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Promotional Programs and Their Comparative Impact on Consumers' Buying Decisions: An Empirical Study on the Chain Super Shop Businesses in Bangladesh

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Abstract:

Super shops are one of the most growing markets in Bangladesh. Marketers use different types of promotional programs as vital techniques to stimulate consumers buying decisions toward purchasing any consumer product and stay competitive. The purpose of the study is to determine the promotional programs and its impact on consumer buying decisions such as coupon, samples, buy one get one free, brand loyalty, sales premium and face to face conversation, advertisement, public relations etc. The study consists of the three recognized-chain super shops: Mena Bazar, Agora and Sopno in Bangladesh. Buying decisions of existing and potential customers are the strategic importance for the market success. Proper understanding and awareness provide competitive advantage to marketers. In this regard, this study also suggests how to improve promotional programs by the chain super shops and their implications in Bangladesh.

Keywords: Chain super shops, consumer buying decision, advertisement, personal selling, sales promotion, direct selling

1. Introduction

Super shops are growing rapidly in Bangladesh. Three chains super shops namely Mena Bazar. Agora and Sopno are now operating all over the country. Different types of promotional activities are currently used by marketers in order to be more competitive in the market. Due to large number of population and economic growth, marketers started to enlarge their marketing activities toward consumers. Promotional programs (such as: advertisement, online social media, discounts, sales premium, bonus pack deal, buy one get one free, coupons, point of purchase, display, event sponsorship and brand loyalty programs) directly influence customer to take quick decision and to finalize purchasing decision. Since the competition among marketers are very high, the main two ideas behind these excessive promotions from marketer's point of view that it has a direct influence on individual buying decision by inducing competitive consumers towards the impact of marketer's promotional programs on consumer buying decisions, as advertisement, public relation and publicity, sales promotions, direct selling and personal selling.

2. Objective of the Study

The major objective of the study is to learn about the promotional program taken by the chain super shops in Bangladesh and their comparative impact on consumers' buying decisions. The specific objectives are:

- Identifying the promotional programs taken by the chain super shops in Bangladesh
- Evaluating their comparative impact on consumers' buying decisions.
- Suggesting policy guidelines to improve promotional programs by the chain super shops.

3. Literature Review

Promotional programs are one of the strategies to influence customers to buy more products. The results of the promotional programs are to increase sales. Previous studies showed that the sudden sales seen by marketers to consumers concerned about price increase (Banks, 1999). According to (Backwell R, 2001), price discounts play a consumer product if significant influence behavior indirectly attracts a new customer. In terms of promotional offers, consumers get coupons are entitled to expect products original price (Ndubisi, 2006). Later, a study by (Ndubisi, 2006) also reported that the promotion was one of the least used for consumers and promoting unpopular tools. Economic rights to use the coupon or only when the corresponding financial incentives are higher than the opportunity cost of their redemption. Coupons and discounts redemption requires time and effort browsing and newspaper advertisement, clipping coupons, locate certain brands promoted and received mails for sales.

3.1. Advertisement

Advertising is a form of communication which is used to persuade a specific group of people to take some new action. Advertising is considered as a major and important element for the economic growth of the marketers and different companies in competition (Ryans, 1996). Advertising is usually a paid form of publicity by some sponsor and reached through various traditional media such as television, commercial radio advertisement, outdoor advertising, newspaper, magazine mail or modern media such as blogs, websites and text messages. Furthermore, the developments and technological advancements have turned advertising to a more pervasive and powerful in its impact and affect (Leiss, 1980).

