

A Study on Sales Promotional Activities in Retail Stores

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Abstract- Sales promotion is a marketing approach that has been researched for many years and has evolved into a critical component of modern marketing. The goal of promotion is to reach out to your target audience and persuade them to make a purchase. Promotion is defined as the coordination of all seller-led activities to establish information and persuasion channels in order to sell products and services or promote a concept. A crucial component of a promotional mix is sales marketing. The goal of this research is to see how sales promotions affect consumer purchasing decisions. The overall goal of this research was to see how efficient sales promotion tools and strategies are at influencing client purchasing behavior. This framework comprises of a method for calculating the sales impact of promotions as well as the duration of that influence. According to this article, sales promotional activity not only meets the organisational aim, but it also meets the needs of the client and aids in the acquisition of new customers. Developing a successful sales promotion strategy aids the company in attracting new clients to consume the goods. Sales promotion has evolved into a critical marketing technique, and its importance has grown dramatically over time. The goal of this research is to determine the overall effect of sales promotions on consumer behaviour and purchasing patterns. The findings of this thesis enable managers to comprehend the value of sales promotion as well as modifying consumer behaviour and purchasing habits. It enables for a better knowledge of consumer attributes and behaviour from the standpoint of sales promotions aimed at a variety of customers.

Keywords: Sales Promotion, Consumer Behavior, Consumer, Marketing.

1. INTRODUCTION

1.1 Sales Promotion and Background

What is the definition of sales promotion? Activities that draw the consumer's attention to a brand, its products and services are called sales promotion. Its main purpose is to attract consumers and distributors to drive sales, provide information about the brand and related items, reduce seasonal decline, and remind customers of the size and existence of the brand [1]. Business-to-business (B2B) and business-to-consumer (B2C) sales marketing is used. Sales promotion can take many forms including samples, coupons, refunds, discounts, premium offers, product or service demos, and just about any other method that can increase sales. Sales promotion, on the other hand, does not include aspects such as advertising, personal selling, or public relations. However, the distinction between sales

promotion and advertising can sometimes be confusing, the two elements absorbing each other. Another crucial factor to consider is that sales promotion attempts to preserve, as well as increase, market share and protect the brand from competitors. Simply, retain existing consumers while acquiring new ones. Consumer promotion and business promotion are two distinct aspects of sales promotion. It aims to improve the customer experience and expand your target audience, and it's a great way to promote new brands and products [2].

Consumer attitudes are changing, making sales and sales growth more difficult. Marketing comes into the picture, with various acts such as advertising, promotion, pricing and distribution all having a beneficial impact on the performance of the business. Sales promotions have been important for decades, primarily to temporarily increase sales in order to improve sales volume or market share. Sales promotion has become more important and has been used as a marketing tool in the corporate world. Customers do virtually little cognitive work in many buying scenarios because they are so routine[3]. The behavior of customers to change brands or increase the number of unit purchases is difficult to motivate for marketers. Promotional activity encourages customers to reconsider and analyze brand and quantity in ways they may not have considered before. As a result, sales promotion has become an important tool for merchants and retailers who use various promotional methods and techniques to understand the preferences of their consumers and increase the sales of their business. The practice of encouraging a potential consumer to purchase a product is known as sales marketing. Sales promotion is designed as a short term strategy to increase sales; it's rarely a good way to build long-term customer loyalty. Consumers are the target of many commercial promotions[4]. Others are aimed at intermediaries and the company's sales team. One of the five elements of the promotional mix is sales promotion. (Advertising, personal selling, direct marketing, and advertising / public relations are the other four components of the promotional mix.) To increase customer demand, stimulate market demand, or improve product availability, market specialists marketers use media and non-media marketing for a limited time. Contests, discounts, giveaways, losses, point-of-sale displays, rewards, rewards, product samples, and discounts are just a few examples. Customers, vendors, and members of the supply chain can all benefit from sales promotions ((like retailers). Consumer sales promotions are sales promotions aimed at consumers [5]. Commercial sales

campaigns are sales promotions aimed at retailers and wholesalers. Many people think of some sales promotions as gimmicks, especially those that use unique means. Sales promotion refers to a variety of marketing actions aimed at providing added value or incentives to consumers, wholesalers, retailers or other organizational customers in order to increase immediate sales. These efforts may be made in the hope of generating interest in the product, testing, or purchasing. Coupons, samples, prizes, point-of-sale (POP) displays, contests, discounts and sweepstakes are all examples of sales promotion devices[6].

