

Impact of Sales Promotion Tools on Purchasing Decisions of Buyers
at
Bhat-Bhateni Super Market

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RECOMMENDATION

This is to certify that the Thesis

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Entitled

IMPACT OF SALES PROMOTION TOOLS ON PURCHASING DECISIONS OF
BUYERS AT BHAT-BHATENI SUPER MARKET

*has been prepared as approved by this Department in the prescribed format of the Faculty of
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And found the Thesis to be the original work of the student and written according to the prescribed format. We recommend the Thesis to be accepted as partial fulfillment of the requirement for the

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DECLARATION

I, hereby, declare that the work done in this thesis entitled impact of sales promotion tools on purchasing decisions of buyers at Bhat-Bhateni super market submitted to office the Dean, Faculty of Management, Tribhuvan University, is my original work done for the partial fulfillment of the requirement for the Master's in Business Studies (M.B.S.) under the supervision of Prof. Dr. Arhan Sthapit of Tribhuwan University, Kathmandu.

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CHAPTER - I

INTRODUCTION

1.1 Background

The role of selling has become more complex because producers are more technical, buyers are more sophisticated and the competition has become more intense. This has necessitated the need for proper flow of communication from the producer to the consumer either along with the product or well in advance of the introduction of a product into the market. Successful marketing consists in offering the right product at the right price at the right place and time with right promotion.

Sales promotion is widely used even when advertising is doing well. It is because of the fact that the additional investment yield better result if it is used in sales promotion rather than employing more and more amount of money only in advertising. Many business enterprises, therefore, divide the budget into advertising and sales promotion.

Kotler (2003), states that decades ago, advertising to sales- promotion ratio was about 60:40. Today in many consumer goods companies, sales promotion accounts for 65 per cent to 75 per cent of the combined budget. Sales promotion expenditures have been increasing as a percentage of budget expenditure annually for the last two decades, and the fast growth rate is expected to continue. Sales promotion is now more accepted by top management as an effective sales tool and product managers are widely using it to increase their current sales. Some of the companies are concerned with increasing the sales in the short-term; therefore, sales promotion is often the resort. Companies use sales promotion to create a stronger and quicker response. It is also used to dramatize product offers and to boost sagging sales (Kotler & Armstrong, 2013).

Schiffman and Kanuk (2004) states that a decision is the selection of an action from two or more alternative choices. Thus, for a person to make a decision, choice of alternatives must be available. The purchase decision process consists of stages a buyer goes through

in making choices about which products and services to buy (Fill, 2002). Etzel and Santon (2006) further adds that consumer buying decision may result from formal or informal decision-making. The way in which consumers decide whether and what to buy depends partly on the significance of the purchaser.

Kotler and Keller (2006) express that impulse buying is the purchase of goods without any planning or research efforts. Marketers must take advantage of situations involving impulse buying. They may offer consumers something of value so that the consumers are tempted to buy the products and if the value is convincing enough, they may just end up purchasing the product.

Promotion is an exercise in information, persuasion and influence. Promotion has come to mean the overall co-ordination of advertising, selling, publicity and public relations. Promotion is a helping function designed to make all other marketing activities more effective and efficient.

This research is on the topic of sales promotion, one of the marketing mix tools, and its impact on consumer buying behavior. The major role of promotion is to provide information, persuade customer and influence them. Promotion is the set of advertising, personal selling, public relations and sales promotion. Out of these, only sales promotion has been selected for the research study. As compare to other promotional tools, sales promotion mainly helps in selling activities. Promotion is responsible for the inducement of customers and increment of demand by using all or some of other marketing mix elements. Supermarkets can use sales promotion together with other promotional tools like advertising, personal selling and direct marketing to increase its efficiency and effectiveness.

Sales promotion is the only tool that acts as an external stimulus to purchase consumer goods when they approach for shopping. But it is difficult for retailers to decide the objectives for the sales promotion. However, when the objectives of the organization are decided, the selection of sales promotion technique will be easier.

1.2 Organisational Context

Bhat-Bhateni is the largest retail chain of supermarkets in Nepal. Since 1984 A.D, Bhat-Bhateni has grown from a 'single shutter' 120 sq. ft. cold store to become the leading supermarket and departmental store chain in Nepal, and the highest tax payer in the sector since 2008 A.D. with more than 50,000 customers daily. There are currently fourteen stores conveniently located in central Kathmandu, Lalitpur, Pokhara, Chitwan, Dharan and Butwal. All stores are open from 7:30am to 8:30pm, 7 days per week.

Bhat-Bhateni offers a full range of 150,000 products from 750 local and international suppliers, including a wide range of groceries, fresh fruits and vegetables; a broad range of leading international liquor, toiletries and cosmetics brands; and an extensive choice of kitchenware, clothing, sports, toys and electrical items. Furthermore, Bhat-Bhateni and Maharajgunj premises include excellent value jewellery stores that offer a wide range of gold and silver ornaments in both traditional and modern styles.

Much of Bhat-Bhateni's success can be subscribed to the founders', Min B. Gurung and family, vision for continuous improvements and growth in order to support local development with current employment of over 4,500 staff, including several from families of political martyrs and indigenous people. Since June 2009, Bhat-Bhateni has been promoting the Just Say No to Plastic Bags campaign along with Kathmandu University and Nagarik and República.

1.3 Statement of the problem

Supermarkets play a significant role in Nepalese economy. They are major employers and contributors towards nation's infrastructural development through high revenue of taxes. They also improve the standards of living through the provision of basic food stuffs and other basic needs. However, supermarkets in Nepal faces huge competition from small retail shops, open border markets (India and China), as well as among themselves (Big Mart, KK Mart, Family Mart etc). Bhat-Bhateni supermarket is no exceptional although it is the oldest and market leader in all over the country.

In this study the main focus is given to the sale promotion. Does sales promotion effect the buying decision of the consumer is the main concern. Different people have different need for the product and they act differently for the different sales promotion activities. Does the sales promotion activity really increase the sales of the product and will it affect the loyalty of the people towards the different product of same category?

The main concern of this study is to review the effect of a company sales promotions method on the sales of product in the market. Basically, the main issue is to know the extent to which promotion efforts has led to increase in sales volume and profitability.

1.4 Objectives of the study

The main objective of this research study is to examine the impact of sales promotion on purchasing decisions of buyers at Bhat-Bhateni Supermarket.

Following are the specific objectives of this research study.

- To assess the awareness of buyers of Bhat-Bhateni Supermarket towards its sales promotion programs;
- To evaluate impact of sales promotion on purchasing decisions of buyers at Bhat-Bhateni Supermarket

1.5 Rationale of the study

Traditionally marketers have been using advertising as a promotion to build awareness, to create brand image and to build long term brand equity where as sales promotion have been used to achieve short term sales increment. In general, sales promotion target for two major goals i.e. to induce consumers and to increase sales volume. It is obvious that when the consumers are increases the sales volume will also increases. Retailers often use sales promotion offers in off seasons and in non- seasonable products to boost up their sales volume. This research would be significant to understand the influence of the promotions on the consumer's purchasing decision. The study would determine the relevant short-term marketing strategy that would have greater impact on increase in sales volume and market share.

This study would determine the importance of understanding of consumer's purchasing decision and their dynamic attitude before making decision regarding the sales promotion and the implication of the consumer's behavior on sales.

1.6 Organization of the study

This study is organized in five chapters.

Chapter 1: Introduction

This chapter presents the introduction of the topic and its objectives. The chapter also includes back ground of the study, statement of the problem and rationale of the study.

Chapter 2: Literature review

This chapter starts with the review of the various researches conducted on sales promotion and consumer buying behavior. The researcher view and research gap are also presented at the end of the chapter. Review of literature it includes theoretical review and review of related studies. The literature review helps researcher to remove limitations of existing work or may assist to extend prevailing study.

Chapter 3: Research methodology

This chapter starts with the choice of the research methodology. The descriptive part is presented with the researcher's reason for selection. It includes research design, population and sample, sources of data, data collection techniques, data analysis tools and limitation of the methodology. The methodology may include publication research, interviews, surveys and other research techniques, and could include both present and historical information.

Chapter 4: Data analysis and findings

This chapter includes the analysis of collected data using EXCEL software and SPSS presented in tables and pie charts so as to ease for data interpretations. It also includes other analysis, test of hypotheses and major findings.

Chapter 5: Conclusion and recommendations

This chapter summarizes the main findings from the chapter 4 that will help to fulfill the objectives of the research. In addition, this chapter will present list of recommendation for Bhat-Bhateni supermarket managers to properly implement sales promotional tools for the organizational financial objectives.

CHAPTER - II

REVIEW OF LITERATURE

2.1 Review of conceptual framework

There are number of different definitions focusing on various characteristics of sales promotion. This diversification as it will be shown later, plays very important role in identifying objectives and analysis for findings.

Sales promotion when implemented effectively often results in an increase in short term sales figure. This explains the inclination of corporations to put in a large percentage of their funds in carrying out various sales promotion activities. However, variations occur in effects of sales promotion based on the attractiveness of the concerned brand (Alvarez, 2005).

Kotler (2003) stated in his one of the studies that "Sales promotion consists of a diverse collection of incentive tools, mostly short-term designed to stimulate quicker and greater purchase of a particular product by the consumers." This is also agreed by Shultz and Robinson (1982) that sales promotion is the direct inducement or incentive to the sales force, the distributor or the consumer with the primary objective of creating and immediate sale. Sales promotion is the element in an organization's promotional mix that serves to inform, persuade and remind the market of a product and or the organization selling it, in hope of influencing the consumer behavior.

Schiffman and Kanuk (2004) defined the study of consumer behaviour is concerned with not only with what consumers buy, but with why they buy it, when and where and how they buy it, and how often they buy it.

Etzel and Stanton (2006) defined sales promotion as a demand-stimulating activity designed to supplement other marketing mix strategies. Therefore, for the effective sales promotion, it has to be used together with the other forms of promotion.

