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**A viewpoint and attitude of a customer towards promotional schemes and influence of brand on purchasing consumer household appliances**

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**ABSTRACT**

In India, post liberalization era has witnessed a plethora of such activities in all business sectors including durable, non-durable and the service sector with rising expenditures in promotion, it has come under management scrutiny. However, with increased reliance by competition on Sales Promotion [short-term tactical tools to boost sales], managers are compelled to allocate more budget to the same even if it means at the cost of their communications budget. Understanding the consumer viewpoint and attitude are an important part of the marketing process to realize the challenges faced by marketers in comprehending the consumers' mind. The main inflections of this study is to analyze the consumer preference towards a particular promotional offer provided by the consumer households' goods companies and also to study the various promotional schemes offered by different brands of households goods. Promotions are responsible for moving the demand curve upward and to the right by utilizing some or all of the elements of the promotion mix- advertising, personal selling, and publicity along with sales promotion.

**Key words:** Viewpoint, Attitude, Customer, Brand, Durable goods, Sales Promotions.

**1. Introduction**

In today's scenario, with the open market economies the consumer has become the king of retailing. He enjoys a lot of freedom in making purchase decisions. India presents a grand opportunity to the world at large. Consumer attitude towards various marketing actions are important information for successful marketing operations. When designing policy aimed at influencing the purchase and use of households' appliances, such as washing machines and refrigerators, it must be considered that the way in which people make choices. The main purpose of this study is to investigate consumers' responses to an organization's promotion efforts. Further, the study investigated the influence of brand over promotional schemes of different forms.

**1.1 Consumer attitude**

There are probably more studies of attitude in the marketing literature than any other individual variable affecting consumer buying behavior. An attitude can be defined predisposition to respond to stimuli, an attitude is simply how the consumers feel about something that is the magnitude of either positive or negative feelings about something. There is a general agreement that attitude is learned. This means that attitudes relevant to purchase behavior are formed as a result of direct experience with the product, word-of-mouth information acquired from others, or exposure to mass-media advertising, the Internet

and various forms of direct marketing. Consumers often purchase new products that are associated with a favorably viewed brand name. Their favorable attitude towards the brand name is frequently the result of repeated satisfaction with other products produced by the same company. A new product, yet to be linked to the established brand, would be the conditioned stimulus. The formation of consumer attitudes is strongly influenced by personal experience, the influence of family and friends, direct marketing, and mass media. The primary means by which attitudes toward goods and services are formed is through the consumer's direct experience in trying and evaluating, them.

## **1.2 Perception**

It is the process by which individuals select, organize, and interpret stimuli into a meaningful and coherent picture of the world. Perception has strategy implications for marketers because consumers make decisions based on what they perceive rather than on the basis of objective reality.

## **1.3 Promotion**

Promotion is a complex part of marketing mix. Promotional activities are designed to inform, convince, or remind the market of the firm and its products and ultimately to influence consumers' feelings, beliefs, and behavior. A promotion program can include five components: advertising, sales promotion, public relations, sales power and direct marketing. Among these five, in this study the authors considered sales promotion activity and the influence of brand on sales promotion because sales promotion changes behavior. Broadly speaking most of the companies are using Marketing Mix which includes:

1. Product
2. Price
3. Place (Channel of Distribution)
4. Promotion

These are the four basic pillar of marketing mix. Most of the marketing strategies are built on the basis of this criterion. Promotion is one of the important elements of marketing mix. There are so many elements of promotion such as:

1. Advertising
2. Direct Marketing
3. Public Relations
4. Sales Promotion

### **1.3.1 Sales promotion**

Sales promotion serves three essential roles: It informs, persuades and reminds prospective customers about a company and its products. Even the most useful product or brand will be a failure if no one knows that it is available. As we know, channels of distribution take more time in creating awareness because a product has to pass through many hands between a producer and consumers. Sales promotion is the most visible element of the marketing and promotion mix strategy for any organization. It is also an important component of marketing budgets, in terms of magnitude and growth rates Sales promotions include reduced price

offers and interactive sponsorship activities which are more personalized. The increased importance of sales promotion as strategic tools in mature consumer markets has generated strong interest among practitioners in understanding the mechanisms, effectiveness, and efficiencies of different sales promotion approaches. What was probably 20:80 in favor of advertising earlier could be 40:60 now. Sales promotions are promotional efforts that are designed to have an immediate impact on sales. Sales promotion is media and non-media marketing communications employed for a pre-determined, limited time to increase customer demand, stimulate market demand or improve product availability. Promotions are responsible for moving the demand curve upward and to the right by utilizing some or all of the elements of the promotion mix- advertising, personal selling, and publicity along with sales promotion. Expenditure on sales promotion by various marketing companies in India is estimated to be more than Rs.5, 000 crore and is growing at a robust pace every year. Companies in an attempt to drive sales offer various kinds of consumer promotions from price offs, extra product, freebies, scratch cards. The importance of consumer sales promotion in the marketing mix of the households' category throughout the world has increased. Companies spend considerable time in planning such activities. However, in order to enhance the effectiveness of these activities, manufacturers should understand consumer and retailer interpretations of their promotional activities.



