



## Impact of Sales Promotion Tools on Consumer's Purchase Decision towards White Good (Refrigerator) at Durg and Bhilai Region of CG, India

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### Abstract

*In the emerging business scenario various promotional techniques are used by the marketer for influencing the purchase decision of their consumers. Sales promotion, a key element of promotional mix has been widely used to sustain competitive advantage, increase sales and stimulate consumer purchase decision, is becoming a valuable tool for marketers to influence purchase decision. Through this study, an effort has been made to find out the various sales promotion tools and its impact on purchase decision towards white good (refrigerator). For conducting the research, data was collected through convenience sampling of 109 respondents through descriptive research design technique. Later the data was analysed and the hypothesis was tested by using multiple regression technique. The result shows that among the various sales promotion tools: offer, premium and contest are the most influencing variables for consumer purchase decision.*

**Keywords:** Sales promotion, purchase decision, white goods.

### Introduction

India's consumer market is raising the crest of countries economic boom. With access to disposable income, easy finance option, study income gains the consumer purchase decision has been influenced significantly. The demand for white good i.e. refrigerator has been increasing consistently due to presence of organised retail, expansion into new segments, product affordability focus on energy-efficient and environment-friendly products. There are various brands in the Indian market who are dealing with refrigerators like Godrej, Whirlpool, Samsung, LG, Blue-star, Videocon and Hitachi. The purchase decision related to the goods depends on various factors like brand, quality, after sales services, warranty, advertising, rebates, offers, discount, mode of payment, display, sales person behaviour, store location and many more. Efforts have to be made by the marketer to plan the optimum combination of the factors that can increase the sales of their products. Well framed strategies will thus, contribute for the above. The customer should know about products usage and benefits. For this most effective tools is promotion. It includes elements like advertising, sales promotion, personal selling, public relation and direct marketing. It helps in conveying message about the product offering to the customers, creating demand, market positioning, make a decision related to buy a product. Among the various promotional tools it has been found that sales promotion is one which stimulates quick and large purchases in a limited period of time. It can be said that, it's a marketing activity that adds the value proposition related to a product (i.e., getting more for less) for a limited time in order to stimulate consumer purchasing, effective sales and the effort made by the sales force. It includes price offs, free gifts, premium, contest, exchange offer, rebates,

sweepstake, buy one get one free, discount, point of purchase, event etc.

**Literature Review:** For the purpose of research various past studies have been reviewed. Sales promotion has been considered as most stimulating technique of promotion for influencing the purchase decision. It is a valuable tool for manufacturers as well as retailer. As per survey of Cox Direct (1998) on Promotional Practices suggest that many companies spend as much as 75% on sales promotion and 25% on advertising of their total promotional budget Dotson, M.J. and Hyatt, E.M.<sup>1</sup>. There are various reasons for this distribution among them quick sales generation is one. Sales promotion includes those activities, which enhance and support mass selling and personal selling and which help compete and or co-ordinate the entire promotional mix and make the marketing mix more effective. Luick and Zeigler<sup>2</sup>. Brassington and Pettitt<sup>3</sup> provide a revised definition for sales promotions: 'a range of marketing techniques designed within a strategic marketing framework, to add extra value to a product or service over and above the "normal" offering in order to achieve specific sales and marketing objectives, this extra value may be a short term tactical nature or it may be part of a longer-term franchise-building program.' Chandon, Wansink and Laurent<sup>4</sup> explained six different types of consumer benefits regarding sales promotions: monetary savings, quality, convenience, value expression, exploration and entertainment. Understanding about consumer's value in sales promotions helps in understanding regarding their intention towards purchase<sup>5</sup>.

**Sales Promotion can be categorized into:** Nema1G., Nagar D., Shah M.<sup>5</sup>. i. Consumer sales promotion, ii. Trade sales promotion

Consumer sales promotion incorporate a variety of short-term promotional techniques designed to induce customers to respond in some way. It is intended to enhance the value of a product either by reducing cost or adding benefits.

**Various types of consumer sales promotion:** Blattberg, Robert C. and Scott, A. Neslin<sup>6</sup>. i. Coupons: offers a certificate that provides a price reduction at point of purchase. ii. Rebates: are cash back on product from the manufacturer on a purchase. iii. Free trial: provides the consumer with the opportunity to use the product by giving a free small portion of the product for the consumer to test. iv. Premium: offers an increased quantity of the product without an increase in normal price. v. Contest: provide a chance to win a large prize through skill. vi. Sweepstakes: provides a chance to win a large prize based on chance. vii. Price packs: offers a reduction in normal price of a product.

Trade sales promotions, mainly aimed at retailers and wholesalers, instruct their employees to promote a marketer's brand over competitor's offerings.

