

# Impact of Sales Promotion Technique Used by Online Dealers on Consumers

Garima Malik

*Amity Business School, Amity University, Noida, Uttar Pradesh, India.  
gkmalik@amity.edu*

Himanshu Sachdeva

*Amity Business school, Amity University, Noida, Uttar Pradesh, India.  
himanshu07nik@gmail.com*

## Abstract

*Online promotions are one of the least utilized showcasing instruments on a site - not on account of they are insufficient, but since they are not well caught on. If the online dealers know the parameters influencing online Indian consumers behavior and the connection between the different promotional tools and types of consumers they can develop the marketing strategies in order to convert potential customers into active customers and increase the sales as this is new need of the present era. This study majorly focusses upon the factors affecting the behavior of the consumers while shopping online due to different sales promotion techniques used by the online dealers. In this paper it was found that Promotional emails, Promotional SMS, Discounts, User friendly Interface, Promotional Pop ups, Convenience and Sales Promotion Influences are the seven major factors, which have very important role in the online consumer behavior. It has also been found that the sales promotion does not only have positive impact but also negative on the consumers as they feel that they have been cheated number of times due to different promotional tools and it had worsely effected the brand loyalty among the consumers which not only lead to decline in the sales but also lack of trust which overall hampers the brand image.*

**Keywords:** Online consumers; Sales promotion; Promotional techniques; Online shopping, Online dealers.

## 1. Introduction

E-Marketing is additionally called Internet advertising & it is a portion of electronic business. E-Marketing can consolidate information organization, promoting, customer organization, and arrangements. Electronic exchange and E-Marketing have been able to be noticeable as Internet access is becoming more extensively open and used. Well in abundance of 33% of customers who have Internet get to in their homes report using the Internet to make purchases.

The headway of e-promoting has been a champion amongst the most basic and convincing examples in the field of business, advertising and Information Technology offer the earlier decade. It has changed the route in which certain associations promote their things and the methodology of web systems administration offers the likelihood to change the path in which associations and buyers work together later on. This composition will survey the troubles and possibilities of e-advertising upon associations. This report will portray the significance of e-marketing, take a gander at how e-showcasing helps associations to attain to their customers, highlight likely the most discriminating ideal circumstances and burdens of e-promoting, challenges and shots of e-advertising The conclusion will fight that the impact of e-marketing upon associations has been, all things considered, positive and that paying little respect to different potential issues e-advertising offers empowering new open entryways for business advancement and change

E-Marketing is a term which enters the world few years ago, but it has changed the history of entire world. Now a day, it has become the demand of every company, and an emotional tool which can make and destroy the business. As a coin it also has two face where at one side it leads business to the height and at the same time it has the capability to destroy it also. But in this competitive era it has

become one of the most important tool, not only for selling but also for promoting. The best thing about it is, customers can themselves get the information about the product and they can use it accordingly.

Online consumers study the price, features reviews of a product or service and educate themselves connecting to the market; so providing the product information [1] as part of the sales promotion favours the dealers in attracting consumers repeatedly. Santhakumari and Priyadarshini [2] highlighted that the way to more prominent special effect for retailers and producers today is learning and knowledge. In request to boost special adequacy, associations need to recognize what classes and what brands are being advanced, by whom, at what value and how regularly they are evolving. To help retailers and producers effectively execute deliberately adjusted online and disconnected from the net advancements. Gupta [3] conducted a study and determined that the Indian consumers are more favorable towards promotional activities such as Buy one Get one Free (BOGOF) than sweepstakes, free trials, price discounts and coupons.

The pattern in which consumers buy goods and services in the present era has changed drastically due to internet resulting into the global phenomenon. Reducing marketing cost, prices of the goods and services to cop up with the competition in the market many companies are now using internet. Communicating with the consumers passing on the information selling the product and taking the feedback are also some of the uses of internet.

Customers rely on internet to purchase products and services online and also it is an effective tool which helps in comparing prices, product features and after sale services facilities which they are likely to receive if product is purchase online. E-Commerce provides an advantage to the companies through which they can easily be in touch with existing and potential customers. A high percentage of profits receive from online transaction comprises of mainly B2B commerce. B2C e-commerce has been into presence for more than a decade now.

The conception and development of internet has been the greatest event of the century. E-business in India has made great progress from 1999-2000 to a period and now. You can offer and discover a wide range of goods on the web. Most companies use internet to provide information about their products and services with the goal that it is available to the worldwide business and to contact a bigger scope of their audience. Computers and e business has completely turned around the manner in which one handles daily exchanges for eg. Online shopping. The internet has made far reaching changes in the buying behavior of the individuals. In the comfort of one's home, office or digital cafes or anywhere over the globe, one can sign in and purchase anything from clothing, books, music, and jewellery to advanced cellular telephones, MP3 players, Movie tickets, air tickets etc. Ease, accommodation and security are the key components turning the users to purchase on the web. E business incomes in India are reviewed to achieve 2300 crores in the year 2012-2013 developing at 95% more than 2013-2014. This relates to the B2C segment. It might be too soon for a comparison with the E business scenes in countries like US, where billions of dollars are spend online. Yet the business in India is becoming exponentially, consistently through from a smaller base, the aggregate incomes have arrived respectful size.

