

IMPACT OF SALES PROMOTION ON CUSTOMERS PURCHASING BEHAVIOUR ON COTTON YARN WITH REFERENCE TO JAIBHARTH MILLS LTD

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ABSTRACT

This paper portrays the significance of sales promotion among cotton yarn producing mill, business is all about the internal as well as the external factors from those factors customers play a key role to business success since it is cotton yarn it was treated as raw material for the textile industry and the cotton yarn manufacturers also require sales volume further the study was conducted with the sample size of 78 respondents and the data were collected using a structured questionnaire and the study is basically a known population and it was simple random sampling further the data were analyzed using chi square analysis to improve pitfalls of sales promotion initiative of Jai Bharath Mill.

KEYWORDS: Sales Promotion, Cotton Yarn, Descriptive Research, Simple Random Sampling

INTRODUCTION

The textile sector in India ranks next to agriculture. Textile is one of India's oldest industries and has a formidable presence in the national economy in as much as it contributes to about 14% of manufacturing value-addition, accounts for around 1/3 of our gross export earnings and provides gainful employment to millions of people. The textile industry occupies a unique place in our country. One of the earliest to come into existence in India, it accounts for 14% of total industrial production, contributes to nearly 30% of the total exports and is the second largest employment generator after agriculture.

REVIEW OF LITERATURE

Jarvenpaa and Todd (1996): have indicated that the types of sales promotion have played an important role in influencing the purchasing behaviour of potential consumers. Different types of sales promotion have different targeted potential consumers for different kinds of products. Four leading sales promotion techniques that have a significant positive impact on consumers' perception and purchasing behaviour included coupons, samples, and retail shopper cards (i.e.: member card, VIP card).

Jones (2003): argued here as, in general, increased advertising expenditure generates only a small average volume of additional sales that can often be profitable. He classified the advertising effects in short, medium, and long term. The initial effect can be positive and a prior condition for the longer effects. The medium-term has a positive influence of the brand's own advertising as well as negative influence for competitive brands. Continuous improvement of an advertised brand may generate long-term effect in consumers' minds that can lead to a further sales outcome which can be very

beneficial. He also concludes that price reductions have only a temporary effect and generally there is no further effect to generate more revenue to balance the increased cost. Though it encourages the competitive retaliation but often have a negative influence on consumers' image of the brand.

Moorthy (2005): stated differently that advertising expenditure works as a signal of product quality for experience goods because consumers guess that high-quality products would advertise more than low-quality products. He provides substantial support for ad repetition that influences perceived quality. Thomas et al. (1998) also agreed earlier that advertising is related with quality signaling and manufacturers use both price and advertising to signal the quality of their products

According to **Low & Mohr (2000)** manufacturers continue to spend a large amount from their communication budget on sales promotion. They allocate around 75 percent of their marketing communication budgets to sales promotion. (Hellman, 2005) In order to develop a successful sales promotion strategy a clear definition of the targeted market must be included. It is important to note that the character of sales promotion has been changing slightly over time, with the arising of relationship marketing. Sales promotion, like other traditional forms of marketing activities, have been about mass offer (Mitchell, H., 2000).

Taylor (2002): examines a more general situation under which the manufacturer enters into a contract with the retailer where the manufacturer provides rebates to the retailer on the units sold beyond a target level. He finds that when retailer actions do not influence consumer demand, this contract is sufficient for channel coordination. However, when retailer actions do influence consumer demand, this target rebate contract does not coordinate the channel. To align the retailer's and manufacturer's objectives, the manufacturer must also allow the retailer to return unsold units.

Neslin (2005): provide evidence for a positive effect of a special type of promotion on store loyalty. They studied a loyalty promotion in which consumers could obtain a free turkey product based upon purchases during an 8-week promotion period. They found that this reward program increased sales during the 8 weeks of the promotion ("points pressure effect"). In addition, consumers participating in the promotion purchased more in the store after the promotion. This "rewarded behavior effect" occurs because the goodwill and positive affect created by the reward resulted in the customer having a more favorable view of the retailer and hence purchasing more. In summary, there is some evidence that promotions can have a positive effect on store loyalty, but the issue warrants further investigation.

Statement of the Problem

- Purchase frequency.
- Lacks in awareness among the customer.
- Pricing policies.
- lack Promotional schemes.

Objective of the Study

- To study the factors influencing sales promotion.
- To analyze the reason for lack in awareness.

