

---

# Impact of Sales Promotion activities on Consumer Buying Behaviour: An Indian Perspective

---

Dr. Nishant Dabhade

Assistant Professor

School of Management, Jagran Lakecity University, Bhopal (M.P)

[nishant.dabhade@jlu.edu.in](mailto:nishant.dabhade@jlu.edu.in)

## ABSTRACT

*In current trade world customers are king. It is imperative for producers to meet the requirements of customers in order to stay viable. One of the promoting tools that is used in attracting the responsiveness of the customer is sales promotion. Sales promotions have become a spirited tool for marketers and its significance has been increasing expressively over the years. Sale promotion is one of the key essentials in marketing mix for many consumers' products all-inclusive that has been used in order to motivating consumer purchases. Typically the budget that allocated to sales promotions has been quickly growing with marketers changing their attentions to apply sales promotions more than other devices such as advertising. In the evolving business scenario numerous promotional techniques are used by the marketer. Under this study, an effort has been made to find out the several sales promotion tools and its outcome on consumer buying behaviour. The aim of this research is to find what is intended by sales promotion*

*and buyer buying behaviour. Percentage method is employed in this study to understand how sales promotion is affecting consumers while they are buying product or service.*

---

## 1. INTRODUCTION

Sales promotion is the practises mainly are used by marketer in order to stimulus and support consumers and end users to buying certain product in a definite time period. Sales promotion has a short term impact on sales; hence it is largely offered for a short term. When brand incorporated a new product mostly consumers do not have usage experience concerning this new product, therefore sales promotion is done to encourage this consumer to try and buying this product. As it is vibrant that sales promotions goal is to affect consumer buying behaviour. Kotler and Armstrong (2004: 467) agreed with the pervious explanation. Furthermore, they classified sales promotion as one of the four pillars of marketing mix. Marketing mix is primarily tools that are used to persuade consumers

to buy certain product or service, sales promotions are one of these tools that are short term drives that touch on consumer buying behaviour.

Data shows that sales promotion activities are important for the marketing of the companies: taking the example of the United States where the extents of funds devoted to the sales promotions account for about 30% of what spent on promotion. Yet, it is common in Europe to find a firm where the investments in sales promotion surpass the advertising budget (Astons and Jacob 2002: 1270). Also, factssuggested that the price based sales promotions are the main factor to encourage customers to buy more and improve product trial. These facts make it significant to exhibit in the next few sections the tools and the different varieties of sales promotion used by seller. In the present study, the subsequent sales promotion techniques are considered to find out its influence on consumers' urge buying behaviour.

### **A. Price Packages**

Sellers provide consumers a compact price scheme that is clear directly on the package of two or more products by the vendor. Here additional number of products is bundled together at the price of one or at reduced rates such as 'Buy-Two-

Get-One-Free', 'Buy two at 399 and Get the third at 199'.

### **B.Fidelity Program**

An offer provided by a retailer to customers who often make purchases is called Fidelity Program. Such customers are given aexclusive identifier such as a numerical ID or affiliation card. By presenting the card on every buying, the purchaser is typically allowed to either a discount on the current buying or an allotment of points that can be used for future acquisitions.

### **C. Rebates& Discount Offer**

A price discount, which is expected by a customer after the purchase has been made, is termed as rebate. Discount is the compromise when products are sold at a price lower than the original price.

### **D. Voucher**

Voucher is the receipt by which the owner of the receipt is entitled to a discount on particularmerchandise for which retailers hold the original price.

### **E. Contests**

Usually contests known as 'Lucky Draws' are accompanied by vendors in connection with an supplementary to the sale. This attracts mob and people join in these contests for various motives such as the

perceived worth of the prize, or expected fun and interest.

## **2. SIGNIFICANCE OF SALES PROMOTIONS**

Usually, advertising has been the fashionable promotional implement, drawing a lot of social control attentions in several forms however currently the dynamic scenario had modified as expenditures incurred for commercials have speedily hyperbolic over the initial outlays in most organisations compared to advertising expenditures, reason being that publicity is being integrated to the entire promoting strategy in several organisations because it is introduced at the origination of a campaign as against try afterwards changes within the promoting surroundings that exhibits upward pressure on the requirement for publicity within the recent times, discontented customers with relation to retail commerce may well be improved by sensible publicity activities. Publicity campaign is commonly the sole message on the market at the purpose of purchases that inform, cue and conjointly stimulate the consumers. Kotler and Armstrong, 2008 emphasized that publicity provides several edges to the producers to regulate to short changes in provide and demand, conjointly the variations in shopper segments and

encourages consumers to shop for additional.

