
**AN EMPIRICAL STUDY OF THE IMPACT OF MARKETING
STRATEGY OF DISCOUNT OFFERS ON THE PURCHASING
PATTERNS OF CONSUMERS**

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INTRODUCTION:

Advertising is a significant and legitimate means for the merchant to stimulate, inform and awaken in goods or services. The success of an advertisement depends heavily on the level of public confidence it is able to build. An Advertisement is defined as a paid form of communication, addressed to the public the purpose of which is to influence the opinions or behavior of those to whom it is addressed. Siddiqui defines that advertising is communication used to influence individuals to purchase products or services or support political candidates or ideas.¹ But of late the T.V commercials have indulged in market gimmicks with the with the role motive of selling the product. The commercial interests care little about ethics, social values, ethos and health of the viewers who don't have cognitive tools to evaluate the level of truth involved in the advertisement of the product they are purchased to purpose.

There were times when Print Media advertising was perceived as the most trustworthy form of advertising. Becker, Martino and Towers found that newspapers were perceived as the most credible advertising medium and that advertising credibility varied as a function of two audience demograpiiies:age and medium of use.²

Unprecedented technology changes have resulted in the erosion of moral values. Age old social values are at stake as a result of which society is facing cultural erosion. Traditional values have fast diminished while the new ones are yet to fully emerge. The new values often confront well established time-tested religious-cultural ethos and are always at loggerheads with accepted norms of society. Television advertisements are blamed for tarnishing the social fabrics, eclipsing psychological fertility and eroding moral values. Television has become the most talkative member of families. Winick and Winick refer to television as a member of family.³

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Satellite television channels have penetrated the remotest parts of the country and they endeavour to target consumers who are rather easy to impress as their raw psyche and innocent minds can easily be captured unhealthy commercials have resulted in numerous ramifications of the violations and erosion of rich Indian traditions. Assael (1984), suggests from a theoretical perspective, that celebrities are effective endorsers because of their symbolic aspirational reference group association. Reference group provides points of comparison through which the consumer may evaluate attitudes and behaviour.⁴ According to Paul Nayyar, celebrity endorsement is used to achieve two ends- to get your product noticed and to show that it is tried and tested.⁵ Media persons and social scientists are having their fingers crossed about the catastrophic consequences of immoral and unethical TV commercials. The language, dramatization, dialogues, picturisation, make up, costume and themes of certain commercials manifest adverse effects on the psychology of consumers. Advertising has become an unethical business that cares little about integrity and self-esteem which has fragmented the moral chores of society. Yadava and Mathur opine that Advertising is a powerful and the most difficult form of communication. It is a vital marketing tool which facilitates the selling of products, services and even the change of attitudes at large on social issues for the benefits of society at large.⁶ Huge amounts of money is spent on Television endorsements throughout the world. Hassan Siddiqui says that money spent on advertising has increased in recent years. In 2007, spending on advertising was \$ 150 billion in the United States and \$ 385 billion worldwide, and the latter to exceed \$ 450 billion by 2010.⁷

Advertisement is the by product of industrialization and rapid income growth. Television commercials cast commendable influence and charismatic spell on viewers. The general notion that TV commercials target children, women and young person's more as they are considered as high impressionable group. Children, women and youth are often regarded as adamant for their demands, desires and point of view which provides much needed fertile hunting ground for advertisers. Advertisements depend heavily on numerous appeals to allure the viewers for trapping them by appealing their emotions, psyche and intellect. Corporate houses leave no stone unturned to sell their idea or product by hook or crook.

Sandage, Fryburger and Rotzoll opine that in a free market system there are presumably many suppliers competing for consumer favour. Just as consumer is free to choose, each supplier is

presumably free to enter competition among suppliers is counted on to provide the incentive for innovation and greater efficiency.⁸ They throw to winds all well established norms, notions and values of society. The market driven utopian society has literally no values and its modus operandi as well as thinking pattern is logger heads with traditional Indian society. It is here that manufacturing industry employs tools, techniques and marketing strategies other than television advertising to allure the maximum possible people in order to maximise their gains.

India presents a unique blend of highly diversified population living at a landscape where fraternity is the essence of life. Being the custodian of an ancient civilization patterns of life and livelihood of people have been entrenched in traditional hues. Glimpses of World-wide out dated Barter System can still be witnessed in many pockets of the country. Introduction of the policy of liberalization bade farewell to closed economy and opened floodgates for market driven economy. Open market ensures neck throat competition for sellers and huge choice of goods and variety for buyers. In such a scenario marketing strategy plays a vital role for creating demand, alluring consumers and sustaining business growth. Discount Coupons, Lucky Draws, Exhibitions, Off-Season Sales, Exchange Offers, Trade Fairs, Packaging, Network Marketing, Tele Shopping and Rigorous Advertising are some most common marketing strategies which help phenomenal increase in sales. India boasts of the biggest middle class population in the World which attracts worldwide producers and decides the fate of goods available in the market. Hence marketing strategy attains vital significance.

Objectives of Study:

The study endeavours to find out what, apart from Television advertisements, are the marketing strategies which cast a spell on the consumers and make them purchase certain products. Though initially only Discount Offers were and their influence on the purchasing pattern of consumers was planned to be studied but later it was felt to include some other commonly employed marketing strategies in order to bring out a comprehensible picture of the impact of such strategies on consumers. Thus this study discusses at length the opinion of consumers about a plethora of marketing strategies being tried by producers to impress upon people and gauge the impact of such gimmicks.

Hypotheses:

1. Producers, manufacturers and suppliers deploy numerous marketing strategies to get their product noticed and increase its sale.
2. Consumers get allured by marketing strategies and prefer spending more on domestic goods, garments and vehicles as a result of Discount offers.
3. Consumers feel satisfied having saved some money when they purchase something in Discount or Exchange offers.

RESEARCH METHODOLOGY:

Haryana has great geographical regional dialectical and economical diversity. For this study, district headquarter of South Haryana is selected. Located at equidistance from State as well as National capital, it is termed as one of the most economically backward districts of the state. The agrarian economy of the district makes it the replica of any typical Indian city. Stratified –convenience sampling is used. Survey is done with the help of 15 point questionnaire. All the respondents belong to 25-45 years of age group and all are married. They are either salaried or self-employed.

STATEMENT of the Problem:

Discount Coupons, Lucky Draws, Exhibitions, Off-Season Sales, Exchange Offers, Trade Fairs, Network Marketing, Tele-Shopping etc. are some most common marketing stunts which help phenomenal increase in sales.

