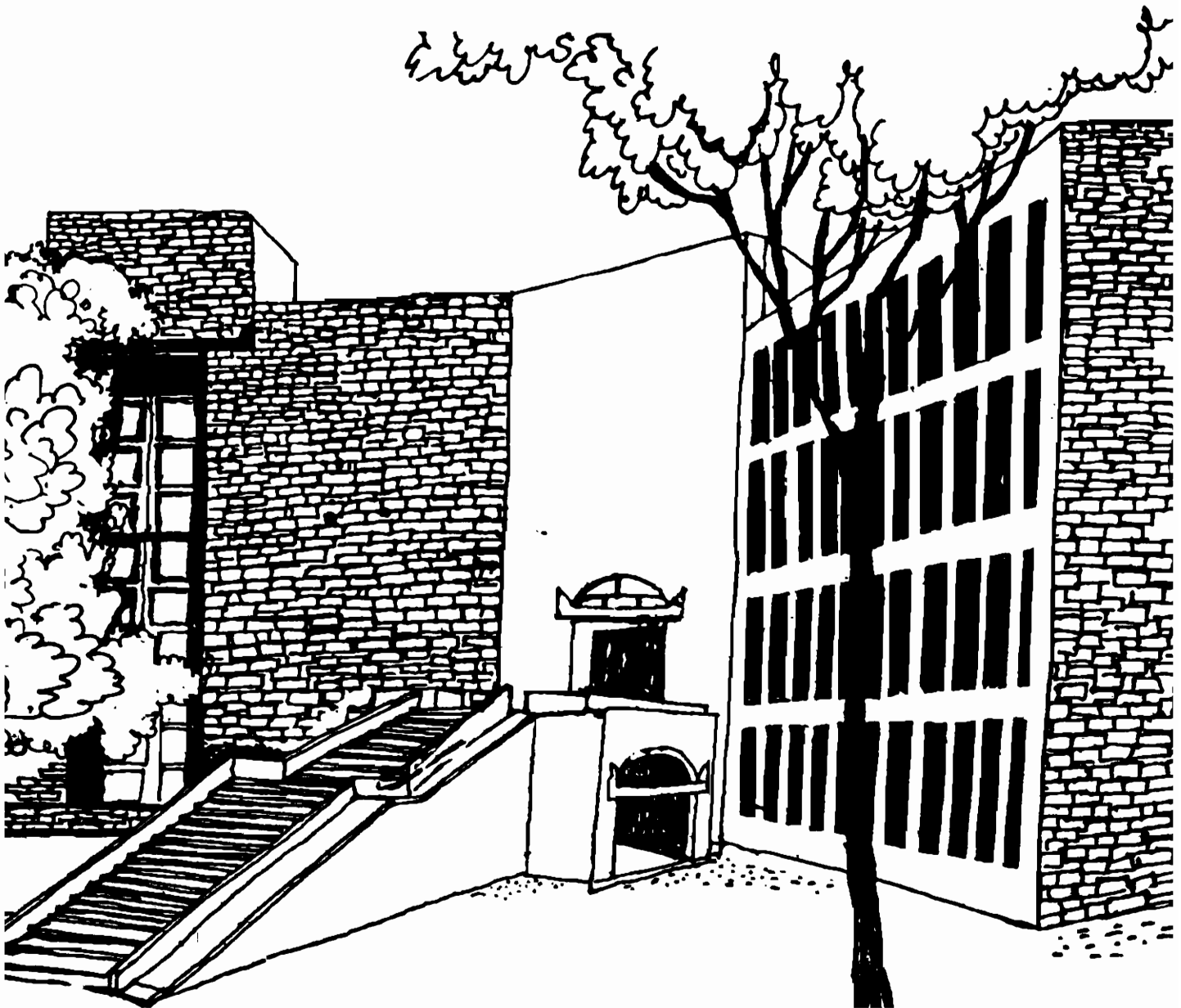




Working Paper




TRENDS IN SALES PROMOTION LITERATURE

By

**Kureshi Sonal
Preeti Vyas
(Research Associates)**

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Abstract

The objective of this study is to gain an insight into the trends of sales promotion literature published over 25 years. Data from 9 well-known foreign journals has been analyzed to provide a classification of framework, compute the trends and identify the gaps in sales promotion literature. A total of 171 articles is classified and is used for further categorization. The study reveals that a significantly larger number of articles are in the area of planning and evaluation of sales promotion schemes mainly targetted at consumers. Also consumer non-durable category is extensively researched. Most of the articles in the literature predominantly are using survey method of research design. The analysis reveals several lacunaes in the literature. As the available literature does not address all the issues pertaining to various aspects of sales promotion, it is hoped that this study would trigger much felt need for research in this area.

