Effect Of Retail Sales Promotion On Buying Behaviour Of Customers: An Empirical Study

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INTRODUCTION

In today's scenario, the organized retail sector is the most important addition in the Indian economy. The Indian retail sector continues to be one of the largest sectors, attracting fresh investments from the private sector. Currently, the Indian retail distribution is completely fragmented with about 12 million players. The majority of these are very small players operating from small shops (below 50 square feet in size) and handcarts. These retail outlets are spread across the country in over 5,000 cities and 6,00,000 villages. India presents a huge opportunity to the world at large, to use as a business hub. A *"Vibrant Economy"*, India tops in the list of emerging markets for global retailers. The second fastest growing economy in the world, the third largest economy in terms of GDP and the fourth largest economy in purchasing power parity(PPP) after USA, China and Japan; India is also rated among the top 10 FDI destinations. At present, the organized sector accounts for only 2 to 4 percent of the total market, although the Economist Intelligence Unit forecasts that on current trends, it will rise upto 20 to 25 percent of the total by 2010(Ramanathan V. and Hari K., 2008). So, there is a tremendous growth scope in the organized retail sector. More and more players are coming in the market with new attractive retail formats like malls, supermarkets, departmental stores. India Retail Report (2007) reviewed that food and grocery comprises of 62 per cent of the ($ 270 billion (₹ 1200000 crore) Indian retail market. Only 0.8 per cent of this segment is in the organized sector, and it witnessed a year-on-year growth of 30.8 per cent in 2005-2006 as against 2.2 per cent growth of the total food and grocery retail market (Refer to Exhibit 1 for the major players in India and their projected sales) (India Retail Report, 2007) . This indicates a scope of growth in the organized retail sector, though 95% of the total sales are held through traditional retail stores in the country currently. So, the question is that whether the organized retail sector will be able to attract customers through different marketing activities, like sales promotion or not. The first part of the paper deals with a historical analysis of the Indian retailing structure followed by the review of literature and finally, the last part deals with the result of empirical studies in an Indian metro.

RETAIL DEVELOPMENT: INDIAN CONTEXT

Goldman Sachs (2005) has estimated that the Indian Economic growth could actually exceed that of China by 2015. We all know that India has been a nation of *dukandars* (shop keepers), having approximately 12 million retailers. The retailing is in our blood, either as shopkeepers or as a shopper. The Indian retail market is estimated to grow from the current US $ 330 billion to US $ 427 billion by 2010 and U.S $ 637 by 2015. Retail contributes to 10% of our GDP and is the largest source of employment after agriculture. Table 1 shows the share of retail in Indian employment, which is

Table 1: Share Of Retailing In Total Employment

Country	Share of Retail in Total Employment
India	6-7%
China	6%
Poland	12%
Brazil	15%
USA	11.7%
Korea	18%
UK	11%
Malaysia	7%

Source: FDI in Retail Sector in India, Arpita Mukherjee, Nitisha Patel, ICRIER Publication pg.31.

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one of the lowest of all the countries mentioned. The ratio of organized / unorganized retail was 3:97 in the year 2004 which is expected to be 9:91 by 2010, from the Table 2 below:

Table 2: Share Of Organized And Un-organized Retail In India

Year	Organized	Unorganized
2004	3%	97%
2010	9%	91%
	100	100

Source: Indian Retail Report, 2005

There is increased sophistication in the shopping pattern of customers, which has resulted in the emergence of big retail chains in most metros; mini metros and towns being the next target. Customer taste and preferences are changing, leading to radical transformation in lifestyle and spending patterns, which in turn is giving rise to new and developed business scopes. Development of mega malls in India is adding new dimensions to the booming retail sector. There is a significant development in retail landscape not only in the metros, but also in the smaller cities. Retailers inspired by the wall-mart story of growth in America, are tempted to focus on smaller towns and villages in India. However, an analysis of the town - wise population, population growth, and migration trends of customer spending analysis reveals a very difficult picture of India. Data of Table 3 by NCAER estimates the share of the 35 towns with a present population greater than 1 million in India's total population would grow much faster than their counterparts, from 10.2% today to reach 14.4% by 2025.