The concept of consumer behaviour is basically the behaviours that consumers display in searching for products. Using everlasting and disposing of products services and ideas. The study of consumer behaviour comprises external forces such as family and culture, internal forces such as attitudes, and behaviour in the form of participation in exchange activities (Kotler & Keller, 2006).

Kotler and Keller (2006) has brought us the attention that consumer behaviour is influenced by four factors, basically cultural (culture, subculture and social class), social (reference groups, family and roles and statuses), personal (age, stage in life cycle, occupation, economic circumstances, lifestyles, personality and self-concept) and psychological (motivation, perception, learning, beliefs and attitudes).

Types of Sales Promotion

- 1. Sampling** - The use of various distribution methods to deliver actual or trail size products to consumers with the purpose to initiate trial.
- 2. Coupons** - A promotional device that provides a price-off to consumer upon redeeming the coupon.
- 3. Trade incentives** - Incentives that are given to retail managers and sales people for performing tasks such as displaying merchandise or selling certain lines of merchandise.
- 4. Trade allowances** - Deals that are offered to retailers for performing activities in support of manufacturer brand
- 5. Price-offs** - Promotion which entails a reduction in the brand's regular price.
- 6. BOGOF** - Buy one get one free offer that purchase the promoted product.
- 7. Refund offers** - A cash reimbursement to the consumer by the manufacturer whose product the consumer has purchased.
- 8. Bonus packs** - Extra-quantities of a product that company gives to consumers at a regular price.

9. Loyalty cards have recently become an important form of sales promotion. They encourage the customer to return to the retailer by giving them discounts based on the spending from a previous visit. Loyalty cards can offset the discounts they offer by making more sales and persuading the customer to come back. They also provide information about the shopping habits of customers – where do they shop, when and what do they buy? This is very valuable marketing research and can be used in the planning process for new and existing products.

Likewise, Kotler and Armstrong (2013) suggested that there are five stages in the purchase decision process which include problem recognition, information search and evaluation of alternatives, purchase decision and post-purchase behaviour.

A sales promotion is an incentive that is offered to a consumer or potential business customer to spur the purchase of a product or service. Many companies use sales promotion strategies to produce a short-term increase in sales. A company can offer many types of sales promotion activities including free samples, coupon, discounts, premiums, product demonstrations, point-of-purchase (POP) materials and even refunds or rebates (Suttle, 2017).

Sales promotion is the methods or techniques for creating public acceptance of or interest in a product, usually in addition to standard merchandising techniques, such as advertising, and personal selling; generally consisting of the offer of free samples, gifts made to purchaser etc.

Sales promotion measures are popular in Nepal. The point of purchase and specially advertisements is commonly adopted by the enterprises. Discount sales are conducted mainly in certain national day, allowing reduces prices offer. Recently, the Nepalese enterprises, mostly private, have adopted ‘in pack’ coupon system, offering valuable articles as well as cash rewards for the consumers. Similarly, special cash discount or bonus and gift schemes are also adopted by many enterprises to persuade the marketing middleman to raise the order or actively sell the products.

2.1.1 Sales promotion

Sales Promotion is one of the key elements of the marketing mix. Sales promotion is designed to be used as a short-term tactic to boost sales; it is rarely suitable as a method of building long-term customer loyalty. Sales promotions are aimed at consumers and retailers. Sales promotions are a marketing tool for manufacturers as well as for retailers. Sales promotion is one of the five aspects of the promotional mix. 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. Sales promotion is implemented to attract new customers and also to hold present customers. It is done to enhance company sales. Sales promotion activities include window displays, product and promotional material display and promotional programs such as premium awards and contests (Nathwani, 2017).

There are two types of Sales promotions

a) Consumer sales promotions

Any sales promotion activity that you do keeping the end consumer in mind is known as consumer sales promotions. Example – if an E-commerce website gives 10% discount on its products, then it wants the consumers to make the best of this deal. This is a consumer-focused promotional activity and hence can be called as consumer sales promotions.

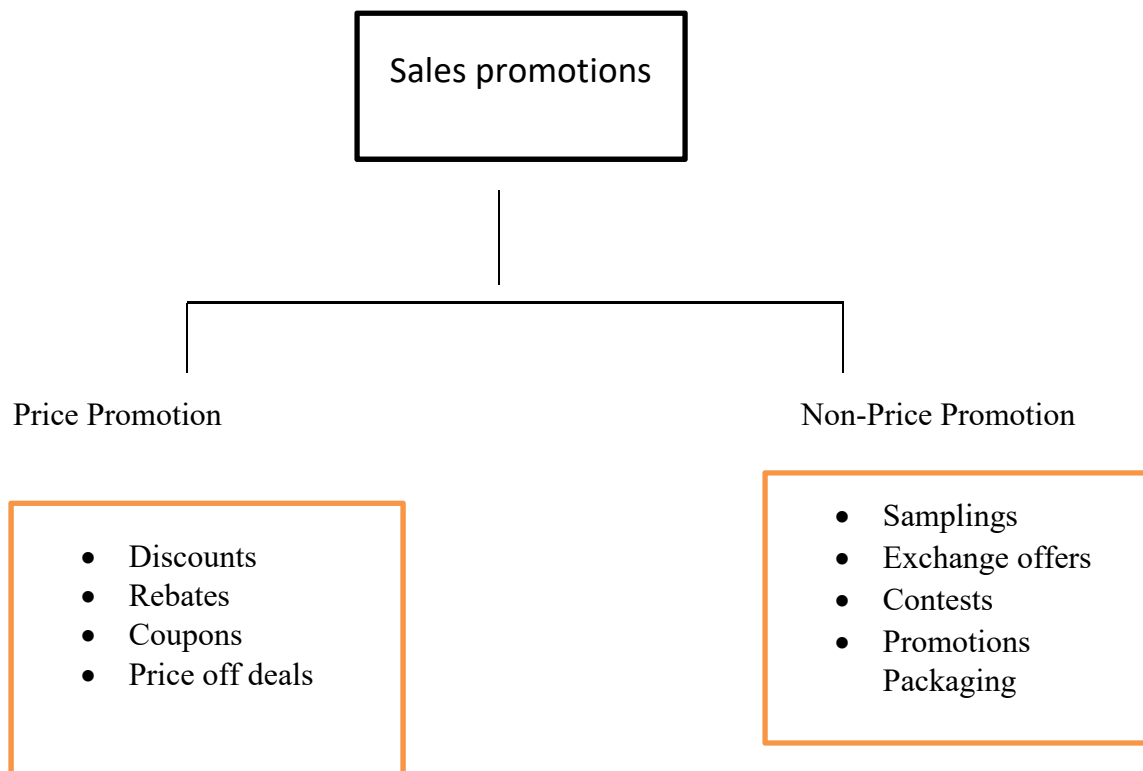
The objective of Consumer sales promotions might be various. A consumer might be asked to test a sample of a completely new perfume in the market and rate it. An existing customer might be asked to use a Scratch card so that he receives a gift.

At the end, the result should be an action from the consumer. Either the consumer should purchase the product right away, or he should come to know about the product so that further awareness is created for the brand.

b) Trade sales promotions

If your promotional activities are focused on Dealers, distributors or agents, then it is known as trade promotions. There is a lot of competition in any field. And in channel sales, to get the products moving and to motivate the dealer to perform better, trade discounts are given. (Bhasin, 2018)

Figure 1: Tools of consumer-oriented sales promotion (Narkarmi, 2018)



1. Discounts

The most common sales promotion technique is discount offers on the products. The simplest and frequently used technique for sales promotion for persuading the customers is adding discount to the product. The important aspects that is to be considered while using this technique would be; a) we should be sure that the discount is attractive to the customers, b) always consider the bottom line and c) to be sure not to do it often as people will come to expect it as the norm.

2. Coupons

Coupons are also the frequent sales promotion techniques as discounts commonly used to motivate the customers to purchase. The coupons would push the customers to buy the product when they think that the price is high or can be incentive to buy the product above the competitors. The price sensitive customers would be willing to buy the product with availability of coupons. This price discrimination method is usually made for making the customers happy with buying or turning the customers that have experienced bad services.

3. Samples

The sampling is the way of introducing the new product to the customers by providing the products for free. The potential customers are targeted in this method and not only introduce the product in the market but also create awareness of the product. This marketing strategy is popular in FMCG industry. It is huge cost to the company, but it seems to have high impact on the customers and successful to get the brand loyal customers for the product.

4. Refunds or rebates

The refund and rebates are not too popular in all the countries but the country like United States it is much popular. In the marketing tactics like refund the customers get excited with the portion of refund that they can have on purchase with the parking tickets or the feedback they provide online about the store. These types of promotional activities are

done to grab the attention of the customers and to sale the same type of products to the customers over the competitors.

5. Contests

The contests and sweepstakes are simple as winning the gifts that attracts and motivates the customers to go for the product It is mostly useful for gathering the information of the customers and create the awareness about the new product or the new location for the getting the products

6. Price off deals

The promotional techniques are the reduction in the price of the promoted products and the customer saves money on purchase. The price reduction may be used for taking the attention of the customers away from the competitors. The customers are always in search of quality products in lower price so the promotional activity of price off deals would increase in sales.

7. Exchange offers

The exchange offers are used with occasions like Dashain, Christmas. This technique is popular all over the world and basically used in festive season where old products are exchanged for new products and customers can receive the discounts based on valuation of old products.

8. Loyalty Points

The customers always like the personal attention by the sellers. In such context the loyalty points would be the marketing tactics for retaining the loyal customers for lifetime. The customers rewarded with the loyalty points giving them points every time they make purchase and use that points for the money off in future purchase. This is popular promotion system to induce the customers to make the next purchase for getting the reward for future purchase.

9. Bundling

The combination of products on sales that are offered for sale price of one product is bundling. For instance, getting one shirt free for on the purchase of one shirt would be bundling that makes the customers more likely to buy. This is also popular during festive season and the quantity of sales is high which can be the strategy against the competitor.

