



A STUDY OF IMPACT OF SALES PROMOTIONAL ACTIVITIES WITH REFERENCE TO THE GATE ACADEMY

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Abstract

A sales promotion strategy is an activity that is designed to help boost the sales of a product or a service. This can be done through an advertising campaign, public relation activities, a free sampling campaign, a free gift campaign, a trading stamps campaign, through demonstrations and exhibitions, prize giving competitions, temporary price cuts, door to door sales, telemarketing, personal sales letters, emails, etc. As India will have world's largest tertiary-age population and second largest graduate talent pipeline globally by the end of 2020, the education sector in India is poised to witness major growth in the years to come. The education market in India is currently valued at US\$ 100 billion and is expected to nearly double to US\$ 180 billion by 2020. With this background, it is interesting to find the influence of promotional activities in education sector.

The organization chosen for the study offers comprehensive and rigorous coaching for the Graduate Aptitude Test in Engineering (GATE) exam. The research is based on the working hypothesis that sales and product branding have significant effect on repurchases patronage and also that sales promotion has a significant impact on performance.

Keywords: Sales Promotions, Sales Performance, Promotion Strategy.

1.0 Introduction

Sales promotion is the process of persuading a potential customer to buy the product. Sales promotion is designed to be used as a short-term tactic to boost sales and it is rarely suitable as a method of building long-term customer loyalty. The primary objective of a sales promotion is to improve a company's sales by predicting and modifying your target customer's purchasing behaviour and patterns.

Sales promotion includes all forms of sponsored communication apart from activities associated with personal selling. Sales promotion is very important as it not only helps to boost sales but also helps businesses to draw new customers while at the same time retaining older ones. There are varieties of sales promotion strategies that a business can use to increase sales. This can be done through an advertising campaign, public relation activities, a free sampling campaign, a free gift campaign, a trading stamps campaign, through demonstrations and exhibitions, through prize giving competitions, through temporary price cuts and through door to door sales, telemarketing, personal sales letters and emails.

The importance of sales promotion strategy cannot be underestimated. When developing a sales promotion strategy for your business, it is important to keep consumer attitudes and buying patterns, brand strategy, competitive strategy, advertising strategy, etc., in mind. Other external factors that can influence your products availability and pricing to mention a few.

2.0 Background of the Study

Education is a process of facilitating learning or acquiring knowledge, skills, values, beliefs and habits. India's education sector offers a great opportunity with approximately 29 per cent of India's population being between the age group of 0-14 years. India's higher education segment is the largest in the world and is expected to increase to US\$ 37.8 billion by 2020.

The education industry in India is estimated to reach US\$ 144 billion by 2020 from US\$ 97.8 billion in 2016. India has one of the largest networks of higher education institutions in the world with 833 universities and 42,047 colleges. A total of 35.7 million people was enrolled in higher education institutes in 2016-17.

Gross Enrolment Ratio (GER) in higher education reached 25.2 per cent in 2016-17. The private education sector which was valued at an estimated US\$ 96 billion in 2015 and is estimated to reach US\$ 133 billion by 2020. The Government of India has allowed 100 per cent Foreign Direct Investment (FDI) in the education sector through the automatic route since 2002. The sector has received cumulative FDI worth US\$ 1.64 billion up to September 2017.



Education Industry in India

India holds an important place in the global education industry. The country has more than 1.5 million schools with over 260 million students enrolled and about 751 universities and 35,539 colleges. India has one of the largest higher education systems in the world. Around 35.7 million students were enrolled in higher education in India during 2016-17. However, there is still a lot of potential for further development in the education system.

In 2030, It Is Estimated That India's Higher Education Will

1. Adopt transformative and innovative approaches in Higher education.
2. Have an augmented Gross Enrolment Ratio (GER) of 50 per cent.
3. Reduce state-wise, gender based and social disparity in GER to 5 per cent.
4. Emerge as a single largest provider of global talent, with one in four graduates in the world being a product of the Indian higher education system.
5. Be among the top 5 countries in the world in terms of research output with an annual R&D spent of US\$ 140 billion.
6. Have more than 20 universities among the global top 200.

The Government of India has taken several steps including opening of IIT's and IIM's in new locations as well as allocating educational grants for research scholars in most government institutions. Furthermore, with online modes of education being used by several educational organisations, the higher education sector in India is set for some major changes and developments in the years to come.

3.0 Statement of the Problem

Some of the most common methods used in sales promotion strategies can be divided into consumer oriented and trade oriented. Some of the consumer oriented sales promotion activities include using coupons, price discounting, sampling, mail on offers, refunds and rebates, group promotions, bonus packs, premiums, etc. Trade oriented activities include contests, incentives, trade allowances, point of purchase displays, trade shows, Cooperative advertising, etc.

Organizations practice sales promotional activities because of the following reasons: Growing power of retailers, Declining brand loyalty, Increased promotional sensitivity, Brand proliferation, Fragmentation of consumer markets, Short term focus of marketers, Increased accountability, Competition, etc. Sales Promotional activity has economic, informative and affective influences.

