



IMPACT OF SALES DISCOUNT ON CUSTOMER BUYING BEHAVIOR INTHE CLOTHING INDUSTRY OF PAKISTAN

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Abstract

Marketing is a vast field itself and consumer buying decision and sales promotion is in itself a very broad concept. Consumer buying decisions and Sales Promotions have gained a major part in selling and promoting a product. Initially, sales promotion and the marketing terms were quite limited and they were not used to a wide concept. Whereas, these days consumer buying decisions are enhanced itself to a greater concept such as there are numerous things that are affected by the different constructs. Customer buying patterns and their discussions are being discussed quite deeply in various contexts. There has been a numerous researches in the context of global culture whereas, there is a lack of research in the local culture. As most of the firms including major brands, now actively are involved in research for knowing the customers buying patterns and their purchasing decision making abilities. Another important aspect is that sales promotion plays an important part in the customer's buying decisions and these days, the customers are actively involved in searching out for the various discounts and promotions for the products and especially clothing industry. Therefore, the main objective of this study is to examine the Impact of Sales Promotion on Customer Buying Behavior in the clothing industry of Pakistan. The mediating variables that have been examined are discounts, coupons, buy one get one free and point of sales. As a lot of literature exists in the global context and other countries of similar nature such as, India, China, Singapore etc. but Pakistan lacks the in depth study, hence, this would be a useful addition to the literature and examine some of the important factors. For this study, 200 respondents are surveyed regarding the associated factors and the related variables of the research. When the surveys were completed and returned, the data was entered into SPSS for analysis.

Keywords: Sales Promotions, Customer Buying Decisions, Point of Sale, Buy one get one free, Coupons and Discounts.

Introduction

The research is mainly focused on examining the impact of sales discount on customer buying behavior in the clothing industry of Pakistan. Sales discount and customer buying behavior are two important constructs that are taken into perspective. The industry that has been taken into perspective would be the Clothing Industry of Pakistan. Initially, this chapter would present the background in which the past studies and the field relevant knowledge shall be highlighted following the purpose, gap, objectives, theoretical framework and the hypothesis. Past studies and their findings would be emphasized in the literature and then further data would be collected and analyzed with the help of SPSS that would at the end show us the results for a conclusive findings. The overall effectiveness of sales promotional techniques is increasing because this causes a large impact on the basic value of the product for a specific amount of time intrinsically influencing the consumers buying decision causing a rise in the demand for the product which gradually increases sales. This shows that consumers are baited effortlessly when they are offered a sales promotion. Sales promotions such as coupons/rebate, extra carton besides particularly purchase one acquire one free (and similar promotions) have been studied and they increase sales drastically causing to gain the customers attention and having them buy much supplementary from the actual expectations or requirement (Vitor, et al., 2013).

There is significant difference between the retailers' promotional programs because these programs are presented forth to mentally make the customers aware and remind them about the product being offered on a promotion is a valuable one and is being offered on a good value/deal. This is how the strategy of sales promotion plays a significant role in causing consumer impulsive buying behaviors. The impulse buying behavior also affects the customers as it has various impacts on the customer as well that could be internal and external Wansink, 1994. The main objective of the proposed study is to determine the influence sales promotion and its techniques has on the buying patterns of the customers. The research methodology and the results extracted from this research is important and key in determining the effects that could then be used to compete with competitors in the business world. The attitude and impact on the customer after varieties of promotional tools are offered to them will also be researched to gain a close core understanding of the process. Using some of the information provided and researched throughout this study marketers could easily determine highly effective ways to achieve a rise in sales to reach their goal of gaining a high profit. The surrounding situation of a consumer while they make a purchase highly affects their buying behavior during shopping. Researchers have found earlier that sales promotional tools and ideas may differ all around the world so this makes it apparent that the sales promotion world is diverse and ever growing.

Research Questions

Following research questions are answered in the proposed study

- What effect does sales promotion have on overall consumer buying behavior?
- What are the most effective sales promotional techniques which affect consumer buying behavior?

