

The Impact of Promotional Tools Used by Hypermarkets in Pune City to Influence the Consumer Buying Behavior

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Abstract: Hypermarket retail formats have been a standout amongst the most fast developing retail formations in the Indian retail sector for the most recent decade. Be that as it may, buyers have turned out to be more traditionalist because of the delicate macroeconomic atmosphere and keep on placing significance on advancements with regards to their purchase behaviour. For retailers, this conduct has implied extreme rivalry for a diminishing offer of wallet and has meant an enduring increment in limited time period. Advancements can effectively drive wanted practices and meet differing destinations for every objective client portion. Through this review, an exertion has been made to discover the different sales promotional tools, for example, Coupons, Free sample, Free gift, Lucky draw, Special Discount, Refund & Premium offers, Seasonal Discount, Price discount, Demonstration of the product (display), Buy one get one free, Product replacement and warranty, Gift with Purchase and consumers buying behavior, sweepstakes and games that are being used by various Hypermarkets in Pune City to impact the customers buying behaviour. This study is based on review of the literature, conceptual framework, collection and analysis of primary data and hypothesis which open the door for future researchers to expand more in this field.

Keywords: Sales promotions tools, Hypermarket, Consumer buying behavior, Purchase decisions,

Introduction of the Study:

Most of the buying conditions are so basic and frequent that they include next to no intellectual movement of the buyers (Wathieu & Murre, 2007). In such circumstances, motivating the shoppers to change the brands preferences or obtain more items is arduous. Peattie and Peattie (1994) expressed that "Marketing and promotional events normally associated to a time frame, place or group of consumers, which empowers them for an immediate reaction by promoting certain benefits and offer additional payback or welfare. One of the benefits of promotions is that they stimulate the consumers to compare different brands and evaluate the purchase possibilities in such cases. Therefore, retailers and marketers utilize different promotion strategies according to the preference of the consumers to boost their sales. Promotion is fundamentally a tool to spread the information about the merchandises and services available to them. However, promotional activities today not only include advertising but it also consist of various promotional gimmicks. The constantly expanding rivalry in the worldwide market has provoked associations to be resolved and guarantee absolute gratification to the customer's need and wants more proficiently and viably than ones competitions (Kotler, 1988). Earlier the main goal of promotion used to be longer product awareness. Price Reductions, or coupons discount given by retailers and other

promotional tools such as free samples, bonus packs and Buy one Get One Free provided by the retailers to interest more purchasers to obtaining merchandises (Gilbert, 1999).

The foremost objective of this research is to comprehend the impact of sales promotion done by the Hypermarkets on consumer's buying behaviour in Pune City. In this study the key benefits of sales promotion, various types of sales promotion tools and how stimulating these promotions are in the process of making buying decision are clearly examined and elucidated. This study also tries to investigate the effectiveness of various sales promotional methods with respect to Hypermarket, in Pune City. With the end goal of doing the assessment literature review, research methodology, presentation absorption has been done in this study. The literature review has facilitated the scholar to gain through knowledge and to establish a strong foundation and background for the subject. The various research methodology are analyzed & most appropriate one suitable to study was selected to collect the primary data.

1. Introduction of Hypermarket:

1.1 Hypermarket: an overview

A hypermarket is a colossal retail outlets with full lines of staple goods and general merchandise. It could be known as a superstore that joins a grocery store and a departmental store and shows a huge scope of items under one rooftop to have the capacity to furnish a client with the majority of his or her standard week by week/month to month shopping prerequisites in one daytrip. Hypermarkets, have plans of action concentrating on high-volume and low-margin deals/sales. Such stores for the most part stock staple, clothing and general stock, among different items. In India, any retail outlet possessing more than fifty thousand square feet territory is named a hypermarket. Each such store supposed to require Rs. 4 to 4.5 crore for project to set up. There are more than 25,000 Stock Keeping Units in such a store and the incubation time frame for substantial hypermarket stores is anyplace between 3-5 years. These hypermarkets is a syndicate of grocery store, discount, and distribution center retailing principles. Its merchandise combination goes past routinely acquired product assortments and incorporates furniture, massive and little machines, apparel, and other numerous things. The basic approach is wholesale display and least control by store workers, with discounts offered to customers who are willing to carry heavy appliances and furniture out of the store.

Pantaloon Retail India's hypermarket store, Big Bazaar, is now evolving as India's largest hypermarket chain. Standing in lines with the global hypermarket chains like Wal-Mart, the Big Bazaar stocks several product categories. The present estimate is that it stocks close to 1.5 lakh SKU (Stock keeping Units) items across 18 product categories, including utensils, pharmaceuticals, electrical items, hardware, and food and provisions. Other hypermarkets' examples are Easy, Vishal Mega Mart, Hyper City, Big Bazaar, Easy Day, Reliance Hyper, Star India Bazaar, Spencer's Hyper (formerly Giant), D-Mart, Reliance Mart, ChoupalSagar and HariyaliKisaan Bazaar (rural hypermarket) are the major hypermarkets in India.

