

Impact of promotional tools on growth of sale volume

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***Abstract:** In marketing, to understand the customer behavior is the most important phenomena. To measure the customer buying behavior, it is important to identify and evaluate the various factors influencing their buying behavior. Retail market is the fast growing market in this whole world. In this competitive business era, it is important to understand the customers buying behavior and identify those various motivational factors that are affecting the customers positively toward any product. Use of the Promotional tool is very successful technique of the marketers to stimulate the buying behavior of customers toward making the buying decisions. The purpose of the research study is to identify the various promotional tools that influence the customers to make purchases and measure the impacts of these promotional tools on the growth of sale of any product. Secondary data is used to identify the promotional tools and primary survey has been conducted to evaluate the impacts of these promotional tools on the customers buying decisions which enhance the growth of sale. Data collected from 138 respondents with the help of judgment sampling. After collecting the data, it has been analyzed with the help of SPSS. ANNOVA technique is used to measure their impacts. The results revealed that promotional tools such are price reduction, free gifts, coupons and buy one get one free have significant impacts on the customers buying decisions which affects the growth of sales positively. Discount on products does not have any significant impact on customers buying decisions and does not enhance the growth of sale. The provided research study will be helpful to the marketers to understand the importance of promotional tools and understand the stimulation behaviors of customers. Factors which are affecting growth of sales positively can also be understand with the help of this proposed research framework.*

***Key Words:** Promotional tools, Customer decision making, Growth of sale.*

1. INTRODUCTION:

In this present competitive era, it is not enough for the marketers to having the good products only but it is also required to influence the customers toward buying the products. There are number of substitutes available of each product so it is important to create the need and desire of a specific product and influence the customers to make the buying decisions. A number of factors such are economic, social, cultural, technological anthropological and so on affects the customers buying decisions. So, there is a need to aware the customers about the products availability and create the need and desire of the product so that it can turned into a demand. To influence the customers to make the buying decisions marketers uses many ways. Promotion of a product is the best way to attract the customers toward a product. According to Peattie and Peattie (1994) revealed that all marketing activities usually limited to a time period and place or to specific customer group, which positively encourage the direct response from the customers by offering them some offers and benefits. A number of promotional tools are uses by the marketers to sale their products and enhances the growth of sales with the help of these promotional tools. A number of studies has been done in the context of promotional tools. The aim of the proposed research study is to identify the effective promotional tools of sale and understand the impacts of these promotional tools on the growth of sales of products.

2. LITERATURE REVIEW:

In 2016, Mohamed Dawood Shamout revealed in the research study that promotional tools such are coupons, samples, price discounts and buy one get one free affected the customer buying behavior in two aspects, brand switching and customer loyalty. Coupons have no positive influence on customers buying behavior but price discounts and buy one get one free offers has positively influences the customers buying behavior which affects their brand loyalty.

In 2015, Mohammad Allaham stated that the brand image is affected by the promotional tools. Price discounts and free gifts have significant impact on the brand image. Customers who are highly aware about the brands are influenced by the price discounts as compare to the low aware customers.

In 2014, Adeel Meo, Muhammad Daniyal Abbas, Muhammad Nadeem Sajjad, Muhammad Rizwan, Sayed shahbaz, Hussain bukhari and Muhammad Saad Hameed conducted a research study to determine the impact of promotional tools on sales promotions and found that the free samples and price reduction have significant impact on the sales promotions but customers buying decisions are not influences by the discounts offered and the social surroundings.

In 2014, Auranzeb Mughal, Asif Mehmood, Ammar Mohi-ud-deen and Bilal Ahmad stated that coupons provided on sales has not the significant impact on sales growth but customers are attracted towards the physical surroundings and the buy one and get one free offers provided them on their sales.

In 2013, Kush Kr. Patwa and Love Kr. Patwa revealed that customers are highly influences by the sales promotions tools. The study indicated that customers are influenced 35% by sales promotion, 26.7% by advertising and 16.7 % by words of mouth. Customers are highly influenced by the price off tool of promotion as compare to discounts and coupons.