Significance of the Study:

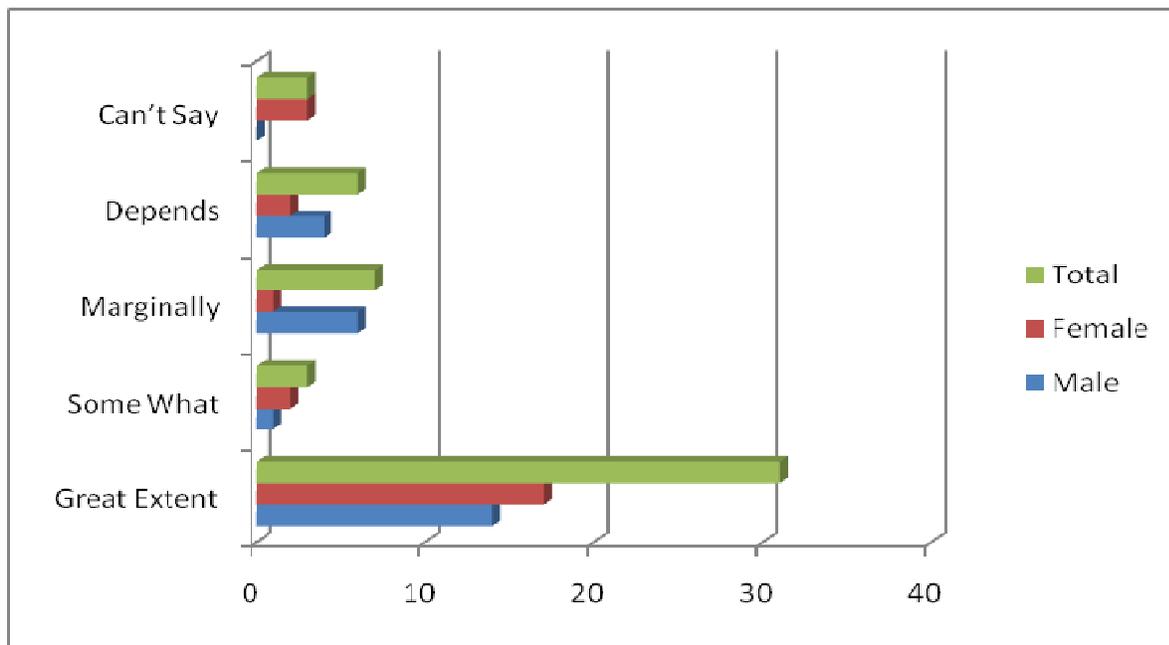
This study aims at exploring the consumer mentality working behind their purchasing patterns with regard to Discount/ Exchange offers and Off-Season Sales. It will provide an unambiguous picture about public response towards marketing strategies under study.

1. Extent to which Advertisements affect Consumers:

	Great Extent	Some What	Marginally	Depends	Can't Say	Total
Male	14	01	06	04	00	25
Female	17	02	01	02	03	25
Total	31	03	07	06	03	50

Table-I

It is evident from the above table that a vast majority of 31/50 i.e. 62% respondent consumers is of the opinion that advertisements have a great bearing on the vulnerable and highly impressionable minds of consumers. 06% respondents peg this effect to some extent while another 14% rate it as marginal. Genderwise, females (68%) accept that advertisements play a vital role in informing and affecting the decision making process of consumers.

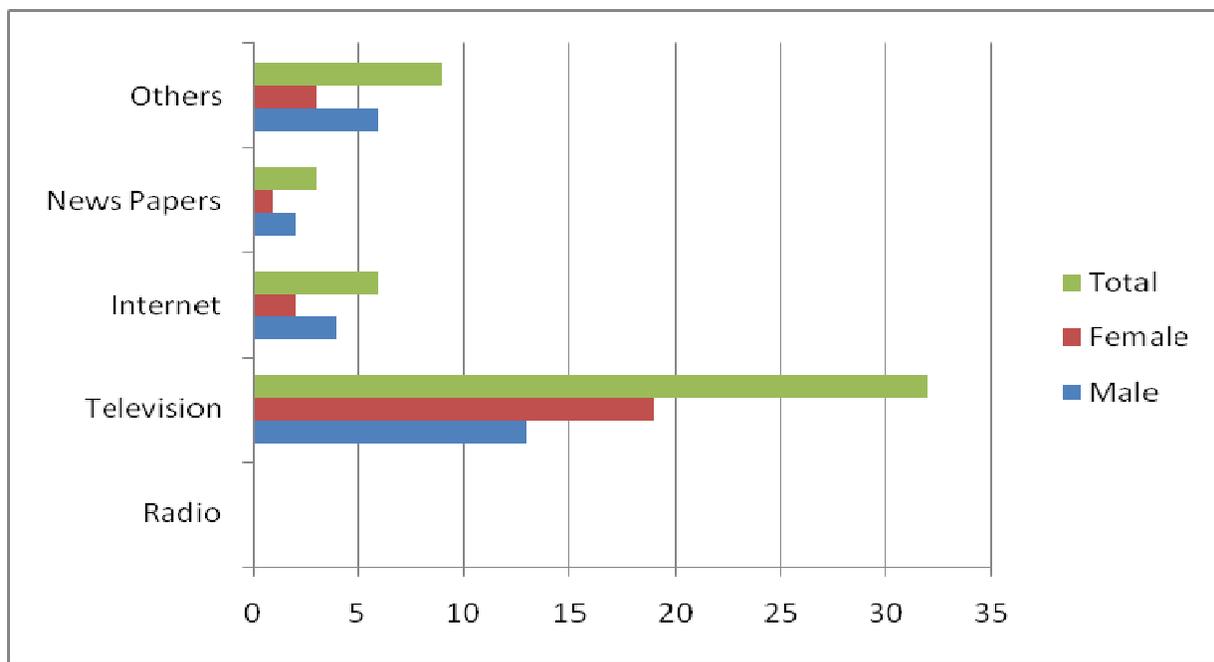


2. Most Effective Media in impressive upon Consumers:

	Radio	Television	Internet	News Papers	Others	Total
Male	00	13	04	02	06	25
Female	00	19	02	01	03	25
Total	00	32	06	03	09	50

Table-II

Mass Media is often perceived and accepted as highly potent in affecting the decision making process of people. Electronic Media, Print Media and New Media all have their own style of influence. During this study none of the consumers – respondents accepted the impact of Radio while a whopping 64% i.e. 32/50 respondents said that Television is most impressive Mass Media in impressing upon consumers to act in a particular way. 6% female and 42% male respondents said so. Just 6% favored Newspapers while only 12% voted for Internet. 18% respondents were in favor of other media e.g. outdoor publicity materials, traditional media and display windows etc.

