
UNIT 10 RURAL SALES PROMOTION EFFORT

Objectives

After going through this unit you should be able to

- develop an understanding of the role of promotional strategies in rural marketing context
- become familiar with some of the promotional strategies used in rural marketing.
- describe the various methods of sales promotion
- frame suitable sales promotion objectives for the rural setting
- discuss the various sales promotion experiments being undertaken in the rural markets in India
- identify the steps in planning an effective sales promotion programme
- describe the key success factors in rural sales promotion
- help develop effective sales promotions for rural markets

Structure

- 10.1 Introduction
- 10.2 Sales Promotion: definition, nature and scope
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- 10.4 Sales Promotion Methods
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10.1 INTRODUCTION

The primary elements of marketing mix are product, price, place and promotion. Among these, the promotion mix has four component. The most visible among them are paid mass media communication - or advertising and sales promotion which deals with components that are used for creating direct inducement for customers, channel members and sales force. Personal selling is more direct face to face interaction between the seller and the buyer. The fourth element of the promotion mix, public relations is more passive and indirect persuasion of consumers. Both consumer goods and durable product manufacturers use promotion tools for inducing consumers for increasing their sales. Use of these tools in the urban markets are quite common, however, while developing promotion mechanisms for the rural markets. it is necessary to incorporate the peculiarities and distinguishing characteristics of the target market in the planning and implementation. In the last two units you have studied about developing advertise messages for rural audience. This unit focusses specifically on sales promotion. Carrying out promotion programmes in rural areas is no mean task. As a number of infrastructure facilities are like roads, power supply etc are not



in place, the knowledge base of the managers assumes utmost importance in the decision making. In this unit we will be discussing various issues related to developing and implementing promotion mechanisms in the rural markets. As you are already exposed to the compulsory course in Marketing, this unit to a large extent draws the content from the Marketing for Managers (MS 6). A number of real life examples from the field and published materials are used for developing an appreciation of opportunities and problems associated with sales promotion in rural markets.

10.2 SALES PROMOTION : DEFINITION, NATURE AND SCOPE

Of all the methods of promotion that constitute the promotion mix, sales promotion is the only method that makes use of incentives to complete the 'push-pull' promotional process of motivating the sales force, the dealer and the consumer in transacting a sale. There is no single universally accepted definition of sales promotion. One can, however, gather its essence by perusing a few definitions. Let us look at some of the popular definitions of sales promotion.

According to American Marketing Association, sales promotion refers to those activities other than personal selling, advertising and publicity, that stimulate consumer purchasing and dealer effectiveness, such as display shows and exhibitions, demonstrations, and various other non-recurrent selling efforts not in ordinary routine.

This definition suggests that sales promotion is a catch-all for all those promotion activities which do not fall clearly into advertising, personal selling or publicity.

Roger A. Strang offers a simpler definition:

Sales promotions are short term incentives to encourage purchase or sale of a product or service.

Yet another definition that seems fairly exhaustive, and hence, will be used in this unit is the one given by Stanley M. Ulanoff in his Handbook on Sales Promotion. Stanley defines sales promotion as:

All the marketing and promotion activities, other than advertising, personal selling, and publicity, that motivate and encourage the consumer to purchase by means of such inducements as premiums, advertising specialties, samples, discount coupons, sweepstakes, contests, games, trading stamps, refunds, rebates, exhibits, displays, and demonstrations. It is employed as well, to motivate retailers, wholesalers; the manufacturer's sales force to sell through the use of such incentives as awards or prizes (merchandise, cash and travel), direct payments and allowances, cooperative advertising, and trade shows.

It offers a direct inducement to act by providing extra worth over and above what is built into the product as its normal price. These temporary inducements are offered usually at the time and place where buying decision is made.

Summing up, Sales promotion deals with promotion of sales by the offer of incentives which are essentially non-recurring in nature. It is also known by the names of Extra-Purchase-Value (EPV) and Below-the-line selling.

Like in other market economies, the use of sales promotion is catching on in India. In terms of volume, the number of sales promotion schemes offered to the consumers alone grew by over seven times in the first three years of the eighties as against the average in the seventies. The schemes offered at the dealer level also nearly doubled during the period 1978-79 and 1982-83. In terms of the



expenditure incurred, the large size companies are stated to be spending between 40 and 50 per cent of their advertising and sales promotion budget on this activity.

