

“Effectiveness of Promotional Strategies in Increasing Customer Satisfaction with Reference to Shopping Malls: A Study of Consumer Perception in Southern Karnataka”

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Abstract: In the current organized retailing scenario, the promotion strategies are becoming more and more complicated as modifying in the buyer behavior. Because the main goal of any organization is to make profit with the help of increase the sales and sales performance is closely allied with promotion strategies. There is a complex phenomenon in shopping mall regime that to enhance the level of customer satisfaction to retain them for long run. Hence, malls are required to implement suitable marketing strategies to increase the customer satisfaction level. The study has aimed to examine the promotion strategies of shopping malls and how these strategies are contributing to enhance the level of customer satisfaction. The primary data has been collected by using structured questionnaire from 218 respondents in southern Karnataka where the large number of shopping malls are located namely Bengaluru and Mysuru cities. The collected data has been analyzed with the help of appropriate statistical tools like mean, and standard deviation. The promotion strategies like Buy 2 get 1 free offer given by the malls, exchange offers given by the malls, announcement of attractive offers via Mic inside the malls, display board to bring awareness about the offers, Price-Match techniques via App, discount offers given by the malls are evidenced mean value varying from 4.0333 to 4.1733.

Keywords: customer satisfaction, elements of promotion mix, role of promotion strategies, shopping malls

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I. Introduction

Indian retail sector is mainly controlled by traditional and modern organized formats of retailing since the past decade. The traditional form of retailing has been witnessed by Kirana stores and still kirana stores enjoy the leadership and commanding position in retail trade in India. Even in smaller towns and urban areas can see the power of small family run independent stores offering a wide range of merchandise mix in meeting customer's requirements. Moreover, both traditional and modern organized retailers are contributing towards the economic growth of the country. According to Global Retail Development Index-2017, India has secured first place in global retail index. Consequently, the previous decade has evidenced dynamism in Indian retail sectors. An assortment of urban areas has been at the center of attraction with emergence of different kinds of organized retail formats gaining forward motion. It is fundamentally due to intensifying income, rising purchasing power, availability credit facilities, shifting pattern of consumer behavior, improved consumer awareness, advancement of technology, huge competitiveness etc. The organized retail format has originated with managing better customer relationship management, merchandise offering, store atmosphere and proper inventory management etc. to boost the sale. A variety of new and improved formats of retailing can be observed like shopping malls, departmental stores, supermarket, hypermarket, discount stores, and convenient stores. These retail formats are striving more to satisfy their targeted customers with the help of suitable marketing strategies namely product, price, place and promotion. Here, promotion strategies play greater role in communicating the information to persuade the customers in order to create attention and make them involve in purchase decision. Then, it may also impact on the level of customer satisfaction to decide whether willing to go for repeated purchase or not.

II. Theoretical framework of the study

II. A) Concept and Importance of shopping malls

A shopping mall is a massive building or group of buildings that contain a mixture of stores and other business establishments or solely sells a variety of products or brands in retailing form. It is usually a collection of multiple retail stores, they are linked by walkways so that consumers can effortlessly walk and shop between the

stores in a location. Malls can be fabricated in an enclosed or in an open-air format to make it easy while shopping. Conversely, in India the majority of the leading shopping malls are with a main motto of performing like “One Stop Shop” that make available the required products and brands everything under one roof. Customers will be perceptibly in high spirits if they get what they want easily in a particular location. The mall was initially conceived of as a community center where people would come together for cultural activity, social interaction, spending leisure time in the name of shopping. Even today, it is transforming in meeting numerous requirements of the public in India.

II. B) Role of Customer satisfaction in shopping malls regime

Customer satisfaction deals with the degrees of product or service perceived performance to meet the expectations of the customer. It is the major tool for a marketer which can accomplish the entire marketing goals. Hence, not only organized retailers, every organization should concentrate much more on satisfying the customers to be a successful business. Various strategies are available to satisfying the customers, among them in this present study intended to examine the prominence of promotion strategies in increasing customer satisfaction in keeping the view of shopping malls.

II. c) Concept of Promotion strategies and its role in marketing

Marketing is the major part of the business. There is the huge competition to attract consumers’ attention towards products or services to persuade them. As a result, each producer should need to build a more attractive marketing strategy and action plan than its current competitors. One well-known tool of attracting consumers’ attention towards products or service is promotion mix. Promotion mix is one of the major key factors in the marketing mix and it has a vital role in market success and attains its goal. Usually, Promotion is adopted and used to ensure that consumers are aware of the products that business is offering for sale. It is the course of action of establishing communication relationship between a marketer and its targeted group of society. Marketing promotions is to a certain extent different from mass communication, in which a business organization addresses largely undifferentiated mass audience for non-commercial intention by such means as, radio news, press editorials, and television. Under marketing promotion elements, an organization would be endeavoring at a deliberately distinguished audience for a commercial motive and would employ such means as advertising strategy, sales’ promotion, personal selling, public relations and publicity. These promotion elements are very predominating strategies in attracts and creates attention to the public towards the product that marketers offering for sale. Organized retailers like shopping malls, supermarkets, hypermarkets and departmental stores are striving well in meeting the requirements of customers in India. In order to enhance the sales and profit, they have to formulate and implement suitable promotion strategies in the competitive organized retail marketing scenario.