Research Hypothesis

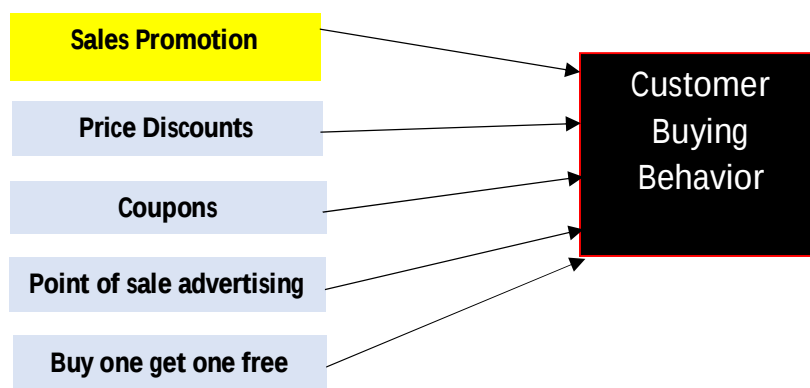
H1: There is a significant relationship among sales promotion and buying behavior of the customers'

H2: There is a significant relationship among price discount and customer buying behavior

H3: There is a significant relationship among Coupon and buying behavior of the customers.

H4: There is a significant relationship among point of sale advertising and buying behavior of the customers

Theoretical Framework



Literature

The classification for sales promotion is mentioned as an array of marketing techniques designed within a strategic outline to add extra value to a product above the actual price which is offered to accomplish definite sales (Selvi. et al, 2015). This is often part of a longer-term franchise-building program. To instigate a customer to make unplanned purchases; non-price promotions like contests and freebies are used to add worth to the product. This is where Impulse buying behavior takes an effect because this term is identical to the term previously mentioned 'unplanned buying'. Impulse buying basically refers to the customers sought out thought of making a purchase without an erstwhile plan. It is an attitude that is increasing significantly in the past last decade and it is affected by many factors; together tangible and intangible. Retailers know that impulse buying can quickly become immense. In the present-day sales promotion techniques are well thought out to find out its severe impact on the customers impulse buying reactions and behavior.

The exogenous way which simply refers to the differences such as the impulsive buying behavior tendency in regards to shopping consisting of two main and crucial reasons; time and money. The Endogenous way refers to browsing behavior; positive and negative emotions. In Zhou, H. and Gu, Z. (2015) it is explained the very well-known classification of which Dholakia (2000) established. This research consists of a model which explains the forming an alliance of impulse buying behavior. He also made sure to reclassify the nine impulse buying factors and reduced to propose three influencing factors which affect three areas which are: “marketing stimuli which address product display and promotional activities, situational factors which include the consumer’s financials situation and the behavioral attitude and mood” Zhou, H. and Gu, Z. (2015).

Finally, the impulsive traits. Different applications of the same price promotions have affected the customer’s insights on the promotional value of items therefore affecting their impulsive buying decisions. In a study of indorsed price, it is proven that framing of price affects the consumer buying habits because they may tend to estimate the promotional value. If information is viewed from the prospect to explore the progression of the consumer perception on promotional discounts and savings, then there must be a mechanism to understand the consumer underestimation of price discount. Best know information is that imprecise calculating of the sales price promotion is what leads to underestimation of the promotional discount.

A study conducted by Kim and Kramer (2006) and explained more thoroughly (Ajan shre, 2015) states that price discounts which rely on solely percentage which plays an impact which is positive on the customer innovation based and alleged savings also making an impact on purchase intention. Therefore, the more innovative promotional discounts, the more chance to save and decision to purchase the consumer will feel. When consumers get a sales promotional discount, the promotion which is presented at the amount of money is more prospected to increase their Impulse purchasing behavior compared to the promotional discount of percentage off items. The most important point or component of the theory of regret after purchasing an item is that people tend to strongly dislike afterwards Zhou, H. and Gu, Z. (2015). Hence, in the process of the customer purchase decision making process, both before and after the purchase the customer will take the initiative and pursue remorse minimal choices. To reduce the regret after the purchase which causes two different options which are: impulse buying which is a purchase made of risk seeking or planned purchase which is risk aversion choice. When the consumers are facing sales promotional enticement mostly due to sales discounts, they are immediately determined to think that if they give up purchasing the product at this moment the product they want may return to its original price.