Product group-wise, the major users of sales promotion are: tea, coffee and beverages, soaps, toiletries, detergents and washing soaps; toothpaste; textiles; food products and baby foods; household remedies; and consumer durables like fans, refrigerators, sound systems, television and household appliances.

Among the various types of sales promotion schemes used price offs, quantity discounts, contests at the consumer, dealer and sales force levels have made a significant headway.

If you look around yourself, or scan through any form of mass media, you would find umpteen instances of sales promotion messages being offered for all kinds of products and services. Sale and discount advertisement abound with special loyalty schemes vying for consumer attention, in every paper or prime time programme. Have you ever wondered at the rapid growth and upsurge of sales promotion? There are several reasons why this tool has enjoyed a rapid growth.

A perusal of the list of the product -groups which emerged as the major users of sales promotion, and the market feel, make it clear that a transformation from the seller's to the buyers' market is taking place and marketing has become more competitive in these product markets. In addition to increasing competition, other reasons for rapid growth of sales promotion in India, as pointed out by ninety five large sized cooperating companies in a survey are summarized below:

- sales promotion makes an immediate effect on sales
- measurement of the effectiveness of sales promotion is easier as against the other promotional methods.
- channels of distribution are emerging as powerful entities and demand greater use of incentives to get desired results
- products are becoming standardized and similar, and so need increased support of non-price factors of which sales promotion is an important one
- impulse buying is on the increase, and so is the rise in the number of marginal customers. With virtually no brand loyalty, offer of attractive schemes help manufacturers to induce such customers to choose their product.

Activity 1

From your exposure to the buyer behaviour of the rural customer, what do you think would be the best form of sales promotion to

- a. launch a new detergent?
- b. get the rural consumer to switch to LPG?

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10.3 SALES PROMOTION OBJECTIVES

As a powerful method of promotion with a capability to complement and supplement the advertising function of marketing, sales promotion helps



marketers realise a variety of objectives. These objectives could relate to the promotion of sales in general, or to a specific activity at a particular level i.e. consumer dealer or salesforce. Some of the commonly attempted objectives are to:

- Increase sales (in general, and focusing on new uses, increased usage, upgrading unit of purchase, winning sales of fading brands etc.)
- Make the sale of slow-moving products faster
- Stabilise a fluctuating sales pattern
- Identify and attract new customers.
- Launch a new product quickly
- Educate customers regarding product improvements.
- Reduce the perception of risk associated with the purchase of a product.
- Motivate dealers to stock and sell more (including complete product line)
- Attract dealers to participate in manufacturer's dealer display and sales contests.
- Obtain more and better shelf space and displays.
 - Bring more customers to dealer stores.
 - Make goods move faster through dealers
 - Improve manufacturer-dealer relationship.
 - Motivate salesforce to take the sales achievement higher than targets.
- Attract salesforce to give desired emphasis on new accounts, latent accounts, new products, and difficult territories.
 - Reward salesforce for active market surveillance and for rendering superior customer service.
 - Put power into the sales-presentation.
 - Counter competitors sales-promotion and marketing efforts.
 - Provide punch to the company's advertising efforts
 - Build goodwill.

Companies may use any one or a combination of the above objectives in varying form to suit the market needs of their product. What is of significance is that the sales promotion objectives set to be accomplished must be integrated with the promotion and marketing objectives pursued by the company.

Activity 2

Collect information on 3 sales promotion programmes directed at the rural customers. Analyse the promotion programmes. In your view what are the objectives of the sales promotion programme in each case. List the same.

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10.4 SALES PROMOTION METHODS



Many methods of sales promotion are used by marketers. Depending upon the creativity level of their sponsors, their variety seems very large. We refer here to some of the most commonly used methods of sales promotion in both rural and urban settings.

