

Full Length Research Paper

Effect of sales promotion on consumer behavior based on culture

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Sales promotions have become a vital tool for marketers and its importance has been increasing significantly over the years. Studies that strive to understand the impact of sales promotions on consumers' behavior are very important. As well as culture has profound implications on the psyche of the consumers' behavior, adaptation to cultural values leads to marketing effectiveness. So to this study, understanding consumer behavior in a different framework is very useful for the success of an organization in national or international level. According to the issues mentioned, this article examines the impact of sales promotion on consumer behavior based on important cross cultural models.

Key words: Sales promotions, consumer, consumer behavior, culture, marketing.

INTRODUCTION

Sales promotions have become a vital tool for marketers and its importance has been increasing significantly over the years. In India, sales promotions expenditure by various marketing companies is estimated to be thousands of crore and the emphasis on sales promotion activities by the Indian industry has increased by 500 to 600% during the last 3 to 5 years. In the year 2004, there were as many as 2,050 promotional schemes in the Rs 80,000 crore, fast moving consumer goods (FMCG) Industry (Dang et al., 2005). In international marketing, understanding the cross-cultural differences is imperative for developing effective marketing strategies for the diverse foreign markets with a variety of cultures (Loudon and Bitta, 2002; Perreault and McCarty, 2002; Schiffman and Kanuk, 2004). Thus consumer behavior can be regarded as a utility and value producing activities (Kojima and Baba, 2001). It plays a significant effect on decisions which help in achieving the organizational objectives, and furthermore, consumers' behavior influenced the economic social conditions within a society (Loudon and Bitta, 2002). A well as culture has "profound implications on the psyche of the consumers," (Kumar,

2007) adaptation to cultural values leads to marketing effectiveness (Mooij and Hofstede, 2002). Therefore, recognizing the effect of cultural values on the consumer behavior is also very important. This article will try to promote the mutual relationship between sales promotion and consumer behavior in context of culture.

RELEVANT STUDIES

Sales promotion

Sales promotions are action-focused marketing events whose purpose is to have a direct impact on the behavior of the firm's consumers. There are three major types of sales promotions: consumer promotions, retailer promotions and trade promotions. Consumer promotions are promotions offered by manufacturers directly to consumers. Retailer promotions are promotions offered by retailers to consumers. Trade promotions are promotions offered by manufacturers to retailers or other trade entities (Blattberg and Neslin, 1990). The importance of sales promotion has increased since the 1960's and also the sophistication of methods used.

Sales promotion is sometimes considered as an activity of less importance but companies increasingly realize the

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importance of having a well planned and structured program for sales promotion. All businesses need to communicate to the consumer what they have to offer (Jobber and Lancaster, 2006).

Brassington and Pettitt (2000) provide a revised definition for sales promotions: '... a range of marketing techniques designed within a strategic marketing framework to add extra value to a product or service over and above the "normal" offering in order to achieve specific sales and marketing objectives. This extra value may be a short-term tactical nature or it may be part of a longer-term franchise-building program.'

Consumer behavior

Consumer behavior focuses on how consumers decide what to buy, why to buy, when to buy, where to buy and how often they buy, how frequently they use it, "how they evaluate it after the purchase and the impact of such evaluations on future purchases, and how they dispose it off" (Schiffman and Kanuk, 2004). There are various factors such as social and economic factors which influence the consumer behavior but culture is the "fundamental determinant" of consumer behavior (Kotler, 2003).

Sales promotion and consumer behavior

Schultz (1998) says that, sales promotion generally works on a direct behavioral basis rather than effecting awareness or attitude. Dwyer and Tanner (2006) states that, business consumer are larger than individual consumer; meaning that each business consumers is more important to the economic situation of the business marketers company. There are also few business, so each business consumers is also more important to the economical situation of the company; unhappy consumers can affect the business marketers business in a noteworthy way. Given the increasing importance of sales promotions as a percentage of the total advertising and promotional budget (growth from 58% in 1976 to 72% in 1992 and increasing at a rate of 12% per year over the last 10 years), Gardener and Treved (1998) study strive to understand the impact of sales promotions on consumers behavior and how very important they are.

