

Consumer Attitude Towards Promotional Schemes and Influence of Brand On Purchasing Home Appliances



Management

KEYWORDS : Consumer, Attitude, Marketing, Brand, Promotion, Product, Price.

K.T. Kalaiselvi

Assistant Professor, Department of Management Studies, Surya Engineering College, Erode, Tamilnadu, India.

Dr.D.Muruganandam

Associate Professor, School of Management studies, Kongu Engineering College, Perundurai, Erode, Tamilnadu, India

ABSTRACT

Understanding the consumer attitude is an important part of the marketing process to realize the challenges faced by marketers in comprehending the consumers' mind. The marketers have to know why a buyer makes a purchase and the processes in the minds of the buyers which influence him or her in buying different products or services. Sales promotions are designed to have an immediate impact on sales. The main objective of this study is to find the impact of promotional schemes on consumer attitude and to find out the brand loyal consumers and also brand switchers of consumer home appliances only because of promotional offers. The methodology adopted for the study was descriptive research design. Sample size was 200. Statistical tools such as percentage analysis, chi-square, ANOVA and Garrett's Ranking were used for analysis. The results indicate that whatever attractive promotional schemes may be, "BRAND NAME" plays a dominant role in purchasing the home appliances. Maximum of the respondents have interest in some of the promotional schemes such as price discount, exchange scheme, warranty, etc.

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. The impact of global trade liberalization has presented not only considerable opportunities, but also many challenges for domestic and international firms. Consumer attitude towards various marketing actions are important information for successful marketing operations. When designing policy aimed at influencing the purchase and use of home 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.

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 attitudes are 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.

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.

Sales promotion

Sales promotion is media and non-media marketing communications employed for a pre-determined, limited time to increase consumer demand, stimulate market demand or improve product availability.

Methods 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

REVIEW OF LITERATURE

Nowadays, many studies related to sales promotion have been archived. Nelsin et al. (1987) suggested that one potential consequence of consumer promotions is the acceleration of consumer category purchases. This research presents an analytical framework for measuring purchase acceleration, and applies that framework to the analysis of two product classes. Barry L Bayus (1992), in his study found how a brand switching analysis can be used to assess the relative competitive position of a firm in terms of the primary customer sources that a brand attracts. 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.

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.

OBJECTIVES OF THE STUDY

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

RESEARCH METHODOLOGY

The research design adopted for this study is Descriptive Research. The sampling design of the study is based on Area sampling and convenience sampling. The study was conducted to in four areas in Erode city, Tamilnadu, India. The sample size of the study was 200. The primary data were collected through structured questionnaires. Data were analysed using statistical tools like;

- a. Garrett's ranking Analysis
- b. Chi-square test.
- c. One way ANOVA analysis

DATA ANALYSIS AND FINDINGS

Analysis of personal factors:

Most of the respondents' main reason for buying home appliances product was need of a new product and preferred to buy the home 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 home 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 home appliances companies was good and they were satisfied with the home appliances products.

Garrett's ranking Analysis

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

$$100 (R-0.5) \\ P = \frac{\text{-----}}{N}$$

Using the scores the following table is constructed.

Table 1. About Garrett's ranking test

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

Table 1 indicates that the price discount is the most preferable offer in Erode district of Tamilnadu followed by guarantee and the Exchange scheme is the third preferred scheme.

Chi-Square test

The following table 2 represents the Chi- square analysis.

Table. 2 Chi-Square Analysis Table

Variable 1	Variable 2	DF	C.V	T.V	Result
Educational Qualification	Factors influencing purchase	20	28.3	31.4	No
Monthly Income	Factors influencing purchase	25	24.6	37.7	No

Earning members in a family	Preferred timing of purchase	16	15.6	26.3	No
Occupation	Consumers' interest in promotional offer	8	25.1	15.5	Yes

It is found from Chi square analysis (Table 2) 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.

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. 3 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		
Occupation	Opinion about reliability of offers	Between groups	1	1487	1487	106.2	Yes
		Within groups	98	2773	14		
Monthly income	Satisfaction level about product	Between groups	1	141	141	3.47	No
		Within groups	98	8047	40.64		

It is found from the analysis (Table 3) 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 home 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.

RECOMMENDATIONS

Maximum of the respondents prefer price discount than the non-price offers. So the home appliances companies have to find the consumers' preferences regarding promotional schemes before planning it. As the home appliances companies offered many promotional schemes, but they experienced less than expected success in those schemes because of the reasons like failure to match the scheme to the objective, lack of creativity and lack of proper planning.

CONCLUSION

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

Abbreviations used:

MS	Mean square
SS	Sum of squares
C.V	Calculated value
DF	Degrees of freedom
E	Expected frequency
L.O.S	Level Of Significance
K	Constant
N	Number of samples
O	Observed frequency
T.V	Table Value

REFERENCE

- Baohong Sun (2005) "Promotion Effect on Endogenous Consumption" *Marketing Science*, Vol. 24 (3), pp. 430-443. | | Barry L. Bayus (1992) "Brand Loyalty and Marketing Strategy: An Application to Home Appliances" *Marketing Science*, Vol. 11(1), Winter 1992, pp. 21-38. | | Blattberg R. C and Scott A. Neslin (1990), Sales promotion: Concepts, methods, and Blattberg R.C, Briesch R. and Fox E.J (1995), "How Promotions Work"; *Marketing Science*, Vol. 14(3), G 122-132. | | Dang, Priya Jha, Abraham Koshy, Dinesh Sharma (2005) "An Empirical Analysis of Different Types of Consumer Promotions in Indian Market"; *Asian Journal of Marketing*, Vol. 11(1), pp 104-122. | Gautam Gowrisankaran, John Olin. M., and Marc Rysman(2007) "Dynamics of Consumer Demand for New Durable Goods", April. | Gupta, S. and Cooper L.G. (1992) "The discounting of discounts and promotion Thresholds", *Journal of consumer research*, Vol.19 (3), 401-411. | | Nelsin, S. Henderson C., and Quelch J., (1985) "Consumers promotions and the Acceleration of product purchases," *Marketing Science*,4(2), 147-165. | | Vidal, P Mariola, Ballester, D. Elena (2005), "Sales promotion effects on consumer Based brand equity" *International Journal of Market research*, Vol. 47(2), pp.179-204. | |