Trends in Sales Promotion Literature

Ms. Kureshi Sonal & Dr. Vyas Preeta*

Introduction:

In recent times sales promotion has started gaining its own identity in the marketing mix of large number of organizations. With more comprehensive decision making frameworks being pursued by the organizations the role of sales promotion has changed from merely being a short term tactical tool to a more strategic one with implication for long term decision making. A lot of literature on sales promotion has been appearing in various journals for several years. This paper examines evolution of literature on sales promotion from 1971 to April 1997. An attempt to analyze the trends in the literature has also been made.

Scope:

In order to classify the articles and compute the trends in the literature, 25 years of data has been examined from well-known journals. The list of these journals is given below :

*Names of authors are presented alphabetically: each contributed equally to the preparation of this paper.

Both the authors are Research Associates at IIM(A)

1. Business Horizons
2. European Journal of Marketing
3. Harvard Business Review
4. Journal of Advertising Research
5. Journal of Advertising
6. Journal of Consumer Research
7. Journal of Marketing Research
8. Journal of Marketing
9. Psychology and Marketing

These journals have been selected as they have been making valuable contributions in the field of marketing literature and looking at availability at Vikram Sarabhai Library, IIM, Ahmedabad.

Objective:

The objective of this study is not only to gain an insight into how much literature has been published but also the kind of literature [the different type of product categories studied, the methodology used, functional areas discussed etc.].

Thus, the main objectives of this paper are :

- i) To review literature/articles on sales promotion**
- ii) To provide a classification framework, and**
- iii) To compute trends and identify gaps in the area of sales promotion literature.**

Methodology:

The data base used for examining and reviewing articles on sales promotion was ABI Inform. All the articles under the head of "Sales Promotion" were called for from which long and short citations for the articles appearing in the above-mentioned journals were analyzed. The data being nominal in nature, only details such as year of publication, nature of product categories covered (if mentioned), technique of sales promotion employed, etc. were noted and simple frequency and percentages were computed. Appendix-1 provides a master-table of the data. The classification framework applied is described below :

- 1) In order to study the growth in literature, a total of 171 articles were classified as per their year of publication.**
- 2) The articles were further categorized according to the nature of product covered i.e. consumer durable, nondurable, service, industrial. Many articles did not discuss sales promotion for any particular product**

category, hence, these articles have been classified under the miscellaneous category.

- 3) Sales promotion tools are designed for three different target audiences namely consumer, trade and sales force. The articles were classified keeping in mind for whom sales promotions were designed i.e. for consumer, for trade, for sales force and for both consumer and trade.
- 4) The articles are tabulated on the basis of three important managerial functions namely planning, organizing and evaluation.
 - i) Planning: Articles which dealt with design, budget and role of promotion in marketing mix are grouped under this head.
 - ii) Organization: Articles dealing with structure for managing sales promotion and execution of various sales promotion activities are classified under this category.
 - iii) Evaluation and Control: Articles, where the outcome of various sales promotion schemes was measured, or discussed are classified under this category.
- 5) The articles are further classified according to the research methodology employed:
 - i) Survey: A design in which information about specific variables is collected directly from the large number of specified type of respondents.

- ii) Experiment: A design where deliberate manipulation of variables by the experimenter so that the effect upon the other variables can be measured.
- iii) Survey of secondary sources: Study involving use of scanner data or other secondary data for gathering information without any direct contact.
- iv) Model: When the information of the article is based on the use and testing of a theoretical and mathematical model.
- v) Conceptual: When an article gives review of past researches, literature reviews or other articles not supported by any data analysis.
- vi) Case Study: When an article describes in-depth study of one or more real life situation/phenomenon.