Table 3: Urban-Rural Usage Pattern In Middle Income Group (Per '000 Households)

Consumer Durables	Urban		Rural	
	2001-02	**2009-10**	**2001-02**	**2009-10**
Motorcycle	134.3	320.7	109.0	250.9
Television	942.8	1258.9	616.3	561.3
Car	31.4	52.2	1.6	3.5
Consumer Expendables				
Edible oil	1000.0	1000.0	1000.0	1000.0
Shampoos	827.8	1000.0	354.5	458.4
Washing powder	904.7	1000.0	775.4	946.9

Source: The Grate Indian Market, Results from the NCAER's Market Information Survey of Households, August 9, 2005.

This urbanization will help to develop organized retail sector in India.

OBJECTIVES OF THE STUDY

The study tries to find out the following objectives:

❋ Impact of demographic parameters on sales promotion;

❋ Overall impact of sales promotion on buyers buying behavior.

REVIEW OF LITERATURE

❋**International Context:** An existing research stream considers how the costs and benefits of promotional activities are directed at customers, but empirical results are mixed **(Blattberg, Robert C., Richard A. Briesch and Edward C. Fox 1995)**. **Kopalle, Praveen K., Carl F. Mela and Lawrence Marsh (1999)** find that price promotions enhance consumer price sensitivity, but note that, under some conditions, such promotions can be profitable to both retailers and manufacturers. An extensive body of academic research has established that temporary price reductions substantially increase short-term brand sales **(Blattberg, Robert, Richard Briesch, and Ed Fox (1995))**, which may explain their intensity of use by manufacturers and retailers alike. However, short-term effects of price promotions tend to be much weaker. From the strategic point of view, these findings imply that promotions generally do not generate long-term benefits to the promoting brand, it may generate the sales and margin on a short term basis. Promotional actions should be accountable for the net positive results during the dust-settling period. This accountability has two components. **First,** a promotion must not initiate a permanent price or margin drop. After the promotion period, prices must return to their normal levels, lest they cause permanent erosion of profit margins without offsetting volume increases. Second, a promotion must generate a net surplus (incremental revenue and profit over baseline) for the promoter over the dust-settling period. There is only limited empirical evidence on the overall profitability of a given price promotion and its division across manufacturers and retailers. Some argue that, while manufacturer profits from promotions have increased at a steady rate, retailers have been earning lower profits **(Ailawadi, Kusum L, Paul Farris, Ed Shames. 1999)**. Likewise, competition among stores may prevent retailers from translating trade allowances into profits **(Kim and Staelin 1999)**. By the same token, **Srinivasan and Bass (2001)** find that the intensity of price competition at the retail level exceeds what is optimal for the market, but this is not so for manufacturers. In contrast, some believe that power in the channel has shifted toward retailers, so their share of promotion profits should be on the rise **(Kadiyali, Vrinda, pradeep Chintagunta and Naufel Vilcassim 2000; Ailawadi, Kusum 2001)** for an extensive review on this issue. **Nijs (2001)** argue that many leading manufacturers would like to reduce their excessive reliance on price promotions but are reluctant to do so, lest they lose the support of retailers who still appreciate the market expansive power of price promotions. Interestingly, other sources **(Urbany, Joel E., Peter Dickson)**, and Recent research consistently finds that short-term promotion effects die out in subsequent weeks or months -- a period referred to as dust settling -- leaving very few, if any, permanent gains to the promoting brand. This pattern has been shown to hold for the market shares of promoting brands **(Srinivasan, Shuba and Frank M. Bass 2000)**, for category demand **(Nijs 2001)**, as well as for consumers' purchase incidence, purchase quantity and brand choice **(Pauwels, Koen, Dominique Hanssens, and S. Siddarth 2001)**. **Kincade, Doris H.; Woodard, Ginger A.; Park, Haesun (2002)** studied Buyer-seller relationships for promotional support in the apparel sector, which was critical for success. The purpose of the study was to describe the promotional activities offered to apparel retailers by manufacturers. The study was trying to find out the retailer's perceptions of the offering frequency and importance of the promotional support, and to investigate the relationship between offering frequency and perceptions of importance. It was found that monetary support was regarded as the most important promotional support. In a study by **Broadbridge and Calderwood, 2002**, emphasize was given to the fact that in an age of increasing competition from large-scale organized grocery retailers, local shops need to have the commitment and willingness to cater for the local community for survival, which means focusing attention more closely on local residents' wants and needs. In a study in 2003, **Knox and Walker** found the existence of weak but significant relationships between the involvement and brand loyalty in grocery markets. Another study done by **Moschis, Curasi and Bellenger (2004)** was that older consumers are very price-conscious, (with an often exacting memory for the prices of frequently purchased items, necessitating food stores to use frequent price-reduction promotions), enjoying interactions and preferring to shop in a store where they can receive special-assistance services (such as valet parking, delivery assistance, carry-out assistance, liberal product return and refund policies). Overall satisfaction with a store does not significantly influence customers' loyalty to that store. And shoppers' intention to remain loyal to their *"primary store"* was in fact influenced by several other reasons such as frequently-buyer reward schemes, travel distance, preference for an in-store delicatessen, size of the average grocery bill, store signage and the level of sale assistance **(Miranda, Konya and Havrila , 2005)**. Spanish consumers' perceptions of US apparel specialty retailers' products and services was studied by **Hyllegard, Karen; Eckman, Molly; Descals, Alejandro Molla; Borja, Miguel Angel Gomez (2005)**. The study focused that specialty retailers' success in international markets is contingent upon their knowledge of culturally-defined values, norms and behaviour that influence consumer decision making and impact acceptance of products and services. It was found that customers' perception differed regarding product quality, product assortment, quality of customers' service etc.

