu District in particular and J&K State in general

LIMITATIONS OF THE STUDY

The present study suffers from the following limitations.

1. The study is restricted to the functioning of JAKFED in Jammu District only.
2. Detailed data was not available for long periods because of rigorous auditing being carried out due to grave financial irregularities committed in the past
3. In most of the cases the consumers were not enthusiastic in reporting. In these cases the accuracy of the data cannot be taken to core.
4. Though every care has been used to be objective yet the possibility of subjective interpretation in some cases cannot be ruled out.

SUMMARY OF FINDINGS AND SUGGESTIONS

In the present study an attempt has been made to evaluate the efficacy of "Promotion-Mix Strategy of JAKFED in Jammu District."

The promotional objectives of JAKFED are not designed to inform, persuade and influence the purchase decisions of consumers within the target market. Institutional advertising is reported to be practiced by JAKFED compared to product advertising being used by private consumer stores in Jammu district. Newspaper is the only advertising media used by JAKFED. The amount incurred on advertising and publicity by JAKFED is reported to be Rs. 25522.40, Rs. 24716.00, and Rs. 18438 in 2008-09, 2009-2010 and 2010-2011 respectively. The advertising appropriation fell by 3.16% in 2009-2010 and Rs.27.76% in 2010-2011 as compared to 2008-2009. The advertising copy does not attract primary people and is not news oriented to make announcements regarding merchandise, price, service or specific events. The retail ad does not include a logo so that customers are able to identify the type face and/or pictorial design as belonging to JAKFED without needing to see its name. The amount incurred on personal selling for the years 2009-2010 and 2010-2011 was Rs. 20,68,6465 and Rs. 20,60,8056 respectively. The expenditure on personal selling fell by 0.38% in 2010-2011 as compared to 2009-2010. No publicity is reported to be done by JAKFED.

Following suggestions may be offered for improving promotional efficacy of JAKFED in Jammu District.

1. Advertising should be carefully planned in order to be optimally effective both in short-term and long-term.

- i. Product advertising with emphasis on regular prices where in the merits of individual products or merchandise selection are exposed should be emphasized to increase customer traffic in the store.
 - ii. The advertising objective should make consumers aware about the existence of the store and tell them about new merchandise lines, new products, or new services offered by the store.
 - iii. To impact on the mind of the target consumer about unique and favourable image of the retail business, JAKFED should use an imaginative slogan.
 - iv. The existing method of advertising budget appropriation should be replaced by the objective task method as it is future oriented rather than oriented to current performance.
 - v. Co-operative advertising with Super Bazar and CONFED may also improve its relations with dealers.
 - vi. Advertising media should be broadened to include internet, letters, catalogues, brochures for re-sellers and Govt. agencies.
2. Retail salesmanship for gaining an appreciation of the importance of the selling task in satisfying customers, building sales volume and influencing profitability should be given emphasis by JAKFED by following ways.
 - i. The existing salesman should be trained as order taker by assisting customers by answering questions, locating merchandise, order processing and building displays.
 - ii. The perks of sales people must be enhanced and regular incentives linked with performance must be given to them.
 - iii. Management attitude towards sales people must be changed. They should treat the sales people friendly and with dignity.
 3. Sales promotion should be treated as a part of organization's overall promotional strategy. For driving maximum benefit, JAKFED must spell its sales objectives, select the tools, develop the programme, pretest, implement control on it and evaluate the results.
 4. Publicity must be included in the promotional strategy by JAKFED. It should use other media channels such as journalism, radio and television to act as opinion leaders for projecting its business and product offering.

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