

Effectiveness of Promotional Offers at Big Bazaar

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Abstract

Retailing is the business where an organization directly sells its products and services to an end consumer and this is for his personal use. By definition whenever an organization is it a manufacturing or a whole seller sells directly to the end consumer it is actually operating in the Retail space. Retail in India is witnessing a huge revamping. Retail is a raising sector in India. It has emerged as most energetic and fast paced biggest industries with several players entering the market.

Future Group is one of the Country's leading business groups present in retail, asset management, consumer finance, insurance, retail media, retail spaces and logistics. The company's leading retail formats include Pantaloons, a chain of fashion outlets, Big Bazaar, a uniquely Indian hypermarket chain, Food Bazaar, a supermarket chain; some of its formats include Depot, Shoe Factory, and Brand Factory. The company also operates an online portal, futurebazaar.com.

Future Group Vision is to deliver Everything, Everywhere, Every time for Every Indian consumer in the most profitable manner.

INTRODUCTION TO TOPIC

Promotion is an essential and concluding part of the marketing mix of a business enterprise. After the nature of product is decided, its price fixed and the methods of distribution decided, the manufacturers has to take effective steps in meeting the consumers in the markets. In the present consumer oriented markets it is the duty of manufacturers to know what is required by the consumer. It is also their duty to make the customers know where, when how and at what prices. The products would be available. Hence, promotion is the spark plug of marketing mix.

Basically promotion is an "exercise" in information discrimination and its impact. Promotion has come to mean a complete harmonization of advertising selling, publicity and public relations. Promotion is a serving function created to make all other marketing activities more effective and efficient.

Promotion helps people know that the right product at right price is available at right time and right place.

In a competitive market, without promotion, practically no sale is effected.

Meaning of Promotion

Promotion is a process of communication from seller to buyer involving information, persuasion, and influence. It includes all types of personal or impersonal communication with customers as well as middlemen in distribution. The purpose of promotion is to inform, persuade and influence the prospective customers. Personal selling, advertising, publicity and sales promotion are widely used tools to inform the people about the availability of products and stimulate them to buy the products. Thus, the promotion message (i.e. information) by the sender (i.e. marketer) to the receiver (i.e. consumer) must accomplish three tasks to be effective:

- a) It must gain the attention of the receiver.
- b) It must be understood by the receiver.
- c) It must stimulate the needs of the receiver and suggest an appropriate method of satisfying those needs.

Hence in marketing context, Promotion refers to the entire set of activities, which communicate the product, brand or service to the user. The idea is to make people aware, attract and induce to buy the product, in preference over others.

Role of Promotion

- Promotion is tremendously beneficial tool for marketing of Brands.
- Promotions are offered to customers to get the sales and to increase their market share.
- It is useful for increasing customer base.
- Promotion is helpful in differentiating a product

When to use Promotion

- When a new brand is to be introduced in market
- To differentiate a product
- To inform current and potential customers about the existence of products
- To explain the potential benefits of using the product
- A brand quality is inferior to competition

Benefits of Promotion

Promotion is the voice of the company which send out company's product message loud and clear to the audience (i.e. customers). Various media platforms can be used to promote company and its product. They include television, radio, shopping outlets, billboards, magazines, and social media. Promotion helps the company in following different ways:

- Increase Product Awareness
- Segment Identification
- Increase Customer Traffic
- Build Sales and Profits

1) Increasing brand awareness –

Promotions help in creating brand awareness. With the help of various media like the television, billboards, radio or local newspaper news, one can spread across information about its product and company, which helps people to find out more about company and its products and make purchases.

2) Segment Identification –

If the promotional and marketing strategy is loosely structured, it might not be successful in targeting the “right” audiences. Having a full-proof and well-thought-out promotional strategy and marketing plan can help to identify different segments of consumers in the market and offer suitable solutions.

3) Increasing customer traffic –

Also, promotion helps in helps in increasing customer traffic. The more one promote its brand, the more will the customers know about the company and the more will they be interested in its products. Promotion

can be done even by giving out free samples which works wonders for customers! They try the product and ultimately, come make purchases.

While promotional strategies are very much important, marketers and businesses must take into account a few aspects in their marketing mix plan. It is essential that businesses make use of the right media tool to target their customers. These days, when social media is the most effective tool on the online platform, promotional strategies need to extend beyond radio, television and print.

Elements/Methods of Promotion

The promotion element of marketing mix is concerned with activities that are carried out to communicate with customers and distribution channels to enhance the sales of the firm.