III. Literature Review

The literatures have been reviewed focusing on customer satisfaction and promotion strategies to find the variables and to elicit the facts in the previous studies.

Kumar & Das (2009) conducted a study which reveals the impact of sales promotion strategies on consumers shopping experiences. The study found that maintaining product satisfaction constant, sales can be enhanced by increasing shopping experience which consists of ease of locating products, convenience of shopping, customer friendly sales people and customer friendly marketing policies. It also denoted that purchase decision for the same product under same promotion at different stores may perhaps differ for the reason that difference in shopping experiences provided by different stores. In addition, this study proved that promotion plays a limited role on consumers buying behavior where only small percentage of customers are attracted to such kind of sales promotion and wait for it to purchase.

Pettitt and Brassington (2000) in their study categorized the promotional tools into five different elements such as sales promotion, advertising, personal selling, public relations, and direct marketing. Promotion is the direct mode of communication which an organization tries to reach its publics to bring awareness about the product.

Meidan (1996) recommended in his study that there are two types of advertising channels. That is typically called as “above-the-line” and “under-the-line” advertising method. Above-the-line advertising involves various channels of communication such as radio, television, posters, newspapers and magazines. Under-the-line advertising comprises an enormous part of an organization advertising activities. It is the invisible advertising including pamphlets, leaflets, explanatory guides and manuals that can be used to make additional support selling of a specific product or service.

Aaker and Joachimsthaler, (2000) contended in a study that the AIDA model generates a detailed depiction about the entire procedure of how advertising effects consumer attitude, behavior and the buying

decisions. AIDA is an acronym, which includes the factors of attention (customer attention), interest (interesting to look towards the offers), desire (create urge to buy) and action (purchase take place), all of these applicable to the relationship between consumer buying behavior and advertising. It also affirmed that AIDA model is initiatory and simplest one.

Cote, Foxman and Bob (1989) recommended in a study that satisfaction is determined at the time the assessment occurs. In several cases, satisfaction measurement may be a naturally taking place, internal feedback such as after consumption, or earlier to repurchase. In a few case of the measurement of satisfaction may be externally driven to understand the degrees of expectation and perceived performance.

Tse and Wilton (1998) revealed in a study that customer satisfaction as the customer's response to the assessment of the perceived discrepancy value between prior expectations and the actual perceived performance of the product as perceived after its consumption of it.

Kristensen et al. (1999) illustrated in a study that customer satisfaction is an evaluative response given the customer regarding the product purchase and consumption experience which resulting from a comparison of what was expected and what is received performance. The study evidenced that expectations influence customer satisfaction and the effect can be stated in the form of positive or negative or non-existent statement.

Boulding et al., (1993) contended in a study that customer satisfaction is examined as a post-purchase evaluative result of a specific purchase occasion in accordance with transaction-specific perspective. Cumulative customer satisfaction is an overall assessment based on the total purchase made and consumption experience with regard to goods or service over time. It also pointed out that cumulative satisfaction is an essential indicator of the firm's past, current and potential performance and its cumulative satisfaction that motivates a firm's investment in satisfying the customers.

IV. Scope of the study

The scope of the study is mainly confined to preferred major cities in southern Karnataka specifically Bangalore and Mysuru cities. The study has been taken into the account only the shoppers who visit regularly to the shopping malls.

V. Objectives of the study

1. To examine the major promotional strategies effect on enhancing customer satisfaction.
2. To evaluate the consumer perception towards promotional strategies in shopping malls regime.
3. To give suggestions to shopping malls in order to strengthen promotion strategies.

VI. Research methodology

The research methodology portrays the blue print for the research work which support to completes the research work. The research plan for the study has been integrated with the sources of data, sampling framework and statistical tools used for data analysis.

1. Source of data

To gather the data from the targeted respondents who visiting the shopping malls various techniques like personal contact, mail SMS and Google form have been used. Primary data has been gathered from the respondents by administering structured questionnaire and mall-intercept interview also used in the study. The secondary data has been gathered from different sources such as journals, research articles, theses, e-books and other necessary websites.

2. Sampling design

Population: The population for the study restricted to Southern Karnataka

Sampling procedure: Convenience sampling technique

Sampling area: The sampling area has been chosen the major cities in southern Karnataka such as Bangalore and Mysuru cities wherever the mall culture can be observed.

Sampling size: the data has been collected from 274 respondents.

VII. Data Analysis

The data has been collected from primary sources using questionnaire. 274 respondents were fully completed the distributed questionnaire out of 391 with the response rate of 70.08%. Among them, 168 respondents are belonging male and 106 belongs female category. Likert scale has been used in the study. Suitable statistical methods such as mean and standard deviation are used with the help of SPSS Software to analyze and interpret the data which supporting in order to conclude the study.