In 2014, Paridhi Bhandari stated that lucky draw, premium, free samples, special discounts, free gifts, seasonal discounts and product replacement and warranty highly attracted the customers toward making the purchase decisions. All these factors have significant impact on the customers buying decisions. Special discount is the most important and significant factor which influences the customers buying behavior. But display or demonstration of the product is least important factor affects the customer buying behavior.

3. OBJECTIVES OF THE STUDY:

- To identify the various promotional tools of sales.
- To evaluated the impacts of promotional tools on customers buying decisions.
- To understand the relationship between customers decision making and growth of sales.

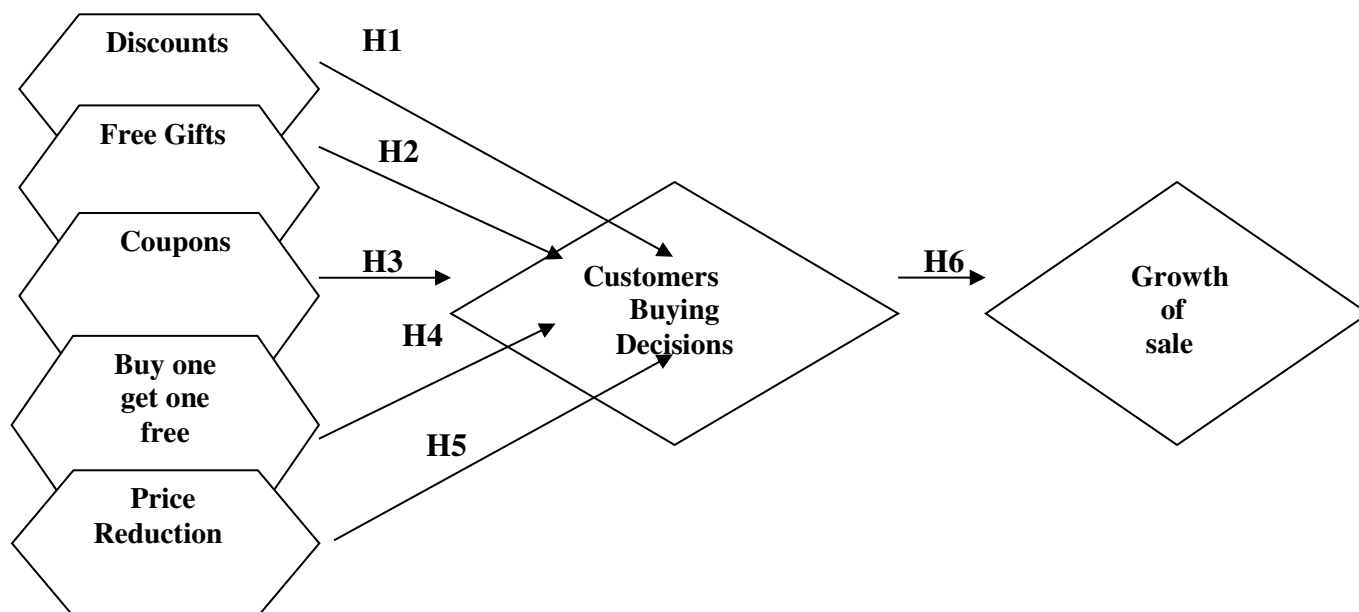
4. HYPOTHESIS OF THE STUDY:

- Discount has significant impact on customers buying decisions.
- Free gift has significant impact on customers buying decisions.
- Coupon has significant impact on customers buying decisions.
- Buy one get one free has significant impact on customers buying decisions.
- Price reduction has significant impact on customers buying decisions.
- Customers buying decisions has positive influence on growth of sales.