Inferences:

In order to understand the contribution of sales promotion literature, the articles were first distributed based on their year of publication (see Appendix-2). Out of the total of 171 articles published from 1971 to April 1997, [the journals listed earlier] maximum number of articles were published in 1990 (16 articles). A graphical presentation of this is given in Chart-1. It is clear that the late eighties showed maximum contribution of 34% (54 articles) while early

nineties saw the decline to 23% (39 articles) in the publication of articles on sales promotion.

The total number of articles represent a wide range of product categories. Of the total number of articles, 50% did not deal with any specific type of product. But the remaining 50% were spread over consumer non-durable, durable, services and industrial products (see Table-1). It is evident that the consumer non-durable category seems to have been researched much more than consumer durable category. It has been observed that industrial products have not been studied till the late eighties.

	Number	% of Total
Consumer Durables	1	• 5
Consumer Non-Durables	59	35
Services	22	13
Industrial	3	1.5
Miscellaneous	86	50
Grand Total	171	100.0

Further probing revealed that consumer promotion schemes have been studied significantly more than trade promotion schemes. 74.3% (127 article) of the articles were found to be dealing with various elements of consumer schemes (see Table-2). This is mainly due to the fact that sales promotions for consumers are well publicized and information about them is easily obtainable. There were also some articles which covered promotions for both trade and consumer (12 articles).

Table-2:		
Target Audience	No. of Articles	% of Total
Consumer	127	74.3
Trade	11	6.4
Both Trade & Consumer	12	7
Salesmen	2	1.2
Miscellaneous	19	11.2
Total	171	100

The content of each article was studied and the article is classified under one of the main functional area of management (see Table-3). The areas of planning and evaluation were found to be the most discussed areas in the literature. Planning articles accounted for 39.2% (67 articles) while evaluation and control accounted for 42.1% (72 articles). The number of articles topic-wise were

plotted over time (see Chart-2 & 3). The pattern is skewed over the years but, the two topics have appeared consistently in the literature since 1971. Both these topics have remained important which is evident as their peaks are falling alongside overall growth in sales promotion literature (see Chart-4).

Functional Area	No. of Articles	% of Total
Planning	67	39.2
Organization	7	4.1
Evaluation & Control	72	42.1
Miscellaneous	25	14.6
Total	171	100

Most of the articles in the literature predominantly were using survey method in order to achieve the objective of the article. 44% (75 articles) of the articles had research based on survey (see Table-4). Though application of models for sales promotion decisions had begun, since early seventies did not show a steady growth over the years. What is evident is that articles discussing models have not been published at all from 1975 to 1978 and 1981 to 1984 (see Chart-5).

Table-4: Research Methodology Used		
Research Methodology	Number	% of Total
Survey	75	44
Experiment	14	8
Survey of Secondary Sources	22	13
Model	17	10
Conceptual	39	23
Case Study	4	2
Total	171	100

Inadequacies Identified:

The analysis revealed several lacunae in the literature. From the functional perspective, organization of sales promotion activities has received less attention. Similarly sales promotion activities concerning consumer durables and industrial product categories have not been well researched. Sales promotion activities for sales force is also a neglected area. The articles which involved an empirical study seemed to be employing predominantly Survey Research Design. Experiment and case study methods are utilized relatively less for empirical testing of concepts.

There is an ambit for future research in these areas of sales promotion.

Limitations of the Study:

Our first limitation was due to non-availability of all the journals in which sales promotion articles have been published. We have only picked those journals which are available at Vikram Sarabhai Library.

We had intended to classify the articles also on the basis of kind of sales promotion schemes researched. This would have given us a fair idea about what kind of schemes are used for which type of product categories. But our examination of articles revealed that price promotions and coupons were the only two types of schemes mentioned if at all.

