

Promotions of Retail Formats in Creating Brand Image of FMCG

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Abstract

In today's competitive environment where the customer has got tremendous choice for selecting brands, it is a very challenging task for a marketer to attract new and retain the old customer. To accomplish this objective the marketer uses different types of marketing strategies to position their product in the mind framework of the customer and establish their brand image in the market. With liberalisation and globalisation the availability of products and services has increased. The customer has wider choice and he is demanding more and more benefits and the competition is increasing in the market place. The core of marketing concept is that the customer and not the product shall be the axis of business systems. All business operations revolve around customer service and satisfaction and many companies are following customer oriented philosophy to ensure growth in sales, profits and market share. Fast moving consumer goods are the products which are used by the consumer frequently and have a small shelf life and are purchased at a fast rate thus marketer must focus on strategies to make their customers satisfied which ultimately helps a marketer to bring in new customers. FMCG are known as low involvement products as consumer spends less time and energy in buying these goods. Consumers prefer to visit a retail store where they can purchase variety of products under one roof, not only consumers but producers also prefer to sell their products through various retail stores. Earlier the products were sold through local stores or Kirana stores where the shopkeeper only provides those products which were asked by the consumer, but the store culture allow them to have a look at all the various available options which they can compare and then select the best among the lot.

Keywords: competitive environment, availability of products, customer oriented philosophy,

Introduction

The Indian retail sector, though dominated through grocery shops/kirana stores, has been witnessing emergence of corporate retail chains such as RPG Retail, Pantaloon Retail, Shoppers stop, Reliance Fresh, Aditya Birla Groups More', Croma (Tata). These large-format stores known as organized retail stores provide a wide range of product and brands at attractive prices and pleasant shopping experience for family

members. The main objective is to provide the customers with 3 Vs i.e., value, variety and volume. Apart from Four Ps, service marketing includes three more Ps i.e., People, Physical evidence and Process. P (place) includes convenience for shopping, stores interiors and store location.

Today retailers are confronting a sharp aggressive market and are discovering it progressively hard to make a differential favorable position on the premise of item (stock), value, advancement, spot, individuals and area and as of right now the store itself turn into a prolific and last open door for business sector separation. Today customers have numerous shopping decisions, as the product is accessible effortlessly. Some shop on the web they don't need to stress over the extend periods of time of operation, stop 'getting product from market. So when contrasted with the past with advancement in innovation retailers occupation have turned out to be more troublesome.

Retailers need to make an energizing store plan with creative marketing systems to make individuals come and visit the stores. Here comes the part of advertiser who makes the store plan. Advertiser likes to think about their store as theatre. The dividers and floors speak to the stage. The lighting, apparatuses, and visual interchanges, for example, signs speak to the sets. Retail locations likewise give organizations an opportunity to pull in new purchasers to buy their item by utilizing different store special strategies which make a brand picture for the item. Because of the quick changes in the worldwide business sector and the expanded rivalry experienced between FMCG firms, "Brand Management" has turn out to be more essential. Great brand administration realizes clear separation between items, guarantees customer steadfastness and inclinations and may prompt a more prominent piece of the pie. The term brand has diverse importance connected to it; a brand can be characterized as a name, logo, image and personality or a trademark.

A capable brand will improve customer's attitude strength of the item relationship of a brand, which is produced by involvement with the item. Brand name and what a brand remains for are the centre qualities for most fast moving customer merchandise (FMCGs). The essential trait of a Fast moving consumer goods are likewise vital for a FMCG brand to exceed expectations in light of the fact that the quality of a brand normally give the crucial strides to separating between a few contenders. In today's competitive world where the customer is having varied choices in terms of brands, the customer is very choosy in selecting a specific

product or brand. Hence, the marketers have started using the concept of store promotion to cater the immediate needs of the customers and make them satisfied.