The factors that boost online shopping in India are:

- Rapid increase in the number of Smart phones in India
- Access to information
- Increment in number of internet users
- Reached to net administration through broadband
- Middle class population with spending force is developing
- There are around 200 million of class population great spending forces. These individuals have almost no time for shopping, a significant of them have begun to rely upon web to fulfil their shop.

The few highlights about online shopping in India are:

- The figures from IAMAI demonstrate that the web clients in India will develop to 300 billion by 2015. Around 25% of the general customers in India are in the age 18-25, and 46% are in 26-35 years range.
- Indian online matrimonial division is worth around \$230 million
- Worldwide e trade is just developing @ 28%, India being a more youthful business sector, the development of E trade is expected at 51% in the coming years.
- In line with worldwide patterns at long last India, has additionally begun shopping online now a days. According to this study by IAMAI internet shopping in India has rose from \$11 million in 2006-07 to \$522 million in 2013 and it is required to climb over \$700 million by March 2017
- Indians are additionally shopaholic like different Asians. There is a strong lasting grown up population in India with high levels of disposable income.

## 2. Conceptual framework

Consumer promotions are now more pervasive than ever. Witness 215 billion manufacturer coupons distributed in 1986, up 500% in the last decade (Manufacturers Coupon Control Center 1988), and manufacturer expenditures on trade incentives to feature or display brands totaling more than \$20 billion in the same year, up 800% in the last decade. So far, not much work has been done to identify the purchasing strategies that consumers adopt in response to particular promotions, or to study how pervasive these strategies are in a population of interest. Blattberg and Scott [4] defined the purchase strategy as a general buying pattern which "incorporates several dimensions of buying behavior such as brand loyalty, private brand proneness and deal proneness." A greater understanding of the different types of consumer responses to promotions can help managers to develop effective promotional programs as well as provide new insights for consumer behavior theorists who seek to understand the influence of different types of environmental cues on consumer behavior. Blattberg et. al. [5] find evidence that promotions are associated with purchase acceleration in terms of an increase in quantity purchased and, to a lesser extent, decreased inter purchase timing. Researchers [6] studying the brand choice decision-for example, when promotion experience is linked to these kinds of feelings, thoughts and benefits, more favorable and positive brand associations are linked to the brand. In fact, as suggested by the number and the valence of spontaneous thoughts are better predicted by feeling responses, found promotions to be associated with brand switching. David [7] found that promotion-prone households were associated with lower levels of brand loyalty. [8] describe 16 purchasing strategy segments based on three purchase dimensions: brand loyalty (single brand, single brand shifting, many brands), type of brand preferred (national, both national and private label), and price sensitivity (purchase at regular price, purchase at deal price). There are other variables that may be used to describe purchase strategies, examples are whether the household purchases a major or minor (share) national brand, store brand, or generic, or whether it is store-loyal or not. Webster Jr. [9] used certain segments derived from previous study and add a purchase acceleration variable to study the profitability of product promotions. Throughout the world, consumer sales promotions are an integral part of the marketing mix for many consumer products. Marketing managers use price-oriented promotions such as coupons, rebates, and price discounts to increase sales and market share, entice trial, and encourage brand switching. Non-price promotions such as sweepstakes, frequent user clubs, and premiums add excitement and value to brands and may encourage brand loyalty [10]. In addition, consumers like promotions. They provide utilitarian benefits such as monetary savings, added value, increased quality, and convenience, as well as hedonic benefits such as entertainment, exploration, and self-expression [11]. According to Neslin and Shoemaker [12] sales promotion is an activity that acts as a direct inducement, offering added value or incentive for a product to resellers, salespersons or customers. Aaker [13] defined sales promotion as special offers which essentially aim to stimulate demand for the products. Shea [14] has categorized the different types of consumer sales promotion techniques induced by the retailers to boost the sales and respond as Coupons, Rebates, Free trial premium, Contest, Sweepstakes and Price packs. Such activities enhance the value of product either by reducing cost or adding benefits. Pierre and Wansink [15] reported that sales promotion techniques used by the marketer are not only effective in attaining short-term sales but are also more cost effective than advertising. Lowengart [16] categorized sales

promotions as Consumer Sales promotion and Trade Sales promotion. According to their study, consumer sales promotion refers to any short term promotion techniques designed by retailers to enhance customer response to the products.