Conclusions:

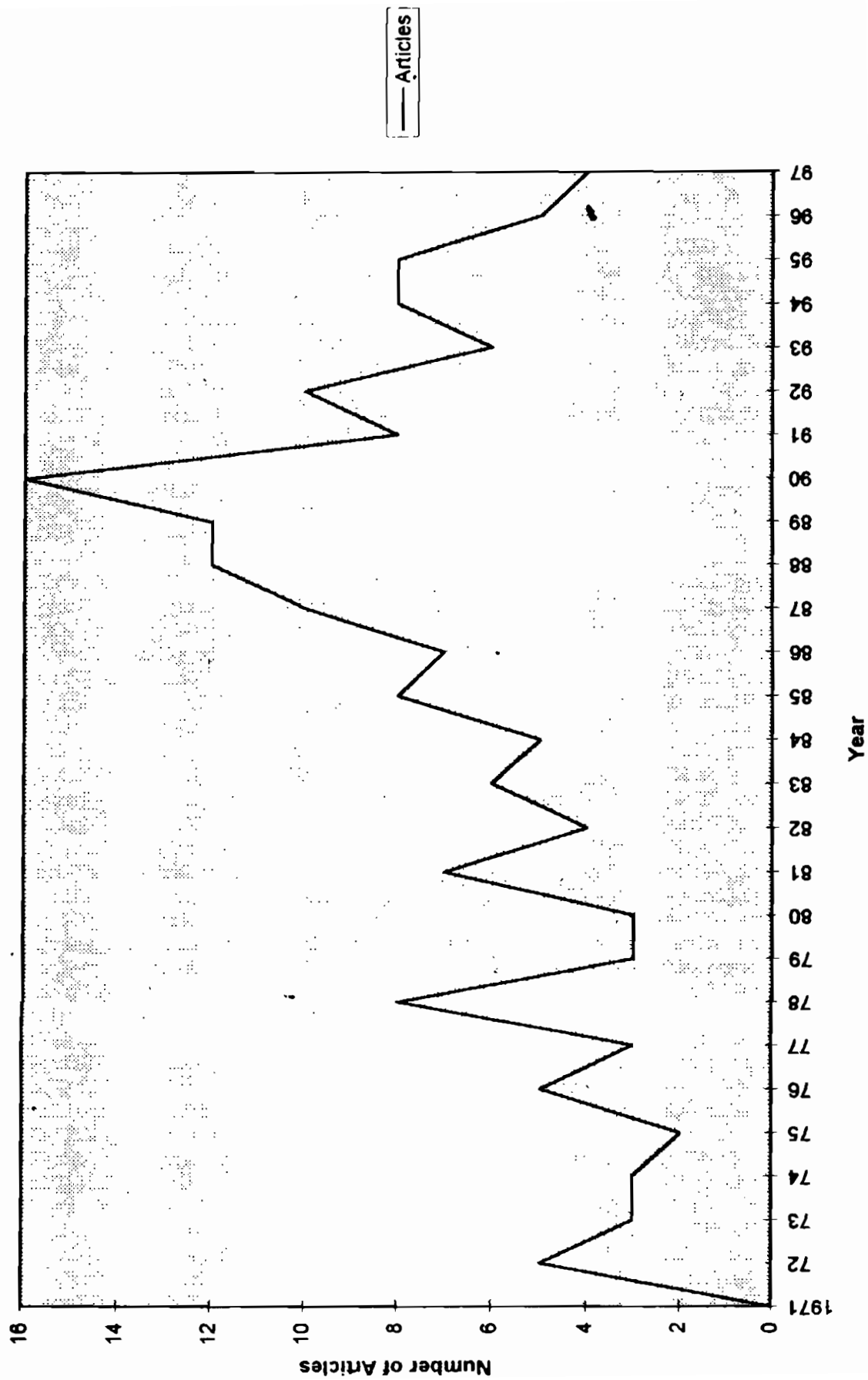
With the increasing intensity and complexity in marketing activities, sales promotion needs identity of its own - separate from advertising. The available literature does not address all the issues pertaining to various aspects of sales promotion, it is hoped that this study would trigger much felt need for research in this area. This would motivate the academicians, practitioners and editors of journals to share and publish literature on sales promotion.