10. Gifting

The great idea of promotion, everyone loves free product and even better when it is given as gift. The gift to the customers gives the chance to test out the products by the customers and make the customer aware about the product meanwhile. Customer would appreciate for such action and would increase the sale of the product. The customers would be excited about the assured gift with the purchase of products that would increase the sales with the excitement of getting something for free.

11. Bonus pack

The bonus pack is getting additional quantity of the same product is offered for the standard pack size purchased. The customers purchasing huge quantity than the regular size would be offered the bonus pack. This promotional activity would be used as the strategy for high sales and induce the customers to buy more quantity.

12. Free trial

The free trial is also the sales promotional method that introduce to the new product in the market to the customers where they get to know about the product before purchasing it. Free trail strategy much more popular for sales of software, computer programs, apps. These are the products that can be used for free for time being and required to be purchased later for further use. This would convince the customers to purchase the for future use.

2.1.2 Consumer purchasing decision

To clarify the consumer purchasing decision part, clients usually have boundless demand to fulfill their needs and fulfillment to have something new. There has been a large

literature had inspected customer buying decision and reported that there are a lot of issues reflect the consumer behavior buy or not to buy goods. Schiffman and Kanuk (2004) stated that there are four opinions for explaining consumer decision and behavior such as economic view which is outstand others view for making more impact on customer decision followed by passive view, emotional view and cognitive view, they also stated that consumer purchasing behavior reflected on how consumers choose what product they want and how that assessment going and its influence on next purchases. For instance, Customer buying behavior is the study of the procedures elaborate when persons or groups in the processes of select, purchase, use, or dispose of products, services, ideas, or experiences to please wants and needs (Solomon, 1983). Naimah and Tan (1999) specified that there are some aspects affect consumer buying decision such as the high ability to perform a purchase and the physical surrounding at the place of purchases.

Smelser and Baltes (2001), our daily life activities mostly are about buying products, creating our behavior and experiencing services at the place such as shops, city center, shopping centers and so on, where some motivation range can be inspired. Kotler (2003) argued that social and economic factors can significantly affect the consumer choices like cultural and essential factors of consumer behavior. William (2002) states that social class has huge impact on buying assessment criteria. After that Yip (2003) indicated that the social class of a person can cause limited options when making a buying decision if their income is low.

Loudon and Bitta (2004) consumer behavior studies play an significant part in determining marketing segments and marketing plans, they recommended that customer buying behavior is often being studied because certain debates that suggestively affecting the customers behavior and their predictable actions, for this motive customer behavior is supposed to be an practical discipline, they also designated that the core marketing activities to scheming an effective marketing plans need three items are market segmentation, customer decision making and purchasing behavior.

Consumer purchasing is not only affected by internal and external influences, these are also affected by the type of purchases consumers make. Consumers are faced with purchase decisions nearly every day. But not all decisions are treated the same. Some decisions are more complex than others requiring more effort by the consumer. Other decisions are fairly routine and require little effort. In general, consumers face four types of purchase decisions:

- **Minor New Purchase** – These purchases represent something new to a consumer but in the consumer's mind is not a very important purchase in terms of need, money, or other reason (e.g., status within a group).
- **Minor Re-Purchase** – These are the most routine of all purchases and often the consumer returns to purchase the same product without giving much thought to other product options (i.e., consumer is loyal to a particular product).
- **Major New Purchase** – These purchases are the most difficult of all purchases because the product being purchased is important to the consumer but the consumer has little or no previous experience making these decisions. The consumer's lack of confidence in making this type of decision often (but not always) requires the consumer to engage in an extensive decision-making process.
- **Major Re-Purchase** – These purchase decisions are also important to the consumer, though, the consumer feels confident in making these decisions since they have previous experience purchasing the product.

2.2 Review of Related works

Sthapit, Laohakosol and Sharma (2018) depicted that marketers could tap into social media marketing and generate favorable word-of-mouth to promote their smart-phone brands and generate positive purchase intention. The importance of social factors in influencing the purchase intention of electronic products like smart-phones.

Nakarmi (2018) found that effect of sales promotion on the consumers behavior, regardless of the age, gender, occupation, and the frequency of shopping, the sales promotion have the crucial effect on the change in pattern and behavior of the consumers

towards the different strategies of sales promotion. The research has taken the vital step to identify the factors that influences buying behavior of consumers. The research too shows that though the low-income people are more reluctant to buy the product with sales promotion strategies but contradictory to it the research too shows that there is no connection between monthly income and customers looking for the products available with sales promotion. And it also results that the customers searching for the offers to save money tends to spent more time for shopping and no connection spending more amount for shopping and the gender. Sales promotions are effective means for marketers and cost effective compared to other integrated marketing tools such as advertising. It shows that the sales promotion tools are supplementary or complementary to existing business as an additional marketing strategy.

Nathwani (2017) concluded that young consumers are influenced more by sales promotion offers. And there is great significant relationship between sales promotion and consumer buying behavior. Consumers are more deal prone rather than brand loyalty in case of purchase of products and that the promotional tools are the ones impacting consumers and influence their buying behaviors.

Shamout (2016) depicted consumers' behavior can be positively induced by using various promotion tools such as; price discount, samples and buy one get one free, on the other hand, it found that promotion tools such as coupon have no influence on consumer buying behaviors. Sales promotion tools are playing an important role to stimulate customers towards buying any promoted product, and that will definitely increase dealers and retailers' profit and market share.

Pradhan (2016) found that there are certain products that consumers often buy impulsively; personal care items, grocery and accessories. Only a minor portion of the total respondents shows impulsive buying of electronics and kitchenware, probably because these products are high involvement products for consumers as they require more time, money and information about the product. The impulsive buying behavior displayed by consumers in supermarkets may not be applicable in each and every environment. This implies that environment itself is a critical factor leading to impulsive

purchases. Marketers and retail outlet/supermarket owners can actually capitalize on this phenomenon of impulsive buying behavior and make consumers spend more than they intended to.

Mughal, Mehmood, Mohi-ud-deen, and Ahmad (2014) found positive customers attitude towards various promotion tools on buying behavior. The study confirmed that consumers buying behavior can be motivated through various kinds of elements, including promotion techniques such as coupons, buy-one-get-one-free and physical surrounding. Furthermore, the structure offers new visions to understand that how different consumers respond to numerous promotion tools offered by marketers and their impacts on consumers buying behavior, which may be central for marketers in order to use perfect promoting strategies and promotional tools to promote products.

Darko, Eric (2012) found that sales promotion has an influence in the purchase decision of consumers. It was realized that the consumer may not go through the entire decision-making process anytime they want to purchase a telecom service or product. This may be so because the evoked sets which present the consumer with established alternatives may inform the consumer's judgments in deciding which service or product to buy. This may eventually prevent the consumer from going through all the stages of decision making because of experience and available information to him. It was also observed that the consumer would mostly consider which telecom service operator is offering the best discount and the kind of service that satisfies their need. Sales promotion therefore is an inevitable promotional tool for telecom firms if they really want to maintain or increase their market share.

Trade market promotions are those sales promotions directed at retailers and wholesalers (Sam & Buabeng, 2011). Examples of promotional techniques used include trade allowance which is a short term incentive offered to entice a retailer to stock up a product, dealer loader which is also an incentive given to entice a retailer to purchase and display a product and lastly the trade contest which is a contest to reward retailers that sell the most products (Sam & Buabeng, 2011).

Free Sample has positive relationship towards consumer buying behavior Technology promotion "buy one get one free" is one of the types of bonus packages in which consumers are offered the additional product at the normal price, but it was found in an improved package. Consumer would be easily convinced to buy products that do not require additional fees and higher perceived by consumers (Sinha & Smith, 2000) value. In addition, this technique would be beneficial for promoting retailers SALE speed relative to price promotions (Li, Sun & Wang, 2007).

Ngolanya, Ng'Ang'A, Mahea, Amollo and Karuiki (2006) stated that consumer purchase decisions are influenced by the sales promotion campaigns. For there to be a great influence, it is however important to tailor the sales promotion to each stage of the consumer purchase decision since each promotion has an influence of its own at each stage. Proper research is important before determining which tools will be effective in influencing the purchase decision of each product at each stage. For instance, free samples are effective for small consumer products while after sales services are effective for electronic product and furniture.

Fill (2002) reported that sales promotion is a sure way of increasing store traffic and loyalty of the consumers to the company. The aim of this study was to investigate the extent to which the sales promotion incentives offered by Bhat-Bhateni influence the purchase decision of consumers. Similarly, he added that sales promotion seeks to offer buyers additional value as an inducement to generate an immediate sale. Sales promotion is therefore a communication tool that marketers or organizations adopt to convey a message to their audience or customers.

David (2000) in his one of the studies found out that sales promotion represents those marketing efforts that are supplementary in nature, are conducted for a limited period of time and seek to induce buying.

Similarly, Hardy (1986) described that sales promotions are the marketing activities that attempt to stimulate to quick buyer action or attempt to promote immediate sales of product.

Another important aspect of sales promotion is customer's attitude towards sales

promotional activities. Again, one of the spread conceptions is that consumers really, they don't remember promotional offers, don't understand the effect and benefits of all the promotional activities.

Therefore, organizations should concern themselves with sales promotion campaigns because of factors such as competitive pressures from their counterparts, leading to the need of differentiation of their products and services. There is also a need for the organizations to increase customer loyalty, therefore adding value to a product or service is important. Organizations have an urge of short-term results and the application of sales promotion produces quicker and more measurable results.

Sales promotions attract new customers, reward dedicated customers and persuade occasional customers to buy. Marketing managers of a product with diminishing interest will run a sales promotion to keep the product in circulation. Meanwhile, promotions for higher-end, more expensive products use sales promotions to convert consumers who typically make economical purchases.

