Full Length Research Paper

Effect of sales promotion as a tool on customer attention to purchase: A case study of auto maker company

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Sales promotion are highly effective in exposing customers to products for the first time and can serve as key promotional components in the early stages of new product presentation. The main purpose of this study is the effect of sales promotion as a tool on customer attention to purchase used in Iran market in general and in automobile industry in particular. Through comparing theories brought up in the conceptual framework to the empirical data, we have been able to answer the research questions. The findings and conclusions concerning the research questions of sales promotion used and the objectives of them contributes to existing theories by more thoroughly describe the implementation. So, according to the statements mentioned, this paper will study of the effect of sales promotion as a tool on customer attention to purchase of products of Iran Khodro automaker company and also performance of sales promotion in introducing of new product to customer has been studied somewhat.

Key words: Sales promotion, customer attention, Iran Khodro, automaker, new product.

INTRODUCTION

All businesses need to communicate to the customer what they have to offer (Jobber and Lancaster, 2006). Dwyer and Tanner (2006) states that business customers are larger than individual customers; meaning that each business customer is more important to the economic situation of the business marketers company. There are also fewer business customers, so each business customer is also more important to the economical situation of the company; unhappy customers can affect the business marketers business in a noteworthy way. Shultz and Robinson (1998) says that sales promotion generally works on a direct behavioral basis rather than effecting awareness or attitude. It is continuously said that most types of sales promotions affect the decision-making and purchasing stages of the buying-process directly that is, effective in the long-run since it leads to increased sales and profit (Kwok and Uncles, 2005).

Aldred stated that loyalty is more about sales promotion than relationship marketing; the importance of customer loyalty is widely discussed in relationship marketing recently. Berry first introduced the idea of relationship marketing in service marketing literature. The ultimate goal of marketing is to retain customers with whom proprietors aim to build relationships in order to create loyalty. It is merely an intermediate process to attract new customers. Relationship marketing has been emphasized since the last two decades (Ping and Huang, 2011).

This paper will attempt to study the effect of sales promotion as a tool on customer attention to purchase of products of Iran Khodro automaker company and also performance of sales promotion in introducing of new product to customer will be studied somewhat. Additionally, sales promotion in automotive industry of Iran has been selected because: (1) It is a very service intensive industry; (2) its services involve sales promotion; (3) it is an emerging and fast growing service sector; (4) customers are very sensible to sales promotion.

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LITERATURE REVIEW

Nature of sales promotion

Promotion is one of the key factors in the marketing mix and has a key role in market success. Promotion is used to ensure that consumers are aware of the products that the organization is offering. The promotional mix is the combination of the different channels that can be used to communicate the promotional message to the consumers. The channels to be used are: advertising, direct marketing, public relations and publicity, personal selling, sponsorship and sales promotion (Rowley, 1998). One of most important of channels is sales promotion. Sales promotion is 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 promotion: consumer promotion, retailer promotion, and trade promotion. Consumer promotions are promotions offered by manufacturer directly to consumers (Blattberg and Neslin, 1990). Throughout the world, sales promotion offered to consumers are an integral part of the marketing mix for many consumer products (Huff and Alden, 1998; Chandon and Laurent 2000). Studies that strive to understand the impact of sales promotion on consumers are very important. Thus, sales promotion tools are amply employed by retailers and manufacturers to achieve their commercial objectives in terms of sales volumes, market share, category penetration and so forth.

Marketing communication is defined as all strategies, tactics and activities involved in getting the desired marketing messages to intended target markets, regardless of the media use. The marketing communication includes advertising, personal contact, publicity and public relations, sales promotion, instructional materials and corporate design (Rajasekhara, 2008).

According to Low and Mohr (2000) manufacturers continue to spend a large amount from their communication budget on sales promotion. They allocate around 75% of their marketing communication budgets to sales promotion. (Hellman, 2005) In order to develop a successful sales promotion strategy a clear definition of the targeted market must be included. It is important to note that the character of sales promotion has been changing slightly over time, with the arising of relationship marketing. Sales promotion is like other traditional forms of marketing activities have been about mass offer (Mitchell, 2000).

