



“AN EMPIRICAL STUDY ON IMPACT OF SALES PROMOTION SCHEMES ON CONSUMER RESPONSES IN PURCHASING READYMADE CLOTHING THROUGH ONLINE SHOPPING IN CHENNAI CITY”

Mr. A.Appu* Mr.A.M.Mohammed Waasif**

**Research Scholar, BS MED, MEASI Institute of Management, Chennai.*

***Final Year MBA Student, MEASI Institute of Management, Chennai.*

Abstract

Textile is one of India's oldest industries and has a formidable presence in the national economy in as much as it contributes to about 14 per cent of manufacturing value-addition, accounts for around one-third of our gross export earnings and provides gainful employment to millions of people. One of the earliest to come into existence in India, it accounts for 14% of the total Industrial production, contributes to nearly 30% of the total exports and is the second largest employment generator after agriculture. Ready made clothing is providing one of the most basic needs of people and the holds importance; maintaining sustained growth for improving quality of life. About 27% of the foreign exchange earnings are on account of export of textiles and clothing alone. The textiles and clothing sector contributes about 14% to the industrial production and 3% to the gross domestic product of the country. Sales promotion includes all forms of sponsored communication apart from activities associated with personal selling such as trade shows and exhibits, combining, sampling, premiums, trade, allowances, sales and dealer incentives, set of packs, consumer education and demonstration activities, rebates, bonus, packs, point of purchase material and direct mail. Online shopping is a form of electronic commerce which allows consumers to directly buy goods or services from a seller over the Internet using a web browser. The objective of research paper is to study the impact of sales promotion schemes on consumer responses in purchasing readymade clothing through online shopping in Chennai city.

Keywords:*Brand Value, Fitting Rooms, Sales Promotion, Convenient Hours, Enquiry Sessions, Exchange Schemes, Discounts.*

Introduction

The Textile industry in India traditionally after agriculture is the only industry that has generated huge employment for both skilled and unskilled labor in textiles. The textile industry continues to be the second largest employment generating sector in India. It offers direct employment to over 35 million in the country. The share of textiles in total exports was 11.04% during April–July 2018, as per the Ministry of Textiles. During 2016-2017, Indian textiles industry was pegged at US\$55 billion, 64% of which services domestic demand. In 2018, there were 2,500 textile weaving factories and 4,135 textile finishing factories in all of India. 60% of the Indian textile Industry is cotton based.

The strong domestic demand and the revival of the Economic markets by 2018 have led to huge growth of the Indian textile industry. India projected a high production of textile. There has been increase in India's share of global textile trading to seven percent in five years. The rising prices are the major concern of the domestic producers of the country. Sales promotion includes several communications activities that attempt to provide added value or incentives to consumers, wholesalers, retailers, or other organizational customers to stimulate immediate sales. These efforts can attempt to stimulate product interest, trial, or purchase. Examples of devices used in sales promotion include coupons, samples, premiums, point-of-purchase (POP) displays, contests, rebates, and sweepstakes. Online shopping is the process whereby consumers directly buy goods or services from a seller in real-time, without an intermediary service over the Internet. The aim of the researcher paper is to study Impact of sales promotion schemes on consumer responses in purchasing readymade clothing and to find out the tools and techniques of sales promotion that is used in order to retain the customer at ready made clothing through online shopping in Chennai city.

Literature Review

Dastidar and Datta(2015) defines that entertainment is important for people who enjoy shopping. The relationship between shopping enjoyment and the purchase intention variable can be explained based on the entertainment utility. Consumers who enjoy shopping, i.e., who are willing to spend time and efforts going from store to store, looking at window displays, examine brands, are likely to be more coupon prone than people who are not willing to spend much time and effort in shopping. People who enjoy shopping equally enjoy searching for information on available promotions. Consumers who enjoy shopping have been found to be heavier users of feature advertising and coupons, perhaps because they enjoy making use of marketing information. Some consumers are likely to have fun or feel enjoyable when watching or participating in particular sales promotions, such as sweepstakes, contests, and free gifts.