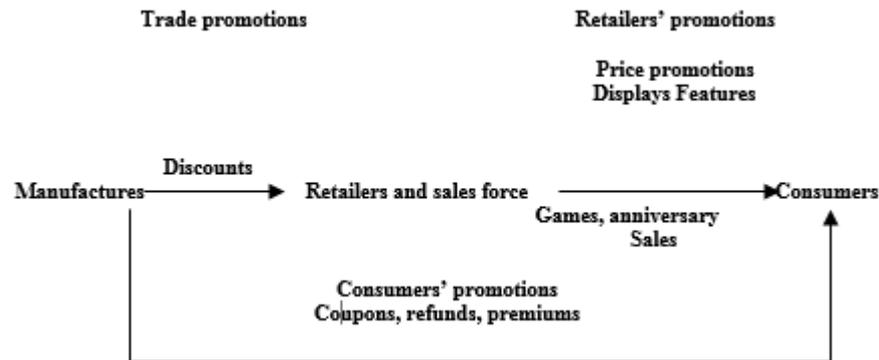
**Figure 1:** A framework of the impact of Sales Promotion

### 1.3.2 Techniques of sales promotion

There are many consumer sales promotional techniques available such as Coupons, Gift with purchase, Competitions and prizes, Money refunds, Loyalty incentives and Point-of-sale displays.

### 1.4 Durable goods

Durable goods are those goods that does not quickly wear out, or more specifically, one that yields utility over time rather than being completely consumed in one use. Highly durable goods such as refrigerators, cars, or mobile phones usually continue to be useful for three or more years of use, so durable goods are typically characterized by long periods between successive purchases. Examples of consumer durable goods include cars, household's goods (home appliances, consumer electronics, furniture, etc.), sports equipment, firearms, and toys. Durable goods can usually be rented as well as bought; buying durable goods comes under the category of Investment demand of goods.



**Figure 2:** A framework for classification of sales promotion techniques

## 2. Review of literature

Baohong sun (2005) had obtained that promotion makes consumers switch brands and purchase earlier or more. He proposed a dynamic structural model with endogenous consumption under promotion uncertainty to analyze the promotion effect on consumption. This model recognizes consumers as rational decision makers who form promotion expectations and plan their purchase and consumption decisions in light of promotion schedule. The authors also provided answers for some empirical observations on coupon duration.

Gautam Gowrisankaran et al. (2007) brought out a dynamic model of consumer preferences for new consumer durable goods. Most new consumer durable goods are characterized by relatively high initial prices followed by rapid declines in prices and improvements in quality. Theoretical models of sales promotions: Contributions, limitations, and a future research agenda. Raju, Jagmohan S. *European Journal of Operational Research*, 8/17/95, Vol. 85 Issue 1.

This study attempts to provide qualitative answers to managerial queries with respect to reasons for usage of sales promotions, strategy and consumer response to promotions. It also includes the study of trade-off made by the firms for consumer and trade promotions, reasons for consumer response to sales promotion.

Consumer Research on Sales Promotions: A State-of-the-Art Literature Review Pierre Chandon, HEC School of Management, Paris, *Journal of Marketing Management*, 1995, 11. The article analyses consumer-oriented research methods, theory-oriented research methods and theoretical economic models for explaining the behaviour of consumers towards sales promotion schemes.

Consumer perceptions of bonus packs: an exploratory analysis Beng Soo Ong, Foo Nin Ho and Carolyn Tripp *Journal of Consumer Marketing*, Vol. 14, No. 2, 1997. In this study, an attempt has been made by the researcher to find out the consumers' attitude towards various promotional schemes in consumer home appliances of the value of the deals, and their purchase intentions. It also examines the impact of types of user (e.g. light versus heavy) and buyer (e.g. regular versus infrequent) on perceptions of bonus pack offers.