2.3 Study framework

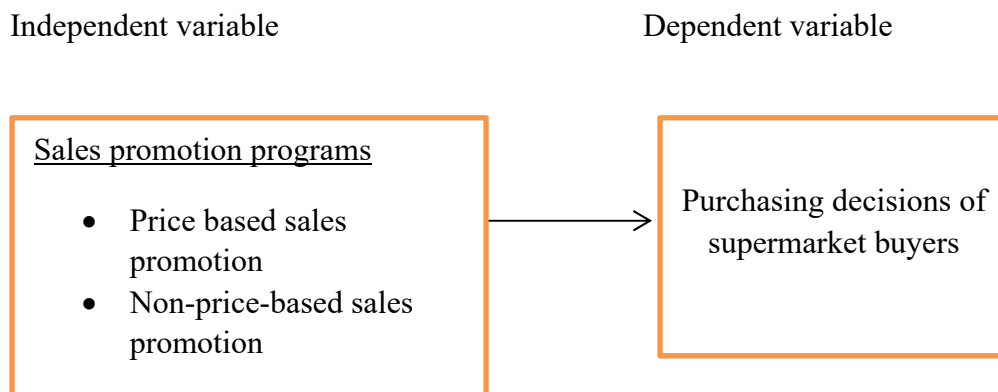


Figure 2: Study framework

2.4 Research gap

In this research the author had tried to find out the awareness of the consumer relating to the sales promotion programs. And the way they change the purchasing patterns for different sales promotion tools are studied. The author is trying to find out does the sales promotional tools really influence the purchasing decision of the consumer. And does sales promotion helps to increase sales of the product than normal. But other researcher had researched how different types of sales promotional activities have different impact on the consumer's buying behavior.

CHAPTER - III

RESEARCH METHODOLOGY

Research is a careful investigation or inquiry specifically through search for new facts in any branch of knowledge. It is an original contribution to the existing stock of knowledge making for its advancement. Research can simply be defined a task of searching from available data to modify a certain result or theory. The research methodology provides an orientation that influences the research results and influences the results' standing in the different research communities. Research Methodology is a systematic way to solve a problem. It may be understood as a science of studying how research is done scientifically. Research methodology is a process of conducting a research logically in order to arrive at solution of the problem. It involves the study of cause and effect relationships between various variables and helps to identify behavior/patterns/trends in certain variables. Essentially it is the procedure by which the researchers go about their work of describing, evaluating and predicting phenomenon. It aims to give the work plan of research. It provides training in choosing methods materials, scientific tools and techniques relevant for the solution of the problem.

Research Methodology is a way to find out the result of a given problem on a specific matter or problem that is also referred as research problem. In Methodology, researcher uses different criteria for solving/searching the given research problem. Different sources use different type of methods for solving the problem. If we think about the word "Methodology", it is the way of searching or solving the research problem. (Industrial Research Institute, 2010). In Research Methodology, researcher always tries to search the given question systematically in our own way and find out all the answers till conclusion. If research does not work systematically on problem, there would be less possibility to find out the final result. For finding or exploring research questions, a researcher faces lot of problems that can be effectively resolved with using correct research methodology (Industrial Research Institute, 2010).

A research methodology or involves specific techniques that are adopted in research process to collect, assemble and evaluate data. It defines those tools that are used to

gather relevant information in a specific research study. Surveys, questionnaires and interviews are the common tools of research. Research methodology is adopted to check a certain theory and its application along a specific set of academic standards. This is mandatory so that all research meets the field specific standards.

3.1 Research methods

A research method is a broad term. While methods of data collection and data analysis represent the core of research methods, you have to address a range of additional elements within the scope of your research. There are numerous research methods, each with their own set of inherent advantages and limitation. The suitability of a research method is dependent on the aims of the study; some methods might offer more advantages and lesser limitations when researched in a particular issue.

3.2 Types of research

This research will be based on the case study of Bhat-Bhateni Supermarket, Tangal, Nepal and study will be examined extensively. In this research both descriptive and analytical research design is used. In order to select suitable approach, different characteristics need to be considered. Descriptive research is about finding information about a situation that exists, without looking at reasons or trends within the situation. Analytical research takes information that has been gathered and looks at what it shows such as trends.

3.3 Population and sample

The probability sampling is the main sampling strategy in this study and the respondents will be selected randomly from the population. In this study, one branch of the Bhat-Bhateni Supermarket (Tangal) will be taken under the study.

Questionnaires will be distributed to the 100 randomly selected customers of Bhat-Bhateni store.

3.4 Types of data

Primary data: - The author selected quantitative methods to collect primary data during this study. This type of data collects numeric information that needs to be highly structured as it can help in statistical testing of hypotheses.

There are a number of methods that can be used to collect primary data. These methods include interviews, published reports, survey questionnaires and observations. However, survey questionnaires are the most important tool when using survey strategy.

Therefore, the primary data are collected in this study using questionnaire

3.5 Data collection procedure

A questionnaire was chosen as data collection instrument. A questionnaire is a printed self-report form designed to elicit information that can be obtained through the written responses of the subjects. The information obtained through a questionnaire is similar to that obtained by an interview, but the questions tend to have less depth (Burns & Grove 1993). Questionnaire is the list of a research or survey questions asked to respondents, and designed to extract specific information. It serves four basic purposes: to (1) collect the appropriate data, (2) make data comparable and amenable to analysis, (3) minimize bias in formulating and asking question, and (4) to make questions engaging and varied.

Questionnaire will be used to obtain the respondents view about the objectives of the research process. A set of questions (7-10) will be prepared according to objective of the study.

Tools of Analysis include:

- a) SPSS Software
- b) Tables
- c) Pie Diagrams
- d) Charts

3.6 Limitations

- Out of the other strategies of marketing mix such as direct marketing, advertising and personal selling, only the impact of sales promotion has been carried out under this study.
- The research has to be carried out in very short period of time and limited budgetary.
- The data was collected from the consumers of single stores only which may limit the validity of the results.
- The sample size was limited.
- This research only included deductive method. Researcher believes that combination of inductive methodology would have given more reliable data.

CHAPTER - IV

PRESENTATION AND ANALYSIS OF DATA

Analyzing data involved reducing and arranging the data, synthesizing searching for significant patterns and discovering what was important. Statistical tools such as tables, bar graphs and pie chart were used for presenting the data collected for this study. The analysis was done with the help of Statistical Package for Social Science (SPSS) and Microsoft Excel. The closed ended questions were given numerical codes which were done in a varying scale depending on the responses.

The data analysis is the important part of this research and SPSS and Microsoft Excel have been used for calculation and measurement of the data that had been collected for the outcome and analysis. The data were collected randomly and is been entered SPSS for the systematic analysis and output of the data.

4.1 Statistical tools for data analysis

Following statistical tools have been used for analyzing data:

- Descriptive analysis was used to describe the basic features of the data in the study and simple summaries about the sample were provided accordingly.
- Crosstabs in SPSS procedure cross tabulates two variables and displays their relationship in tabular form. In this research, crosstabs are used to see the relationship between different variables and to prove the hypothesis.
- A chi- square test is a statistical test commonly used to compare observed data with data we would expect to obtain according to a specific hypothesis. The chi- square test thus in this research was used to determine whether there is a significant difference between the expected frequencies and the observed frequencies in one or more categories.
- A one sample T-test, also known as a goodness of fit test, shows whether the collected data is useful in making a prediction about the population or not.

- One-way ANOVA is a statistical test that determines the probability values of the quantifiable data variable for three or more independent sample groups. This technique was adopted in finding about the significant relationship between variables.

4.2 Frequency analysis

4.2.1 Distribution by gender

This section includes the respondent as per their gender i.e. male and female who visited Bhat-Bhateni Supermarket and it helps to know which gender visited the super market more often.

Table 1

Gender of Respondents

| | Frequency | Percent |
|--------|-----------|---------|
| Male | 54 | 54.0 |
| Female | 46 | 46.0 |
| Total | 100 | 100.0 |

Note: From Survey, 2019

Out of the 100 respondents 46 were Female and 54 of them were Male.

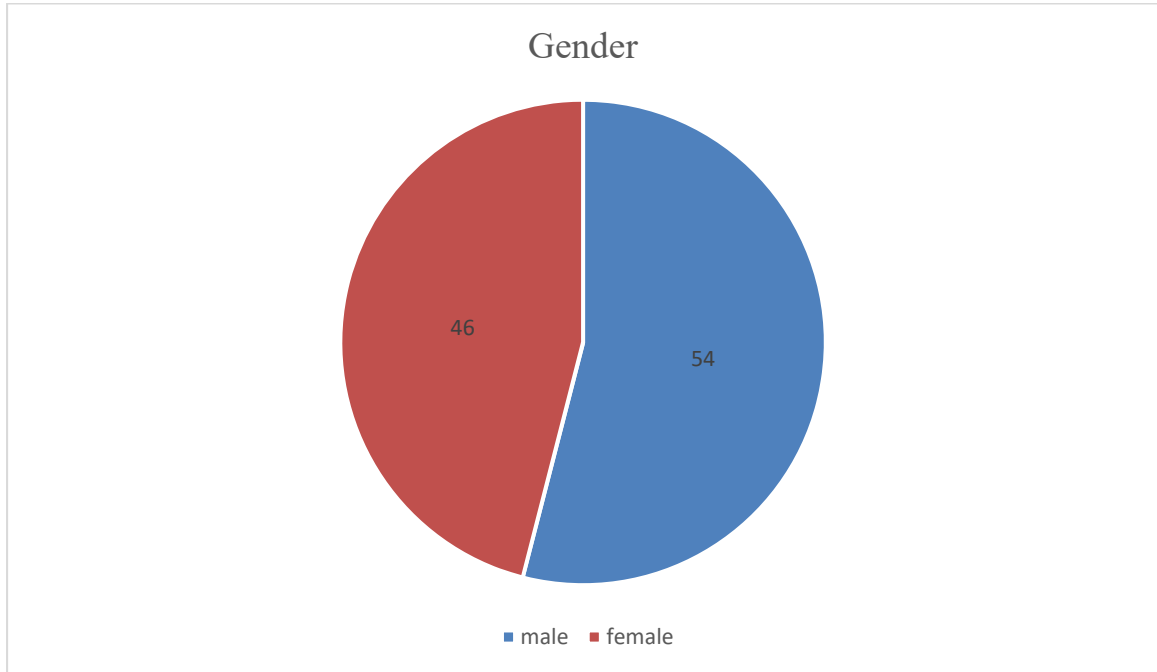


Figure 3: Gender of Respondent

Gender is an important variable in expressing and giving the responses about the problem. Hence, the variable gender was investigated for this study. The gender wise classification of the respondents is presented in Figure 3. The figure indicates that majority of respondents are male (54). The rest of the respondents are female (46).

