

# **SALES PROMOTIONS IMPACT ON PERCIEVED QUALITY AND BRAND LOYALTY:A STUDY ON ORGANISED RETAILERS WITH REFERNCE TO KURNOOL-A.P**

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**Abstract:**

In today Sky high competitive world, every organization uses its entire means to increase its market size. Among them Sales Promotion is one of the powerful weapon .In organized Retail industry Sales Promotion usage is more noticeable. The main objective of this study is to know different Sales Promotion Preferences of Organized Retail Customers and Impact of Sales Promotions on Perceived quality and Brand Loyalty. For this study Manwhitny, Kruskal Wallis test and Correlation analysis was employed. This Feed is useful for Organized Retail industry while formulating strategies for Success.

**Key words:**

Sales Promotions, Perceived quality, Brand Loyalty, Manwhitny, Kruskal Wallis test, Correlation analysis

## **Introduction**

The word "**promotion**" comes from a Latin word meaning "to move forward". "Sales promotion consists of a diverse collection of incentive tools, mostly short-term designed to stimulate quicker and/or greater purchase of a particular product by consumers or the trade." (Kotler, 1988). The major consumer –oriented forms of sales promotions are as follows (Table-1) In organized Retail industry Sales Promotion usage is more noticeable for winning in competition

## **Review of Literature:**

"Sales promotion represents those marketing efforts that are supplementary in nature, are conducted for a limited period of time and seek to induce buying" (Davis, 1981). "Sales promotion is an action-focused marketing event whose purpose is to have a direct impact on the behaviour of the firm's customers". (Blattberg, Neslin 1990) The consumers' consumption decision has long been ignored, and it remains unclear how promotion affects consumption (Blattberg et al. 1995) .Montgomery (1971), Schneider and Currim (1990), and Webster (1965) found that promotion-prone households were associated with lower levels of brand loyalty. Guadagni and Little (1983) and Gupta (1988)-have found promotions to be associated with brand switching .Zeithaml said that perceived quality is "the consumer's judgment about a product's overall excellence or superiority. According to Aaker "the customer's perception of the overall quality or superiority of the product or service with respect to its intended purpose, relative to alternatives

## **Statement of the Problem:**

Retail Business is also one of the Businesses which contribute to growth of the Economy. In Present it registered a mark of growth and also competition because of organized retailer entry in to scene. For surviving in competition organized retailers are using sales promotion as one of the Strategy for success. If it serves to success it is good otherwise, consequences are different this going to be major problem to organization.

### **Objectives:**

The following are the main objectives of the study

- 1) To Study Different sales promotions Preference of organized retail customers
- 2) To Study relation between Perceived quality and Sales promotion.
- 3) To Study relation between Brand Loyalty and Sales promotion.

### **Hypotheses:**

Based on the objectives the following hypotheses are formulated

**H<sub>01</sub>:** There is no significance difference between Demographics and Discounts Preference

**H<sub>02</sub>:** There is no relation between Perceived quality and Sales promotion

**H<sub>03</sub>:** There is no Positive relation between Brand Loyalty and Sales promotion

### **Methodology of Study:**

The word methodology is the combination of two words „method“ which implies a particular way of doing something plus “logos“ the Latin word which implies „study” . Thus methodology implies a systematic way of studying something.(Sarangi Prasad 2010)

For this study the following methodology is followed

Sampling Method : Convenience

Sample Size : 368

Primary Data : Questionnaire.

Secondary Data : Journals, Magazines, Books, Websites.

Data analysis : Percentages, Rank method,Manwhitny, Kruskal Wallis test and Correlation test are applied for data analysis.

