



A Study of Effectiveness of Promotional Scheme offered by Bigbazaar

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Abstract:

Future Group is an Indian private conglomerate, headquartered in Mumbai. The company is known for having a significant prominence in Indian retail and fashion sectors, with popular supermarket chains like Big Bazaar and Food Bazaar, lifestyle stores like Brand Factory, Central etc. and also for having notable presence in integrated foods and FMCG manufacturing sectors. Retailing in India is one of the pillars of its economy and accounts for about 22 percent of its GDP. The Indian retail market is estimated to be US\$ 500 billion and one of the top five retail markets in the world by economic value. India is one of the fastest growing retail markets in the world, with 1.2 billion people. Retail is the process of selling consumer goods and/or services to customers through multiple channels of distribution to earn a profit. Demand is created through diverse target markets and promotional tactics, satisfying consumers' wants and needs through a lean supply chain. The term "retailer" is also applied where a service provider services the small orders of a large number of individuals, rather than large orders of a small number of wholesale, corporate or government clientele. Shops may be on residential streets, streets with few or no houses, or in a shopping mall. Shopping streets may be for pedestrians only. Sometimes a shopping street has a partial or full roof to create a more comfortable shopping environment protecting customers from various types of weather conditions such as extreme temperatures, winds or precipitation. Online retailing, a type of electronic commerce used for business-to-consumer (B2C) transactions and mail_order, are forms of non-shop retailing.

Keywords:

Brand Factory, FMCG, GDP, Demand, business-to-consumer, precipitation, distribution

Introduction

Retailing in India is one of the pillars of its economy and accounts for about 22 percent of its GDP. The Indian retail market is estimated to be US\$ 500 billion and one of the top five retail markets in the world by economic value. India is one of the fastest growing retail markets in the world, with 1.2 billion people. Retail is the process of selling consumer goods and/or services to customers through multiple channels of distribution to earn a profit. Demand is created through diverse target markets and promotional tactics, satisfying consumers' wants and needs through a lean supply chain. The term "retailer" is also applied where a service provider services the small orders of a large number of individuals, rather than large orders of a small number of wholesale, corporate or government clientele. Shops may be on residential streets, streets with few or no houses, or in a shopping mall. Shopping streets may be for pedestrians only. Sometimes a shopping street has a partial or full roof to create a more comfortable shopping environment protecting customers from various types of weather conditions such as extreme temperatures, winds or precipitation. Online retailing, a type of electronic commerce used for business-to-consumer (B2C) transactions and mail order, are forms of non-shop retailing.

Shopping generally refers to the act of buying products. Sometimes this is done to obtain final goods including necessities such as food and clothing; sometimes it is done as a recreational activity. Recreational shopping often involves window shopping (just looking, not buying) and browsing and does not always result in a purchase.



FDI in retail sector

Foreign Investment in India is governed by the FDI policy announced by the Government of India and the provision of the Foreign Exchange Management Act (FEMA) 1999. The Reserve Bank of India ('RBI') in this regard had issued a notification, which contains the Foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations, 2000. This notification has been amended from time to time. The foreign investors are free to invest in India, except few sectors/activities, where prior approval from the RBI or Foreign Investment Promotion Board ('FIPB') would be required. FDI up to 100% for cash and carry wholesale trading and export trading allowed under the automatic route. FDI up to 51 % with prior Government approval (i.e. FIPB) for retail trade of 'Single Brand' products, subject to Press Note 3 (2006 Series). FDI is not permitted in Multi Brand Retailing in India. 100% FDI is allowed in wholesale trading which involves building of a large distribution infrastructure to assist local manufacturers. The wholesaler deals only with smaller retailers and not Consumers. Some foreign brands give exclusive licenses and distribution rights to Indian companies. Through these rights, Indian companies can either sell it through their own stores, or enter into shop-in-shop arrangements or distribute the brands to franchisees.

Promotion

Promotion is an important marketing force that provides extra incentive for short term sales promotion plays important roles with advertisement and selling.

Promotion is the important marketing force that provides extra incentives to achieve sales. Promotion is the important tool as compare to the advertisement and sale force. Promotion is both short term and long term activates carried.