1.2 Motivation for the project

Sales promotion is used to recruit new customers, retain existing customers, combat competitors, and take advantage of market research-identified opportunities. It consists of both outside and inside actions aimed at increasing corporate sales. Advertising, publicity, public relations, and special sales events are all examples of outside sales promotion efforts. Window displays, product and promotional material displays, and promotional programmes such as premium rewards and contests are all examples of inside sales promotion activities. Discounts are frequently used as part of sale marketing. Discounts have an impact on how shoppers think and act when they go shopping. Consumers' perceptions of a product and buying decisions are influenced by the sort of savings and their location[7]. Price reductions ("on sale items") and bonus packs ("bulk items") are the two most popular discounts. Price reductions are when an original sale is reduced by a set percentage, whereas bonus packs are when the consumer receives extra for the same price. Many businesses offer various types of discounts in order to persuade customers to buy their items.

1.3 Aim of the study

The overall goal of the study is to determine how important sales promotions are in influencing consumer purchasing decisions [8]. Due to increased rivalry, all organisations are now utilising sales promotional activities to get a competitive advantage in the industry.

Primary objective

- i. To study the effectiveness of the sales promotional activity of retail stores.
- ii. To find out the customer opinion about the promotional activity of retail stores.
- iii. To find out the promotional practices of retail stores.
- iv. To study the sales promotional activities of retail stores.

Secondary objectives

- i. To discover the sales promotion method that has a significant impact on consumer behaviour.

- ii. To determine how different sorts of sales promotional activities affect a consumer's purchasing behaviour.
- iii. To evaluate the consumer's factors, such as age, gender, occupation, income, and shopping interest, which have a significant impact on the outcome of sales promotions.
- iv. To determine the aspects that contribute to the practice's effectiveness.
- v. To make a recommendation for a relevant practise and improvement initiatives

1.4 Research Question

The study looks at both price and non-priced promotions that influence a customer's purchasing decision. The study's main focus is on how promotional activities affect consumer buying behavior for the same product or brand, whether they are priced or not[9].

The focus of this research is to get the responses for the questions such as;

1. How does a sales promotion affect a customer's purchasing behaviour?
2. How does consumer diversity affect the outcome of various sorts of sales promotions?
3. What are the aspects that contribute to the techniques' effectiveness?
4. How do different sorts of sales promotions affect a customer's purchasing behaviour?
5. What are some techniques that might be used to increase sales promotion?

1.5 Significance of the study

This study would be beneficial in determining the impact of promotions on consumer behaviour. The study's goal is to identify the most effective short-term marketing plan for increasing sales volume and market share. The findings of this study will be useful to various businesses in determining the numerous aspects that influence consumer purchasing decisions and adjusting their sale advertising techniques as a result. It would also assist businesses in making the best use of their resources in order to maximise profitability and market share[10]. Before making a decision about a sales promotion, this study will determine the importance of understanding the consumer's buying decision and their dynamic attitude, as well as the impact of the consumer's behaviour on sales.

2.0 RESEARCH METHODOLOGY

The procedures for performing the research are outlined in this chapter. It covers research designs and methodologies, research strategy, research findings validity and reliability, study constraints, and data analysis. The practical methods and theoretical assumptions that justify the approach utilised for this research will be presented in this part of the thesis. The

methodical and scientific techniques that drive the study to the study's results and findings are defined by research methodology.

The study is an empirical and qualitative study in which three experts in the field of sales promotion are interviewed to offer their own and their employers' perspectives on how sales promotion in retail could be further enhanced in both traditional and novel methods [11]. The employment of current technologies in sales marketing is a crucial issue in this case. As a result, the goal is to come up with new or improved ways to improve sales promotion productivity (input-output) using current tools, as well as to exploit existing sales promotion activities in new and unique ways. This thesis relies on theme interviewing, in which the interviews are based on three sales promotion professionals' own applied expertise and experiences.

