

# “A Study on Impact of Sales Promotional Activities on Customer Buying Behaviour with Special Reference to Rathi Build Mart, Raipur”

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**Abstract:** *In today's business world customers are considered to be kings. It is important for producers to meet the needs of customers in order to stay competitive. One of the marketing tools that is used in attracting the attention of the customer is sales promotion. The aim of this paper therefore is to determine the effect of sales promotion on customer buying behaviour. In the emerging business scenario various promotional techniques are used by the marketer. Through this study, an effort has been made to find out the various sales promotion tools and its impact on customers buying behaviour with special reference to Rathi Build Mart, Raipur. For conducting the research, data was collected through simple random sampling of 100 respondents through descriptive research design technique. Later the data was analysed and the hypothesis was tested by using weighted average method and chi-square test.*

**Keywords:** sales promotion, different techniques of sales promotion, most effective sales promotional technique, building materials, customers buying behaviour,

## 1. Introduction of the Study

The main aim of this research is to understand impact of sales promotion on consumer's buying behaviour. In this research the major 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 analysed and explained. This research also tries to find out the effectiveness of various sales promotional methods with respect to Rathi Build Mart, Raipur. For the propose of carrying out the evaluation literature review, research methodology, presentation assimilation has been done in this study. The literature review part has helped the researcher to gain through knowledge and to establish a strong foundation and back ground for the subject. The various research methodology are analysed & most appropriate one suitable to study was selected to collect the primary data.

**Introduction of the industry:** Build Mart is a superstore combining unique RETAIL store and a wholesale market. The concept is an expansive retail facility of various building materials carrying a wide range of constructional products under one roof, including full basic material lines that are consumed in foundation of finishing and furnishing. In short, Build Mart allows customers to satisfy all their routine shopping needs for construction of a house in one trip. More than 1000 items, across product categories like tiles, cement, bath fittings and accessories, wooden carpet, rebar/saria, roof sheet, water tanks, hardware and sanitary, wall putty and paints and many more. The focus is to meet the unique needs of every customer segment like individuals (all class), professionals, businessmen etc by offering relevant items at very competitive prices, ensuring consistent availability and their convenience. Build Mart is our 5 year old concept in the field of construction materials based on volume. Our first showroom was started in the year 2006 at Jagdalpur, Chhattisgarh. After the huge success in this market we are coming to the capital of Chhattisgarh, Raipur with a big-box building material retail store which has a business model focusing on high-volume, low-margin sales.

Build Mart is spread over 40,000 squares feet showroom for entire range of quality building materials. We are targeting more than 100 different brands of building construction available at any one time.

## 2. Literature Review

Sales promotion is one of the most important and bewildering promotional tools of modern marketing management. It is bewildering because of its typically tagged effects and also the difficulty of isolating its effect from other elements in the marketing mix. It could be referred to as a “catch all” for those short term marketing activities which act as an incentive to stimulate quick buyers action such as coupons, sweep take, context, premium, free samples, trading stamp Sales promotion is a sub-section of the total promotional and communication mix. The term promotion in its broadest sense means to move forward. In the business field; it is referred to as the communication activities of advertising, personal selling, publicity and sales promotion. The blend of these promotional activities is referred to as the promotion mix or tools. The components of the product communication include the brand name, product design, package colour, product size and shape, trademark, label, task, and so on.

### 2.1 Sale Promotion

According to *Brussel (1991)* sale promotion consists of those marketing activities other than advertising publicity and personal selling that stimulate customer purchasing, but for *William & Ferrell (1987)*, sales promotion is an activity that act as a direct inducement, offering added value or incentive for a product to resellers, salesperson or customers. Frequently marketers use sale promotion to improve the effectiveness of other promotion mix ingredients, especially advertisement and personal selling. Sales promotion method falls into one of two groups depending on the intended audiences consumers. Sale promotion methods are directed towards customer. Coupons, the sample, demonstration and contents are typical. While sales promotion method that

focuses on wholesalers retailers and sale persons are called trade methods.