5. RESEARCH METHODOLOGY:

Various promotional tools such are discounts, free gifts, coupons, buy one get one free and price reduction are identified with the help of secondary data and primary survey is conducted to evaluate the impacts of these promotional tools on customers buying decisions which affects the growth of sales. Proposed research model is given to understand the impacts of these five constructs or promotional tools on the customers buying decision and the positive impact of customers buying decisions on the growth of sale. Customers are the respondents of the study for collecting the primary data. For the purpose of data collection structured questionnaire has been used. Judgment sampling is used to select the respondents. 150 questionnaires have been distributed among the respondents and 138 responses are collected. The collected data is analyzed with the help of SPSS. ANNOVA technique is used to measure the impacts of these selected promotional tools on customers buying decision affects the growth of sale. A proposed research model is given for the better understanding of the concept.

Figure 1. Proposed research model for the impacts of these promotional tools on the customer buying decisions and the growth of sale.



6. ANALYSIS AND INTREPRETATION:

The collected data is analyzed with the help of SPSS 16. The impacts of the promotional tools on the customers buying decisions have been calculated with the ANNOVA technique. And the df values(degree of freedom), f values and significant values are showing their impacts and Graphical presentation of the results are shown below for better understanding of the output.

ANNOVA						
Variables		Sum Squares	df	Mean Square	F	Sig.
Discounts	Between Groups	.250	1	.250	.997	.320
	Within Groups	34.069	136	.251		
	Total	34.319	137			
Free Gifts	Between Groups	16.475	1	16.475	68.312	.000
	Within Groups	32.800	136	.241		
	Total	49.275	137			
Coupons	Between Groups	5.150	1	5.150	18.043	.000
	Within Groups	38.821	136	.285		
	Total	43.971	137			
Buy one get One free	Between Groups	9.451	1	9.451	58.816	.000
	Within Groups	21.853	136	.161		
	Total	31.304	137			
Price Reduction	Between Groups	16.475	1	16.475	133.372	.000
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It is clear from the output that the ANNOVA value is significant ($p < .05$).

- According to the output, there is not significant impact of discount on customers buying decisions. ANNOVA F-value .997 with a significance value .320. At the level of .05. **Thus H1 is rejected.**
- There is a significant impact of free gifts on the customers buying decisions. ANNOVA F-value 68.312 with a significance value .000. At the level of .05. **Thus H2 is accepted**
- There is a significant impact of coupons on the customer buying decisions. ANNOVA F-value 18.043 with a significance value .000. At the level of .05. **Thus H3 is accepted.**
- There is a significant impact of buy one get one free on the customers buying decisions. ANNOVA F-value 58.816 with a significance value .000. At the level of .05. **Thus H4 is accepted.**
- There is a significant impact of price reduction on the customers buying decisions. ANNOVA F-value 133.372 with a significance value .000. At the level of .05. **Thus H5 is accepted.**
- **Thus, H6** is based on the past research work done in this context. The proposed conceptual framework is already shown the above figure or research model.

7. FINDINGS:

After analyzing the data, the results indicated that marketers use these promotional tools to attract the customers toward their products and influence them to make buying decisions. Various promotional tools such as discounts, price reduction, coupon, buy one get one free and free gifts are considered for the research study to measure their impacts on the customers while making purchase decisions.

8. RECOMMENDATIONS:

- This research study is based on in-store customer decision making. While online shopping customer decision making can also be measured.
- Promotional tools for attracting the internet shopping customers can be evaluated in future studies.
- Impacts of promotional tools can be evaluated on customer demographics based.

- Demographic variations can be studied in the context of promotional tools.
- The marketers should evaluate the promotional technique periodically.
- The most influencing promotional can also be identified in future studies.

9. CONCLUSION:

The results of this research work reveals that while making purchases customers do not attract toward products with discounts offered. But free gifts, coupons, buy one get one free and price reduction have positive impacts on the customers purchase decisions. So, it can be estimated that promotional tools helps the marketers to enhance their growth of sale and maximize their wealth.

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