Many studies show that projected regret has an impact directly and is often the cause of consumer impulse buying behavior which is often qualified by compulsion features more accurately shopping desires this is more accurately explained in Zhou, H. and Gu, Z. (2015). More knowingly the personal traits as well as the way of psychological thinking of the consumers have a significant influence on their regret factor. When people are paying a low price for a product which has good quality this significantly depresses deliberate pondering making the whole situation the least substantial. Relatively, discount promotion depresses the consumer’s effort of mental ability leading to the matter that purchase decisions are not then guided by processed thinking resulting in an easier and more strongly conditioned sales level affect. When the consumer faces a sales discount on the price of the product it is more likely to add to the increasing desire of impulsive buying behavior in comparison to percentage off because this becomes harder for customers to corporate the original price. A very crucial part of the regret theory is people mostly always regret in a hostile manner.

Data and Methodology

In this study, researcher has used positivism paradigm because it includes the experimental and descriptive study. According to the body positivism has a single, external and objective of the research question. Therefore, empirical studies is selected to take control and structural methods to identify a research project from initial build appropriate research question and hypothesis and using appropriate research methods. The existing study exists on the positivism paradigm as research philosophy. The approach would be deductive. The study and the researcher is verifying and examining a theory which has already been formulated so in the proposed study, research problem that is already existing is going to be verified and tested so the approach would be deductive here and research paradigm would be positivism.

The quantitative data will be collected using questionnaires. For the proposed study, research would use questionnaires and the motive is that questionnaires are an investigation tool containing of a sequence of enquiries and additional stimulates for the persistence of collecting evidence from respondents. Even though they are repeatedly planned for numerical breakdown of the reactions. The research approach in the recommended reading would stand as quantitative investigation method for the reason that it includes amassing and adapting facts keen on arithmetical

method so that arithmetical controls can be completed and assumptions would be drained. In sociology, measureable study is also known as quantitative research and it mentions to the methodical experimental examination of communal occurrences via arithmetical, accurate or geometric data or computational methods.

The independent aim of this sort of research is to progress and engage calculated representations, concepts or theories concerning to singularities. The development of quantity is dominant to quantitative study for the reason that it makes available the important joining among experimental statement and scientific appearance of quantitative dealings. Quantitative statistics is some facts that is in arithmetical system such as figures, proportions, etc. In common individual's languages, this states that the quantitative scholar asks a precise, constricted enquiry and gathers a model of mathematical statistics from observers to response the enquiry. The investigator would examine the statistics in the planned study with the assistance of numbers.

The sample size and sampling for the proposed study would be 300 sample size and probability sampling would be followed. The existing study collects the data from the respondents in form of questionnaire and therefore, there is a need to select a particular sampling technique. The sampling technique that is being used is a multiple of two different sampling techniques. The sampling techniques that have been used are Stratified Sampling & Simple Random Sampling. Initially, we have made Strata that comprises of the people that use one particular type of clothing as in jeans and shirts, kurtas etc. Once the strata has been made, afterwards, the random sampling technique would be used. The questionnaires will be filled randomly from the respondents that are available in various strata. The respondents would fill in the questionnaires and after that the data would be analyzed using the SPSS Software. The data would be collected from some of the notable clothing outlets or hypermarkets from where the perception of the customers could be collected. The data could also be gathered from different universities as well as the students are also actively involved in the buying of various clothing. Hence, the sampling technique in the study would be mixture of two sampling techniques and the sample size would be 300 respondents for the existing thesis.

Analysis

Table 1: Frequency Distribution

	Frequency	Percent
Male	180	70.0
Female	120	30.0

As already mentioned; that 300 questionnaires were circulated among the respondents. Out of these all were considered fit for the analysis. There were 180 male with 70% frequency and 120 female with 30% frequency.

Table 2: Age

	Frequency	Percent
less than 25	135	66.7
25-35	71	24.0
35-45	45	6.7
45 & above	39	2.7

Out of these all 300 were considered fit for the analysis. There were 135 respondents from age group of less than 25 with frequency of 66.7%. There were 71 respondents from age group of 25-35 with frequency of 24%. There were 45 respondents from age group of 35-45 with frequency of 6.7%. There were 4 respondents from age group of and above with frequency of 2.7%.