As noted above, the accomplishments of the desired promotion and marketing objectives ultimately depend on the extent of the desired response received from (1) consumers, (2) dealers and (3) members of the salesforce. Hence, various sales promotion methods are built around these three target groups. Further, in terms of the impact desired, the variety of sales promotion schemes offered are grouped into two i.e. immediate impact schemes and those carrying on the impact over a period of time. Immediate impact schemes are those schemes where the consumer, dealer or sales person gets the incentive on first contact, purchase or on performing a one-time act. On the other hand, under the delayed impact schemes, the consumer, a dealer or sales force is called upon to comply with the scheme over a period of time before receiving the full benefit of the scheme. Price discounts, free samples or large quantity packs are the popular examples of immediate impact schemes, whereas coupons, trading stamps, and contests are examples of delayed impact category of sales promotion schemes. Table 10.1 presents the variety of sales promotion schemes directed at the consumer, dealer and sales force levels according to their grouping under immediate impact or delayed impact categories.

Table 10.1: Sales Promotion: Immediate and Delayed Impact tools

Impact	Directed at			
	Users	Non-users	Trade/Suppliers	Sales force
Immediate	*Price-off	*Price-off	*Discounts	*Perquisites & allowances
	*Quantity plus	*Sampling	*Shelf space allowance	
	*Over-the counter	*Over-the-counter		
	*Package Premium		*Gifts	*Gifts
	*Branded Premium		*Push Money	
Delayed/over A period of Time Times	*Container Premium			
	*In Product Coupons	*Media	*Posting of Sales force	*Sales Contests
	*Personality Premiums	*Coupons	*Merchandise Deals	
		*Return/Refund	*Coupons	*Honors and
		*Return/Refund Offers	*Display	*Honors and
			*Display Contests	*Customer
		*Trading Stamps	*Co-op Allowance	Service Awards
	*Self-liquidators	*Sales Contest		
	*Contests/Lucky Draw	Training Sales		
		Force / Privileges		



The format of this table is based on Donald W. Cowell's article on Sales Promotion and the Marketing of Local government Recreation and Leisure Services, European Journal of marketing,

To help you understand the wide variety of sales promotion schemes, the terms used in trade and the intended objective of each are given below (Table 10.2)

Table 10.2: Sales pa-motions: Meaning and Objectives

Sales Promotions	Meaning	Objectives
Price discount offers	Offering product at lower than the normal price	To encourage immediate sales, attract non-users, induce new product trial, counter competition, inventory clearance at the retail level, inventory build-up at the trade level.
Extra product quantity offers	Offering more quantity of the same product at no extra or with a very nominal increase in the price of the larger quantity packs	To encourage more/longer duration consumption, higher or excess quantity movement from the factory, trade up consumer for higher quantity pack size.
Free gift	Offer of an article of merchandise as an incentive in order to sell product or services .Its forms are:	To encourage purchase, stimulate loyalty , off-season sales promotion , induce trial of new product , ensure reach of premium to the consumer.
Free gift inside the package	When the incentive article is packed (inserted) inside the package of the product	To encourage purchase , creating a surprise
Free gift tied to the package	Where the premium article is banded to the package of the product say with cello tape etc	Sampling new products , adding speed to slow moving products
Over-the-Counter	When the premium article is neither inserted inside nor banded to the product package but is given away to the consumer over the counter along with the product package	To counter competition , improve inventory clearance at the trade level
Container offer	When the product itself is placed in an attractive and reusable container which serves as a gift.	As a durable reminder at home
Self- Liquidating Gifts	Where the consumer usually is asked to pay a specified amount to liquidate or offset a part or full cost of the premium article or the scheme administration costs.	To induce consumer to appropriate premium article reinforce brand image , encourage more consumption , enables sponsor to offer better quality premium
(a) Personality	Where the consumer is required to redeem a specified proof-of purchase for the gift article. Proof-of-purchase may be labels, pack tops, bottle tops, corks, etc.	To build loyalty and reward the consumer for that to counter competitive offers.