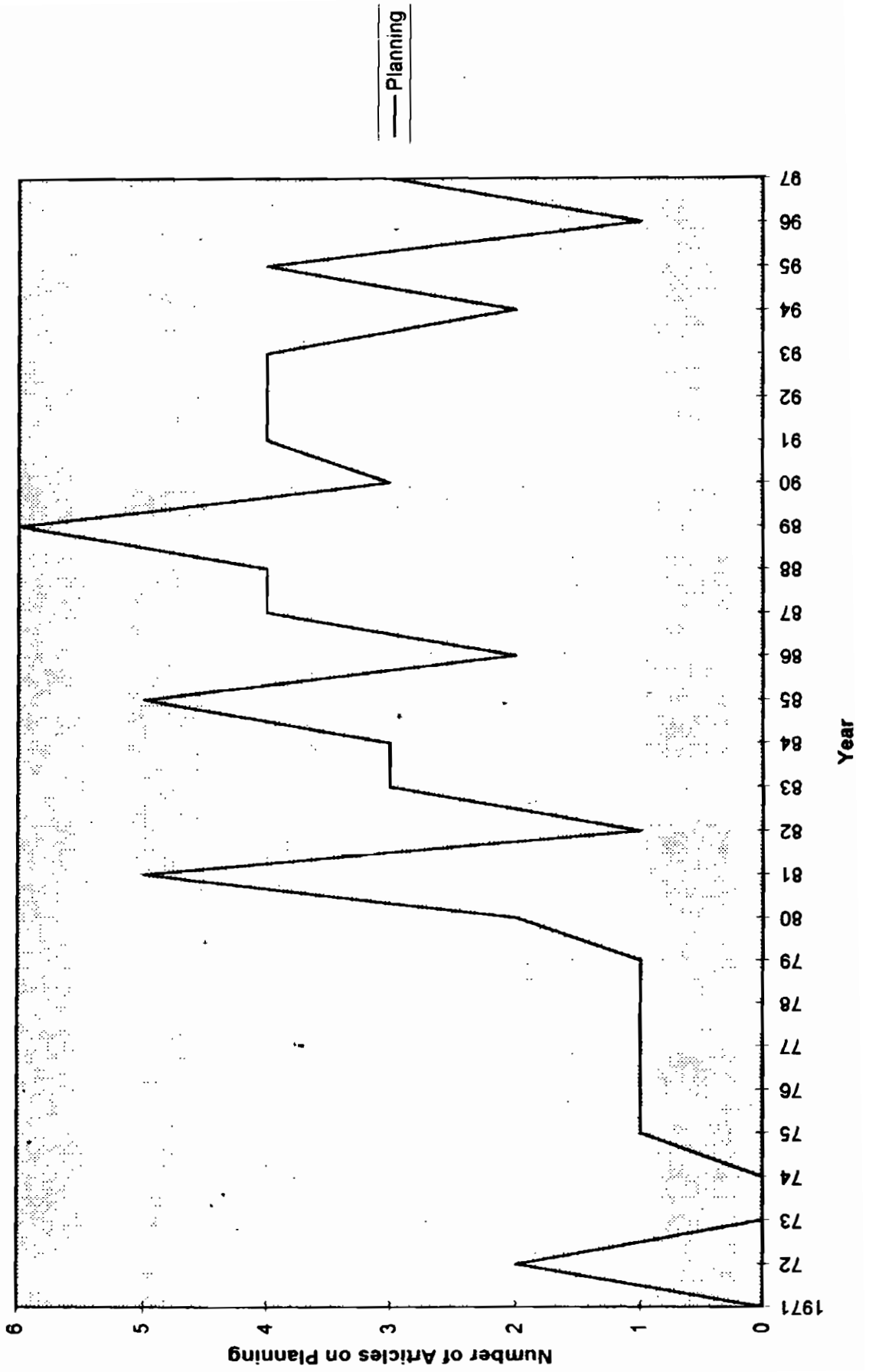
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4. ABI - Inform Database.

