

Sales Promotion and Its Impact On Consumer Behaviour

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Abstract

Modern marketing relies heavily on sales promotion, an industry technique that has been researched for years. Promoter's goal is to reach and convince the targeted customers. To market products and services, or a concept, sellers must coordinate all of their efforts. An important part of a promotional mix is sales promotion. Consumer purchasing behavior will be examined in this research. Overall, this research sought to determine the impact of sales promotion tools and methods on consumer purchasing behavior. Consumer purchases are increased as a result of sales promotion marketing efforts. It is thus important to contact the targeted customers and convince them to purchase. To reach more customers, the apparel retail company has effectively entered the consumers' market and quickly expanded from metros to tier-II cities. As a strategic move, contemporary clothing stores provide youthful customers a wide range of worldwide brands, styles, and fashions at a reasonable price. Retailers use a variety of promotional techniques to entice customers and make them aware of the idea of "best deal". These include price reductions, discounts and buy-one-get-one offers, and each has a varying degree of acceptability and efficacy among consumers. On the developing market, the purpose of this study is to evaluate the effect of various promotional methods.

Keywords: *Consumer, Sales, Promotion, Marketing, Internet..*

1. INTRODUCTION

Merchandise acceptance and sale are promoted via advertising, publicity, or discounting, according to Merriam-Webster (Merriam-Webster OnLine, internet, 2010). As of today, promotion includes "the coordination of all promotional efforts (media advertising, direct mail, personal selling, sales promotion, public relations, packaging, shop displays, website design, staff) to create a cohesive, customer-focused message" (Ferrell & Hartline, 2008, p. 282). This is mostly due to promotions being one of the most noticeable marketing activity. The importance of understanding which promotions consumers like, as well as their impact on customers and customer behavior, cannot be overstated.

We want to acquire a better knowledge of promotion techniques and evaluate them as they have been used in supermarkets. This study project also aims to determine whether there are any specific marketing techniques that have a significant impact on the buying behavior of Tesco Lotus consumers. Any company that wants to distinguish itself from its rivals should examine the numerous promotions it has used and the outcomes it has achieved (both successful and failed). What promotion techniques work and which don't, why they work and what impact they have on customers and consumer behavior may be the determining factor in whether or not a company can continue to exist.

In the marketing mix, sales promotion is an essential component. A few hours or a few days is all that is required for sales marketing efforts. A major benefit of this instrument is that it has a direct impact on consumers' willingness to try out new products. It is unable to maintain consumer loyalty over the long run. As a marketing strategy, both manufacturers and merchants use sales promotion to promote their products. In order to increase sales, merchants and wholesalers must engage in a variety of communication initiatives.

To encourage customer purchases or increase sales effectiveness, sales promotion is an activity that adds to the product's fundamental value proposition for a short period of time (Aderemi, 2003). It follows from this that sales promotion may be aimed either at the end customer or at sales intermediaries such as merchants or sales teams. Promoting sales in a highly competitive market is a successful strategy for merchants and customers alike. Sales promotions are more effective when they are applied to products whose characteristics can be evaluated at the time of purchase, rather than more complicated, costly ones that may need hands-on demos (Kotler and Keller, 2006). In sales promotion, additional value or incentives are provided to final consumers, wholesalers, retailers or other organizational customers via communication activities and other means. A sales product trial is also stimulated (Kotler and Keller, 2006). As opposed to this, consumer purchasing behaviour refers to the process by which a person searches for products or services to satisfy their requirements or desires, chooses those items for purchase, uses those items, then disposes of them. Customers' behavior directly impacts the firm's performance, therefore marketers must develop a marketing mix that pleases customers. The average customer goes through approximately five stages before making a purchasing decision, according to research. Purchase and post-purchase evaluation are among them. There are several decision-making stages, and not all of them result in a purchase. Also, not all consumer choices will contain all phases, since they will be based on the complexity and risk involved in the situation. Consumers exhibit four types of buying behaviours: routine responses, limited decisions, extensive decisions, and limited decisions with a high degree of economic, performance, and psychological risk.

2. LITERATURE REVIEW

Mohd Salman Shamsi (2015) Today's marketing focuses on both consumers and society. This fundamental job is carried out by marketing management in all businesses. Consumer awareness, attraction, and retention are all tasks that the marketing department must do in order to achieve its marketing goals. Customers are attracted and retained through sales promotion, which is a technique that marketers utilize frequently. You may use this to encourage customers to test or purchase the product you are promoting. Many hours, dollars and other resources are spent on this project. Analyzing the effect of various sales promotion methods on consumer behavioral characteristics is thus very essential. Structural Equation Modeling is used to evaluate this effect in the current research. Sales Promotion (SP) variables include discount and buy-one-get-one (BOGO), whereas Consumer Behavior variables include product trial (PT), brand loyalty (BL), and spending more (SM). Additionally, the distinction between the clothing and footwear segments has been examined. Delhi-NCR mall intercept technique was used to gather the data.