### 3. Need for the study

To understand and know the impact of sales promotion techniques used by online dealers. This will help us to know the consumer psychology while purchasing goods and services and how much sales promotion plays a role in their buying behavior. It will also help us to know the key concern and problem faced by consumer while purchasing online. The following the information was required to be found out:

- What is purchaser's disposition towards e-shopping?
- What are the key concern regions for shoppers while e shopping?
- Which components shape the buyer's disposition towards internet shopping?
- What all problem faced by consumer while shopping online?

### 4. Objective

To study the impact of different sales promotion technique used by the online dealers, majorly in respect to their effect on SMEs

1. To study how using online dealings can reduce the cost for both the seller and buyers
2. To study how the online trend has influenced the young generation and also how the old generation is affected by it.

### 5. Research methodology

The research design used in this study was descriptive research design. The primary data for this study was quantitative in nature. It involved designing a questionnaire to gain insights about the various aspects of online consumer behaviour with respect to online promotional techniques used by the dealers. The researchers have collected secondary data for this study from wide variety of sources and used them wherever deemed necessary. The sampling method used in this study is a **Non-probability sampling** because specific samples have been selected as per convenience of the researcher in a non-random due to huge size of target population. The sample consists of 320 respondents that already purchased product through online shopping.

**Table 1.** Demographic profile of Respondents

Demographic details	No. of Respondents	Percent
<b>Gender</b>		
Male	153	47.8
Female	167	52.2
<b>Occupation</b>		
Businessman	9	2.8
Student	237	74.1
Service	62	19.4
Housemaker	12	3.8
<b>Monthly income</b>		
less than Rs. 10,000	198	61.9
Rs. 10,000 to 20,000	30	9.4
Rs. 20,000 to 30,000	24	7.5
Rs. 30,000 to 40,000	26	8.1

More than Rs. 40,000	42	13.1
<b>Age</b>		
15 years to 20 years	33	10.3
21 years to 25 years	251	78.4
26 years to 30 Years	21	6.6
30 years to 35 years	6	1.9
36 years to 40 years	6	1.9
Above 40 years	3	.9

The Table 1 present the demographic e profile of the respondents in four parameters like gender, age group of the respondents, occupation and monthly income of the respondents.

## 6. Data Analysis

**Table 2.** Cross Tab: monthly online expenditure \* category attracts expenditure the most

Monthly online expenditure	What category attracts expenditure the most due to promotion?						Total
	Books	Clothes	Electronics	Cosmetics	Fashion Accessories	Tickets	
Less than Rs. 5000	12	102	69	12	12	24	231
Rs.5000-10000	3	24	18	0	18	9	72
Rs.10000-20000	3	5	3	0	0	0	11
More than Rs. 20000	0	0	6	0	0	0	6
<b>Total</b>	<b>18</b>	<b>131</b>	<b>96</b>	<b>12</b>	<b>30</b>	<b>33</b>	<b>320</b>

In the above Table 2 the monthly expenditure spent by the customers online are clubbed with the categories that attracts the expenditure by the customers the most. Out of the 320 respondents, 231 respondents were those who spent only Rs 5000 or less per month on online purchases. Out of these 231 the major chunk of the customers are those who prefer buying the clothes online through different online portals. The next comes the customers who prefer electronics to be bought online but these are the products that cost less than 5000 only and are not heavy goods. Only 12 customers each said that they spend less than 5000 monthly on books, cosmetics and fashion accessories individually. The next level of expenditure lies between the group Rs 5000 to Rs 10000 (72 out of 320 respondents). Amongst these 24 were the ones who again buy clothes online followed by the electronics and the fashion accessories buyers. The leas number lies with the ones buying books as books are generally of a cost below 5000 and this category of people does not indulge in buying unnecessary stuff online. None of the customers buy cosmetics in this category. The next category is of the individuals spending Rs 10000 to Rs 15000 per month online and comprise of only 11 respondents which is quite less in number. Out of these 11, 5 respondents purchase clothes and 3 each who buy books and electronics. The last category is of the customers who spend more than Rs 20000 every month for shopping online and these are mainly the ones who buy electronics online which cost a little higher in proportion. To be precise the results that came out showed that most of the customers buy books online but they are the ones who lie in the lower expenditure bracket and those in the higher expenditures bracket majorly spend their incomes buying electronics online.

**Table 3.** Cross tab : ‘Discounts’ impact ‘Loyalty’ while shopping online \* Gender

Discounts’ impact ‘Loyalty’		Gender		Total
		Male	Female	
Yes	Count	102	96	198
	Expected Count	94.7	103.3	198.0
No	Count	24	33	57
	Expected Count	27.3	29.7	57.0
May Be	Count	27	38	65
	Expected Count	31.1	33.9	65.0
Total	Count	153	167	320
	Expected Count	153.0	167.0	320.0

**Table 3-a.** Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.857 <sup>a</sup>	2	.240
Likelihood Ratio	2.867	2	.239
Linear-by-Linear Association	2.504	1	.114
N of Valid Cases	320		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 27.25.

