
Provision of Strategy-Based Festival Time Offers on Consumer Durables in Lucknow

Dr. Menka Giri

Assistant Professor, B.B.A. (I.B.) Department, Shia P.G. College Lucknow

Dr. Ali Mehdi

Assistant Professor, M.Com (Applied Economics) Department, Shia P.G. College Lucknow

Mr. Robin Verma

Assistant Professor, B.B.A. (I.B.) Department, Shia P.G. College Lucknow

Abstract

Promotional offer-based marketing is an approach to connect when and why consumers shop the product and for what purpose. Companies need to realise that their customers are not only different from each other, but are also different from themselves different occasions. People have different needs at their workplace and in their houses or in society. They act differently during vacations and at regular days. Lucknow is the densely and highly populated among the capital cities of India and have a developed market for consumer products. National as well as International brands have been trying to have a fair share of this market. This study is mainly focused on the promotional offers in festival season by different companies for consumer durables and channel partners during festive season. The promotional strategy adopted by different companies for consumer durables is highly increased due to competition which clearly shows the importance of festival season marketing. The results of this study would mean that the consumer durable companies and retailers are adapting various promotional strategies for attracting their consumers during festive season.

Keywords: Promotion, Marketing, Consumer Durables, Advertising.

Introduction

India as a land of festivals and events, marketers identified the tremendous opportunity of festival Based Marketing long back itself. Most of the industries and sectors have their own special festival strategies to capitalize this vast marketing potential. Festivals are happy occasions and customers are highly receptive to the promotions along with the high rate of conversions to sale during special

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occasions. The annual calendar of country is filled with various festivals, fairs, temple festivals, feasts, etc. Almost all people irrespective of cast and religion celebrate all the festivals with equal importance. National as well as International brands have been trying to have a fair share of this market. The Lucknow city has the average per capita income in the state with insignificant slum population and greater educational levels. Lucknow is developed market for consumer products. Lucknow market is quite unique in several respects compared to other cities. purchasing power of average house hold is comparatively more. But the fact that industry spends billions of rupees on promotions and many marketing campaigns do not reach prospective buyers when they are most receptive to buying. This is why festival offer based Marketing strategies are a necessary. For companies especially for companies which are looking into maximizing their customer value, merging these two concepts into a powerful tool. As any other sector, consumer durable industry is also an active player and practitioner of promotional offer Marketing on festival seasons. Consumers are overloaded with messages pitched through different advertisement sources like magazines, newspapers and other print and electronic media sources (Regis McKenna, 1995). Consumers taste and preferences varies on many dimensions and often can be grouped accordingly. A close understanding of consumer buying behaviour and careful strategic thinking is required to create value for customers and build strong customer relationships in order to capture value from customers. Many marketers believe that behavioral variables – occasions, benefits, user status, usage rate, loyalty status, buyer readiness stage, and attitude are the best starting points for constructing market segments (Philip Kotler, Keller, Koshy and Jha, 2007). Occasion based segmentation, assumes that an individual may have differing motivations for selecting a product to be used under differing circumstances. That is not to deny the presence of some stable personal needs that may apply across different situations (Albert Goldman, 1979). According to Philip Kotler (2007). The marketer does not create the segments; the marketer's task is to identify the segments and decide which one(s) to target. Occasion Based Marketing is an approach to connect when and why consumers use the product with how they shop for the product. Apart from steady income gains, consumer financing and hire purchase schemes have become a major driver in the consumer durable industry. In the case of very expensive consumer durable goods, such as refrigerators, washing machines, LCD Tele Visions, Laptops, Mobile Phones etc. retailers are joining



forces with banks and finance companies to market their goods more aggressively. Indian consumer durable industry can be broadly segmented into three groups: (1) Consumer Electronics: Mobile Phones, Televisions, DVD players, etc (2) White Goods: Washing Machines, Air Conditioners, Speakers and Audio Video- equipments, etc. (3) Kitchen Appliances/Brown Goods: Mixers, Grinders, Microwave ovens, Fans etc. (Sontaki, 1999). Out of the four major marketing mix the present study is limited to some specified areas of the last element, i.e. promotion, the promotional strategies of consumer durable industry in Lucknow market. In this paper we are confined to ourself to print based advertisements by distribution partners and manufacturers released in leading news papers in Lucknow. Promotions is identification of the range of different promotions launched in the market place. The present paper provides an empirical view of the variety print advertisements launched in the market of Lucknow city by Consumer Durable Industry form the last few festival seasons. With this study, my sincere attempt is to know about the affect of news paper advertisement on consumer buying behaviour in festival season.