The Advertising Standard Authority’s (ASA) code of sales promotion defines sales promotion as: Those marketing techniques which are used, usually on a temporary basis to make goods and services more attractive to the consumers by providing some additional benefit whether in cash or in kind, Mercer (2002). According to 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 communication by the firm to other various audiences with a view of informing them and influencing their attitude and behaviors towards the firm’s product. The most effective promotional activities are carefully integrated by marketing managers. In general, the relative importance of advertising, personal selling, sales promotion and publicity in specific marketing programmes will vary with the nature of the product, the buying behavior of customers, the competitor practices in industry and the manner in which marketing managers choose to apply resources. Each type of promotional activity will attain maximum effectiveness, if only co-ordinated with others Kotler (1994). Kotler & Armstrong (1990) said that all functions in the satisfaction systems are equally important, if any one system is missing, the system breaks down. The same can be said about the ingredients in the marketing mix, those activities that go together to make the bundle of utility and promotion is important element of the mix. According to Donnelly promotion makes the largest part of the marketing expenses.

Most organization regard promotion expenses as 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. However, promotion alone cannot increase sales volume, some facilities such as provision of credit and others contribute to the increase of sales volume on pot of promotional activitie

2.2 Measuring of sales promotion

According to Asael. AH (1987) manufacturing can use four methods to measure sales promotion effectiveness, these are:

- Sale data should be examined before, during and after promotion
- Consumer panel data would reveal the kind of people who responded to the promotion and what they did after the promotion.
- Consumer survey can be conducted to learn how many recalls the promotion, what they thought of it, how many took advantage of it.

3. Research Methodology

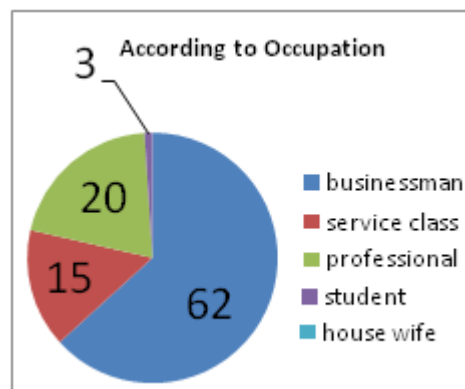
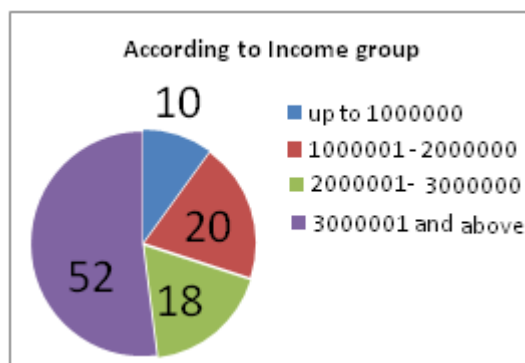
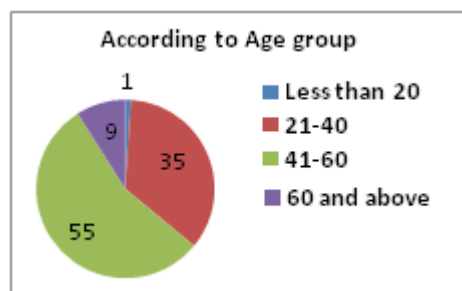
Table 1: Research Plan

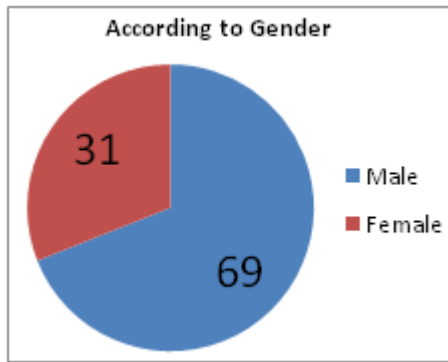
Research Design	Descriptive
Sources of data collection	Primary data – Questionnaire, Personal interviews Secondary data – Books, magazines and internet
Research instrument used	Questionnaire
Research Technique	Survey/Personal interviews
Sample location	Rathi build mart , Raipur
Sample plan	Simple Random sampling
Sampling unit	Customers of Rathi build mart
Sample size	100 customers

2.3 Objectives

- To study the various sales promotion techniques used in the organisation.
- To determine the impact of sales promotion technique in customers buying decision.
- To determine the most inflectional sales promotion technique.
- To provide valuable suggestion in order to improve sales promotion programme.