Marketing professionals and specialist use many tactics to attract and retain their customers. Sales Promotion strategies can help create that positive customer image that leads to successful sales. Sales promotion spending plan covers very nearly 70% of the aggregate customer deals special spending plan. It is additionally considered as a brand differentiator by numerous huge players like Coca-Cola, Pepsi, Heinz and some more. For some business specialists and scholastics, deals advancement is viewed as run of the mill promoting strategies that increase the value of an item with a specific end goal to accomplish particular advertising objectives.

Store promotion is a marketing strategy that is formed to bring people into the store and to purchase specific items highlighted through store promotion. These promotion strategies most often come directly from manufacturers, or they may be offered by the store manager. The reason behind this is to generate additional revenue due to the extra sales of the products, or even to encourage a brand switch when presented by the manufacturer. These strategies help to drive traffic in the store, to remove too much stock, or to generate additional revenues when sales are slumping. It also helps in building the brand image and creates customers intention to buy a specific product or brand.

Brand image is the consciousness in the consumer's mind of a brand's total personality. It is developed over time through advertising campaign with a constant theme, and is authenticated through the consumer's direct experience which can be formed using in store promotional activities. Thus the study aims to understand the impact of each store promotion tool in building brand image of a FMCG product and also the overall impact of store promotional tools on consumer buying decision in FMCG products.

Review of Literature

Anic. Ivan-Damir and Sonja Radas (2006) presumed that most buyers are somewhat more than normal inclined to arrangements, and arrangement inclination is absolutely connected with store activity reliability, the hypermarket high/low retailer ought to keep on incorporating arrangements into its in-store correspondence project to draw in arrangement inclined shoppers, alongside worth cognizant clients.

Liu Sandra S., Melara Robert, & Arangarasan Raj (2007) studied the impacts of diverse store design on sign recognition insights, which consider both proposed buys (hits) and unintended buys (false alerts), and give

free measures of the extent to which a customer meets their shopping objective (affectability) and their strictness or impulsivity in making buys (reaction predisposition).

Rajagopal (2008) reasoned that purpose of offers special projects have turned into the main instrument of retailing with a specific end goal to procure new clients and hold faithful clients. It was additionally found that dependable clients are pulled in to the store brands amid the limited time offers while new customers are value touchy and are pulled in by the in-store vibe of offers advancements and volume rebates. The study concentrated on the purchasing conduct of clients in reference to the point-of-offers advancements offered by retailing firms and the determinants of affectability towards fortifying shopping excitement and fulfilment among clients with a specific end goal to manufacture store dedication in Mexico. The study by Kamath (2009) has been focused on the major attributes of the retail store as perceived by the consumers in selecting a retail outlet Mangalore city. The study discovered six main considerations that purchasers incline toward while selecting a retail location. These elements incorporate shopping knowledge, entrainment and gaming offices, advancement, rebate, add on offer and administrations, mixed bag of items and different variables for shopping accommodation.

Asha Sindhu (2011) in her study has berated that the items which clients purchase regularly are shower cleansers, shampoos, sustenance items and tooth glues where as marked refreshments slightest are obtained. Among the different deals advancement methodology utilized by organizations commercial and deals advancements routines draw in more clients and individual offering is the slightest system that pulls in clients. Sakshi Modi & Tapasya Jhulka (2012) examined that the improvement of coherent speculation among the buyers is one of the essential parts of human conduct. This system portrays choices for the producers and advertisers to meet the developing purchaser requests. An endeavour has been made to analyze the five limited time plots specifically Exchange Offer, Special Gift, Festival Season Offers, Contest Prizes, and Product Warranties which influence the vehicles purchasing conduct of the buyer. It is found that special plans have real ramifications on buying choice.

A study by Koul, Surabhi & Mishra, Hari Govind (2013) castigated that Indian retail market is unequivocally determined by the disorderly (Traditional store) retail locations. The reason for the study is to manage the significance of store properties in a chaotic retail situation. The general client profile effectively mirrors that

the clients going by the sloppy store typically visit it for the buy of basic need items. Besides, such clients don't set out much to visit the retail location.