## **3. CONSUMER BUYING BEHAVIOUR PROCESS**

The shopping behaviour of shoppers are going to be elaborate before learning the consequences of the publicity on the shopping for behaviour of shoppers. The shopping for purchase method consists of many stages that square measure as following:

### **A. Need recognition**

The requirement recognition happens once an individual feels a spot between his actual take in and a desired state. This would like recognition arises due internal and external stimuli: internal stimulant like hunger can push a definite person to look for a meal whereas a additional ad of a additional luxurious automobile represents an external stimulant which will create a private to feel that there's a discrepancy between the new, state of the art automobile and his/her previous automobile. However, although there may well be a spot between the particular and therefore the desired state, an individual couldn't be desirous to overcome that discrepancy. This primarily depends on the magnitude of the gap between the particular state and therefore the desired

state and relative importance of the recognized drawback (Hawkins et al 2004:504-507). Previous claim is well supported by Kotler and Keller (2006: 191). Moreover, they interpreted that the utmost objective of marketers is to spot consumers' wants and needs and understand a way to meet their expectations.

### **B. Information search**

If the client acknowledges a desire and decides to execute an acquisition, he/she can move to following step that is info search. The client at this stage can ask for finding out info concerning completely different the various brands and therefore the different alternatives on the market within the market. Information may well be acquired from such a lot of sources just like the personal expertise with such product, the encircling surroundings like family, friend and colleagues and most significantly from business sources like written and television ads. However, the number of search meted out depends primarily on the importance of the merchandise and its value (Kotler 2003: 204-205).

This claim is additionally supported by Kotler and Keller (2006: 192). Conjointly they explicit that primarily shoppers pay attentions to the business sources, that is

advertisements, packaging displays and dealers, to collect info concerning sure product

### **C. Evaluations of alternatives**

After gathering the knowledge, the client can move to the third stage that is evaluating many on the market alternatives. This necessitates the utilization of definite appraising criteria. Let's take the instance of a client facing the choice of the acquisition of a replacement car; he may well be fascinated by 3 features: value, assurance and fuel economy. This client can worth the choices on the market for him and chooses the one that most closely fits his wishes. The instance mentioned an attribute-based alternatives assessment process which differs from the attitude-based alternatives evaluation methods. A client who is examining the attributes of alternatives to choose the one that most closely fits him/her is carrying out attribute-based alternatives analysis method. If a client loves a definite brand and goes for it directly, then he/she has created attribute-based selection (Kotler 2003: 205-206).

### **D. Purchase Decision**

According to Kotler and Keller (2003:197), once the client compared the various alternatives, he/she can shift to the

fourth stage that is that the purchase decision. The client should specify the place of the acquisition whether or not from a shopping mall, specific dealer or perhaps through the web. Yet, selecting a complete couldn't lead to {a purchase/ asale/a procurement/ anacquisition/ shopping for deal} decision. As a result there may be different factors influencing shopper buying behaviour. Primarily there is a pair of factors that is as following.

❖ **Attitudes of others:** It's the opposite consumer's opinion and preference for concerning brand. Primarily different consumers' opinion, who may be member in a family or friend, plays a job in shopper shopping behaviour, which can influence on different consumers' cognitive process and alter their preference brand.

❖ **Unanticipated factors:** The sudden factors that lead the consumer to vary the acquisition. For instances

- **Functional risk:** The merchandise might not perform as it was expected
- **Physical risk:** The merchandise could have a negative influence on consumer's health

- **Financial risk:** The price|the worth of product is on top of the product's value than the competitors.
- **Psychological risk:** the merchandise could influence on consumer's psychological science.

### **E. Post purchase analysis**

Even though the merchandise is purchased throughout the previous stage, there's still one step to travel that is that the post-purchase stage. At this stage the client starts to check the merchandise and formulate an opinion concerning this product which is able to find yourself by being glad or discontented by that have.

One among the most important factors influencing the degree of satisfaction or discontentment is that the degree of discrepancy between what expected from the merchandise and its current state. If the expectations were terribly high and therefore the product performs low, there would be a good discontentment. However, if the expectations concerning the performance of the merchandise were low and therefore the actual performance was high, this may lead to a satisfaction of the client.