Role of promotion

Promotions are extremely valuable tool for marketing the brand.

Like all other tool promotion can make the valuable contribution to marketing the when they are used properly.

Promotions are offered to the customers to get the sales and increase the market share. Short term promotions are toward increasing sales and long term promotions are towards the customer based.

When to used promotions

A brand quality is inferior to competition.

A brands advertising is not as persuasive as competitive.

A new brand is being introduced.

Promotion's role in the life cycle of a brand

At each stage in a brand's life cycle a different degree of promotional emphasis is required.

New Product: A new product can usually profit from substantial promotion support – if the product, the advertising, distribution and price are right. The promotion can truly perform its function of accelerating trial and purchase of a brand whose value has not yet been fully established in the minds of all consumers.

Growing Brand: There are indications, incidentally, that many new brands (but not all) reach their share-of-market peak within six months to a year after the completion of their introduction. This leads to the conclusion that a brand of proven product and advertising copy superiority would be well advised to meet maximum trial during the introductory period by spending heavily in the advertising media and on the promotional devices that are most effective in reaching the brand's best long term prospective consumers.

Stable Brand: An established, growing brand generally requires minimal promotion support, usually of a selective nature. The product and its advertising are still equal to or better than competition. A high proportion of potential customers have tried the brand And many have become more or less regular users.

In such a healthy situation, the job that promotion has to do usually is much narrower and more specialized. It can be used for such specific purposes as improving distribution on large sizes, attracting new users from fringe groups or areas where usage levels are below potential, or increasing the consumption among present users.

Declining Brand: A mature, stable brand may need increased promotional support as competition begins to match it in product quality and in the persuasiveness of its advertising copy, or as the



brand reaches its natural franchise level. When this happens, growth ceases sales and share level off.

Major Types Of Customer Promotions

1. Sampling: Distribution of free special or regular size package to consumers
2. Couponing: Distribution of certificates with a stated monetary or merchandize value which the consumer redeems through a retailer towards the purchase of the specified item
3. Demonstrations: An illustration or demonstration of how a product is prepared and/or used, frequently involving consumer tasting of food products and usually involving the presence of a home economist or other trained representative.
4. Price packs: Offers to consumers of savings off the regular price of a product, flagged on the label. Ex: A reduced price packs.
5. Free trials: Inviting customers for free trials of products without cost.

Introduction of company:

Future Group is an Indian private conglomerate, headquartered in Mumbai. The company is known for having a significant prominence in Indian retail and fashion sectors, with popular supermarket chains like Big Bazaar and Food Bazaar, lifestyle stores like Brand Factory, Central etc. and also for having notable presence in integrated foods and FMCG manufacturing sectors. Future Retail (initially Pantaloons Retail India Ltd (PRIL)) and Future Lifestyle Fashions, two operating companies of Future Group, are among the top retail companies listed in BSE with respect to assets, and in NSE with respect to market capitalization.

On May 2012, Future Group announced 50.1% stake sale of its fashion chain Pantaloons to Aditya Birla Group in order to reduce its debt of around INR 8000 crores. To do so, Pantaloons fashion segment was demerged from Pantaloons Retail India Ltd; the latter was then merged to another subsidiary—Future Value Retail Ltd—and rechristened Future Retail Ltd.

Future Group is a corporate group and nearly all of its businesses are managed through its various operating companies based on the target sectors. For e.g., retail supermarket/hypermarket chains Big Bazaar, FBB, Food Bazaar, Food Hall, Hometown

etc. are operated through its retail hand, Future Retail Ltd, while its fashion outlets Brand Factory, Central, Planet Sports etc. are operated via another of its subsidiaries, Future Lifestyle Fashions. With these many fashion outlets and supermarket, the group also promotes respectively, its fashion brands like Indigo Nation, Spalding, Lombard, Bare etc., and FMCGs like Tasty Treat, Fresh & Pure, Clean Mate, Ektaa, Premium Harvest, Sach etc. It also has operating companies to cater specifically to internal financial matters and consulting within its group of companies.