Montgomery (2016) reported that the promotion of purchase made on deal increased with the level of brand switching. Researchers studying the brand choice decision have found promotions to be associated with cost of switching. Deals induce consumers to switch brands. Costs of switching refer to the degree to which consumers feel risky when they purchase an untried brand. Brand loyal consumers are likely to feel a greater degree of switching costs. Because they believe that they may risk a large loss in potential utility from having to substitute a less preferred brand for their favorite brand. According to utility theory, deals serve as economic incentives that enhance the utility of a brand, thus attracting former purchaser of other brands. Brand switching increased as the magnitude of the incentives associated with the deal increased. Deals having relatively high economic value are expected to have greater utility and induce more switching than ones having relatively low economic value. Webster found that deal prone housewives are more likely to switch brands.

Blattberg and Neslin(2017) explained that promotion responses by some studies store loyalty have been suggested to be an influential factor. However, this variable was found to have a relationship with store switching behaviors only, not the brand switching behaviors. Store loyalty should be negatively related with out-of-store promotion response, because these promotions often require store switching. The more the store loyalty, the higher the costs the consumers has to bear for store switching. In addition, store loyalty and store switching behaviors are likely to be related to retail promotions, rather than brand promotions Store loyal consumers are satisfied with the promotions offered by the store they are loyal to and therefore, these consumers will respond to its promotions. Store loyalty thus does not seem to a condition for higher or lower proneness to any type of promotion. A study conducted found that coupon prone households were less store loyal when compared to those were non-coupon prone. Then he found that store loyal people are fewer prices sensitive. This is also indicating a negative relationship between store loyalty and promotion responses.

Need For the Study

The present research makes a significant contribution in terms of understanding the impact of sales promotion schemes on consumer responses in purchasing readymade garments through onlineshopping in Chennai city. The value of this study will be justified by the empirical research that will attempt to make an important contribution to the body of knowledge and the literature in the areas of impact of sales promotion schemes on consumer responses in purchasing readymade garments in showroom through window shopping. Likewise, it should make a contribution to the general body of knowledge on consumer responses to sales promotion schemes. Most of the previous studies have limited their investigations to consumers living in Western countries where organized retailing is well developed. This study is conducted in Chennai city where organized retailing is at nascent stage. Most of the previous studies investigated the impact of one sales promotion tool. This study attempts to study the impact of sales promotion tools in general.

Statement of The Problem

Sales promotion form an integral part of a firm's marketing mix and consists of a wide variety of short term tactical promotional tools aimed at generating desired response from consumers. Our world is today characterized by intensive promotional wars fought in the media and retail shelves. The consumer is being bombarded by the range of promotions in almost every product category, in every media form: TV, radio, newspapers, mail, point-of-purchase materials, the internet and email. However, considering the global importance of sales promotions in



the marketing mix of number of products; there is a notable lack of research devoted to investigate consumer responses to sales promotions in India. To fill this gap, an attempt made to study on Impact of sales promotion schemes on consumer responses in purchasing readymade clothing. In this research paper, efforts has been made to analyzing the impact of types of sales promotion scheme in readymade garment through online shopping in Chennai city on consumer buying behavior and their relative effectiveness in inducing consumer response

Objective of the Study

1. To study on Impact of sales promotion schemes on consumer responses in purchasing Readymade clothing through online shopping in Chennai City.
2. To study the frequency level of consumer purchasing readymade clothing during sales promotion time through online shopping.
3. To study the factors influencing the consumers to purchase readymade clothing through online shopping in Chennai City.
4. To analyze the impact of consumer delight towards readymade clothing and to find out the tools and techniques of sales promotion that is used in order to retain the customer.

Scope of the Study

This study is an attempt to study the impact of sales promotion schemes on consumer responses in purchasing readymade garments. For this study, the scope of the data collection is limited to the sample of consumers who has purchased readymade garments through online Shopping in Chennai City. The scope of this study is limited to measure the behavioral impact of sales promotion schemes on consumer responses.

The present study focused on investigating impact of sales promotion schemes on consumer responses in purchasing readymade garments. Further research may be needed to generalize the findings of this study to different types of readymade garments.

