
Promotional Offer Strategies : Their Effectiveness and Satisfaction Levels of Customers at Big Bazaar

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Abstract

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. Many researchers attribute its success to the promotion and discount offers provided continuously through various innovative ways. The objective of my study is to know the role of promotional strategies and their effectiveness to create the attitude of Loyalty among customers at BIG BAZAAR in Andhra Pradesh. Promotion involves providing trial experiences and incentives to customers for increasing sales in future. The strategy of promotions for goods and services is very useful to marketers as compared to other sales promotion policies e.g. advertisements and maintaining a sales force. This strategy can be effective both in the short term or long term. A Survey was conducted on customer attitude towards services provided by Big Bazaar and their perceptions on the promotional strategies adopted by the managers. The survey on consumers' perception was done through a questionnaires while strategies of the managers on sales promotion were noted on the basis of actual promotional activities offered by Big Bazaar.

Key Words : *big bazaar, promotion, retail, format, footfall, marketing.*

Introduction

Organized Retail had already made strong inroads into Tier-I cities and now the competition is shifted to Tier-II cities. Growth of Organized retailing in India can be expected because of following reasons:

1. Increase in disposable income and customer aspirations.
2. Growth in demand for luxury items
3. Increase in young working population
4. Increase in pay packets, metro-savvy nuclear families

Promotions are a very effective tool when it comes to marketing brands. Their contribution in increasing footfalls will be very high if these are used properly and will help marketers to increase their share of the market. Short term effect of promotions helps

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retailers to increase their sales and in the long run it expands their customer base. Promotions are offered to customers when the brands quality is not at par with competition or in cases where advertising the brand is not effective or for introducing a new branded product. People in South India are experiencing new trends in shopping in modern retailing in which Big Bazaar is pioneer and known for its discounts and promotions.

The main use of promotion is accelerating the action of various activities of marketing and this acts as a catalyst in purchase decisions among the consumer. These are supplements and not a substitute to advertising as well as other selling efforts by changing the price – value relationships and enhances the equity created among the consumer. In most cases, lowering the price is the primary reason for the success of promotions. A varying degree of promotional emphasis is suited at every stage in the brand's life cycle.

Product promotion is needed when we want to create awareness about the brand in prospective customers. There are many ways of promoting a product or service. Common among them are

1. Contests-This is the most frequently used strategy for promotion though most of contests won't involve any purchase. The purpose here is to endorse the brand and make the logo known to more consumers and not to earn money from campaigning sales. Consumers would always like winning free prizes and pay more attention to the brand later on.
2. Social Media-Networking websites like Face book is an easy platform for promoting products and services in mass scale almost with no cost directly connecting them with millions of prospective customers . Facebook allows them to be in touch with them at personal levels helping to lessening the space between companies and buyers thus creating image among buyers .
3. Product Give aways-It is a concept that allows potential customers to give free samples of the product - a common method used very often by companies when it comes to introduce new unknown food as well as household products. Most

of the time, they sponsor promotions in-store by giving away samples product and will make customers to try newly introduced items.

4. Promoting the Product at Point-of-Sale - The idea here is that of convenience and creating impulse in mind of the customers. The end cap products will be present at end of aisles in the store and will feature products that need to be promoted, move quickly and are easily accessible. Point-of-sale items will be placed nearer to checkout counter and are bought impulsively.
5. Customer Referral Incentive Program-Here incentives are given to regular customers who refer their friends and acquaintances to Big Bazaar. This can successfully accomplished by giving samples for free, discounted products and cash prizes to them. Here, the loyal customers can be leveraged as the salesmen.
6. Social Causes and Charitable image-Promotion of the product at the time of giving support to a social cause is a very successful promotional strategy. Creating a sense of belongingness and ability to associate the product sale to support a social cause. That too with products that are indispensable or which cannot be ignored will create a sense of pride in the minds of customers. Extending help for a social cause gives a socially conscious image to the company and common way to do this is giving a part of the profit to various causes the company is committed.
7. Branded Promotional Gifts-A free branded gift like a T-Shirt having the logo of the company on it, a free luggage bag with the Brand name on it, a keychain bearing the company name, a free coupon or a voucher for doing free shopping at another subsidiary of the group are having more effect than simply presenting a costly business card. Sometimes, we see companies giving free pens and key chains with the name of their brand on it. These are better than giving gifts which will be kept in draw or stored inside racks.
8. Customer Appreciation Events-Conducting an indoor game or event offering appreciation to the customers with free refreshment and simple

prizes, draw old as well as new customers to the store and here the emphasis should be on giving a gift or make him feel something special without him making any purchase.