Dr. D.P. Misra (2017) A major objective of the research is to identify the key variables that influence customer purchasing decisions about color television. In Cuttack and Bhubaneswar, approximately 440 respondents were selected from various electronic product retail shops. Questions related to chosen factors influencing respondents' purchasing behavior are asked in the second section of the questionnaire. Analysis of the data obtained has been carried out using SPSS software. Consumer happiness is mostly unaffected by demographic variables, but is directly affected by the advantages customers get from sales promotions.

Anuraj Nakarmi (2016) Modern marketing relies heavily on sales promotion, an industry technique that has been researched for years. Promoter's goal is to reach and convince the targeted customers. To market products and services, or a concept, sellers must coordinate all of their efforts. An important part of a promotional mix is sales promotion. Consumer purchasing behavior will be examined in this research. Overall, this research sought to determine the impact of sales promotion tools and methods on consumer purchasing behavior. Consumer purchases are increased as a result of sales promotion marketing efforts. It is thus important to contact the targeted customers and convince them to purchase. With time, sales promotion has evolved into a crucial marketing strategy. Consumer behavior and purchasing habits are examined in this research. Management may better grasp the significance of sales promotion and altering customer behavior and purchasing patterns after reading this thesis. Consumer traits and their varied behavior may be better understood from the viewpoint of sales promotion aimed at various customers using this tool.

3. RESEARCH METHODOLOGY

Exploratory and descriptive research are combined in this study. Initially, the study was exploratory in character, as it included defining the issue, creating a research strategy, and investigating factors underlying variables being investigated. The connection between independent and dependent variables has been described and analyzed using the descriptive design. The mall intercept technique was used to gather the data in Delhi NCR. In order to gather data from customers, a self-administered, closed-ended questionnaire was used. Total of 396 questionnaires were filled out in their entirety. These software programs were used to analyze data.

Cronbach's alpha was used to assess reliability, followed by validity and model fit (using CFA). Structural Equation Modelling is utilized when reliability and model fit have been confirmed, and hypotheses verified.

4. DATA ANALYSIS

Respondents were asked to evaluate their familiarity with the following variables that may improve sales promotion tactics in the apparel industry in order to better understand the impact of sales promotion strategies on customer behavior. According to a Likert scale of 1 to 5, answers ranged from "Not at all" to "Small" to "Large" and "Very Large." As shown in Table 1, the mean and standard deviation were calculated using SPSS.

Table 1 Factors that enhance the effectiveness of the sales promotion strategies

	Mean	Std Dev
Appearance of sales personnel	4.131	0.9921
Display of Products	4.289	1.0241
Free gifts attached to the product	3.651	0.8426
Free Samples	4.025	0.4431
Price Reduction	4.824	0.6368
Vouchers	4.622	0.5836
Raffles	4.435	0.4958

Price decrease (4.824), vouchers (4.622), raffles (4.435), presentation of goods (4.289), presence of sales staff (4.131), free samples (4.025), and free presents connected to the product were all mentioned by the majority of respondents (3.651). Prices reductions, the use of vouchers and raffles, appropriate product presentation, the look of the sales staff as well as the usage of free gifts and samples are among the variables that have been found to improve sales promotion tactics in the alcohol spirits industry. A firm's sales promotion tactics might be improved by taking these variables into account and applying them, which would have a beneficial impact on customer behavior.

Table 2: Demographic Profile of Sample Respondents

Parameters	Description	Frequency	Percentage
Gender	Male	378	85.9
	Female	62	14.1
Age	Below 30 years	194	44.1
	30-45 years	180	40.9
	45-60 years	34	7.7
	Above 60 years	32	7.3
Education	Up to HSC	84	19.1
	Graduate	268	60.9
	Post graduate	38	8.6
	Professional & others	50	11.4
Occupation	Government	136	30.9
	Service	88	20.0
	Private Service	92	21.0
	Business	42	9.5
	Professional Others	82	18.6
Annual Income	Less than 2 lakh	210	47.7
	Rs 2-6 lakh	182	41.3
	Rs 6-10 lakh	46	10.5
	Above 10 lakh	1	0.5
Family Type	Nuclear	274	62.3
	Joint	166	37.7

Source: Field survey.