In a study by Shrivastava, Mithun, Saini, Navdeep & Pinto, Arvind (2014) observed that commercials assume a noteworthy part in customer choice making identified with items/administrations. Actually, the client recognition gets impacted in distinctive routes in changing degree because of publicizing boosts displayed by advertisers, particularly in the setting of large number of promoting apparatuses and strategies connected by sorted out retail segment in the space of purpose of procurement promotions.

Sudaryanto Sudaryanto, N. Ari Subagio, IntanNurulAwaliyah, DeasyWulandari, Anifatul Hanim (2019) aimed to investigate the behaviour of consumers buying decision in modern Muslim stores in Indonesia. The high and low context culture would be the intermediating factor on influencing the decision. With 100 samples the data was collected throughout multi stage sampling procedures with Banyuwangi being selected region. The validity and reliability questionnaire were tested. Normality data was also tested using skewness and kurtosis before regression is employed. The results showed that: 1) Brand image effect on purchasing decision; 2) Price affects purchasing decisions; 3) Promotion affects purchasing decisions; 4) culture moderates the influence of brand image on purchasing decisions; 5) culture moderates the influence of prices on purchasing decisions; 6) Culture moderates the influence of promotion on purchasing decisions of Basmallah FMCG.

Rationale of the Study

The main goal of this study is to investigate the influence of store formats and sales promotion on consumers selecting retail store. The results reveal that both store format and sales promotion significantly influence on consumers' purchase decision. This current study also shows the large number of students as consumers with indicators such as coupons, shopper cards, products line, and customer care that strongly influence on purchase decision. It's limited to one city and one retail store only. The research hasn't been extended to other marketing communication mix tools such as Public relations, Personal selling, direct marketing, media Advertising impact or effect. The research results of the present study will contribute to better understanding the incidence of consumers' perception of store formats benefits on their decision to make shopping over sales promotion, thus allowing retailers to perform sales promotion as a perfect technique for boosting their sales effectively. Although sales promotion better impacts consumers' purchase decision than store format,

it's a short-term tool that should be used with great caution so as not to tarnish the brand image. Consequently, this research contributes to the advancement of knowledge, particularly in retailing, by establishing the effect of the store format and sales promotion on consumers' purchasing decision in an Asian country.

Objective of the Study

To study the impact of Promotions of Retail Formats in building brand image of a FMCG product.

Hypothesis of the Study

H₀₁: Store promotional strategies do not affect the brand image of Fast moving consumer goods.

Research Methodology

The design of research is descriptive. For the study, Indore District is selected and 245 consumers are chosen from various demographic profile. Through self-constructed questionnaire, their responses were invited. The sampling method is random. The regression was applied in examining the impact of promotions on creating the brand image of FMCG products. The research approach is deductive and the outcomes have been generalized on population.

Results

Model Summary^b on Promotions of Retail Formats

| | | | | | Change Statistics | | | | |
|---|-------------------|------|------|--------|-------------------|----------|-----|-----|---------------|
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change |
| 1 | .741 ^a | .549 | .548 | .48946 | .549 | 605.613 | 1 | 498 | .000 |

a. Predictors: (Constant), Parking space, Gifts, Special Discount, Behaviour of salesperson, Store radio, Attractive product display, Store fragrances, Vouchers, Shop congestion, Background music, Store television, Layouts, Store Atmosphere

b. Dependent Variable: Brand Image

The above table shows the variance explained by the predictor variables. The "R" column represents the value of R, the multiple correlation coefficients. R can be considered to be one measure of the quality of the prediction of the dependent variable. A value of 0.741, in the above table, indicates a good level of prediction. The value of the correlation coefficient indicates that there is considerable variance between the dependent and independent variables. The "R Square" column represents the R² value (also called the coefficient of determination), which is the proportion of variance in the dependent variable that can be explained by the independent variables (technically, it is the proportion of variation accounted for by the regression model above and beyond the mean model). It can also be seen from our value of 0.549, that our independent variables explain 54.9% of the variability of our dependent variable, indicating that 89.4% of the variations in the Purchase decision of FMCG are explained by Parking space, Gifts, Special Discount, Behaviour of salesperson, Store radio, Attractive product display, Store fragrances, Vouchers, Shop congestion, Background music, Store television, Layouts, Store Atmosphere.