In the above Table 3 ‘Discount’ impact ‘Loyalty’ while shopping online is clubbed with the gender of the customers. Out of the 320 respondents, 102 respondents were Males who agree with the statement that Discount impact Loyalty while shopping online in comparison with Female respondents which were 96 who agreed with the statement Discount impact Loyalty while shopping online. The next comes the customers who do not agree with the statement Discount impact Loyalty while shopping online in this case there were more female respondents 33 as comparison with males which were only 24. Only 38 Female respondents said that there may be impact of Discount over loyalty while shopping online as comparison with the male respondents which were only 27.

As it can be clearly understood from the above tables that Male are the one who deviate with the brands or websites while shopping online as comparison with females and they can buy from any e-commerce websites from wherever they think they can get the best price and the best product as in today’s world for male while shopping online price plays a very important while shopping online. While talking about Females it clearly indicates Females also agree with statement but they were found more confused between the going for this statement or not as according to them sometimes price is much more important tool for shopping online but as the same time they prefer only few websites to buy online which indicates that loyalty factors among Females is much more than males and they prefer more to stick with particular brand in comparison with males who deviates or change their choice as per the best price which they can get from the e commerce websites.

## 7. Factor analysis

Factor Analysis is utilized to recognize the hidden builds and research connections among the variables. To test the suitability of the information for component investigation, the accompanying steps are taken:

- The relationship network are processed and analyzed. It uncovers that there are sufficient relationships to continue with Factor Analysis.
- To test the examining sufficiency, Kaiser-Meyer-Olkin Measure of Sampling Adequacy is registered which is discovered to be 0.741. It shows that sample is sufficient for inspecting.
- The general noteworthiness of correlation matrix's is tried with Bartlett test of sphericity (Approx Chi-square = 710.004 and significant at 0.000) gave and additionally backing to the legitimacy of the variable examination of the information (Table 4).

**Table 4.** KMO and Bartlett's Test

<b>Kaiser-Meyer-Olkin Measure of Sampling Adequacy.</b>		<b>0.741</b>
Bartlett's Test of Sphericity		710.004
	Df	21
Approx. Chi-Square	Sig.	0.000

Thus all propositions norms demonstrate that the information is suitable for element examination. Main part examination utilized for extricating variable. Orthogonal revolution with varimax was connected. The inactive root model is utilized for extraction of variables. According to it, just the variables having Eigen values greater than one are viewed as noteworthy; all the components with Eigen values under 1 are viewed as unimportant and slighted.

For this there were only two factors (Table 4) having Eigen values exceeding 1. The Eigen values for factors after rotation are 3.017 and 1.441. The percentage of the total variance, which has used as an index to determine how well the factor solution accounts for the variables together represent, is 63.68%.

Table 5 depicts the variables under each of the seven derived factors. The first factor identified I prefer buying online due to 'Loyalty Benefits' Offered, Promotional 'Emails' affects Online Shopping Decisions, Promotional 'SMS' affects Online Shopping Decisions, Promotional 'Pop Ups' affects Online Shopping Decisions have been grouped under factor1 and termed as *Online promotional tool*. This is the most important factor, which explains 27.65% of variance before rotation. Loyalty and promotional tools are the most important variables under this factor having positive correlation above 0.82; the factor named as 'Online promotional tool' on the basis of these variables.

**Table 5.** Rotated Component Matrix (Loading criteria>0.5)

<b>Rotated Components</b>	1	2
Convenience plays an important role while shopping online		0.817
I prefer buying online due to 'User Friendly Interface'		0.694
I prefer buying online due to 'Loyalty Benefits' Offered	0.659	
Promotional 'Emails' affects Online Shopping Decisions	0.820	
Promotional 'SMS' affects Online Shopping Decisions	0.762	
Promotional 'Pop Ups' affects Online Shopping Decisions	0.745	
Sales promotion influence your online shopping		

The second factor is the *Ease of use*, it includes variables Convenience plays an important role while shopping online and I prefer buying online due to 'User Friendly Interface'. In this factor these

two have Convenience plays an important role while shopping online and I prefer buying online due to ‘User Friendly Interface’ maximum correlation of 0.817 and 0.694 respectively. Refer to Table 6

**Table 6.** Major Factors

<b>F1 (Online promotional tools)</b>	<b>F2 (Ease of use)</b>
I prefer buying online due to ‘Loyalty Benefits’ Offered Promotional ‘Emails’ affects Online Shopping Decisions Promotional ‘SMS’ affects Online Shopping Decisions Promotional ‘Pop Ups’ affects Online Shopping Decisions	Convenience plays an important role while shopping online I prefer buying online due to ‘User Friendly Interface’

This co- relation Table 7 here shows the co-relations between the different factors which consumer considers and affects the purchasing behavior of the customers while shopping online. The factors consider here are those which consumers keeps in mind like convenience ease of use, promotional emails/sms, sales promotion, pop ups and loyalty benefits.