4. Coupons	When the consumer is entitled to redeem a specific standard certificate for a product /article free or in part payment. Coupons are used by both the manufacturer and the dealers for sales promotion. Coupons may be distributed by mail, b media advertisements, door-to-door, inside product package or by dealers on purchase	To encourage product trial, build loyalty, trade-up regular users, stimulate re-purchase rate, solicit enquiries.
5. Refund offers	Offer of a refund of money to consumer for mailing in a proof-of-purchase of a particular product(s)	To induce trial from primary users, motivate several product purchases, obtain displays at the retailers, help retailers tie-in with other products, switch competing brand users to sponsor's brand, loading dealers with increased stock.
6. Trading stamps	Organised by Trading Stamp companies or large retailers. Trading stamps are a kind of discount coupons offered to consumers linked with the quantum of their purchase. On enough accumulation these are redeemable for various kinds of merchandise.	
7. Consumer contests and Lucky draws	Where individuals are invited to compete on the basis of creative skills. The latter is based on the chance or luck factor.	To create brand awareness and stimulate interest in the brand, acquaint consumers with brand usage and benefits, build traffic at the store, precipitate brand purchase, obtain consumer feedback, promote advertising theme of the company.
8. Dealer stock Display contests	It is a type of point-of-purchase advertising which uses the show windows of the dealers for providing exposure to the sponsor's products. Dealers participating enthusiastically and creatively are awarded.	To provide product exposure at the point of purchase, generate traffic at the store, infuse enthusiasm among dealers.
9. Dealer Sales contests	Where participating dealers are invited to compete in terms of the sales performance	To increase sales, buy dealers' loyalty, motivate dealers' staff to sell more
10 Discounts	Other than normal trade and cash discounts	To push more sales to trade, early cash recovery.
11. Trade Allowances	These are temporary price reductions/reimbursement of expenses incurred by dealers-in full or in part, its varied types are as under:	
(a) Trade or Buying allowance	Offer of price reduction on purchase of specified quantity of a product.	To load the trade.



(b) Buy-back allowance	A secondary incentive which offers a certain sum of money to trade for each additional unit bought over and above the deal.	To encourage trade co-operation and stimulate repurchase.
(c) Count and Recount allowance	When a specific amount of money is offered after ascertaining the number of unit sold during a specified period.	To move stocks faster, reward on sale only
(d) Merchandise (display) allowance	An allowance to trade for providing desired sales promotion and product displays.	To create enthusiasm in trade improve traffic and exposure at the point –of-
(e) Co-operative advertising and promotion allowance	Where in a manufacture advertising shares at an agreed rate the and Promotion advertising and promotional cost incurred by the dealer in the promotion of manufacturer's product.	To gain product and retail identity , motivate dealers to promote manufacture's product , obtain local advertising and promotion
12. Dealer gifts	Offer of useful articles and attractive gifts to dealers for his personal, family or office use.	To improve dealer relations, make impact on consumer scheme/contest offered.
13. Premium or Push money	When an additional compensation is offered to trade or sales force or product line for pushing additionally a specific product or product line.	To push a specific product or product line
14. Trade Discount	Wherein additional quantity of the same or the same manufacturers another product is offered to trade. May be offered jointly by non competing manufacturers	To load dealers with inventory, expose other products of the sponsor, encouraging dealers to sell more and early to realize their incentive
Point-of Purchase (POP)	Those special displays, racks banners, exhibits, that are placed in the retail store to support the sale of a brand	To attract traffic at retail store, remind customers, encourage impulse buying, ensure additional visibility to the advertising campaign

Though ideal for consumer goods, sales promotions are also used for promoting industrial goods. The difference in the use lies in the types of schemes offered, and in the frequency of their offer. Sales promotion schemes offered to industrial customers, besides the usual gifts, price-off coupons and contests, include product demonstration, training to customer staff, offer of interest-free installment payment plan, ready and regular availability of repairs and spares, and posting of trained staff to assist/supervise in the working of the equipment in the client's premises, at the manufacturer's cost. The sales promotion schemes offered at the level of industrial distributors are: provisions of extended credit , and provision of specialized sales/technical staff at the manufacturer's cost, besides the usual cooperative advertising and sales promotion, gifts, and organization of distributors contests. The sales promotion schemes popularly used to motivate industrial sales force are prizes and awards on special achievements, sales contests, new accounts contests and prompt service awards.



Activity 3

Contact some authorized dealers in your town. Identify the type of trade promotion that is utilized for consumer goods in order to

- a. promote them to sell more
- b. ensure their loyalty
- c. maintain good channel relations

Discuss with the dealers to collect information on which of these trade promotion are passed on right up to the level of the rural retailer.