Some of the important elements used in promotion are as follows:

- 1) **Advertising:** Advertising is impersonal form of promotion that is directed towards masses and is paid for, with the clear identification of sponsors. It is when companies pay to promote ideas, goods, or services in a variety of media outlets. It can be found everywhere. With advertising, a company engages in a one-way communication to the prospect customer. Examples: magazines, newspapers, television, websites, city buses, etc.
- 2) **Direct marketing:** Direct marketing is a use of non personal contact directed to a targeted group of prospects and customers rather than to a mass audience. Two forms of direct marketing are printed by mail, or direct by e-mail. The goals of direct marketing are to generate sales or leads for sales representatives to pursue. Direct marketing allows a business to engage in one-way communication with its customers about product announcements, special promotions, bulletins, customer inquiries, and order confirmations. Examples: direct mail, e-mail
- 3) **Sales promotion:** Sales promotion basically represents all marketing activities other than personal selling, advertising, and public relations. Sales promotions are used to stimulate purchasing and sales and the objectives are to increase sales, inform potential customers about new products, and create a positive business or corporate image. Examples: coupons, product samples, point-of-purchase displays

4) **Personal Selling:** Basically personal selling is one-to-one personal direct communication between seller and prospective buyer for the purpose of making sales. It generates direct contact with prospects or customers. . Such selling works best when a good working relationship has been built up over a period of time. This can also be expensive and time consuming, but is best for high value or premium products.

Examples: personal meetings, telemarketing, e-mails, and correspondence

5) **Public relations and Publicity:** It encompasses wide variety of communication efforts to contribute a generally favorable attitude towards the organization and its products. PR is the deliberate, planned and sustained effort to establish and maintain mutual understanding between the company and the public. **Publicity** is one tactic that public relations professionals use. This means bringing newsworthy information to the public. Publicity is not paid for. The tool includes press conferences, speeches, annual reports, events, publications and so on.

Public does not mean only customers, but it includes shareholders, suppliers, intermediaries, customers etc. The firm's success and achievement depends upon the support of these parties also.

Examples: a campaign to encourage businesses to donate computers to schools, donating to hospitals.

OBJECTIVES OF STUDY

Indian population is experiencing a new trend of shopping at Big Bazaar. Big Bazaar is the brain child of Kishore Biyani and is one of the pioneers in Indian retail industry. It is able to multiply its market share due to good publicity among customers through word of mouth. Big Bazaar is known for its Promotions. This survey was conducted to study the "Effectiveness of Promotional Offers at Big Bazaar". The main objectives to carry out the study at Big Bazaar are as follows:

- To assess the attractiveness of offers to customers at Big Bazaar
- To test the awareness level among public with respect to offers of Big Bazaar
- To test the effectiveness of communication of offers to customers
- To find out the competitive differences of Big Bazaar with other Retail competitors.

RESEARCH METHODOLOGY

Data Source: a) Primary Data (from questionnaire and personal interaction)

b) Secondary Data (Books and websites)

Research Approach: Survey Method

Research Instrument: Questionnaire

Sample Plan: Personal Interview

Sample Unit: Customers of Big Bazaar

Sampling Method: Convenience Sampling

Sample Size: 50 Customers

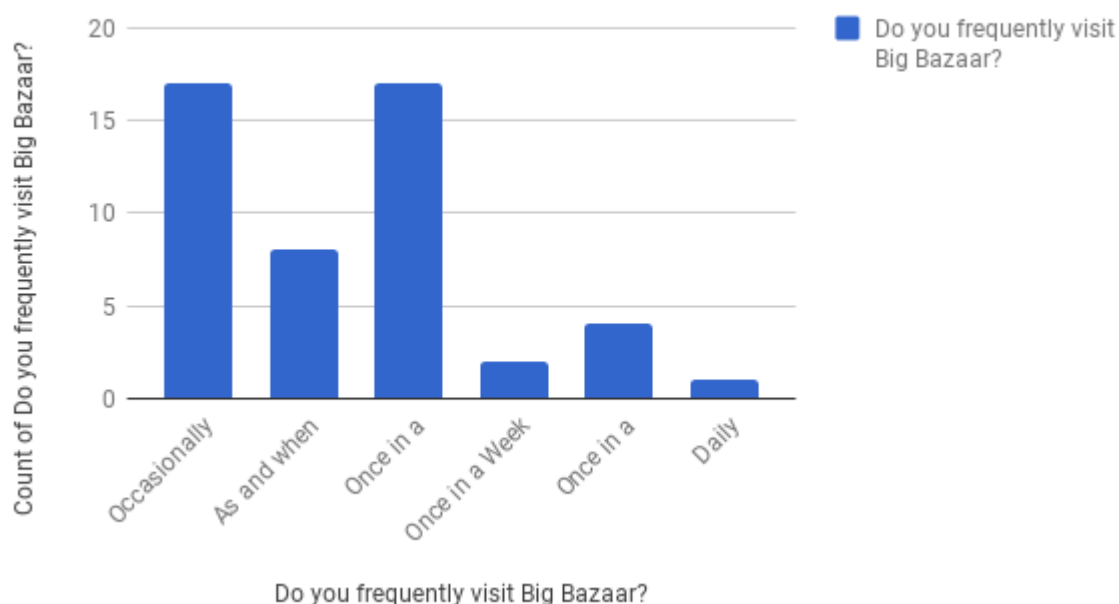
ANALYSIS AND INTERPRETATION

A questionnaire of 10 questions was formulated on Google docs to conduct a survey and it was filled by 50 respondents. Following is its analysis and interpretations:

Concept: To survey how frequently do you visit Big Bazaar?