### **Data Analyses:**

Demographics of the respondents for this study are as follows. Gender: Males 196 with Females172, Education: Up to Inter/Diploma=62, UG=159, PG and above=147, Age 30 and below =64, 31-

40years=142, 41 and above=162, Income Levels: Below 200000= 43, 200001-300000=102, 300001-400000=129, 400001 and above =94, Marital Status: Married= 210 unmarried=158

**Different sales promotions Preference of organized retail customers:**

Retail customers give first preference to Discounts and followed by Bonus Packs, Samples, Coupons and Contest. Weighted average was calculated by First preference with 5 points, second with 4 points, third 3 points, fourth with 2, and least with 1 point( Table-2)

**Hypotheses**

**H<sub>0</sub>: There is no significance difference between Demographics and Discounts Preference**

H<sub>01</sub>: There is no significance difference between Gender and Discounts Preference

Null Hypotheses rejected (Table-3)

H<sub>02</sub>: There is no significance difference between Income and Discounts Preference

Null Hypotheses rejected (Table-3)

H<sub>03</sub>: There is no significance difference between Educational level and Discounts Preference

Null Hypotheses rejected (Table-3)

H<sub>04</sub>: There is no significance difference between Age level and Discounts Preference

Null Hypotheses rejected (Table-3)

**Interpretation**

From hypotheses it is concluded that Discounts preference doesn't vary with Age and Vary with Educational level, Income levels and gender

**H<sub>02</sub>: There is no relation between Perceived quality and Sales promotion**

From table-4: Sig .value is <.05 hence rejected null hypotheses and concluded that there is a negative relation between Perceived quality and Sales promotion. i.e High sales promotions means low perceived quality.

**H<sub>03</sub>: There is no Positive relation between Brand Loyalty and Sales promotion**

From table-5: Sig .value is <.05 hence rejected null hypotheses and accepted alternative hypotheses. Concluded that there is a positive relation between Brand Loyalty and Sales promotion i.e High sales promotions means Brand Loyalty

**Conclusions**

From this study it is concluded that Retail customers gives first preference to Discounts and followed by Bonus Packs, Samples, Coupons and Contests and Discounts preference doesn't vary with Age and Vary with Educational level, Income levels and gender

There is a negative relation between Perceived quality and Sales promotion i.e High sales promotions mean low perceived quality.

There is a positive relation between Brand Loyalty and Sales promotion i.e High sales promotions means Brand Loyalty

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**TABLES**

Table 1: Source: Shimp T, " Promotional Management and Marketing Communications"



Tabl-2: Different sales promotions Preference of organized retail customers

Type of promotion	Weighted averages	Rank
Samples	1024	III

Coupons	876	IV
Contests	736	V
Bonus Packs	1278	II
Discounts	1504	I

Source-Primary Source

Table-3

S.NO	HYPOTHESES	STATISTICAL TEST	Null Hypotheses
H <sub>01</sub>	<p><b>There is no significance difference between Gender and Discounts Preference</b></p> <p>❖ Mean: Male=2.5965, Females=3.4413</p> <p>❖ Asymp. Sig= .000</p>	Manwhitny U test	Rejected
H <sub>02</sub>	<p><b>There is no significance difference between Income and Discounts Preference</b></p> <p>❖ Mean:Below200000=1.1421,200001300000=3.46544, 300001-400000=4.4121, 400001 and Above=5.7466</p> <p>❖ Asymp. Sig= .000.</p>	Kruskalwallis test	Rejected
H <sub>03</sub>	<p><b>There is no significance difference between Educational level and Discounts Preference</b></p> <p>❖ Mean: Below And Inter=1.7626, UG=4.44, PG and Above=4.6965</p> <p>❖ Asymp. Sig= .000.</p>	Kruskalwallis test	Rejected

<b>H<sub>04</sub></b>	<ul style="list-style-type: none"> <li>❖ <b>There is no significance difference between Age leveland Discounts Preference</b></li> <li>❖ Mean: Below 30=2.10562, 31-40=4.4545, 41 and Above=4.9855</li> <li>❖ Asymp. Sig= .152.</li> </ul>	<b>Kruskalwallis test</b>	<b>Accepted</b>
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**Source-Primary data**

Table-4

	Sales Promotion	Perceived quality
Sales Promotion  Pearson Correlation Sig.(2-tailed)	1	-.347  .000
Perceived quality  Pearson Correlation Sig.(2-tailed)	-.347  .000	1

**Source-Primary data**

Table-5

	Sales Promotion	Brand Loyalty
Sales Promotion  Pearson	1	.502  .000



Correlation Sig.(2-tailed)		
Brand Loyalty	.502	1
Pearson Correlation Sig.(2-tailed)	.000	

**Source-Primary data**