Objectives of the Study:

1. Test the effectiveness of the communication about Promotional offers to the consumers.
2. To know the level of awareness among general public with respect to offers of Big Bazaar.
3. To assess whether or not the offers at Big Bazaar are attractive enough to customers.
4. To find if there is competitive advantage to Big Bazaar when compared to its competitors.
5. To see if promotional strategies are successful in converting consumers into customers.

Research Methodology :

Survey and questionnaires method

Survey method is used for collecting data at various BIG BAZAAR Retail outlets. We requested all respondents to fill in the questionnaire after explaining the various aspects mentioned in it. It contained both open and closed ended questions in a structured format very easy to understand at the first look. A convenient sample (non – probability sampling method) of 110 customers was selected for the current study in which the respondent was request to complete the questionnaire on voluntary basis. Frequencies and cross tabulation have been calculated. Chi – Square test analysis was conducted on data of part II in the questionnaire.

Analysis and Interpretation

From the below table (1), we infer that 110 of the total respondents 43 are men and 67 women. On further classification according to age group, we find that of all the respondents 19 are below 18 Years, 31 are 19-30 Years old, 33 are of the age group 31-40, and 27 are of the age group of than 40 years. On the basis of household income 41 are having it less than Rs. 15,000, 42 are having Rs. 15,000-35,000, Rs. 27 are having it more than Rs.35000.

Table : 1 - General Profile of the Respondents

Sex	Male	Female	11	11
	43	67		
Age	<18	19.30	31-40	40
	19	31	33	27
Income	<15.000	15.000-35.000	>35000	
	41	42	27	
AVG Monthly Purchase	Below 15000	1501-2500	2500	
	29	43	38	

Table : 2 - General Profile of the Respondents

What was the mode of communication of promotional Offers at Big Bazaar	Word of Mouth	News Papers	TV	Hoardings	
	38	31	24	17	
Frequency of Visit to Big Bazaar in a Month?	One	Two	Three	four	
	37	24	30	15	
For which Range of Products / Brands you Expect Promotional Offers ?	Clothing	Groceries	Electronic Items	Furniture	
	36	24	27	23	
What Did you opt For ?	Discount Offer	Free Offer			
	97	13			
What is the Purpose of visit to Big Bazaar Frequently ?	Buying 61	Pleasure 17	Enquiry 21	Accompany 8	Others 3

Table: 3 - Responses of the Sample Surveyed

Parameter	Yes	No.
Your satisfaction that makes you visit only Big Bazaar	81	20
Are you aware of very frequent promotional offers at Big Bazaar	89	21
The Promotional Offers at Big Bazaar are attractive and induce you to make a Purchase	62	48
Do offers make you feel like visiting Big Bazaar again ?	63	47
Have you availed any offers during your recent visits ?	71	39
Do you communicate offers at Big Bazaar to your friends / relatives	79	31