Figure 1

Count of Do you frequently visit Big Bazaar?

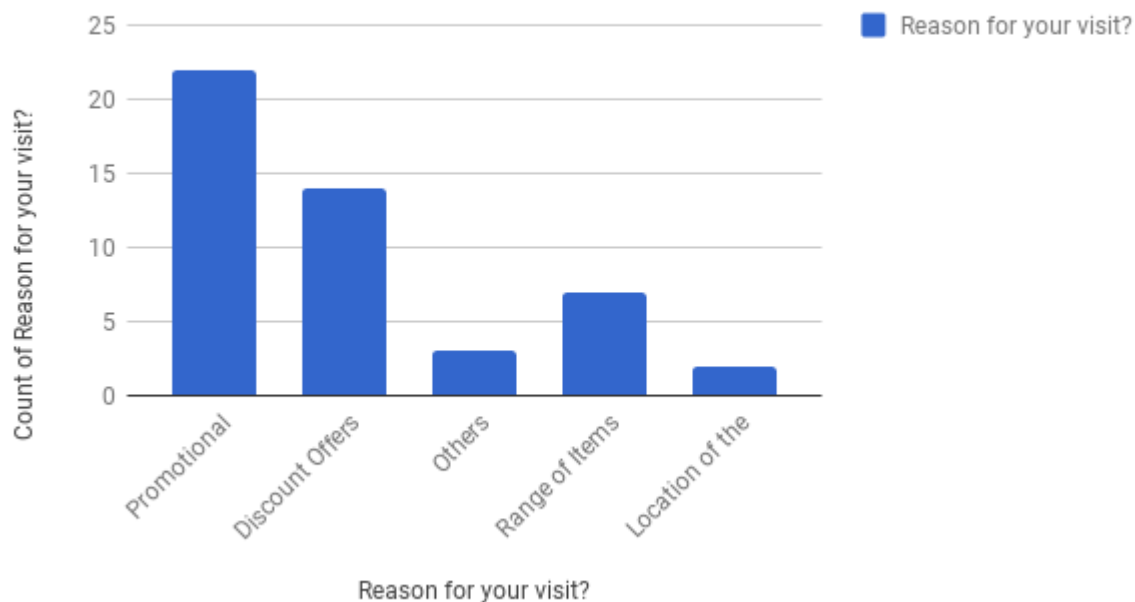


Interpretation: 17 out of 50 respondent visited big bazaar occasionally and once in a month, either Wednesday or weekends followed by once in a week, daily and as and when required.

Concept: To survey reason for customer’s visit to Big Bazaar

Figure 2

Count of Reason for your visit?



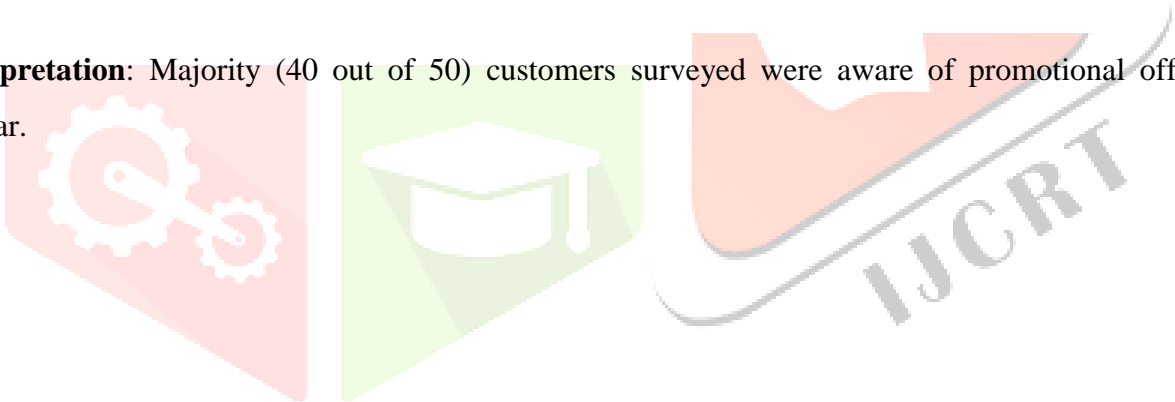
Interpretation: 23 out of 50 respondents visited big bazaar due to promotional offers, 15 respondents visited due to discount offers and rest visited due to some other reasons such as range of items, location of store, and others.