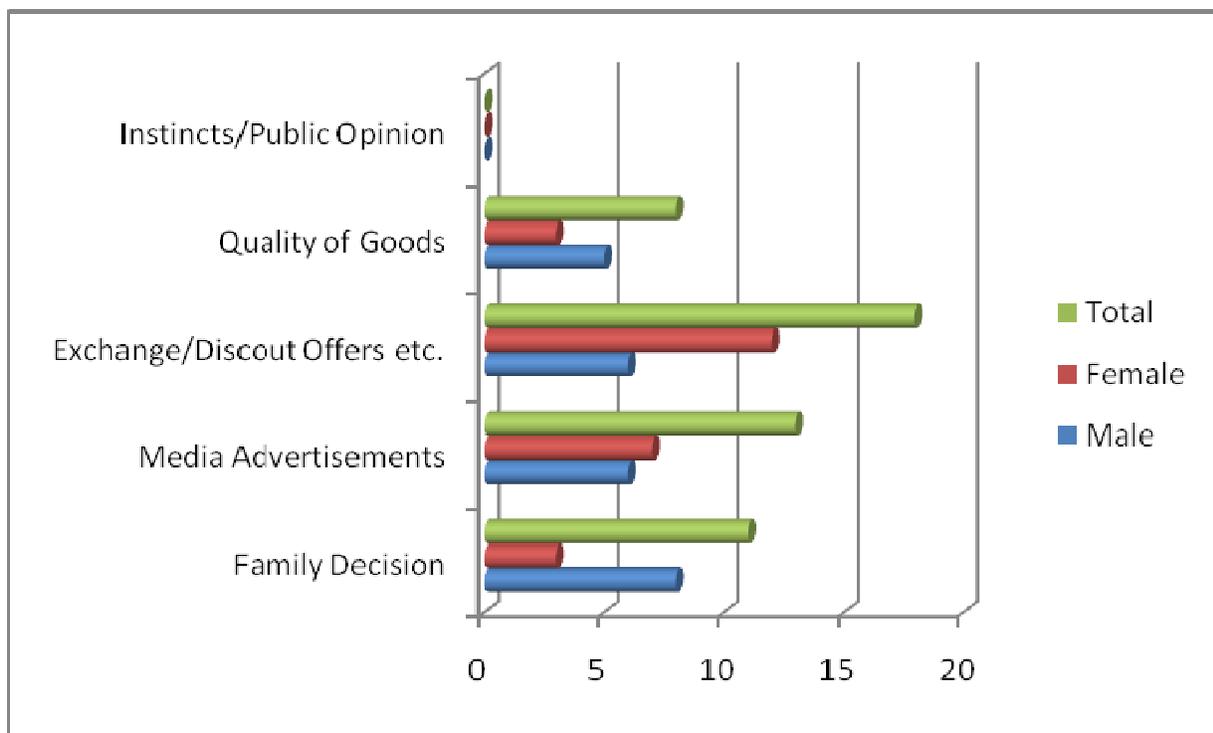


3. Decisive factor for making decision to purchase Products:

	Family Decision	Media Advertisements	Exchange/ Discount Offers etc.	Quality of Goods	Instincts/ Public Opinion	Total
Male	08	06	06	05	00	25
Female	03	07	12	03	00	25
Total	11	13	18	08	00	50

Table-III

Advertisements do play a great role in making decision for the purchase of certain products. As many as 36% respondents (mostly females) say that market strategies like Exchange Offers & Discount Offers etc. affect their decision making process more than anything else. While 22% respondents (mainly males) say that decision of buying a product is taken at the family level, 26% respondents opine that media endorsements help them in making decisions for purchasing certain goods. Just 16% take into account the quality of goods they wish to purchase. None of the respondents take care about public opinion while deciding to buy a product.



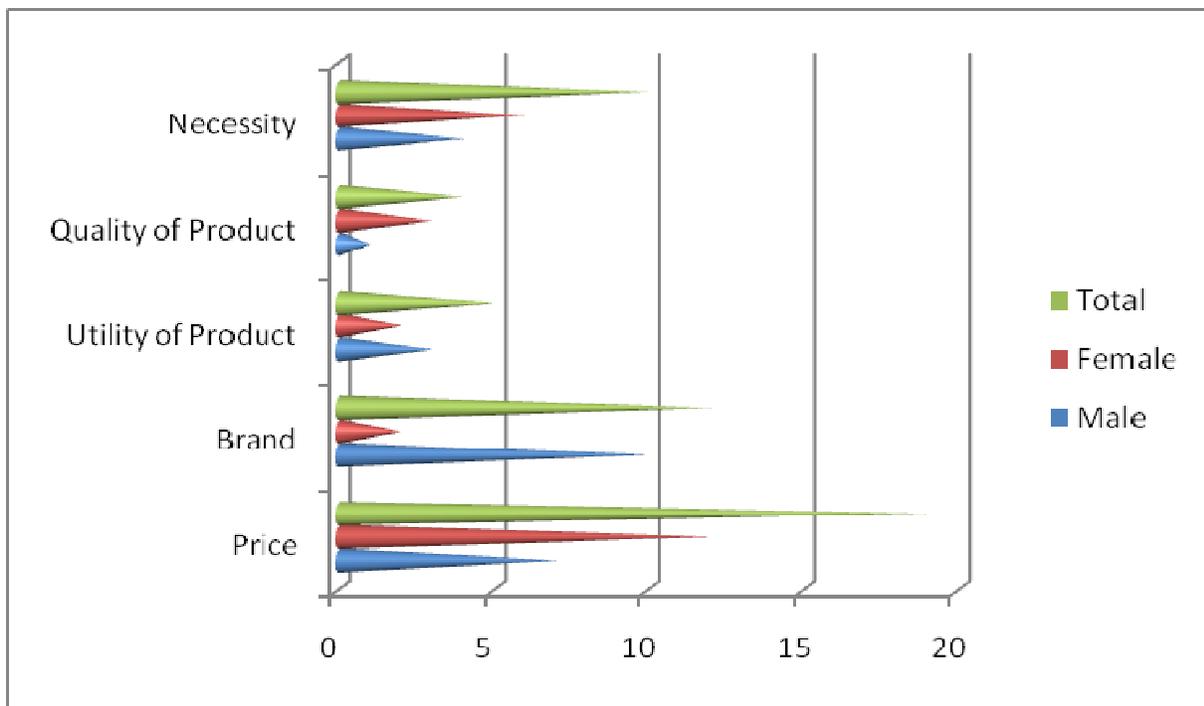
4. Major factor while purchasing a product:

	Price	Brand	Utility of Product	Quality of Product	Necessity	Total
Male	07	10	03	01	04	25
Female	12	02	02	03	06	25

Total	19	12	05	04	10	50
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Table-IV

Soaring prices do play a decisive role in enabling the respondents to purchase a particular product. Female respondents (48%) are more particular about the price tag while males (40% i.e. 10/25) take into account the brand of the product. Overall 38% respondents take into account the price, 24% brand, 10% utility and 08% the quality of the product while deciding to purchase a product in the market. Just 10/50 i.e. 20% respondents say that they buy goods while keeping in mind the needs and necessities of their respective families.