Appendix-1						
Year	71-85	86-91	92-93	94-95	96-April 97	Total
Name of the Journal						
Business Horizons	4	3	0	1	0	8
European Journal of Marketing	10	10	1	0	0	21
Harvard Business Review	6	5	0	4	0	15
Journal of Advertising Research	18	18	5	5	0	46
Journal of Advertising	5	5	0	1	0	11
Journal of Consumer Research	2	3	1	2	0	8
Journal of Marketing Research	6	10	6	0	2	24
Journal of Marketing	14	11	1	1	7	34
Psychology and Marketing	0	0	2	2	0	4
Total	65	65	16	16	9	171

Appendix-2: Year-wise Distribution of Articles		
Year	Number of articles	Percentage of Total
1971	0	0
1972	5	2.9
1973	3	1.8
1974	3	1.8
1975	2	1.2
1976	5	2.9
1977	3	1.8
1978	8	4.7
1979	3	1.8
1980	3	1.8
1981	7	4.1
1982	4	2.4
1983	6	3.5
1984	5	2.9
1985	8	4.7
1986	7	4.1
1987	10	5.8
1988	12	7.0
1989	12	7.0
1990	16	9.4
1991	8	4.7
1992	10	5.8
1993	6	3.5
1994	8	4.7
1995	8	4.7
1996	5	2.9
1997 (April)	4	2.4
Total	171	100%