Concept: To survey whether customers are aware of promotional offers at Big Bazaar

Figure 3



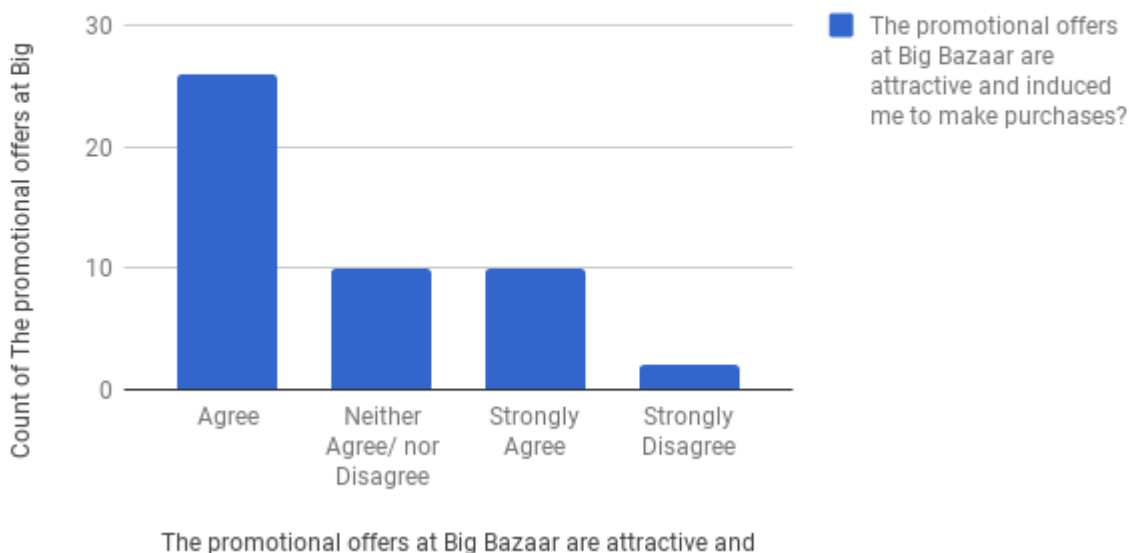
Interpretation: Majority (40 out of 50) customers surveyed were aware of promotional offers at Big Bazaar.



Concept: To study effectiveness of promotional offers inducing the customers to make purchases

Figure 4

Count of The promotional offers at Big Bazaar are attractive and induced me to make purchases?

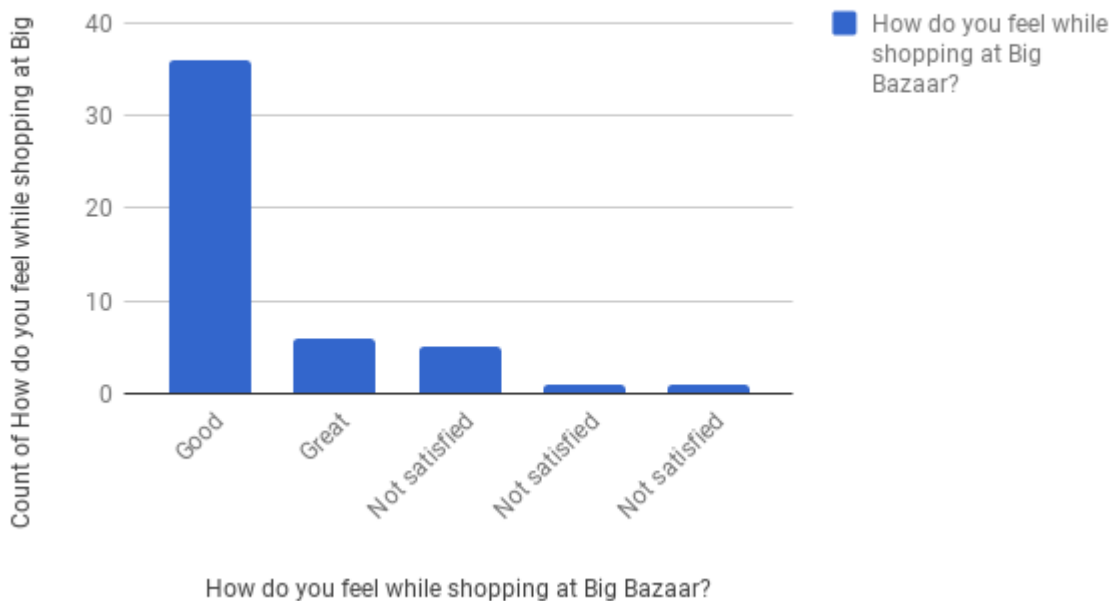


Interpretation: 27 respondents agree that they were attracted and induced to make purchases at Big Bazaar due its promotional offers, 11 respondents strongly agree and neither disagree nor agree, and remaining strongly disagree.

