

A Study on Effect of Sales Promotion March-April 2005 for Fanta-Soft Drink and its Impact on Consumers & Sales

Mr. K. Sadasivan¹

The research title "A Study on Effect of Sales Promotion March-April 2005 for Fanta-Soft Drink and its Impact on Consumers and Sales" deals with how the promotional programmes reach the consumers and increase sales. It also deal with analysis of various parameters like

- Consumers opinion on Fanta UTC commercials
- Consumers awareness about Fanta Promotion Tools

The below mention promotional tools were considered for study:

Fanta UTC (Under the Crown)

Fanta UTC bottles were special made with liner which contains eight digit code and under cap their were phone number to which the consumers have to call to win a Motorola Camera Mobile. Consumer calls and gets line his eight digit code was verified and three questions regarding Fanta were asked to him/her On answering the questions correctly he will get the mobile phone as gift. The programme duration was from March 10th to April 10th 2005.

On the whole 356 mobiles were given. The programme was so designed that consumers get

a single mobile for each hour. The consumers were instructed to call between 9 a.m. to 9 p.m. commercial with Trisha as brand ambassador were forecasted on TV, Radio and newspapers to support this programme. And also the entire programme was back supported by appropriate POSMS like Dangers, Posters, Banners and Hoarding.

The sample size of 100 was chosen from three parts of Chennai, Tambaram, Chromepet and Pallavaram. Primary data was collected from the consumers using the questionnaire. The sampling method that was used for the research was convenience sampling. The statistical tool which were used for the research are weighted average method and Chi-square test.

A. R. Rehman cassette offer

This programme was run simultaneously with the UTC programme. The consumers give Two UTC Fanta Crowns and Rs. 10; A. R. Rehman Cassette will be given to him/her. The cassette contains famous Tamil movie hits of A .R. Rehman.

Need for the study

In recent years sales promotion is increasingly view as an important tool to increase

Assistant Professor, SRM School of Management, Kattankulathur - 603203.¹

sales. Lakhs and Lakhs of rupees are being spent on sales promotional activities to attract the consumers in our country and also in other countries of the world.

Since a lot of investment is made on sales promotional activities it is necessary for the company to track it in an efficient way. Its impact on consumers and sales should be measured so that we can know whether there is good return on the investment made on it.

Objective of the study

Objectives

- To understand the effectiveness of sales promotion programmes employed,
- To find out the increase the sales volume due to promotional tools and programmes,
- To find out the level of satisfaction among consumers on the two promotion programmes,
- To get suggestions and new ideas from consumers regarding future Fanta promotions,

Scope

- This study on sales promotion helps in finding its effects on sales and consumers.
- This study also helps to form better promotional programmes in future ultimately it helps the company to increase the sales.
- This work also gives out the attributes preferred by the consumers in the Fanta soft drink.
- This study helps to know which promotional tool gets the good response from the consumers.

Research Methodology

Methodology of this study

Type of research	: Descriptive research
Research approach	: Field Survey
Research instrument	: Questionnaire
Sampling method	: Non-Probability
Collecting Data	: Primary and Secondary Data
Sampling Area	: Tambaram, Chromepet, Pallavaram
Sample Size	: 100 samples

Marketing Research

The American marketing association defines marketing research as “the systematic gathering, recording and analyzing of data about problem related to the marketing of goods and services”.

Marketing Research Design

Marketing research design is the specification of procedures for collecting and analyzing the data necessary to help identify or reach to a problem or opportunity, such that the difference between the cost-of obtaining various levels of accuracy ‘and expected value of information associated with each level of accuracy is maximized.

1. Descriptive research design

Descriptive research includes surveys and fact-feelings enquiries of different kinds. The major purpose of descriptive research is description of

the state of affairs, as it exists at present. In social science and business research we quite often use the term “EX POST FACTO” research for descriptive studies. The main characteristic of this method is that the researcher has no control over the variables; he can only report what has happened or what is happening.

2. The study is based on both primary and secondary data.

Primary Data

The information which is followed in fresh for the first, time and thus happen to be original in character. Primary data is collected through survey and the method is used for;

- Questionnaires
- Telephone Interview

3. Sampling process

Sampling process consists of the following sequential steps.

a) Define the population

The population for a survey on effectiveness of sales promotion programmes might be defined as analyzing the Fanta consumers of Tambaram, Chromepet, Pallavaram areas.

Element	: Effectiveness of Sales promotion programs
Sampling unit	: Consumers
Extent	: Tambaram, Chromepet and Pallavaram
Period	: 2 Months

b) Sampling Frame

A sampling frame is a means of representing the elements of the population. Sampling frame-respondents address record.

c) Sampling unit

The sampling unit is the basic unit containing the elements of the population to be sampled.

d) Sampling method

The sampling method is the way the sample units are to be selected.

e) Sample Size

This refers to the number of items to be selected from the universe to constitute a sample. The size of sample should neither be excessively large, nor too small,\. It should be optimum.