Among the various store promotion strategies having positive impact on purchase decision of fast moving consumer goods announcements through store radio that refers to the announcement of various offers in store by which the customers can know what promotional offers are available and choose accordingly have the highest amount of impact followed by shop congestion, attractive product display, special discount, background music, behaviour of salesperson and the lowest impact is of gifts. Customers prefer to visit a store that is less crowded and has no queue at the billing counter; they also prefer those products which have attractive product display and special discount. Music is also very important component as it set a mood of customer to shop. Some impact on purchase decision is also by the behaviour of sales person and free gifts.

Conclusion & Suggestions

Indian FMCG market is the 4th largest sector in the economy having a total market size of US\$ 13.1 billion and more. It has a major MNC existence and considered a well recognized supply network, strong competition among the unorganized and organized segments and with low functioning cost. Accessibility of input raw materials, cheaper labour expenses and existence across the complete significance networks gives India a reasonable benefit. Marketers who employ sales promotion as a key component in their promotional strategy should be aware of how the climate for these types of promotions is changing. For instance, the onslaught of sales promotion activity over the last several decades has eroded the value of the short - term

requirement to act on sales promotions. Many customers are conditioned to expect a promotion at the time of purchase otherwise they may withhold or even alter their purchase if a promotion is not present.

In this era of globalization, market is full of FMCG companies trying to sell their product by creating a brand image in the minds of customers. Today FMCG sector comprises of large part of consumer's income as fast moving consumer goods are products which are purchased frequently and are necessary for the customers. Customers prefer to purchase FMCG product as and when need arises by visiting a retail store according to their convenience this gives an excellent opportunity to the retailer to attract the customers by using various marketing strategies so that the customer purchases 4 or 5 products instead of 1 product he actually wanted to purchase. Customers are becoming extremely demanding with regards to the design and style of any store they visit. They need to be pulled in and persuaded to enter a shop or slow down at a counter and at that point of sale so as to sell the product. Leading retailing organizations try to form a positive store image in the customer's mind so that he visits the store again. The retailers need to identify various promotional strategies which can be used to attract consumers towards their product.

Thus to cater the need of marketer the study focuses on identifying various store promotional tools used in a retail store and to study their impact on customer buying decision with special reference to fast moving consumer segment. The study focuses on fulfilling various objectives formed such as to assess the overall impact of store promotional tools on consumer buying decision and also to study the impact and awareness of various store promotional tool among the respondents. Thus to fulfil the objectives formed the collected data from the respondents is analysed by using different statistical tests.

Store promotional strategies affect the purchase of Fast moving consumer goods. If the store provides good discount, has better parking facilities, is well equipped and uses various store promotion strategies then definitely the sale of the products will increase. The store promotional tools motivate a person to buy Fast moving consumer goods. More people get influenced by store promotional strategy. Thus to sell any Fast moving goods the marketer needs to use different marketing strategy which ultimately helps to attract the customer leading to increased sales. The purchase of Fast moving consumer goods depends on the influence of marketing strategies used by the marketer to sell their product and Brand Image of products affects purchase of Fast moving consumer goods. Products with good brand image are more preferred by the customers. Retailers constantly keep making various strategies so that every customer knows about their brand and forms a positive image in their mind.

Customers do not think much before buying FMCG products if they are attracted by packaging of a product they will purchase it. Store promotion tools generate impulse buying behaviour and stimulate the desire to purchase the product. Using attractive product display, unique discount offers and other combination of promotional tools attract the customers towards a store. Customers usually buy those products which appeals to them and here comes the task to retailers they need to make the environment appealing so that a person who has walked in a store with a motive of window shopping can be converted into a customer. These store promotional techniques helps the retailers to create a brand image in the minds of customers thus increasing profit margin for the companies. Every retailer must put a lot of effort in selecting the best suitable technique for their retail store in order to sustain in the market.

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