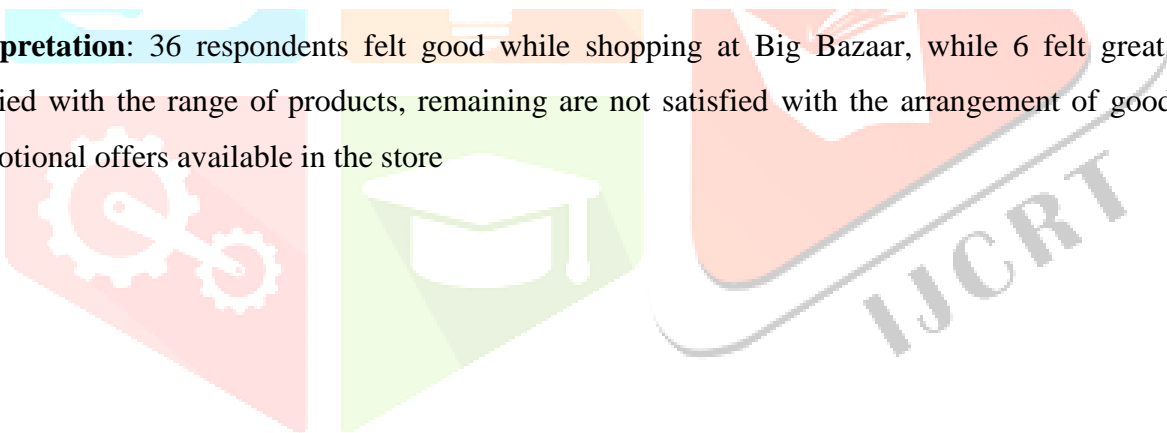
Concept: To survey customer’s feeling while shopping at big bazaar

Figure 5

Count of How do you feel while shopping at Big Bazaar?



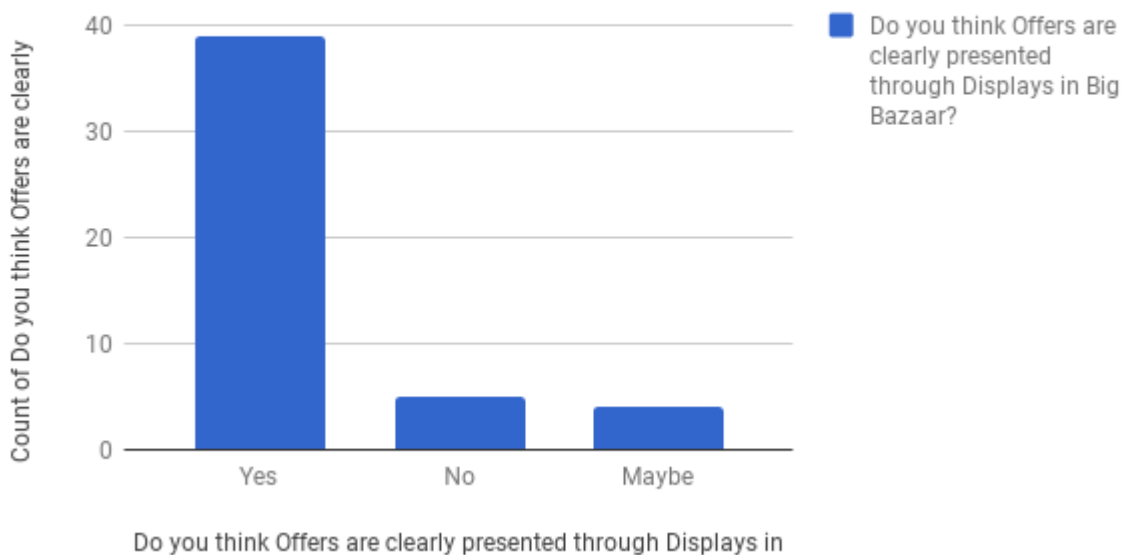
Interpretation: 36 respondents felt good while shopping at Big Bazaar, while 6 felt great and 5 not satisfied with the range of products, remaining are not satisfied with the arrangement of goods and with promotional offers available in the store



Concept: To study whether offers are clearly presented through displays at Big Bazaar

Figure 6

Count of Do you think Offers are clearly presented through Displays in Big Bazaar?

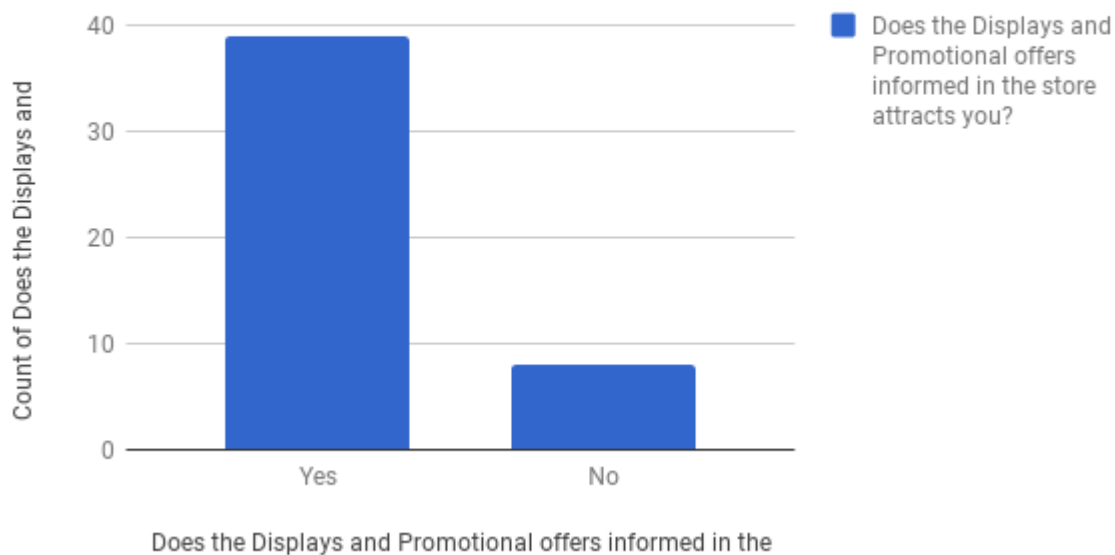


Interpretation: 39 respondents agreed that the offers are clearly presented through displays in Big Bazaar, while 5 respondents don't agree and 4 might agree.