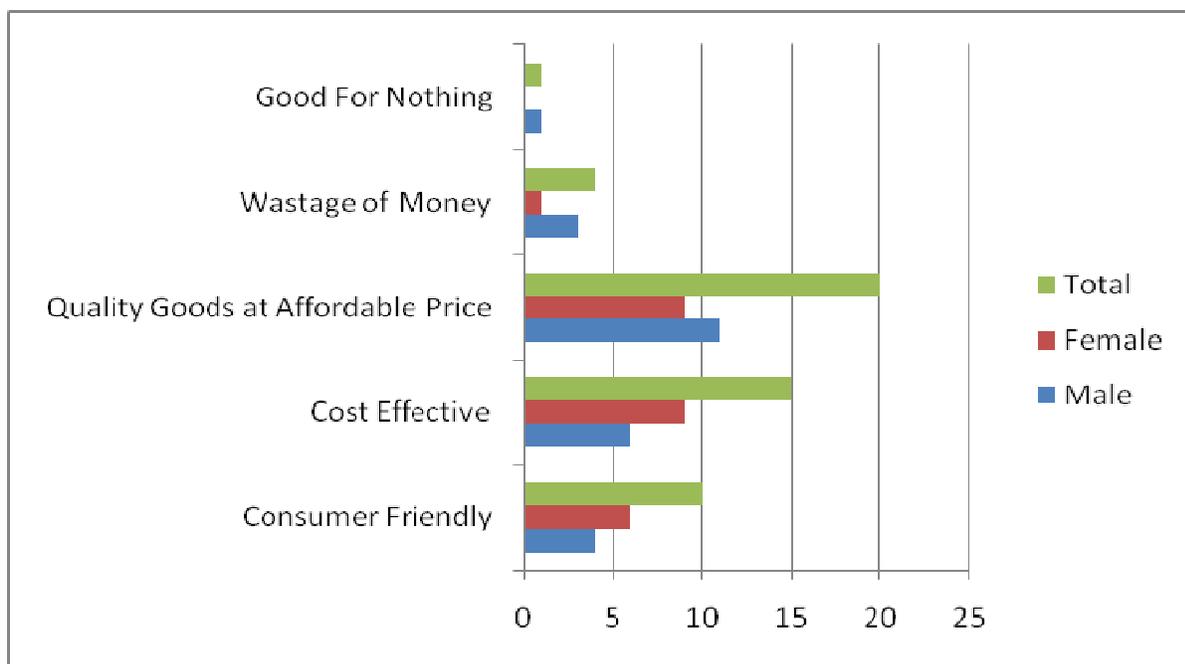
5. Opinion about Off-season Sales:

	Consumer Friendly	Cost Effective	Quality Goods at Affordable Price	Wastage of Money	Good For Nothing	Total
Male	04	06	11	03	01	25
Female	06	09	09	01	00	25

Total	10	15	20	04	01	50
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Table-V

Off season sales attract great crowds of people who wish to bring economy to their budget. When the respondents were asked about such sales a majority of 20/50 i.e. 40% respondents opine that quality goods are available to consumers at cheap rates through these sales, 30% call these sales cost effective and 20% regards these as consumer friendly as they lessen the burden of full prices from the shoulders of consumers. Very few call such sales as wastage of hard-earned money. Gender wise no significant difference of opinion is noticed in this regard.

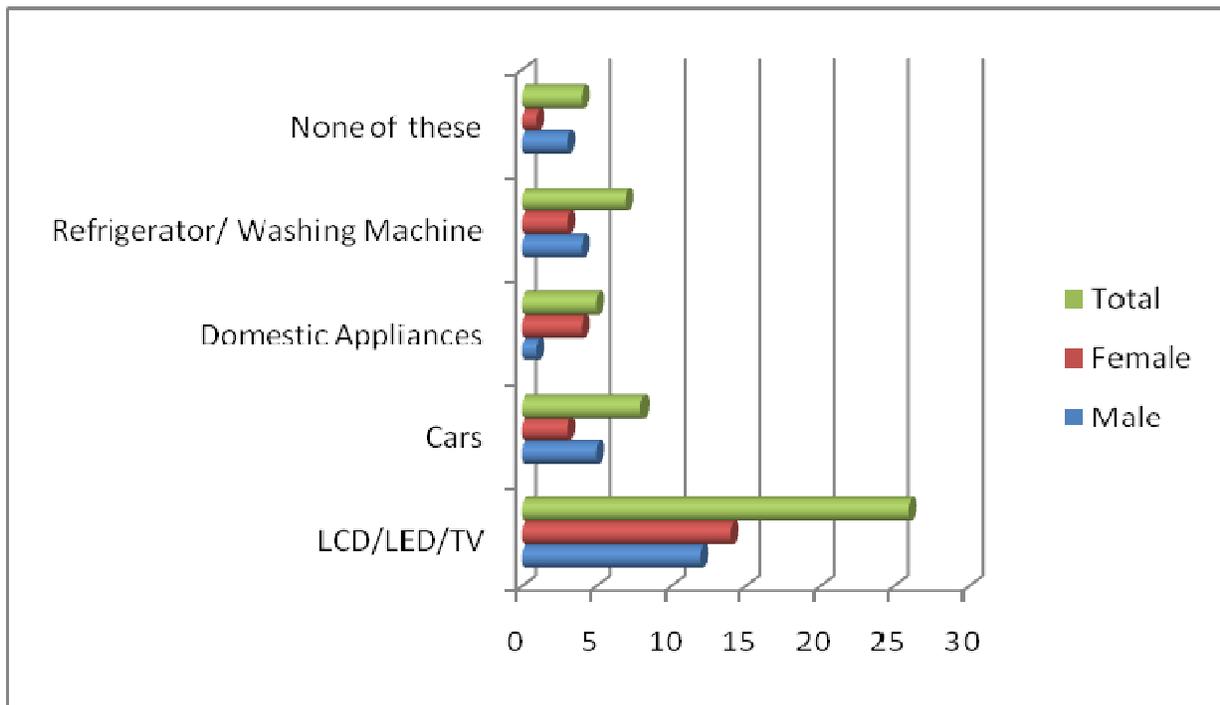


6. Preferable Products for purchasing in Exchange Offers:

	LCD/LED/ Plasma TV	Cars	Domestic Appliances	Refrigerator/ Washing Machine	None of these	Total
Male	12	05	01	04	03	25
Female	14	03	04	03	01	25
Total	26	08	05	07	04	50

Table-VI

Exchange Offers offer new products in lieu of the old ones possessed by the consumers. Such offers have been great hit for some time now. The vast majority of 26/50 i.e. 52% respondents prefer purchasing LCD/LED/Plasma TV in Exchange Offers while 16% respondents prefer purchasing Cars or other vehicles in such offers. As many as 14% respondents get refrigerators or washing machines in exchange of goods they possess while 10% prefer buying domestic appliances.

