Trade Marketing and Soft Drink Retail of Pakistan

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ABSTRACT

In the world of FMCG and soft drink market, importance of Trade marketing cannot be ignored; different companies are spending a huge budget on different trade marketing activities, which ultimately affect the annual sales volume.

The purpose of this study is to explain the relationship between trade marketing activities and the annual sales volume of soft drink retail in Pakistan, soft drink is the industry which is investing the most on trade marketing activities

It is hoped that this study has served the purpose of providing an overview of soft drink industry and trade marketing and relationship between different trade marketing variables and annual sales volume.

Primary data is collected from 300 retailers through a field survey and after this survey I have analyzed this data by using SPSS, and for better understanding of Trade marketing strategies lot of information about different trade marketing strategies used by Coca-Cola is gathered through detailed sessions with Coca-Cola Trade marketing manager and Sales Training manger.

Introduction
Background

In the world of Fast moving consumer goods (FMCG) it is very difficult to find a company that is both producer and vender to the end consumer or which is directly selling to end consumer, there are lot of intermediaries between manufacturer and consumer usually know as "trade". Product has to pass through hands of distributors, sales agents, wholesalers, retailers etc and all these hands combine to form a trade and push the product to end consumer.

Companies strengthen their trade through different trade marketing strategies by increasing the demand of trade customers through different trade marketing activities which ultimately affect the end consumer, however in context of trade marketing primary target is trade customer, which may be a retailer, wholesaler or distributor as companies cannot satisfy their consumers without satisfying their trade customers

This study discussed the relationship between trade marketing activities and annual sales volume of soft drink retail in Pakistan in different urban and rural locations. Main areas of the study is trade marketing , sales volume , retail ,I have selected soft drink industry for this study because in Pakistan Coca-Cola and Pepsi cola are the companies who are spending the most on trade marketing activities and these soft drink companies have the highest numeric coverage in Pakistan retail market and these companies are spending in both urban and rural areas, in this study I try to find out the relationship between different trade marketing activities and the annual sales volume soft drink retail and to investigate that which are the most common trade marketing activities which are performed by different soft drink companies in Pakistan.

One important thing here to discuss is that in Pakistan there are different channels of beverage retail, i.e. supermarkets, Soft drink street venders, pan shops , restaurants , petro marts , small general stores etc , for this study I have selected the channel of small general stores of different towns and streets, reason for selecting this channel is that they are in majority in Pakistani retail markets as compare to other channels for example if we select petro mart then in the rural and socio economic low area of Pakistan petro marts are not available so that's why I have selected the channel of small general stores for this study which are everywhere in Pakistan and in all

Research question

Following is the main research question and some sub questions

Question 1

Is there any relationship between Trade marketing and annual sales volume of soft drink retailers

Sub questions

Question 1.1

Is there any relationship between trade promotion and annual sales volume of soft drink retail, and if yes then what is the nature of relationship?

Question 1.2

Is there any relationship between POP material and annual sales volume of soft drink retail, and if yes then what is the nature of relationship?

Question 1.3

Is there any relationship between signage and annual sales volume of soft drink retail and if yes then what is the nature of relationship?

Question 1.4

Is there any relationship between Category/shelf display and annual sales volume of soft drink retailer and if yes then what is the nature of relationship?

Significance of the study

There are different studies on different functions of trade marketing like , trade promotions (Anthony Lucas, john Davis, Miguel I. Gomez and Vithala R. Rao 2009).Visual merchandizing (Gaynor Lea-Greenwood*),* signage (Belch and

Belch, Alexandria) and major focus was on trade marketing budget, and soft drink is little ignored industry and no study is available on Pakistan on this particular topic, and in this study I have captured the vein of the FMCG which is retailer, in this study I tried to explain the effect of trade marketing on sales volume of soft drink retail in Pakistan, which is never done before so this study is significant and will add value to existing literature of trade marketing and sales.

Methodology

In this section effort has been made to elaborate the research approaches which are followed in this research, types of analysis (statistical tests) to get the results, the instrument use for the collection of data, universe of the study to represent the location of the target audience and the sampling procedure to identify the sample respondents for study.

Practical approaches

Following practical approaches have been used for this study

1- Experience-based

First and foremost, my research was experience-based. My pre-knowledge of the thesis subject came from my previous work experience in the field of trade marketing and sales of FMCG products and specifically soft drink (Coca-Cola), which has facilitated my empirical research to a great extent. My pre-knowledge was a fundamental basis for me to carry out the research plan. I am not a completely beginner in this area. In this sense, I avoided an amount of unnecessary work which could probably have been done by a person who doesn't have any knowledge or experience in this field. It would be impossible for me to collect same amount of information in a limited time or, if I didn't have any pre-knowledge, I might have to spend a lot of time in sorting out the material and understanding the concept of trade marketing which is a technical issue

2- Questionnaire and field survey

Questionnaire is being designed in order to conduct the market survey questionnaire is covering all the independent variables and dependents variable, 300 questionnaires have been filled from the retail market of soft drinks from different areas, most of the questions on the questionnaire can be filled just through observing the retail outlet, answering in yes or no, like signage , pop material etc and few to be ask from retailer i.e. is there any kind of special trade discounts or agreement , and the annual sales volume of retailer which is the dependent variable. This questionnaire is very easy and simple to understand and is very helpful in gathering field observations and collecting primary data from retailers in market. These questionnaires are being filled from the retailers of differing urban and rural geographic locations of Lahore city, Gujranwala city, Gujrat city , Jalal Pur Jattan, and rural areas surrounding these cities.

