SALES PROMOTIONAL STRATEGIES FOR WOODEN FURNITURE IN TAMILNADU

-AN EMPIRICAL STUDY

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ABSTRACT

Marketing mix is the combination of four elements which describe the strategic position of a product in the market place. For developing a marketing mix enables an organization to materialize the marketing strategy by which the product can be launched in the market. Sales promotion refers to marketing activities used to communicate positives persuasive information about organization, its products and its activities. The ‘promotion’ element of marketing mix is developed with the goal of communicating information about a company, a product or a brand.

Keywords: Sales promotion, price, strategies, advertisement

Introduction

Marketing strategy is a process that can allow a business to concentrate its resources on the greatest opportunities to increase sales and achieve a sustainable competitive advantage marketing strategy of consumer satisfaction, keeping it as the main goal. A marketing strategy combines product development, promotion distribution, pricing and relationship management. The various standards of the strategy might include advertising, window-display, pre and post sales service, e-marketing and public relations, marketing strategy includes all basic and long-term activities in the field of marketing that deal with the analysis of the strategic initial situation of a company and the formulation, evaluation and selection of market-oriented strategies and therefore contribute to the goals of the company and its marketing objectives Marketing strategies are dynamic and interactive†

Pricing strategy

Price is the only element in the marketing mix that produces revenue and all other elements represent cost. Price is also one of the most flexible elements of the marketing mix and it is only one of the tools of marketing mix that a company uses to achieve its marketing objectives. Price decisions must

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be coordinated decisions to from a consistent and effective marketing programme. Decisions made for other variables of marketing mix may affect pricing decisions.

The objective of pricing is profit oriented price is set either to maximize profits or target rate of return on investment or sales. The price of something has many aspects. Factors that are included in price are the cost of goods to manufacture the wooden furniture, the cost to transport the wooden furniture, cost to promote the wooden furniture, distribution costs and last, but not least profit.

In addition, pricing decisions may be affected by other issues such as customer reaction to pricing, government auctions, wholesaler and retailer needs, the competitive environment and the cost of developing, manufacturing, distribute and marketing the wooden furniture.

There are various forms of discounts and allowances in wooden furniture and forest product pricing such as price adjustments, reductions, trade discounts, cash discount, promotional discounts, quantity discounts, seasonal discounts and other discounts.

Promotion strategy

Promotion is any communication used to inform, persuade and or remind people about an organization’s or individual’s goods, services ideas, image, community can be viewed as a marketing function that creates a favorable disposition toward a good service or idea in the mind of the recipients of the communication. The solid wood products industry and wooden furniture industry has relied on personal selling and sales promotion as major tools.

Marketing of wooden furniture

The wooden furniture industry in America dates to the earliest colonists, when wooden furniture was handmade from local woods. Wooden furniture manufacturing shifted from region to region as forest resources were depleted the factors influencing wooden furniture demand include disposable personal income, interest rates, housing starts, movement of the population and demographics.

Household furniture marketing

Most household furniture is sold directly from the manufacturer to the retailer. The wooden furniture market or show is the primary vehicle used by manufactures to exhibit their products to retailers. These markets allow the manufactures to meet their major customers, display their furniture in room like setting and test market their products. The disadvantages of the market is that it encourages strong, direct competition, promotes pirating of furniture designs and puts pressure on the manufacture to generate new designs at each market.

Pricing for each product line has three levels, high, medium and low, generally correlated with quality prices are generally set in response to the acceptance of die product.