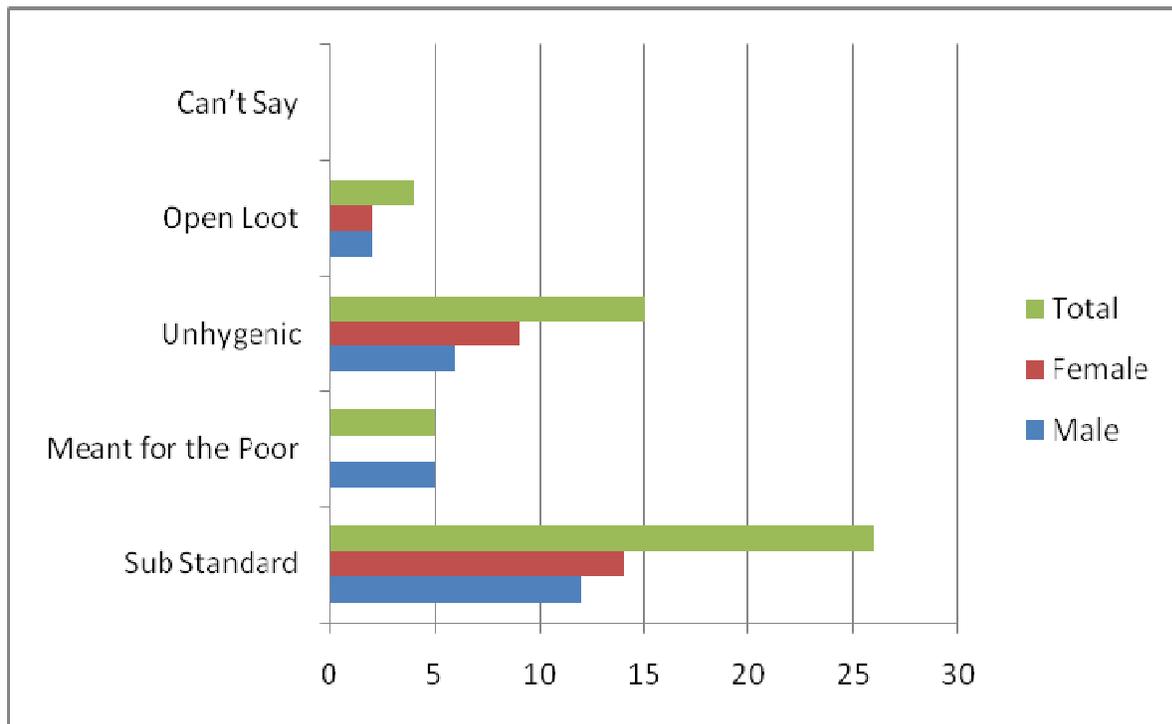


7. Opinion about Goods sold in Public Transport System:

	Sub Standard	Meant for the Poor	Unhygienic	Open Loot	Can't Say	Total
Male	12	05	06	02	00	25
Female	14	00	09	02	00	25
Total	26	05	15	04	00	50

Table-VII

Indian Trains and Omni buses open great opportunities for small vendors or hawkers who sell things of daily use at the cheapest possible costs in the public transport system. Though it is mainly the middle, lower-middle class or the down trodden who travel in public transport but middle class is often the target of these vendors. In the survey a majority of 52% respondents regarded these goods as sub-standard, 30% i.e. 15/50 as unhygienic and 08% as open loot in the name of cheap rates.



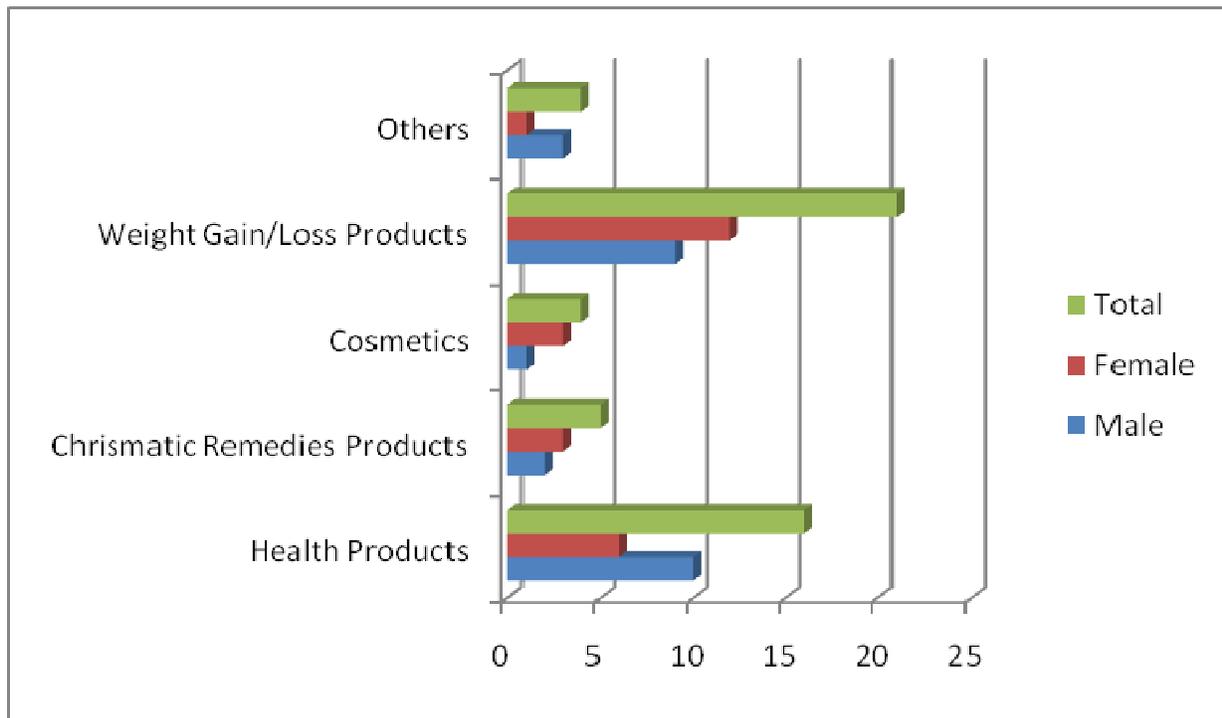
8. Preferred products for purchasing through Tele-Shopping:

	Health Products	Charismatic Remedies Products	Cosmetics	Weight Gain/Loss Products	Others	Total
Male	10	02	01	09	03	25
Female	06	03	03	12	01	25

Total	16	05	04	21	04	50
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Table-VIII

Tele-shopping is fast picking up as a potent market. During the survey 42% respondents said that they prefer purchasing weight loss or weight gain products through tele-shopping. 32% respondents prefer purchasing other health related products while 10% purchase charismatic remedies products through tele-shopping.

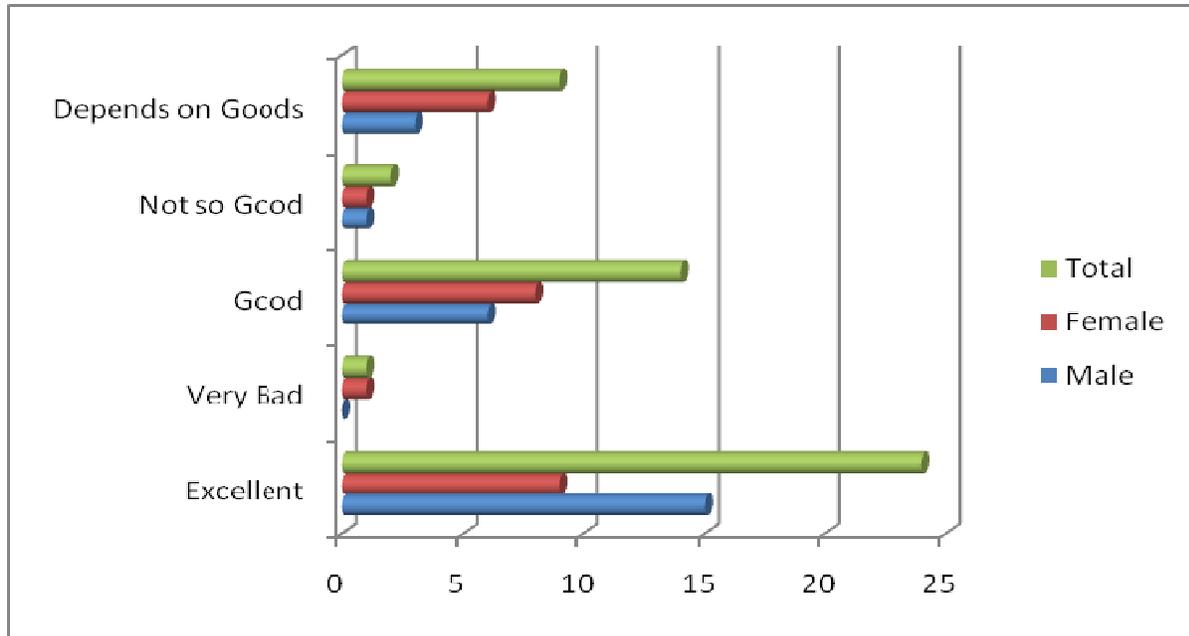


9. Experience of purchasing through Exchange Offers etc.:

	Excellent	Very Bad	Good	Not so Good	Depends on Goods	Total
Male	15	00	06	01	03	25
Female	09	01	08	01	06	25
Total	24	01	14	02	09	50

Table-IX

So far as experience of purchasing through exchange offers etc is concerned respondents have mixed response. But overall 48% respondents regard their experience as excellent, 28% as good and still 18% say that it depends on the type of goods they wish to purchase. Just 03/50 respondents regarded their experience as bad or forgetful. It means that people prefer such offers and that such marketing strategies adopted by producers are hit with the consumers.



10. Extent of Marketing Strategies affecting purchasing habits:

	To Great Extent		To Some Extent		Marginally		Not at all		Depends	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Discount Offers	18	17	04	02	02	03	00	00	01	03
Lucky Draws	03	02	02	06	01	04	13	00	06	04
Exhibitions	04	01	02	03	03	05	08	09	08	13
Off-season Sales	12	14	05	06	03	02	01	03	04	03

Exchange Offers	17	19	03	01	02	01	00	00	03	04
Tele-shopping	06	09	03	05	00	02	00	00	16	09
Trade Fairs	02	01	03	02	02	02	16	19	02	01

Table-X

Manufacturing companies and corporations leave no stone unturned in order to reach maximum people and use every possible tool at their command to optimise their sales but public responds to different strategies differently. It is evident from the above table that Discount offers (35/50), Exchange Offers (36/50) and Off-season Sales (26/50) attract the common consumers more than any other marketing strategy. Trade Fairs and Exhibitions failed to attract the respondent-consumers in a small town of Sirsa. Just 05/50 i.e. 10% respondents say that their purchasing patterns are affected by Exhibitions to a great extent while only 03/50 i.e. 06% respondents get influenced by Trade Fairs. It may be because such events are not quite common in small cities. Tele-Shopping also got luke-warm response with a majority of 21/50 respondents saying that their response to tele-shopping is determined by the type and utility of the product concerned. Respondents felt highly unconcerned about the Lucky Draw etc.

11. Kind of Products Preferred for purchasing:

	Domestic/Electronic Appliances		Vehicles		Garments		Health/Beauty Products		Others	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Discount Offers	10	06	03	00	08	14	03	03	01	02
Lucky Draws	12	11	08	07	00	00	00	01	01	07
Exhibitions	10	20	12	04	00	00	00	00	03	01
Off-season Sales	05	08	03	02	15	13	00	01	01	02

Exchange Offers	09	21	16	03	00	00	00	00	00	01
Tele-shopping	05	09	02	00	00	00	10	14	08	02
Trade fairs	05	05	04	01	02	06	00	00	14	13

Table-XI

As shown in the above table respondents prefer buying garments (22/50) and Domestic Appliances and Electronic Gadgets (16/50) where ever Discount Offers are employed. Lucky Draws attract 23/50 respondents for Domestic Appliances and Electronic Gadgets while another 15/50 respondents prefer purchasing Vehicles under Lucky Draw Schemes. Same trend is witnessed in case of Exhibitions from where 46/50 respondents either buy Domestic appliances or Vehicles. Off Season sales attract more respondents (28/50) for garments and 13/50 for Domestic/Electroic appliances. Exchange offers sell like hot dogs in case of Domestic/Electronic appliances (30/50) and Vehicles (19/50). Respondents prefer to buy Health and Beauty Products (24/50) through Tele-Shopping. People are found clueless when asked what they would like to purchase in Trade Fairs. It is quite evident from the above table that consumers prefer buying Vehicles in Exchange Offers and Garments, including foot wears, in Off-Season Sales.

