

A Study on Effectiveness of Promotional Strategies towards Relationship Marketing in Super Markets of Top Four Cities in Tamil Nadu

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ABSTRACT

Promotion of a product or service is the sensitive and complicated strategy of this era. Promotion compasses of all other marketing mix whereas it is becoming necessary to make target customer understand what to buy, where to buy and why to buy. In a business like supermarket where non personal communication channels are used it is becoming mandatory to pay major part of its cost for promotion of the store so as to give valid reason for the customers to buy the products in this particular store in spite of various local players dealing with same FMCG products at a cheaper price. There are some well defined promotional mixes suitable exclusively for supermarkets so as to communicate properly what are actually available so as to attract customers towards the store. Relationship Marketing is majorly influenced by these promotional strategies as there is strong relationship between made promise and the reality. So companies have to see to that there should be a well defined promise which can be executed easily without confusion. It is the challenge for these supermarkets not to allow any gap between the communicated and executed promise so as to keep their hard earned relationship with customer intact.

Keywords: Marketing Mix, Non Personal Communication, Relationship marketing, executed Promise.

INTRODUCTION:

This paper is intended to study the promotional strategies effect on relationship marketing there are various studies on these topics many authors have contributed about their view about the relationship marketing its intensity and how a small promotional idea have drastically changed the fate of the product or service both positive and negative side. So it should be given due importance as it is sensitive and reflect on consumer behavior. The concept of service triangle clearly explains the intensity of the promotional effort on business and customer psychology which may pay way to GAP 4 according to GAP Model given by A. Parasuraman, Valarie A. Zeithaml and Len Berry which is the gap between External Communication to customer through promotion and Delivered service which is a great threat and leads to loss of customer. Dr. S. L. Gupta in his book of consumer behavior –An Indian Perspective have denoted that processing of information have an impact on psychological factors like motivation, learning, perception, attitude and personality.

It is the major responsibility of any company especially supermarket to communicate the information in an appropriate manner which involves media selection, content finalization and frequency of the promotion. Trust and Commitment plays a vital part in Relationship drivers which work well with the promotional strategies customers step in to the supermarket with the trust on the store whatever product they sell and commitment that are promised by the store has to be fulfilled for long lasting relationship. Mahatma Gandiji also has highlighted “A

customer is the most important visitor in our premises". Promotional efforts are taken so as to reach target market and build brand equity which has to be done in a careful manner suppose if the supermarket decides to give an advertisement about the offers and discounts it should be copy –tested before launching the same to customers.

REVIEW OF LITERATURE:

Copulsky and Wolf (1990) argued that relationship marketing involves advertising, sales promotion, direct Marketing and Public relation so as to attain effective and efficient consumer contact. Merlin (1996) also have highlighted that relationship Marketing would be effective only if it uses promotion, communication and customer management to identify and build customer changing needs. Bejou (1998) analyze the effects of customer satisfaction on relationship marketing with respect to marketing mix. Kotler (2000) declares that the most essential thought to accomplish high store loyalty is for firms to convey high client esteem. Store loyalty is viewed as one of the significant drivers of achievement. Bloemer.J (2002) in his paper discussed about the importance of trust and commitment on customer satisfaction and loyalty.

Nagasimha Kanagal in his article denoted that Competitive Marketing Strategy (CMS) has Relationship Marketing (RM) as one of the important element in developing business performance. Richard James Volpe (2009) has also highlighted the nature of competition between grocery chain stores through promotional Pricing in his research article. Wan-Ping Pi (2011) in his article highlighted the influence of relationship oriented promotional strategies on customer loyalty. Preety (2013) denoted that Reliability is the ability to perform the promised service dependable and accurately. Abizer Esmal Alibhai (2015) of Kenya has denoted the importance of communicated Promises and executed promise.

OBJECTIVES OF THE STUDY:

1. To find out the impact of demographic variables in effectiveness of Promotional strategies towards relationship marketing in retail business – with reference to top four cities in Tamil Nadu
2. To examine and analyze the effectiveness of promotional strategies towards relationship marketing in retail business – with reference to top four cities in Tamil Nadu

RESEARCH METHODOLOGY:

Sampling Design:

Random sampling method was adopted considering the availability and approachability of respondents for the purpose of data collection efforts.

Sources of Data:

Both primary as well as secondary data were used for this study to have a better focus on the objectives framed.

Primary Data:

Primary data was collected from the customers of supermarkets in Top four cities of Tamil Nadu - Chennai, Coimbatore, Trichy and Madurai through a structured questionnaire.

Secondary Data:

In order to focus on the theoretical background on retail stores services – relationship and satisfaction of retail stores services, secondary sources of information were collected from Journals, Newspapers, Magazines, Articles, Books and various Websites.