❋**Indian Context:** The Indian consumers are known to be price-sensitive and retailers have to manage with razor thin margins in order to compete for the share of wallet of the grocery consumer. Consumer spends on food constitute just around under 50 per cent and margins on food retail is around 12- 15 per cent with a post-tax margin of 2 per cent **(Vijayraghavan, 2007)**. The entry of huge grocery format of Reliance and proposed venture of Bharati-Wal-Mart is expected to further kick up competition in the business and put pressure on margins **(Daftari, 2007)** . The 2000-crore Future Group (Pantaloon Retail) intends to increase its non-grocery business from the present 40% to 50-70% in view of the increased competition in the grocery business in coming years wherein the group's grocery model might not be

competitive enough **(Vijayraghavan, 2007)**. On the other hand, understanding consumer insight is crucial to get to the shelf right and Wal-Mart went wrong in Germany as they did not even understand that the pillow size of Germans is bigger than that of Americans **(Karwal as quoted by Tarun and Chopra, 2007)**. Again, Indian retailers understand the culture, taste and preferences of Indian consumers better **(Biyani of Pantaloons as quoted by Tarun and Chopra, 2007)**. Some experts also feel that the *Kirana* stores do not have any overheads and are extremely presentable; if Indian big retailers can compete with them, they may compete with anybody and should not be worried about competition from international players **(Sanjiv Goenka of RPG Enterprises as quoted by Tarun and Chopra, 2007)**. The Indian consumer is also known to be extremely value-conscious with 80 per cent of his wallet consisting of essential and need-based purchase, which he can get from the store next-door; the big question is whether he would travel all the way to the big store **(Karwal as quoted by Tarun and Chopra, 2007)**. In fact, there might be emergence of several India-specific retail business models and formats in view of the unique peculiarities of the behavior of Indian consumers **(Arvind Singhal, Chairman, Technopak Advisors as quoted by Tarun and Chopra, 2007)** like the proposed Argos retail format of Shopper's Stop-Hyper CITY Retail-Home Retail venture (which involves catalogue stores along with home shopping and on-line retail) (Bureau, 2007). **Sinha P.K., Mathew E., Kansal Al (2005)** carried out a study on format choice of food and grocery retailer for one product and one customer segment with a sample of 26 respondents on five existing store formats namely *kirana*, upgraded *kirana*, supermarkets, hypermarkets and wholesalers. They suggested that the type of product influences the purchasing patterns of customers and commented that it would be interesting to capture the utilities of each store format, given that the shopping has been found to be influenced by local culture, and suggested that it would be a good study to determine the format choice behavior of many customers. In a study by **Vyass (2005)**,it was found that 72% of the respondents are deal prone in all income categories; more than 60% of the sample were found to be deal prone; in fact, in higher income category, 75% were found to be deal prone. Respondents were asked about their preference for price cut or value added promotions for the FMCG category. 60% of the sample preferred price cut nature of promotions and the best preference value added promotions. From another study **(Goswami P. and Mishra M., 2007)**, in food and grocery retail sector in India, it was found that customer loyalty in grocery stores was found to be positively related to location, cleanliness, quality, offers, helpful, trustworthy salespeople, home shopping, and was negatively related to travel convenience. *Kiranas* do well on location, but poorly on all cleanliness, offers, quality and helpful trustworthy salespeople. Converse is true for organized retailers. In another study **(Vyass 2007)**, in the Indian apparel retail sector, it was found that seasonality affects apparel sector and hence, it becomes critical for a retailer to clear off the stocks at the end of the season; otherwise, he may have to incur substantial inventory carrying costs, allocate scarce shelf space and out of fashion apparels may be worthless and remain unsold forever! Thus, stock clearance seems to be a very important objective for apparel retailers in using end of the season sale twice in a year, wherein discount given is upto 50% of the MRP (Maximum retail price). **Vyass** also pointed out in the study that in terms of consumer sales promotions, almost everyone used discount coupons and few used lucky draws, contests, gifts, *"buy one get one free"* type of promotions.
From the above review of literature, we see that in the Indian context, not much research work has been done in the area of sales promotion and buyers buying behavior, which is the main motivational factor of this study.