3- Meeting with Coca-Cola officials

Though I have working experience in Coca-Cola but still I have meetings with Coca-Cola Trade marketing manager and Sales training manager for in depth knowledge of different trade marketing strategies, due to relations in the company it is easy for me to get time from these managers and getting valuable information.

4- Statistical Analysis

SPSS software is used for statistical analysis, all the primary data collected through field survey is entered in SPSS to check the reliability, to apply descriptive statistics, frequencies and Regression analysis.

Research Design

A survey based research design will be used. A study will be carried on retailers from different areas .300 Survey questionnaires shall be filled on the spot to collect primary data from retailers where companies performed trade marketing activities. Dependent variable is annual sales volume of retailer and independent variables are signage, pop material, special trade discount and Trade agreement (trade promotion), and category/shelf display.
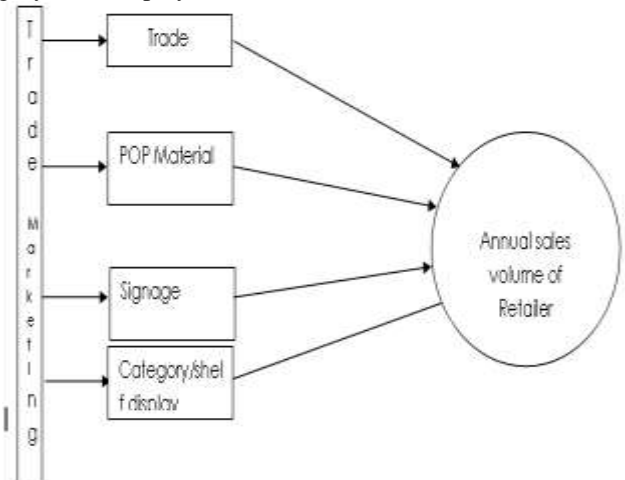
This is important to note that different soft drink companies have different classification of outlets according to the sales volume of customer like A+, A class, B class, C class. Coca-Cola uses terms of Diamond, gold, silver and brown outlet for channel classification according to sales volume, A+ or Diamond is used for very high volume customer i.e. more than 3500 cases per year, A or Gold is also for high class i.e. more than 1500 cases per year, B or silver is for medium volume outlet I.e. more than 800 cased per year and C or brown is for low volume i.e. less than 800 cases per year.

Annual sales volume is considered as the sum of the annual sales volume of soft drink of some common companies available at every outlet like, Coca-Cola , PepsiCo, Engro foods, nestle, red bull, Shezan,

Another important thing is to choose trade channel for this study, as there are many trade channel for soft drink product like general store, soft drink street venders, restaurants and petro marts etc, this study is on General stores as General store are majority in number and are available in both urban and rural areas.

Trade marketing

As a practice to combine sales and marketing objectives and strategies the department of trade marketing is specially designed to ensures that retailer' needs and demands are properly communicated by the sales staff and are full filled by the brand managers or product managers and these needs and demands are coordinated by the trade marketing (Cespedes, 1993). Through trade marketing companies transfer their national promotional strategies to each individual retailer keeping in mind the requirement of each individual retailer (Belinda Dewsnap, David Jobber 2008)

"Trade marketing is all about increasing the demand at retailer, wholesaler, or distributor level rather than targeting end consumer". Through different trade marketing activities companies try to push their products from trade customer to end consumer by creating impulse, we can say that trade marketing is about branding the end mile for competitive gain.

Brand manager or product manager plays the main role for the product or brand (George et al., 1997; Low and Fullerton, 1994) Trade Marketing is distinct from Brand Marketing in a very important way. Trade Marketing is focused on marketing to your supply chain rather than to consumers. Quite simply, it is how you market your products and services to the customer base that will enable access to the end consumers that your Brand team is trying to attract. Trade Marketing creates access and distribution. Importance of the trade marketing is increased gradually; in the early stages of trade marketing was only administrative functions, records and report, the use of campaign funds by the sales team. In the next stage, trade marketing began to provide 'advice' based on knowledge and information they have (retail audits, consumer study).Then in the further stages, trade marketing start to be involved in planning activities because the combination of their knowledge about the channel and the products are more qualified and then at its peak, trade marketing is an integral part of corporate strategy as 'shopper proposition is considered as important as the consumer proposition (FM Siddharta, 7 degrees of strategic trade marketing excellence, 2009). In a broader frame of mind, trade marketing has become an important link between supplier, manufacturer and retailer, where this supplier, manufacturer and the retailers are at the stage of business alliance (FM Siddharta, 7 degrees of strategic trade marketing excellence, 2009).