#### **4. EFFECT OF SALES PROMOTION ACTIVITIES ON SHOPPERS SHOPPING BEHAVIOUR**

In this section, results of sales promotion activities for shopper shopping behaviour are going to be elaborate. Mainly, activity includes a temporary result on shopper shopping behaviour. Several researchers measured difference of opinion that such sales promotion activities doesn't have a prolonged term result on shopper shopping behaviour and conjointly it reduces the revenue, as in coupon, refunds and rebates. These tools are increasing prices. (Clow and Baack 2007: 311 & 319).

In this specific purpose there's argument; therefore different researchers states that sales promotion activities doesn't cut back revenues as a result of publicity will attract and encourage shopper to get the merchandise in a very higher amount in lower costs. Moreover, it's explicit that the worth of product may be hyperbolic throughout sales promotion activities as a result shopper reacts directly, since for shoppers, who failed to purchase such product before, can satisfy their wants and needs whereas the products' value is low (Pauwels ,Hanssens and Siddarth 2002, 421, 424).

According to Clow and Baack (2007: 509-510) It is obvious that it's determined the

sales volumes of product are increasing throughout the publicity periods in several countries like United states of America, U.K. and France. Sales are increasing for 3 reasons that square measure as following:

For certain brand, users can purchase their product in higher quantities for his or her future wants; so the consumption of the merchandise goes to extend. Conjointly it'll facilitate support product to its current shoppers and become loyal to the present complete.

Consumers of competitor brands could switch and get different branded product throughout its sales promotion activities as a result of the reduction within the product value. However, it's unknown that if these shoppers can repeat their purchases once more from their original brand or not.

Consumers, who failed to purchase such product before, is also drawn to purchase this product since its worth is extremely high; thence the client is shopping for this product his/her wants and needs are going to be glad with minimum price and risk.

Also commercials are playing a vital role in shopper perception. Consistent with self-perception theory it's obvious that customers primarily like better to purchase product supported external attributes, that

is taking advantage of price reduction, rather than internal attributes, that is brand preferences. Yet, the weakest drive of sales promotion activities in persuading shopper shopping behaviour is that according to value perception theory explicit that customers primarily build a reference supported the previous costs of the merchandise. Then this reference is employed to check between current values of the product and previous costs as well. Sales promotion activities are principally increasing the degree of hesitation to shop for a definite brand in its non-promotion time period. As a result it's going to increase sales for short term; however it influence negatively on brand equity in future.

As it is clear before that sales promotion activities doesn't support brands equity in long run. Shoppers begin to devalue the brands' product and get them throughout its publicity time solely. As a result once a brand leader will frequent commercials, there's risk that this brand's sales are going to be weakened within the long-standing time. However, the benefits of publicity ought to be taken into thought furthermore. Sales promotions facilitate to extend sales in short run rather than advertisements do. The utmost reason behind this is often advertisements' objective is building a

brand loyalty. Therefore, in reality it's laborious to search out a definite brand leader depends on sales promotions to plug its products; thence only sales promotions doesn't facilitate market leader to keep up or defend its market share. Moreover, sales promotions don't facilitate to change brand loyal consumers to different brands. On the opposite hand, it's found that sales promotion is additional economical than advertising generally in influencing shopper shopping behaviour.

## **5. RESEARCH METHODS AND SAMPLES**

The analysis sort is descriptive analysis. A sample of one hundred ten respondents was hand-picked with the assistance of convenience sampling methodology. The sample has chosen from Gwalior City. The data was used direct field survey data and journals references. Data was collected with the assistance of the interview schedules. It's tabulated, analysed and interpreted using simple percentage method.

## **6. OBJECTIVES OF STUDY**

- To study the dynamic consumer behaviour towards the different sales promotion activities.
- To discover the operational consumer sales promotion technique.

- To know the consumer expectations towards sales promotion activities.

This section presents the analysis and interpretations of the collected information from the sample size of 110 respondents throughout the Gwalior city.

## 7. ANALYSIS AND RESULTS

**Table 1: Demographic Profile of Respondents**

S.No	Factor	Category	No. of. Respondents	Percentage
1	Gender	Male	49	44.5
		Female	61	55.5
		Total	110	100
2	Age	Below 20 years	19	17.1
		20 to 30 years	35	31.9
		30 to 40 years	45	41
		Above 40 years	11	10
		Total	110	100
3	Education	Below HSC	16	14.5
		Graduate	42	38.18
		Post graduates	35	31.82
		Others	17	15.5
		Total	110	100
4	Monthly income	Below 8000	11	10
		8000 to 16000	16	14.54
		16000 to 32000	43	39.16
		Above 32000	40	36.3
		Total	110	100



5	Occupation	Business	25	22.7
		Students	24	21.8
		Employees	22	20
		Households	39	35.5
		Totals	110	100

- From the table 1 it can be seen that most of the purchasers were female and they have worked as homemakers also their age was between 30to40.
- Most of the purchasers have graduated and their monthly family income level is Rs 16000 to 32000.
- The store purchasers' income and education plays very vibrant role. It has utmost influence on product selection.

