

# The Influence of Promotional Tools on Consumer Buying Behavior: A Study Adapted from Pakistan to Philippine Context

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## ABSTRACT

*The purpose of this research was to know if there is significant relationship between promotion tools (buy one get one free, coupons and physical surroundings) and consumer behavior. A total of 337 students of Polytechnic University of the Philippines under the college of Business Administration participated in this study. This sample was taken by the use of probability sampling specifically, simple random sampling. Data are analyzed through the use of regression as statistical treatment. Results implied that buy one get one free and physical surrounding have significant relationship with consumer buying behavior. However, coupons seemed to have no significant relationship with consumer behavior. With the help of this result, retailers or businesses near the school can formulate an effective business plan and strategy when it comes to choosing the most appealing tool of promotion. Knowledge of this result will help them allot their money in a promotion tool that consumers are attracted to. By that they will be able to maximize their profit. Further studies that are qualitative in nature and scope that is not limited to students are recommended to have deeper understanding between consumer behavior and promotional tools.*

## INTRODUCTION

Promotion is important in increasing brand awareness and ensuring profitability for businesses (Mishra, 2015). However, with the increasing competition in the market, retailers or businesses must be aware which promotion tool has great impact on consumer's behavior. This lead the researchers to investigate if consumer buying behavior has relationship to promotional tools which are buy one get one free, coupons and physical surrounding of a retail store and know which promotion tool is effective. This study is adapted from Pakistan to Philippine context so it is also interesting to know if the result of this study of which promotional tool is influencing consumer behavior is different or the same to Pakistan context.

To understand and know which promotional tool is effective in affecting consumer behavior, there are researchers who also explored about it. In a quantitative study conducted by Mughal et al. (2014) regarding impact of promotion tools to consumer behavior in Pakistan, it had been found that coupons have no significant relationship with consumer behavior ( $\beta = -0.063$ ,  $p = .450$ ). Yet, physical surroundings ( $\beta = 0.161$ ,  $p = 0.035$ ) and buy one get one free ( $\beta = .414$ ,  $p = .000$ ) have significant relationship with consumer behavior. Buy one get one is really appealing to consumer because they like products included at no extra cost. Also, in the paper of Chandra et al. (2018) entitled Impact of sales promotional tools on the consumers buying behaviour: Study related with apparel retailing business, results also showed that coupon has no significant effect on the buying decision because consumer don't feel the need to switch brand after having coupons but then in students group, coupon could be a motivating factor for student's purchase. Shamout (2016) in his study The Impact of Promotional Tools on Consumer Buying Behavior in Retail Market also concluded that there is no significant relationship between coupons and consumer buying behavior while buy one get one free have a significant relationship with consumer behavior. On the other hand,

physical surrounding such as store ambiance according to the study of Parveen & Sharma (2017) draw attention of buyers and later on results to increase in sales due to unintended buying.

Existing research has no specific group of people and was conducted in different country. Study of promotion tools in the Philippines having students at Polytechnic University of the Philippines as scope is also non-existent.

Thus, the researchers grab this opportunity to create and conduct a study regarding promotion tools and the influence of it on consumer behavior. This can be a bridge to let business near the school to know which promotion tool is effective for their advantage.

Researchers will adapt a study from Pakistan and put it into Philippine context. This study aims to know which promotion tool has significant relationship to the respondents. Respondents of the study which researchers will conduct have limited scope which are students of Polytechnic University of the Philippines under the College of Business Administration. Only three promotion tools (buy one get one free, coupons and physical surrounding) are included in this study. These three promotion tools will be used to know if each has significant influence on consumer buying behavior. Validated questionnaire from the previous study will be used and data will be analyzed through regression analysis.

### **Hypothesis**

Hypothesis 1: There is a significant relationship between Buy-One-Get-One-Free and consumer buying behavior.

Hypothesis 2: There is a significant relationship between coupons and consumer buying behavior.