**Various types of trade sales promotion:** Pithadia, Vijay and Sharma Ashish<sup>7</sup>. i. Allowance: short term incentive offered to induce a retailer and stockiest to stock up on a product. ii. Price-off: selling products at a reduced cost than usual. iii. Trade shows: a large exposition to promote awareness and sales of especially new products within an industry. iv. Sales contest: contest or competition to reward retailers that sell the most products. v. Point of purchase display: extra sales tools given to retailers to boost sales.

The simplest way to explain consumer purchase decision is the way through which a best alternative is selected among several for need satisfaction.

There are various aspects of consumer behavior in which consumer decision-making is a vital area which should be studied frequently<sup>8</sup>. The study found that in the recent decades various consumer decision-making models have been proposed but for the study of purchasing durable it is believed that a specific situation and product-oriented model is needed. Erasmus, Boshoff, and Rousseau<sup>9</sup>. The study explained that the goods are consumed on the basis of various needs, preferences and purchasing power. Internal as well as external factors facilitates in understanding more about purchase decision in terms of what to buy, how to buy, where and when to buy and in how much quantity. Thus, the consumer buying behavior is a complex process, the marketer have to plan strategically to achieve the marketing objectives. In formulating the marketing strategy for effective selling cost, value and benefit analysis is to be considered. Promotion plays a critical role in clear understanding of the above analysis.

There is varied form of promotional activities being performed by the marketers. Studies suggest that among the several sales promotions is the most influencing for generating instant sales of the product. According to Joshy Joseph and Bharadhwaj Sivakumaran<sup>10</sup>. The study examined the utility aspect of promotion has been explained in terms of offer which provides economic benefits of buying the product immediately by the customer and It may not intend to understand the feelings of the customers towards the product or brand. Promoters feel that the customers should think and cognitively process the information about the promotion for making a rational decision. Customers can know about the benefits of the offer and can make comparison with other brands. A feeling of smart shopper is felt by customers by utilizing an offer through which they get extra value.

A focus on tracing and identifying the sources of information regarding promotion schemes is studied on 200 urban working women belonging to different occupation, educational and income groups. Study observed television as a major source of information, for 65.5% consumers while group forces affect 50 respondents. Surprisingly 45% employed women still feel radio as a source of information. In purchase of consumer durables, 53% would go for brand. Price is relatively more important factor. Venkateshwar and Rao<sup>11</sup>

Sales promotion through conjoint design was measured in the study of Vyas<sup>12</sup>. The study found out that how choice is made by consumers where there are several brands known which can be preferred by them. The study reveals that the sales promotion offering immediate incentives of price-cut nature is likely to appeal to all segments of consumers<sup>13</sup>.

**Statement of Problem:** This paper aims to find out the impact of independent variables (sales promotion tools like price pack, rebate, offer, premium, contest) on dependent variable (consumer purchase decision) towards purchase of white good i.e. refrigerator. As per previous studies it has been found that among the various promotional mix elements sales promotion is the most stimulating variable for quick selling. There are various types of sale promotion tools used by the marketer but how to decide that which of them can stimulate the purchase. An effort is made to know what can be best way to use the various tools of sales promotion.

**Research Question:** Do the sales promotion tools have significant impact on consumer purchase decision?

**Research Objectives:** i. To identify various sales promotion tools influencing consumer purchase decision. ii. To find the impact of sales promotion tools on purchase decision towards white good (refrigerator). iii. To find most influencing sales promotion tools on purchase decision.

**Research Hypothesis:** H<sub>1</sub>: Price packs have significant impact on consumer purchase decision towards refrigerator. H<sub>2</sub>: Rebate has significant impact on consumer purchase decision towards refrigerator. H<sub>3</sub>: Offer has significant impact on consumer

purchase decision towards refrigerator. H<sub>4</sub>: Premium has significant impact on consumer purchase decision towards refrigerator. H<sub>5</sub>: Contest has significant impact on consumer purchase decision towards refrigerator.

Thus, it can be interpreted that H<sub>3</sub>, H<sub>4</sub> and H<sub>5</sub> hypothesis are accepted and H<sub>1</sub> and H<sub>2</sub> are rejected.

### Research Methodology

The research has been framed to be organized through Multiple Regression Analysis for which a sample of 109 respondents was collected through convenience sampling from consumers of white good (refrigerator). 5-points Likert's rating scale has been used for measurement. The data has gone through Factor Analysis using Principal Component method in order to test the reliability of the instrument. As dependent variable Y and independent variable X<sub>2</sub> were loaded on the same component thus the variable X<sub>2</sub> has been deleted and rests were taken for further analysis.