Understanding consumer reactions to premium based promotional offers Alain Astous, HEC Montreal, Montreal Canada Isabelle Jacob, Zoom Media, Montreal Canada *European Journal*

of Marketing 2002 Vol. 36 No.11/12 This study evaluates and elaborates a comprehensive typology of premium based promotional offers with respect to their content and predictive validity. It also explores the semantics that are used by consumers when they are presented promotional offers.

### 3. Objectives of the study

1. To analyze the consumer preference towards a particular promotional offer provided by the households appliances companies.
2. To know about the satisfaction level of the consumers regarding the product purchased at the time of offer period.
3. To study the various promotional schemes offered by different brands of households appliances.

#### 3.1 Research methodology

Research Type	Descriptive
Sampling Technique	Convenience
Sample Unit	Customers of Mathura City
Sample Size	200
Data Collection Method	Primary and Secondary Both. The data were collected over a months in August – September, 2014.
Tools for Data Collections	With the help of Structured Questionnaire
Tools for Data Analysis	With the help of SPSS Software

### 4. Data analysis and interpretation

#### 4.1 Analysis of personal factors

Most of the respondents' main reason for buying households product was need of a new product and preferred to buy the households appliances product at the time of general festival. Majority of the respondents were influenced by an important factor "brand name" while making their purchase decision and replaced their households' appliances at the time of offer period with the same branded product. They came to know about the offers provided by the company through media advertisement. The respondents opined that the reliability of the offers provided by households' appliances companies were good and they were satisfied with the households' appliances products.

#### 4.2 Garrett's ranking analysis

The respondents were asked to rank various promotional schemes of households' appliances shops and companies. The rates given by the respondents were converted into percentile ranks using,

100 (R-0.5)

P = .....

N=.....

Using the scores the following table is constructed

**Table 1:** Garrett's ranking test

Promotional Offers	Score	Rank
Warranty	6309	IV
Guarantee	8475	II
Off season discount	5906	V
Exchange scheme	6362	III
Contest	3881	IX
Coupons	4874	VII
Price discounts	8903	I
Refunds	5869	VI
Demonstration	4739	VIII

Table 1 indicates that the price discount is the most preferable offer in Mathura city followed by guarantee and the Exchange scheme is the third preferred scheme.

### 4.3 One-way ANOVA

In this study the opinion on reliability of offers provided and the satisfaction about the products purchased at offer time were compared on the basis of the mean scores for the respondents based on their educational qualification, occupation and monthly income.

**Table 2:** One way ANOVA Test

Variable 1	Variable 2	Source	DF	SS	MS	F-Ratio	Result
Educational Qualification	Opinion about reliability of offers	Between groups	1	1487	1487	77.5	Yes
		Within groups	98	3799	19.19		
Monthly Income	Satisfaction level about product	Between groups	1	141	141	3.47	No
		Within groups	98	8047	40.64		
Occupation	Opinion about reliability of offers	Between groups	1	1487	1487	106.2	Yes
		Within groups	98	2773	14		

It is found from the analysis (Table 2) of One Way ANOVA that there is significant variance between educational qualification and consumers' opinion about the reliability of offers provided by various companies and also there is significant variance between occupation and consumers opinion about reliability of offers provided by households appliances manufacturing companies. It is predicted from the analysis that there is no significant variance between monthly income and satisfaction levels of the products purchased at the time of offer period.

#### **4.4 Chi-Square test**

The following table 3 represents the Chi- square analysis.

**Table 3:** Chi-Square Analysis Table

Variable1	Variable2	DF	C.V	T.V	Result
Educational Qualification	Factors influencing purchase	20	28.3	31.4	No
Occupation	Consumers' interest in promotional offers	8	25.1	15.5	Yes
Monthly Income	Factor influencing purchase	25	24.6	37.7	No
Earning members in a family	Preferred timing of purchase	16	15.6	26.3	No

It is found from Chi square analysis (Table 3) that there is no significant relationship between the educational qualification and income and there is a close significant relationship between the occupation of consumer and interest in the promotional offers provided by the company. There is no significant relationship between number of earning members in a family and the time of purchase of home appliances.

#### **5. Conclusion**

It is concluded that whatever attractive promotional schemes may be, "BRAND NAME" plays a dominant role in purchasing the households appliances. Maximum of the respondents have interest in some of the promotional schemes such as price discount, warranty, exchange scheme, etc. and also consumers prefer price discount as first, when compared to non- price schemes. Most of the consumers in Mathura city (India) have replaced their household's appliances at Exchange offer period and also they are satisfied with the households' appliances, purchased at the time of offer period.

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