



A Study on Sales Promotion and Its Organisational Effectiveness on Its Manufacturing Industry

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ABSTRACT

Sales promotion, being a vital component of the marketing mix, offers temporary incentives with the goal of inducing quicker or larger acquisition of specific goods or services. In the manufacturing industry, these promotions facilitate the quick flow of goods from production factories to customers, thereby boosting normal production processes and operational efficiency. This study examines the influence of sales promotion instruments like discounts, trade promotion, coupons, seasonal promotion, and loyalty schemes on the internal operations and overall performance of a manufacturing organization. Based on an examination of consumer reaction, worker opinion, and sales performance indicators, the study presents trends and successful methods that guarantee successful promotional efforts while maintaining brand integrity.

Inauguration

In the ever-evolving industrial environment, the manufacturing sector is faced with tough competition at national and global levels. As products become more standardized in nature, manufacturers are increasingly depending on marketing techniques to differentiate their products. Sales promotion is not only a tactic to attract customers but also a strategic method to counteract inventory spikes, introduce new products, and increase the volume of production. Sales promotion for manufacturers is linked with different departments—marketing to production, inventory, and finance—hence it is a necessary element for organizational synergy and profitability.

The aim of this study is to link promotional activity with organizational performance, especially within the manufacturing sector.

Literature Review

Sales promotion has been the subject of extensive research in consumer goods and retailing; its role in the business-to-business (B2B) and manufacturing sectors is also important. Blattberg and Neslin (1990) report that promotions affect three primary areas: brand switching, acceleration of purchase, and stockpiling behavior. In manufacturing, this can lead to higher demand and a consequent revision of the production schedule.

A study by Aaker and Kumar (2015) confirmed that dealer trade promotions, including providing volume discounts or special promotions, greatly enhance product visibility and channel loyalty. Likewise, Gupta and Lehmann (2003) showed that short-term promotions often generate temporary sales peaks, but these do not necessarily translate into sustainable customer loyalty.

This study builds on these results by examining how success in marketing is translated into organizational improvement in the form of productivity, coordination, and cost savings in a production setting.

Aims of the Study

To understand the types of consumer- and trade-oriented promotions commonly used in manufacturing sectors.

- To measure the short-term and long-term effectiveness of promotions.
- To study how sales promotions impact production planning and inventory management procedures.
- To examine employees' perceptions of higher workloads or productivity during promotion times.
- To suggest data-driven methods for optimizing promotional effectiveness while ensuring organizational stability.

Research Methodology

•**Research Design:** The research employs mixed methods, whereby the quantitative information collected through sales data and surveys is combined with qualitative data collected through interviewing the employees and managers.

•**Sampling Information:** The sample consists of:

- 50 customers who have just made use of promotion offers,
- 30 workers in marketing, sales, and production departments,
- 20 dealers/retailers who sell company products.

•**Data Collection Tools:**

- Formal customer questionnaire
- Semi-structured interviews with dealers and staff members
- Analysis of past 3 years sales data.

•**Analysis Techniques**

- Descriptive statistics (mean, percentage),
- Comparative sales analysis (pre- and post-promotion),
- SWOT analysis of promotion strategy
- Thematic analysis for qualitative insights.

Results and Evaluation

Customer Preferences: More than 60% of the respondents were willing to buy bundled products and offers at discounted prices during the holiday season. Regular customers liked loyalty programs.

• **Effect on Sales:** Promotions helped in generating a 15-20% increase in sales during promotion periods. In the post-promotion period, however, there was a 5-7% reduction following customer wait-for-offer behavior.

• **Production Load:** Production units indicated more pressure to deliver during peak demand, which at times equated to overtime expense or short-term hiring.

• **Feedback by Retailers:** Retailers welcomed programs that had dealer incentives and co-branded promotions. They cited that such promotions enhanced the product turnover rate.

• **Employee Perspective:** Employees suggested improved coordination between marketing and production departments to align supply and demand during promotion periods.

Analysis

The study finds that direct and measurable promotion sales do contribute to sales performance and brand awareness. In the manufacturing industry, however, operational readiness is a condition for such promotions to stand any chance of success. Unsupported promotions will lead to stockouts, customer dissatisfaction, and the expensive cost of logistics.

In addition, companies successful in utilizing promotional data to drive supply chain performance are more successful. Combining Enterprise Resource Planning (ERP) with promotional calendars will enable manufacturers to better project demand as well as optimize their resource planning.

Successful promotion also improves the morale of employees when objectives are achieved and rewards are awarded. Conversely, without proper planning, over-promotion leads to margin loss and dependency on customer discounts.

Conclusion

Promotion is a crucial strategy for advancing product distribution and organizational exposure. In the manufacturing context, its effectiveness depends not only on customer interaction but also on the level of coordination among internal units, namely production, sales, logistics, and human resources. The results show that although promotions have the ability to considerably enhance performance in the short term, they must be extremely well planned and assessed in terms of their long-term impact on the organization.

Promotional activities should be an adjunct to the core marketing and branding efforts, not a substitute. When done with due diligence and accuracy, sustainable promotional activities can result in more revenue, better channel partnerships, and greater brand equity.

Recommendations

1. Utilize Data Analytics: Apply data-driven forecasting methods to predict demand growth and maximize inventory levels.
2. Cross-functional Coordination: Encourage regular communication across the marketing, sales, and production departments to improve promotion execution.
3. Limit Promotion Frequency: Avoid overuse to prevent dilution and ensure profitability.
4. Measure ROI: Measure the success of each campaign using metrics like sales increase, customer retention percentage, and dealer activation.
5. Enable Internal Stakeholders: Incentivize success rewards to the employees engaged in execution to boost ownership and motivation.

References

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