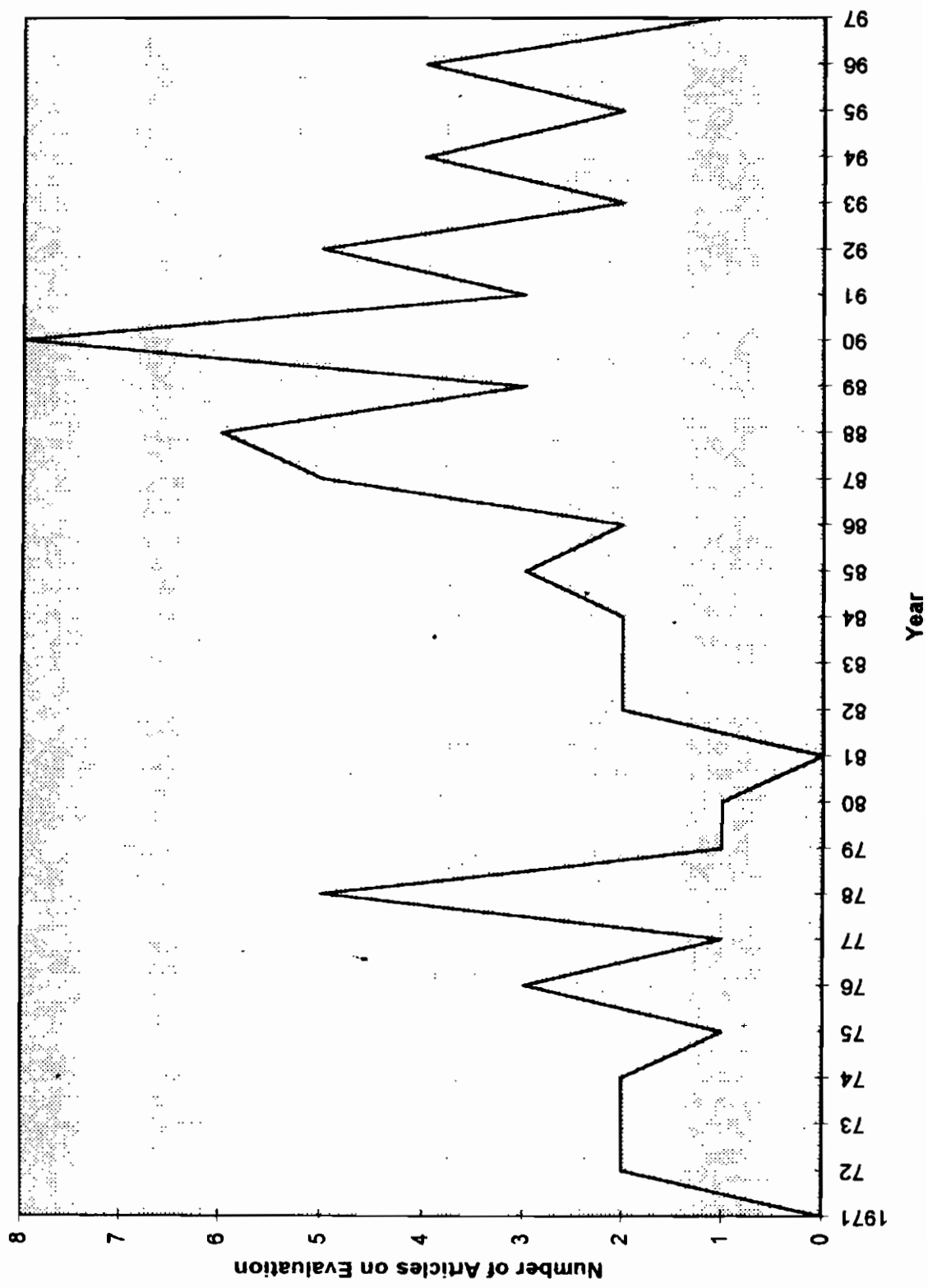


Chart4

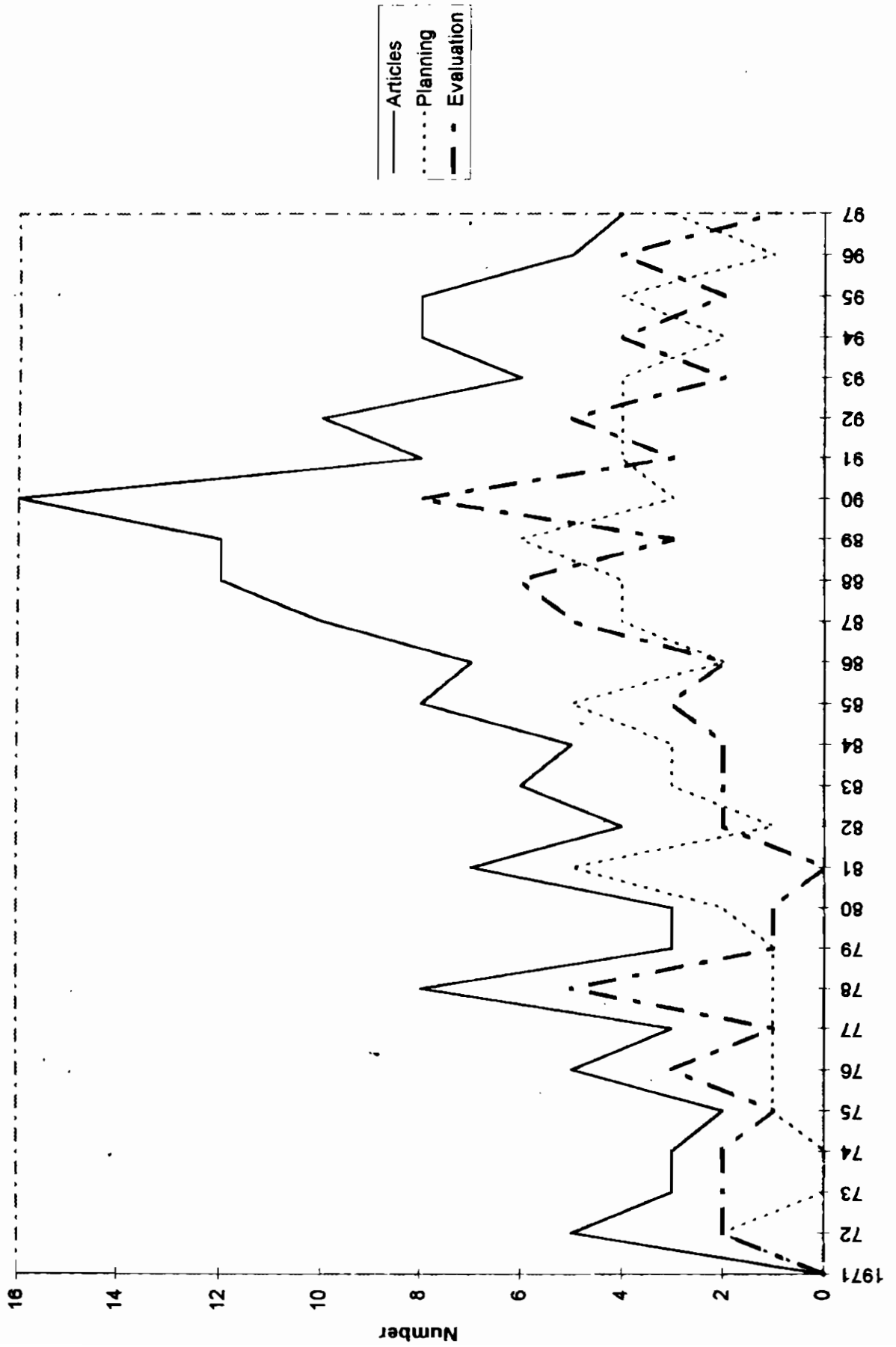