Culture and consumer behavior

Culture has significant effect on the behavior of individuals (Luna and Gupta, 2001; Ogden and Schau, 2004). Usunier (2000) lists the selected aspects of consumer behavior on which the culture may have possible impact: perception, motivation, learning and memory, age, self concept, group influence, social class, sex roles, attitude change, decision making, purchase and

post-purchase behavior. Luna and Gupta (2001) recognize the effect of cultural values on the consumer behavior. Lam and Lee (2005) suggest that brand loyalty might be influenced by cultural values. Briley, Morris and Simonson (2000) provide insights into the role of reasons in decision making and contend that knowledge and differences are activated when the individuals are asked to give reasons for their decision or purchase decision.

Cross cultural consumer behavior models

There are very few models that explain cross-cultural consumer behavior but some models have gained acceptance and are widely referred in the literature. The models regard culture as one of the potent factors responsible for consumer behavior. They are as below:

A-B-C-D model

Raju (1995) has developed a framework known as A-B-C-D paradigm to study and understand consumer behavior. The acronym A-B-C-D stands for the four stages of the paradigm namely access, buying behavior, consumption characteristics and disposal. Figure 1 identifies the major factors within each stage.

Access is the first step of the paradigm which refers to providing the physical and economic access of the products and services to consumers within a culture. The buying behavior refers to all the factors like perceptions, attitudes and consumer responses having effect on the decision making and the choices available within a culture. The third stage which is consumption characteristics refers to the type of products and services consumed within a culture and depend on the cultural orientation, social class, reference group and patterns of urban versus rural sector consumption. The last stage of the paradigm disposal refers to the resale, recycling and remanufacturing, social and environmental considerations of product disposal. The customers world over are becoming environmentally conscious and so marketers need to be socially and environmentally responsible.

Manrai and Manrai model

Manrai and Manrai "structure the cultural component of the person in terms of marketing communications (e.x. sales promotion,...) act as a moderator of the effect of culture on consumer behavior and can even influence the consumer attributes and processes, and the cultural components of behavior in consumer behavior domains"(Moiij, 2004). The culture is influenced by the income and in turn gets influenced by the culture. The 'who' refers to what the people are. The components of 'who' are self study of what a person thinks who he is, his