Research Methodology

Research Design : A research design is purely and simply the framework or plan for a study that guides the collection and analysis of data. It is a blue print that is followed in completing a study. The major purpose of Descriptive research is description of state of affairs, as it exists at present.

Sampling Methodology

Population

The study of various characteristics relating to items \ individual belong to a particular group is called as population. The population of the study consists of the different consumer purchasing B segment car from cars dealers in Chennai city. A total of 127 respondents were chosen for the study. In this research, we have taken E-survey from consumer purchasing readymade garments through online shopping in various malls were consider in Chennai City.

Sampling Method

The sampling technique used was non-probability sampling method is adopted in this study. It refers to the technique where the probability of each cases being selected from the total population is not known. The sampling technique used was Quota sampling in which samples are drawn from special group.

Data Collection Method

The present study has employed both the primary and secondary data. Data was collected only through primary source. Primary data was collected through e-questionnaires. For this purpose support from Shopping Malls were received. To analyze the trends of sales promotion effort for purchasing readymade garments through online Shopping, secondary data has been collected from the websites, journal and reports.

Data Analysis Reliability Test

Case Processing Summary			
		N	%
Cases	Valid	15	100.0
	Excluded ^a	0	.0
	Total	15	100.0
a. Listwise deletion based on all variables in the procedure.			
Reliability Statistics			
		N of Items	
Cronbach's Alpha			
.804	39		

Inference: The Cronbach's alpha coefficient for 39 items is 0.804 suggesting that the items have high level of internal consistency.

Chi Square Analysis

Null hypothesis (H₀): There is no association between the frequency of purchasing readymade garment through online shopping and the income level of respondents.

Alternate hypothesis (H₁): There is association between the frequency of purchasing readymade garment through online shopping and the income level of respondents

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	98.813 ^a	9	.000
Likelihood Ratio	103.187	9	.000
Linear-by-Linear Association	.034	1	.853
N of Valid Cases	127		
a. 7 cells (43.8%) have expected count less than 5. The minimum expected count is .94.			

Inference: The Pearson chi square significant value is 0.853 which is greater than 0.05. Hence accept Null hypothesis. Therefore there is no association between the frequency of purchasing readymade garment through online shopping and the income level of respondents.

Chi Square Analysis

Null hypothesis (H₀): There is no association between the satisfaction level towards the promotional offer for readymade clothing and the family type of the respondents.

Alternate hypothesis (H₁): There is association between the satisfaction level towards the promotional offer for readymade clothing and the family type of the respondents.

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	12.248 ^a	1	.000
Continuity Correction ^b	10.215	1	.001
Likelihood Ratio	16.865	1	.000
Fisher's Exact Test			
Linear-by-Linear Association	12.152	1	.000
N of Valid Cases	127		

Inference

The Pearson chi square significant value is 0.000 which is lesser than 0.05. Hence Reject Null hypothesis. Therefore there is association between the satisfaction level towards the promotional offer of readymade clothing and the family type of the respondents.

Friedman Test

Null hypothesis (H_0): There is no significant difference between mean ranks towards the factors of sales promotion schemes offered for readymade clothing.

Alternate hypothesis (H_1): There is significant difference between mean ranks towards the factors of sales promotion schemes offered for readymade clothing.

Ranks	
	Mean Rank
Brand value	3.94
Fitting Rooms	3.94
Convenient Hours	3.94
Locations	1.48
Enquiry Sections	1.71

Test Statistics ^a	
N	127
Chi-Square	457.512
Df	4
Asymp. Sig.	.000
a. Friedman Test	

Inference: It reveals that since p value is less than 0.05, the null hypothesis is rejected at 5 percent level of significance. Hence it is concluded that there is significant difference between mean ranks towards the factors of sales promotion schemes offered by readymade clothing.

Correlation And Scatter Diagram Analysis

To study the relationship between the frequency of purchasing readymade garments and the amount spent by the consumer during sales promotion offer time.