Hypothesis 3: There is a significant relationship between Physical Surroundings and consumer buying behavior

## **METHODS AND MATERIALS**

### **Research Methodology**

The researchers utilized descriptive method using quantitative approach. According to the article "WHAT IS DESCRIPTIVE RESEARCH"(2018), descriptive research seeks to describe the characteristics or behavior of an audience. It can be explained by particular circumstance, telling some sort of things or validate some sort of hypothesis or objective when it comes to a specific group of people. Descriptive research explains the present situation instead of interpreting and making judgments. The main purpose of descriptive research is establishing the accurateness of developed hypothesis that reflect the present position. This section will justify the means how the study was conducted and present the parts such as Sample Data and Analysis, Questionnaire and Scales and Procedure done throughout the data collection and analysis.

### **Sample Data and Analysis**

About 337 respondents were inquired to take part in self-administrative study in order to accumulate information for understanding the condition around the customer buying behavior. The individuals for this research were students under the College of Business Administration in Polytechnic University of the Philippines. Probability Sampling Method was used in finding the specific number of respondents for this study. Probability Sampling is a sampling technique in which sample from a larger population are chosen using a method based on the theory of probability. In order for a participant to be involved as a probability sample, he/she must be selected using a random selection. (Bhat, 2019). Under probability sampling, simple random sampling technique was used. In this sampling, each individual under the College of Business Administration had an equal opportunity to be a sample in this study.

### **Questionnaire and Scales**

The questionnaire used in this research was adapted from the study of Aurangzeb Mughal, Asif Mehmood, AmmarMohi-ud-dee and Bilal Ahmad in their journal "The Impact of Promotional Tools on Consumer Buying Behavior: A Study from Pakistan". The survey contains two primary portions. The first portion contains the foundation of a individual who answers the survey or their demographic profiles. In this portion every person who answer the survey were told to supply the information about their age, gender, education, monthly income, and his

or her status. The second portion contains the questions that measures the impact of promotional tools and also purchasing behavior of students who answer the survey. This portion of survey questionnaire, have thirty three items. To measure each variable, five items were used for the category of Buy-one-get-one-free, coupons and physical surroundings. On the other hand, eight items were used to calculate the buying behavior. Likert scales five point was used in this study, 5 for (strongly agree), and 1 for (strongly disagree). To analyze the data the Statistical Package for Social Science (SPSS) version 18.0 was used.

### Procedure

The researchers emailed the authors of the journal *The Impact of Promotional Tools on Consumer Buying Behavior: A Study from Pakistan* to ask for permission in adapting their research to Philippine context with different respondents. An author agreed and gave the validated survey questionnaire utilized in their study. The survey questionnaire was conveyed between 337 respondents at Polytechnic University of the Philippines. The respondents are students under the College of Business Administration. The researchers ask for participation of the respondents to conduct a survey. Furthermore, the purpose of the research and questions were comprehensively clarified to the respondents prior than giving the survey so that they can answer the survey with no inconvenience. In addition, a total of 337 responses were collected. Finally, after collecting the complete surveys, these surveys were coded and then entered into SPSS version 18.0 for regression analysis. The regression analysis was used as a statistical treatment.

### RESULTS AND DISCUSSION

A total of 337 students participated in this study. The demographic profile of students such as age, gender, family income, education level and course was presented in Table 1 below.

According to the result of demographic profile of the respondents according to their age, most number of the respondents were 18 and 19 years old. There are least respondents with age of 22 and 24. When it comes to their gender, female gender garnered the highest frequency which is 233 equivalent to a percentage of 67. Male gender received a frequency of 104 and corresponding percentage of 33. Therefore, female gender appeared to be more dominant than male gender. The respondents were from Polytechnic University of the Philippines under the College of Business Administration which were Marketing Management, Human Resource Development Management, Bachelor of Science in Office Administration, and Bachelor of Science in Entrepreneurship. Most number of students were from Human Resource Management and Marketing Management. They both got a 30 as their percentage. Only 17 percent were from Entrepreneurship which least number of respondents come from. Most of the respondents have Roman Catholic as their religion it got a frequency of 279. The lowest frequency which is 1 is garnered by JIL Worldwide, Pentecostal, MCGI-ADD, Evangelical Christian and Atheist. According to the monthly family income of the respondents, family income of below 15000 and 15000-25000 have the most number. Least number of respondents have a family income of 45,000-55,000 and 55,000 and above.