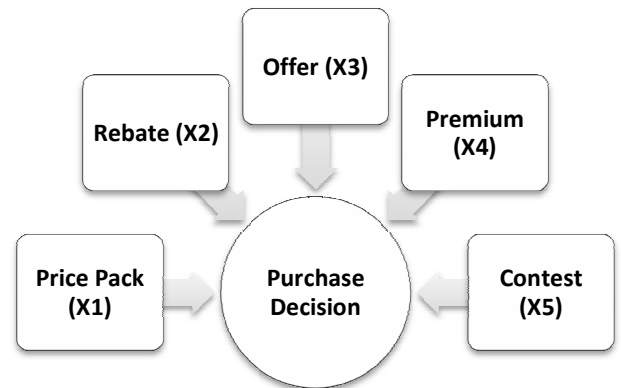


Figure-1  
Proposed Research Model

### Results and Discussion

**Data Interpretation and Analysis:** The result analyzed in SPSS with the use of Multiple Regression method. With the use of Factor analysis it was found that independent variable X<sub>2</sub> has been eliminated and is not considered for further analysis. Thus, the remaining independent variables X<sub>1</sub>, X<sub>3</sub>, X<sub>4</sub>, and X<sub>5</sub> are included in multiple regression analysis. With the interpretation of multiple regression it was found that except variable X<sub>1</sub> the remaining variables are found to be significant. The analysis thus shows that among the various tools of sales promotion: offer, premium and contest are having significant impact on consumer purchase decision. Rebate is found to be insignificant.

Table-1  
Research Plan

Research Design	Descriptive and Causal
Research Instrument	Questionnaire
Data Source	Primary
Measurement Technique	5 Point Likert Scale
Sample Size	109
Sampling Technique	Convenience
Sample Location	Bhilai, Durg
Sample Unit	Consumers (Shoppers)

Table-2  
Factor Analysis

Rotated Component Matrix					
	Component				
	1	2	3	4	5
Y1	.581	.445	-.043	.193	.061
Y2	.662	.109	.251	.249	.045
Y3	.750	.009	.171	.130	.149
X11	.094	.254	-.084	.038	.857
X12	.107	.133	.019	-.045	.811
X13	.093	-.002	.100	.164	.830
X21	.597	.389	.091	.157	.098
X22	.703	.059	.290	.246	.125
X23	.774	.293	.138	.205	.028
X31	.310	.108	.113	.857	.010
X32	.250	.101	.118	.853	.079
X33	.229	.112	.205	.864	.082
X41	.088	.849	.159	.160	.182
X42	.246	.764	.124	.101	.116
X43	.177	.867	.026	.003	.095
X51	.213	.101	.887	.121	.022
X52	.204	.187	.854	.139	.015
X53	.172	.008	.886	.139	.008

a. Extraction Method: Principal Component Analysis. b. Rotation Method: Varimax with Kaiser Normalization Rotation converged in 6 iterations

**Table-3**  
**Multiple Regressions**

Coefficients						
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	.543	.265		2.048	.043
	X1	.069	.060	.091	1.148	.254
	X3	.273	.061	.368	4.478	.000
	X4	.221	.064	.283	3.439	.001
	X5	.126	.057	.181	2.220	.029

a. Dependent Variable: Y

**Table-4**  
**Hypothesis Testing**

Hypothesis	Statement	Status
H <sub>1</sub>	Price pack has significant impact on consumer purchase decision towards refrigerator	Rejected
H <sub>2</sub>	Rebate has significant impact on consumer purchase decision towards refrigerator	Rejected
H <sub>3</sub>	Offer has significant impact on consumer purchase decision towards refrigerator	Accepted
H <sub>4</sub>	Premium has significant impact on consumer purchase decision towards refrigerator	Accepted
H <sub>5</sub>	Contest has significant impact on consumer purchase decision towards refrigerator	Accepted

### Conclusion

On the basis of above findings it can be concluded that sales promotion tools plays significant role in consumer purchase decision. The respondents are most influenced by offer further followed by premium and contest while price pack and rebate have been found to be insignificant. The marketers should focus on reframing of the above tools for stimulating purchase decision.

**Managerial Implications:** This paper tries to throw light on effect of some specific variables of sales promotion on consumer purchase decision. The research can help the business precisians, entrepreneur and other related marketing personnel in framing strategies related to decision for selling products. Further, remaining of the variables of sales promotion can be considered together for further research to have wider scope in marketing. The research is restricted to white good (refrigerator) which can be expanded to other white goods and brown goods also. Future study can be performed at other regions of the country with different demographic and at various other segments. Sales promotion variables can be clubbed with variables of other promotional tools also.

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