Almost all the consumer goods companies have an traditionally operated headquarter based sales planning unit which works as funnel for sales marketing integration and they insure that the field staff is exactly doing the same as planned by the marketing strategists (Cespedes, 1993, p. 39). To further improve the collaboration and meeting the increased requirements for better interdepartmental coordination (e.g. George et al., 1997) and for concurrent marketing (Cespedes, 1996), companies have developed a new organizational design for marketing and the purpose is to further improve the marketing sales integration (Cespedes, 1993, p. 44; Dewsnap and Jobber,1999) and these new philosophies for marketing are known as trade marketing and category management (Dewsnap and Jobber, 1999)., it can be said that the category management is the advance form or trade marketing (Harlow, 1994). trade marketing is reporting to sales rather than marketing (Belinda Dewsnap, David Jobberm 2008), and such integrated devices are mainly involved in below the line activities. Trade marketing played its role in companies subject to planning , coordinating , execution etc (Belinda Dewsnap, David Jobberm 2008), this is important to note that all the companies do not use the title of trade marketing , some companies replaced the title with customer planning or customer marketing (Belinda Dewsnap, David Jobber 2008),the original mechanism of sales marketing integrative is trade marketing it in many cased trade marketing works as successor to sales planning role in customer goods service (Cespedes, 1993,1996).successful trading depends upon the understanding and meeting the needs of the customer (Davies, 1993), trade marketing plays a very important role in acknowledging the needs of the trade customer in the process of brand planning and in designing the elements of marketing mix specially sales promotion (Belinda Dewsnap, David Jobber 2008), on the other hand trade marketing also ensures that brand priorities are reflected in the trade channels and customer plan (Belinda Dewsnap, David Jobber 2008), trade marketing department is basically responsible for designing the trading strategy keeping in mind the both brand and trade customer

requirements (Belinda Dewsnap, David Jobber 2008) , trade marketing is responsible for executing and implementing all BTL promotional activities and this also the duty of trade marketing department to manage and monitor the budget and plan of BTL promotional activities and also to evaluate these activities (Belinda Dewsnap, David Jobber 2008) but trade marketing can plan those activities after the input given by the sales staff (Belinda Dewsnap, David Jobber 2008) if we same see the below fig (Belinda Dewsnap, David Jobberm 2008) this fig shows the similar thing which we are going to check in this study for soft drink retail in Pakistan
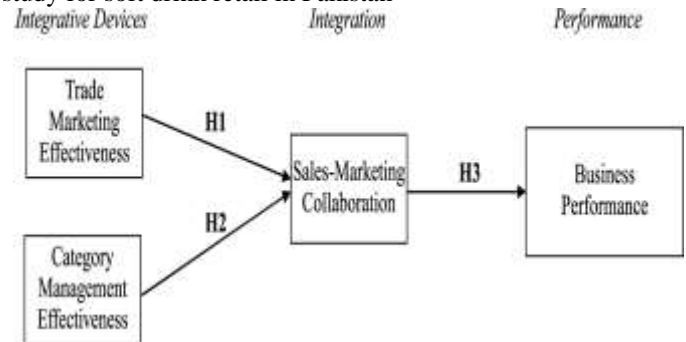
According to the fig by (Belinda Dewsnap, David Jobber 2008) trade marketing has a positive effect on the business performance; in this study we will see how different trade marketing activities are affecting the annual sales volume of soft drink retail in Pakistan. This was very basic academic literature and we will study some ground field realities and activities of trade marketing like, signage, pop material, category or shelf display etc according to Belinda Dewsnap, David Jobberm (2008) trade marketing has a positive impact of sales and business performance, agreeing with Belinda Dewsnap, David Jobberm (2008) we will check the same thing but differently in rural and urban areas in soft drink industry of Pakistan

Trade Promotion:

To understand the concept of trade promotion, first we have to look for the definition of trade promotion available in past literature and then move to further details and functions of trade promotion, one clear definition available in existing literature is "it is the incentive for the retailer rather than consumer. The purpose is get incremental sales volume from the retailer by giving them price benefits. (*Anthony Lucas*).Trade promotion is a growing element of promotional mix and has an impact on supply chain hence affect retail prices. Rapid growth of sales promotion give birth to a new department in the field of marketing name as "Trade marketing" as sales and trading division may not have clear understanding of brand's strategic direction so it is not rational to transfer the full responsibility of trade marketing to sales people hence it a new department came into existence, so that well planned and executed trade promotions can play its role in expanding the sales volume. (*Anthony Lucas*)

Trade promotion can be divided into two groups, one is discount based and other is performance based. In discount base trade promotion discount is given at the time of transaction i.e. off-invoices, and they are temporary price discounts on the goods ordered by trader/Retailer and in performance based trade promotions there are normally per unit allowance by the manufacturer to retailer on the actual number of units sold to end user i.e. consumer. (Miguel I. Go´mez and Vithala R. Rao 2009) In discount base trade promotion manufacturer gives discount on all cases received at ware house and in performance base trade

promotion discount is given on cases sold from retail store. Discount-based promotions have a tendency to motivate retailers' ability and interest to make flexible use of these discounts, motivating the retailer's opportunistic behavior such as forward buying and diverting (Miguel I. Go´mez and Vithala R. Rao 2009)