Table 3: Education

	Frequency	Percent
Bachelors	130	53.3
Master	87	24.7
above Master	83	22.0

Out of these 300 questions all of the 300 were considered fit for the analysis. There were 130 respondents from education category of bachelors with frequency of 53.3%. There were 87 respondents from education category of Master with frequency of 24.7%. There were 83 respondents from age group of above master with frequency of 22%.

Table 4: Reliability Statistics

	N	Cronbach's Alpha
Sales Promotion	6	0.823
Discount Price	8	0.745
Point Of Sale	3	0.735
Buy 1 Get 1 Free	5	0.761
Coupons	5	0.784
Consumer Purchase Decision	5	0.890

The Reliability test was also performed before applying any other statistical technique. Cronbach's Alpha value of sales promotion that came up was 0.823 which is considered quiet good to move on as it is greater than 0.7 because it's reliable. Cronbach's Alpha value of discount price that came up was 0.745 which is considered quiet good to move on as it is greater than 0.7 because its reliable. Cronbach's Alpha value of point of sale that came up was 0.735 which is considered quiet good to move on as it is greater than 0.7 because its reliable. Cronbach's Alpha value of buy one get one free that came up was 0.761 which is considered quiet good to move on as it is greater than 0.7 because its reliable. Cronbach's Alpha value of coupon that came up was 0.784 which is considered quiet good to move on as it is greater than 0.7 because its reliable. Cronbach's Alpha value of consumer purchase decision that came up was 0.890 which is considered quiet good to move on as it is greater than 0.7 because its reliable.

Table 5: Correlation

	Discount Price	Point Of Sale	Buy1Get1Free	Coupons	Consumer Decision	Purchase
Sales Promotion	.404**	.835**	.624**	.601**	.412**	
Discount price					0.657**	
Point of Sale					0.527**	
Buy1Get1Free					0.612**	
Coupons					0.822**	

The relationship among sales promotion and discount price is 0.404 which is moderate positive relation. If we are change the intensity of sales promotion then little bit effect on other. The relationship among sales promotion and point of sale is 0.835 which is strong positive relation. If we are change the intensity of sales promotion then huge effect on other. The relationship among sales promotion and buy one get one free is 0.624 which is moderate positive relation. If we are change the intensity of sales promotion then little bit effect on other. The relationship among sales promotion and coupons is 0.601 which is moderate positive relation. If we are change the intensity of sales promotion then little bit effect on other. The relationship among discount price and consumer purchase decision is 0.657 which is strong positive relation. If we are change the intensity of discount price then huge effect on other. The relationship among point of sale and consumer purchase decision is 0.527 which is strong moderate relation. If we are change the intensity of point of sale then little bit effect on other. The relationship among but one get one free and consumer purchase decision is 0.612 which is strong positive relation. If we are change the intensity of buy one get one free then huge effect on other. The relationship among coupons and consumer purchase decision is 0.822 which is strong positive relation. If we are change the intensity of coupons then huge effect on other. All variables have p value 0.000 which is less than 0.05 that showed hypothesis is accepted.

Discussion

All hypothesis are supported. Sales promotion have ($p < .05$) significance values. The value of adjusted R² (.164) showed that 16.4% change in consumer purchase decision is because of independent dimensions. It has the value ($t = 5.496$) which show positive effect on purchase decision. Respondents, who have a high level of buying behavior, set the

level of involvement in paying attention to the development of sales promotion (Raaij et al, 2001). Discount price has ($p < .05$) significance values. The value of adjusted R^2 (.427) showed that 42.7% change in consumer purchase decision is because of independent dimensions. It has the value ($t = 10.593$) which show positive effect on purchase decision. This statement was supported by Gupta (1988), in which he suggested that sales promotion was very effective in attracting consumer of other brands. Furthermore, findings from Bucklin, Gupta and Siddarth (1998) also indicated that price discounts induced households to switch brands and buy earlier than planned.

Point of sale has ($p < .05$) significance values. The value of adjusted R^2 (.272) showed that 27.2% change in consumer purchase decision is because of independent dimensions. It has the value ($t = 7.535$) which show positive effect on purchase decision. Sales promotion has ($p < .05$) significance values. The value of adjusted R^2 (.695) showed that 69.5% change in point of sale is because of independent dimensions. It has the value ($t = 18.446$) which show positive effect on point of sale. Buy one get one free has ($p < .05$) significance values. The value of adjusted R^2 (.164) showed that 16.4% change in consumer purchase decision is because of independent dimensions. It has the value ($t = 5.498$) which show positive effect on purchase decision. The result of present study was consistent with the result of Li, Sun and Wang's (2007) study which found that extra product promotions would speed up clearance sales more than do price promotions.