RESEARCH METHODOLOGY

Research methodology is the way to systematically solve a problem. A research methodology consists of various steps. A researcher should have detailed knowledge before implementing all the steps of the research methodology. The researcher must deign the steps of research methodology focusing on the research objectives and the logic behind it. Thus, when we talk of research methodology, we not only talk about the research methods, but also consider the logic behind the methods. Keeping the concept in mind, the study designs the following research methodology.

❈**Research Design** : *"When designing research, one is faced with a continual series of tradeoffs. Since there are tropically numerous design alternatives that will work, the goal is to find the design that enhances the value of the information obtained, while reducing cost of obtaining it."* **(Malhotra.N.K, 2005)**.

Descriptive research studies are those studies which are concerned with describing the characteristics of a particular individual, or of a group, whereas diagnostic research studies determine the frequency with which something occurs or its association with narration of facts and characteristics concerning individual, group or situation are all examples of descriptive research studies. Descriptive studies are made in product research, promotions research etc. This study often involves the description of the extent of the association between two or more variables. Keeping in mind the above concept of research design, the present study follows descriptive research design.

❋**Sampling Unit :** Socio Economic Criteria (SEC) is a household classification system and the SEC of an individual is determined by taking into consideration the highest level of education and occupation of the Chief Wage Earner (CWE). The NRS-V defines the CWE to be that person in a given time period. This study considered the given time period of one month for determining the CWE. As per the Socio Economic Criteria (SEC) classification, a household can be divided into 8 groups based on the occupation level of the Chief Wage Earner - roughly corresponding to income distribution nomenclature. The groups are A1, A2, B1, B2, C, D, E1, and E2. The study was limited to the respondents falling into SEC A1 and A2 only. This is because SEC A1 and A2 roughly correspond to the middle to lower upper income group and thereby, it is assumed that the groups would be more indicative of Big Bazaar customers. The other criteria of selecting the respondents were the age group. The study has taken the age group of 15-55 years, both male and female. So the target respondents were coming under SEC A1 and A2 and in the age group of 15-55 years, both male and female. And the survey was held only on convenience goods for two Big Bazaar retail outlets namely High land Park and VIP Road in West Bengal.

❋**Sample Size :** Sample size refers to the numbers of elements to be included in the study. Determining the sample size is complex and involves several qualitative and quantitative considerations. In general, for more important decisions, more information is necessary and the information should be obtained more precisely. The nature of research also has an impact on the sample size. The study has taken 100 samples under the assumption that the characteristics of interest is present in 50% of the population in the choice of sample size of 100 samples would give us a +/- 10% margin of error at 5% level of significance and +/- 13% margin of error at 1% level of significance. The study collected data from two Big Bazaar retail stores at two different locations in West Bengal through a structured questionnaire and face to face interview. From each retail store, we took data from 50 respondents. The details of the sample size are stated at Table 4.

Table 4: Details Of The Sample Size

Types of buyers	High Land park	VIP Road	Total
First Time Buyers	25	25	50
Repeat Buyers	25	25	50
Total	**50**	**50**	**100**

With the context of sample size, the study defines the two types of buyers as follow:

❋**Repeat Buyer** is identified as those females and males who have purchased the identified convenience goods at least once in the last 45days.

❋**First Time Buyer** is identified as those females and males who have purchased the identified convenience goods beyond the specified days.

❋**Sampling Procedure :** The study took the help of random sampling. Among the various types of random sampling, the study specifically used systematic sampling. The data was collected through a structured questionnaire, which had been pre tested among the researchers and faculties before posting the final one. The questionnaire had been divided into two parts, eligibility and main part. The data was collected by the researcher at the checkout point of the selected retail stores with the sampling interval of five - that is, every fifth mall leaving customer was intercepted and eligibility questionnaire was administered. If the respondents met the eligibility criteria, then the main questionnaire was administered.