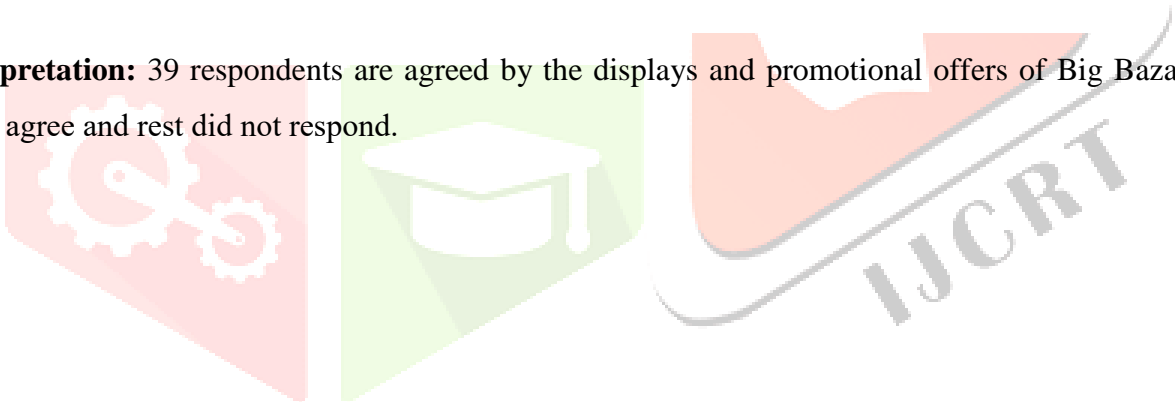
Concept: To study whether display and promotional offers attract customers

Figure 7

Count of Does the Displays and Promotional offers informed in the store attracts you?



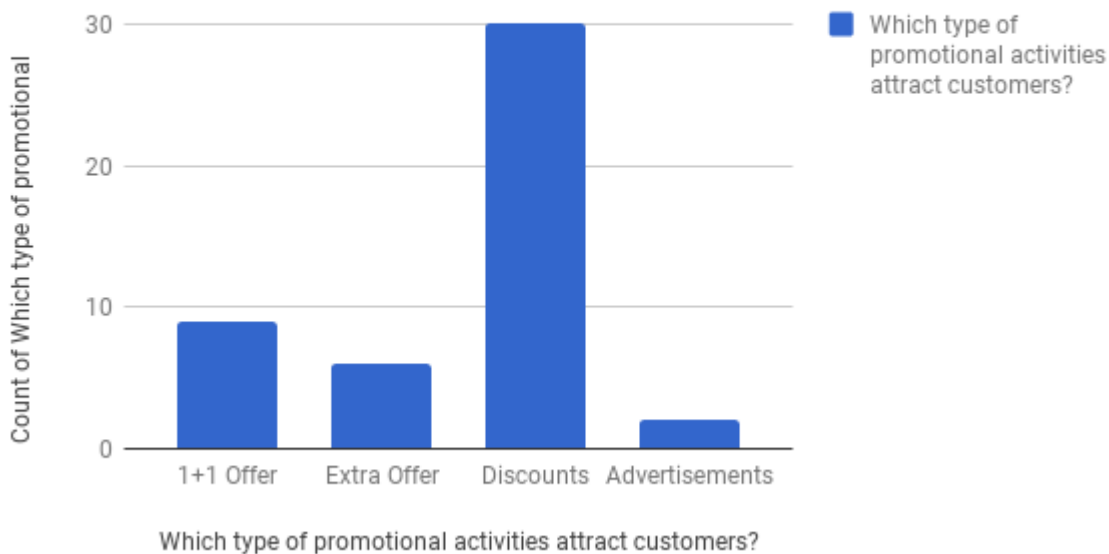
Interpretation: 39 respondents are agreed by the displays and promotional offers of Big Bazaar while 8 don't agree and rest did not respond.