Future Group Manifesto

“Future” – the word which signifies optimism, growth, achievement, strength, beauty, rewards and perfection. Future encourages to explore areas yet unexplored, write rules yet unwritten; create new opportunities and new successes. To strive for a glorious future brings to us our strength, our ability to learn, unlearn and re-learn our ability to evolve.

Future Group will not wait for the Future to unfold itself but create future scenarios in the consumer space and facilitate consumption because consumption is development. There by will effect socio-economic development for our customers, employees, shareholders, associates and partners.

Group vision

Future group shall deliver everything, everywhere, every time for every Indian consumer in the most profitable manner.

Group Mission

We share the vision and belief that our customers and stakeholders shall be served only by creating and executing future scenarios in the consumption space leading to economic development.

We will be the trendsetters in evolving delivery formats, creating retail realty, making consumption affordable for all customer segments – for classes and for masses.

We shall infuse Indian brands with confidence and renewed ambition. We shall be efficient, cost-conscious and committed to quality in whatever we do. We shall ensure that our positive attitude, sincerity, humility and united determination shall be the driving force to make us successful.

Some offers given by big bazaar to the customers are:-



- 1) Wednesday bigbazaar: - On this day the price of the products are less as compared to the other days. The tag line of this day is "Iss se sasta aur kaha".
- 2) Maha exchange offer: - In this offer they provide a chance to the customer to exchange their junk product with the new one.
- 3) Special day offers :- The special day offers like "Festival offer ", "Independence day offer" and "Republic day offer " given by bigbazaar.

Research methodology

Research comprises "creative work undertaken on a systematic basis in order to increase the stock of knowledge, including knowledge of humans, culture and society, and the use of this stock of knowledge to devise new applications." It is used to establish or confirm facts, reaffirm the results of previous work, solve new or existing problems, support theorems, or develop new theories. A research project may also be an expansion on past work in the field. To test the validity of instruments, procedures, or experiments, research may replicate elements of prior projects, or the project as a whole.

Methodology" implies more than simply the methods you intend to use to collect data. It is often necessary to include a consideration of the concepts and theories which underlie the methods. For instance, if you intend to highlight a specific feature of a sociological theory or test an algorithm for some aspect of information retrieval, or test the validity of a particular system, you have to show that you understand the underlying concepts of the methodology.

When you describe your methods it is necessary to state how you have addressed the research questions and/or hypotheses. The methods should be described in enough detail for the study to be replicated, or at least repeated in a similar way in another situation. Every stage should be explained and justified with clear reasons for the choice of your particular methods and materials.

There are many different ways to approach the research that fulfils the requirements of a dissertation. These may vary both within and between disciplines. It is important to consider the expectations and possibilities concerning research in your own field. You can do this by talking to your tutors and looking at dissertations written by former students on your course Primary data collected by the

researcher. It is often undertaken after the researcher has gained some insight into the issue by reviewing secondary research or by analyzing previously collected primary data.

Secondary data is one type of quantitative data that has already been collected by someone else for a different purpose to yours

For this project we are using the research method is survey the information is collected with help of questionnaire. The secondary data is collected from the other sources like website.

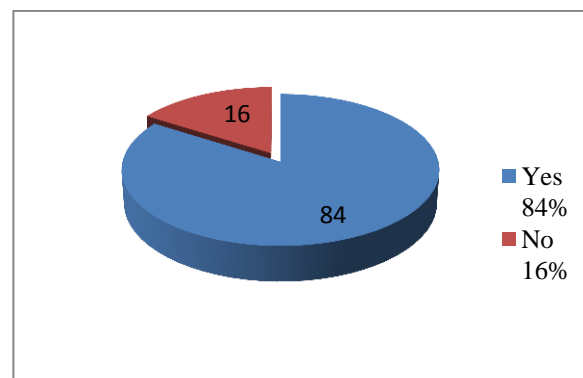
The sample size of the survey is 100.

Objective

- 1 To study the effectiveness of offer provided by bigbazaar.
- 2 To study the awareness among the people regarding bigbazaar's promotional offers.
- 3 To evaluate the effectiveness of offer given by bigbazaar.