Integrated marketing communications

Integrated marketing communications (IMC) is defined by Shimp as a communication process that entails the planning, creation, integration and implementation of diverse forms of marcom (advertisements, sales promotions, publicity releases, events, etc.) that are delivered over time to a brand’s targeted customers and prospects. Plessis et al. explain how integrated marketing communications (IMC) centres around the integration of the various marketing communication elements to provide added value to customers and increase positive relationships. Clow and Baack define IMC as the coordination and integration of all marketing communication tools, avenues and sources within a company into a seamless program that maximizes the impact on customers and other stakeholders at a minimal cost (Veerasamy, 2011).

Definition for sales promotion

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.’

Attention, interest, desire and action (AIDA) model

Marketing today is fiercely competitive and products despite having quality need support from promotional team of the organization. AIDA however is an acronym to sales promotion that is necessary to learn in marketing. Using a system like this, allows a general understanding of how to target a market effectively. Moving step by step, AIDA model aims to effectively influence the customers. It proposes combination of promotional tools that help drawing customer’s attention and generate interest. This process is shown as “AIDA Inverted Triangle” (Figure 1). This includes the four stages of:

1. Attention – where the customer becomes aware of the product.
2. Interest – where an interest in the product develops.
3. Desire – Where the customer has developed a sense of wanting the product.
4. Action – where a purchase is made (Strong, 1925).

Based on the purpose study of effect of sales promotion as a tool on customer attention to purchase and also performance of sales promotion in introducing of new products to customers of company and considering comparing theories brought up in the conceptual framework to the empirical data, the following research questions are stated:

Q1: Does Introducing Iran Khodro’s products through sales promotion attract customer attention to purchase?
Q2: Do the methods used in the sales promotion of Iran
Khodro attract the viewers' attention to purchase?
Q3: Does the music used in Iran Khodro's multimedia sales promotion attract the viewer's attention to purchase?
Q4: Do sales promotion make customer aware of new products of company?
Q5: Do sales promotion provoke customer to purchase of products of company?
Q6: Does the content of sales promotion has attracted customer attention to purchase?
Q7: Does the advertisement slogan at the sales promotion attract customer attention to purchase?

RESEARCH VARIABLES

In this study, sales promotion are the independent variable and customers' attention of purchasing are dependant variables. The intervening variables like customers' mood, situation and others' opinions are held constant.

DATA COLLECTION

Data collection procedure consists of two parts, primary and secondary data. Such data has been collected through questionnaires. Writing the questionnaire was a time-consuming process. It went through several stages of modifications after getting feedback from preliminary questionnaires in order to be in line with the aims of the present research. This questionnaire contains personal information of customers and other common questions related to the study. Also the ordering of questions has been done according to the criteria found in research literature such as clarity of questions, avoiding hard-to-understand questions at the beginning, avoiding similar choices in a line, etc. This questionnaire has the Likert scale and the questions as far as possible addressed hypotheses of the study. It consists of seven items. Items 1 to 7 are to confirm or reject the first to seventh hypothesis respectively, so that answers to these questions will help the author to reach a conclusion on the hypothesis. It should be noted that the questions are opinion-based which seek to find out viewpoints, opinions and perceptions of respondents.

QUESTIONNAIRE VALIDITY AND RELIABILITY

Seif (2006) argues that, validity is "an assessment of the sufficiency and appropriateness of interpretations and usage of assessment results". It is considered as the similarity between the test performance and the criterion performance. So, the first pretest is given after the draft questionnaire is written in order to eliminate the...
Table 1. Frequency distribution of respondents according to their sex.

<table>
<thead>
<tr>
<th>Sex</th>
<th>Frequency</th>
<th>%</th>
<th>Cumulative frequency</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>153</td>
<td>42</td>
<td>153</td>
<td>42</td>
</tr>
<tr>
<td>Male</td>
<td>209</td>
<td>57</td>
<td>362</td>
<td>99</td>
</tr>
<tr>
<td>Unknown</td>
<td>3</td>
<td>01</td>
<td>365</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>365</td>
<td>100</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 2. Frequency distribution of respondents according to their education.