4.2.2 Distribution by age

This section includes the respondent visiting Bhat-Bhateni as per their age group.

The table 2 shows the different age group of participated respondents. The maximum numbers of respondents were from age group 26-35, i.e., 47 percent whereas the least numbers of respondents were from age group 56 and above i.e. 1 percent only. From the above table it is clear that mostly respondent was young between 16 and 35 years.

The different age groups and both genders were selected so that the feedback obtained can be helpful for generalization.

Table 2

Age group of Respondents

| | Frequency | Percent |
|--------------|-----------|---------|
| 16-25 years | 44 | 44.0 |
| 26-35 years | 47 | 47.0 |
| 36-45 years | 4 | 4.0 |
| 46-55 years | 4 | 4.0 |
| 56 and above | 1 | 1.0 |
| Total | 100 | 100.0 |

Note: From Survey, 2019

4.2.3 Distribution by Education Level

This section includes the respondent as per their education level.

Table 3

Education Level of Respondents

| | Frequency | Percent |
|-------------------|-----------|---------|
| Below 10 | 4 | 4.0 |
| 10+2 | 17 | 17.0 |
| Bachelor | 60 | 60.0 |
| Masters and above | 19 | 19.0 |
| Total | 100 | 100.0 |

Note: From Survey, 2019

Education is one of the most important characteristics that might affect the person's attitudes and the way of looking and understanding any particular social phenomena therefore it becomes imperative to know the educational background of the respondents. Therefore, the academic qualification of the respondents was investigated. The table 3

shows that the maximum number of respondents (60 per cent) are bachelor's degree holder followed by 19 per cent Master's degree, 10+2 17 per cent, below 10 4 per cent and SEE/SLC pass 0 per cent. From above table it shows that most of the respondent were bachelor passed.

4.2.4 Distribution by Occupation

This section includes the respondent as per their difference in occupation and helps to determine the number of respondents as per their occupation who visited Bhat-Bhateni more often.

Table 4

Occupation of Respondents

| | Frequency | Percent |
|-----------|-----------|---------|
| Student | 6 | 6.0 |
| Employed | 88 | 88.0 |
| Business | 4 | 4.0 |
| Housewife | 2 | 2.0 |
| Total | 100 | 100.0 |

Note: From Survey, 2019

The table 4 shows the Occupation of the respondents. Mostly respondent was employed and the report is based on their preferences.

4.2.5 Gender and Awareness of Sale promotion

According to the gender there may be difference in the awareness of sale promotion which is shown in the following table.

From the table 5 it shows that highest number of male and female (i.e 51 and 44) aware of discount sales promotional tool. And it also shows both the gender are aware of the available Sales promotional tools. It also shows lot of people are not aware of rebates

only 24 (17 male and 7 female) were aware of rebates. From above table it is clear that both male and female are aware of the Sales promotional tools.

Table 5

Cross tabulation of gender and awareness of sale promotion

| | Discount | | Sample | | Coupon | | Contest | | Gifts | | Rebates | | Price off | | Exchange offers | |
|--------|----------|-----|--------|-----|--------|-----|---------|-----|-------|-----|---------|-----|-----------|-----|-----------------|-----|
| | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes |
| Male | 3 | 51 | 10 | 44 | 14 | 39 | 24 | 30 | 24 | 30 | 37 | 17 | 9 | 45 | 22 | 32 |
| Female | 2 | 44 | 10 | 36 | 17 | 29 | 26 | 20 | 27 | 19 | 39 | 7 | 9 | 37 | 25 | 21 |
| Total | 5 | 95 | 20 | 80 | 31 | 69 | 50 | 50 | 51 | 49 | 76 | 24 | 18 | 82 | 47 | 53 |

Note: From Survey, 2019

4.2.6 Age and Awareness of Sales promotional tools

Age plays a vital role, according to different age group there will be change in the thinking pattern and different age group people act differently for the same thing. In the following table it is shown the awareness of sales promotional tools according to different age group.

In the table 6 it clearly shows the mean and number of respondents according to the age group. Highest number of respondents lies between 26 and 35. From the total mean it is clear that large number of respondents are aware of discount sales promotional tool.

Table 6

Age and Awareness of sales promotional tools

| | | Discount | Sample | Coupon | Contest | Gifting and promotional package | rebates | Price off deals | Exchange offers |
|--------------|----------------|----------|--------|--------|---------|---------------------------------|---------|-----------------|-----------------|
| 16-25 years | Mean | .98 | .80 | .77 | .55 | .50 | .25 | .75 | .48 |
| | N | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 44 |
| | Std. Deviation | .151 | .408 | .522 | .504 | .506 | .438 | .438 | .505 |
| 26-35 years | Mean | .91 | .79 | .68 | .49 | .47 | .21 | .85 | .60 |
| | N | 47 | 47 | 47 | 47 | 47 | 47 | 47 | 47 |
| | Std. Deviation | .282 | .414 | .515 | .505 | .504 | .414 | .360 | .496 |
| 36-45 years | Mean | 1.00 | .75 | 1.00 | .75 | .75 | .75 | 1.00 | .75 |
| | N | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| | Std. Deviation | .000 | .500 | .000 | .500 | .500 | .500 | .000 | .500 |
| 46-55 years | Mean | 1.00 | 1.00 | .50 | .00 | .25 | .00 | 1.00 | .25 |
| | N | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| | Std. Deviation | .000 | .000 | .577 | .000 | .500 | .000 | .000 | .500 |
| 55 and above | Mean | 1.00 | 1.00 | .00 | .00 | 1.00 | .00 | 1.00 | .00 |
| | N | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| | Std. Deviation | . | . | . | . | . | . | . | . |
| Total | Mean | .95 | .80 | .72 | .50 | .49 | .24 | .82 | .53 |
| | N | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| | Std. Deviation | .219 | .402 | .514 | .503 | .502 | .429 | .386 | .502 |

Note: From Survey, 2019

4.2.7 Sales promotion tools attracting purchasing decisions

In this section it shows different sales promotional tools attracting purchasing decision.

Table 7

Sales promotion tools attracting purchasing decisions

| Sales promotion | Strongly disagree | Disagree | Neutral | Agree | Strongly agree | Mean | Rank |
|-----------------|-------------------|----------|---------|-------|----------------|------|------|
| Price discount | 1 | 0 | 7 | 45 | 47 | 4.37 | 1 |
| Sample | 0 | 2 | 12 | 61 | 25 | 4.09 | 4 |
| Coupon | 0 | 4 | 49 | 24 | 23 | 3.66 | 7 |
| Contest | 1 | 21 | 45 | 16 | 17 | 3.27 | 8 |
| Gifting | 1 | 0 | 8 | 66 | 25 | 4.14 | 3 |
| Rebates | 2 | 3 | 37 | 39 | 19 | 3.70 | 6 |
| Price off deals | 1 | 0 | 11 | 51 | 37 | 4.23 | 2 |
| Exchange offers | 1 | 4 | 7 | 62 | 26 | 4.08 | 5 |

Note: From Survey, 2019

In the table 7 it shows which promotional tools attract buyers to buy products from Bhat-Bhateni super market. The highest mean is 4.37 which is price discount it means lot of buyers prefer price discount offers. And similarly, different mean of price off deals, gifting, sample, exchange offers, rebates, coupon and contest are 4.23, 4.14, 4.09, 4.08, 3.70, 3.66, and 3.27 respectively. As per above table it shows that all the sales promotional offers attract the buyer to purchase the product but buyers prefer price-based offers.

4.2.8 Degree of agreement to the following statements regarding the promotion activities.

Customer preference on price based sales promotion was calculated by dividing four statements which includes: They decide purchasing goods when Bhat-Bhateni provides me discount in price, They decide purchasing goods if Bhat-Bhateni provides me price related coupons, They decide purchasing goods if Bhat-Bhateni provides me price-off-

deals and They decide purchasing goods if Bhat-Bhateni provides me rebates These were calculated using 5-point Likert scale.

Statement of Likert scale was ranked as 5 for strongly agree, 4 for agree, 3 for neutral, 2 for disagree and 1 for strongly disagree. Calculation of preference level was done in such a way that all the obtained respond was multiplied by the value of the scale i.e. $(0*1+1*2+14*3+60*4+25*5=409)$ for behavior of staff shown and the obtained total value was divided by the total number of respondent i.e. $(409/100)$ and then obtained value was the satisfaction level of customer that lies between 1-5.The result is presented in table number 8:

Table 8

Price based sales promotion

| S N | Factor | Strongly disagree | Disagree | Neutral | Agree | Strongly agree | Mean | Rank |
|--------|--|----------------------|----------|---------|-------|-------------------|------|------------|
| 1 | Discount | 0 | 1 | 11 | 54 | 34 | 4.21 | 2 |
| 2 | Coupons | 0 | 2 | 37 | 40 | 21 | 3.80 | 4 |
| 3 | Price-off- deals | 0 | 1 | 11 | 53 | 35 | 4.22 | 1 |
| 4 | Rebates | 2 | 3 | 21 | 59 | 15 | 3.82 | 3 |
| | Average of weighted average mean | | | | | | | 4.012 5 |

Note: From Survey, 2019

In the table 8 we can see customer prefer price off deals and similarly no one were disagreed with the statement as well as 35 percent were strongly agreed with the price off deals. Most of the respondent preferred price off deals as this factor has highest rank with

weighted average mean 4.22. After price off deals in the second-place discount is preferred by the respondent, third rank (rebates) and lastly respondent preferred coupons.