❋**Questionnaire Design** : Data collection is one of the most important methods for any research. Without data collection, the study does not do data analysis. If a researcher is unable to do data analysis, then the outcome may not be possible, so data collection is important. Data are of two types viz, primary and secondary data. There are various sources of collecting primary and secondary data. Questionnaire is one of the methods of collecting primary data, which the study adopted. After doing literature review related to promotions and consumer's behavior in international and national context, the questionnaire was made.

❋**Structure of the Questionnaire** : The research was carried out using maximum closed ended questions designed to collect the requisite information from the respondents. The questionnaire was designed in view that it would be administered by the interviewer face to face and as such, the questions and the answers need to be clear and unambiguous and should take less time to answer. With the purpose of making the questionnaire easy to answer in less time, it was decided to break the questionnaire into two sections.

❋**Section A: Eligibility Section :** In this section, the objective was to ensure that the respondent met the requisite criteria for going to the next part. This section established the sex, age (in complete years), status (CWE or others), income group and list of convenience goods. The elimination criteria were used - age had to be 15-55 years; SEC had to be A1 and A2 and, income group and the convenience goods purchased had to match with the list. In case of any one of the criteria was not fulfilled, the respondents were eliminated from the survey.

❋**Section B : Retailing Promotion and Consumer Behaviour :** In this section, data were collected with regard to various aspects of Retailing Promotions and Consumer Behaviour. Apart from these questions, it has been asked to give the suggestions for the improvement of the retail store. In this portion, some questions were asked only to the repeat buyer or the first time buyer. Questions have been asked for getting the opinions of the respondents on different aspect of promotions. Based on the part, the analysis was done for getting the desired objectives.

ANALYSIS AND RESULTS FOR MANAGERIAL IMPLICATIONS

Analysis can be viewed as ordering, the breaking down into constituent parts, and the manipulating of data to obtain answers to the research question or questions underlying the research project. The complete analysis of research-obtained data requires a blending of art and science, of intuition and informal insight, of judgment and statistical treatment, combined with a thorough knowledge of the context of the problem being investigated. The overall process of analyzing the sample data and making inferences from them can be viewed as involving a number of separate and sequential steps, which are Tabulation, Formulating additional hypotheses and Making inferences **(Green , Tull and Albaum, 2007)**. Keeping the above concept and the research objectives in mind, the researcher has done the analysis part in the following ways:

IMPACT OF DEMOGRAPHIC PARAMETERS ON SALES PROMOTION

In order to find the result of the first objective, the study has developed the following hypothesis:

H_0: There is no impact of demographic parameters on sales promotion.

H_1: There is impact of demographic parameters on sales promotion.

The sales promotion is measured in terms of types of buyer, i.e, first time buyer and repeat buyer. The dependent variable is types of buyers (first time and repeat buyers) and the independent variable is demographic parameters, i.e, Gender of the respondent, Status of the respondent (whether CWE or others), SEC (A1 or A2), Location of the store.

To estimate the effect of the independent variables on the respondent type, the researcher conducted a logistic regression with sex, status, sec and location as independent variables. **Logit** was used as the link function. The results are summarized in the Table 5 given below:

Table 5: Logistic Regression of Center, Sex, Status And SEC

Predictor	Coefficient	SE	Z	P	Odds Ratio	95% Confidence Interval	
						Lower	Upper
Constant	0.3814	1.2344	0.31	0.757	-	-	-
Center	-0.0191	0.4200	-0.05	0.964	0.98	0.43	2.23
Sex	-0.2850	0.5800	-0.49	0.623	0.75	0.24	2.34
Status	0.3855	0.5838	0.66	0.509	1.47	0.47	4.62
SEC	-0.4105	0.4420	-0.93	0.353	0.66	0.28	1.58

Log-Likelihood = -68.715

Test that all slopes are zero: G = 1.200, DF = 4, P-Value = 0.878

Goodness-of-Fit Tests

Method	**Chi-Square**	**DF**	**P**
Pearson	20.0031	9	0.018

Deviance	23.6863	9	0.005	
Hosmer-Lemeshow	13.0874	5	0.023	

Measures of Association:
(Between the Response Variable and Predicted Probabilities)

Pairs	**Number**	**Percent**	**Summary**	**Measures**
Concordant	1288	51.5	Somers' D	0.15
Discordant	911	36.4	Goodman-Kruskal Gamma	0.17
Ties	301	12.0	Kendall's Tau-a	0.08
Total	**2500**	**100.0**		

The test statistic "G" test's the null hypothesis that all the coefficients associated with the predictor variables equal zero versus these coefficients not all being equal zero. We see that the p-value = 0.878; as such we can conclude at 5% level of significance, that none of the variables are significant. So, we can conclude that there is no impact of demographic parameters on sales promotions. So, the managers can consider the impact of demographic parameters on sales promotion before going to make promotional strategies.