The size of the sample is 10 consumers from Tambaram, Chromepet and Pallavaram.

f) Sampling area

Tambaram, Chromepet and Pallavaram

g) Tools used

1) Chi-square Test

The objective of Chi-Square Test is to determine whether the real or significant difference exists among the various groups. Chi-square Test involves comparison of expected frequency (E) with the observed frequency (O) to determine whether the difference between the two is greater than which might occurs by change.

Conditions to use

- Two sets of data i.e. observed and expected
- Data based on same sample
- Each observed and expected count of five or larger
- The difference between rows and columns must represent categorical variable

- The computed value is compared to tabulated chi-square

If the computed value is greater than the tabulated value at a pre determined level of significance and degree of freedom the hypothesis is rejected.

Steps

- The difference between each observed frequency and expected frequency is computed
- The difference observed and squared
- Each observed difference is divided by it's respective expected
- The quotient are added together to obtains the computed chi-square

On the other hand if calculated chi-square value is less than the table value the hypothesis is accepted

$$\psi^2 = \sum (O_i - E_i)^2 / E$$

Where ψ^2 = Chi-square

O_i = Observed frequency

E_i =Expected frequency

Data Analysis and Interpretation

Chi – Square Test

Null – Hypothesis: There is no significant difference between the age of the consumer and their attempt to win a mobile under UTC programme.

	Age 15 – 35	Age 36 - 55	Total
Attempted more than 5 times to win the mobile	40	20	60
Attempted more than 5 times to win the mobile	10	30	40
Total	50	50	100

Expected Frequencies are given below

$\frac{50 \times 60}{100} = 30$	$\frac{50 \times 60}{100} = 30$	60
$\frac{50 \times 40}{100} = 20$	$\frac{50 \times 60}{100} = 20$	40
50	50	100

Calculation of χ^2

O	E	$(O - E)^2$	$(O - E)^2 / E$
40	30	100	3.33
20	30	100	3.33
10	20	100	3.33
30	20	100	3.33

$$\chi^2 = \sum (O - E)^2 / E = 16.66$$

$$\text{Calculated } \chi^2 = 16.66$$

Tabulated value of χ^2 for $(2 - 1) (2 - 1) = 1$. Degree Factor at 3% level of significance is 3.84. Since calculated $\chi^2 >$ tabulated χ^2 , we reject the null hypothesis H_0 i. e. there is no significant difference between consumers age and the attempts made by the people to win a mobile phone.

Findings

- Of the total number of respondents 60% were happy about the UTC promotions and 30% were satisfied and 10% were not satisfied.
- Of the total number of respondents 60% were aware of Fanta UTC promotions through tv and radio, 20% through hoardings and POSMS and 20% through word of mouth.
- Of the total number of respondents 10% felt that TV commercial was excellent, 60% felt that the commercial was good, 20% felt that the commercial was bad and 10% have not seen the commercial.
- Of the total number of respondents 5% felt that the radio commercial was excellent, 30% felt that the commercial was good 20% felt that the commercial was bad and 45% have not heard about the commercial.
- Of the total number of respondents 60 were satisfied, 20 were not satisfied and 20 were not aware about the A. R. Rehman cassette offer. The respondents have given highest weightage to taste, colour and flavour comes in the next two places. Package graphics got the least weightage
- Of the total number of respondents 66% had Fanta especially to try Fanta UTC contest, and 34 had Fanta for other general purpose like thirst, Brand preference.
- There is a significant difference between consumers age and the attempt made by the, to win a mobile phone. The consumers in the age group of 15 to 35 were made more attempts to win the mobile.
- The reasons given by many consumers for their less satisfaction on Fanta UTC was engaged lines and tough questions.
- Over 100000 calls were received over the 30 days promo. There were 10 mobile

winners among the respondents surveyed. They were highly delighted.

- Fanta grew by 43% in Chennai city and 19% in TN vs. March last year.

Suggestions

- While giving a gift like cassette, care should be taken that the collection of songs are latest. So there will be good response from the consumers.
- Care should be taken that the problems in distribution network should not affect the availability of promotional items.
- Regarding Fanta UTC, it would have been more successful if more telephone lines have been employed and if the number of gift are increased taking the population of people consuming Fanta into consideration.
- Along with mobiles, some cheap but useful gifts like travelers bag, wall clock, pressure cooker can be given so that more number of consumers would have got the feeling that they won something.
- Consumers are expecting the sales promotions gifts to be given free of cost. Offering A. R. Rehman cassette after collecting Re. 10 and Two Fanta Crowns is not considered worthy by many consumers.

Conclusion

Sales promotion serves to fill the gap between advertising and personal selling by coordination and supplementation of the efforts in these two areas. While advertising explain the logic behind buying, sales promotion offers us an incentive to do so.

From the study conducted we can conclude that among two sales promotion programs, Fanta UTC was a great success with good response from consumers and a good impact on sales but A. R. Rehman cassette offer was not successful and it suffered from many drawbacks,

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