Data interpretation

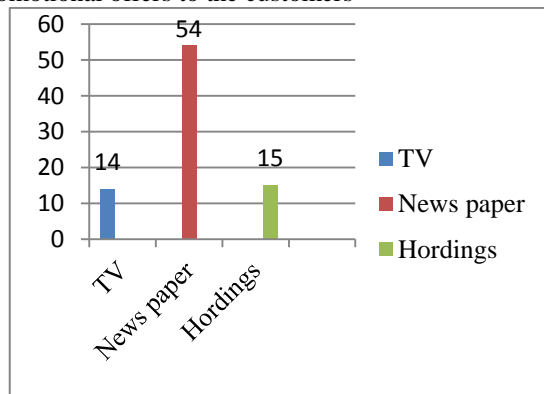
Concept: To survey whether the customers visiting at Big Bazaar are aware of the Promotional offers





Interpretation: Majority of the customers surveyed were aware of the Promotional offers at Big Bazaar

Concept: To study mode of communicating promotional offers to the customers



Interpretation: News paper was the most effective mode for communication, followed by hoardings and TV advertisements.

Limitations

This report had to work under several constraints and limitations. Some of the key limitation is.

- The psychology and temperament of a respondent play a significant role. Some respondents are more sensitive as against others who are more tolerant. A change in the composition of the respondents can affect the answers adversely or favorably.
- Respondents may not have been true in answering various questions and may be biased to certain other questions.
- The questionnaire mostly contained multiple choice questions, therefore many respondents did not give a proper thought before up the questions, and some even ticked things, which were not applicable. Therefore, all this increased the bias.
- The sample size of customers was very small and therefore response from them does not reflect the exact view because they may to bias.

Findings

- Majority of the customers surveyed were aware of the Promotional offers at Big Bazaar
- Newspaper was the most effective mode for communication, followed by hoardings and TV advertisements.
- Promotional offers are noticed and heard by the customers during their shopping
- Many of the customers visit Big Bazaar once in a week, either on Wednesdays or weekends, followed by customers visiting once in a month and as-and-when required.
- 26% strongly agree, 40% agree, 22% neither agree nor disagree and remaining customers disagree
- Customers preferred clothing followed by groceries, electronic items and furniture
- Majority of customers availed benefit of promotional offers
- 49% of the customers availed free offers 36% availed Discount offers.
- Majority (87%) of customers did communicate benefits of promotional offers to their friends and relatives.
- majority of customers find price better compared to other retail stores
- Customers found Quality at Big Bazaar good as compared to other retail stores
- Customers feel product range good at Big Bazaar

Suggestions

- Many of the surveyed customers were not aware of promotional offers, so the Company should ensure that maximum customers know about promotional offers visiting Big Bazaar and there should make aware of offers to general public.



- Many of the customers are not attracted to promotional offers because of short range of electronic items and some doubt the quality of the products on which promotional offers are declared. The Company should take note of this.
 - Some customers are disappointed because of short period of promotional offers as they visit Big Bazaar after the offer period is over. Such customers should be convinced that similar offers would be declared soon.
 - The duration of the discount offers must be increased, so that more number of customers can avail the benefit.
 - Most of the customers prefer clothing (50%) and groceries (32%), the Company has to attract the customers towards and electronic items and furniture
 - The promotional offers on Wednesdays can also be extended to Tuesdays and Sundays so that more number of customers will get benefit of the offers and thus sales increase.
 - The employees of Big Bazaar should be discouraged to take the benefit of offers which are meant for customers
- Customers are exposed to new brands and they are becoming brand savvy

References

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- [3] Marketing Management – Philip Kotler

Conclusion

In this project, I am tried to evaluate the effectiveness of the offered given by the bigbazaar with the help of the information collected from the customers and data analysis. The conclusions are as follows:-

- Promotional offers play an important role to increase the sales in short terms.
- Nagpur population is experiencing a new pattern of shopping.
- The customer buying pattern has changed with the introduction of Big Bazaar in Nagpur.
- The foot fall has increased at Big Bazaar