<table>
<thead>
<tr>
<th>Education</th>
<th>Frequency</th>
<th>%</th>
<th>Cumulative frequency</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td>High school</td>
<td>21</td>
<td>06</td>
<td>21</td>
<td>06</td>
</tr>
<tr>
<td>Diploma</td>
<td>109</td>
<td>30</td>
<td>130</td>
<td>36</td>
</tr>
<tr>
<td>College and Bachelor’s</td>
<td>183</td>
<td>50</td>
<td>313</td>
<td>86</td>
</tr>
<tr>
<td>Master’s and PhD</td>
<td>43</td>
<td>12</td>
<td>356</td>
<td>98</td>
</tr>
<tr>
<td>Unknown</td>
<td>9</td>
<td>02</td>
<td>365</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>365</td>
<td>100</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

possible mistakes; the second pre-test is given after the questionnaire is finalized. The questionnaire will be ready to be handed out to customers. It has been distributed to Iran Khodro customers and the related expert to mark out the flaws in the questionnaire. Then, its finalized version was given to customers to be filled out.

So, in this study used Cronbach’s Alpha to measure the questionnaire reliability. The reliability coefficient is measured from 0 to 1 with 0 denoting no reliability, and 1 denoting total reliability. The Cronbach’s alpha of the questionnaire is calculated by software as 0.859.

Questionnaire scale

Likert scale is the most popular one used in research questionnaires. Participants are asked to show their opinion by choosing from 1 to 5. Likert scale is composed of a number of questions and choices, so it is considered as a compound scale. The choices reflect your agreement or disagreement with a particular concept. In other words, we are able to reveal the participants’ emotions, attitudes, beliefs, or points of view, because they show their positive or negative emotion toward a concept by selecting a choice best representing their feelings (Likert, 1932).

Hypothesis

While conducting research, the researcher had following hypotheses:

H₁: Introducing Iran Khodro's products through sales promotion attracts customers' attention to purchase.
H₂: The methods used in the sales promotion of Iran Khodro attract the viewers' attention to purchase.
H₃: The music used in Iran Khodro's multimedia sales promotion has attracted the viewer's attention to purchase.
H₄: Sales promotion make customer aware of Iran Khodro's new products.
H₅: Iran Khodro's sales promotion provoke customer to purchase the products.
H₆: The content of Iran Khodro's sales promotion has attracted customer attention.
H₇: The advertisement slogan in Iran Khodro’s sales promotion has attracted customer's attention to purchase.

DATA ANALYSIS AND RESULTS

The data gathered through questionnaires have been analyzed by descriptive statistics instruments such as frequency distribution and diagrams. The hypotheses have also been tested one by one by the t-test and SPSS software. This section deals with how the data are analyzed by SPSS software program in order to test the hypotheses. First the ethnographical characteristics of participants and their responses are demonstrated, then the hypotheses are tested.

Participants' demography

The participants’ demography is shown in Table 1.

Participants' educational qualifications

As can be seen in Table 2, BA/BS and diploma indicate the highest frequency and MA/MS or PhD show the lowest.

The researcher attempted to select a sample which best represents the different strata in terms of the ethnographical features discussed above in order for the results to be generalized to the whole society with the least deviation possible. It should be noted that the questionnaires fill-in task was quite time-consuming and costly so it was limited to a three-month period. Thus the results are likely to change if the period length changes too.
Table 3. Effect of sales promotion as a tool on customer attention to purchase.