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10.5 SALES PROMOTION EXPERIMENTS IN THE RURAL MARKETS

Price Discounts: In the Indian rural markets number of companies are experimenting with various sales promotion options. For increasing the penetration levels of table fans and ceiling fans, Usha International has designed a equipment that can function under severe conditions of voltage fluctuations. The price of these models are thirty percent less than the original models developed for the urban markets. FMCG giant Hindustan Lever wanted to extend the products to rural markets from its successful urban market brands. Direct price discounts to rural markets might undermine the brands, and the consumers also attach less importance if there is a price cut. HLL bundled four different products from its portfolio like tooth paste, talcum powder, shampoo, and vanishing cream by putting all of them in a single pack, with a name 'Bharat pack' and the prices were discounted by twenty percent.

Free Gifts and Distribution of Samples: Free gifts and sampling are used effectively in inducing new product or new brand trials and increase awareness. Sampling persuades the consumer to use the product in their normal usage context. JK tyre, in coordination with Vikrant tyre, unveiled a rural consumer education programme. The primary objective was to educate the farmers about its farm tyre brands - Sona and Vikrant. At selected 25 villages in Punjab and UR JK organized rural events with number of activities like workshops, demonstrations, and quizzes. The campaign was implemented by Rural Communication Agency. The programme was titled 'Dhol Bajne Laga, Sona Lagne Laga'. Colgate Palmolive has supply vans which offer free samples and screen video films on oral care in the rural areas to promote the concept of oral hygiene and simultaneously promote its products. Dabur, manufacturer of various consumer products and drugs, added freebies like, distribution of 'Hanuman Chalisa' and 'Ramchartimanas' or calendars with religious themes with their ayurvedic products for promoting their presence in rural areas.

Demonstration: Hindustan Lever's Brooke Bond had set up stalls in local fairs and melas for creating an opportunity to interact with the users directly. Brooke Bond distributes cups of tea to consumers for free and elicit response from them. On the other hand, HLL advertises detergents by focusing on the benefits, for convincing the customers and inducing trials it uses demonstrations by sales people actually washing the villagers' clothes free. Some of the villagers' are requested by the salesmen to give their dirty and soiled clothes on the spot and laundered in front of them. These demonstrations are not only used for brand



awareness and promoting product, HLL also uses it as an opportunity to educate the rural consumers about the usage and ultimately help in converting them to detergents from ordinary washing soaps.

Free Trials: In the villages of Maharashtra, Asian paints distributed trial tins of paints for promoting their brands in rural markets. Asian paints Organized bullock-cart races and distributed prize for the winners, This promotion has been well entrenched in the culture of rural consumers. The normal practices in villages are to give a nice bath to the bullocks and paints horns with bright colours. A leading sewing machine manufacturer, Usha International ran sewing classes for women in villages to induce the need for sewing machines. The promotion not only aimed at creating awareness but simultaneously building a strong relationship. Customers who start using Usha sewing machines during the training got accustomed to the equipment and they are more likely to buy the same brand.

Consumer Contests: Consumer contests are effectively used to increase the involvement of consumers. Consumer awareness and trials are induced effectively. GTC had designed and implemented a contest for rural youth for promoting cigarettes. Consumers were requested to smoke four to five cigarettes with out revealing the brand names. Then they were requested to identify the GTC brand. The blind test helped them in understating the brand personality and develop better communication strategy. Number of innovative contests like, building towers with cigarette packs, small treasure hunt exercises including the GTC brands in it were successfully used for inducing trials.

Sales promotion through Personal Selling: Opposite to advertising, this involves one-to-one relationship with a customer. It is "the oral presentation of a tangible and intangible product by a seller to a prospect for the purpose of completing an exchange". The sales person can vary his message according to the reactions of his customers, or make sure that the villager really understood him. This mode is not suited to mass-distributed consumer products of FMCG. Some companies may deploy demonstrators to show the right way of using goods. E.g. Tea bags. Colgate Palmolive started its rural market sales promotion by sending bicycle vendors in to hamlets that beyond the reach of vans. The village haat and shandies provide opportunity for personal contact and number of companies send their salesmen to setup small booths for selling, promotion and demonstration.

Free Items and Discount Coupons: A coupon is defined as a "direct inducement" which offers an extra value and incentive for the product to the sales force, distributors or the consumers. It stimulates a quick and immediate response from people. Coupons, cassettes, free products, are some examples. Price-off is the latest method, so also 10% to 50% extra at same cost or "Buy one get one free".

