This chapter consists of the summary of statistical analyses that discussed in the previous chapter. Besides, discussion for major findings to confirm research objectives and hypotheses of this study and summarization for results of hypotheses testing are provided. Furthermore, researchers discuss the implications and limitations of the study. Lastly, recommendations for future researchers and conclusion are being made at the end of this chapter.

5.1 RESEARCH THEME & OVERVIEW

Sales promotion is frequently used in retailing. It takes up a large share of the resources retailers spend on marketing. The heavy usage of sales promotion has recently become questioned by retailers and manufacturers. Despite the large sums yearly spent on sales promotion, the economics of sales promotion is poorly understood. Consequently, there is a great knowledge gap to fill, and this study is an attempt to contribute to this effort.
The most recent literature on sales promotions stresses the need to distinguish between two types, monetary and non-monetary, because there are important differences between them. On the one hand, monetary promotions (e.g. price offs, coupons) are primarily related to utilitarian benefits, which have an instrumental, functional and cognitive nature. They help consumers to increase the acquisition utility of their purchase and enhance the efficiency of their shopping experience. On the other hand, non-monetary promotions (e.g. contests, sweepstakes, free gifts, loyalty programmes) are related to hedonic benefits with a non-instrumental, experiential and affective nature, because they are intrinsically rewarding and related to experiential emotions, pleasure and self-esteem.

So, the core objective of the present study is to examine the consumer preference between price promotion and non-price promotion on various types of consumer durable products (e.g. Refrigerator, Air conditioner, Colour Television and Washing machine).

Research framework was formulated based on review of literature. Survey was conducted, using structured questionnaire. A total of 1000 questionnaires were distributed. Out of which, 762 turned as the sample size for the present study. The responses collected were analyzed with particular focus on the demographics of the respondents, their perceptions and attitude toward sales promotion practices. The purpose of this chapter is to present descriptive statistics based on the completely filled and usable responses obtained from 762 customers in Bangalore City.

The present research has broadly three strands; one analyzing the perceptions and attitudes towards sales promotion in general; second examining the attitudes toward both price and non-price based different sales promotion practices; and finally preference of sales promotion techniques based on the type of consumer durable product.
5.1.1 Data Sources

Data was collected both from secondary and primary sources. Secondary data was collected from periodicals, text books, reports and Internet. Primary data for the study was collected from retail walk-ins during April to September 2013.

5.1.2 Pilot Study

The initial format of the questionnaire prepared was pretested in the pilot study on 50 business management student who were pursuing their MBA from Sri Venkateswara University. Modifications were made based on the subject's feedback to improve the clarity and presentation of questionnaire items, and the filled-in questionnaires were later examined for scale reliability and validity. Further, an in-depth interview was conducted with 12 industry experts and 5 privileged customers to identify the various popular sales promotion schemes in India and to make questionnaire user friendly.

5.1.3 Questionnaire

Questionnaire is one of the most commonly used research tools in consumer behaviour research and is highly useful when data is collected from a representative sample of a larger population. This study needs development of a questionnaire to examine the consumer preferences and attitude toward sales promotion practices in retailing especially from the customers who are ready to buy consumer durables. In the questionnaire five point Likert scales are used to measure the perception of customers toward the hedonic and utilitarian benefits of sales promotion, deal proneness, and store loyalty with anchors 1 - strongly disagree, 2 - disagree, 3 - neutral, 4 - agree and 5 - strongly agree. Likert scales are employed primarily in the survey as they offer advantages of speed, ease of coding for SPSS and administration. The study further used ranking scale to get the preference of sales promotion schemes with respect to different consumer durable products.
5.1.4 *Research Objectives*

1. To study the consumer attitude towards the sales promotion practices in India.
2. To examine the consumer attitudes and preferences of sales promotion schemes by their demographic variables.
3. To compare the consumer attitude toward price based and non-price based sales promotion practices on consumer durable product in Indian retail sector.
4. To compare the consumer preferences of various sales promotion techniques with respect to different consumer durable products such as Refrigerator, Air conditioner, Washing machine and Colour television.
5. To study the effectiveness of 0% Finance and Exchange offers.