Table No. 1 showing the role of promotion strategies on the customer satisfaction level



Source: Primary

The above table evidenced that 39.05% of the respondents are satisfied, 32.48% of the respondents are highly satisfied with the promotion strategies adopted by the shopping malls. Furthermore, 15.33% of the respondents are stated that neutral, but 6.94% of the respondents have expressed dissatisfaction and 6.2% of the respondents are opined highly dissatisfied regarding the same.

Table No.2 showing the promotion strategies influencing in enhancing customer satisfaction

Descriptive Statistics				
Sl.No.	Promotion strategies influencing on enhancing customer satisfaction	N	Mean	Std. Deviation
1	Price-Match techniques via App	274	4.0333	0.93706
2	Cash back offers given by the malls	274	3.96	0.9685
3	Shopping points given by the malls	274	3.9533	0.9989
4	Exchange offers given by the malls	274	4.1533	0.87275
5	Buy 2 get 1 free offer given by the malls	274	4.1733	1.36201
6	Buy 1 get 1 free offer given by the malls	274	3.2081	0.99486
7	Discount offers given by the malls	274	4.0067	1.03299
8	Scratch and Win offers given by the malls	274	3.74	0.9723
9	Display board to bring awareness about the offers	274	4.06	1.01816
10	Announcement of attractive offers via Mic inside the malls	274	4.0733	0.99729

Source: Primary

The table no. 2 demonstrating ten selected promotion strategies in increasing customer satisfaction in shopping malls regime. The promotional strategies such as Buy 2 get 1 free offer given by the malls, exchange offers given by the malls, announcement of attractive offers via Mic inside the malls, display board to bring awareness about the offers, Price-Match techniques via App, discount offers given by the malls are evidenced mean value varying from 4.0333 to 4.1733. It is empirically proved that these six promotion strategies are working in the right direction in enhancing the customer satisfaction. Whereas, remaining four promotion strategies like Cash back offers given by the malls, shopping points given by the malls, buy 1 get 1 free offer given by the malls and scratch and Win offers given by the malls are moderately impact on increasing the customer satisfaction level which is evidenced mean value less than 4.

Standard deviation with regard to the Buy 2 get 1 free offer given by the malls, Discount offers given by the malls, display board to bring awareness about the offers is more than ‘1’ signifying that there is a divergence of opinion among the respondents regarding the role of promotion strategies in enhancing customer satisfaction in malls context. However, there seems to be common opinion among the respondents towards price-match techniques via App, Cash back offers given by the malls, shopping points given by the malls, exchange offers given by the malls, buy 1 get 1 free offer given by the malls, scratch and win offers given by the

malls, Announcement of attractive offers via Mic inside the malls which evidenced the standard deviation representing less than ‘1’.

VIII. Suggestions

The study has signified few suggestions to shopping malls based facts findings and mall- intercept method. It recommended that there is need of reducing in the target shopping to get cashback offers easier like minimum cashback offer for minimum shopping. In addition, shopping points giving to retain the customers and encourage them to visit the malls again and again is moderately working in increasing the level of customer satisfaction. Hence, marketers have to bring much more awareness to the customers about the same and to get the benefit from it. However, scratch and win offer is not up to the mark, because of majority of the customers are not ready to believe the assurance given by the sales people like winners may get foreign trip, lucky coupons will be given and costly products may get. In this phenomenon, they have to come out with evidence to persuade the customers. Moreover, the several offers which are offering to the customers in the name of promotion strategies that should not restricted to a particular product-line. If shopping malls concentrated on customer’s feedback to altering the promotion strategies accordance with the changing marketing environment and customers buying behavior, no doubt in increasing the level of customer satisfaction.

IX. Conclusion

The study can be concluded that an organised retail marketing strategy is something that persistently evolves, adapting to varying market environment. Within organised retail, the outcomes from its many different types of retail stores are constantly reviewed and evaluated. In addition, shopping mall’s marketing mix strategies are more unique especially in the part of promotion strategies. Effective promotion strategies contribute to bring more awareness about the products offered by shopping malls and to boost the sales by attracting the customers. However, customers have numerous expectations while visiting shopping malls. Hence, there is big challenge to the shopping malls to enhance perceived performance rather than their expectations which result in customer’s delight or highly satisfied. The present study concentrated on effectiveness of promotion strategies in increasing or delights customer satisfaction in shopping malls regime. The study recapitulated that ten chosen indicators of promotion strategies are working better in enhancing customer satisfaction. Among the selected promotion strategies namely Buy 2 get 1 free offer given by the malls, exchange offers given by the malls, announcement of attractive offers via Mic inside the malls, display board to bring awareness about the offers, Price-Match techniques via App, discount offers given by the malls are contributing more on increasing customer satisfaction.

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