**Table 7.** Correlation between factors (considered parameters)

		<b>Convenience plays an important role while shopping online</b>	<b>I prefer buying online due to ‘User friendly interface’</b>	<b>I prefer buying online due to ‘Loyalty Benefits’ Offered</b>	<b>Promotional ‘Emails’ affects Online Shopping Decisions</b>	<b>Promotional ‘SMS’ affects Online Shopping Decisions</b>	<b>Promotional ‘Pop Ups’ affects Online Shopping Decisions</b>	<b>Sales promotion influence your online shopping</b>
Convenience plays a important role while shopping online	Pearson Correlation	1	0.610**	0.253**	.152**	0.180**	0.018	.044
	Sig. (2-tailed)		.000	.000	.007	.001	.748	.429
	N	320	320	320	320	320	320	320
I prefer buying online due to ‘User friendly interface’	Pearson Correlation	.610**	1	.264**	.250**	.306**	.165**	.175**
	Sig. (2-tailed)	.000		.000	.000	.000	.003	.002
	N	320	320	320	320	320	320	320
I prefer buying online due to	Pearson Correlation	.253**	.264**	1	.445**	.335**	.383**	.315**
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000



'Loyalty Benefits' Offered	N	320	320	320	320	320	320	320
Promotional 'Emails' affects Online Shopping Decisions	Pearson Correlation	.152**	.250**	.445**	1	.657**	.588**	.397**
	Sig. (2-tailed)	0.007	0.000	0.000		0.000	0.000	0.000
	N	320	320	320	320	320	320	320
Promotional 'SMS' affects Online Shopping Decisions	Pearson Correlation	.180**	.306**	.335**	.657**	1	.539**	.243**
	Sig. (2-tailed)	.001	.000	.000	.000		.000	.000
	N	320	320	320	320	320	320	320
Promotional 'Pop Ups' affects Online Shopping Decisions	Pearson Correlation	.018	.165**	.383**	.588**	.539**	1	.452**
	Sig. (2-tailed)	.748	.003	.000	.000	.000		.000
	N	320	320	320	320	320	320	320
Sales promotion influence your online shopping	Pearson Correlation	.044	.175**	.315**	.397**	.243**	.452**	1
	Sig. (2-tailed)	.429	.002	.000	.000	.000	.000	
	N	320	320	320	320	320	320	320

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

From the above Table-7 we can clearly find that the Convenience have a positive and effective relation at 0.01 confidence level with User friendly interface, Loyalty benefits, promotional email's and promotional sms's ranging between 0.18 to 0.61. The values of co-relation for user friendly interface with the other components includes the range between 0.18 to 0.61, this shows that there is a positive co relation with all the factors compared. The values of co-relation for loyalty benefits offered interface with the other components includes the range between 0.253 to 0.445, this shows that there is a positive co relation with all the factors compared.

The values of co-relation for user promotional emails with the other components includes the range between 0.15 to 0.697, this shows that there is a positive co relation with all the factors compared. The values of co-relation for user promotional sms with the other components includes the range between 0.18 to 0.61, this shows that there is a positive co relation with all the factors compared. The values of co-relation for promotional pop ups with the other components includes the range between 0.018 to 0.588, this shows that there is a positive co relation with all the factors compared.

The values of co-relation for sales promotional influence online shopping with the other components includes the range between 0.044 to 0.452, this shows that there is a positive co relation with all the factors compared.

The most positive and effective co-relation can be found between

- Convenience and user friendly interface with the Pearson co-relation value 0.611
- User friendly interface and Convenience with the Pearson co-relation value 0.611
- Loyalty benefits offered and Promotional Emails with the Pearson co-relation value 0.445
- Promotional Emails and Promotional Sms with the Pearson co-relation value 0.657

- Promotional SMS and Promotional Emails with the Pearson co-relation value 0.657
- Promotional Pop ups and Promotional Emails with the Pearson co-relation value 0.588
- Sales promotion emails and Promotional Pop ups with the Pearson co-relation value 0.452

There is a least co-relation between promotional pop ups and convenience, and Sales promotion influences and convenience which can be concluded as there is least relation between these two factors as compare to other parameters.

### Friedman Test

This test was directed with a specific end goal to know the mean rank (refer to Table 8) for those parameters which affects consumers while shopping online in the form of promotional tools used by online dealers.

For the test we have taken null as well as alternative hypothesis and these are as follows:

**H<sub>0</sub>**: there is a no difference between the factors that affect the consumers while shopping online in the form of promotional tools.