5.1.5 *Research Hypotheses*

**H1:** There are significant differences between different age groups of respondents in their attitude toward sales promotions.

**H2:** There is significant difference between male and female respondents in their attitude towards sales promotions.

**H3:** There are significant differences between different income group respondents in their attitude toward sales promotions.

**H4:** There is significant influence of marital status of consumers in their attitude toward sales promotions.

**H5:** There is significant influence of educational qualifications of consumer in their attitude toward sales promotions.
H6: There are significant differences in attitudes toward different sales promotion techniques (price based vs. non-price based) among the consumers.

H7: There are significant differences between type of product and consumer preference in sales promotion.

5.1.6 Statistical Analysis

The collected responses were screened for errors systematically and coded by using MS Excel 2007. The coded data was transferred to SPSS 20.0 for further statistical analysis. In this study, consistency of scales used in questionnaire initially in pilot study and also the final responses collected is tested by using Cronbach’s alpha scores. The collected data was tabulated using mean, standard deviation and Weighted average scores. The hypothesis testing was done using t test, ANOVA, and paired sample t test.

5.2 RESEARCH GAP & CONTRIBUTION

1. Need of study on non-price based promotional techniques:

A large body of research on consumer responses to sales promotions has given important to ‘coupons’ at the expense of other equally important promotional tools.

The present study has contributed to fill the gap in the literature by considering price based and non-price based promotional schemes (together with coupon).
2. *Ever changing consume response:*

The consumer response to sales promotion cannot be assumed to be constant. Retailers should always try hard to improve the effectiveness of their sales promotion would consequently need to constantly monitor, or track, the sales response.

The present study definitely makes a sense to retailers and marketers to update their knowledge on the effectiveness of various sales promotion practices.

3. *Lack of studies in Consumer Durable sector:*

Again, all this research has been conducted mainly in the context of frequently purchased, non-durable consumer goods, while overlooking special characteristics of other product categories and corresponding buying processes.

The present study was done on consumer durable products such as refrigerator, air conditioner, colour television and washing machines. The total work is organized for suggesting consumer durable sector.

4. *Poor Literature on Exchange offers and Hire Purchase:*

In India, exchange offers and hire purchase are common and assumed to be highly significant in consumer durables sector. Although it is used widely, academic literature related to consumer behaviour in exchange offers and hire purchase (0% finance) is scant. The present study has incorporated studying these two types of sales promotion as its one of the objective.

5. *Single Product Focus:*

Psychological approaches used, so far, to explain consumer response to promotion have had a single product focus. The theoretical approaches
used so far – adaptation level theory, transaction utility theory, assimilation contrast theory, attribution theory, attitude models – have all had a single product orientation.

The present study has selected four products to examine the effectiveness of sales promotion practices in consumer durable sector, which acts as new vista in the Indian research domain.

6. *Poor Consumer Durables:*

Over the past decades a rich analytical literature in both marketing and economics has examined the competitive behavior of firms that sell durable goods. However, empirical research investigating consumer decisions about durable goods are sparse in marketing.

The present study unlike previous studies has not focus on FMCG or Competitive analysis. This work purely examines the psychological aspects of consumers towards sales promotion practices in consumer durable and retailing domain.

5.3 CONCLUSIONS OF THE STUDY

5.3.1 Demographic influence on sales promotion practices

*Age*

Age found to be significant factor that influences the attitude towards sales promotion schemes. The entire respondents exhibited positive attitude towards price offs, coupons and sweepstakes found to be a weak sales promotion practice when analyzed based on age groups. Free gifts found to be attractive to ‘less than 30 years’ respondents. ‘Less than 30 years’ aged respondents are willing to take hire purchase option in their purchase, whereas ‘>50 years’ aged respondents are reluctant towards
finance options. Similarly in exchange offers, ‘<30 years’ are having positive attitude whereas ‘>50 years’ exhibited negative attitudes.