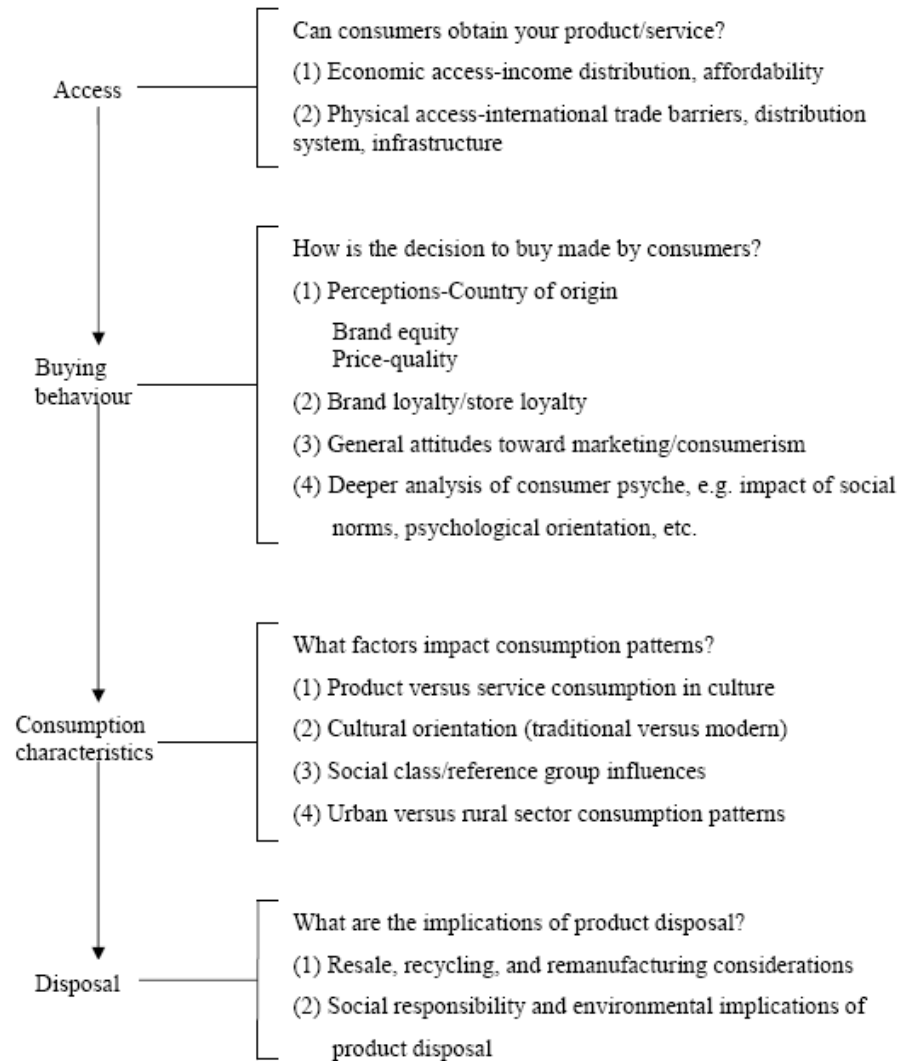


Figure 1. Raju's A-B-C-D paradigm.
Source: Raju (1995).

identity, image, attitudes and the lifestyle. The 'how' refers to the processes that influence peoples' thinking, perception, learning and motivation. The self is shaped by culture and in turn, it strongly influences social behavior through individual's perceptions, evaluations and values. The self is the intermediary variable for understanding behavior.

Luna and Gupta model

Luna and Gupta (2001) in their model recognize the influence of cultural value systems on behavior (Figure 2). Culture is manifested through values, heroes, rituals and symbols. Values are the core of culture and it influences the consumer behavior. The term 'heroes' is

refers to persons dead or alive, real or imaginary, who are revered and prized in culture.

In marketing, the products are associated with heroes as they may influence the consumer behavior. Rituals involve consumption that is important in consumer behavior. Symbols may be absent or their meaning may be different in cultures. The consumers in order to define their self indulge in symbolic consumption. The consumer behavior constitutes of three elements-cognition, affect and behavior. The cognition refers to the memory processes, affect refers to the attitude formation process and the behavior includes the individual behavior and consumption patterns. Marketing communications act as a moderator of the effect of culture on the consumer behavior and may affect consumer behavior independently of culture as shown in Figure 3.

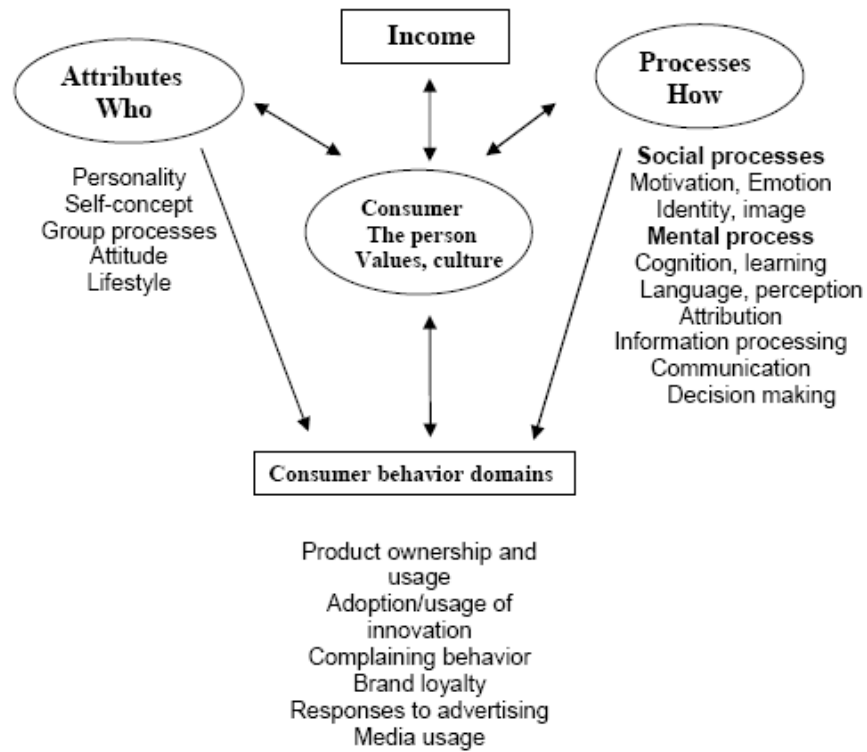


Figure 2. Manrai and Manrai's framework of cross-cultural consumer behavior. Source: Manrai and Manrai (Mooij 2004).