The demographic profile of the sample respondents is shown in Table 2. 85,9 percent of responders are male, while 14.1 percent are female. Maximum of 44.1 percent of the responders are under the age of 30. The majority of respondents are educated, based on the data collected about their educational background. However, 69.5 percent of them are either graduates or postgraduates, making them the majority. The sample data is classified by profession and shows that 30.9 percent of the respondents are government workers. Businessmen come in second with 21% of the vote. More over half (47.7%) of the sample respondents had an annual income of less than \$2,000. 41,3 percent of respondents with yearly incomes between \$25,000 and \$65,000 follow closely after. Finally, the distribution of respondents by family type indicates that the majority (62.3 percent) are from nuclear families, while the remaining 37.7% are from joint families.

According to the survey, 36.5 percent of respondents strongly agree with the statement and 32.9 percent agree. As for the second point, "A price reduction has encouraged me to choose a different brand than what I normally purchase," 27.9 percent and 29.1 percent, respectively, strongly agree and agree. The statement is seen as neutral by 22.1 percent of those polled, however. 33,7 percent strongly agree and 24.4 percent agree with the third statement. If you are considering buying a brand that provides a discount, you have made the right choice. 26.7 percent of respondents strongly agree, while 32.6 percent of respondents agree.

Table 3: Mean Score and Standard Deviation for Sales Promotion

Factor Label	Statements	Mean	SD
Cash Discounts	This store offers immediate cash discounts	2.91	1.26
Loyalty Discount	The store offers loyalty points for redemption/ repurchase.	3.57	1.21
Quantity Discount or Promotional Packs	Offers like packages with extra content influence me to choose a specific brand.	3.12	1.29
	Promotional pack of this store like buy -two- get - one can save me a lot of money.	2.92	1.21
Coupons	This store offers shopping coupons for redemption/ repurchase.	2.98	1.24
Displays	In - store displays of the store help me to buy what I really needed.	2.96	1.23
	The store changes the offer regularly and keeps it interesting.	3.61	1.05
	Aggregate Mean value and Standard Deviation	3.16	0.69

Data on sales promotion is presented in Table 4 as descriptive statistics. 'This store offers immediate cash discounts', 'The store offers loyalty points for redemption/repurchase', 'Offers like packages with extra content influence me to choose a specific brand', 'Promotional packs of this store like buy two-get-one can save me a lot of money', and 'I am satisfied with all of the items in the factor sales promotion (Mean>3.0). "The shop changes its offer frequently and keeps it interesting," had the highest mean value of 3.61, followed by "The store provides loyalty points for redemption or repurchase," and "This store offers instant cash savings," which had the lowest average mean value. As a result, customers are happier with the sales marketing tool as a whole. Modern retail shops with loyalty discounts and display cases. Sales promotions do not substantially affect consumer views, as shown by the fact that the aggregate standard deviation is less than 1.

Table 4: frequency distribution of statements related with price discount

Statement	5 (%)	4 (%)	3 (%)	2 (%)	1 (%)
If a brand offers price discount that could be a reason for buy it	36.5	32.9	18.8	10.6	1.2
A price discount has influenced me to buy another brand other than my regularly buy	27.9	29.1	22.1	12.8	8.1
A price discount has influenced me to buy more quantities of the same product	33.7	24.4	17.4	17.4	7
When I buy a brand that offers price discount, I consider it as a good buy	26.7	32.6	23.3	16.3	1.2

Responses gathered for coupon show that 26.7 percent of respondents agree, 23.3 percent are indifferent, and 23.3 percent disagree with the first statement in table 5. As for the second assertion, 27% are indifferent, 19% disagree, 19% strongly disagree and 21% agree. The third statement has a disagreement rate of 33.7%, while the fourth statement has a neutral and disagreement rate of 26.7 percent.

Table 5: frequency distribution of statements related with coupon

Statement	5 (%)	4 (%)	3 (%)	2 (%)	1 (%)
If a brand offers coupon that could be a reason for buy it	10.5	26.7	23.3	23.3	16.3
A coupon has influenced me to buy another brand other than my regularly buy	11.6	20.9	27.9	19.8	19.8
A coupon has influenced me to buy more quantities of the same product	10.5	20.9	22.1	33.7	12.8
When I buy a brand that offers coupon, I consider it as a good buy	10.5	22.1	26.7	26.7	14

Hypothesis One: There is no significant effect of rebates on consumer buying behavior

Table 6. Model Summary for effect of rebates on consumer buying behaviour

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.644 ^a	.518	.614	3.16529

Regression analysis was used in this research to determine how the independent variable related to the dependent one. Rebates as a kind of sales promotion are responsible for 51.8% of customer purchasing behavior variance, as seen in Table 6.