Analyzing the age factor statistically found significant in free gifts, hire purchase and exchange offers, whereas insignificant in price-offs, coupons, and sweepstakes (refer appendix tables – H1)

**Gender**

Female respondents are more interested in sales promotion schemes than males. Female respondents perceive benefits such as savings, quality, convenience, value expression, exploration, and entertainment in a stronger way than male respondents. Statistically found significant differences between males and females in their attitudes towards sales promotion practices. Males are not negative, but hold almost neutral feelings towards sales promotion schemes.

Female respondents are more interested in price offs and exchange offers. In every type of sales promotion schemes taken for the present study, female respondents displayed stronger attitudes than males except in 0% finance, where male exhibited favouritism.

**Income Level**

The richer a person, more conscious on savings, quality, value expression and convenience benefits of sales promotion. Income groups have displayed significant attitudinal differences towards sales promotion practices. The respondents with income level of more than 10 lakhs exhibited high mean score in perceived benefits and thereby in attitudes towards sales promotion schemes. Low income groups exhibited their interest in exchange offers. Statistically income level has significant influence on perception and attitude toward sales promotion practices.
Marital Status

Unmarried found to be more interested in sales promotion schemes than married with children. Married respondents exhibited mixed feelings towards various sales promotion schemes. Unmarried respondents are interested in exchange offers, hire finance, free gifts, sweepstakes and price-offs. Married respondents exhibited their liking towards price offs, and coupons; married respondents with children have inclination towards sweepstakes. Statistically found significant influence of marital status on perception and attitude towards sales promotion practices and benefits.

Educational Qualifications

Educational qualifications found significant influence in respondents' attitude towards sales promotion practices. The perceived benefits are different to undergraduates, graduates and post graduates. Undergraduates exhibited more favouritism towards sales promotion schemes, whereas graduates displayed almost neutral attitude and post graduates in between.

5.3.2 Price based and non-price based sales promotion practices

Respondents are more interested in price based sales promotion where the benefit is instantly realized, especially price offs. Respondents are not interested in coupons, and sweepstakes, where the realization of benefit takes long time. 0% finance and exchange offers were really turned to be a gift to middle class segment. Respondents showed high degree of acceptance towards these emerging sales promotion schemes. Altogether, price based gives good results in the consumer durable market than non-price based sales promotion. Again specifically depends on the type of the product.
5.3.3 Sales promotion techniques with respect to products

The general attitude doesn't look to be strong in the minds of the customers. But based on the type of scheme and product type, customers take the offer or think of buying the product. The present study considered Refrigerator, Air conditioner, Colour Television, Washing Machine based on its penetration and contribution in the market. For all the products, 0% finance stood as the best sales promotion scheme followed by price off and exchange. The other sales promotion schemes differ along with the product type.

5.3.4 Effectiveness of 0% Finance and Exchange offers.

Both hire purchase or 0% finance and exchange offers found to be the respondents' favourite sales promotion practice. When compared to price based and non-price based, these two techniques i.e. 0% finance and exchange offers found to be more effective.

5.4 IMPLICATIONS OF THE STUDY

The findings of the study have the following implications for marketers and academicians.

Sales Promotion belonging to the producer or seller is a marketing technique used to gain a short-term sales boost. For obtaining durable effects, retailers must understand that every buyer has their own opinions and criteria based on which they decide to buy. The effects of sales promotion schemes vary according to the product and its "life-cycle", benefit or outcome of the scheme and targeted group of customers. Though the present study indicated that price promotion is more effective, repeated sales promotion may ruin the brand name and reputation of the retailer in long run. Retailers should not always go with price promotional offers, but they should try to attract customers by organizing all sorts of events
with the occasion of anniversaries, which attract buyers into their shops, keeping them from going over to the rival shops.