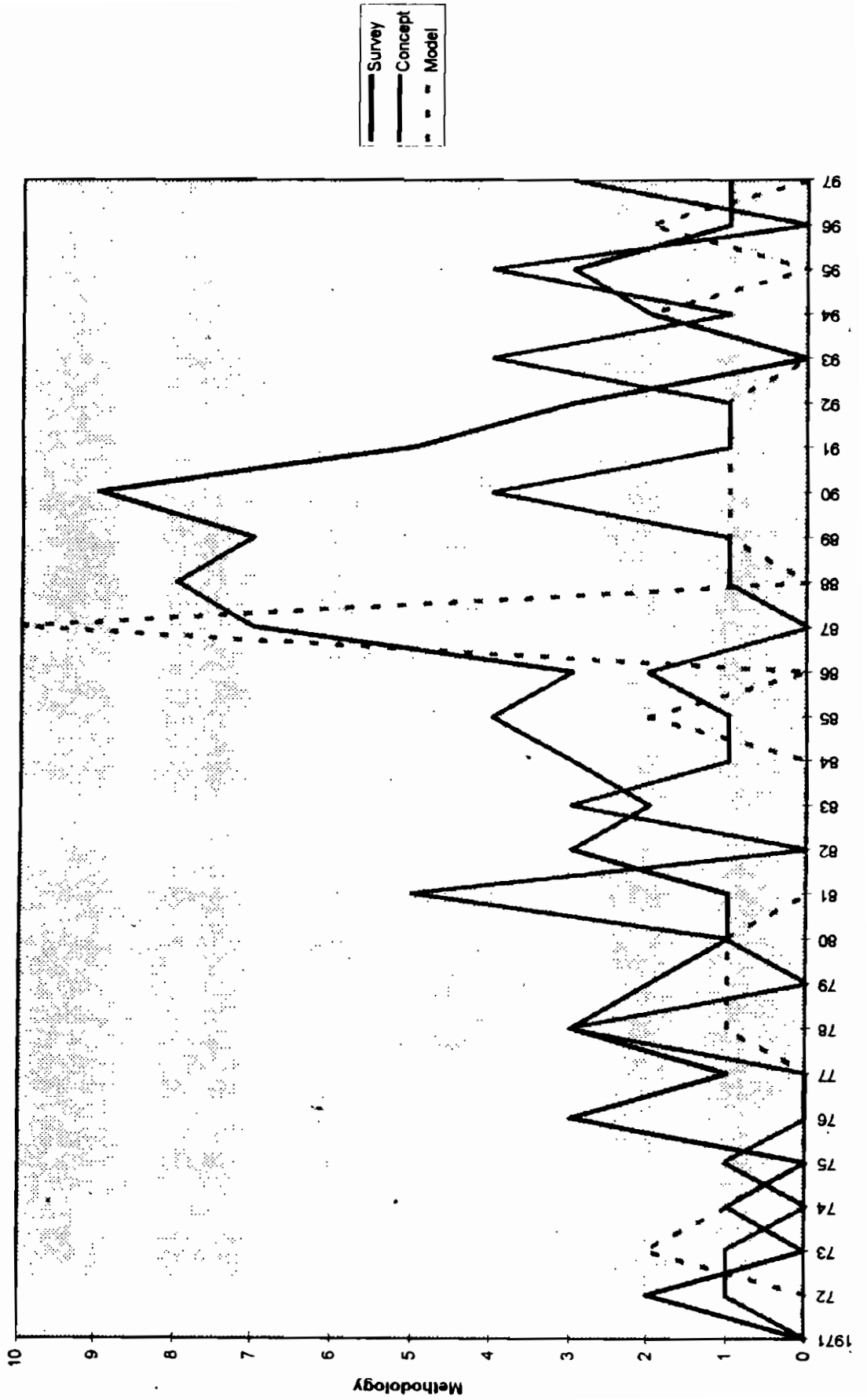


Chart 5



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