

## **AN EMPIRICAL STUDY ON IMPACT OF ADVERTISING VS SALES PROMOTION IN CONSUMERS BUYING BEHAVIOR**

**UNDER THE GUIDANCE OF: PROF. YASSER KHAM**

**SUBMITTED BY: ABHISHEK KUMAR**

**( 22GSOB2010086 )**

### **ABSTRACT**

The report is based upon the impact of advertising as well as sales promotion in the consumer buying behavior. The main objective of this research was to compare efficacy of Product Advertising and Sales promotion on Consumer Buying Decision. A questionnaire is made to gather the information which is a primary and most appropriate method for collection of data. This questionnaire includes: This is an adequate number which enabled me to analyze and derive the answers pertaining to my objective. In accomplishing the objectivity, market visits and interactions were made with the consumer that included variety of consumers and accordingly tried to analyze the consumer buying behavior. Various conclusions which came up with such as Advertising and Sales Promotion play an important role. The Age factor plays a significant role for the selection of products from advertising and sales promotion. But the impact of sales promotion is more because they interact with the product more in this. Hence the touch and feel of product is very important in Indian market. Otherwise people do not buy the products. All these factors led me to conclude that the Sales promotion and advertising are not affective at some purchase stages. The study should be extended to different product categories in fast moving consumer durables.

**KEYBOARD:** attract customer, marketing, sales promotion.

### **INTRODUCTION**

Companies always try to establish the contact with target market. This is a prestigious status for company to address the customers. Company wanted to enhance its image in the minds of common man so that in future, whenever it would be visited to customer court; it would be having enough matter to communicate the customers. The company presents its history products history and even national history. Companies have these processes in all continuance and consistency. Promotion is a term, which means the moving from one end to another. In marketing, promotion means all those tools that a marketer uses to take his product from the factory to the customers and it involves the advertising sales promotion, personal selling, public relations, publicity and merchandising. Promotions

are result oriented. Promotion system works with proper communication system. This has sender, receivers and feedback system. Feedback is form of action which customer gives back to the company about product, advertisement or strategy.

The ultimate expectation of the company is to make the people for purchase of product. The sales promotion and advertising functions and stimulate the customer purchase decision in accordance with this model. Present research paper will examine the comparative effectiveness issue of Sales promotion and advertising measures.

Advertising or "Mainline" as it is also called, helps an enterprise to launch a product or service, increase market share and to compete in the market place by influencing consumer and their decision making

process. Sale promotion or "Below-the-line" activities as it popularly know as also helps an enterprise inducing trials, increasing off take and thereby enhance the top-line. Both the promotional activities aims at achieving the firms marketing and business objective, however the duration of results and magnitude of impact varies.

**OBJECTIVES**

The Dissertation Report will highlight the effectiveness and applicability factors of sales promotion and advertisement techniques. The research study is of empirical in nature. It has the following objectives:

To investigate the effectiveness of sales promotion technique on purchase decision.

1. To study the effectiveness of Advertising on the purchase decision.
2. To compare the effects of the both techniques.

**RESEARCH METHODOLOGY**

The Research exercise has been accomplished with the sample size of 50 customers and few retailers. The questionnaire method was applied for this exercise. The Research design was a blend of descriptive and exploratory research design. The respondents have been selected through Random sampling method. The research study has investigated the effect of advertising Vs Sales Promotion in both test marketing stage and post launch stage. The study involved a field survey conducted across different malls in the NCR regions. The respondents were approached at the web sight of [www.survey.com](http://www.survey.com). And also by interviewing the customer. The statistical tools were run using Statistical Package for Social Sciences (SPSS) and MS Excel to get inferences.

**RESULT ANALYSIS**

The age factor was an important issue. The age wise variations have been highlighted in the research process. The age factor has become a factor for the comparative analysis of advertising and sales promotions.

**Age wise Opinion of Customers about Sales Promotion and Advertising**

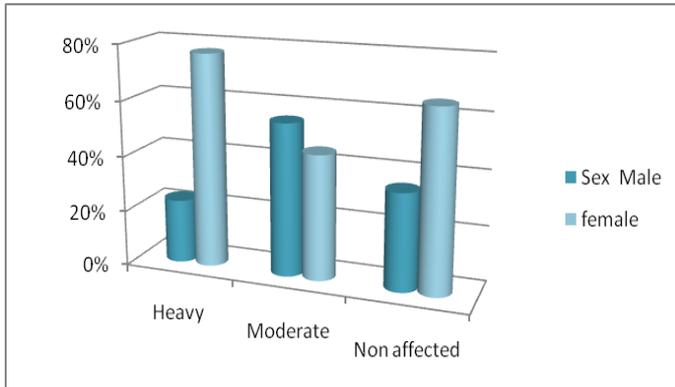
Age in years	Sales Promotion		Advertising	
	Like	Dislike	Like	Dislike
Below 25	35%	65%	55%	45%
25-35	38%	62%	65%	35%
35-45	42%	58%	52%	48%
45-55	51%	49%	53%	47%



**CONSUMERS PERCEIVED SALES PROMOTION AS A PURCHASE DECISION FACTOR**

The perception is in effective stage. Female have 77% as a heavy perceived mind with the selection of consumer durable. The Non-affected stage is also very high in this regard.