Interpretation of data according to Demographic Characteristics of customers





**Table 2:** Finding out the most impactful sales promotional activity by Weighted Average Method

Sales promotional activities	Weighted average value
Lucky draw	3.37
Premium	3.80
Free samples	3.76
Special Discount	3.90
Free gift	3.60
Seasonal Discount	3.81
demonstration of the product (display)	3.29
Product replacement and warranty	3.91

**2.4 Interpretation of data**

- Demonstration of the product is the least influencing sales promotional technique because the weighted value is 3.29 (lowest)
- Product replacement and warranty technique is the most influencing sales promotional technique because the weighted value is 3.91(highest)

**2.5 Hypothesis testing**

$H_0$  = “ sales promotional activity is not having any significant impact on customers buying behaviour”

$H_1$  = that sales promotional activity is having significant impact on customers buying behaviour”

Does sales promotional activity is not having any significant impact on customers buying behaviour?

Category (gender)	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Total
Male	54	13	0	2	0	69
Female	19	5	4	3	0	31
Total	73	18	4	5	0	100

**Table 3:** Chi Square Test

Observed frequency	Expected frequency	(O – E)	(O – E) <sup>2</sup>	(O – E) <sup>2</sup> /E
54	50.37	3.63	13.18	0.26
19	22.63	-3.63	13.18	0.58
13	12.42	.58	0.34	0.03
5	5.58	-.58	0.34	0.06
0	2.76	-2.76	7.62	2.76
4	1.24	2.76	7.62	6.15
2	3.45	-1.45	2.10	0.60
3	1.55	1.45	2.10	1.35
0	0	0	0	0
0	0	0	0	0
TOTAL				11.79

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

- **Calculated Value:- 11.79**
- **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 greater than the tabulated value so we reject the null hypothesis and accept the alternative hypothesis and we can conclude that “that sales promotional activity is having significant impact on customers buying behaviour”

**4. Findings**

- At present Rathi build mart (Raipur) is applying customer oriented sales promotional techniques.
- The most impactful sales promotional technique according to customers is Product replacement and warranty.
- The least impactful sales promotional technique according to customers is display of the product.
- Most of the Customers visit here(about 52%) are having annual income 30 lakhs and above.
- Most of the customers (about 62%) of Rathi build mart belong to businessmen group
- Some of the Customers of the income group (annual income up to 1000000) found the products a bit costly

**5. Conclusion**

The study concluded that Promotion activities induce customers to consume products on the market thus increasing consumption rate and the sales volume. There is a strong relationship between sales promotion and the customers buying behaviour. As per this study sales promotional activities do have impact on customers buying behaviour. Majority of the customers Rathi build mart is having belongs to businessman group.

The sales promotion tools which help in quick sales are used in Rathi Build mart to attract consumers to visit the store outlet approach to the product, know about its usage & stimulate to purchase but does not lead to purchase decision.

**6. Recommendations**

- Rathi build mart can do some improvements in product display.
- As the average annual income of the majority of the population living in Raipur, Durg, Bhilai is near about 5 lakhs Rathi build mart should keep more varieties of stock for this income group.

**7. Limitations**

- Time constraint which lead to insufficient data.
- Unwillingness of the respondent to answer the question as they don't take them seriously.
- Sample size is limited and it may not be represents the total population.
- Respondents were resisting to fill the questionnaire.

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## Author Profile



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