Economic Effect: Economic effects pertain to a monetary or non-monetary gain or loss that a consumer promotion provides to the consumer. The most prevalent source of economic effect is the face value of the coupon, the amount of the rebate, or the grand prize in a sweepstakes. Nonmonetary benefits can accrue as well, such as decreasing the transaction time or effort required for a consumer to make a decision by simplifying the decision process.

Informative Effect: Information effects are defined here as the communication of direct or inferential knowledge derived from exposure to a promotion. Informational effects of a consumer promotion pertain to the information conveyed via the promotion that signals unknown aspects of the brand or industry to the consumer. This increased awareness has been shown to lead to incremental purchases by households that do not redeem the coupon as the coupon itself serves as a reminder.

Affective Effect: Affective influences of a price promotion are the feelings and emotions aroused by exposure to a promotion, purchase on a promotion, or missing a promotion. In the affective routes through which promotions affect sales, the positive effects are either general or specific.

4.0 Objectives of the Study

1. To find the sales promotion in The Gate Academy.
2. To examine the awareness and the impact of sales promotion in the Gate Academy.
3. To suggest improvements in the sales activities.

5.0 Research Methodology

Data collection methods for the study included two categories: secondary methods of data collection and primary methods of data collection.



Primary data collection: Questionnaire based survey method is used for data collections. Thus, all these questions were administered by meeting the customer personally. The research instrument consisted of sixteen questions with multiple-choice questions and rank based questions. The questions are related to the sales promotion activities of the Gate Academy.

Other sources of secondary data included Internet, classroom records, online surveys, admission records.

Selection of a sample : The sampling size of forty is chosen for the study. The study made use of convenience sampling (sometimes known as grab or opportunity sampling), a type of no probability sampling which involves the sample being drawn from that part of the population which is close to hand.

6.0 Limitations of the Study

In the process of undertaking this research work, a number of problems both directly and indirectly have affected the study.

1. The time was a major constraint to the study, as the students were available only on weekends when the classes were held.
2. Attitudes of the students were generally unpredictable as some of them are not willing to give useful information.
3. The study was limited to the impact of sales promotions.
4. Because of the peak time for students as their exams were nearing not enough samples could be collected.

7.0 Findings and Discussion

1. The sample included samples from Computer Science, Mechanical, Electrical, Civil, and engineering graduates. Most of the respondents are from computer science engineering and other are from electrical and electronic communication electronics and Communication engineering in which there are seven respondents in each of those two courses. Most of the students are satisfied with the coaching provided by the organization.
2. **Reasons for choosing Gate Academy:** From the information available in the above chart, 45% of the students choose Gate Academy for the service it provided, 30% students choose as its nearby to their house, followed by 17.5% of the students choose for its brand image and 7.5% students choose due to its low price.
3. Research data indicates, 52.5% of the students have joined Gate Academy through its sales promotion activities, 32.5% students are unaware and only 15% of the students have not joined gate academy through its sales promotion activity. Among the various sales promotion activities, the respondents felt that student's results, followed by university campaign, free demo class and offers and referrals were important promotional activities for joining the organization.
4. The above chart depicts that 45% of the students have joined gate academy through friends and relatives influence, 30% students have joined through hoardings, followed by 15% of the students have joined by the information provided in the newspaper and 10% students have joined through telecalling.
5. **Value for money:** From the data, it is found that the respondents have a good opinion about the organization. From the information available, it is understood that 87.50% students are satisfied with the service that are promised by gate academy. The data also reveals that most of the respondents are convinced to refer others to join The Gate Academy.
6. **Media for promotional Schemes:** Internet is the preferred medium for sales promotion activities, compared to TV, newspaper and radio. 50% of the students believe that customer, salesman and dealer play an important role under sales promotion schemes,
7. **Reach of Promotional activity:** Receiving the sales promotional activity on time is important enhances the beneficiary role of promotional activity. But the data indicates students receive promotional information not often from gate academy.

8.0 Conclusions and Recommendations

Sales promotions have become a very important component of the promotional mix. Some of the advantages of sales promotional activities are giving importance to customers, increased buying confidence, consumers would like to make use of such occasions to buy larger quantities of such products, satisfied customers would become more confident of buying a new product, etc.

The following recommendations if implemented will help improve the understanding of sales promotion

1. The company need to focus more on sales promotional strategies especially on offers and referral offers .
2. Companies need to create sufficient awareness about sales promotion schemes through mass media in order to create awareness.
3. It is essential that companies need to design attractive, striking for scheme announcements.



4. Repetitive use of the high prices for a prolonged period may have negative effect on the loyal customers.
5. Critical analysis of the beneficial role of promotional strategies to both the consumers and the company.
6. The effectiveness of promotional tools towards promotional brand loyalty will boost company's growth.
7. It is suggested to avoid the use of one promotional tool every time.
8. The company need to have constant feedbacks from the students about the classroom facilities and coaching given to them.
9. They should focus more on student's results than giving university campaigns, which does not help in sales promotion.

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