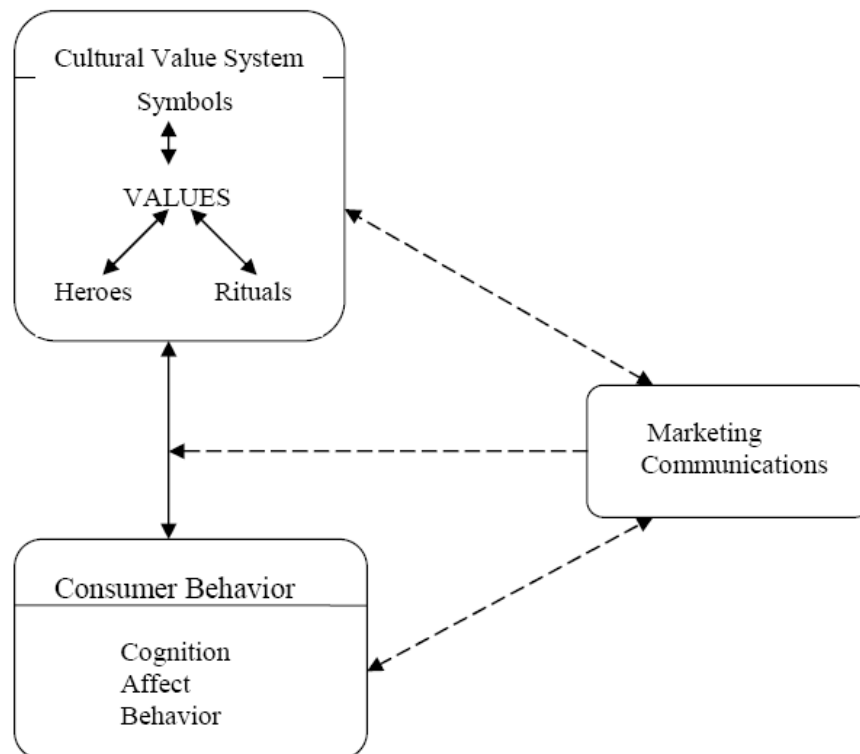


Figure 3. Luna and Gupta's model of interaction of culture and consumer behavior. Source: Luna and Gupta (2001).

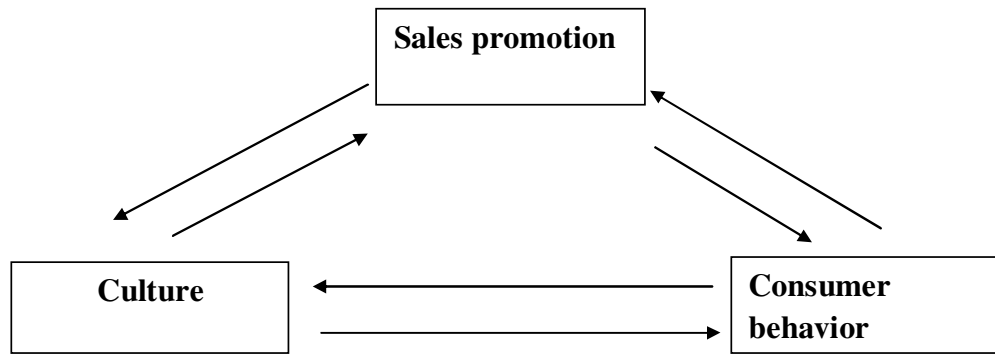


Figure 4. Conceptual model of research (cycle communication of effect of sales promotion on consumer behavior and culture).

Source: Based on previous research works by the authors.

FINDINGS AND CONCLUSIONS

On the basis of foregoing discussion, this paper presents the findings and conclusions based on our research title. In the three models which have already been discussed, we discover that: sales promotion has direct impact on consumer behavior and culture has significant effect on the behavior of individuals as well. Thus according to reviewing the models discussed, we conclude that, sales promotion act as a moderator of the effect of culture on the consumer behavior and may effect consumer behavior independently of culture as shown in Figure 4 (conceptual model of research).

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