Review of Literature

There are very few literary discussions in promotion mix about Occasion Based Promotional Strategies. The promotion mix concept refers to the combination and types of promotional effort the firm puts forth during a stipulated time period. One of the primary goals of a customer promotion is to attract the customer to take the final step to make purchase; Advertising creates the interest and excitement that brings the consumer into the store. Marketers then use other tactics in association with advertising programs. In addition to leading to the final decision to buy an item, consumer promotions programs can be highly effective in bringing traffic into a store and generating brand loyalty. Marketing managers, advertising agencies and management gurus have realised to make their communication programs effective, they have to rely on sales promotions, public relations, personal selling, and direct marketing, in addition to conventional advertising campaigns. Researches has shown that advertising is most effective when used along with sales promotion, and effective when communicated well through advertising so as to increase awareness of the promotional offers (Joseph and Sivakumaran, 2008; Roberto and Roberto, 2005). It has to be remembered that distribution



partners are not alone in advertising infact, the vast majority of expenditure on advertising to customers is undertaken by manufactures, not distribution partners (Sajal Gupta and Gurpreet Randhawa, 2008). In consumer durable industry also the pattern remains same. The goal of advertising is to influence people's behaviour and to persuade them to behave in a particular way (Joshy Joseph and Bharadhwaj Sivakumaran, 2011). According to Joshy Joseph and Bharadhwaj Sivakumaran (2011), utilitarian promotions project the utilitarian aspects of the offer, prompting the customer to think mainly of the economic benefits of buying the product immediately. It may not intend to elicit any soft feelings from the customers toward the product or brand. Promoters would want the customers to think and cognitively process the information about the promotion and to make a rational decision. Customers would consider the benefits of the offer and may compare them with that of buying other brands. Some customers may even feel that they become smart shoppers by utilizing an offer through which they get extra value. To drive these points effectively, while publicizing utilitarian promotions, marketers are likely to use more logic and reason in their ads than emotions and product endorsements.

Method

Qualitative Content analysis of print-based advertisements, have been used as the means to find answers to these questions. Content analysis is a standard methodology used for studying the content of communication. In advertising, content analysis is used to study what advertisements are and not what they do (Kover, 2001). This method has been widely used in marketing research for analyzing the content of advertisements-both print and television (Belkaoui and Belkaoui, 1976; Bush, Solomon, and Hair, 1977; Madden, Caballero, and Matsukubo, 1986; Maynard and Taylor, 1999; Naccarato and Neuendorf, 1998; Stern, Krugman, and Resnik, 1981; Wang and Chan, 2001). One notable advantage of content analysis is that it can be carried out retrospectively, thus providing the researcher a rich database of ads to analyze. In India, researchers like Ahmed (1996); Kureshi and Vyas (2003); Jha-Dang and Koshy (2004); and Joshy Joseph and Bharadhwaj Sivakumaran (2011); have performed content analysis of advertisements. Print advertisements of both manufacturers and retailers of



consumer durable industry released through leading news papers were content analyzed starting from January 2021 to December 2021.

The distribution of approximately Print based ads in leading news paper of Lucknow for consumer durables across the year 2021.

Table

Jan	Feb	Mar	April	May	June	July	August	Sept	Oct	Nov.	Dec.
15	10	8	7	13	7	12	50	57	212	50	50

It is documented that maximum advertisements are flashed during festive seasons from August to December. Because of Dusshera, Diwali, Christmas, New Year etc. It is a quite known obvious fact that the sharp increase in advertisements is due to the occasional promotions of consumer durable industry during festive season. The next highest is in the month of May which is due to Akshya Thritheeya. October also witnesses a sharp increase in the promotional activities at the end of the stock clearance season sale done by consumer durable industry.