FIGURE: 1 - Respondents Views about Promotional Offers at Big Bazaar

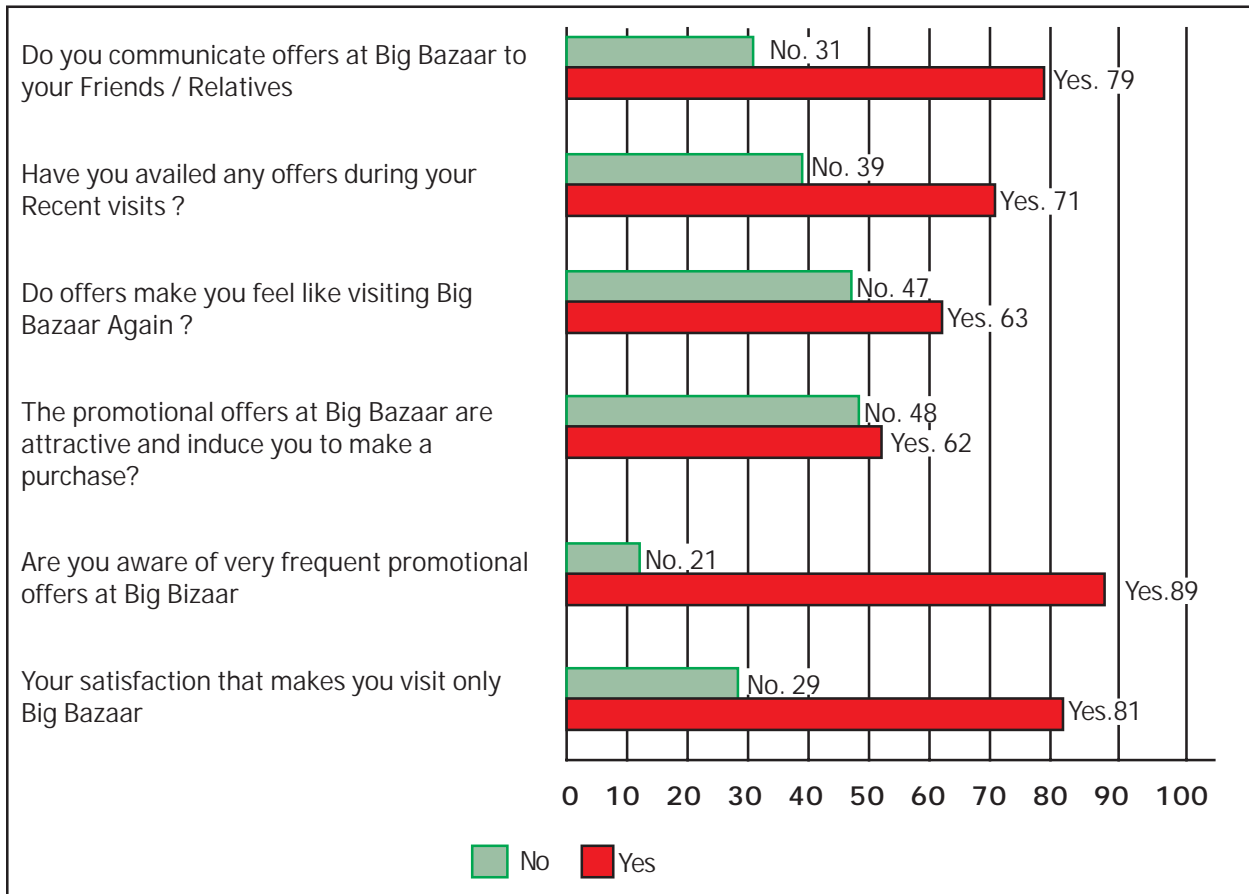
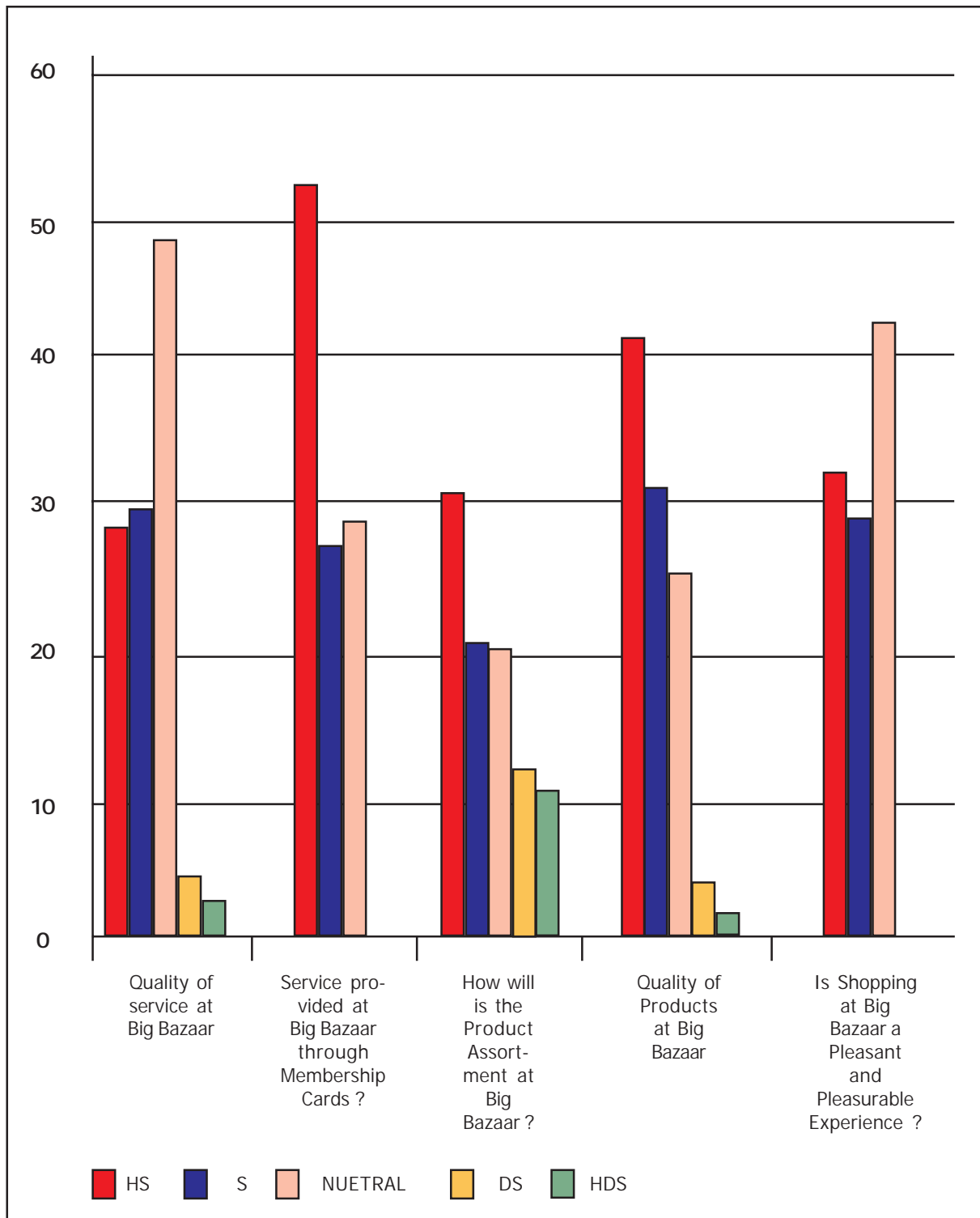