Consumers buying behavior has always been given so much importance and space in the literature study of impact of advertising regarding its effectiveness (Ajzen, 1980). Most of the time consumers buying behavior is influenced by liking or disliking of consumer towards the advertisement of the product, advertised (Smith, 2006). In the words, the consumer behavior towards a product is totally depending on advertising, without any assessment of the quality of the product (Gorn, 1982). Sometimes the advertisers over exaggerate about the product's benefits in such a tactful manner that consumer goes psychologically under the pressure of advertising persuasiveness and intentionally decides to buy the advertised product (Smith, 2006). In the point of view of some people, now most of the consumers avoid the advertisement, because they consider the advertisement, just annoying and misleading (Bishop, 1997). Advertisements have been attacked on psychological, sociological, aesthetic and political grounds. From the point of view of a common lay man, what is the purpose of advertising? Some critics even criticize and consider advertising very harmful to the collective behaviors of the society (Barbara, 1997). But defenders of advertising always give a strong argument in its favor that basic aim of advertising is to sell the products, rather its effects on cultural values of the society (Gold, 1987).

There is a general point of view of many societal members, that advertising may have a negative, unintended or intended influence on consumers' buying trends (Verbeke, 1992). Actually, advertising has a strong potential on changing our social values, as well our buying behaviors through influencing our cultural values (Schudson, 1984). Specifically, advertising may lead a consumer to prefer material objects over more morally and socially oriented alternatives. The major aim of advertising is to give something new, creative and useful to get long term benefits of brand loyalty and image building of the product and company by establishing an emotional relationship and persuasion for buying that product. This is also a debatable issue that which kind of impact of advertising effects the beliefs and collective attitudes of the consumer with respect to the buying behavior (Barbara, 1997). In the modern times, it's really difficult to be successful in persuasion and to mould or effect the buying behavior of consumer in this era of tough competition (Robinson, 1997). With the success of advertising field, now it has been admitted as a universal factor that advertising plays a very influencing role in the consumers' behaviors (Bridgewater, 1990).

3.2. Direct Selling

(Kotler, 2007) found that direct marketing consists direct connections with carefully targeted individual consumers to both obtain an immediate response and cultivate lasting customer's relationship. Direct marketers communicate directly with customers, often on a one-to-one, interactive basis/ using detailed database, they tailor their marketing offers and communication to the needs of narrowly defined segments or even individual buyers. Early Direct marketers-catalog companies, direct mails and telemarketers-gathered customer names and sold goods mainly by mail and telephone. Today, however, fired by rapid advances in database technologies and new marketing media-especially the internet-direct marketing has a dramatic transformation. Most companies still use direct marketing as a supplementary channel or medium for marketing their goods and message.

Direct mail marketing involves sending an offer, announcement, reminder, or other item to a person at a particular address. Using highly selective mailing lists, direct marketers send out millions of mail pieces each year-letters, catalogues, ads, brochures, samples, CDs and DVDs, and other "salespeople with wings". Direct mail is by far the largest direct marketing medium. Advances in technology, along with the move toward personalized, one-to-one marketing have resulted in exciting changes in catalog marketing. Direct response television marketing takes one of two major forms. The first is direct response television advertising (DRTV). Direct marketers air television spots, often 60 or 120 seconds long, which persuasively describe a product and give customers a toll-free number or Web site for ordering. Television viewers also often encounter full 30-minute or longer advertising programs, or infomercials, for a single product. Online marketing is the fastest-growing form of direct marketing. Recent technological advances have created a digital age. Widespread use of the Internet and other powerful new technologies are having a dramatic impact on both buyers and the marketers who serve them. In this section, we examine how marketing strategy and practices are changing to take advantage of today's internet technologies

(Allen, 1997) identified the components of the direct marketing as direct mail, direct response marketing, telemarketing, mail order and direct selling. (Berry, 2001) further dissected each tool distinguishing direct mail as "personally addressed advertising, delivered through the post". The use of electronic data and applications for playing and executing the conception, distribution and pricing of ideas, goods and services to create exchanges that satisfy individual and organizational goals (Strauss, 2001) this proposes a much broader scope to online marketing than just promotion and looks to incorporated all four elements of the promotional mix (Kotler P. , 1967). (Kiang, 2000) research into the benefits of online marketing approach was conducted at a time when the internet will still in its infancy, academia presenting three advantages where

internet can benefit an organization, communication, Transaction and Distribution the same content online E.G no requirement for a printers or logistics from to distribute catalogues, resulting in lower cost (Edwards, 1998).