In case of performance based trade promotions a pre-specified level of retailer's sales is required, performance based trade promotions are further divided into three types, these are scan base, accrual funds and bill backs. In scan base there is negotiation between manufacture and the retailer regarding discount per case after deciding the required volume of sales and the sales performance has been verified through scanning data. In case of accrual funds manufacture gives promotional spending to retailer on per case basis i.e. basic earning of retailer in accrual base is the funds provided by the manufacturer for promotion of their products at retailer's store that will increase the sales volume of the retailer, promotion spending and volume required is pre specified. In case of bill-back trade promotions there is provision on retailers bill, a given, negotiated amount for each case of goods purchased from a supplier after performance has been concluded. However, contrasting scan-backs and accruals, these discounts are given on cases received at retail warehouse, not on cases sold through the stores. (Miguel I. Go´mez and Vithala R. Rao 2009). However mostly Retailers prefer Discount based types of trade promotions because in discount base there is flexibility for the retailer to use the discounts according to his comfort and business to boost the sales. I.e. allowing retailer to forward buy, and even engaging in diverting. Better flexibility for retailers implies that manufacturers lose control over their promotional mix and over the Utilization of promotional funds (Miguel I. Go´mez and Vithala R. Rao 2009). It is better for the manufacturers with strong market power to go for performance based trade promotion (Kasulis et al, 1999) .There is empirical study proving that manufacturers with strong market power prefer performance based price promotion. (Go´mez et al, 2007)

Trade promotion is becoming more and more important for marketing research and there are number of studies which are investigating the impact of trade promotion as it often take the place of price reduction (George S. Low and Jakki J. Mohr, 2000) and trade promotion is increasing the sales volume and the market share as well (Hardy, 1984).IRI and Nielson have use the sophisticated modeling techniques and single source and they proved that trade promotion increases the sales volume (Honnold, 1992).The relationship between market share and trade promotion is very basic we can measure the success of trade promotion by the increase in market share (Quelch ,1983). If competitor starts a trade promotion then the managers immediately match the competitor promotion by starting their promotion too which match the competitor's offerings which is not in case of increased advertisement by the competitor because it has been realized that trade promotion has more immediate impact of market share and so on sales volume (George S. Low and Jakki J. Mohr, 2000).

Trade promotions also have some drawbacks and negative impacts in long run i.e. excessive use of trade promotion has a negative impact on brand loyalty and it increases price sensitivity and it affects the base line sale of brand (Mela et al., 1997; 1998; Papatla and Krishnamurthi, 1996). According to US retailer scanner data the impact of trade promotions is short term activity and it has a very little impact on a company's baseline

sales volume and the incremental sales volume comes from brand switchers rather than brand loyalists, and so has an insignificant effect on long-term performance. (*Anthony Lucas*). It can be easily concluded that the companies who are spending huge budgets on trade promotions may not be able to achieve the favorable or required return on their investments in shape of trade promotions and after all these spending they are unable to increase company's underlying sales volume or brand equity (*Anthony Lucas*). and has a short term positive impact on sales volume of the brand being promoted (Blattberg and Neslin, 1990). Some positive after effects of price promotion could occur if this promotion could attract some new consumers or users who repeatedly buy the product later and there are some evidences that there is no favorable impact of trade promotion in longer run specially for the brands which are established and strong market power (Ehrenberg et al., 1994; Pauwels et al., 2002; Peckham, 1981). The main reason for this is that

Promotion increases the sales in short run due to stockpiling as the consumption of the goods does not increases markedly retailer get benefit of promotion through stockpiling which creates a trough in sales after promotion (Bell et al, 1999), our main concern about promotion is its long term effect on the sales volume as we are going to investigate its effect on annual sales volume of soft drink retailer. There are several studies on negative and positive impact of promotions but John dawes ,(2004) has summarized the debate in very good manner by giving the statements that promotions has no negative or positive effect on the sale of brand in longer run, it has a positive effect on sales volume of the brand being promoted temporarily during the period of promotion, it has a negative effect on the sales of competition brand temporarily during the period of promotion, and it has a negative impact in longer run on the sales of the product being promoted. Basically trade promotions are for a specific segment which is price sensitive and the purpose of this is to increase brand visibility for the target segments and to move more inventory through trade promotion and on the other hand retailer's benefit is that , trade promotion increase the customer traffic at store and all the risk is bearded by manufacturer (Miguel I. Go´mez and Vithala R. Rao 2009).