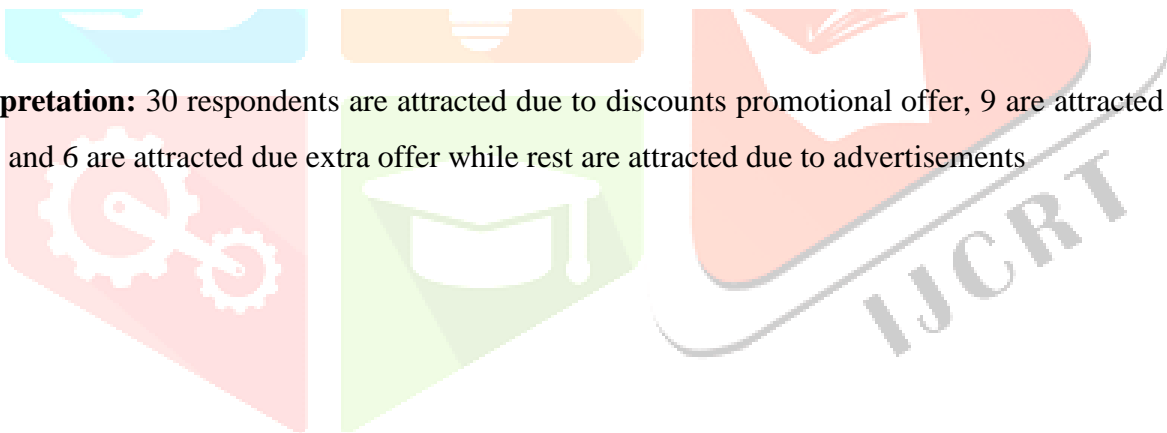
Concept: to survey which type of promotional activities attract customers

Figure 8

Count of Which type of promotional activities attract customers?



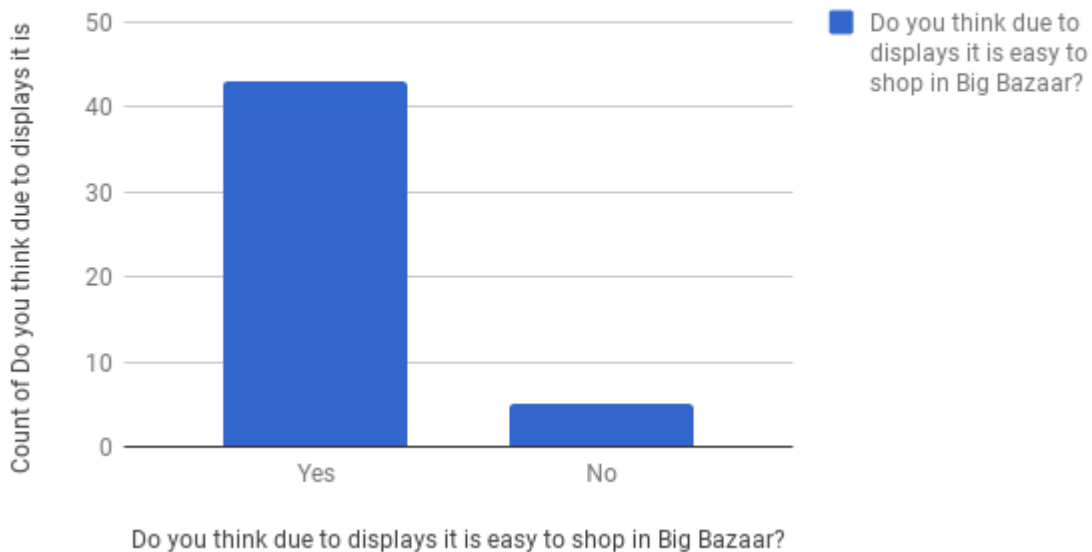
Interpretation: 30 respondents are attracted due to discounts promotional offer, 9 are attracted due to 1+1 offer, and 6 are attracted due extra offer while rest are attracted due to advertisements



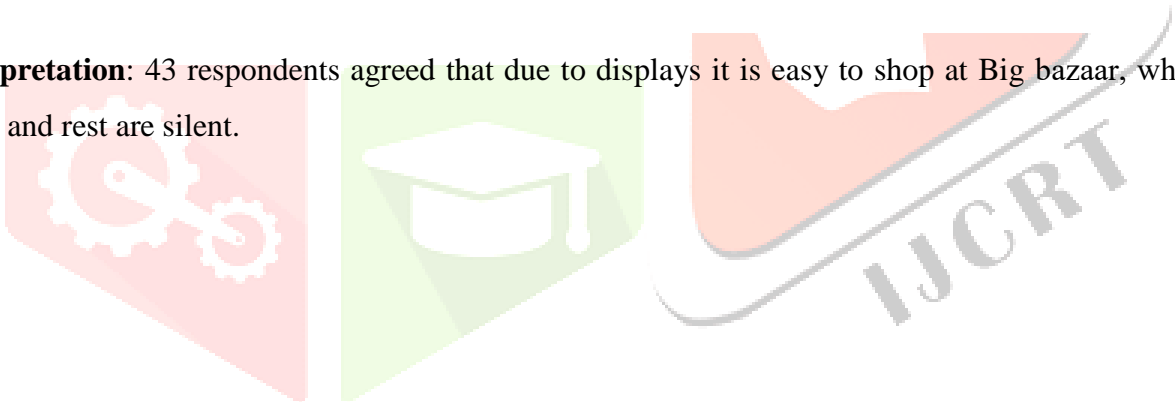
Concept: To study whether displays help to shop at Big Bazaar

Figure 9

Count of Do you think due to displays it is easy to shop in Big Bazaar?