OVERALL IMPACT OF SALES PROMOTION ON BUYERS BUYING BEHAVIOUR

❋**Reasons For Purchasing The Products:** The study aims at knowing from the customers about the reason for purchasing a product. The analysis of the data from the two centres is as stated in the Table 6.

Table 6 : Reasons For Purchasing The Products
(Multiple Responses: Figures Are Percentages Of Total Responses)

Reasons	Highland Park	VIP Bazaar	Average
Sale Promotion.	57.10	46.00	51.50
Product Satisfaction.	67.30	68.00	67.70
Good Packaging.	44.90	32.00	38.40
Non Availability of Other Brands.	8.20	6.00	7.10
Recommendation to purchase.	10.20	24.00	17.20
No particular reason.	42.90	36.00	39.40
Just picked it off the shelf.	8.20	6.00	7.10
Liked what I read about the product on the package.	18.40	30.00	24.20
Liked the advertisement of the product.	8.20	20.00	14.10

From the result of the above table we can conclude that keeping product satisfaction constant, sales promotion is the main reason for purchasing goods. So, the retailers may take a lesson that after product satisfaction, sales promotion is the main reason for purchase of convenience goods.

❋**Decision On Amount Of Purchase Owing To Sales Promotion** : Customers were asked which sentence best described the amount of their purchase decision during the promotional period of a product. The analysis is stated in the Table 7. The Figure 1 of the pie chart shows the above tabulated result more clearly. From the analysis, we can see that 38 per cent of the customers said that they purchased the same amount during the promotional period, while 56 per cent said that they purchased somewhat more. So, we can conclude that almost 20 per cent of the customers purchase somewhat more than their regular purchase due to promotions offered.

❋**Purchase Decision Of The Same Product At A Different Store Under The Same Promotional Scheme:** The customers of the two centres were asked, if they get the same promotional scheme for a product at another shop, whether they will go there to purchase it or not. The result of the analysis is described in Table 8.

Table 7 : Shows The Best Purchase Decision Due To Promotions

Purchase Decision	Highland Park	VIP Road	Total	
	Nos	Nos	Nos	Percentage
Purchase Much More	02	4	6	6.00
Purchase Somewhat more	27	29	56	56.00
Purchase the same amount	20	18	38	38.00
Purchase somewhat less	0	0	0	0.00
Purchase Much Less	0	0	0	0.00
Total	**50**	**50**	**100**	**100.00**

Figure 1 : Shows The Best Purchase Decision Due To Promotions

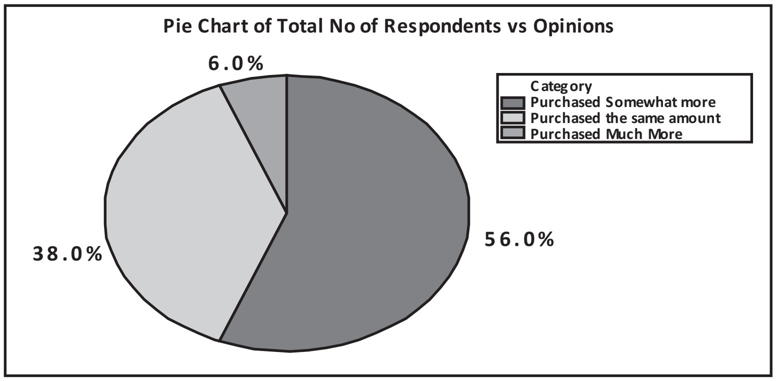
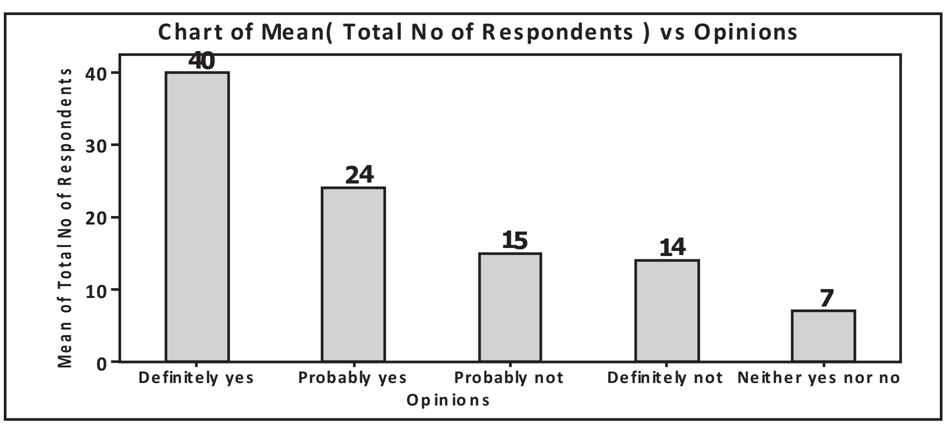