Table 9

Non-price based sales promotion

| S N | Factor | Strongly disagree | Disagree | Neutral | Agree | Strongly agree | Mean | Rank |
|--------|-----------------------|----------------------|----------|---------|-------|-------------------|------------|------|
| 1 | Exchange offers | 2 | 7 | 37 | 49 | 5 | 3.48 | 1 |
| 2 | Sample | 3 | 17 | 23 | 51 | 6 | 3.40 | 3 |
| 3 | Contest | 8 | 42 | 39 | 11 | 0 | 2.53 | 4 |
| 4 | Gifts | 7 | 8 | 28 | 46 | 11 | 3.46 | 2 |
| | Weighted average mean | | | | | | 3.217 5 | |

Note: From Survey, 2019

In the table 9 we can see customer preferred gifts and similarly very few were strongly disagreed as well as very few were strongly agreeing preferred gifts. Most of the respondent preferred exchange offers as highest rank with weighted average mean 3.48. After exchange offers in the second-place gifts are preferred by the respondent, third place is sample and fourth place is contest.

As per above tables 6 and 7 highest of average of weighted average mean is 4.0125 so from here it is cleared that respondent preferred price-based sales promotion.

4.2.9. Purchasing decisions of supermarket buyers

In this section it indicates purchasing decisions of the supermarket buyers. It shows why consumers prefer to purchase in supermarket.

Table 10

Purchasing decisions of supermarket buyers

| S N | Statement | Strongly disagree | Disagree | Neutral | Agree | Strongly agree | Mean | Rank |
|--------|--|----------------------|----------|---------|-------|-------------------|--------|------|
| 1 | Search for sales promotional offers | 14 | 29 | 33 | 14 | 10 | 2.77 | 4 |
| 2 | Purchase more with sales promotional offers | 6 | 17 | 39 | 32 | 6 | 3.15 | 3 |
| 3 | Purchase product which has satisfied in past | 8 | 13 | 13 | 53 | 13 | 3.50 | 2 |
| 4 | Variety available | 5 | 13 | 24 | 40 | 518 | 3.53 | 1 |
| | Weighted average mean | | | | | | 3.2375 | |

Note: From Survey, 2019

From the table 10 it shows that majority (43 percent) of the respondents disagreed they search for the products which are in the sales promotion offers and few (24 percent) agreed they search for the products which are in promotional offers. And the rest of the respondents (33 percent) were indifferent on the statement.

Likewise, majority (39 percent) of respondents were neutral about the statement whereas few disagree (23 percent) with the statement. And (38 percent) agreed that they purchase more when they see sales promotion offers.

The majority of the respondents (66 percent) agreed that they purchase the product which has satisfied them in past and few (13 percent) were neutral about the statement. And (21 percent) disagree with the statement.

The table indicates that the majority of the respondents (58 percent) agreed that they purchase in supermarket because their availability of large number of varieties, However, few respondents (18 percent) do not agree with the statement, whereas rest of the respondents (24 percent) are indifferent on the statement.

The mean of the purchasing decisions of supermarket buyers ranges from minimum value of 2.77 to the maximum value of 3.53. Among them, the highest mean value is 3.53 of the statement “I prefer to purchase in supermarket because there is availability of large number of varieties” whereas lowest mean value is 2.77 of the statement “I normally search for the products that are in sales promotional offers”. Weighted average means of purchasing decision of the supermarket buyers is 3.2375 which indicate that buyers buy more if they see promotional offers and they prefer to buy from supermarket because there is availability of variety of the products.

4.3 Correlation Analysis (Hypothesis Analysis)

The hypothesis test of the research is conducted within the following ground:

- Use Pearson’s correlation test to test the relationship between the independent (X) and dependent (Y) variable of the research.

Hypothesis Sales promotional tools affects purchasing decision of consumer

H0: Sales promotion affects consumer purchase decision.

H1: Sales promotion does not affect the consumer purchase decision.

Table 11

Correlation between Sales Promotion and Purchase Decision

| | | P and Non- P total | Purchase decision total |
|---|------------------------|--------------------------|----------------------------|
| Price and non- price sales promotion total | Pearson Correlation | 1 | |
| | | | |
| Purchase decision total | Pearson Correlation | .505** | 1 |
| | Sig. (2-tailed) | (.000) | |
| | | | |

** . Correlation is significant at the 0.01 level (2-tailed).

Note: From Survey, 2019

P and Non-P total= Price and Non-Price Sales Promotional Tools Total

The correlations table displays Pearson correlation coefficients, significance values, and the number of cases with non-missing values (N). The values of the correlation coefficient range from -1 to 1. The sign of the correlation coefficient indicates the direction of the relationship (positive or negative). The absolute value of the correlation coefficient indicates the strength, with larger absolute values indicating stronger relationships. The correlation coefficients on the main diagonal are always 1, because each variable has a perfect positive linear relationship with itself. The significance of each correlation coefficient is also displayed in the correlation table. From the table 11 it can be summarized that there is a positive relationship between sales promotion (X) and purchase decision (y). the strength of the relationship is determined by Pearson's correlation as $r=0.505$

The correlation performed between sales promotion and purchase decision gives p-value=0.000. Since p-value is less than significant value 0.01. There is significant relation between sales promotion and purchase decision.

4.4. Regression Analysis

Sales promotion tools and Purchasing decision Regression

4.4.1 Significance Test Results

ANOVA stands for Analysis of Variance, and the ANOVA table contains the F-test results. This F-test result is the most important aspect in simultaneous test. Ghazali, 2012 mentioned that the simultaneous test (Test-F basically indicates whether all independent variables included in the model have the influence on the dependent variable or not.

Table 12 and App1 show SPSS Results for ANOVA test and the hypothesis of this test is as below:

H0= There is no significant influence from sales promotional tools towards Purchase Decision.

H1= There is significant influence from sales promotional tools towards Purchase Decision.

As it is explained by the theory, if the p-value (sig.) is lower than (0.05 ($p < 0.05$)), it means that H0 (Null hypothesis) is rejected. In other words, there is a significant influence, simultaneously.

In the ANOVA test, the H0 (null hypothesis is rejected), since the Sig. score is 0.000, which is lesser than 0.05, which means there is a significant influence from sales promotional tools on purchase decision.

Table 12

Regression of Sales Promotion Tools and Purchasing Decision

| Dependent Variable: Purchase decision total (PDT) | |
|---|-------------------|
| PDT= $a+\beta_1$ PSPT+ β_2 NPSPT+ e_i | |
| Coefficients | |
| (Constant) | 2.722 (0.008) |
| Factor 1: Price Sales Promotional Tool Total(PSPT) | 0.161 (0.019) |
| Factor 2: Non-Price Sales Promotional Tools Total (NPSPT) | 0.721 (0.000) |
| F-value | 61.680 (0.000) |
| R-square (R ²) | 0.560 |
| Adjusted R-square (R ²) | 0.551 |

(The numbers in the parentheses are the p-values). *p<.01, **p<0.05

- a) Dependent Variable: Purchase Decision total
- b) Predictors: (Constants), Price and Non-Price Sales Promotional Tools Total

Note: From Survey, 2019

4.4.2 Partial Test Results

In the partial test results, if the p-value result is lesser than 0.05, then the null hypothesis (H0) is rejected, means that there is a significant influence occurred from variable X

towards Y, partially. In the other condition, if the p-value result is greater than 0.05, the null hypothesis is accepted and it means there is no significance in influence occurred.

The results in the table 12 and App 2 show varied results in each variable relationship. Sales promotion tools gives significant influence towards Purchase Decision based on p-value ($0.000 < 0.05$).

4.4.3 Coefficient of Determination Test Results

In regression, the R-square coefficient of determination is a statistical measure of how well the regression line approximates the real data points. An R-square coefficient of determination of 100 percent indicates that the regression line perfectly fits the data.

The goodness of all the independent variables of the model is shown in table 12 and APP3, however the results illustrated that the adjusted R square 0.560 indicates that only 56.0 percent of the variance is clarified by the independent variables used in the research. These outcomes imply that the whole model summary is a good fit but it does not fully explain the relationship (impact) as there could be more factors affecting the purchase decision.

4.5 Major Findings

From the above calculation it is clear that consumer is aware of the sales promotional tools and it also affects the purchasing pattern. Consumers tend to purchase more if there is sales promotional offers than usual. From above it is clear that most of the people prefer price discount and sample among others. Most of the people did not preferred contest and rebates. And it is also clear people do not usually search for the sales promotional offers but if there is offers than they purchase more than the usual. There is significant relation between sales promotion and purchasing decision. It means that with sales promotional offers it will increase the sales of the products. It also shows different age groups, gender, education level, and occupation does not act differently for the offers, all the people are attracted towards sales promotional offers as per the research.

CHAPTER - V

DISCUSSION AND CONCLUSION

This chapter deals with the brief summary of the entire study. It also highlights the major finding of the study. In addition, the major conclusions are discussed in separate section of this chapter. Likewise, recommendations regarding the study are also presented in separate section of this chapter.

5.1 Summary

This study has been undertaken to identify whether or not the sales promotional offers affects the purchase decision of the customer. For the study questionnaire were prepared and was distributed to 100 people to know their opinion and their purchasing decision. The study was about Bhat-Bhateni supermarket Tangal branch only. Respondent were selected randomly and the result of the study depend upon their choices. Sales promotion is the process of persuading a potential customer to buy the product. Most of the respondent were young and working. From the finding it shows that there is significant relation between sales promotion tools and purchase decision. Which means sales promotion help to increase sales and people tend to purchase more than usual. It indicates there is positive relation between sales promotion and purchase decision. Sales promotion is widely used even when advertising is doing well. It is because of the fact that the additional investment yield better result if it is used in sales promotion rather than employing more and more amount of money only in adverting. Many business enterprises, therefore, divide the budget into advertising and sales promotion.