2. Literature Review :

2.1. Sales promotion

There is a great body of literature and previous studies which discussed the association between sales promotion and its influence on consumer buying behaviour, especially coupons and price reduction, since they are most extensive used types (Krishnha and Zhang, 1999; Huff and Alden, 1998; Leone and Srinivasan, 1996; Bawa and Shoemaker, 1987, 1989 Gupta, 1988, 1993; Blattberg and Nelsin, 1991). There have been many definitions of sales promotion. The Advertising Standard Authority's (ASA) defines sales promotion as: Those promoting procedures which are utilised, as a rule on an impermanent premise to make products and ventures more alluring to the customers by giving some extra advantage whether in trade or out kind, Mercer (2002). According to Joncos (1990) sales promotion is a competent way of competitive retaliation rather than marketing activities. Belch and Belch (1996) defined sales promotions as direct encouragements provide an additional stimulant for the products to be sold or distributed in a short period of time. Defined by Zallocco & Kincaid (2008), promotion is the deliberate attempt on the part of the individual business or other institution to communicate the appropriate information in a manner persuasive enough to include the kind of acceptable response desired. Promotion is information by the firm to different gatherings of people with a perspective of advising, persuading and or motivating them by affecting their state of mind and buying behaviour towards the organization's brands and merchandise. Cotton and Babb (1978) proposed another trend of sales promotion used to increase consumer purchases which known as in-store promotion, it is more effective during the period when a deal is going on. Some researchers have different views that promotion is an expensive tool and it may affect negatively on retailers profits (Walters and Mackenzie, 1988). However, most organization regards promotion expenses as a guarded secret and therefore information about such expenditure is difficult to determine. Berkowitz (1982) estimated that promotion quota to be 25% of the total marketing costs of the firm. A successful promotion is one where a company sells a lot of products to the customers, and a promotion for an established brand can be used to attract and retain new users to the brand. Promotion has become popular that it accounts for more than 65% of typical marketing budgets.

2.2. Consumer buying behavior

Engel, et al. (1986) define consumer behaviour as "those demonstrations of people straightforwardly required in acquiring, utilizing, and using economic merchandise and services, including the buying and decision making procedures that goes before and decides these acts". Straightforward understanding gives controlled knowledge into the unpredictable way of customer decision and analysts have progressively looked for the more modern ideas and techniques for examination gave by behavioral sciences keeping in mind the end goal to comprehend, foresee, and potentially control shopper conduct more successfully and proficiently. The effect of offers, deals and sales promotion on shopper purchasing conduct and his behaviour has been broadly expressed in many researches, they have demonstrated that there are a ton of elements can impact purchaser purchasing conduct, either to purchase or not (Nagar, 2009; Smelser and Baltes, 2001). According to Nijs, Dekimpe, Steenkamps and Hanssens (2001)

sales promotions have a huge impact on consumers buying behavior such as purchase time, product brand, quantity and brand substituting. Moreover, consumer purchase decisions sometimes created on the price sensitivity, individuals are more attracted to promoted products (Bridges, Briesch and Yim, 006).According to Schiffman and Kanuk (2004) there are four views for explaining consumer decision and behavior such as, economic view which it has the more impact followed by passive view, emotional view and cognitive view,they also stated that consumer buying behavior concerned on how customers decide what product they want and how that evaluation is going to be and its impact on future purchases. According to Naimah and Tan (1999) some factors affect consumer to buy a specific product such as high purchasing power and other sales physical surroundings. Kotler (2003) argued that other social and economic factors may affect consumer decisions for example culture and fundamental factors of consumer behavior.

2.3. The relationship between sales promotions and consumer buying behavior

According to Quelch (1989) promotional tools, materials and techniques have dramatically increased in the recent years by marketers. Then Blattberg and Neslin in (1990) admitted that sales promotion has an impact on consumer buying behavior by focusing on promoting occasion. Schneider and Currim (1991) argued that customer’s promotion acceptance is based on the out and in store sales promotion. Later on Schultz (1998) indicated that sales promotion has a direct effect on customers’ behaviors. Chandon, Wansink, and Laurent (2000) pointed that there are other factors can influence consumer buying behavior rather than reasons beyond price saving. Pramataris (2001) argued about sampling which is a good technique and it has less cost and an effective tool to attract customers. Fill (2002) indicated that promotion tools has a huge impact on consumer buying behavior during any competition; therefore discounted price one of these tools which effect customers decisions. In regards to Pickton and Broderick research (2005) sales promotion can result in increasing sales volume with less profit. Others also agreed that sales promotions’ is aiming to influence consumer buying behavior by introducing new brand product which is going to be targeted the customers who have no previous experience with it(Solomon, Marshall and Stuart, 2008; Kotler and Armstrong, 2004). However, Esfahani and Jafarzadeh (2012) found that psychological variables have a significant relationship with sales promotion; therefore they concluded that there is no significant relationship between impulsive behavior and sales promotion.