**Table 1: Demographic profile of the respondents**

		Age			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	17	7	2.1	2.1	2.1
	18	98	29.1	29.1	31.2
	19	174	51.6	51.6	82.8
	20	47	13.9	13.9	96.7
	21	8	2.4	2.4	99.1
	22	1	.3	.3	99.4
	24	2	.6	.6	100.0
	Total	337	100.0	100.0	
		Gender			

Valid	1	104	30.9	30.9	30.9
	2	233	69.1	69.1	100.0
	Total	337	100.0	100.0	
<b>Course</b>					
Valid	1	103	30.6	30.6	30.6
	2	78	23.1	23.1	53.7
	3	56	16.6	16.6	70.3
	4	100	29.7	29.7	100.0
	Total	337	100.0	100.0	
<b>Religion</b>					
Valid	1	279	82.8	82.8	82.8
	2	41	12.2	12.2	95.0
	3	7	2.1	2.1	97.0
	4	2	.6	.6	97.6
	5	2	.6	.6	98.2
	6	1	.3	.3	98.5
	7	1	.3	.3	98.8
	8	1	.3	.3	99.1
	9	1	.3	.3	99.4
	10	2	.6	.6	100.0
	Total	337	100.0	100.0	
<b>Family income</b>					
Valid	1	106	31.5	31.5	31.5
	2	110	32.6	32.6	64.1
	3	45	13.4	13.4	77.4
	4	38	11.3	11.3	88.7
	5	11	3.3	3.3	92.0
	6	27	8.0	8.0	100.0
	Total	337	100.0	100.0	

### Hypothesis Testing

To find if there are significant relationships among the variables, Regression analysis was applied through the use of SPSS version 18.0. The result of the regression analysis was presented in Table 2 (Please refer to Appendix). The result presented relationship between buying behavior and promotional tools such as buy-one-get-one-free, coupons, and physical surroundings.

### Attitude towards Buy-One-Get-One-Free and Buying Behavior

The result showed that the variable buy-one-get-one-free have positive relationship with buying behavior ( $\beta = .369$ ,  $p = .000$ ). This stated that buy-one-get-one-free has impact on the consumer buying behavior. In line with this the mean of each item states that most of the respondents agree that they are getting a good buy when buying buy one get free and it could be a reason for them to buy it. This supports the claim of Mughal et al. (2014) & Shamout (2016) that buy one get one free are really appealing to consumers and had effect on buying behavior.

### Attitude towards Coupons and Buying Behavior

Regression result showed that attitude towards coupons has no significant relationship with buying behavior ( $\beta = -0.051$ ,  $p = .383$ ). This just mean that consumer thinks that they're not getting a good buy and coupons are not reason for them to switch brand. This contradicts study made by Chandra et al. (2018) stating that coupons are motivating factor to a student's purchase.

### Physical Surroundings and Buying Behavior

According to the result, physical surroundings also has significant impact on the buying behavior of the respondents ( $\beta = 0.188$ ,  $p = 0.00$ ). So this implied that the environment of a store contributes to the intention of a buyer to purchase. Also, the Physical Surrounding has a great impact in the intention of the consumer to buy, the interior designs, the odor, music, the size of the shop, and the environment of the shopping mall greatly affect the consumer buying behavior. Moreover, this is supported by Parveen & Sharma (2017) statement that consumers are attracted to physical surrounding of a store leading to purchase.

**Table 2: Regression results**

#### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.857	.189		9.813	.000
	Buy1Take1	.358	.056	.369	6.395	.000
	Coupons	.045	.052	.051	.873	.383
	Physical Surroundings	.178	.050	.188	3.565	.000

a. Dependent Variable: Buying Behavior

To associate it with the previous study, the results in the relationship between Buy-One-Get-One-Free and Physical Surrounding and coupons and consumer behavior is the same to the previous study adapted by this research conducted in Pakistan. The previous study shows that there is also no significant relationship with the coupons towards the consumer buying behavior. With two different scopes, it is good to know that coupons, even in other country are not that easily pulling consumers to buy.