For example. "Buy one Emami telcurn powder get another free." Similar examples could be

- (i) Buy Horlicks biscuit at same cost with 50 gms free in a big pack
- (ii) 30% more coffee powder in Nescafe Sunrise at same cost.
- (iii) Free items like plastic clips, bindis, earnings with shampoo sachets. e.g. Sunsilk, Arogya milk packets.

Point of Purchase Promotion: Innovative point of purchase promotions are also used by some players. Lonester Communications has a network of audio - visuals in rural markets serving the rural distribution outlets. The audio - visual unit includes a colour television, and video cassette player. These equipments are used for showing entertainment content and advertising materials in the rural retail outlet or to focus a particular sales promotion offer.



Packaging: It is an important promotional tool. New packaging technology has the concept, for example polypack and tetrapack. Packaging not only protects and retains the product, it also promotes the product.

In the rural context, the illiterate villagers are more likely to ask for the dish wash bar with a green colour pack for Vim. The very name Tiger biscuits comes in an unmistakable red colour pack. Smaller packs or sachets can prove product quality and easy usage leading to subsequent purchases. There are instances of ladies asking for “the Ladikiwali cream” after seeing an advertisement with a young girl being portrayed on the pack. Hence packaging makes a great impact on purchases, whether rural or urban.

FMCG used by rural consumers are classified into 4 groups.

1. Necessity products: tea, toilet soap, washing materials.
2. Popular Products: Not an immediate necessity. They may have substitutes. E.g. toothpaste, shampoo.
3. Premium Products: Not used widely as highly priced. E.g.: skin cream, hair oil, talcum powder.
4. Super Premium Products: luxury items. e.g. antiseptic cream, shaving cream, mosquito repellents, insecticide, etc.

Packaging criteria need to be carefully applied looking at the essential nature of the product and their perception vis a vis the rural consumer.

10.6 NEED FOR ORDERLY MANAGEMENT

In spite of the growth in the Sales promotion activity, one of the surveys of the company practices revealed that the managerial efforts put in to manage this function were unsatisfactory. Use of ad hoc approaches, neglect of sales promotion research, and lack of formal systems and procedures were found to be more prevalent in the case of 95 companies surveyed. Consequently, larger number of companies experienced less than expected success of their schemes. When asked specifically about forty percent of the companies surveyed, it was admitted that one or more of their sales promotion schemes misfired during the last three years due to causes which could be categorized as:

- Faulty administration
- Failure to match the scheme to the objective
- Lack of proper planning
- Poor dealer relations
- Lack of creativity

This clearly points to lack of adequate planning as well as insufficient in depth understanding of the rural markets. Marketers should be careful not to blindly extend a scheme that succeeded with a primarily urban market without making suitable adaptation.

10.7 PLANNING SALES PROMOTION

with growing competition at the marketplace and the need to realize full benefits of this unique method of promotion, it is required that the perfunctory approach used in its management is stopped forthwith and the sales promotion function is managed professionally. Systematic planning of this function should initiate the managerial process. The following steps are suggested for effective planning and management of the sales promotion function.



The first step is to assess and analyse the present situation of the brand in terms of market share, major competitors, and brand performance of brand users, non-users and lapsed users. The benchmark should then be related to the market size and the potential estimated. It will now pave the way for determining the role of sales promotion in effecting the desired change in the market share of the brand. The outcome of this exercise will be the availability of desired information to set measurable and attainable goals.

After the goals for sales promotion of the brand are set, the second step deals with the identification of the alternative schemes, and the selection of the most appropriate sales promotion scheme(s), capable of accomplishing the goal set, within the available budget.

The third step relates to incorporating creativity into the scheme to be offered. This is making the scheme novel, attractive, and challenging from the viewpoint of its target group i.e. consumer, trade or sales force.

The fourth step relates to legal validity of the sales promotion scheme to be offered. For example, before a consumer contest can be offered permission from the licensing authority of a State, usually, the Collector of the District is required under the Prize Competition Act, 1955. Similarly, with the amendment of MRPT Act and incorporation of Unfair Trade Practices therein, the sponsor must ensure that their schemes do not attract the provisions of the Act. The recent judgments of the AARITTV against the Sales Promotion Schemes offered (by a leading footwear company of India relating to children footwear; and of a popular fan company relating to announcement of special off-season reduction in price) point to the strong determination of the commission to protect consumers from unfair trade practices.