3. Research Methodology:

Research Design-	Descriptive
Sources of data collection	Primary data – Questionnaire, Personal interviews
Secondary data	Books, magazines and internet
Research instrument used	Questionnaire
Research Technique	Survey/Personal interviews
Sample location	Hypermarket Big Bazaar, Amanora Mall, Pune
Sample plan	Simple Random sampling

Sampling unit	Customers Big Bazaar, Amanora Mall, Pune
Sample size	100 customers

4. Problem statement:

The aim of this paper is to examine the impact of different sales promotion tools used by Hypermarkets in Pune (independent variables) such as: Coupons, Free sample, Free gift, Lucky draw, Special Discount, Refund & Premium offers, Seasonal Discount, Price discount, Demonstration of the product (display), Buy one get one free, Product replacement and warranty, Gift with Purchase to influence the consumers buying behavior such as: changing alternate Hypermarket and customer loyalty (dependent variable) .

The objective of this paper is to identify:

- The promotional tools used by Hypermarket retailers and their impact on motivating consumer buying behaviour and influencing the purchase decision of Hypermarket consumers in Pune City.
- Various factors that influences consumer buying behaviour and purchase decision of Hypermarket Consumer.

4.1 Measuring of sales promotion

Aradhana (1991), proposed that insight of deal incidence may affect consumer price perceptions and deal response much more powerfully than the actual deal incidence. The author determined how shopper's perceptions of deal incidence for a brand may be prejudiced by the dealing pattern of that brand and of other brands. It was found that the price consumers were willing to pay for a brand that was correlated more decidedly with perceived deal incidence than with actual deal incidence.

4.2 Research Question

- In order to analyse the research objectives, following research question has been developed.
- Do the sales promotion tools (Coupons, Free sample, Free gift, Lucky draw, Special Discount, Refund & Premium offers, Seasonal Discount, Price discount, Demonstration of the product (display), Buy one get one free, Product replacement and warranty, Gift with Purchase) have significant impact on consumer buying behaviour (brand swapping and customer loyalty)?

5. Theoretical Model

In the light of the research question and study objectives, following theoretical model has been developed. This model shows the impact of sales promotion tools; Coupons, Free sample, Free gift, Lucky draw, Special Discount, Refund & Premium offers, Seasonal Discount, Price

discount, Demonstration of the product (display), Buy one get one free, Product replacement and warranty, Gift with Purchase impacting consumer buying behavior consequential in Brand swapping and buyers faithfulness. This relationship is drawn from previous studies that shown the relationship between sales promotion tools and consumer buying behavior which is shown in figure 1.

5.1 Hypothesis

Therefore following hypotheses have been created to answer study research question.

H0 = “Hypermarket sales promotional activity does have significant impact on customers buying behaviour”

H1 = that Hypermarkets sales promotional activities does not have any significant impact on customers buying behaviour”

Gender	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Male	52	4	0	1	0	57
Female	39	2	2	0	0	43
Total	91	6	2	1	0	100

5.2 Chi Square Table

Observed frequency	Expected frequency	(O-E)	(O-E)2	(O-E)2/ E
52	51.87	0.13	0.02	0.00
39	39.13	-0.13	0.02	0.00
4	3.42	0.58	0.34	0.10
2	2.58	-0.58	0.34	0.13
0	1.14	-1.14	1.30	1.14
2	0.86	1.14	1.30	1.51
1	0.57	0.43	0.18	0.32
0	0	0	0.00	0.00
0	0	0	0.00	0.00
0	0	0	0.00	0.00
Total				3.21

Data Interpretation:

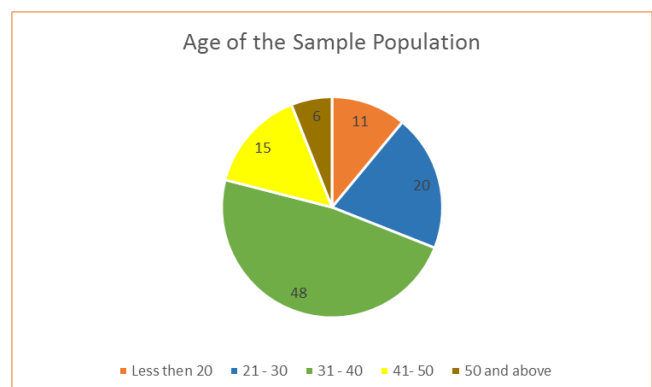
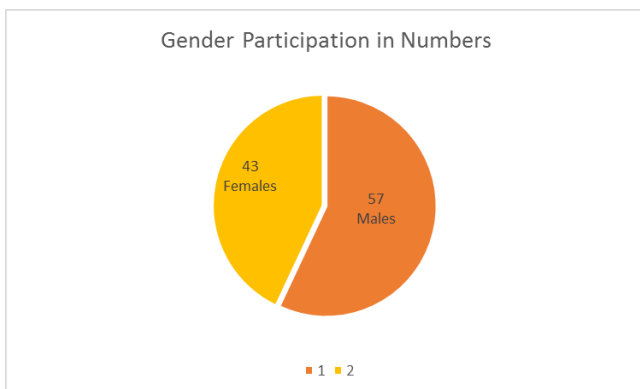
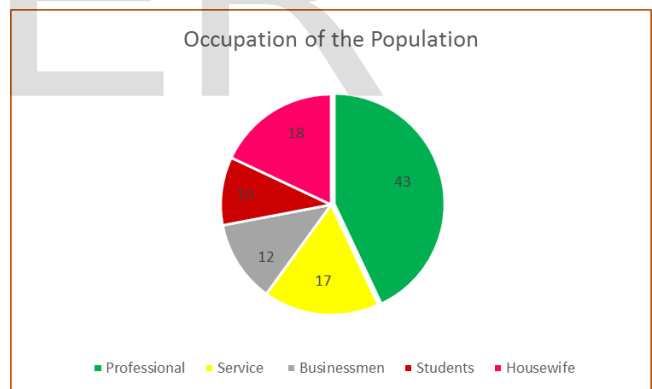
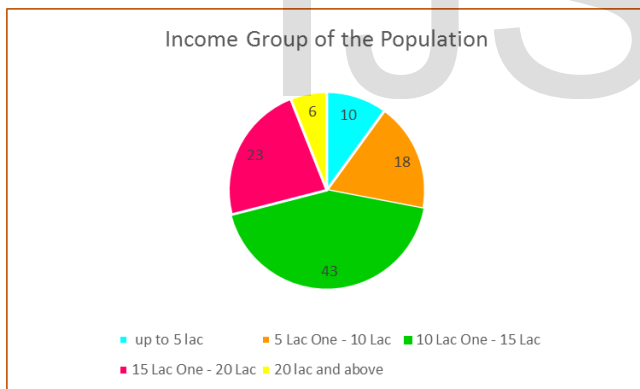
Degrees of freedom in given problem is (c-1) (r-1) = (5-1) (2-1) = 4

Calculated Value: 3.21

The Table Value of chi-square for 4 degrees of freedom at **5% level of significance is 9.488**

Because the calculated value of chi – square is less than the tabulated value so we accept the null hypothesis and reject the alternative hypothesis and we can conclude that “that Hypermarket sales promotional activity does have significant impact on customers buying behaviour ”

S.no	Hypermarket Promotional tools	Total	weighted Average
1	Coupons	7	2.50
2	Free sample	3	1.33
3	Free gift	6	2.50
4	Lucky draw	5	2.17
5	Special Discount	7	2.17
6	Refund & Premium offers	6	2.00
7	Seasonal Discount	10	3.00
8	Price discount	10	3.67
9	Demonstration of the product (display)	9	2.67
10	Buy one get one free	19	4.83
11	Product replacement and warranty	6	2.50
12	Gift with Purchase	12	4.00
		100	



7. Limitation :

- While this paper provides important insights into sales promotions tools and its impact on consumer behaviour in retail sector, it also has some limitations. This study concentrated on Hypermarket retail sector looking into previous studies because time restrictions, for further future studies recommended to expand to test other sectors and fields in order to get new results and analysis, in addition to that findings can be based on empirical study built on questionnaires and surveys to get better reliable data.
- Time constraint which lead to insufficient data.
- Reluctance of the respondent to response the question as they don't take them earnestly.
- Sample size is limited and it may not be represents the total population.
- Respondents were resisting to fill the questionnaire.

8. Conclusion :

By and large, the Hypermarkets in Pune City are actively engaging customers by utilizing deals advancement tools which they are assuming as a vital part to invigorate their clients towards purchasing any merchandise, and that will build both merchants and retailers benefit and piece of the pie. In this review it is demonstrated that shoppers' conduct can be decidedly actuated by utilizing various sales promotional tools, for example, buy one and get one free is widely accepted proposition among hypermarket shoppers. Thus if Hypermarkets want to allure more and more customers they have to use sales promotional techniques to influence customer's buying behaviour and sales promotional techniques at Pune Hypermarkets actually works.

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