



A Study on Effectiveness of Various Promotional Activities in Attracting and Retaining Customers of More Supermarkets, Coimbatore

KEYWORDS

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ABSTRACT *The present research is mainly done to find out the effectiveness of the various promotional activities in attracting and retaining customers in more Supermarkets, Coimbatore. The primary data was collected through a closed ended questionnaire. In this the chi-square method and weighted average method were used for analyzing collected data. This study helps to find out whether it improves the sales by attracting new customers and retaining the existing customers. The objective is to find out customers preference and conception about offers given in more supermarkets, study on effectiveness of consumer retention strategies, investigate customer awareness and perception towards the advertisement of more Supermarkets. The study was conducted in more supermarkets, Coimbatore with 200 samples were collected,. Secondary data was collected through books and website. For the present study the respondents are the customers of more supermarkets.*

INTRODUCTION

The organised retail sector of Indian industry is seeing drastic changes and development in the past few years. It is all attributed to many factors like increase in the standard of living, increased pay scales, good lump of money with the youth, competitive prices in the market and many others. Hence, the retailers are benefited by these factors which induce the people to make their purchase in various supermarket. As there is huge potential in the retail industry many companies enter into this sector. For instance, Bharthi Airtel of India has made a joint venture with WalMart of America to open retail stores across the country and other retail stores like Carefour and Tesco are seeking the best way to enter India's red-hot retail sector. Hence, it becomes vital for any concern to have an edge or competitive advantage over the other.

One of the competitive advantage of any organised retailer is its ability to attract and retain customers. The study aims to find out the effectiveness of various promotional activities aimed at attracting consumers to more supermarket and retaining them for mutual benefit. In the study feedback from customers has been taken through questionnaires and various statistical tools has been used to find out the current position of the strategies implemented. The study also aims to give valuable suggestions to the organisation through the appropriate findings.

STATEMENT OF THE PROBLEM

The organised retail sector is witnessing a cut-throat competition and it makes it utmost importance for any retail organisation to attract new consumers and retain them to survive in the market. As customers have plenty of choices to make upon, the job of the retailers becomes even harder. The customers find no difference in the various offerings given by the retailers. Hence every retailer is in a position to exhibit the difference possessed by them, which is very difficult to do so. These differences come in the form of offers, specific products offered, gifts and the value added services. This problem is taken as the base upon which the study is made. The study has been done to find out the effectiveness of various efforts directed towards attracting and retaining customers which is considered as a major problem for the retailer.

SCOPE OF THE STUDY

- This study will help the organization to know the customers preference to various offers given in more.
- This research information will be helpful to find out the

success of various customer retention activities.

- The study also aims to find the customers expectation of the products to be offered in more.
- It also examines the success of various advertisements.

OBJECTIVES OF THE STUDY

Primary objective

To find out the effectiveness or success of various promotional activities in attracting and retaining customers of more supermarket.

Secondary objectives

- To find out the customer's preference and conception about offers given in more supermarket.
- To study the effectiveness of customer retention strategies.
- 3. To investigate the awareness and perception of customers towards the advertisement of more supermarket.

REVIEW OF LITERATURE

An another study on influence of advertising and sales promotion on sales and consumes Food Specialities Ltd (Nestle) was done by D.K.Hari, Department of Management Studies, PSG College of Technology, Coimbatore in the year 1985. He has found out that Food Specialities to be of a buoyant and active company. The methods, strategies and activities effected are termed as ideal. He has suggested that in future they should emphasise their firm name in their advertisements or run a separate series of advertisement bringing into prominence the firm name and say what are the various products the firm produces as many respondents do not know that these products are manufactured by a single firm. One big advertisement of this should be that the goodwill of one product will attract the consumer to the other products of the sale firm. At present they are sponsoring a few programmes on the TV and it has to be increased. They could project Maggi through TV programme like Walt Disney Cartoon, etc. They confine their advertisements to the colour pages of the weekend issue. So this media can be used as a better information medium than as a persuasive one.

A study on product life cycle and promotion strategies in cellular telecom industry has been done by P. Chandira which states as with the increasingly affordable tariffs and stable policy regime, this industry is poised for big growth. There will not be any major changes in the promotion strategies in the near future. Once the consolidation process which in-

volves takeovers, mergers and acquisitions are over, the industry will look at their promotion mix. The role of customer service and brand building will gain importance. The future strategy will focus on customer retention and service orientation and more importance will be given to customer care and other related activities. The promotional strategy also depends upon the directions of growth, the technology and competition in this industry. The future looks bright and the future is mobile.

RESEARCH METHODOLOGY

Data source : Primary and Secondary data
 Research Approach : Survey method
 Research Instrument : Questionnaire
 Contact method : Direct – Personal interview
 Sample size : 200

STATISTICAL TOOLS

Chi square Test, Weighted Average Method

LIMITATIONS OF THE STUDY

1. The study was limited only to a certain number of customers.
2. The findings of the study are based on the information provided by the respondents and their opinion may be biased in due course.
3. The customers were less interested in answering the questionnaire, as they felt that it was an interruption to their purchase process.
4. The customers were biased towards their information.

CHI-SQUARE ANALYSIS PRICE AND QUALITY

PRICE	QUALITY			TOTAL
	GOOD	FAIR	POOR	
CHEAP	75	30	25	130
EXPENSIVE	15	10	45	70
TOTAL	90	40	70	200

Chi square table

O	E	(O-E)	(O-E)^2	(O-E)^2/E
75	58.5	-16.5	272.25	4.653846
30	26	-4	16	0.615385
25	45.5	20.5	420.25	9.236264
15	31.5	16.5	272.25	8.642857
10	14	4	16	1.142857
45	24.5	-20.5	420.25	17.15306
			1417	41.44427

Null Hypothesis (H ₀) :	No significant relationship between Price and Quality.
Alternative Hypothesis (H ₁) :	Significant relationship between Price and Quality.