5.2 Conclusion

The research was carried out to evaluate the impact of sales promotion on consumer buying decision. The questionnaires were prepared in such a manner that it incorporates all the objectives of the research. The research was carried out successfully despite the limitation of time. The customers were chosen from Bhat-Bhateni store and in particular territory, so the findings may be limited for appropriate generalization.

Sales promotions practice is a prominent feature for many business and industries in recent competitive market and as well consumers are much aware of various sales promotional strategies practiced.

Sthapit, Laohakosol and Sharma (2018) depicted that marketers could tap into social media marketing and generate favorable word-of-mouth to promote their smart-phone brands and generate positive purchase intention. The importance of social factors in influencing the purchase intention of electronic products like smart-phones. The study did not give importance to other components which would have increased the sales of the product. The study relates to sales promotional tools only.

Nakarmi (2018) found that effect of sales promotion on the consumers behavior, regardless of the age, gender, occupation, and the frequency of shopping, the sales promotion have the crucial effect on the change in pattern and behavior of the consumers towards the different strategies of sales promotion. The research too shows that though the low-income people are more reluctant to buy the product with sales promotion strategies but contradictory to it the research too shows that there is no connection between monthly income and customers looking for the products available with sales promotion. But as per the study it has shown that not only young generation, but everyone are attracted towards sales promotion.

Nathwani (2017) concluded that young consumers are influenced more by sales promotion offers. And there is great significant relationship between sales promotion and consumer buying behavior. Consumers are more deal prone rather than brand loyalty in case of purchase of products and that the promotional tools are the ones impacting consumers and influence their buying behaviors. But the study is not being able to show the appropriate relation between sales promotion and consumer buying behavior, as there may be other factors too.

Shamout (2016) depicted consumers' behavior can be positively induced by using various promotion tools such as; price discount, samples and buy one get one free, on the other hand, it found that promotion tools such as coupon have no influence on consumer buying behaviors. Sales promotion tools are playing an important role to stimulate

customers towards buying any promoted product, and that will definitely increase dealers and retailers' profit and market share. As per the study coupon also influence the consumer to purchase the product just like other sales promotional tools.

Mughal , Mehmood, Mohi-ud-deen, and Ahmad (2014) found positive customers attitude towards various promotion tools on buying behavior. The study confirmed that consumers buying behavior can be motivated through various kinds of elements, including promotion techniques such as coupons, buy-one-get-one-free and physical surrounding. Furthermore, the structure offers new visions to understand that how different consumers respond to numerous promotion tools offered by marketers and their impacts on consumers buying behavior, which may be central for marketers in order to use perfect promoting strategies and promotional tools to promote products. But this study is not being able to show the appropriate relation between sales promotion and consumer buying behavior as there may be some other factors also influencing the relationship.

Darko, Eric (2012) found that sales promotion has an influence in the purchase decision of consumers. It was realized that the consumer may not go through the entire decision-making process anytime they want to purchase a telecom service or product. This may be so because the evoked sets which present the consumer with established alternatives may inform the consumer's judgements in deciding which service or product to buy. This may eventually prevent the consumer from going through all the stages of decision making because of experience and available information to him. It was also observed that the consumer would mostly consider which telecom service operator is offering the best discount and the kind of service that satisfies their need. As per the study it shows that not only telecom firms, but supermarket can take advantage of the sales promotional tools to increase their sales. And it helps to attract new customers also.

Ngolanya, Ng'Ang'A, Mahea, Amollo and Karuiki (2006) stated that consumer purchase decisions are influenced by the sales promotion campaigns. For there to be a great influence, it is however important to tailor the sales promotion to each stage of the consumer purchase decision since each promotion has an influence of its own at each

stage. Proper research is important before determining which tools will be effective in influencing the purchase decision of each product at each stage. As per the study also consumer purchasing decision is influenced by sales promotion.

Fill (2002) reported that sales promotion is a sure way of increasing store traffic and loyalty of the consumers to the company. But the study did not say anything about the loyalty of the consumer, it shows only that there is an increase in the sales because of the sales promotional tools.

David (2000) in his one of the studies found out that sales promotion represents those marketing efforts that are supplementary in nature, are conducted for a limited period of time and seek to induce buying. As per the study it also says that sales promotion is good to increase the sales of the product for a limited time period.

Hardy (1986) described that sales promotions are the marketing activities that attempt to stimulate to quick buyer action or attempt to promote immediate sales of product. The study also shows the same result.

The survey revealed that many customers are positively influenced by sales promotion and encouraged them for frequent purchase. More than half of the customers think that sales promotion offers are especially for customers and they are beneficial too. Many customers chosen Bhat-Bhateni store for shopping as the store frequently provide sales promotion offers. Including sales promotion, the other vital strategies are quality of products, price and location. Hence, sales promotion can be a greater tool for introducing new products.

Therefore, stores can use sales promotion offers to liquidate stocked products, short-term business, introducing new products and attract new customer to the store.

5.3 Recommendations/Implications

This research has been carried out on one of the marketing mix strategy i.e. sales promotion only. Therefore, it would have been better if surveyed together with other marketing mix such as advertising, personal selling and direct marketing.

For the appropriate findings, the number of respondents, questionnaires and various stores should be increased.

This research was carried out using quantitative data only. So, the researcher believes that the result would have been more credible if used different research methods too.

Therefore, it would have been better if they target for short term sales, launch of new products, reduce of piled stocks and attract new customers by providing different sales promotional offers.

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Appendix- A

Questions: Please tick your answer.

1. What is your Gender?

Male Female

2. What is your age range?

16-25 26-35 36-45

46-55 55 and above

3. Your Education level

Below 10 SEE /SLC 10+2

Bachelor Masters and above

4. Your Occupation

Student Freelancer Job

Business House wife

5. Which of the following sales promotion tools of Bhat-bhateni Super Market are you aware of?
(Choose as many as applicable)

- Discount Sample Coupon Contest
- Gifting and promotional package Rebates Price off deals
- Exchange offers

6. Which sales promotion tool attracts you while buying goods at the Bhat-Bhateni Supermarket?

| Sales promotion tools | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|-----------------------|-------------------|----------|---------|-------|----------------|
| Price discount | | | | | |
| Sample | | | | | |
| Coupon | | | | | |

| | | | | | |
|-----------------|--|--|--|--|--|
| Contest | | | | | |
| Gifting | | | | | |
| Rebates | | | | | |
| Price off deals | | | | | |
| Exchange offers | | | | | |

7. Indicate the degree of agreement to the following statements regarding the promotion activities.

Price based sales promotion

| Statements | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|-------------------|----------|---------|-------|----------------|
| I decide purchasing goods when Bhat-bhateni provides me <u>discount</u> in price | | | | | |
| I decide purchasing goods if Bhat-bhateni provides me price related <u>coupons</u> | | | | | |
| I decide purchasing goods if Bhat-bhateni provides me <u>price-off-deals</u> | | | | | |
| I decide purchasing goods if Bhat-bhateni provides me <u>rebates</u> | | | | | |

8. Non-price based sales promotion

| Statements | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|-------------------|----------|---------|-------|----------------|
| I decide purchasing goods when Bhat-bhateni provides me <u>exchange offers</u> | | | | | |
| I decide purchasing goods if Bhat-bhateni provides me <u>sample</u> | | | | | |
| I decide purchasing goods if Bhat-bhateni provides me <u>contest</u> | | | | | |

| | | | | | |
|--|--|--|--|--|--|
| I decide purchasing goods if Bhat-bhateni provides me <u>gifts</u> | | | | | |
|--|--|--|--|--|--|

9. Purchasing decisions of supermarket buyers

| Statements | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|--|-------------------|----------|---------|-------|----------------|
| I normally search for the products that are in sales promotional offers | | | | | |
| I purchase more when I see sales promotional offers | | | | | |
| I purchase the product which had satisfied me in the past | | | | | |
| I prefer to purchase in supermarket because there is availability of large number of variety | | | | | |

Appendix- B

APP1

| | | ANOVA ^a | | | | |
|-------|------------|--------------------|----|-------------|--------|-------------------|
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 41.942 | 2 | 20.971 | 61.680 | .000 ^b |
| | Residual | 32.980 | 97 | .340 | | |
| | Total | 74.922 | 99 | | | |

a. Dependent Variable: Purchase Decision total (PDTOTAL)

b. Predictors: (Constant), Non-price Sale Promotional tools total (NSPTOTAL), Price Sales Promotional tools total (SPTOTAL)

APP2

| | | Coefficients ^a | | | | |
|-------|------------|-----------------------------|------------|---------------------------|--------|------|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 1.567 | .576 | | 2.722 | .008 |
| | SPTOTAL | .291 | .122 | .161 | 2.382 | .019 |
| | NSPTOTAL | .883 | .083 | .721 | 10.681 | .000 |

a. Dependent Variable: Purchase Decision total (PDTOTAL)

APP3

| Model Summary | | | | |
|---------------|-------------------|----------|-------------------|----------------------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .748 ^a | .560 | .551 | .58309 |

a. Predictors: (Constant), Non-price Sale Promotional tools total (NSPTOTAL), Price Sales Promotional tools total (SPTOTAL)

Impact of Sales Promotion Tools on Purchasing Decisions of Buyers
at
Bhat-Bhateni Super Market

A thesis proposal

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In partial fulfillment of the requirements for the degree of
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Kathmandu, Nepal

Chapter- 1

Introduction

The role of selling has become more complex because producers are more technical, buyers are more sophisticated and the competition has become more intense. This has necessitated the need for proper flow of communication from the producer to the consumer either along with the product or well in advance of the introduction of a product into the market. Successful marketing consists in offering the right product at the right price the right place and time with right promotion.

Sales promotion is any initiative undertaken by an organization to promote an increase in sales, usage or trial of a product or service (i.e. initiatives that are not covered by the other elements of the marketing communications or promotions mix).