<table>
<thead>
<tr>
<th>Promotional inputs</th>
<th>Quite disagree</th>
<th>disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Quite agree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Question 1</td>
<td>25</td>
<td>41</td>
<td>54</td>
<td>181</td>
<td>64</td>
<td>365</td>
</tr>
<tr>
<td>Question 2</td>
<td>15</td>
<td>46</td>
<td>100</td>
<td>141</td>
<td>63</td>
<td>365</td>
</tr>
<tr>
<td>Question 3</td>
<td>18</td>
<td>61</td>
<td>98</td>
<td>144</td>
<td>44</td>
<td>365</td>
</tr>
<tr>
<td>Question 4</td>
<td>14</td>
<td>22</td>
<td>58</td>
<td>178</td>
<td>93</td>
<td>365</td>
</tr>
<tr>
<td>Question 5</td>
<td>29</td>
<td>94</td>
<td>136</td>
<td>85</td>
<td>21</td>
<td>365</td>
</tr>
<tr>
<td>Question 6</td>
<td>13</td>
<td>51</td>
<td>125</td>
<td>146</td>
<td>30</td>
<td>365</td>
</tr>
<tr>
<td>Question 7</td>
<td>30</td>
<td>97</td>
<td>97</td>
<td>117</td>
<td>24</td>
<td>365</td>
</tr>
<tr>
<td>Total frequency</td>
<td>144</td>
<td>412</td>
<td>668</td>
<td>992</td>
<td>339</td>
<td>2555</td>
</tr>
</tbody>
</table>

Table 4. T-Test of question 1.

<table>
<thead>
<tr>
<th>Test result</th>
<th>Sig. (2-tailed)</th>
<th>df</th>
<th>T</th>
<th>95% confidence interval of the difference</th>
<th>Mean difference</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>H01: Not confirmed</td>
<td>0.000</td>
<td>364</td>
<td>10.28</td>
<td>0.71</td>
<td>0.48</td>
<td>0.59</td>
</tr>
</tbody>
</table>

Table 5. T-test of question 2.

<table>
<thead>
<tr>
<th>Test result</th>
<th>Sig. (2-tailed)</th>
<th>df</th>
<th>T</th>
<th>95% Confidence interval of the difference</th>
<th>Mean difference</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>H02: Not confirmed</td>
<td>0.000</td>
<td>364</td>
<td>9.54</td>
<td>0.63</td>
<td>0.42</td>
<td>0.52</td>
</tr>
</tbody>
</table>

Analyzing questionnaire items

These seven items were designed with the aim of investigating viewers' attention to the sales promotion.

Investigation of hypothesis

H01: Introducing Iran Khodro's products through sales promotion does not attract customers' attention to purchase.

According to Table 3, 50% of participants selected the agreement choice, believing that sales promotion will bring about customer's attention and promotion of selling. T-test results to determine the level of significance at 0.95% is presented in Table 4. T-test is 10.28 and its level of significance is 0.00; therefore, the null hypothesis is rejected since the level of significance is below 0.05.

H02: The methods used in the sales promotion of Iran Khodro do not attract the viewers' attention to purchase.

According to Table 3, 39% of participants selected the agreement choice and 12% selected the complete agreement choice, believing that the methods used in the sales promotion of Iran Khodro attract people's attention. T-test results to determine the level of significance at 0.95% is presented in Table 5. T-test is 9.54 and its level of significance is 0.00; therefore, the null hypothesis is rejected since the level of significance is below 0.05.

H03: The music used in Iran Khodro's multimedia sales promotion does not have attracted the viewer's attention.

According to Table 3, 39% of participants selected the agreement choice and 12% selected the complete agreement choice, believing that the music in sales promotion will bring about customer's attention. T-test results to determine the level of significance at 0.95% is presented in Table 6. T-test is 6.71 and its level of significance is 0.00; therefore, the null hypothesis is rejected since the level of significance is below 0.05.

H04: Sales promotion does not make viewers aware of Iran Khodro's new products.

According to Table 3, 48.8% of participants selected the agreement choice and 25.5% selected the complete agreement choice, believing that sales promotions make them aware of Iran Khodro's new products. T-test results to determine the level of significance at 0.95% is presented in Table 7. T-test is 16.57 and its level of significance is 0.00; therefore, the null hypothesis is rejected since the level of significance is below 0.05.
Table 6. T-test of question 3.