Perceived Status	Sex	
	Male	Female
Heavy	23%	77%
Moderate	55%	45%
Non affected	35%	65%



**LIMITATION**

- ❖ The research is confined to a certain parts of Delhi due to time constraints and does not necessarily shows a pattern applicable to all the places.
- ❖ Some respondents were reluctant to divulge personal information which can affect the validity of all responses.
- ❖ In a rapidly changing industry, analysis on one day or in one segment can change very quickly. The environmental changes are vital to be considered in order to assimilate the findings.

**RECOMMENDATIONS**

- ❖ Based on hypothesis an intense AIDA model needs to be adopted the AIDA model (Awareness, Interest, Desire, and Action). Customers are aware of majority of products brand to create the awareness regarding Product.
- ❖ In the findings of my survey it shows that people are keener towards the sales promotion activity which help customers at some point, hence more and more sales promotion can be done.
- ❖ Giving free gifts for the customer.
- ❖ Sales promotion will do more for a brand’s reputation by encouraging relationships with consumers. Hence forth promotional activity is important for making brand reach to every individual.

**IMPLICATIONS**

- ❖ Sales Promotion, a short-term inducement, offered to a consumer or trade has gained momentum as a promotional tool world over. It

represents nearly three fourth of the marketing budget at most consumer product companies.

- ❖ Sales promotion is used to reduce dissonance and in turn the risk involved in the purchase process of a consumer. The risk could be financial, functional, social or psychological.
- ❖ Sales promotion can be used both for shaping of new behavior as well as reinforcing existing behavior.
- ❖ Monetary promotions like price-off are primarily evaluated by a consumer on utilitarian benefits like savings in time and money, convenience and quality.
- ❖ The study should be extended to different product categories in fast moving consumer durables. The study will be conclusive if Fast Moving Consumer Goods (FMCG) consumers are also considered for study. The profiles of the respondents, the geographic, demographic or psychographic are to be considered for further studies.

**Research Question**

This research was done among 50 respondents. And it has been observed that all the respondent were buying the product with the influence of sales promotion. Advertising helps in giving information about the product but sales promotion makes the buyer to purchase the product.

**Methodology**

To prove the hypotheses, exploratory research was used and data was collected from Primary sources with the help of Questionnaires and Secondary sources like white papers/case studies/journals of various industries.

**CONCLUSION**

After the survey, the following were the conclusions:

- ❖ The hypothesis is accepted i.e. effectiveness of sales promotion plays an important role on consumers buying behavior (Proved on page no.39).
- ❖ Sales promotion is a most important aspect for any company, and the impact of sales promotion

is more because in this the people interact with the product more.

❖ The touch and feel of product is very important in Indian market, otherwise people do not buy the products that is also the reason why the effectiveness of sales promotion is more than advertising. The Sales promotions and advertising are not effective at some purchase stages.

❖ The Age and gender factor plays an important role for the selection of products with the help of advertising and sales promotion.

❖ Reputation is incredibly important. Without this a brand is nothing but a product Reputation is best enhanced through experience. What you feel, touch and smell. If consumers try it, buy it and interact with it, they will engage more with a brand than seeing an advertisement about it.

❖ It shows that Liking an advertisement does not the guarantee of sell. Only few of them actually buy after seeing an ad.

### **REFERENCES**

- (1) Brain sternthal and C Samuel Craig – "Humor in Advertising" Journals of Marketing Oct.73, pp 17-18.
- (2) Joe David son Alice Tybout and Brainsternthal "Impact of Deals and Deal Retraction in Brand Switching" Journals of Marketing Research, Feb. 1978, pp 72-81.
- (3) Aaker, David, A. Batra, Radeev and Myers, John G "Advertising Management", Prentice Hall, New Jersey, 1992, p.196.
- (4) Evesett M Rogers, Diffusion of Innovations Free Press, New York, 1962
- (5) [www.google.com](http://www.google.com)
- (6) <http://www.focusedperformance.com/articles/ccpm.html>
- (7) <http://www.pmforum.org/library/tips/2007/PDFs/Hass-5-07.pdf>
- (8) <http://www.projectsart.co.uk/introduction-to-prince2.html>
- (9) <http://www.cutter.com/events/jim-highsmith-apm-innovation.pdf>
- (10) <http://www.pdf-search-engine.com/etom-pdf.html>
- (11) <http://www.sei.cmu.edu/cmml/2007results>.