The purpose of this research is to see how digital and other modern aspects may be used in sales marketing, which is often dependent purely on social interaction between the salesperson and the consumer. The data for this qualitative study came from three interviews with specialists in the field of sales promotion. The reported findings are then compared to the literature's theory and results. Interviews are crucial for getting a solid, professional perspective as well as hearing from experts in the industry about their experiences and perspectives. With this in mind, it's critical that the interviewer pays close attention to his participants' shared expertise and asks clarifying questions only when an answer could be read in multiple ways. Only in this way can their perspectives on how digitalized tools and practices can be used in sales promotion be objectively understood. This could aid in the future definition of new approaches to leverage sales promotion activities in retail.

2.1 Research design and methods

- Descriptive research design
- Casual research design

The descriptive research design is employed to carry out the investigation in this study. It enabled us to distinguish between people's perspectives on current events.

3.0 DATA ANALYSIS AND INTERPRETATION

Data analysis entailed minimizing and organizing the data, synthesizing the information, searching for noteworthy patterns, and determining what was relevant. Organizing, evaluating, and summarizing data are three processes in data analysis, according to [13]. The data acquired for this study was presented using statistical tools such as tables, bar graphs, and a pie chart. Statistical Package for Social Science (SPSS) and Microsoft Excel were used to conduct the analysis. Reliability analysis, descriptive statistics, and multiple regressions were used to examine the data.

The data analysis is a critical component of this study, and SPSS 20.0 and Microsoft Excel were utilised to calculate and measure the data collected for the outcome and analysis. The data was collected at random and then entered into SPSS for systematic analysis and output.

3.1 Statistical tools for data analysis

Following statistical tools have been used for analyzing data:

- The essential properties of the data in the study were described using descriptive analysis, and short summaries of the sample were presented as a result.
- SPSS technique for crosstabs two variables are cross tabulated and their relationship is shown in tabular form. Crosstabs are utilised in this study to visualise the link between different variables and prove the hypothesis.
- A chi-square test is a statistical test that is widely used to compare observed data with data that would be expected if a given hypothesis were true. In this study, the chi-square test was performed to determine whether there is a significant difference between expected and observed frequencies in one or more categories.
- A one-sample T-test, also known as a goodness-of-fit test, determines whether the data collected can be used to make a population prediction or not.
- One-way the ANOVA statistical test finds the probability values of a quantifiable data variable for three or more independent sample groups. This method was used to determine the significance of a relationship between variables [14].

3.2 Frequency Analysis

3.2.1 Distribution by gender

There were 46 people who responded, 35 of whom were female and 11 of them were male.

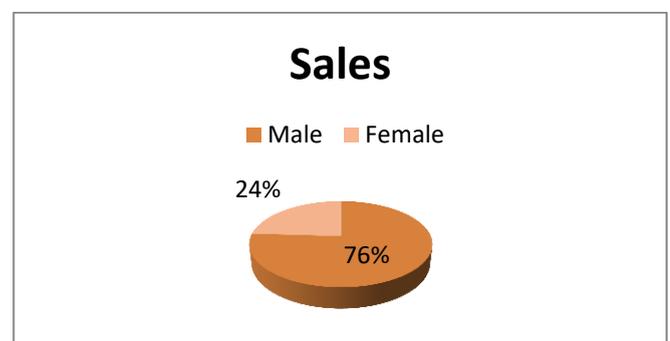


Figure 2: Number of male and female respondent.

Respondents were divided into age groups.

Table 1: Number of respondents based on age group

Age group	Frequency	Percent
16-25	6	13%
26-35	34	74%
36-45	4	9%
46-55	2	4%
Total	46	100%

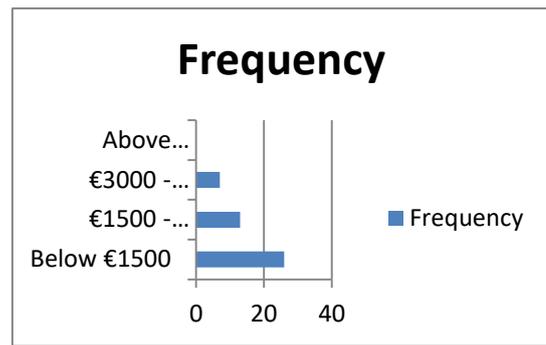


Figure 3: Monthly Income Level

We can see from the table above that 6 of the respondents are between the ages of 16 and 25, 34 are between the ages of 26 and 35, 4 are between the ages of 36 and 45, and 2 are between the ages of 46 and 55. For this study, the majority of respondents are between the ages of 26 and 35. It demonstrates that this age group is more interested in shopping and more enticed by sales promotions.