Sales promotion increases the sales. Sales promotion methods aim to capture the market and increases the sales volume. It is an important instrument in marketing to lubricate the marketing efforts. Now-a-days sales promotion is a necessary tool to boost sales. Sales promotions become a fashion and luxury. In the broader sense it is not expenditure, it is an investment, as it pays rich returns. It aims in creating demand. It is right to say that sales promotion moves the product. Sales promotional are one among the three pillars of promotional mix. The other two pillars are personal selling and advertising. Sales promotion is the connecting link between personal selling and advertising. Sales promotion is an important and specialized function of marketing. Sales promotion is designed to suppletment and co–ordinate personal selling and advertise efforts.
Importance of sales promotion:

The importance of sales promotion has increased in the recent years. The amount spent on sales promotion now equals the amount spent on advertising. The sales promotion increase is due to the changes in the marketing environment. The importance of sales promotion increase is due to the thinking of new ideas for creating a favourable condition of selling, promoting sales and future expansion of sales. It is a part of marketing strategy. It is essential for the survival of a manufacturer.

Objectives of the study

1. To analyze the factors influencing the strategies of marketing of wooden furniture in the study area from the viewpoint of manufacturers, dealers and consumers.

2. To study the effectiveness of various sales promotional measures adopted by wooden furniture manufacturers and dealers in the study area.

Statement of the problem

India is still lacking in developing proper marketing strategies to penetrate the international market and to sustain against cut throat competition, as exporters need to have united efforts to meet ever changing market challenges in wooden furniture industry.

Sales promotion measures taken by the units under organized sector have to reach the customers of both organized sector and unorganized sectors.

Research methodology

The present study is based on primary and secondary data. The secondary data were collected from relevant web enabled services, journals, magazines, and newspapers. The primary data were collected by the researcher in person by observation method and discussion with the sample respondents chosen from manufacturers, wooden furniture dealers, both wholesalers and retailers and customers available in the selected districts of Tamil Nadu state. In case of the manufacturers, the researcher visited and collected information in person, only from the unorganized sector and not only the organized sector as the study mainly focused on the former. Separate interview schedules were prepared to administer upon them for collection of first hand information from the sample population. The period of collection of primary data is 2013. The researcher used statistical tools simple average, standard deviation, F-test, T-test, ANOVA.

Sample Frame

Judgment sampling method was chosen for fixing proper sampling frame.

Target Customer

Target marketing identifies customer groups and the reasons for why they purchase. After producer defined market segments, it can enter one or many segments in a given market. Target marketing involves evaluating each market segments attractiveness and saluting one or more segments to enter. A company should target segments in which it can profitably generate the greatest customer value and sustain it over time. Marketers are increasingly several variables in an effort to identify smaller, better citified target customers.
Table 1
Target customer

<table>
<thead>
<tr>
<th>SI.No</th>
<th>Particulars</th>
<th>No. of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Area classification</td>
<td>79</td>
<td>26.33</td>
</tr>
<tr>
<td>2</td>
<td>Repeaters</td>
<td>40</td>
<td>13.33</td>
</tr>
<tr>
<td>3</td>
<td>Carpenters</td>
<td>54</td>
<td>18</td>
</tr>
<tr>
<td>4</td>
<td>Income classification</td>
<td>99</td>
<td>33</td>
</tr>
<tr>
<td>5</td>
<td>Freshers</td>
<td>18</td>
<td>6</td>
</tr>
<tr>
<td>6</td>
<td>All the above</td>
<td>10</td>
<td>3.33</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>300</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

According to the table 1, among the sample manufactures 33 percent of them target the customer on the basis of income classification, whereas 26.33 percent of them target the customers on the basis of area classification. Out of total 300 manufacturers, 18 percent target the customer on the basis of carpenters, 13.33 percent target the customer on the basis of repeaters, whereas 6 percent target the customer on the basis of fresher’s and 3.33 percent target the customer on the basis of all the above. So it is clear from the above information that majority of manufacturers target the customer on the basis of income classification.