POP Material

Pop importance cannot be ignored when we are talking about sales in FMCG industry, POP stands for point of purchase, and basically its main purpose is to connect the product with shopper sense of sight and touch and to push the product at customer arm length. Pop can generate the sales through impulse buying by shoppers, in Pakistan soft drink retailer has several pop as shelf , chiller , rack , gondola , counter etc, pop has a clear impact on shopper decision making (Brenda soars , 2009), Specially for those product where impulse buying is very often , and in case of soft drink impulse buying by shoppers contributes a major portion of total soft drink sales of retailer that's why this is very important that where to place the product at retailer's store and for better placement of product pop material plays very vital role. There are different studies mentioning the importance of pop like by efficient use of pop we can generate 6.5 percent incremental sales volume (Alexandria).POP is for making shopping process little easy, hence it's placement at right place is also very important, like inappropriate placed gondola can interrupt the shoppers journey, especially when a shopper has already made the shopping decision. (Alexandria). For example in case of soft drinks chiller should be in reach of shopper but should not be in the way of shopper. Location of the chiller is so

important those two major players in the soft drink industry of Pakistan i.e. Coca-Cola and Pepsi cola are competing for capturing the prime location of the outlet for their chiller, and same is the case with shelf which should be at customer's eye level and arm length. In Pakistan soft drink companies are placing different POP at retailer store like rack; chiller, counter, gondola etc and they try to place these assets at the most appropriate location of the outlet so that maximum shoppers can notice them. Some time it is also difficult for the shopper to find in-store promotions and offers just because of poorly sited and non implemented POP material (Alexandria) so it is equally important for the pop material to be in the same category, in case of soft drink, pop material should be in soft drink category for better utilization of pop material. As this study is on general stores and in Pakistan on almost all the general stores service style is counter service and shoppers stand at the other side of counter so the most appropriate location for pop material special chiller and Rack according to soft drink companies in Pakistan is outside the counter where shopper can easily access them, in short purpose of POP material is to put the product into the hands of customer. Empty stock in the shells is one of the indicator of turnover of the retailer in soft drink industry and during the market surveys of the retailers who has chillers of two or more companies , it is noticed that major share of empty stock is of the company whose chiller is at prime location and is most near to shopper.

Signage

Signage plays a vital role in integrated market communication (IMC) Belch and Belch (2004) and increase the impulse buying by shoppers and soft drink is sparkling product and role of impulse buying is very important here and signage plays a very vital role in creating the impulse and effective signage always motivates the consumer to drink. There is a link between signage and shopper's sense of sight (Alexandria) hence its role is very important in shopper's decision making process, and increasing the sale of the product at particular retailer.

There are several arguments on the impact of signage some stating negative impact and some stats positive impact of signage like pier one imports indicate that due to inadequate signage in one of its store in Germantown depressed the sales by 30 percent and while at Agoura Hills store, removal or McDonald's pole sign results in loss of at least 35 percent sales (US Small Business Administration, 2003).Now companies are focusing on exploring sensory development to their retail space (Alexandria). Consumer perception of the company is the mixture of many messages which they receive and contacts with the business , signage interacts with the advertisement media and plays a very vital role in forming the store image and overall impression of the business on the consumer (Charles R. Taylor ,2005) and signage plays a vital role in building the brand equity of the business (Keller , 2000).companies realized the importance of signage and that's why they are trying their best to capture the best and prime location at the retailer outlet for their signage and in-store signage and branding is a growing trend now a days in FMCG sector. Signs should be simple and they should be such that they help the customer in finding the business and it should be easy for the consumer to detect and read them. (Charles R. Taylor, 2005). Signage communicates the consumer that a particular product is available there. In this study we have examined the impact of signage on the sales of soft drinks.

Category/shelf display

There is lot of literature available on store brand and private label but very little on shelf management. Manufacturer are not only competing to better introduce their brand to consumer and retailer but they are also competing and also spending a lot for better positioning of their product on retailer's shelve (Monica gomes, 2007) by doing this manufacturers and dealer tries to improve the rotation of stock and hence consumer and customer loyalty (monica gomes, 2007) mean increase the retailers' sale of particular product through better shelve management and merchandising. Merchandising and shelve management is very important tool specially in mass commodity market and in such market where self service is rule in such situation outlet became main decision making center for consumer (monica gomes, 2007) as presenting a product in better way in a store definitely modify consumer's choice (Simonson and Tversky ,1992. When store owners negotiate with the manufacturer, the manufacturer give emphasis to the conditions associated with shelf management, I.e. they may pay shelf rent for shelf space of their own choice (Ferna´ndez et al., 2001). That's why shelf management at retailer level has become especially important and due to this merchandising has become a key element and it acts as a silent seller of products (monica gomes, 2007). In a uniform market, where there is similar type of merchandising and targeting the same customers or more important is that , while working in a varied new market visual merchandising must play a very important strategic role in brand communication and communicating the offer (Gaynor Lea-Greenwood)

The debate on such atmospheric and influencing devices was opened by Kotler in 1973 and later on many in store triggers have been identified by different researchers and Mcgoldick (1990) describes the visual merchandising and display as an element of positioning strategy. Oakley (1990) also suggest that visual merchandising and display play an important role in consumer decision making process, and as this study is on general stores of urban and rural areas so in such type of general stores major representation of visual merchandizing is through shelf or category display which helps to motivate the shopper for impulse buying. The way in which different products are displayed and promoted in the stores is an important function within the buying function (Gaynor Lea-Greenwood). Well displayed product can be an eye caching and it can draw attention of the shopper to the other rang and it can convince the shopper to buy conventional SKUs in the rang, this shows that well displayed product has an influence on shoppers buying decision (Gaynor Lea-Greenwood).