Coupons has ($p < .05$) significance values. The value of adjusted R^2 (.674) showed that 67.4% change in consumer purchase decision is because of independent dimensions. It has the value ($t = 17.592$) which show positive effect on purchase decision. Sales promotion has ($p < .05$) significance values. The value of adjusted R^2 (.356) showed that 35.6% change in coupons is because of independent dimensions. It has the value ($t = 9.136$) which show positive effect on coupons. This was also proved by the research of Gilbert and Jackaria (2002) who reported that coupon ranked the last as the promotion least widely used by the consumer. Sales promotion has ($p < .05$) significance values. The value of adjusted R^2 (.158) showed that 15.8% change in discount price is because of independent dimensions. It has the value ($t = 5.374$) which show positive effect on discount price. Sales promotion has ($p < .05$) significance values. The value of adjusted R^2 (.385) showed that 38.5% change in buy one get one free is because of independent dimensions. It has the value ($t = 9.714$) which show positive effect on buy one get one free. Cuizon (2009) who stated that sales promotions are not only effective in attaining short-term sales as they are also more cost-effective compared to other integrated marketing communications tools such as advertising. In brief, the consumers' attitude towards different promotional tools on buying behavior is favorable.

It showed that sales promotion tools are supplementary or complementary to existing business as an additional marketing strategy. This research demonstrated that consumers' buying behavior were motivated by multiple types of factors, including socio-demography, promotional tools such as price discounts, coupons, free samples and "buy-one-get-one-free". Hence, we can draw useful conclusions from the above discussion still an in depth analysis would be helpful in determining the results of the existing study. Once the data is being collected, the analysis is conducted with the help of SPSS Software. The initial terms such as, frequency and descriptive statistics are conducted that laid the foundation of further research. The demographics test tells us that there were 45 females and 105 males in the respondents. So most of the research was carried out from the males. Moreover, most of the people were below the age group of 25 years, whereas, some of the people belong to the category of 25-35 (36) and less people belong from the age group of 45 and above as only 4 people are falling in this category. As far as education is considered, more than half of the respondents, 53.3% to be exact fall in the category of having Bachelor's degree.

Conclusion

Sales promotion plays a vital role in marketing in any business nowadays. Researches show that a large percentage of company sales are being made based on sales promotions. This situation is becoming more apparent in Pakistan after the political and economic crisis. Marketers have started using assortment of promotional tools offering consumers an extra incentive to make purchase decision. It has been observed that the consumer's perception towards different promotional tools has remained positive. As such, the result of this research proves that sales promotion tools such as price discounts, coupons and point of sale display play a key role in influencing the consumer's purchase decision. This research has proved that sales promotions stimulate interest in consumers and consumers are bound to make purchase decision provided that they are offered with price discount, coupons and point of sale displays.

The above chapters of literature, analysis and discussion gives useful insights regarding the research and enlightens the main constructs of the research such as, sales promotion, customer buying behavior and the tools of sales promotion. The research suggests that all the tools of Sales Promotion are equally important and it has a positive and significant

impact on the consumer buying decisions. Similarly, with the help of existing research and after conducting analysis, the results suggests that all the variables used in the research are equally important and more importantly all the independent variables have an impact on the dependent variable. As the analysis shows us that the consumer buying decision has strongly been effected by the constructs of sales promotion as detailed in the research framework of the study. It is quite useful that the existing research is done in the context of clothing industry of Pakistan. The results and analysis have been discussed in detail in their respective chapters.

Limitations

Further research shall be conducted in the context of other industries as well and could also inculcate the other tools of sales promotion whereas, the consumer buying decision or behavior is affected by different factors that are associated with each other. As independently, consumer buying decision is a vast and broad concept and is effected by mutually various constructs that could be utilized in the future researches. Secondly, clothing industry is quite a big one and has a great unexplored potential that is still to be tapped in for knowing the useful insights.

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