As per test performed, we find that the significance value is 0.00 which is below 0.05 values. We can say that the value of p is statistically significant.

This test was led so as to know the mean rank for those parameters which affects consumers while shopping online in the form of promotional tools used by online dealers. This test was directed with a specific end goal to know whether a differential rank arrange between these parameters is or not. As indicated by the Table 9 it can be deciphered that shoppers draws in towards the force when contrasted with different parameters while there is a nearby rivalry in the middle of mileage and brand name.

**Table 8.** Ranks

Parameters	Mean Rank
Discount	1.22
Promotional Email/SMS	4.67
Pop ups	4.33
Social Networking	2.56
TV Advertisement	2.22

**Table 9.** Test Statistics

N	320
Chi-Square	1090.968
Df	4
Asymp. Sig.	.000

### Hypothesis testing

**H<sub>01</sub>: Sales promotion has no association with online shopping**

Significance level: 95%

According to the Table 10 above, we can conclude that the significance level or the p value is less than 0.5 so we will reject the null hypothesis in favor of alternative hypothesis which is Sales promotion has association with online shopping.

**Table 10.** One-Sample Test

	Test Value = 0					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Sales promotion influence your online shopping	46.256	319	.000	2.388	2.29	2.49

**H<sub>02</sub>: Promotion does not affect (increasing) online expenditure**

Significance level: 95%

According to the Table 11 above, we can conclude that the significance level or the p value is less than 0.5 so we will reject the null hypothesis in favor of alternative hypothesis which is Promotion does affect (increasing) online expenditure.

**Table 11.** One-Sample Test

	Test Value = 0					
	t	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Does promotion affect (increasing) your online expenditure?	47.345	319	.000	2.403	2.30	2.50

**Figure 1.** Brand Preferences for online shopping

Shopping online is in trend in today's world. Some of the brands in the market are advertised and are available for the customers only through online portals and some exists even online and offline. The major brands whose products are being purchased through online portals are Samsung, Iphone, Xiomi,

Louis Phillippe, Dell, Puma, Adidas, Sony, Lifestyle, Reebok, Maybeline, Fastrack, Rayban and many more. Figure 1 shows that between the target audience of 320 respondents the most preferred brand for only shopping was discovered to be Samsung comprising of about 16% share of the respondents. The next most preferred brand is the iPhone with not less than 12% of the respondents preferring this brand. Then comes the Dell and Adidas with covering 11% preferences each which makes them the third most searched and preferred brands online. The next comes the Xiomi with 10% weightage and this is a brand which sells or offers its products only online and is not available in the offline market. Also united colors of Benetton give a tough competition to Xiomi for its preference on the online portal sites. Rayban which has a wide market in the offline nature also frames its existence in the online market with 8.50% of the respondents going online mainly for this brand as it offers huge promotional discounts and schemes online. The other brands like Louis phillippe, Maybeline, Lifestyle, Puma, Fastrack, Reebok and Sony are the ones who lie it the lowest 1-6% bracket in terms of their preference by the online customers because these are the products that needs to be seen physically and touched before purchase and thus prevail in offline markets mostly.



**Figure 2.** Dissatisfaction through online shopping

The customer’s future purchase depends majorly on its past experience with the particular website or may be with online shopping as a whole. If the past purchase experience is not satisfactory it may result in low preference during the next purchase. There can be many reasons that may result in disappointed customers and thus preventing customers to make a future purchase online. As per Figure 2 the most disappointing factor that affects the satisfaction level of the customers is the difference between the quality of the product expected or displayed online and the quality of the product delivered to the customers. 59.10% of the customers said that they have faced this kind of problems in the past which leaves a bitter experience in their minds. Customers also face a problem of hidden charges such as shipping which are not specified before and are mentioned at the time of payment (faced by 45.50% of the eligible customers). One more issue that is common is that the product is still displayed in the pop ups and advertisements even if they are now out of stock and could not purchase or delivered. This creates a curiosity in the minds of the customers to buy the product but they still can’t own that product. About almost 23.6% customers said that they were being delivered the wrong product in place of the original product which was being ordered by them. 20.9% customers also faced a problem of the price mentioned on the official sites are online are not actually the standard price of that particular product.

This problem is rare but has occurred with 15.5% customers that is the products were not delivered to the customers even after the order has been placed and the payment has been made for the same.