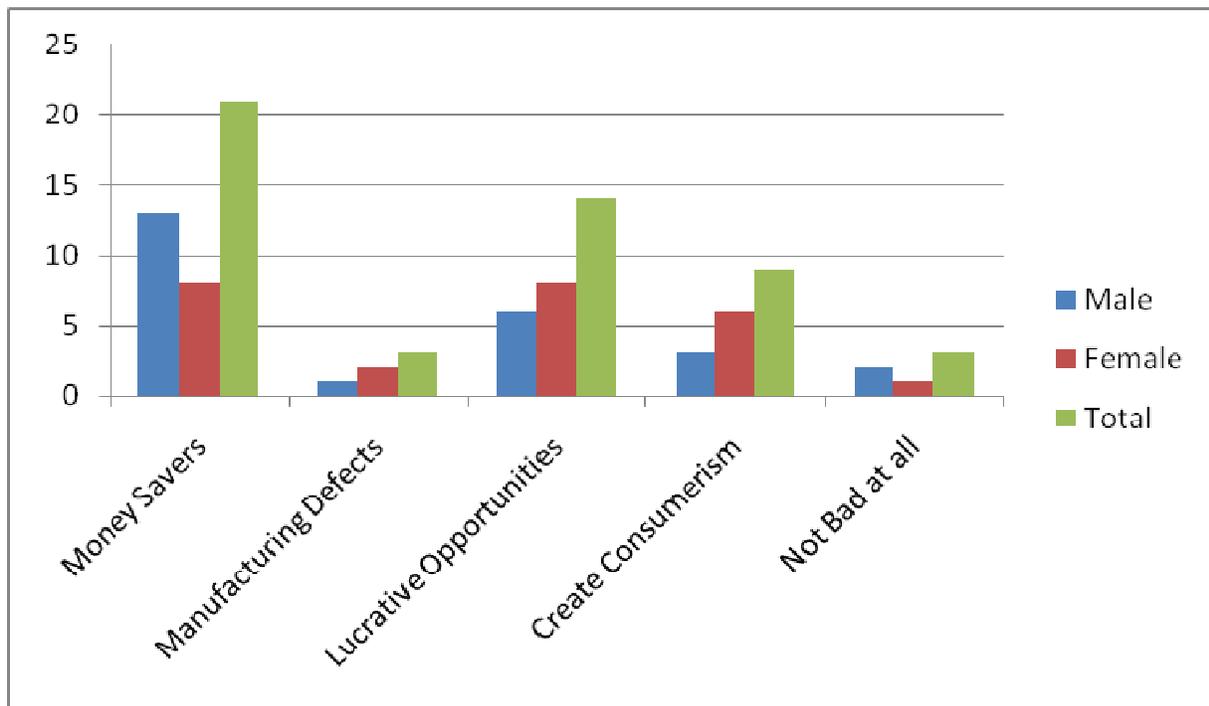
12. Opinion about Goods purchased through Exchange Offers etc.:

	Money Savers	Manufacturing Defects	Lucrative Opportunities	Create Consumerism	Not Bad at all	Total
Male	13	01	06	03	02	25
Female	08	02	08	06	01	25
Total	21	03	14	09	03	50

Table-XII

When the respondents were asked about their opinion about goods purchased through exchange offers etc. 42% of them said that goods purchased under such offers/ discounts help saving a lot of money, 26% said that one must avail of such lucrative opportunities, 18% opined that they

result in increasing consumerism by creating undue demands while 06% had apprehensions that such goods might have certain manufacturing defaults.



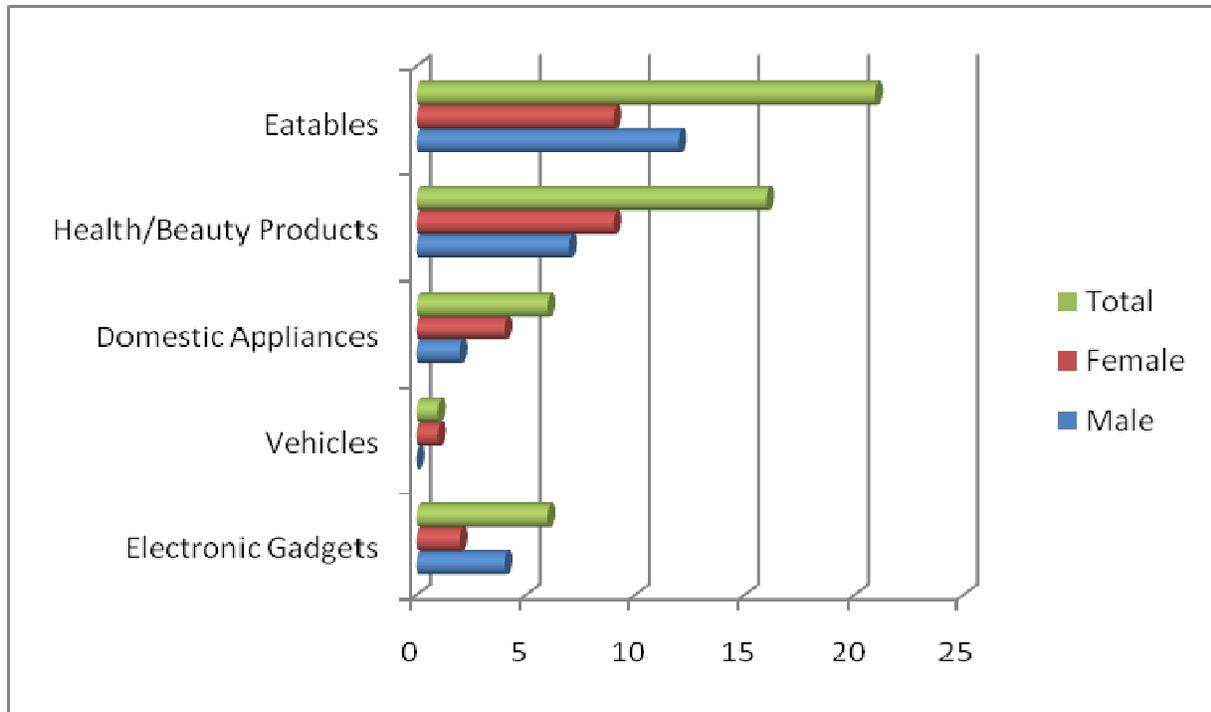
13. Goods which should not be purchased in such offers:

	Electronic Gadgets	Vehicles	Domestic Appliances	Health/Beauty Products	Eatables	Total
Male	04	00	02	07	12	25
Female	02	01	04	09	09	25
Total	06	01	06	16	21	50

Table-XIII

When the respondents were asked to divulge which goods, in their opinion, should not be purchased in such offers, 42% respondents were in unyielding mood in the context of eatables. They said that any compromise at the cost of health is intolerable and that one should not compromise while purchasing eatables. Similarly respondents were found quite conscious about their health and outlook as 32% said that they won't ever compromise while purchasing health supplements and beauty products. 12% each respondents said that no compromise should be

made in case of electric and domestic appliances. Overall respondents don't seem to purchase that poses even an iota of danger to their health, beauty and well-being.



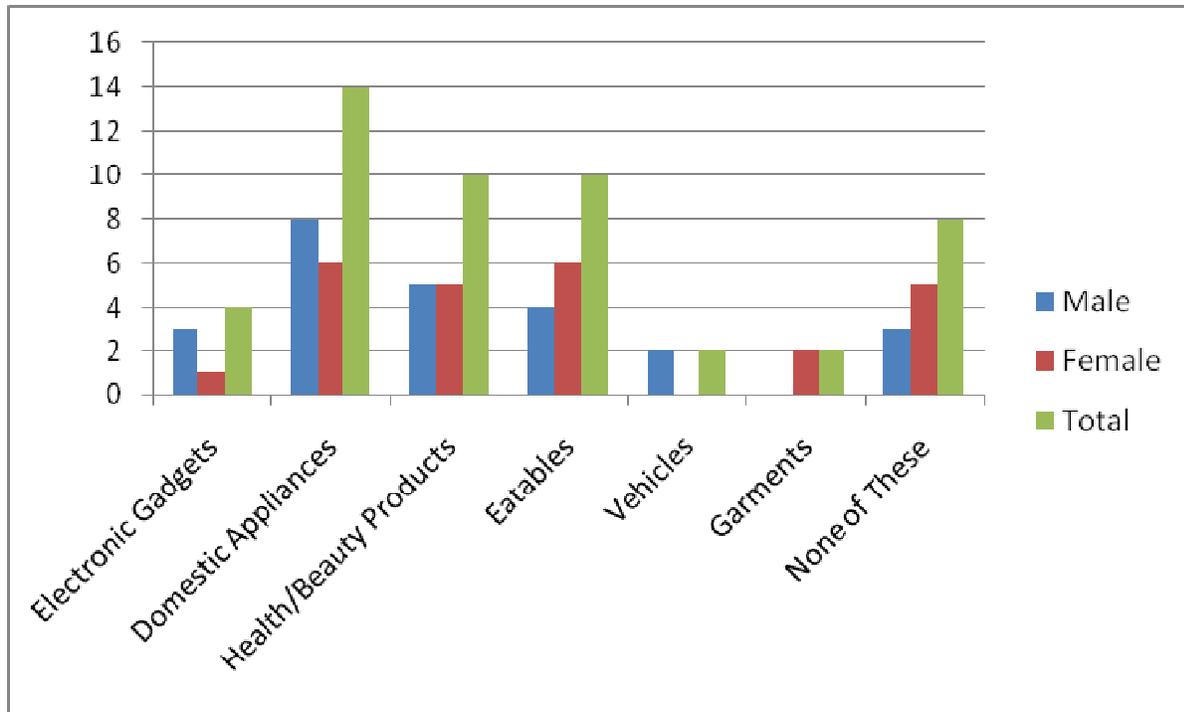
14. Kinds of products hence purchased which fell short of expectations:

	Electronic Gadgets	Domestic Appliances	Health/Beauty Products	Eatables	Vehicles	Garments	None of These	Total
Male	03	08	05	04	02	00	03	25
Female	01	06	05	06	00	02	05	25
Total	04	14	10	10	02	02	08	50

Table-XIV

Sometimes people allured by discounts purchase certain goods but later on repent on their decision as the goods may not live up to their expectations. During the survey the respondents were asked to pin point the kind of products which they think they should not have purchased by falling a prey to lucrative offers. A majority of 28% named domestic appliances, 20% said health and beauty products and 08% rued over electronic gadgets. 20% respondents said that eatables in

discount offers are found wanting in quality. The resentment was not about the discounts or other offers but that of rocketing claims in advertisements which are seldom fruitful.



FINDINGS:

There is no denying the fact that advertising plays a vital role in the success or failure of a product in the market. But the study reveals that apart from mass media driven celebrity advertisements, the producers and marketers have many more marketing strategies up in their sleeve to attract consumers, impress upon them and make them purchase their goods. Majority of consumers world over would agree that advertising determines and decides the fate of any product launched in the market. Television along with fast emerging New Media is found to be most effective in impressing upon the public about the merits and attributes of goods. Most of the respondents, mainly females, agree that discount offers, exchange offers and Off-Season Sales persuade them the most while purchasing certain products. In this context, family decisions and Media advertisements are pushed down the order. Price, brand and necessity of the goods are the deciding factors for consumers for purchasing any product. It underlines an apparent change in the buying behaviour of people. While females' decisions are more price-centric, males take into account the brand image of the product than anything else. Marketing strategies of Discount

Coffers/Coupons, Exchange Offers and Off Season Sales greatly affect the consumers while there are very few takers of Trade Fairs and Exhibitions, till date, in small cities. People prefer purchasing domestic appliances, electronic gadgets and vehicles under exchange/discount offers, Garments in off-season sales and health products through tele-shopping. Consumers regard off-season sales as cost effective, consumer friendly and quality at affordable prices. LCD/LED and domestic appliances are preferred to be purchased under exchange offers. Respondents have no doubt that goods sold in trains and buses are substandard as well as unhygienic. A vast majority of respondents rate their experience of buying through exchange, discount offer, off season sales as excellent. They opine that such shopping help saving a lot of money and one should avail of these opportunities. However the study reveals that health products and eatables should not be purchased under discount sales. People do complaint about non fulfillment of tall claims in case of eatables, domestic appliances and electronic goods. Come what may the consumers are of the opinion that exchange offers, discount offers/coupons and off-season sales are good for the common man which gives enough indications about the type of marketing strategies need to be framed in the years to come.

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