Brand managers and others in similar capacity has recognized the cost and effect benefit of integrated promotional campaign (Gaynor Lea-Greenwood) , and visual merchandizing and display is an very important component of integrated promotional campaigns. The success of such campaigns is measured by the increase in sales of the product merchandized in the campaign and a more positive view of the brand through better display and the buyer will ensure that merchandizing create the demand (Gaynor Lea-Greenwood), it would appear that visual merchandizing is becoming more strategic issue, the retailer who use this tool are enjoying cost and integration advantage (Gaynor Lea-Greenwood), moreover visual merchandising and display is very important in promoting the products in new market(Gaynor Lea-Greenwood),

Results and findings

In this section results and findings of field survey after processing through SPSS has been discussed, reliability of data is being checked through SPSS software, frequencies and correlation has been analyzed, following are the results:

Reliability

Case Processing Summary			
		N	%
Cases	Valid	300	100.0
	Excluded	0	.0
	Total	300	100.0
a. List wise deletion based on all variables in the procedure.			

Reliability Statistics

Cronbach's Alpha	N of Items
.949	13

This table is to check the reliability of data collected, which is determined with the value of Cronbach's Alpha. This reliability check is normally for the primary data, according the table this table the value of cronbach's alpha is 0.949; It's mean that data is highly reliable.

Here the relationship between dependent variables and independent variables has been checked

According to the table, there is a relationship between Rack and the annual sales volume as the level of significance is less than 0.005, correlation between Rack and affect on annual sales volume is positive and weak as the value of correlation coefficient is 0.483.

There exists a relationship between Flag and the annual sales volume of retailer as the level of significance is less than 0.005. Flag and annual sales volume of retailer are positively and moderately correlated as the value of correlation coefficient is 0.652

There is a relationship between branded counter and annual sales volume of retailer as the level of significance is less than 0.005.Correlation coefficient for branded counter is 0.336 which means that there is weak and positive correlation between branded counter and annual sales volume of retailer

Correlation table shows that there exists a relationship and there is positive and weak correlation between poster and annual sales volume of retailer as the value of correlation coefficient is 0.355

According to this table there is no relationship between canopy/sun shad and annual sales volume of beverage retail as significance level is greater than 0.005.

Table shows that there is relationship between chiller clearly visible and annual sales volume of retailer as significance level is less than 0.005 and the correlation is very strong and positive as the value of coefficient of correlation is 0.934

There is relationship between shopper access to chiller and annual sales volume and there is positive and strong correlation between these two as the value of correlation coefficient is 0.865

Correlation table tells that there is a relationship between fascia placement and annual sales volume of retailer and they are moderately and positively correlated as the value of correlation coefficient is 0.532

Relationship also exist between paint and annual sales volume and both are moderately and positively correlated with each other as the value of correlation coefficient is 0.499

There is a relationship between special trade discounts and annual sales volume but they the relationship is weak but positive as the value of correlation coefficient is 0.273

According to the table there is a relationship between special trade agreements and annual sales volume and they are moderately and positively correlated with each other as the value of correlation coefficient is 0.463

Category/shelf display also has a positive and strong relationship with annual sales volume of retailer as the value of correlation coefficient is 0.810

Similarly the relationship between different independent variables can also be check from the table

Analyses and Discussions

After all the statistical findings now the analysis of findings and further discussion is easy, it is sure that soft drink companies are paying great attention toward trade marketing, it is found that retailer don't have enough know how of trade marketing and merchandizing, these activities are performed at the retailer's outlet thorough company's own field force who also guide the retailers that how to implements particular trade marketing activity at outlet and what is the benefit of this activity, and almost every company has their merchandisers in market to focus on merchandising activities, for example companies motivated the retailer that chiller should be clearly visible and it should be in shopper's access, mostly retailers do not understand the benefit but company's field force guide the retailer that how this action can increase his sale

Correlation table tells the story that these 3 variables are highly correlated with annual sales volume of retailer, no doubt that visibility always increases the sale and soft drinks are in the category of sparkling goods so visibility always increase the impulse buying, companies suggest that chiller should be at such a position in the outlet that shopper has easy access to it, most probably at the entrance of the outlet, side of counter. Rack, Flag, counter and posters are also important POP material in the eyes of soft drink companies, as they are available on most of the outlets according to the survey, but the relationship of poster, counter and rack is weak according to this survey and their effect on annual sales volume of retailer is low, and the flag has a moderate relationship with annual sales volume hence it is more important than rack, counter and poster. Function of POP Material and category/shelf display is inside the outlet that when a customer came in, these tools create the impulse and motivate the customer to buy and POP material is to push the products in the arms of the customer,

Signage is also an important tool of trade marketing and it is preferred by most of the retailers, as otherwise if company did not provide them signage then the retailers have to do the signage at their outlets on their own expense, however company's intension is to attract the soft drink consumers to a particular outlet by this kind of signage, in this study signage includes paint and fascia, according to survey both are important as these are available of most of the outlet and both are moderately correlated with dependent variable it's mean they affect the annual sales volume of retailer, it is very beneficial for attracting the customers who are outside the outlet or passing through the outlet, signage communicated the customers that this product is available at this outlet.