Table: 4-Satisfaction levels of the Respondents

Parameter	HS	S	Nuetral	DS	HDS
Quality of service at Big Bazaar	27	29	49	3	2
Service provided at Big Bazaar Through membership cards ?	53	28	29	0	0
How will is the product assort-ment at Big Bazaar ?	41	21	19	16	13
Quality of Products at Big Bazaar	44	33	24	6	3
Is shopping at Big Bazaar a Pleasant and pleasurable experiece ?	34	29	47	0	0
Satisfied with promotional offers at Big Bazaar ?	41	25	29	15	0

Figure: 2 - Respondents Views about Satisfaction Levels on Shopping at Big Bazaar



Chi-Square Test

1. Relation between Income of Respondent and his Average Monthly Purchase Value at Big Bazaar

Table -5 (a)

Chi-Square:

Income				AVG Monthly Purchase			
	Observed N	Expected N	Residual			Observed N	Expected
15.000	41	36.7	4.3				
15.000	42	36.7	5.3	Below 15000	29	36.7	-7.7
35.000				1501-2500	43	36.7	6.3
35000	27	36.7	-9.7	2500	38	6.7	1.3
Total	110			Total	110		

Table - 5 (b)

Test Statistics	Income	AVG Monthly Purchase
Chi-Square	3.836a	2.745a
df	2	2
Asymp.Sig	0.147	0.253
Asymp. (.0%) have expected frequencies less than 5. The minimum expected cell frequency in 36.7.)		

2. Relation between age of Respondent and Service he is experiencing from Prfit Club Card

CHI-SQUARE

Table 6(a)

AGE				Big Bazaar PROFIT CLUB CARD SERVICE			
	Observed N	Expected N	Residual		Observed N	Expected	Residual
18	19	27.5	-8.5				
19.30	31	27.5	3.5	HS	53	36.7	16.3
31.40	33	27.5	5.5	S	28	36.7	-8.7
40	27	27.5	-0.5	NUETRAL	29	36.7	-7.7
Total	110			Total	110		

Table - 6 (b)
Test Statistics

	AGE	Big Bazaar PROFIT CLUB CARD Service
Chi-Square	4.182a	10.927b
df	3	2
Asymp. Sig.	0.242	0.004
a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 27.5		
b. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 36.7		

3. Relation between Awareness levels of Respondent about Promotional Offers at Big Bazaar and his Frequency of Visits to their stores.