Table 8: Purchase Decision Of The Same Product At Different Store Under Same Promotional Scheme

Opinions	Highland Park	VIP Road	Total	
	Nos	Nos	Nos	Percentage
Definitely not	05	09	14	14
Probably not	10	05	15	15
Neither yes nor no	05	02	07	07
Probably yes	12	12	24	24
Definitely yes	18	22	40	40
Total	**50**	**50**	**100**	**100**

The figure 2 of bar chart shows the clear result of the above tabulated value.

Figure 2 : Purchase Decision Of The Same Product At Different Store Under Same Promotional Schemes



Form the result of above bar chart, it is clear that 40 per cent of the respondents say if they get promotional offer in any other shop apart from the two selected ones, they will definitely go there for purchase, whereas, only 24 per cent said probably yes. So, from this result, we can conclude that stores' location/loyalty does not play a major role in purchase decision making of convenience goods when promotional offer is concerned. So, the study can suggest that promotions may have an influence on consumer behaviour in spite of locational disadvantages.

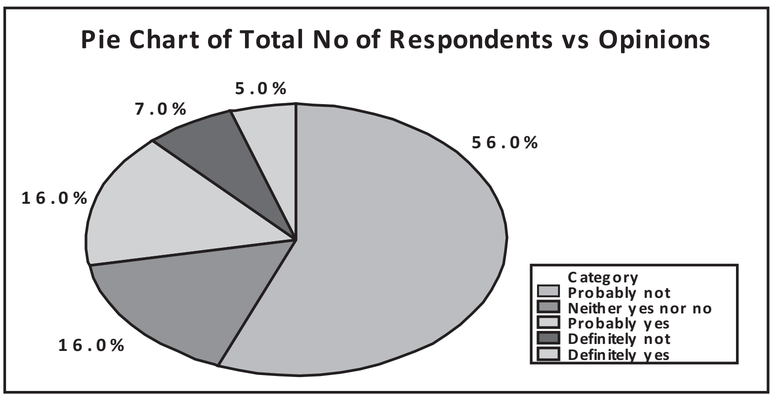
❈**Whether The Customers Will Wait For Promotion To Purchase The Goods :** The respondents were asked whether they would wait for a promotional scheme to purchase a product or not. The result of the analysis of collected data is stated in Table 9.

Table 9 : Opinions Regarding Promotion

Opinions	Total no of respondents
Definitely not	7
Probably not	56
Neither yes nor no	16
Probably yes	16
Definitely yes	5
Total	**100**

The Figure 3 of pie chart shows the detailed analysis of the above tabulated result.

Figure 3: Opinions Regarding Promotion



From the above result, we see that 7 per cent respondents said they would definitely not wait for sales promotional scheme to purchase the product, while 56 per cent were not sure and said they probably would probably not, 16 per cent remained undecided, 16% would probably wait and 5 per cent would definitely wait. From the result, we can conclude that consumer may not wait for getting promotional benefits to purchase convenience goods.

❈**Does Promotion Influence Repeat Visit To The Store? :** A very interesting question was asked from the respondents on whether they would again visit the retail store if it offered the same promotional scheme in future. The analysis result on 5 point Likert scale reveals - 15 per cent respondents opted for strongly likely, 56 per cent for somewhat likely, 22 per cent neither likely nor unlikely and 7 per cent somewhat likely. So, from the result, one thing is clear that if the customers get the same promotional benefits in the near future for the same product, they might come to purchase. So, we can conclude that sales promotional schemes play a limited role in ensuring repeat visit to the store.