Correlation analysis shows that these discount do not have considerable effect on annual sales volume of retailer as the relationship between special trade discounts and the annual sales volume is weak on the other hand special trade agreements is moderately correlated hence having some effect on annual sales volume trade agreement may include target locking, shelf locking, incentives etc. special trade discounts did not increase

the sales of the retailer but increase the drop size as it motivates the retailer for stock piling to get benefit of discounts or trade offers, as trade discounts are basically for trader so it does not affect the consumer and hence does no increase the sales volume of the retailer but increase the stock position of particular retailers.

In this study POP material includes, rack, counter, flag, poster, canopy/sunshade, chiller clearly visible and shopper access to chiller to check the relationship of POP material as a whole with affect on annual sales volume of retailer we can take the average of coefficient of correlation of each participant of POP material

Correlation coefficient of POP material= (0.483+0.653+0.336+0.355+0.934+0.865)/6

Correlation coefficient of POP material =0.604

Its mean there is a positive relationship between POP material and annual sales volume of soft drink retailer and the strength of the relationship is moderate.

Signage includes fascia and paint; to check the relationship of signage and annual sales volume of soft drink retail we can take the average of correlation coefficient of both participants

Correlation coefficient of Signage = (0.532+0.499)/2=0.515

This means that there is a positive and moderate relationship between signage and annual sales volume of soft drink retailer.

Trade promotion includes special trade discounts and special trade agreement to check the relationship of this with dependent variable we can take the average of correlation coefficient of both.

Correlation coefficient of trade promotion= (0.273+0.463)/2 = 0.368

This means that there is a weak and positive relationship between trade promotion annual sales volumes of soft drink retailer.

Category/shelf display is strongly and positively correlated with annual sales volume of soft drink retailer.

Similarly we can check the relationship of trade marketing as a whole with annual sales volume of soft drink retail, as in this study participants of trade marketing are POP material, signage, trade promotions and category/shelf display so we can take the average of correlation coefficient of these participants of trade marketing

Correlation coefficient of trade marketing = (0.604+0.515+0.368+0.810)/4 = 0.574

This means that there exist a relationship between trade marketing and annual sales volume of soft drink retailer in Pakistan and the relationship is moderate and positive, which is the answer of our main research question.

Overall trade marketing is affecting the annual sales volume of the soft drink retailer as each variable of trade marketing has a positive relationship with the annual sales volume of retailer as according to the definition of trade marketing the purpose of trade marketing is to increase the demand of the retailer, wholesaler or distributor, and trade marketing increases the demand of retailer by increasing the sales volume of retailer and same case applies here in soft drink retail sector where trade marketing is positively affecting the demand and sales volume of retailer.

Answers of research Questions:
→ **Question 1**

Is there any relationship between Trade marketing and annual sales volume of soft drink retailers

Answer

There is a relationship between trade marketing and annual sales volume of soft drink retailers and the relationship is moderate and positive

Sub questions
→ **Question 1.1**

Is there any relationship between trade promotion and annual sales volume of soft drink retail, and if yes then what is the nature of relationship?

Answer

There is a weak and positive relationship between trade promotion and annual sales volume of soft drink retailer

→ **Question 1.2**

Is there any relationship between POP material and annual sales volume of soft drink retail, and if yes then what is the nature of relationship?

Answer

There is a relationship between POP material and annual sales volume of soft drink retail and this relationship is positive and moderate

→ **Question 1.3**

Is there any relationship between signage and annual sales volume of soft drink retail and if yes then what is the nature of relationship?

Answer

There is a relationship between signage and annual sales volume of soft drink retail and the nature of relationship is moderate and positive

→ **Question 1.4**

Is there any relationship between Category/shelf display and annual sales volume of soft drink retailer and if yes then what is the nature of relationship?

Answer

There is a relationship between category/shelf display and the annual sales volume of soft drink retailer and the relationship is positive and strong.