**Table 2: Purchase decision factors**

Purchase decision	No. Of respondents	Percentage
Advertisement	36	32.7
Consumer offer	65	59.09
Availability	8	7.27
Others	1	0.94
<b>Total</b>	<b>110</b>	<b>100</b>

**Table3: Stimulated to purchase decision**

Stimulated for purchase	No of Respondents	Percentage
Brand name	23	20.90
Attractive package	39	35.45

Availability	25	22.72
Others	23	20.93
<b>Total</b>	<b>110</b>	<b>100</b>

**Table 4: Effective Sales Promotions and its Rank**

Expect promotions	No. of respondents	Percentage	Rank
Media advertisement	8	7.27	4
Print advertisement	6	5.45	5
Demonstration	1	0.90	10
Free trails	2	1.81	8
Free samples	4	3.63	6
P.O.P materials	1	0.90	9
Store display	21	19.09	3
Price offer	27	24.54	2
Quantity offer	33	30	1
Buy one get one free	4	3.63	6
Cross promotion	3	2.78	7
<b>Total</b>	<b>110</b>	<b>100</b>	

- **Table 2** proves that most of the consumers have taken buying decision through consumer offers and Advertisements. The operative consumer offer is quantity offers and advertisement in store displays.
- The **table 3** specify that most of the consumer opinion to attractive package inspires to purchase the products and the green practice package had attracted with other packages.

- According to **table 4**, Top five consumer promotion is ranked as quantity offer, price offer, store display, media advertisement and print advertisements.

### **Conclusion**

This paper examined the role of sales promotion on shopper shopping behaviour. Generally, shopper shopping behaviour is influenced on its pre purchase analysis and purchase stages by sales promotion. Moreover, publicity has solely short term impact on shopper shopping behaviour. It's rare to seek out that sales promotion build loyal customers. It's simply tool that encourages shoppers to undertake a brand new product. According to Shimp (2003: 483) expressed that there 2 types of a loyal shoppers, who buy certain product from certain brands regardless advertisements that are presented in alternative brands. On the hand, shoppers aren't loyal in any respect. Mainly, shoppers fall in between these 2 categories.

The investigator is convinced that a sales promotion includes a short term impact on shopper shopping behaviour. The utmost aim of such selling tool is increasing sales in short run. Though, it's assumed that sales promotions shows a significant role in

constructing loyal customers. It's stated that sales promotion is employed when company launch a brand new product. If this new product exceeds customers' expectations, it'll cause customer satisfaction and will be cause customer loyalty.

### **REFERENCES**

- [1] Blattberg Robert C., & Scott, A. N. (1990). Sales Promotion: Concepts, Methods and Strategies, Englewood Cliffs. New Jersey: Prentice Hall.
- [2] Bucklin, R., et al. (1998). Determining segmentation in Sales Response across Consumer Purchase Behaviors. *Journal of Marketing Research*, 35(2).
- [3] Janet, H., & Leon, R. (1991). Some Effects of Price Discounting on Discounted and Competing Brands' Sales. *Marketing Bulletin*, 2, 55-59.
- [4] Kotler P and Armstrong (2008), Principles of Marketing, 12th edition, New Jersey: Prentice Hall
- [5] Ong B.S., HoF.N., Tripp C, (1997), Consumer perceptions of bonus packs: an exploratory analysis, Vol.14, No.2, pp. 102-112.



[6] Alvarez B. A., Casielles R. V., (2005), Consumer evaluations of sales promotion: the effect on brand choice, Vol.39, No.1/2

[7] Schiffman LG, Kanuk LL (2004). Consumer Behavior. 8th Ed. Pearson Education, New Delhi.

[8] Gopal das (July 2011) effect of retail sales promotion on buying behaviour of customer Indian journal of marketing.

[9] Nema, G., et al. (2012). Impact of Sales Promotion Techniques on Consumer Buying Decision with Respect to Personal Care Products Among College Teachers of Indore. *Arash a journal of ISMDR*, 2(1), 29-35.