Kotler (2003), decades ago, advertising to sales- promotion ratio was about 60:40. Today in many consumer goods companies, sales promotion accounts for 65 per cent to 75 per cent of the combined budget. Sales promotion expenditures have been increasing as a percentage of budget expenditure annually for the last two decades, and the fast growth rate is expected to continue. Sales promotion is now more accepted by top management as an effective sales tool and product managers are widely using it to increase their current sales. Some of the companies are concerned with increasing the sales in the short-term; therefore, sales promotion is often the resort. Companies use sales promotion to create a stronger and quicker response. It is also used to dramatize product offers and to boost sagging sales (Kotler & Armstrong, 2013).

Promotion refers to any type of marketing communication used to inform or persuade target audiences of the relative merits of a product, service, brand or issue. The aim of promotion is to increase awareness, create interest, generate sales or create brand loyalty. Promotion has come to mean the overall co-ordination of advertising, selling, publicity and public relations. Promotion is a helping function designed to make all other marketing activities more effective and efficient.

This research is on the topic of sales promotion, one of the marketing mix tools, and its impact on consumer buying behavior. The major role of promotion is to provide information, persuade customer and influence them. Promotion is the set of advertising, personal selling, public relations and sales promotion. Out of these, only sales promotion has been selected for the research study. As compare to other promotional tools, sales promotion mainly helps in selling activities. Promotion is responsible for the inducement of customers and increment of demand by using all or some of other marketing mix elements. Supermarkets can use sales promotion together with other promotional tools like advertising, personal selling and direct marketing to increase its efficiency and effectiveness.

Sales promotion is the only tool that acts as an external stimulus to purchase consumer goods when they approach for shopping. But it is difficult for retailers to decide the objectives for the sales promotion. However, when the objectives of the organization are decided, the selection of sales promotion technique will be easier.

1.1 Background

Bhat-Bhateni is the largest retail chain of supermarkets in Nepal. Since 1984 A.D, Bhat-Bhateni has grown from a 'single shutter' 120 sq. ft. cold store to become the leading supermarket and departmental store chain in Nepal, and the highest tax payer in the sector since 2008 A.D. with more than 50,000 customers daily. There are currently fourteen stores conveniently located in central Kathmandu, Lalitpur, Pokhara, Chitwan, Dharan and Butwal.

Bhat-Bhateni offers a full range of 150,000 products from 750 local and international suppliers, including a wide range of groceries, fresh fruits and vegetables; a broad range of leading international liquor, toiletries and cosmetics brands; and an extensive choice of kitchenware, clothing, sports, toys and electrical items. Furthermore, Bhat-Bhateni and Maharajgunj premises include excellent value jewellery stores that offer a wide range of gold and silver ornaments in both traditional and modern styles.

1.2 Statement of the Problem

Supermarkets play a significant role in Nepalese economy. They are major employers and contributors towards nation's infrastructural development through high revenue of taxes. They also improve the standards of living through the provision of basic food stuffs and other basic needs. However, supermarkets in Nepal faces huge competition from small retail shops, open border markets (India and China), as well as among themselves (Big Mart, KK Mart, Family Mart etc). Bhat-Bhateni supermarket is no exceptional although it is the oldest and market leader in all over the country.

As a way of beating competition and striving to be the leading supermarket, it has engaged in aggressive promotional campaigns through sales promotion and advertising. Therefore, the proposed study will intend to close this gap by seeking responses to the following research question like how does the sales promotion campaign by Bhat-Bhateni Supermarket influence the consumer purchasing decision for its products?

1.3 Objective of the Study

The main objective of this research study is to examine the impact of sales promotion on consumer buying decisions at Bhat-Bhateni Supermarket.

Following are the specific research objective of this research study.

- To assess the awareness of consumers of Bhat-Bhateni Supermarket towards sales promotion programs
- To evaluate impact of sales promotion on consumer buying decisions at Bhat-Bhateni

2. Literature Review

There are number of different definitions focusing on various characteristics of sales promotion. This diversification as it will be shown later, plays very important role in identifying objectives and analysis for findings.

American Marketing Association (AMA) "Sales promotions are those marketing activities, other than personal selling, advertising and direct marketing that stimulate consumer purchasing behavior, such as display, shows and exhibitions, demonstration and various non-recurrent selling efforts but not in the ordinary routine".

On the other hand, Etzel and Stanton, (2006) defined sales promotion as a demand-stimulating activity designed to supplement other marketing mix strategies. Therefore, for the effective sales promotion, it has to be used together with the other forms of promotion.

Sales promotion is the methods or techniques for creating public acceptance of or interest in a product, usually in addition to standard merchandising techniques, such as advertising, and personal selling; generally consisting of the offer of free samples, gifts made to purchaser etc.

This study is related to the effect of sales promotion in the buying behaviour of the consumer. Literature review means to find out any existing information relating to the topic. In this study internet, articles, books are being used.

A sales promotion is an incentive that is offered to a consumer or potential business customer to spur the purchase of a product or service. Many companies use sales promotion strategies to produce a short-term increase in sales. A company can offer many types of sales promotion activities including free samples, coupon, discounts, premiums, product demonstrations, point-of-purchase (POP) materials and even refunds or rebates (*Rick Suttle, 2017*).

3. Proposed Research Framework

Traditionally marketers have been using advertising as a promotion to build awareness, to create brand image and to build long term brand equity where as sales promotion have been used to achieve short term sales increment. In general, sales promotion target for two major goals i.e. to attract consumers and to increase sales volume. It is obvious that when the consumers are increases the sales volume will also increases. Retailers often use sales promotion offers in off seasons and in non-seasonable products to boost up their sales volume.

The main motto of this study is to know whether or not the sales promotion affects the buying behaviour of the customers. The entire study is related to the sales promotion and at what rate it increases the sales of the supermarket. Different age group, brand loyalty, perception of the people etc. react differently for the same sales promotion activities and in this study, it has been studied. Different people react differently for the same things.

4. Research Methodology

Research is a careful investigation or inquiry specifically through search of new facts in any branch of knowledge. Research Methodology is a systematic way to solve a problem. It may be understood as a science of studying how research is done scientifically. Research methodology is a process of conducting a research logically in order to arrive at solution of the problem. It involves the study of cause and effect relationships between various variables and helps to identify behavior/patterns/trends in certain variables. Research methodology is the collection of various steps to be undertaken in the processes of carrying out the research work. It spreads from the very beginning steps like research design, data collection to the final step of research –the report writing. Therefore, this is a set of various instrumental approaches used in achieving the predetermined objectives as stated in the earlier section. For this study internet, articles, questionnaire is been used to gather the information. To know the impact of sales promotion on consumer buying decision list of nine questions will be asked to find out the result. For the study of any topic research methodology is the must.

4.1. Research Design

Research design is a blueprint or detailed plan for how a research study is to be completed. This research will be based on the case study of Bhat-Bhateni Supermarket, Tangal, Nepal and study will be examined extensively. In order to select suitable approach, different characteristics need to be considered. The deductive research technique will be used in this research followed by the qualitative research method. Deduction develops hypotheses after review of previous studies and these are tested through empirical data.

4.2. Nature and Source of Data

There are two types of source of data one is primary data and another one is secondary data. In this study both types of data had been used.

- **Primary Data:** Primary data are original in nature. There are a number of methods that can be used to collect primary data. These methods include interviews, published reports, survey questionnaires and observations. However, survey questionnaires are the most important tool when using survey strategy.

Therefore, the primary data are collected in this study using questionnaire.

- **Secondary Data:** Secondary data are the data that was collected by someone other than the user. Secondary data for this research study will be collected from different sources like company's website, books, newspapers, Internet resources, Journal, articles etc.

4.3. Population and Sampling Technique

The probability sampling is the main sampling strategy in this study and the respondents will be selected randomly from the population. In this study, enterprise sampling: Bhat-Bhateni Supermarket one branch of the Bhat-Bhateni Supermarket (Tangal) will be taken under the study.

Questionnaires will be distributed to the 100 randomly selected customers of Bhat-Bhateni store.

4.4. Method of Analysis

Data analysis is a process of inspecting, cleansing, transforming, and modeling data with the goal of discovering useful information, suggesting conclusions, and supporting decision-making. The data can be analysis as per qualitative data analysis and quantitative.

In this study different method is been used to find out whether or not the collected information are useful or not. Data are the foundation of any research. Data can be expressed in two ways one facts and other opinions. In this study Likert scale and qualitative analysis is been used.

4.5. Limitations of the Study

The study has been limited to collection of qualitative data only.

The assumed sampling may not generalize the whole population itself.

The accuracy of the result depends upon answer given by the respondents.

There is a time limit to conduct the study.

5. Organization of the Study

Chapter 1: Introduction

This chapter present the introduction of the topic and its objectives. The chapter also includes back ground of the study, statement of the problem and the limitation of the study.

Chapter 2: Literature Review

This chapter start with the review of the various research conducted on sales promotion and consumer buying behavior. The researcher view and research gap is also presented at the end of the chapter. Review of literature it includes theoretical review and review of related studies. The literature review helps researcher to remove limitations of existing work or may assist to extend prevailing study.

Chapter 3: Research Methodology

This chapter starts with the choice of the research methodology. The descriptive part is presented with the researcher's reason for selection. It includes research design, population and sample, sources of data, data collection techniques, data analysis tools and limitation of the methodology. The methodology may include publication research, interviews, surveys and other research techniques, and could include both present and historical information.

Chapter 4: Data analysis & findings

This chapter includes the analysis of collected data using SPSS software and presented in table, and pie charts so as to ease for data interpretations.

Chapter 5: Recommendations & Conclusion

This chapter summarizes the main findings from the chapter 4 that will help to fulfil the objectives of the research. In addition, this chapter will present list of recommendation for Bhat- Bhateni supermarket managers to properly implement sales promotional tools for the organizational financial objectives.

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Appendices

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