Areas for future research

There are opportunities of future research on this topic, in this study I have used ordinal variable, for future research, any other researcher can use likert scale for the same study. In this study the respondent for field survey are the retailers, for future research, officials of soft drink companies can be the respondent for the same study. In this study survey is conducted in some areas of Urban and rural areas of Gujranwala city, Gujrat , Lahore and surroundings, in future same study can be carried out in all Punjab or all Pakistan with greater number of respondents and in new study on this topic research can be conducted separately for urban and rural areas to generate different results for these different segments. Future study can also be conducted by selecting different class of retailer, i.e. this study is conducted on small General stores, future study can be conducted on shopping malls and wholesalers and bakeries. Furthermore this study can also be carried out, using secondary data if provided by soft drink companies,

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Correlations

			Rack	Flag	Counter	Poster	Canopy / Sun shade	Chiller clearly visible	Shopper access to chiller	Fascia (back lit /UN lit / tin)	Paint	Special trade discounts	Special trade agreement	Category / Shelf display	Affect on annual sales volume of retailer
Spearman's rho	Rack	Correlation Coefficient	1.000	.693**	.819**	.608**	.671**	.523**	.462**	.810**	.823**	.693**	.786**	.568**	.483**
		Sig. (2-tailed)	.	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
		N	300	300	300	300	300	300	300	300	300	300	300	300	300
	Flag	Correlation Coefficient	.693**	1.000	.634**	.731**	.406**	.652**	.592**	.744**	.700**	.516**	.609**	.793**	.652**
		Sig. (2-tailed)	.000	.	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
		N	300	300	300	300	300	300	300	300	300	300	300	300	300
	Counter	Correlation Coefficient	.819**	.634**	1.000	.625**	.801**	.387**	.336**	.785**	.805**	.718**	.719**	.469**	.336**
		Sig. (2-tailed)	.000	.000	.	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
		N	300	300	300	300	300	300	300	300	300	300	300	300	300
	Poster	Correlation Coefficient	.608**	.731**	.625**	1.000	.547**	.369**	.324**	.657**	.633**	.624**	.617**	.525**	.355**
		Sig. (2-tailed)	.000	.000	.000	.	.000	.000	.000	.000	.000	.000	.000	.000	.000
		N	300	300	300	300	300	300	300	300	300	300	300	300	300
	Canopy / Sun shade	Correlation Coefficient	.671**	.406**	.801**	.547**	1.000	.133*	.099	.634**	.694**	.731**	.589**	.180**	.058
		Sig. (2-tailed)	.000	.000	.000	.000	.	.021	.086	.000	.000	.000	.000	.002	.320
		N	300	300	300	300	300	300	300	300	300	300	300	300	300
	Chiller clearly visible	Correlation Coefficient	.523**	.652**	.387**	.369**	.133*	1.000	.927**	.552**	.537**	.282**	.456**	.781**	.934**
		Sig. (2-tailed)	.000	.000	.000	.000	.021	.	.000	.000	.000	.000	.000	.000	.000
		N	300	300	300	300	300	300	300	300	300	300	300	300	300
	Shopper access to chiller	Correlation Coefficient	.462**	.592**	.336**	.324**	.099	.927**	1.000	.493**	.582**	.237**	.398**	.718**	.865**
		Sig. (2-tailed)	.000	.000	.000	.000	.086	.000	.	.000	.000	.000	.000	.000	.000
		N	300	300	300	300	300	300	300	300	300	300	300	300	300
	Fascia (back lit /UN lit / tin)	Correlation Coefficient	.810**	.744**	.785**	.657**	.634**	.552**	.493**	1.000	.863**	.703**	.759**	.604**	.532**
		Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.	.000	.000	.000	.000	.000
		N	300	300	300	300	300	300	300	300	300	300	300	300	300
	Paint	Correlation Coefficient	.823**	.700**	.805**	.633**	.694**	.537**	.582**	.863**	1.000	.730**	.755**	.579**	.499**
		Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.	.000	.000	.000	.000
		N	300	300	300	300	300	300	300	300	300	300	300	300	300

Special trade discounts	Correlation Coefficient	.693**	.516**	.718**	.624**	.731**	.282**	.237**	.703**	.730**	1.000	.776**	.374**	.273**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	.	.000	.000	.000
	N	300	300	300	300	300	300	300	300	300	300	300	300	300
Special trade agreement	Correlation Coefficient	.786**	.609**	.719**	.617**	.589**	.456**	.398**	.759**	.755**	.776**	1.000	.482**	.463**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.	.000	.000
	N	300	300	300	300	300	300	300	300	300	300	300	300	300
Category / Shelf display	Correlation Coefficient	.568**	.793**	.469**	.525**	.180**	.781**	.718**	.604**	.579**	.374**	.482**	1.000	.810**
	Sig. (2-tailed)	.000	.000	.000	.000	.002	.000	.000	.000	.000	.000	.000	.	.000
	N	300	300	300	300	300	300	300	300	300	300	300	300	300
Affect on annual sales volume of retailer	Correlation Coefficient	.483**	.652**	.336**	.355**	.058	.934**	.865**	.532**	.499**	.273**	.463**	.810**	1.000
	Sig. (2-tailed)	.000	.000	.000	.000	.320	.000	.000	.000	.000	.000	.000	.000	.
	N	300	300	300	300	300	300	300	300	300	300	300	300	300
Table 16 **. Correlation is significant at the 0.01 level (2-tailed).														
*. Correlation is significant at the 0.05 level (2-tailed).														