Details about different types of Sales Promotion offers

The details about most popular sales promotions among consumer durables during festive seasons are- discount/ price offs contests, free gifts offers, exchange offers and bundle offer are discussed here as under:

1. Discount/ Price off

This is on the most widely used promotions by consumer durable retailers during festival season. A price deal for a customer means a reduction in the price of the promoted product and the consumer saves money on purchase. Most of the retailers adopted price off promotions as a strategy during festivals. But it is noticeable that the manufacturers are not offering much price offs as it could affect adversely the brand equity. However retailers adopted price offs as one of their major festival marketing strategy.



2. Free Gift Offers

This is the most popular promotion in the consumer durable products category. It offers an incentive to purchase in the form of a free product/service. For example customers are offered gifts like gold coins during Akshaya Triteya, consumer is offered free products such as Digi Camera along with Tele Vision. The major free gifts offered are: free Iron with a refrigerator free mixers and digital cameras with Smart Tele Vision sets with almost all purchases free stabilizers with AC etc. Most of the free gift offers have a pre commitment of size or value of purchase from the consumer. The consumer has to make a certain value of purchase before he is entitled to the free gift. often, there are smaller gifts associated with purchase of smaller items and larger gifts associated with purchase of costlier and bigger items. In most cases, the price of the free gift is not mentioned.

3. Sweepstake offer

It is all about giving the consumer a chance to win a big prize through luck. It usually involves a lucky draw or a scratch card based on which the winners are decided. For Example during festival, IFB and Panasonic offered Scratch and Win offers on the consumer durable retail chain offered “Happy Home” Most of the prizes are durable products such as Bike, Car, Watch, Washing Machine, Television, Refrigerator, DVD, Mobile Phone, Cordless phone, PC, Microwave, Camera, Sunglasses, Gold Jewellery, Gold/Silver Coins. In some cases, the details of the prizes on the sweepstake promotions are not specified.

4. Exchange offer

This promotion requires the consumer to exchange an old product for a new one and get some benefit, usually a price reduction. Apart from exchanging old consumer durable goods, the scheme also involves exchanging a small Tele Vision for a big Tele Vision. Most exchange schemes provide an incentive to purchase in the form of a price reduction. One exchange scheme involved returning an old electronic item for a new one and getting an electric iron as gift. The purpose of the exchange scheme appears to upgrade existing users of durable products to newer and larger sized models of a product.

5. Bundle offer

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Bundle offer is also one of the most widely used promotional strategies during festival season in Indian market. This type of promotion requires a consumer to buy two or more products to avail of the promotional advantage. The promotional benefit is usually in the form of money saved as a result of buying two or more products at the same time. Consumer durable segment, this scheme attempts to induce the consumer to buy greater number of products from the same company.

Conclusion

Broadly, it was found that retailer promotions are used more than manufacturer promotions in the print advertisements announcing promotional offers in the market during festival seasons. In a study published in The Economic Times, a leading business newspaper in India, it was reported that price-off promotions work better than many other forms of promotions (Bhatt2006); our findings are thus consistent with this report. As consumer durable promotions in print media in Lucknow is mainly revolving around the occasion based promotional strategies during festival. Sales promotions have become increasingly important over the years. One of the major reasons cited by the marketers for the increased usage of sales promotions is the increased promotional sensitivity of customers (Belch and Belch, 2004). This study has some limitations, too. It has been seen that in India, print ads represent only 25.47% of the promotional budgets, whereas television ads account for 44.31% (Indian Media Market 2007). Hence, I have not considered the ads that were released in media other than newspapers (especially TV) and the offers that are not published through mass media (like some in-store promotions that are done without advertisement support). Also the size and color of the advertisement, types of promotions and its differential impact has not taken into consideration for this study.

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