DATA COLLECTION PROCEDURE:

A total of 700 questionnaires were issued through personal contacts, after obtaining official permission from the supermarkets in Chennai, Trichy, Coimbatore and Madurai, through the assistance obtained from many customers. Completed questionnaires received were 670 which represent 87.15% of response rate but only 634 questionnaires were used, remaining questionnaire discarding partially filled and defective responses.

LIMITATIONS OF THE STUDY:

Besides the usual limitations that may occur in study, the present study has the following limitations.

1. This study is confined only to promotional activities of selected supermarket in top four cities of Tamil Nadu
2. The main objective of the study is to examine the general perceptions about the promotion. Hence, this study does not focus on individual super market like One Person stores.

3. There are many variables that influence promotional activities in retail markets, but the study is confined to selected variables only.

RESULTS AND DISCUSSION:

The effectiveness of promotional strategies followed by supermarkets were analyzed in a five point scale with the variables Additional products offered, Gifts offered, Stores promotional offers, Advertisements, Extra Points offered, Cash back facilities, Discounts offered and Offer Pamphlets issue. These strategies were analyzed with respective demographic variables and the results are discussed below

ANALYSIS OF DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTSS:

The demographic characteristics of the sample reveal certain features which are summarized in below.

Table No. 1: Demographic Variables of the Respondents

No	Particulars	No. Of Respondents	Percentages
I	AGE		
	18 to 25 years	48	7.6
	26 to 35 years	93	14.7
	36 to 45 years	171	27.0
	46 to 55	163	25.7
	56 and Above	159	25.1
	Total	634	100.0
II	GENDER		
	Male	309	48.7
	Female	325	51.3
	Total	634	100.0
	MARITAL STATUS		
III	Married	524	82.7
	Un Married	110	17.3
	Total	634	100
IV	QUALIFICATION		
	School	90	14.2
	Diploma	182	28.7
	Degree	200	31.5
	PG	109	17.2
	Professional	53	8.4
	Total	634	100.0
V	OCCUPATION		
	Government	108	17.0
	Private	375	59.1
	Self employed	151	23.8
	Total	634	100.0
VI	INCOME		
	Below 15,000	99	15.6
	15,000 - 25,000	117	18.5
	25,001 - 35,000	227	35.8
	Above 35,000	191	30.1
	Total	634	100.0

Source: Primary data

Important demographic characteristics based on the sample survey of respondents as shown in the above table are presented below.

1. Age of the respondents was 27% were between 36 years to 45 years and 7.6% were below 25 years old.
2. Sample population reveals that 51.3% of the respondents were female and 48.7% were male. It indicates that there are more female respondents than the male.

3. Marital statuses of the respondents were shows 82.7% of the respondents were married and 17.3% of the respondents are unmarried.
4. Educational qualifications of the respondents were shows that, 31.5% of the respondents were graduates and 14.2% of the respondents were school level and 8.4% of respondents are professional qualified.
5. Occupation of the respondents are find that,59.1% of the respondents were private sectors employees, 23.8% of the respondents were entrepreneurs and self employed and 17% of the respondents were government employee.
6. Monthly income of the respondents shows 15.6 % were less than Rs. 15,000, 35.8% were between Rs. 15,001 to 25,000 and 30.1% of the respondents were earning their annual income above Rs.35, 000.

HYPOTHESIS:

Null Hypothesis (Ho):

There is no significant difference between age and respondents' perceptions towards promotional strategies on relationship marketing of retail business in super markets.

Alternate Hypothesis (H1):

There is a significant difference between age and respondents' perceptions towards promotional strategies on relationship marketing of retail business in super markets.

Table No 2: Age and Respondents' Perceptions of Effectiveness of Promotional Strategies Towards Relationship Marketing in Retail Business

Age	Mean Value	F value	P Value	Result
18-25 Years	69.0625	20.916	.000*	Significant
26-35 Years	53.5753			
36-45 Years	55.9503			
46-55 Years	63.9509			
56 & Above	48.8522			

Source: Primary data

*At 1% level of significance **At 5% level of significance

Inferences:

The above result reveals that there is significant difference between age and respondent's perceptions of effectiveness of promotional strategies towards relationship marketing in retail business.

From the above results were explain that, there is significant differences between age and effectiveness of promotional strategies towards relationship marketing in retail business with special reference to supermarkets therefore the null hypothesis is rejected.

HYPOTHESIS:

Null Hypothesis (Ho):

There is no significant difference between gender status and respondents' perceptions towards promotional strategies on relationship marketing of retail business in super markets.