3.3. Sales Promotion

(Carthy, 1984)Sales promotion refers to those promotion activities-other than advertising, publicity and personal selling-which stimulate interest, trial, or purchase by final customers or others in the channel. Sales promotion may be aimed at consumers, at middlemen, or even at a firm's own sales force. Examples include coupon, discount, point purchase, price deal. It's hard to generalize about sales promotion-because it includes such a wide variety of activities. But usually its objective is to complement mass selling and personal selling-which are often seen as more short run price adjustments, "price dealing" may come to be thought of as sales promotion. It may be necessary to decide whether the money which might be "lost" on a price deal should be used instead for special advertising allowances, contests, or other activities which are usually called "sales promotion".

Retailers often promote different types of price reductions in an attempt to move the favorable assessment linked to prices and buying behavior of consumers (Ali. A. M., 2015). Consumer would be easily convinced to buy products that do not require additional fees and higher perceived by consumers (Sinha, 2000). The majority of the activities of daily life is dominated by the conduct of the purchase and the knowledge acquired from such malls, downtown, shopping recreation, amusement cars and some other institution where sexual stimulation can be (Smelser, 2001).

3.4. Publicity

(Carthy, 1984)Publicity is any unpaid form of non-personal presentation of ideas, goods, or services. Although, of course, publicity people get paid, they try to attract attention to the firm and its offerings without having to pay media costs. For example, book publishers try to get authors on TV "talk shows" because this generates a lot of interest-and book sales-at no cost to the publisher. If a firm has a really new message, publicity may carry articles featuring the newsworthy products of regular advertisers-in part because they are regular advertisers. Often a firm's publicity people write the basic "copy"-and then try to convince magazine editors to print it. Each year, the auto manufacturers send magazine publishers photos, news releases, and even draft on these materials. This publicity may even raise more interest than the company's paid advertising. A potential customer might not pay any attention to an ad-but might carefully read a trade magazine story with the same information.

3.5. Personal Selling

(Kotler P. &, 2007) Personal selling is one of the oldest professions in the world. The people who do the selling go by many names: sales people, sales representatives, district managers, accounts executives, sales consultants, sales engineers, agents and account developments reps to name just a few. People hold many stereotypes of salespeople-including some unfavorable ones. However, modern salespeople are a far cry from these unfortunate stereotypes. Today, most salespeople are well-educated, well trained professionals who work to build and maintain long term customer relationships. They listen to their customers, assess customer needs and organize the company's efforts to solve customer problems. The term salesperson covers a wide range of positions. At one extreme, salespeople might be largely an order taker, such as the department store salesperson standing behind the counter. At the other extreme are order getters, whose positions demand creative selling and relationship building for products and services ranging from appliances, industrial equipment and airplanes to insurance and information technology services. Personal selling is the interpersonal arm of the promotion mix. Advertising consist largely of one-way, non-personal communication with target consumer groups. In contrast, personal selling involves two ways, personal communication between salespeople and individual customers- whether face to face, by telephone, through video or Web conference, or by other means. Personal selling can be more effective than advertising in more complex selling situations. Salespeople can probe customers to learn more about their problems and then adjust the marketing offer and presentation to fit the special needs of each customer. Sales force structure, in which they organize the sales force along customer or industry lines. Separate sales force may be set up for different industries, for serving current customers.



Figure 1: Sales Force Structure

The major role that personal selling plays in the promotion program to implement marketing plans for the organization using personal sale by women groups largely affects the increase of product sale, by working from door to door, walking in markets, telling people about their products and persuading them to buy. People's knowledge of the product is raised further, and the product awareness will increase sales. After people's awareness they accept an increase in sales (Ahmed, 2016). Retail merchants in direct sale stores have a fundamental role in gaining customers, providing them with relevant information that affects their buying decision (Murithi, 2015).