**Market Segment and Strategy**

The market consists of many types of customers, products and needs. The marketer has to determine which segment offered the best opportunity for achieving company objective. Consumers can be grouped and served in various ways based on geographic, demographic, psychographic and behavioral factors. The process of dividing a market into distinct groups of buyers with different needs, characteristics or behaviours who might require separate products or marketing programmes is called marked segmentation. Segmentation helps in focusing strategies more sharply on target groups. It helps the company to know demand pattern of each segment thus increased the sales volume of the products and helps in adopting different polices, programmes and strategies for different markets.
Table 2  
Market segment and strategy

<table>
<thead>
<tr>
<th>SI. No</th>
<th>Segment</th>
<th>Strategies</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>1</td>
<td>Geographic</td>
<td>150</td>
<td>55</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(50)</td>
<td>(18.23)</td>
</tr>
<tr>
<td>2</td>
<td>Demographic</td>
<td>69</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(23)</td>
<td>(13.33)</td>
</tr>
<tr>
<td>3</td>
<td>Psychographic</td>
<td>86</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(28.67)</td>
<td>(15.67)</td>
</tr>
<tr>
<td>4</td>
<td>Behavioural segment</td>
<td>96</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(32)</td>
<td>(6)</td>
</tr>
</tbody>
</table>

Source: Primary Data, 2013

According to the study, 50 per cent of the manufacturers used to widen the area of distribution, followed by 25 per cent of producer who used increased promotions. 8.33 per cent of the manufacturers used reduced prices and 6.67 per cent of the manufacturers used products improvement strategies in the geographic segment. In demographic segment 58.67 per cent of the products strategy is increased promotion followed by 23 per cent of the products strategy are wide and the produce’s strategy used reduced prices and 5 per cent of the products strategy is its product improvements.

In psychographics segment 51.33 per cent of the manufacturers used increased promotions, followed by 28.67 per cent of the manufacturers used widen area of distribution,15.67 per cent of the manufacturers used reduced prices and 4.33 per cent of the manufacturers used product improvements.

In behavioural segment 56 per cent of the manufacturers are interested to product improvements where as the strategy of 32 per cent of the manufacturers is to widen area of distribution and 6 per cent of the manufacturers strategies are towards reduced prices and increased promotion respectively.

Marketing strategy-dealers participation

Table 3  
Manufacturers help for selling out the products

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Advertisements</td>
<td>96</td>
<td>32</td>
<td></td>
</tr>
<tr>
<td>2. Launching sales promotion</td>
<td>52</td>
<td>17.33</td>
<td></td>
</tr>
<tr>
<td>3. Proper distribution</td>
<td>126</td>
<td>42</td>
<td></td>
</tr>
<tr>
<td>4. Providing financial incentives</td>
<td>26</td>
<td>8.67</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>300</strong></td>
<td><strong>100</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: Primary Data, 2013
It was ascertained from the traders that 42 per cent of the traders referring to the help in the form of proper distribution, while 32 per cent of the traders chose advertisements. Out of 300 traders, 17.33 per cent of them prefaced manufactures launching sales promotion which helped the dealers in many ways than one. The remaining 8.67 per cent of the traders preferred financial incentives received from their manufacturers. It would mean that traders have more preference for in the form of proper distribution from manufacturers for selling out the products.

**Table 4**

<table>
<thead>
<tr>
<th>Sl No</th>
<th>Duration in years</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0-5</td>
<td>58</td>
<td>19.3</td>
</tr>
<tr>
<td>2</td>
<td>6-10</td>
<td>126</td>
<td>42.0</td>
</tr>
<tr>
<td>3</td>
<td>11-15</td>
<td>72</td>
<td>24.0</td>
</tr>
<tr>
<td>4</td>
<td>15 above</td>
<td>44</td>
<td>14.7</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>300</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Primary Data, 2013

According to the survey it is understood that 42.0 per cent of the customers are using wooden furniture between 6-10 years. 24.0 per cent of the customers are using wooden furniture between 11-15 years. 19.3 per cent of the customers are using wooden furniture between 0-5 years and 14.7 per cent of the customers are using wooden furniture above 15 years.

It was understood from the above information that the majority of the respondents are expecting to enjoy the life with wooden furniture between 6-10 years.