3.2.2 Distribution of respondent based on occupation

Table 2: Respondent based on occupation

Occupation	Frequency	Percent
Students	18	39%
Freelancer	4	9%
Service	21	46%
Business	3	7%
Total	46	100%

Three of the 46 respondents are business owners, 21 are salaried employees, 18 are students, and four are freelancers.

3.2.3 Distribution of respondent based on income level

Table 3: Respondent based on Income level

Monthly salary	Frequency	Percent
Below €1500	26	57%
€1500 - €3000	13	28%
€3000 - €4500	7	15%
Above €4500	0	0%
Total	46	100%

According to the figures and tables above, 57 percent of respondents have an income of less than €1500, 28 percent have an income of between €1500 and €3000, 15 percent have an income of between €3000-€4500, and none have an income of more than €4500[15].

4.2.4 Distribution of respondent whether people like or not shopping

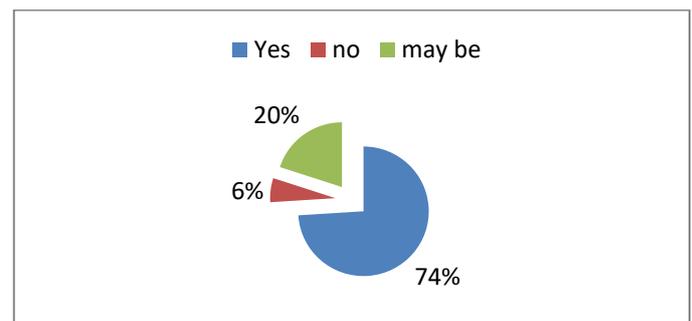


Figure 4 Pie Chart

According to the above research, consumers enjoy shopping, with 74 percent of respondents agreeing. In a survey of 46 adults, 7% said they dislike shopping and 20% said they couldn't decide whether they liked it or not[16].

3.3 Descriptive Analysis of factor that attract the customers in the stores

Table 4: Analysis of factor affecting the customers purchase

Factors attracting customers in store	Mean	Standard Deviation
Offer	0.74	0.444
Service	0.37	0.488
Quality	0.72	0.455
Availability of Products	0.48	0.505

According to the data above, individuals are more interested in the service and availability of products than in the offer or quality of the products.

3.3.1 Ranking of people's preferences for sales promotion strategies

Table 5: Ranking of people's preferences for sales promotion strategies

Sales promotion strategies	Mean	Standard Deviation
	Price discount	2.37
Coupon discount	1.76	1.037
Free sample	2.57	1.003
Buy one get one	2.65	1.140

The table above ranks the reasons behind people's preference for sales promotion tactics. The table ranks the parameters on a scale of one to four, with one being the most advantageous scheme and four being the least favourable. People prefer coupon discounts over other sales promotional methods, according to a sample of 46 respondents, as it has the lowest mean among the available strategies, 1.76. The most advantageous technique is a price reduction; the least advantageous strategy is a free sample; and the least advantageous strategy is buy one, get one free.

3.4 Cross Tabulation Analysis and Chi-Square Test Analysis

3.4.1 Sales Promotion and monthly salary

Table 6: Cross tabulation between sales Promotion and monthly salary

Change in sales pattern with sales promotion			
Monthly salary	Yes	No	Total
	Below €1500	24	2
92%		8%	100%
€1500 - €3000	12	1	13
	92%	8%	100%
€3000 - €4500	4	3	7
	57%	43%	100%
Total	40	6	46

	87%	13%	100%
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The relationship between sales promotion and monthly salary is seen in the table above. The data shows that those with monthly salaries under €3000 are more enticed by sales promotions and modify their buying habits as a result. 57 percent of respondents with a salary of €3000 to €4500 are interested in changing their purchasing habits, which is lower than the salary of respondents with a salary of less than €3000.