Table 7 (a)

Chi-Square

AWARENESS ABOUT PROMOTIONAL OFFERS				FREQUENCY OF VISITS TO BIG BAZZAR IN A MONTH			
	Observed N	Expected N	Residual		Observed N	Expected	Residual
Yes	89	55	34	ONE	37	27.5	9.5
				TWO	24	27.5	-3.5
No	21	55	-34	THREE	30	27.5	2.5
				FOUR	19	27.5	-8.5
Total	100			Total	110		

Table - 7 (b)
Test Statistics

AWARENESS ABOUT PROMOTIONAL		FREQUENCY OF VISITS TO BIG BAZAAR IN A MONTH
Chi-Square	42.036a	6.582b
df	1	3
Asymp. Sig.	0	0.086
a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 27.5		
b. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 36.7		

4. Relation between Gender of Respondent and The Effectiveness of Big Bazaar's Promotional Offers in inducing him to make the purchase.

Table 8 (a)

Chi-Square

GENDER				The promotional Offers at Big Bazaar Are Attractive and induce you to make a Purchase			
	Observed N	Expected N	Residual		Observed N	Expected	Residual
Male	43	55	-12	YES	62	55	7
Female	67	55	12	NO	48	55	7
Total	110			Total	110		

Table - 8 (b)
Test Statistics

GENDER		The Promotional Offers at Big Bazaar are attractive and induce you to Make a Purchase	
Chi-Square	5.236a	1.782a	
df	1	3	
Asymp. Sig.	0.022	0.182	
a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 55.0			

5. Relation between Gender of Respondent Towards Promotional Offers at Big Bazaar and Their Ability to Make Him Visits it again.

Table 9 (a)

Chi-Square

SATISFIED WITH PROMOTIONAL OFFERS AT BIG BAZAAR				DO OFFERS MAKE YOU FEEL LIKE VISITING BIG BAZAAR AGAIN			
	Observed N	Expected N	Residual		Observed N	Expected	Residual
HS	41	27.5	13.5	YES	63	55	8
S	25	27.5	-2.5	NO	47	55	-8
NUETRAL	29	27.5	1.5				
DS	15	27.5	-12.5				
Total	110			Total	110		

Table - 9 (b)
Test Statistics

SATISFIED WITH PROMOTIONAL OFFERS AT BIG BAZAAR		DO OFFERS MAKE YOU FEEL LIKE VISITING BIG BAZAAR AGAIN
Chi-Square	12.618a	2.327b
df	3	1
Asymp. Sig.	0.006	0.127
a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 27.5		
b. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 55.0.		

Findings

1. Most of the respondents are having good awareness about the frequent Promotional Sales offered at Big Bazaar.
2. Most of the respondents told that they recall Big Bazaar first when thinking or discussing about going to retail store.
3. Most of the respondents felt that Big Bazaar provides good service at its stores.
4. Customers feel that Big Bazaar gives them a better bet in Promotional offers vis -a- vis the other retailers.
5. Customers perceived that Big Bazaar offers the widest product range in comparison to its competitors.
6. Most Customers felt that the compelling reason to purchase at Big Bazaar is the frequent offers that are availed to them on wide range of various products.
7. In terms of Purchases customers listed groceries, clothing, electronic items and furniture as they are preferred item to purchase at Big Bazaar.
8. Customers are satisfied with their interaction with sales executives there and get good amount of information regarding offers from them.
9. The benefits of promotional offers are being availed by most of Big Bazaar customers.
10. Most of Big Bazaar customers visit it once a fortnight preferably on weekends, and some visit once a month and the rest as and when required. That too when they hear about promotional sales.
11. Most of Big Bazaar customers avail Discount offers regularly.
12. Most Respondents told that they compare and differentiate Offers and Discounts provided by Big Bazaar with other retailers before and after making any buy.
13. Customers feel that product pricing is better compared with other retailers.