**Table 5**

<table>
<thead>
<tr>
<th>Sl No</th>
<th>Purpose</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Status</td>
<td>200</td>
<td>66.7</td>
</tr>
<tr>
<td>2</td>
<td>Need</td>
<td>100</td>
<td>33.3</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>300</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Primary Data, 2013

According to the table, 200 (66.7 per cent) of the respondents used wooden furniture for the purpose of showing status in the society. And 100 (33.3 per cent) of the respondents used wooden furniture for the purpose of need.

It was understood from the above information that the majority of the respondents are showing the status by using the wooden furniture.
Types of Wooden Preferred by Customers:

There are more number of wood used to make a furniture. But the customers preferred the quality and durability of wood. Many of the wood used as the high, medium and low depends upon the price. In this regard the researcher wanted to study the following table.

### TABLE 6
Desire of wood

<table>
<thead>
<tr>
<th>Sl no</th>
<th>Materials</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Teak</td>
<td>157</td>
<td>52.3</td>
</tr>
<tr>
<td>2</td>
<td>Oak</td>
<td>61</td>
<td>20.3</td>
</tr>
<tr>
<td>3</td>
<td>Rosewood</td>
<td>58</td>
<td>19.3</td>
</tr>
<tr>
<td>4</td>
<td>Others</td>
<td>24</td>
<td>8.0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>300</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Primary Data, 2013

According to the table, 157 (52.3 per cent) of the customers are desire to have teak wood furniture, 61 (20.3 per cent) of the customers are desire to have oak wood furniture, 58 (19.3 per cent) of the customers are desire to have rosewood furniture. The remaining 24 (8.0 per cent) of the customers are desire to have varieties of wood namely neem, padak, sal, etc. It can be concluded that the majority of respondents are desire to buy teak, the ‘King of wood’.

### Table 7
Motivated factors product

<table>
<thead>
<tr>
<th>Sl No</th>
<th>Product</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Price</td>
<td>63</td>
<td>21.0</td>
</tr>
<tr>
<td>2</td>
<td>Beauty</td>
<td>105</td>
<td>35.0</td>
</tr>
<tr>
<td>3</td>
<td>Quality</td>
<td>102</td>
<td>34.0</td>
</tr>
<tr>
<td>4</td>
<td>others</td>
<td>30</td>
<td>10.0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>300</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Primary Data, 2013

It was clear from the table that 35.0 per cent of the customers stated the beauty of the product is highly important for purchasing wooden furniture and it the quality is stated by 34.0 per cent. 21.0 per cent of the customer stated its price. 10.0 per cent of the respondents stated the others factors namely size, colours and shape. It can be concluded that the majority of 35.0 per cent the respondents prefer to buy the beautiful wooden furniture.
Measures of sales promotion

Dealers undertake promotional activities to improve the store image which would result in line with the customer footfall and eventually lead to higher spending by customers. Sales promotions can be of various kinds like price reductions, free gifts, contests and in-store sampling. The researcher gathered dates regarding the type of sales promotion offered by dealers and the results were presented in table 8.

Table 8

<table>
<thead>
<tr>
<th>Sl.no</th>
<th>Particulars</th>
<th>No. of respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Commission</td>
<td>75</td>
<td>25.0</td>
</tr>
<tr>
<td>2</td>
<td>Tokens</td>
<td>65</td>
<td>21.67</td>
</tr>
<tr>
<td>3</td>
<td>Offer</td>
<td>16</td>
<td>46.67</td>
</tr>
<tr>
<td>4</td>
<td>Others</td>
<td>20</td>
<td>6.67</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>300</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Primary Data, 2013

It was clear from the above information that a majority of 46.67 per cent of the dealers are given offer. And 25.0 per cent of the dealers are given commission and 21.67 per cent of the dealers are given token and 6.67 per cent of the dealers are given other types of sales promotion. In this connection the researcher attempted to study the relationship between respondents opinion in type of sales promotion.