4.4.2 Gender and Shopping habit

Table 7: Cross tabulation between Gender and Like Shopping

Like shopping				
Gender	Yes	No	May be	Total
Male	24	3	8	35
	69%	9%	23%	100%
Female	10	0	1	11
	91%	0%	9%	100%
Total	34	3	9	46
	74%	7%	20%	100%

The table depicts the association between gender and shopping interest. Females are more interested in shopping than males, as shown in the table. The graph illustrates that 9 percent of male respondents (35 total) are uninterested in shopping, whilst no female respondents are uninterested in shopping.

3.4.3 Age and time spent for shopping weekly

Table 8: Cross tabulation between age and time spent for shopping weekly

Like shopping					
Age	Less than half hour	Half one hour	One-two hours	More than two hours	Total
16-25	1	0	2	3	6
	17%	0%	33%	50%	100%

	7	9	12	6	34
26-35	21%	27%	35%	18%	100%
	0	2	1	1	4
36-45	0%	50%	25%	25%	100%
	0	1	1	0	2
46-55	0%	50%	50%	0%	100%
	8	12	16	10	46
Total	17%	26%	35%	22%	100%

The table depicts the association between age and the amount of time spent shopping on a weekly basis. The table depicts a random set of numbers, however it can be deduced that those aged 16 to 25 spent more time shopping. Again, those between the ages of 26 and 35 spent one to two hours shopping. The age group between 36 and 55 is when most people marry and settle down, and they are more hesitant to spend one to two hours shopping, whereas the age group between 46 and 55 does not spend less or much time shopping and makes the most of their limited time.

3.4.4 Gender and reaction to sale or money -off deals

Table 9: Cross tabulation between gender and feels embarrassed to buy products on sale or money-off deals

<i>feels embarrassed to buy products on sale or money-off deals</i>						
Gender	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Total
Male	2	2	2	17	12	35
	6%	6%	6%	49%	34%	100%
Female	0	0	5	3	3	11
	0%	0%	46%	27%	27%	100%
Total	2	2	7	20	15	46
	4%	4%	15%	44%	33%	100%

The table above shows the association between gender and their attitudes regarding things on sale or with money-off offers. It demonstrates that 49% of male respondents disagree and 34% strongly disagree that such deals shame them, whereas only 12% of male respondents agree. Female respondents, on the other hand, all disagree with the feeling of embarrassment while purchasing a goods on sale.

3.4.5 Respondents searching for offer but doubting on the quality of products on sales

Table 10: Cross tabulation between respondents searching for offer and doubting on the quality of products on sales

<i>doubt on the quality of products on sale</i>						
Search for offer	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Total
Never	0	1	0	0	0	1
	0%	100%	0%	0%	0%	100%
sometimes	5	6	9	11	2	33
	15%	18%	27%	33%	6%	100%
Often	0	2	1	3	0	6
	0%	33%	17%	50%	0%	100%
Total	0	0	2	2	2	6
	0%	0%	33%	33%	33%	100%

According to the data above, even if respondents are looking for a sales promotion, the majority of them think that quality is a concern. However, 33% of respondents who seek out offers disagree, and 50% and 33% of respondents who seek out offers frequently and always, respectively, dispute that they have doubts about the quality of things on sale.

Chi -square test analysis for people looking for sales promotion and frequency of shopping

Null Hypothesis (Ho): There is no link between those seeking for a deal and their shopping frequency.

Alternative Hypothesis (H1): There is a link between customers seeking for promotions and their shopping frequency.

Chi- square value = 4.880

P - Value = 0.300

Since, P-value 0.300 > $\alpha = 0.05$, we do not reject H_0 .

As a result, there is no significant link between persons seeking promotions and their monthly wage.