Interpretation: 43 respondents agreed that due to displays it is easy to shop at Big bazaar, while 5 don't agree and rest are silent.



Concept: To study overall shopping experience of customers due to offers and discounts at Big Bazaar

Figure 10

Count of Your overall shopping Experience due to offers and discounts in Big Bazaar?



Interpretation: 29 respondents overall shopping experience due to offers and discounts in Big Bazaar is good, 7 experienced great, and 10 felt average while rest felt poor.

FINDINGS

- Majority (39) of the customers surveyed were aware of promotional offers at Big Bazaar.
- 17 customers visited Big Bazaar occasionally and once in a month, either on Wednesdays or weekends, followed by customers visiting once in a month and as and when required.
- 27 respondents agree that they were attracted and induced to make purchases at Big Bazaar due its promotional offers, 11 respondents strongly agree and neither disagree nor agree, and remaining strongly disagree.
- 43 customers agreed that due to displays it is easy to shop at Big bazaar.
- 30 respondents are attracted due to discounts promotional offer, 9 are attracted due to 1+1 offer, and 6 are attracted due extra offer while rests are attracted due to advertisements.
- Promotional offers are noticed and heard by the customers during their shopping.
- 39 customers out of 50 are agreed by the displays and promotional offers of Big Bazaar.
- 29 respondents overall shopping experience due to offers and discounts in Big Bazaar are good.

SUGGESTIONS

- a) The no of customers visited Big Bazaar on weekly basis is very less, so more and more efforts should be made for weekly and weekends promotional offers to increase weekly footfall.
- b) 20% of surveyed customers were not aware of promotional offers, so the Company should ensure that maximum customer know about promotional offers visiting Big Bazaar and there should make aware of offers to general public.
- c) 20.8% of the customers are not attracted and induced by promotional offers of Big Bazaar, so efforts are made to make promotional offers more attractive and induced one.
- d) The promotional offers period should be extended so that customers are convinced more.
- e) The employees of Big Bazaar should be discouraged to take the benefit of offers which are meant for customers.
- f) Big Bazaar should increase the range of its products, as 10.2% of customers are not satisfied with its range of products.
- g) The Company should make its promotional offers more clear, as 10.4% of its customers are not clear about its promotional offers.
- h) 20.4% of the customers overall shopping experience in Big Bazaar is average due to its offers and discounts, so efforts should be made to improve it.

CONCLUSION

- ✚ Retail has emerged as most energetic and fast paced biggest sector with several players entering the market like Future Group, Wall mart, etc.
- ✚ Future Group leading retail formats include Pantaloons, a chain of fashion outlets; Big Bazaar and so on.
- ✚ The customer buying pattern has changed with the introduction of Big Bazaar. They are experiencing a new pattern of shopping.
- ✚ Customers are exposed to new brands and they are becoming brand savvy.
- ✚ The promotional offers play an important role to increase the sales in short term
- ✚ The company should ensure continuous efforts to make its promotional offers more attractive
- ✚ The footfall has increased at Big Bazaar due to its promotional offers only.

REFERENCES

Books

- Business Statistics – G.C. Berry
- Advertisement and Promotion – Belch & Belch
- Marketing Management – Philip Kotler

Websites

<http://www.bigbazaar.co.in>

<http://www.pantaloan.com>

www.indiainbusiness.nic.in

<http://www.futuregroup.in>

http://en.wikipedia.org/wiki/Marketing_management

Annexure

Dear Respondents,

I have undertaken a project titled “Effectiveness of Promotional offers” at Big Bazaar. Hence I request your kind co-operation by sparing your precious time in answering the following questions and providing information. (Please tick mark one option)

1. Do you frequently visit Big Bazaar?

- Occasionally
- Once in a month
- Once in a Week
- Daily
- As and when required

2. What is the reason for your visit?

- Promotional Offers
- Discount offers
- Range of Items
- Location of the Store
- Others

3. Are you aware of Promotional offers at Big Bazaar?

- Yes
- No

4. The promotional offers at Big Bazaar are attractive and induced me to make purchases?

- Strongly Agree
- Agree
- Neither agree/ nor Disagree
- Disagree
- Strongly Disagree

5. How do you feel while shopping at Big Bazaar?

- Great
- Good
- Not satisfied with the arrangement of products
- Not satisfied with the promotional offers available in the store
- Not satisfied with the range of products

6. Do you think Offers are clearly presented through Displays in Big Bazaar?

- Yes
- No
- May be

7. Do the Displays and Promotional offers informed in the store attract you?

- Yes
- No

8. Which type of promotional activities attracts customers?

- Discounts
- Extra Offer
- 1+1 Offer
- Advertisements

9. Do you think due to displays it is easy to shop in Big Bazaar?

- Yes
- No

10. Your overall shopping Experience due to offers and discounts in Big Bazaar?

- Great
- Good
- Average
- Poor