**Figure 3.** Most visited websites

In today's scenario there are many online websites that provide with different products with different prices and promotional benefits. This helps the customers to evaluate different alternatives available to them on different websites and then make a choice of the best alternative they prefer. Figure 3 shows that flipkart is the most preferred website by almost than 30% customers prefer it for purchasing or shopping online. It is the most economic and latest brand in the world of online shopping. Flipkart is followed by Amazon.in and bookmyshow.com with each capturing more than 15% of the online consumers market. Bookmyshow is as popular as it is the only website that provides the facility to the customers for booking tickets online for any movie or other forms of entertainment with just one click sitting anywhere. Myntra the online fashion clothing brand is also coming up due to its trendy and new appealing collections for the youth. Thus myntra takes away almost 14% of the online consumers mainly in the category of clothing. Then followed by Snap deal and Jabong which takes on an average of 12% of the online consumers individually. This can be inferred that the Flipkart is the most preferred brand by the customers when it comes to online shopping but it can't be concluded which website is the lowest on the chart of preference by these customers.

## 8. Key Findings

1. People prefer going online for many reasons these days. The survey says that the most preferred categories for which consumers majorly prefer going online and because of which the online shopping experience is taking a new and exciting turn are the tickets for movies, shows, events etc., Clothes of various new and old brands and also books.
2. Websites are the online portals that help consumers choose what they want and compare with other options available to make a right choice at the right price. The most commonly used websites by the consumers are Flipkart, Amizone and Bookmyshow. Consumers think that these sites are more reliable and user friendly in terms of best deals offered by them.
3. Consumers are getting very techno savvy and like to use new innovative techniques. People say that they like adapting new trends and like to change with the flow, and thus therefore majority of the

consumers are not ready to part with a large portion of their hard earned money on to try new innovations. Also a large part of the country's population are average earned people so on an average they are ready to spend at maximum only Rs 5000 per month as their online expenditure.

4. The promoters are coming up many attractions and innovative drivers to deviate the offline customers towards the online market. Promotion is one of them. Promotion techniques used by the promoters to attract customers online are really working remarkably and have been effective in increasing the customer's average monthly expenditure online. These sales promotion techniques has majorly affected the clothes and electronics market online and thus making the two categories the most preferred products on the website portals when it comes to attraction due to sales promotion techniques used by the promoters.
5. It is not only the website portals that are being considered while shopping online. But also the brands like Adidas, Apple, Samsung, Dell etc that are being preferred by the most of the online consumers. These brands not only advertise their products by making the products available on the website like Flipkart but also create their own website which gives the consumers an extra edge when it comes to discounts and benefits.
6. The main reason why consumers are preferring going online are for the convenience, that is they can get what they want, where they want and as they want at cheap prices also the online technology is very user friendly and even not so technology enabled individual can have access to these services. Also the two more reasons for which consumers are preferring online shopping are the heavy discounts that are offered by the promoters if purchased online(just to promote the online technology) and The television advertisements that are very appealing and knowledgeable.
7. Brand image, Brand experience, these are some words that created a Brand loyalty in the offline market and thus providing the brands with the satisfaction of minimum sale or profits in the coming future. The trend is changing today, with the coming of online business where companies provide with extraordinary discounts just to attract the customers of the other brands, and this game of attracting other's customers has resulted in customers not being loyal with brands anymore and prefer the ones who provide with maximum benefits.
8. When there are positives, there also exist some negative points. Not all the customers are satisfied by the online promotional techniques. The customers have experienced many problems due to which they are disappointed and do not prefer shopping online anymore or are very cautious while doing so. The two major reasons for this are the difference in the quality of the product orders or expected and the product delivered to the customers and the other reason is the hidden charges that are applicable such as delivery charges.

## 9. Conclusion

Online promotions are frequently one of the slightest utilized showcasing instruments on a site - not on account of they are insufficient, but since they are not well caught on. The Place making Group can help characterize what sort of online advancement may be ideal for your association. Generally as advancement has a spot in your logged off advertising blend, so does online advancement have a spot in your web showcasing blend. The huge preferences are that online advancements are considerably less costly and much faster to execute and measure than hardcopy. The online portals are mainly used to book tickets conveniently, purchase trendy clothes and books for the book lovers. The frequently used websites are Flipkart, Amazon and bookmyshow and the major chunk of the consumers are those spending within the range of 5000 or less on an average per month. But this is also seen that the promotions techniques used have been effective in increasing the expenditure of the consumers and these sale promotions have majorly affected the sales of clothes and electronics online and had now being representing the new heights. The majorly preferred brands online are Samsung, Adidas, Apple and Dell. The consumers are increasing frequently for the online methods due to two main reasons that is the sites are user friendly and are very convenient for the working sector of the country. The major drawback of offline shopping is that the consumers are more attracted towards the discounts and are not much loyal towards the brands that they like. And also the consumers are disappointed due to the difference between the quality of the product ordered with the quality of the product delivered and also the hidden costs like the shipping costs. It is also drawn that the females are more loyal towards the online dealers as compare to the males and females are the one who spend more amount of money while

buying online. It has also found that the consumers are generally disappointed by the different promotional technique being used as there are always hidden terms and conditions or inferior quality which are not informed to the customers due to which trust and strong relation between the online dealers and customers is not strong till now.