3.5 Comparison table and one-way ANOVA analysis

Table 11: Analysis of time spent for shopping and search for offers

Time spent for shopping weekly	N	Mean	Std. Deviation	F-Test	P-value
Less than half hour	8	2.75	0.89	1.043	0.384
Half one hour	12	2.33	0.65		
One-two hours	16	2.19	0.65		
More than two hours	10	2.40	0.84		
Total	46	2.37	0.74		

The table above depicts the level of satisfaction with flavour as well as the frequency with which they frequent restaurants each month. The standard deviation of a group of participants who spent less than half an hour is 0.89, and the mean value is 2.75. Similarly, the mean value of a group of people who spend half an hour or more shopping is 2.33, with a standard deviation of 0.65, and the mean value of a group of people who spend one to two hours shopping is 2.19, with a standard deviation of 0.84. Similarly, the average value of a group of persons who spend more than two hours shopping is 2.40, with a standard deviation of 0.84.

For F-test,

Null Hypothesis (H_0): There is no correlation between the amount of time spent shopping and the amount of time spent looking for deals.

Alternative Hypothesis (H_1): There is a strong link between the amount of time spent shopping and the amount of time spent looking for deals.

F- Value = 1.043

P-Value= 0.384

Since, p value = 0.364 > $\alpha = 0.05$, we do not reject H_0 .

As a result, there is no correlation between the amount of time spent shopping and the amount of time spent looking for deals.

3.6 Comparison table and T-test Analysis

Table 12: Analysis of Gender and purchase more on normal days with sales promotion

Gender	N	Mean	Std. Deviation	T-Test	P-value
Male	35	2.29	0.75	0.073	0.789
Female	11	2.36	0.809		

The analysis of respondents spending more on their shopping bills on normal days with sales promotions between genders is shown in the table above.

For t- test analysis,

Null Hypothesis (H_0): There is no evidence that women spend more on their shopping expenses as a result of sales promotions.

Alternative Hypothesis (H_1): There's a link between gender and spending more on their shopping expenses when there's a bargain going on.

t- value = 0.073

p- value = 0.789

Since p- value = 0.789 is more than significant value = 0.05, we do not reject H_0 .

There is no evidence that women spend more on their shopping expenses as a result of sales promotions.

3.7 Overall Data Analysis

The analysis of the data reveals that the majority of individuals enjoy shopping and devote a significant amount of time to it. People's habits alter as a result of sales promotions, particularly coupon discounts and other special offers. There is no link between respondents who enjoy sales promotions and the amount of time they spend shopping or seeking for sales specials. Age, gender, income, and shopping interest all play a role in the success of retail sales promotions and the types of sales promotional activities.

4.0 CONCLUSION

In today's competitive market, sales promotions are a key element for many businesses and industries, and customers are well aware of the many sales promotional techniques used. According to the findings of a study on the effect of sales promotions on consumer behaviour, regardless of age, gender, occupation, or frequency of

shopping, sales promotions have a significant impact on the change in pattern and behaviour of consumers toward various sales promotion strategies, regardless of age, gender, occupation, or frequency of shopping. The study has taken an important step in identifying the components that drive consumer purchasing behaviour, but it does have some drawbacks. There were just 49 people that took part in this study.

The respondents' preferred sales promotion approach is "buy one, get one free," and they are more concerned with the deals offered to clients than with the service quality and availability of the products. With the sales promotion tactics available, persons earning less than Euro 1500 per month were more hesitant to change their sales habit or behaviour. According to the survey, out of 35 females and 11 males, 91 percent of females enjoy shopping while just 69 percent of guys enjoy shopping. Customers between the ages of 26 and 45 spent more than an hour shopping.

According to the survey, 6 to 12 percent of guys are embarrassed to buy things on sale or with money-off offers, while 0 percent of females strongly disagree. Female shoppers are at ease when purchasing such items and are able to save money. Customers have doubts about the quality of the products on sale, according to the report. The research also demonstrates that, while low-income people are more hesitant to acquire products with sales promotion tactics, there is no link between monthly income and customers shopping for products with sales promotion. It also shows that clients looking for deals to save money spend more time shopping and there is no correlation between spending more money on shopping and gender.

For competing and survival, business and industry people have devised a plethora of sales promotion strategies. Sales promotion is one of the most important promotional methods for marketing products and services. Consumers' purchasing decisions are influenced by sales promotions, according to the study, even though their entire decision is based on making a buy whenever they want. Customers may be sceptical in some situations, but the provision of discounts, price-off deals, and other such services satisfies them. Customers are quite delighted with sales promotional techniques like price discounts, coupons, free samples, and "buy one, get one free," according to the survey.

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