3.6. Consumer Decision Making Process

Purchase decision is defined as the stage at which the buyer or the consumers actually buys the products (Kotler P. A., 1999). He argued that, the consumers will buy the most preferred brand. (Berkowitz, 1994) also proposes that the visible act of making the purchase decision lays an important process that a buyer passes through in making choices about which products and choices to buy or consume. Berkouwitz however suggested that there are five stages involved anytime a consumer wants to make a purchase decision. These are such as follow in figure 2

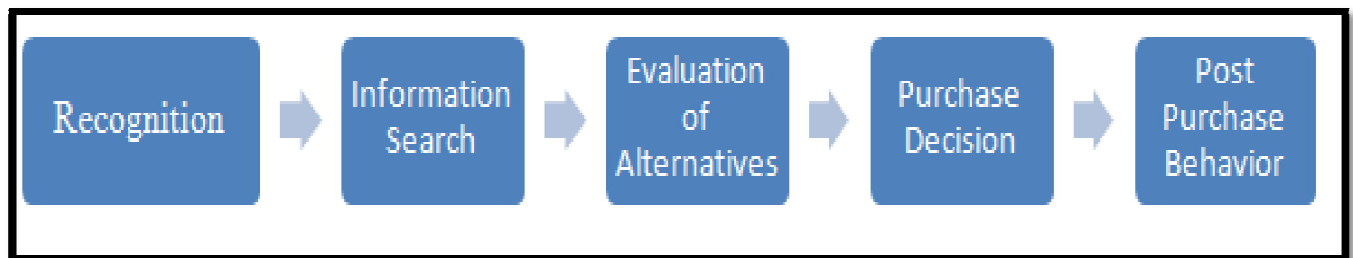


Figure 2: Consumer Decision Making Process
Source: Berkowitz and Harley (1994). Marketing, 4th Edition

4. Methodology

The following ways used to collect, evaluate, analyze, interpret, prepare and to present of data,

- Sample size: Total 100 respondents
- Sample Technique: In this study random sampling has been used
- Data Collection Method: The needed data has been collected from primary sources
- Questionnaire Development: To collect data, a questionnaire has been developed which has been attached in the appendices. Five points Likert Scale is used to measure the relative importance of the variables.
- Method of Data Analysis: Collected data has been systematically processed and analyzed by using required statistical tools.

5. Analysis and Findings

5.1. Reliability Test

The questionnaire adopted for the purpose of this study consists of 34 questions on advertisement, direct selling, sales promotion, publicity and personal selling. Reliability of the measure was assessed by the use of Cronbach's Coefficient. Cronbach's Coefficient allows measuring the reliability of different variables. It consists of how much variation in scores of different variables is attributed to chance or random errors (Sellitz, 1976). The Cronbach's Coefficient normally ranges from 0 to 1. As a general rule, a coefficient greater than or equal to 0.70 is considered acceptable and a good indication of construct reliability (Nunnally, 1978). The lower limit of acceptability is 0.6 (Sekaran, 2003). The overall Cronbach's alpha for 34 questions is 0.814.

Cronbach's Alpha	N of Items
.814	34

Table 1: Reliability Statistics

5.2. Demographic Information of Respondents

5.2.1. Occupation of Respondents

The following table showing the occupation of respondents for the sample size of 100

		Frequency	Percent	Valid Percent	Cumulative Percent
	Student	64	64.0	64.0	64.0
	Business	2	2.0	2.0	66.0
	Job holder	33	33.0	33.0	99.0
	Others	1	1.0	1.0	100.0
	Total	100	100.0	100.0	

Table 2: Occupation of Respondents

From the above table, we see that total respondents are 100. Among these 64% respondents are students, 2% are businessman, 33% are job holder and 1% is others.

5.2.2. Gender Issues

The following table 2 showing the portion of the number of male and females of among 100 respondents.

		Frequency	Percent	Valid Percent	Cumulative Percent
	Male	64	64.0	64.0	64.0
	Female	36	36.0	36.0	100.0
	Total	100	100.0	100.0	

Table 3: Gender Portion of Respondents

From the table 2 we see that 64% of the respondents are male and 36% are female among 100 respondents.