## 10. Recommendations

1. The first and foremost importance should be given to avoidance of the factors like fraud pop-ups, hidden charges etc. that may result in disappointment to the customers, should be not used and should be eliminated completely by the online dealers. They should realize they can tempt the customers to visit their sites once by these advertisements but will surely loose that customer for future forever.
2. The dealers should conduct proper research about the customer's preference and expectations before going online. The dealers may even approach some market research companies or can conduct the research themselves and find out everything they should now about their target potential customers before approaching them online.
3. The dealers should not try to attract customers for only the first time purchase, or should not try to give extra benefits just to attract the present customers of the competitors. They should try to focus more on quality of product and service so that they could retain those customers for the lifetime and create a sense of brand loyalty in their minds.
4. Many dealers online are focusing and targeting only the niche market or the consumers with high income levels. They are forgetting that the major portion of the economy lies in the middle and lower income level sections. Thus they should come up with new innovations and methods to attract this section and make the middle and lower income level groups their new targeted customers.
5. The dealers should offer the products and services that create an impact of value for money for the customers. The dealers should believing in building up a relation with the customers online as compared to the trust that you build with your any neighborhood *kirana* shop. The same trust should also prevail in the minds of the online customers when they think of their brands or websites.
6. The dealers should construct a method of safe and secure payment from the customers so that the customers are not cheated by the hackers and they do not have to give up on their hard earned money, which may indirectly disturb the trust that these customers may build upon you as a brand.

## References

- [1] L. R. Ye and H. Zhang, "Sales Promotion and Purchasing Intention: Applying the Technology Acceptance Model in Consumer-to-Consumer Marketplaces" *Int. J. Bus., Humanities and Technology*, vol. 4, no. 3, pp. 1-5, May 2014.
- [2] S. Shanthakumari and K. Priyadarsini, "A Study on E- Promotional strategies for e-marketing", *Int. J. Scientific Research and Manage*, vol.1, no. 8, pp. 426-434, Nov. 2013.
- [3] S. Gupta, "Reflections on "Impact of sales promotions on when, what and how much to buy"", *J. Marketing Research*, vol.30, no. 4, pp. 522-524, Nov. 1993.
- [4] R. C. Blattberg, and A. N. Scott, *Sales Promotion: Concepts, Methods and Strategies*. Englewood Cliffs, New Jersey: Prentice Hall, 1990.
- [5] R. C. Blattberg, G. D. Eppen and J. Lieberman, "A theoretical and empirical evaluation of price deals for consumer nondurables", *J. Marketing*, vol. 45, no. 1, pp. 116-129, 1981.
- [6] Pham, M.T., Cohen, J.B., Pracejus, J.W. & Hughes, G.D., "Affect monitoring and the primacy of feelings in judgment". *Journal of Consumer Research*, 28 (September), pp. 167- 188, 2001
- [7] B. M. David, "Consumer Characteristics Associated with Dealing: An empirical example", *J. Marketing Research*, vol. 8 no.1, pp. 118-120, Feb. 1971.
- [8] G. S. Linda and I. S. Currim, "Consumer Purchase Behaviours Associated with Active and Passive Deal-Proneness", *Int. J. Research in Marketing*, vol. 8, no.3, pp. 205-222, Sept. 1991.

- [9] F. E. Webster Jr., "The 'Deal-Prone' Consumer", J. Marketing Research, vol. 2no. 2, pp. 186-189, May 1965.
- [10] R. Sethuraman and V. Srinivasan, "Asymmetric and neighbourhood cross-price effects: Some empirical generalizations", Marketing Sci., vol. 18, no. 1, pp. 23-41, Feb. 1999.
- [11] McAlister, Leigh, "A Theory of Consumer Promotions: The Model" SSM Working Paper #1457-83, Massachusetts Institute of Technology, 1983.
- [12] S. A. Neslin, and R. W. Shoemaker, "An Alternative Explanation for Lower Repeat Rates after Promotion Purchases", J. Marketing Research, vol. 26, no. 2, pp. 205-213, May 1989.
- [13] D. A. Aaker, "Managing Brand Equity: Capitalizing on the value of a Brand Name", J. Marketing, vol. 56, no.2, pp. 125-128, Apr. 1992.
- [14] C. Shea, "Playing to Win", Promo Magazine, Aug. 1996.
- [15] C. Pierre and B. Wansink, "When are stockpiled products consumed faster? A convenience-salience framework of post purchase consumption incidence and quantity", J. Marketing Research, vol. 39, pp. 321-335, Aug. 2002.
- [16] O. Lowengart, "Reference price conceptualizations: an integrative framework of analysis", J. Marketing Manage., vol. 18, no. 1-2, pp. 145- 171, 2002.