Calculated the chi-square | Degree of freedom | p-value |
-------------------------|------------------|--------|
125.9                    | 3                | 0.001 (S) |

The P-value 0.000 is less than the table value of 0.001. It is concluded that there is a significant relationship between the respondents opinion on types of sales promotions.

Sales promotional to all qualities of sales

It is equally important to assess the readiness of the dealers in offering the sales promotional benefits or inbuilt conditions if any. As such the sample dealers were enquired about the undertaking of sales promotion activity by the sample dealers and the results are shown in the below table 9.
Table 9

Sales promotion to all qualities of sales

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Opinion</th>
<th>No. of respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>213</td>
<td>71</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>87</td>
<td>29</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>300</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Primary Data, 2013

<table>
<thead>
<tr>
<th>Calculated the chi-square</th>
<th>Degree of freedom</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.50</td>
<td>1</td>
<td>0.001(S)</td>
</tr>
</tbody>
</table>

According to the table, 71 per cent of the dealers offered sales promotional benefits for all qualities of purchases and 29 per cent of the dealers did not offered sales promotional benefits for all qualities of purchase. It is clear from the above information that most of the dealers encourage the customers.

The P-value otherwise known as observed value 0.001. It is concluded that there is a significant relationship between the respondents opinion on types of sales promotions.

Table 10

Annual expenditure on sales promotional

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Opinion</th>
<th>No. of respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0 – 5 l</td>
<td>52</td>
<td>17.33</td>
</tr>
<tr>
<td>2</td>
<td>6 – 10 l</td>
<td>209</td>
<td>69.67</td>
</tr>
<tr>
<td>3</td>
<td>11 – 15 l</td>
<td>21</td>
<td>7.0</td>
</tr>
<tr>
<td>4</td>
<td>16 &amp; above</td>
<td>18</td>
<td>6.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>300</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Primary Data, 2013

According to the table, 69.67 per cent of the sample dealers spend the annual expenditure on sales promotional for Rs.6 lakh to Rs.10 lakh. Out of 300 dealers, 17.33 per cent of the respondents spend the annual expenditure on sales promotional for Rs.5 lakh. And 7 per cent of the respondents spend the annual expenditure on sales promotional for Rs.11 lakh to Rs.15 lakh. The remaining 6 per cent of the respondents spend the annual expenditure on sales promotional for Rs.16 lakh and above Rs.16 lakh. From the above information the researcher can come to the conclusion that the majority of dealers, 69.67 per cent spend annual expenditure on sales promotional by the dealers.
Calculated the chi-square    Degree of freedom    p-value
87.19        3            0.001 (S)

It is evident from the above table that the calculated chi-square value is significant at 0.01 levels.

Table 11
Way of advertisement

<table>
<thead>
<tr>
<th>Sl no</th>
<th>Advertisement</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Television</td>
<td>222</td>
<td>74.0</td>
</tr>
<tr>
<td>2</td>
<td>Internet</td>
<td>69</td>
<td>23.0</td>
</tr>
<tr>
<td>3</td>
<td>Newspaper</td>
<td>5</td>
<td>1.7</td>
</tr>
<tr>
<td>4</td>
<td>Others</td>
<td>4</td>
<td>1.3</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>300</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Primary Data, 2013

According to the study it is understood that 74.0 per cent of the customers are watching television advertisement, 23.0 per cent of the customers are reading newspaper advertisements, 1.7 per cent of the customers through internet advertisements and the remaining 1.3 per cent of the customers are also through magazines, radio, banner, etc.

Conclusion

Now-a-days, industries are taking more steps to promote their sales volume. The unorganized wooden furniture sector not able to give sufficient sales promotional strategies due to lack of proper segments. The unorganized wooden furniture sector providing more employment opportunity both skilled and unskilled as well as directly and indirectly. The governmental and non-governmental organization should take necessary steps to promote unorganized wooden furniture sector in Tamil nadu.

References