5.2.3. Educational Qualification of Respondents

The following table showing the educational qualification of the respondents in terms of percentage,

		Frequency	Percent	Valid Percent	Cumulative Percent
	Bachelor	34	34.0	34.0	34.0
	Masters	61	61.0	61.0	95.0
	Others	5	5.0	5.0	100.0
	Total	100	100.0	100.0	

Table 4: Educational Qualification of Respondents

From the table 3 we see that, out of 100 respondents 34% have Bachelor Degree, 61% have Master's Degree and 5% have others degree.

5.3. Marketer's Promotional Programs and Its Impact on Consumer Buying Decision

Marketer's promotional programs are advertisement, direct selling, sales promotion, publicity and personal selling. Total 34 questions have been analyzed to identify the impact of each promotional program and its impact on consumer buying decision on super shops in Chittagong, Bangladesh. The following statistical methods used to describe the impact,

	N	Mean	Std. Deviation
Advertising	100	3.4725	.56925
Direct Selling	100	3.4600	.54497
Sales Promotion	100	4.0125	.41874
Publicity	100	3.8300	.47768
Personal Selling	100	3.8320	.45101
Valid N	100		

Table 5: Descriptive Statistics

In questionnaire, five points Likert scale used where strongly agree=5, Agree=4, Neither Agree or Disagree=3, Disagree=2, strongly Disagree=1.

In case of advertising impact on consumer buying decision, the mean is 3.4725. It indicates that respondents are close to agree with the advertisement factors to make buying decision. Standard deviation is 0.56925 that indicates the variability in the factors. A small standard deviation means a high degree of uniformity of the observations as well as homogeneity of a series.

In case of direct selling impact on consumer buying decision, the mean is 3.4600. It indicates that respondents are close to agree with the direct selling factors to make buying decision from super shops in Bangladesh. The standard deviation is 0.54497 which indicates the variability among the direct selling factors.

In case of sales promotional impact on consumer buying decision, the mean is 4.0125 which indicates respondents are agree with the sales promotional factors to make buying decision. Standard deviation is 0.4174 which indicates that the variability among sales promotional factors comparatively low.

In case of publicity impact on consumer buying decision, the mean is 3.8300 which indicates respondents are very close to agree with the publicity factors to make buying decision. Standard deviation is 0.47768 which indicates comparatively less variability among the factors of publicity.

In case of personal selling impact on consumer buying decision, the mean is 3.8320 which indicates respondents are very close to agree with the personal selling factors to make buying decision. The variability among the factors is comparatively less which is 0.45101.

6. Suggestions

Looking at the comparative impact of promotional programs on consumers' buying decisions, this study proposes the following suggestions:

- People are less interested in advertisement because of less sensitivity to make buying decision based on products advertisement. In this case marketers can create more attractive advertisement focusing on target customer's values, norms and customs. Marketers should also ensure the authenticity of the website as well as quick customers query regarding their products advertisement.
- People are less interested comparatively in direct selling because respondents think that the social media are not providing any opportunity for evaluating the products physically. Sometimes it may look better but in reality, it is opposite to that. So, marketers should ensure effective social media sites by creating customer review page about their product quality.
- Direct communication with customers does not affect much on consumers buying decisions. In this case, marketer can invest that portion of budget in other influencing promotional programs.
- Sales promotional activities are more effective for marketers. So, they can invest more in sales promotion to increase their sales.
- Respondents are comparatively more influenced by publicity. So, marketers can take some effort to invest in social programs so that they can create publicity more.
- Marketers need to provide training programs to their sales force to make their salespeople more smart and effective for ensuring quick customers' response

7. Conclusion

It is found in the study that sales promotional factors have more positive impact on consumer buying decision and comparatively low variability among the factors. Publicity and public relation have also positive impact on people's buying decision. In addition, the fundamental framework provides new insights into the understanding of how the people of Bangladesh respond to various promotional programs offered by the marketers and impact on their buying decision. It is essential for marketers in order to utilize accurate marketing strategies to gain competitive advantage. Marketers can increase their sales by introducing more sales promotional activities in chain super shops of Bangladesh in future. Those who want to open new chain super shop in Bangladesh, they should also be more careful in designing sales promotion, publicity and personal selling programs to stay competitive in the market.

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