Table 10 : Overall Ranking Of The Promotional Schemes

Promotional Schemes	Rank
1. Direct price discount	1
2. Buy one, get one free	2
3. Buy one get another product free	3

❋**Ranking Of Different Promotional Schemes:** There are various types of promotional schemes, like direct price discount; buy one, get one free and bonus pack. The study wanted to find out the first three popular promotional schemes based on the collected data. The Table 10 shows the result. From the mean results, we can see that direct price discount was ranked no.1, Buy one, get one free was ranked no. 2 and buy one, get another product free was number 3. So, we can conclude that the retailer can give the three promotional benefits as per the ranking to attract more customers.

❋**Media Habits Of The Consumers:** Customers were asked how they came to know about the different promotional schemes or sources of information of sales promotion. The analysis on collected data based on this question is stated in Table 11.

Table 11 : Sources of Information of Promotions (Multiple Response: Figures are Percentages of Total Responses)

Sources of Information	Highland Park	VIP Bazaar	Average
From newspaper advertisement.	47.9	44.0	45.9
From television advertisement.	47.9	54.0	51.0
From radio/ FM channels advertisement.	10.4	10.0	10.2
Came to know when I visited the store.	54.2	60.0	57.1
My friends/ neighbors who have already purchased.	16.7	2.0	9.2
From advertising material displayed outside store.	6.3	6.0	6.1
Others (please specify).	.0	.0	.0

The result shows that in-store publicity ranks the highest. From this, we can also conclude that in-store publicity plays a major role in providing information to the customers, followed by television and newspaper. So, for sales promotion, the retailers need not spend more money on outdoor advertisement if they properly maintain in-store publicity.

CONCLUSION

In making sales promotional strategy, the managers consider various parameters so that the sales promotion gives its best result. Out of the various parameters, demographic parameter is one. But it's a very interesting question whether demographic parameters have any impact on sales promotion or not. The present study finds that demographic parameters have no impact on sales promotion. There are various reasons behind the purchase of a product. Our study finds that keeping product satisfaction constant, sales promotion is the main reason for purchasing convenience goods. The study also finds that sales promotion increases sales volume. In retail buying, location of the retail outlet has an impact. But our result shows that location of retail outlet does not play a significant role in purchase decision of convenience goods when promotion is concerned. The analysis of the study finds that future sales promotion cannot make customers wait for it. There are various results of sales promotion. Repeat visit to the store is one of them. The study finds that sales promotions plays a limited role in ensuring repeat visit to the store. The sales promotional strategy can be made by introducing various promotional schemes. While ranking the various promotional schemes, the study ranks the *'direct price discount'* no.1, *'buy one, get one free'* no. 2 and *'buy one get another product free'* number 3. Lastly, the study wanted to know the media habits of the consumers. From the result, the study concludes that in-store publicity plays a major role in providing information to the customers, followed by television and newspaper. Regarding future investigation, the researcher suggests that a similar study for non-convenience goods can be undertaken. The study is limited to the city of Kolkata only. So, the same study can be done in others cities as well.

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ANNEXURE : Exhibit 1: Major Grocery Retailers in India

Retailer	Retail Sales (INR Crore) (2006-2007)	Retail Space (Sq Ft) (2006-2007)	No of outlets (2006-2007)
	(2006-2007)	(2006-2007)	(2006-2007)
Nilgiris	110	200	44
Spinach	90	154	60
Subhiksha	334	Data Not Available	315
Taj	19	29	4
Fab Mall (Trinethra)	277.99	526	198
Trumart	Data Not Available	168	42
Food Bazaar	Data Not Available	480	45
Spencer's	Data Not Available	181	68
SPAR	Data Not Available	27	1
Nature's Bazaar	Data Not Available	Data Not Available	3
Namdhari's Fresh	Data Not Available	20	13
Big Apple	Data Not Available	Data Not Available	3
Reliance Fresh	Data Not Available	Data Not Available	22
C3	14.4	22	6
Monday to Sunday	Data Not Available	13	2
Foodworld	Data Not Available	71	31
Fresh@ (Heritage Foods)	Data Not Available	4	1
Arambagh Food Mart	26	13	24

(Source: Adapted from , R Rajmohan (2007), India Retail Report, 2007, Images Multimedia Pvt. Ltd.)