

Buying Behavior And Impact Of Trade Promotion In Retailing

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1. Abstract

Promotion has become a common word in most of the retail outlets in Bangalore. Usually, the promotions are planned collaboratively by the firms and the retailers who agree together on the promotion activities which provides benefits to both the retailer as well as the manufacturer. The most central element of any retailer is offers of their product(s) on the grounds that it bolsters any business' endurance. Selling involves the utilization of publicity, deals advancements, attention and direct advertising. Retail outlets react distinctively with their advertising correspondence blend choices notwithstanding when exposed to nearly a similar large scale ecological variables. This study examines trade promotion adopted by the Retailers and its effect on sales of soft drinks in Bangalore Region. The research is based on the primary data through convenience sampling technique. The data is collected from about 115 respondents. It shows that trade promotion plays a vital role in increasing the sales of soft drinks. It shows that different people have different brand preferences.

Keywords: Soft Drinks, Trade Promotion, Consumer, Brand Preference

2. Introduction

Consumer attitude is dynamic making things harder for deals or deals development. Here comes the showcasing in picture with various activities, for example, publicizing, advancement, estimating and dissemination having beneficial outcomes on business execution. For more than decades, deals advancements have developed in significance, essentially to expand the business briefly to build deals volume or piece of the overall industry. Deal's advancement has developed significantly and functioned as advertising pack for the business world. Awertyuiol, Many buy circumstances are routine to such an extent that clients direct almost no psychological action". For the advertisers it is hard to rouse the conduct of clients for brand exchanging or increment the quantities of unit buy. The limited-

time movement animates the client for reevaluating and assesses the brand and the amount that they might not have been figured out. Along these lines, the business advancement has developed as the significant devices for the advertisers and retailers utilized with various special apparatuses and systems so as to comprehend the clients' inclinations and lift the offers of their business. Deals advancement has transformed into an imperative gadget for advancing likewise, its essentialness has been growing by and large completed the years. One reason for a business advancement is to inspire a quick impact on the purchase direct of the association's clients that out of all of the seven components—music, conveying the features, frameworks used, content, quickening sway, giving information about the new things, and the advancing aphorisms five factors have immense impact on the watchers' respect for acquirement, leaving the other two factors, that is fortifying effect and advancing witticisms had almost, to some degree lesser influence on customers' thought.

3. Review of Literature

More than 300 years afterward, the exchange still thrives thus do deals advancements, which currently represent increasingly 'capital' than any component of advertising interchanges with the exception of selling. (MICHAEL J. BAKER ,2003).

The absence of permanent effects does not mean that the dynamic effects of price promotions are negligible. For those component series that are stationary, we develop and apply an impulse response approach to estimate the promotional adjustment period. (Koen Pauwels, Dominique, S. Siddharth, 2002)

Over the last three decades, there have been numerous academic papers in economics, psychology, and marketing regarding the topic of sales promotions. Practitioners and consulting firms have made significant progress in applying and, in some cases, extending models from the academic community. (Ozalp Ozer and Robert Phillips, 2012).

To lift market requests, a few sorts of advancements with distinctive value structures can be offered in retail advertises (Dube, 2004; Dube and Gupta, 2008).

Packaged goods manufacturers spend in excess of \$75 billion annually on trade promotions, even though their effectiveness has been hotly debated by academics and practitioners for decades(Lakshman Krishnamurthy, Vincent Nijis, 2009).

Survey evidence shows that children in both the developed and developing world have extensive recall of food advertising. (Gerard Hastings, Laura McDermott, Kathryn Angus, Martine Stead and Stephen Thomson, 2006).

(AdefuluAdesoga, Van Scheers Louise , 2015) says that business advancement upgraded deals development, separates items from contenders and promoting productivity decrease did not build deals advancement use and inferred that business advancement is a veritable apparatus to accomplish advertising advancement goals and furthermore added to the healthiness of offers advancement hypothesis with right track confirmation to showcasing practitioners.

Comparative analysis shows, there is a strong positive relationship between sales promotion expenses and sales volume of the soft drinks Companies. Which justify the strong impact of sales promotion on sales and other hand, it clarified that sales promotion helps to increase the sales. (Gita Aryal, 2018).