### CONCLUSION

From the discussion above, the researchers conclude that the hypothesis that buy-one-get-one-free and physical surroundings of a store have significant impact on the purchasing behavior of students at Polytechnic University of the Philippines under the College of Business Administration is accepted. They are effective tools in attracting consumers. However, the hypothesis that coupons have significant relationship with consumer buying behavior is rejected. This means that coupons are not that effective when it comes to promoting a product. In line with this, the result of this study will be beneficial to those stores near or inside the school. This will offer new knowledge when it comes to choosing promotion tools that will increase their sales.

### RECOMMENDATION

The researchers recommend that businessman or retailers must use this research as a basis for choosing which promotion tools are effective for them to have an increase in profit. Coupon have the least impact that's why minimizing the use of it will be beneficial for businesses. In addition, it is recommended that further studies should me conducted that is qualitative in nature and has scope that is not limited to students to have deeper understanding of the research.

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**APPENDIX**

We are conducting a survey and we'd really like to find out how you feel about the research” **The Impact of Promotional Tools on Consumer Buying Behavior**”. The data we collect will be used only for this research and we will keep your personal information confidential.

**Questionnaire Section-I**

**Name (optional):** \_\_\_\_\_ **Age:** \_\_\_\_\_ **Gender:** \_\_\_Male \_\_\_Female

**Year, Section & Course:** \_\_\_\_\_ **Religion:** \_\_\_\_\_

**Family Income (Rs/Month)**  Below 15000  15000-25000  25000-35000  
 35000-45000  45000-5500  Above 50000

**Section II**

Please read the following statements and mark accordingly:

**Buy-one-get-one-free(B1G1F)** 1-Strongly Agree, 2-Agree, 3-Neutral, 4-Disagree, 5- Strongly Disagree

1. If a brand offers me to buy one get one free that could be a reason for me to buy it.	1	2	3	4	5
2. When I buy a brand that offers Buy one Get one free ,I feel I am Getting	1	2	3	4	5

a good buy					
3. A buy one get one free has allowed me to buy another brand which I don't buy regularly	1	2	3	4	5
4. I have favorite brands, but most of the time I buy a Brand that offer Buy one Get one Free	1	2	3	4	5
5. A Buy one Get one Free has allowed me to buy the product earlier than planned.	1	2	3	4	5

**Coupons** 1-Strongly Agree, 2-Agree, 3-Neutral, 4-Disagree, 5- Strongly Disagree

1. If a brand offers coupons that could be a reason for me to Buy it	1	2	3	4	5
2. When I buy a brand that offers coupons, I feel I am getting a good buy.	1	2	3	4	5
3. A coupon has allowed me to buy another brand which I do not regularly buy.	1	2	3	4	5
4. I have favorite brands, but most of the time I buy a brand that offers coupon.	1	2	3	4	5
5. A coupon has allowed me to buy the product earlier than planned.	1	2	3	4	5

**Physical Surroundings** 1-Strongly Agree, 2-Agree, 3-Neutral, 4-Disagree, 5- Strongly Disagree

1. I will only like to purchase the product when the interior designing of the shopping mall will be impressive	1	2	3	4	5
2. I will only like to purchase the product when the shopping mall is nicely odor.	1	2	3	4	5
3. I will only like to purchase the product in the large retail shopping malls.	1	2	3	4	5
4. I will only like to purchase the product when I entertained from nice music in the shopping mall.	1	2	3	4	5
5. I will only like to purchase the product when the environment of the shopping mall will be bright.	1	2	3	4	5

**Buying behavior** 1-Strongly Agree, 2-Agree, 3-Neutral, 4-Disagree, 5- Strongly Disagree

1. Once I find a product I like, I buy it regularly.	1	2	3	4	5
2. In general, I try to get the best Overall quality.	1	2	3	4	5
3. I usually buy well-known brands.	1	2	3	4	5
4. I look very carefully to find the best Value for money.	1	2	3	4	5
5. I buy as much as possible at sale Prices.	1	2	3	4	5
6. I usually buy the lower price products.	1	2	3	4	5
7. I should spend more time deciding On the products and brands I buy.	1	2	3	4	5
8. I carefully watch how much I spend.	1	2	3	4	5