Table 7. ANOVAa for effect of rebates on consumer buying behaviour

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	9.632	1	9.632	28.765	.000 ^b
1 Residual	71.660	214	.335		
Total	81.292	215			

Results of the linear regression analysis as determined by ANOVA are shown in Table 7. The significance threshold is 0.005 ($p = 0.000$), according to the results. A regression model's significance in explaining changes to a study dependent variable is inferred by this result.

Table 8: Association between Sales Promotion and Consumer Buying Behaviour

	Coefficients		Adjusted R-square	t-value	p-value
	Beta	SE			
(Constant)	0.703	0.203	0.61	3.459	0.001
Cash Discount	0.012	0.039		0.295	0.040
Loyalty Discount	0.160	0.041		3.949	0.000**
Quantity Discount	0.305	0.045		6.770	0.000**
Coupons	0.144	0.030		4.761	0.000**
Displays	0.437	0.044		9.984	0.000**

As shown in Table 8, customer purchasing behavior is a dependent variable, whereas contemporary retail outlets' sales promotion techniques are independent factors. Independent factors and dependent variables have a strong relationship, as shown by the regression coefficients. There is a stronger correlation if the readings are higher. Our conclusion is that Displays ($=0.437$, $t = 9.984$, $p0.01$), Quantity Discount ($=0.305$), and Loyalty Discount ($=0.160$), all have a greater effect on customer purchasing behavior than do the other two variables. It shows the percentage of total variation in the dependent variable that can be explained by the variance in the independent variables. The corrected R squared value is 0.61, as seen in the table. The five sales promotion techniques are responsible for approximately 61 percent of the variance in the dependent variable, according to this analysis. The general purchasing behavior of customers in contemporary retail establishments is positively affected by all of these technologies. A favorable effect on overall purchasing behavior may be enhanced by increasing one of these tools while keeping others constant. Statistical significance is observed for the beta coefficient and t values at levels of significance of 1 percent and 5 percent, respectively. There is a positive connection between sales marketing of contemporary retail shops and customer purchasing behavior, thereby rejecting the null hypothesis.

5. CONCLUSION

Many businesses and sectors conduct sales promotions in today's competitive market, and customers are well aware of the different sales promotion methods employed. Customer offerings are more important to responders than service quality and product availability. The research reveals that 91 percent of female respondents and just 69 percent of male respondents like shopping. More than an hour of shopping was spent by consumers aged 26 to 45. Analysis of the data indicates that 6 to 12 percent of males felt embarrassment while buying goods on sale

or with money-off offers, whereas 0 percent of females strongly disagreed. These items are popular with female consumers since they are comfy and cost-effective. A second finding of the study is that consumers have qualms about the quality of products already on the market. Buying habit is influenced greatly by sales advertising. Discounts, coupons, and buy one get one free were shown to have a favorable connection with each other in the research. In addition, customers rated Khaddi as the strongest promotional brand. Spam marketing is the only technique that produces revenues for a business in a short period of time, according to study conducted by. As a result of the study approach, we have a greater understanding of how consumers react in various circumstances. Due to the shortage of time and the pandemic assault, it is suggested that the research include additional input. In order to properly understand the phenomena, future research must include a larger sample size. More factors should also be added in order to properly analyze customer behavior. Other parts of the nation should be included in the research in order to get a better understanding of the external environment. To fully grasp the significance of sales marketing, further study is required. Marketing firms should pay close attention to sales promotion tools like as rebates, free trials, and free gifts, according to this research. Results from this study corroborate those of earlier studies. As a result, good sales promotion is a powerful instrument for changing customer behavior. To better impact customer purchasing behavior, businesses may cultivate sales promotion's main drivers. It is for these reasons that we have broadened our search for organizational performance-enhancing measures, such as refunds, free trials and gift cards. Finally, consumers' attitudes about various promotional techniques and their impact on purchasing behavior are positive and encouraging. In contrast to other integrated marketing strategies such as advertising, this research shows that sales promotion is a successful tool for marketers and cost-efficient. It demonstrates that the sales promotion tools are an extra marketing approach to the current company. As a result of this research, it is suggested that sales promotion be used to boost sales in a cost-effective way and to outperform rivals.

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