Chi-square test

chi-square value = 41.44, Degree of freedom =2, Table value=5.99,

Significant level = 5% level

INTERPRETATION

The Null Hypothesis is rejected as the Calculated Value is more than the Table Value. Hence, there is significant differ-

ence between Quality and Price. That is the differences are statistically significant.

WEIGHTED AVERAGE METHOD

Ranking the features of advertisement

TABLE -1

Total number of respondents

Features	Excellent(6)	Good(5)	So-so(4)	Fair(3)	Poor(2)	Bad(1)
Visibility	101	54	2	1	2	0
Attractiveness	44	99	3	3	1	1
Appeal of the advertisement	54	82	5	8	2	0
Utility of discounts	77	51	5	11	6	0
Motivation to act	86	52	5	8	2	1

Ranking

Features	Excellent	Good	So-so	Fair	Poor	Bad	Total points	Rank
Visibility	606	270	8	3	4	0	891	1
Attractiveness	264	495	12	9	3	1	784	3
Appeal of the advertisement	324	410	20	24	4	0	782	4
Utility of discounts	462	255	20	33	6	0	776	5
Motivation to act	516	260	20	24	4	1	825	2

INTERPRETATION

The above table shows that the Advertisement ranks first in its Visibility and the motivation it gave to purchase at second. The Attractiveness gets third rank followed by Appeal of the Advertisement in fourth rank. The Utility of Discounts gets the last rank fifth.

Ranking the sources of information

TABLE-2

Sources of information	Very good(5)	Good(4)	Neither good nor bad(3)	Bad(2)	Very bad(1)
Friends and relatives	40	13	0	0	1
Personal visit to store	131	14	1	0	0
Advertisement	30	15	1	0	0
Pamphlets	1	6	0	0	0

Total number of respondents

Ranking

Sources of information	Very good	Good	Neither good nor bad	Bad	Very bad	Total points	Rank
Friends and relatives	200	52	0	0	1	253	2
Personal visit to store	655	56	3	0	0	714	1
Advertisement	150	60	3	0	0	213	3
Pamphlets	5	24	0	0	0	29	4

INTERPRETATION

The above table shows that the knowledge from Personal Visit to Store is the first source of information to make the customers to purchase followed by the information from Friends and Relatives in second. Information from Advertisement ranks third and the information given in Pamphlets ranks fourth to make the customers to purchase.

Ranking the physical features of the store**TABLE-3**

Physical features	Excellent(5)	Good(4)	So-so(3)	Fair(2)	Poor(1)
Infrastructure	108	77	3	0	0
Product visibility	63	115	5	4	1
Price visibility	74	94	11	7	0
Discount visibility	84	76	4	13	2
Visual merchandising	105	69	4	2	1

Total number of respondents

Ranking

Physical features	Excellent	Good	So-so	Fair	Poor	Total points	Rank
Infrastructure	540	308	9	0	0	857	1
Product visibility	315	460	15	8	1	799	3
Price visibility	370	376	33	14	0	793	4
Discount visibility	420	304	12	26	2	764	5
Visual merchandising	525	276	12	4	1	818	2

INTERPRETATION

The above table shows that Infrastructure of the store ranks first and Visual Merchandising gets second. Product Visibility gets third rank and Price Visibility is ranked fourth. Discount Visibility gets the last rank fifth.

FINDINGS

The Null Hypothesis is rejected as the Calculated Value is more than the Table Value. Hence, there is significant difference between Quality and Price. That is the differences are statistically significant

The above table-1 shows that the Advertisement ranks first in its Visibility and the motivation it gave to purchase at second. The Attractiveness gets third rank followed by Appeal of the Advertisement in fourth rank. The Utility of Discounts gets the last rank fifth.

The above table-2 shows that the knowledge from Personal Visit to Store is the first source of information to make the customers to purchase followed by the information from

Friends and Relatives in second. Information from Advertisement ranks third and the information given in Pamphlets ranks fourth to make the customers to purchase.

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SUGGESTIONS

- As most of the customers come to store because of its proximity to their house all the products needed by the customers have to be in store at any time.
- Leaflets have reached a good number of customers. Hence, the distribution of leaflets have to be made more frequently in order to attract new customers to the store.
- Customers need products in reduced prices as given by the competitors.
- Most of the purchase decisions are taken by women, hence the advertisement has to be in a way to attract the attention of women.
- Offers have to be given for more period of time as most of the customers are ready to change their purchase plan seeing the offers given.
- Television ad's were clearly remembered by some customers, hence the frequency has to be increased as more number of people are influenced by this medium.
- The re-launch of more. supermarket has to be advertised as it creates a hype among the customers.
- Most of the customers are not a member in clubmore and hence, the Customer Service Associates(CSA) have to make the customers aware of this service and retain them for the mutual benefit.
- Door delivery service has to be strengthened as most of the customers do not use this service because of its inefficiency despite knowing about the service offered free of cost.
- The discount visibility in the store has to be increased to a great manner.
- More types of products with high quality has to be sold in the store.

CONCLUSION

The study has helped the researcher to know that there is a good and enterprising Marketing Department existing in **more.** supermarket. But still if the recommendations quoted above are taken into consideration it would lead to better results. As organizations exist because of sales made and the corresponding profits earned, it is highly advisable to give maximum importance to the activities related to customers. As **more.** supermarket is in the transformation phase it needs to tighten its relation with customers, which will help in increased or good sales after it has well positioned itself in the industry.

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