In organizing a promotion, retailers must pay attention to the sales objective, the customer segment to which the promotional offers are addressed, and the proposed results.

The respondents viewed the different Sales Promotions, viz., price and non-price promotions, differently for different categories of products. Therefore marketers should take note of this difference in product class while designing marketing plans.

The study has given validity to the scale developed by Chandon et al. (2000) in measuring the effectiveness of sales promotion in the context of this study. From the academic perspective, the scale used for the study can be validated and refined further by including the service sectors and different product categories.

It has also brought to light the differential effects of Sales Promotions, price and non-priced promotions, with reference to specific products such as Refrigerator, Air Conditioner, Colour Television and Washing Machine. Hence while formulating marketing strategies, this differential impact of different types of Sales promotion across different Product categories and within different Sales Promotion categories, have to be fully appreciated.

5.5 LIMITATIONS OF THE STUDY

Any study based on the consumer survey through a predesigned questionnaire suffers from the basic limitation of the possibility of difference between what is recorded and what is truth, no matter how carefully the questionnaire has been designed and field study has been conducted.
• Non-Probabilistic (Convenience) Sample was used in conducting the survey covering various prominent retail outlets in Bangalore city. The sample taken may be inadequate to throw accurate figure on the consumer acceptability.

• Availability / Non availability of different brands in selected places during the survey. Further, the study was focused on consumer durable industry, which may not hold fit for other industries.

• The questionnaire is too elaborative having many statements and having five point scales. The questionnaire made respondents to compare forcibly between different types of sales promotion practices which questions the validity of the data collected.

In overall, there are some limitations indicated in this study which encountered by researchers. However, it does not affect the overall result of this study. The underlying reason is the limitations can lay a background for future study as having a better understanding on the effectiveness of sales promotion practices in Indian retail market.

5.6 FUTURE RESEARCH DIRECTIONS

This study has important implications for future research on the use of sales promotions which were listed as follows. More focus should be placed upon individual consumer effects and how this promotional tool affects current and future behaviour.

• This study opens up new grounds for further research. Future studies should replicate this with other products and services to obtain a greater validity to the direction obtained from this study.

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• Other consumer characteristics not included in this study, such as a propensity for variety seeking behavior or a recreational shopping orientation, could potentially be important in many retail industries. Further research on how the effects of satisfaction on behavior is moderated by different consumer characteristics would advance customer satisfaction research as well as be of great managerial significance.

• The present study can also be done by considering deal proneness, and brand or store loyalty.

• Studies of this type should consider both urban and rural samples to make it more meaningful.

• One important limitation relating to the operationalization of the study was the focus of the single industry. Future research will need to test whether these results hold across industries.

• There is ample room for research on the following sales promotions techniques: twin packs, three for the price of two, more products for the same price, premiums etc. These studies would be particularly welcomed since these promotions have important implications in little researched areas for retailers and marketers.

• Further, studies can extend to other Product categories and classes which may lead to the generalization of the findings of the study.

• A similar study of this sort could be conducted in a simulated environment instead of doing it during a period when Sales Promotion is on like in this study. This might reveal possible differences in consumer responses between real life situation and simulated environment.
In many industries, promotions represent a significant percentage of the marketing mix budget. Non-durable goods manufacturers now spend more money on promotions than on advertising. Airlines periodically offer discounts to generate incremental traffic. Financial institutions use promotions to induce customers to use their services or, as in the case of mortgages, often discount first-year rates to obtain a long-term income stream from the customer. All these strategies should work to attract, satisfy and retain the customer.

because:

"There is only one boss: the customer. And he can fire everybody in the company from the chairman on down, simply by spending his money somewhere else."

The present study has made an attempt to better understand the consumer purchasing consumer durables and their preferences, perceptions and attitudes were examined to get an idea about the effectiveness of various sales promotion practices in consumer durable - retailing sector.