Correlations			
		On average, how often do you purchase readymade garments?	How much did you spend on readymade garments in this shopping trip?
On average, how often do you purchase readymade garments?	Pearson Correlation	1	.702**
	Sig. (2-tailed)		.000
	N	127	127
How much did you spend on readymade garments in this shopping trip?	Pearson Correlation	.702**	1
	Sig. (2-tailed)	.000	
	N	127	127
**. Correlation is significant at the 0.01 level (2-tailed).			

Inference

The table represents the Pearson correlation coefficient r is 0.702 which implies there is a positive relationship between the frequency of purchasing readymade garments and the amount spent by the consumer during sales promotion offer time. And in the scattered Diagram, the coefficient of determination $r^2 = 0.492$ which indicates 49.2% of purchasing garments depends on the income level of the respondent and remaining depends on other factor. Therefore there is a positive direction between the two variables.

Findings of the Study

1. The Cronbach's alpha coefficient for 39 items is 0.804 suggesting that the items have high level of internal consistency.
2. Using chi square Analysis it is found that the Pearson chi square significant value is 0.853 which is greater than 0.05. Hence Accept Null hypothesis. Therefore there is no association between the frequency of purchasing readymade garment through online shopping and the income level of respondents.
3. Using chi square Analysis it is found that the Pearson chi square significant value is 0.000 which is lesser than 0.05. Hence Reject Null hypothesis. Therefore there is association between the satisfaction level towards the promotional offer of readymade clothing and the family type of the respondents.
4. Using Friedman test, It reveals that since p value is less than 0.05, the null hypothesis is rejected at 5 percent level of significance. Hence it is concluded that there is significant difference between mean ranks towards the factors of sales promotion schemes offered by readymade clothing.
5. Using correlation Analysis, it is found that the Pearson correlation coefficient r is 0.702 which implies there is a positive relationship between the frequency of purchasing readymade garments and the amount spent by the consumer during sales promotion offer time. And in the scattered Diagram, the coefficient of determination $r^2 = 0.492$ which indicates 49.2% of purchasing readymade garments depends on the income level of the respondent and remaining depends on other factor. Therefore there is a positive direction between the two variables.

Suggestions

After analyzing the findings, the following suggestions have been made and great care has been taken in making these suggestions for improvement of consumer response to sales promotion schemes through online shopping

1. The online shopping company should displaying the products should be sought out like, knowing the right colour combination, pairing up the right set of outfits, stacking the products in a right manner, focusing the trendy product by prominently placing it in the website.
2. It is recommended that Social networking site must be effectively used for building relations with the customers. The social networks are accessible, user friendly, interactive and have a great reach. Consumer communities can also be used to generate product advocates by sharing their good experiences through the consumer communities.
3. It is suggested that Customer feedback in the form of gap analysis or voice of customer can help the organization understand the extent of customer satisfaction about the product delivered through online shopping. Companies can offer free consultancy to the customer so as to create better value for the end customer. This can build mutually beneficial and intimate relations with the customers that can win customer loyalty in the long run.
4. It is recommended that online shopping Company can also engage in post-purchase activities with its customers like writing a „thank you“ mail and invitation to join the loyal customers“ club, online communities and liking the social networking sites pages of marketer.



Conclusion

The main objective of this research is to find the demographic and psychographic characteristics of consumer explaining the consumer responses in purchasing readymade garments offering sales promotion schemes through online shopping. Age, education, monthly family income, no. of members in the family of the respondents are found to be influencing in consumer responses in purchasing readymade garments offering sales promotion schemes. Price consciousness, value consciousness, impulse buying behavior, need for innovation, market mavenism, shopping enjoyment, shopping plan, brand loyalty and perceived financial constrains are found to be influencing in consumer responses in purchasing readymade garments offering sales promotion schemes. These findings will be useful to the managers of readymade clothing private limited to devise the promotion schemes and effective targeting their customers. The objective of this study was to check the effectiveness of sales promotional schemes like Discount, Price off and Buy One Get One Free in branded garment industry on seven different buying behavioral response of the consumers like visiting the store, purchasing the product, purchase acceleration, spending more, stock piling, product trial and brand switching.

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