Alternate Hypothesis (H1):

There is a significant difference between gender status and respondents' perceptions towards promotional strategies on relationship marketing of retail business in super markets.

Table No 3: Gender Status and Respondents' Perceptions of Effectiveness of Promotional Strategies towards Relationship Marketing in Retail Business

Gender status	Mean value	F value	P value	Result
Male	52.2702	2.692	.101	Not Significant
Female	61.2462			

Source: Primary data

*At 1% level of significance **At 5% level of significance

Inferences:

The above table revealed that, gender status was not influences in perceptions of effectiveness of promotional

strategies towards relationship marketing in retail business. Female are high perception on effectiveness of promotional strategies towards relationship marketing in retail business then compare to male respondents. From the above results explained that, there are no significant differences between gender and in perceptions of effectiveness of promotional strategies towards relationship marketing in retail business therefore the null hypothesis is not rejected.

HYPOTHESIS:

Null Hypothesis (Ho):

There is no significant difference between educational qualification and respondents' perceptions of towards effectiveness of promotional strategies towards relationship marketing in retail business.

Alternate Hypothesis (H1):

There is a significant difference between educational qualification and respondents' perceptions of towards effectiveness of promotional strategies towards relationship marketing in retail business.

Table No 4: Education and Respondents' Perceptions of Effectiveness of Promotional Strategies towards Relationship Marketing in Retail Business

Education	Mean Value	F value	P Value	Result
School	58.8611	4.967	.001*	Significant
Diploma	59.5137			
Degree	56.6250			
PG	50.0917			
Professional	59.2925			

Source: Primary data

*At 1% level of significance **At 5% level of significance

Inferences:

The above table reveals that there is significant difference between education and respondents preference towards effectiveness of promotional strategies towards relationship marketing in retail business.

There is significant difference between educational qualification and respondents perceptions in effectiveness of promotional strategies towards relationship marketing in retail business therefore the null hypothesis is rejected.

HYPOTHESIS:

Null Hypothesis (Ho):

There is no significant difference between occupation and respondents' perceptions of towards effectiveness of promotional strategies towards relationship marketing in retail business.

Alternate Hypothesis (H1):

There is a significant difference between occupation and respondents' perceptions of towards effectiveness of promotional strategies towards relationship marketing in retail business.

Table No 5: Occupation and Respondents' Perceptions of Effectiveness of Promotional Strategies towards Relationship Marketing in Retail Business

Occupation	Mean Value	F value	P Value	Result
Government	57.2917	.056	.946	Not Significant
Private	56.6707			
Self employed	57.0695			

Source: Primary data

*At 1% level of significance **At 5% level of significance

Inferences:

The above table shows that there is no significant difference between occupation and respondents' perceptions of towards effectiveness of promotional strategies towards relationship marketing in retail business among different occupations; there is no significant difference occupation and respondents' perceptions in effectiveness of promotional strategies towards relationship marketing in retail business therefore the null hypothesis are rejected.

HYPOTHESIS:

Null Hypothesis (Ho):

There is no significant difference between income and respondents' perceptions towards promotional strategies on relationship marketing of retail business in super markets.

Alternate Hypothesis (H1):

There is a significant difference between income and respondents' perceptions towards promotional strategies on relationship marketing of retail business in super markets.

Table No 6: Income and Respondents' Perceptions of Effectiveness of Promotional Strategies towards Relationship Marketing in Retail Business

Income	Mean Value	F value	P Value	Result
Below 15,000	63.9293	15.572	.000*	Significant
15,000 - 25,000	52.2222			
25,001 - 35,000	52.4449			
Above 35,000	61.3220			

Source: Primary data

*At 1% level of significance **At 5% level of significance

Inferences:

From the above table, it is clear that there is significant difference between monthly income and respondents' perceptions towards effectiveness of promotional strategies towards relationship marketing in retail business. The above table clearly indicated that, there is significant difference between monthly income and respondents' perceptions towards effectiveness of promotional strategies towards relationship marketing in retail business. Therefore the null hypothesis is rejected.

CONCLUSION:

From the above results we can understand the fact that AGE, EDUCATION and MONTHLY INCOME of the respondents have significant impact on their perception towards promotional activities in retail outlet. GENDER and OCCUPATION of the respondents have no significant impact on their perception towards effectiveness of promotional activities in retail outlet. Promotion play a vital role of communicating information to customer which has to be done in a careful manner as it directly affect on relationship of customer with the store. It is the responsibility of the supermarket not to leave have gap between the promised service and delivered service which can be done either by limiting the promises to an attainable level or by taking sincere efforts to keep up the communicated promise . It is important for any organization to keep its customer satisfied through all possible way for everlasting customer relationship.

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