The fifth step covers primary decisions relating to timing and duration of the schemes to be offered, location-wise selection of dealers, and conviction of the trade and sales force about the appropriateness of the scheme. It will be useful to quote here the findings of a recent study of Kenneth G, Hardy on key success factors for manufacturer's sales promotions. The major findings are given in a tabular form below:

Sales Promotion	Key success factors	
	Consumer Promotions	Trade Promotions
1. Short-term volume objective	*Dual promotions (offer of trade promotions simultaneous with consumer promotions)	*Trade support
	*Sales force (trade) support	*Short promotion period
	*Offer of high level of incentives to the consumer (and to the trade in case of dual promotions).	*Offer of high level of incentives
Long-term market share objectives	*Sales force support	*Dual promotions
3. Building trade inventory objective	*Avoid competitive promotion	*Trade support
	*Sales force (trade) support	*Absence of competitive promotions
	*Offer of high level of incentives to the consumer (and to the trade in case of dual promotions).	*Trade support
	*Offer of higher level of incentives	*Shorter-promotion period
4. Increase consumer trial	*Sales force (trade) support	*Dual promotions
	*Longer promotion period	
	*Offer of higher level of incentives	
5. Load the consumer objective (Situational)	*Sales force (trade) support	
	*High promotion cost-special advertising, POP., etc.	



Other important decisions relate to scheduling for procurement of scheme related premiums, production of the brand, advertising, P.O.P. materials and other -f logistics related aspects.

The Sixth step covers the development of the evaluation criteria in relation to the sales promotion goals set. The decision areas include what to measure, when to measure, how to measure and for how long to measure.

Effectiveness of Sales promotions is usually measured in references to sales achieved, cost effectiveness, redemption rate of coupons and trading stamps, turnover of special packs or special liquidators, number of entries -received to the contest, etc. To do a good job special focus must be laid on measuring the incremental sales arising out of sales promotions. Before proceeding to the last two steps involved in management of sales promotions, let us take note of the select findings from the literature survey relating to the effectiveness of sales promotion. These are:

Incremental sales are harder to get for high market share brands.

- A coupon with a sample can be almost twice as effective as a coupon alone
- High redemption rates can be very costly
- The earliest redemptions are the incremental sales
- Short purchase cycles mean shorter term effects.

As the sales promotion offer commences, the seventh step relates to monitoring the offer and collecting the relevant data and experience for future use as well as mid-period corrections.

The eighth and last step relates to evaluating the effectiveness of sales promotions in the context of their goals. Efforts must also be put in to perfect the measurement methodologies, and in conducting research on aspects like deal prone consumer, incentive scheme and gift selection factors, attitudes of trade and consumers towards the use of sales promotion schemes. Documentation of corporate experiences on sales promotions, the pitfalls in the existing systems and procedures, and the mishaps that occurred, etc. ultimately help in improving the state of the art of managing the sales promotion function professionally.

10.8 SUMMARY

In this unit we tried to develop a perspective on the use of promotion tools in the rural markets. A working definition of promotion was shared based on the literature. Tools used by the marketer to induce customers, channel members and sales force by other than advertising were discussed. The objectives and the scope of various promotion mechanisms were also presented for subsequent decision making. Number of real life examples .from the field and literature were shared for illustration. These would provide you with an understanding of the usage of promotion mechanisms in the rural markets. A section emphasizing the need for systematic development and implementation of this tools for better results in achieving the marketing goals, was also presented.

10.9 SELF-ASSESSMENT QUESTIONS

Q.1 Why is sales promotion important? Discuss its relevance to the rural markets.

Q.2 What are the major objectives of sales promotion? Cite some example of trade promotion objectives.



Q.3 What are the commonly used methods of sales promotion directed at the consumer. Identify and describe some rural sales promotion effort aimed at

- a. generating trial.
- b. promoting loyalty.

Q.4 What are the problems that may lead a sales promotion scheme to flounder? What considerations with your exposure to rural markets, would you suggest should be kept in mind while planning rural promotions.

Q.5 Describe the steps in planning a sales promotion effort for the rural markets. How would you design a rural sales promotion programme for

1. cycle tyres?
2. iodized salt?

10.10 FURTHER READINGS

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