A successful brand attracts and retains customers, allowing the company to build a stronger market share, maintain good price levels and generate cash flows. In turn this drives up share prices and provides the basis for future growth.(Demetris Vrontis, AlkisThrassou, Claudio Vignali, 2006)

Table 1: Preference of Promotion from customer's Point of View

SL No	Preferred Promotion	Strongly Agree(5)	Agree(4)	Neutral (3)	Disagree (2)	Strongly Disagree(1)	Total	AVG	Rank
1	Quantity Based Discount (Volume Wise)	115	164	93	34	3	409	27.26 667	1
2	Quantity Based Discount (Value Wise)	80	188	96	26	4	394	26.26 667	3
3	Combo Offers	135	140	87	34	7	403	26.86 667	2
4	Rack Display	90	140	114	40	4	388	25.86 667	4
5	Free Sample	60	136	114	48	7	365	24.33 333	9
6	Loyalty Schemes	60	144	120	36	9	369	24.6	7
7	Cross Promotion	35	116	144	42	10	347	23.13	8

								333	
8	Credit Facility	20	112	114	64	13	323	21.53 333	10
9	Free Gifts/ Prizes	85	164	87	34	11	381	25.4	5
10	Coupons/ Vouchers	75	160	90	36	12	373	24.86 667	6

4. Research Methodology:

This study is based on Survey Research Design. The type of data collected is primary data. The data is collected from various regions of Bangalore City both Urban and Rural parts to have a clear and detailed study. I used questionnaires in the form of google forms for easy distribution of questionnaire and to record responses in a proper quantitative manner to get error-free results. Convenience sampling technique has been adopted to collect samples from the population. The research design is Descriptive type design. The sample size is 115. The data have been analysed by different tools such as percentage, frequency by using different tables. Inferential statistics like chi-square test has been adopted to test the independence of attributes.

5. Results and Discussions

*From the above table 1 we can say that the most preferred promotion method is Quantity Based Discount (Volume Wise), Combo Offers and QBD (Value Wise).

From the above table, we can also say that the least preferred promotion method are Credit Based Method, Free samples and Cross Promotions. This shows that these promotion activities have less impact on customers buying decisions.

Hypothesis 1:

H₀: There is no significance relationship between the Age of the customer and the frequency they consume soft drinks.

H₁: There is a significance relationship between the Age of the customer and the frequency they consume soft drinks.

Chi-Square Tests

	Value	Asymp. Sig. (2-sided)
Pearson Chi-Square	31.601 ^a	.170

Likelihood Ratio	36.223	.068
N of Valid Cases	115	

Table 2: Relation Between Age and Frequency of consumption

From the above table we can say that there is no significant relationship between the Age of the customer and the frequency of consumption of soft drinks since the significance value is greater than 0.05, null hypothesis is accepted.

Hypothesis 2:

H0: There is no significant association between the Gender of the Respondents and the Flavour that the customer prefers.

H2: There is a significant association between the Gender of the Respondents and the Flavour that the customer prefers.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.449 ^a	6	.207
Likelihood Ratio	8.640	6	.195
N of Valid Cases	115		

Table 3: Relation Between Gender and Flavour preferred

From the above table we can say that the chi square value is 8.449 with significance value 0.207 which is more than 0.05, hence there is no significant association between Gender of the respondent and the flavour preferred of soft drinks.

6. Findings and Conclusion

The above study shows that there is an impact of promotion activities in the buying decision of the customers and few of them are namely QBD (Volume-Wise) followed by Combo offers and QBD (Value Wise) and on other side the customers feel that promotion activities such as Credit Based Method, Free samples and Cross Promotions have no impact on the buying decision as it is least preferred by the customers.

The study shows that 56.6% of the respondents feels that TV Advertisement creates the most awareness among the people.

The study shows that 49.7% of the respondents want their soft drinks to be provided in Pet Bottles and 20.3% want it to be in Tetra Pack and 25.9% of the people prefer soft drinks in glass bottles.

The sales promotion activities do have a positive impact on sales of soft drink brands. From the analysis it clears that if sizeable amount is spent on promotional activities the sales would increase accordingly. The study finds that besides other Quantity Based Discount (Volume Wise) is most accepted as well effective and widely used mode of sales promotion. The electronic media is most accepted by the people. So far sales promotion purpose the electronic media is very suitable and especially TV Advertisement is the most preferred more of promotion. In summary, increasing sales of one brand does not affect negatively to the sales of other brand. They all can increase their sales through promotional activities and create own. sales promotion is the key factor to increase sales. Sales promotion covers a wide range of short term incentive tools designed to stimulate the consumer market, the trade, and the organizations own sales force. Sales promotion expenditures now exceed advertising expenditures and are growing at a faster rate. So as in Nepal too, the use of these marketing techniques is increasingly high. Thus, the use of sales promotion is very important if the exercise would be in a proper way.

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