- To study the causes behind the pricing policies.
- To study the promotional offers/schemes offered by jaibharath.

Comparison of Frequency of Purchase and Reason for Purchase

Null Hypothesis: There is no relationship between frequency of purchase and reason for purchase

Alternative Hypothesis: there is a relationship between frequency of purchase and reason for purchase

Table 1

Frequency of Purchase \ Reason for Purchase	Yes	No	Total
	Promotional offer	4	12
Discount offer	33	14	47
Range of product	5	10	15
Total	42	36	78

Table 2

O	E	(O-E)	(O-E) ²	(O-E) ² /E
4	8.6	-4.6	21.16	2.46
12	7.4	4.6	21.16	2.91
33	25.3	7.7	59.29	2.34
14	21.7	-7.7	59.29	2.73
5	8.07	-3.07	9.42	3.06
10	6.9	3.1	9.61	3.1
				16.6

Degrees Of Freedom: (R-1) (C-1)

(2-1) (3-1)

Level of significance: 5 %

Table value: 9.72

Since the calculated value 16.6 is higher than the table value (9.72) there is a relationship between frequency of purchase and reason for purchase

Comparison of Awareness and How Do You Feel While Purchasing

Null Hypothesis: There is no relationship between awareness and how do you feel while purchasing.

Alternative Hypothesis: There is a relationship between awareness and how do you feel while purchasing.

Table 3

Awareness How Do You Feel	Through News Paper	Through Advertisement	Through Relatives	Total
Satisfactory	5	19	2	26
Excellent	25	16	5	46
Dissatisfied		6		6
Total	30	41	7	78

Table 4

O	E	(O-E)	(O-E) ²	(O-E) ² /E
5	10	-5	25	2.5
19	13.6	5.4	29.16	2.14
2	2.33	-0.33	0.108	0.04
25	17.69	7.31	53.43	3.02
16	24.17	-8.17	66.7	2.75
5	4.12	0.88	0.7	0.16
6	3.15	2.85	8.12	2.57
0	2.30	-2.3	5.29	2.3
0	0.53	-0.53	0.28	0.52
				16

Degrees of Freedom (R-1) (C-1)

$$(3-1) (3-1) = 2*2=4$$

Level of significance: 5 %

Table value: 9.48

Since the calculated value 16 is higher than the table value (9.48) there is a relationship between awareness and how do you feel while purchasing.

Comparison of How Do You Feel and How Do You Rate the Pricing

Null Hypothesis: There is no relationship between how do you feel and how do you rate the pricing

Alternative Hypothesis: There is a relationship between how do you feel and how do you rate the pricing.

Table 5

How Do You Feel Rate the Pricing	Satisfactory	Excellent	Dissatisfied	Total
High	2	25	1	28
Medium	22	15	5	42
Low	4	4	-	8
Total	28	44	6	78

Table 6

O	E	(O-E)	(O-E) ²	(O-E) ² /E
2	10.05	-8.5	72.25	7.18
25	15.79	9.21	84.82	5.37
1	2.15	-1.15	1.32	0.61
22	15.07	6.93	48.0	3.185
15	23.69	-8.69	75.5	3.18
5	3.230	1.77	3.13	0.96
4	2.87	1.13	1.27	0.44
4	4.51	-0.51	0.26	0.05
0	0.615	-0.615	0.37	0.60
				21.575

Degrees of Freedom (R-1) (C-1)

$(3-1) (3-1) = 2*2=4$

Level of significance: 5 %

Table value: 9.488

Since the calculated value 21.575 is higher than the table value (9.488) there is a relationship between how do you feel and how do you rate the pricing.

FINDINGS

Chi-Square Test

- From the chi-square test it was found that there is association between frequency of purchase & reason for purchase. Since the calculated value (16.6) higher than the table value (9.72) so alternative hypothesis is accepted.
- From the chi-square test it was found that there is association between awareness and how do you feel while purchasing. Since the calculated value 16 higher than table value 9.48. So alternative hypothesis is accepted.
- From the chi-square test it was found that there is association between how do you feel & how do you rate the pricing. Since the calculated value 21.575 higher than table value 9.488. Hence alternative hypothesis is accepted.

CONCLUSIONS

The study portrays the importance of sales promotion for cotton yarn. Particularly the southern region basically is off textile business so the sales of cotton yarn is the highly demandable are further the promotional schemes can attract more customer to buy cotton yarn and the factors such as credit facility, replacement free delivery and regular updates of the business practice will develop the sales to the next levels.

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