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14. The people who availed promotional/discount sales felt that got communication through Newspaper next by hoardings and then TV advertisements.
 15. Most of customers told that they come to know about Promotional offers only when they entered the store.
 16. Most of the Big Bazaar customers do communicate about promotional offers to their friends, relatives as well as hear from them about the same.
 17. From Table - 5, we infer that that there is a highly significant relation between INCOME OF RESPONDENT and his AVERAGE MONTHLY PURCHASE VALUE at BIG BAZAAR.
 18. From Table - 6, we infer that that there is no relation between Relation between AGE OF RESPONDENT and SERVICE he is experiencing from PROFIT CLUB CARD.
 19. From Table - 7, we infer that that there is a Relation between AWARENESS LEVELS OF RESPONDENT ABOUT PROMOTIONAL OFFERS at BIG BAZAAR and his FREQUENCY OF VISITS to their stores.
 20. From Table - 8, we infer that that there is a highly significant Relation between GENDER OF RESPONDENT and THE EFFECTIVENESS OF BIG BAZAAR'S PROMOTIONAL OFFERS in inducing them to make the purchase.
 21. From Table - 9, we infer that that there is Relation between SATISFACTION OF RESPONDENT TOWARDS PROMOTIONAL OFFERS AT BIG BAZAAR and THEIR ABILITY TO MAKE HIM VIST IT AGAIN.

Suggestions

1. Big Bazaar should be concentrating on its online service - Big Bazaar direct to compete with online portals like Flip Kart and Amazon as it is the latest trend in shopping now a days.
2. It should advertise more on online portals, Social media, News Papers, Television Serials and Cinemas as they are emotionally connected with women.
3. It should have more tie ups with various brands to offer discounts and offers like the ones it already had with Tata Tele for free talk time.
4. Sponsor events having public importance across various categories like sports and entertainment.
5. It should create awareness in public about the discount and promotional offers at its stores.
6. Establish more teams that focus on doing purchases at lowest prices.
7. Tie-ups with more credit card providers in order to offer EMI and cash back schemes.
8. Can establish much smaller store formats to improve its reach to customers.
9. Conduct frequent surveys on customer satisfaction towards its promotional and discount offers and improve on suggestions from customers.
10. Introduce more Premium Brands to attract HNI customers.
11. Conduct indoor games and contests for housewives and senior citizens which will help creating awareness about the brand.
12. More in house brands should be produced and free sample of the same can be given to regular customers to increase their sales.
13. Threshold amount of Free Home delivery should be reduced from thousand rupees to Seven Fifty rupees.
14. Free service should be provided for in-house electronics brands.
15. Catalogues with promotions and discounts should be mailed to customers.
16. The efficiency of Supply chain should be improved.
17. Stores should be located near residential areas and not in outskirts as seen in some cases.

18. Should acquire some other international retail chains or form Joint ventures to source products on bigger scale and reduce costs.
19. Offer free snacks and biscuits and rest rooms if possible to shoppers who purchase large volumes of goods.
20. Store personnel should be motivated by giving incentives as they also form an important part of the retail store.
21. Ambience should be improved along with visibility of Product Displays and their MRP's
22. Gift vouchers should be given for large purchases which can be redeemable at other sister concerns of Future group.
23. More Product Bundling can be opted for increasing sales.
24. As Smart phone revolution is spreading, Big Bazaar should introduce its own mobile apps in order to enable the customer to know the categories and assortments of goods and their prices across categories.
25. Small Local music bands and mini concerts can be introduced at large stores to enhance weekend shopping of customers and entertain them.

Conclusion

Big Bazaar is the leader of the new format of retail in India. This study is a case study of Big Bazaar in Andhra Pradesh on the basis of sample survey by administering a structured questionnaire in Likert scale. Chi-Square test has been performed on information collected and following conclusion has been drawn from finding off he study.

1. The importance of Promotional offers in increasing sales of retailers.
2. People in Andhra want new trends in shopping and are creating new patterns.
3. The customer buying behaviour has changed after the introduction of Big Bazaar.
4. There is a high footfall level at Big Bazaar.

5. Customers are getting exposure to new brands and are becoming brand savvy.

Many customers felt that they get value for money at Big Bazaar and it lives up to the taglines on lowest prices. They are able to get most of the products under the same roof but still miss certain goods and felt that as some stores are located at a distance it nullifies the savings due to the high fuel costs on travel

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