<table>
<thead>
<tr>
<th>Test result</th>
<th>Sig. (2-tailed)</th>
<th>df</th>
<th>T</th>
<th>95% Confidence interval of the difference</th>
<th>Mean difference</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H03: Not confirmed</td>
<td>0.000</td>
<td>364</td>
<td>6.71</td>
<td>0.48 to 0.26</td>
<td>0.37</td>
<td>3.37</td>
</tr>
</tbody>
</table>

Table 7. T-test of question 4.

<table>
<thead>
<tr>
<th>Test result</th>
<th>Sig. (2-tailed)</th>
<th>df</th>
<th>T</th>
<th>95% Confidence interval of the difference</th>
<th>Mean difference</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H04: Not confirmed</td>
<td>0.000</td>
<td>364</td>
<td>16.57</td>
<td>0.96 to 0.76</td>
<td>0.86</td>
<td>3.86</td>
</tr>
</tbody>
</table>

Table 8. T-test of question 5.

<table>
<thead>
<tr>
<th>Test result</th>
<th>Sig. (2-tailed)</th>
<th>df</th>
<th>T</th>
<th>95% Confidence interval of the difference</th>
<th>Mean difference</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H05: Not confirmed</td>
<td>0.2</td>
<td>364</td>
<td>-1.28</td>
<td>0.04 to -0.17</td>
<td>-0.70</td>
<td>2.93</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Test result</th>
<th>Sig. (2-tailed)</th>
<th>df</th>
<th>T</th>
<th>95% Confidence interval of the difference</th>
<th>Mean difference</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H06 Not Confirmed</td>
<td>0.000</td>
<td>364</td>
<td>7.16</td>
<td>0.45 to 0.26</td>
<td>0.35</td>
<td>3.35</td>
</tr>
</tbody>
</table>

rejected since the level of significance is below 0.05.

H05: Iran Khodro's sales promotion does not provoke viewers to purchase the products.

According to Table 3, 7.9% of participants selected the complete disagreement choice, and 25.8% selected the complete agreement choice and 37.3 were neutral, believing that the sales promotions do not provoke them to purchase the products. T-test results to determine the level of significance at 0.95% is presented in Table 8. T-test is -1.28 and its level of significance is 0.2; therefore, the null hypothesis is confirmed since the level of significance is above 0.05.

H06: The content of Iran Khodro's sales promotion has not attracted customer attention to purchase.

As shown in Table 3, 40% of participants selected the agreement choice, believing that the content of sales promotions attracts their attention. T-test results to determine the level of significance at 0.95% is presented in Table 9. T-test is 7.16 and its level of significance is 0.00; therefore, the null hypothesis is rejected since the level of significance is below 0.05.

H07: The advertisement slogan in Iran Khodro's sales promotion does not have attracted customer attention to purchase.

According to Table 3, 8.2% of participants selected the total disagreement choice, 26.6% selected the disagreement choice and 26.6 chose neutral choice, indicating that the slogan in sales promotions will not capture viewers' attention. T-test results to determine the level of significance at 0.95% is presented in Table 10. T-test is 0.38 and its level of significance is 0.7; therefore, the null hypothesis is confirmed since the level of significance is above 0.05. Thus the hypothesis that the slogan in the sales promotion catches viewers' attention is rejected.

The results indicate that all the elements, excluding the music track used and the slogans are considered as catching viewer's attention to purchase.

Conclusions

Sales promotion has become a vital tool for marketing and its importance has been increasing significantly over the years. One of the purposes of a sales promotion is to
elicit a direct impact on the purchase behavior of the company's customers.

We have found that sales promotion of Iran Khodro Company have a positive effect as a tool on customers' attention to purchase. The results of significance level test indicate that out of all seven factors—music, expressing the features, techniques used, content, stimulating effect, providing information about the new products, and the advertising slogans—five factors have significant impact on the viewers' attention to purchase, leaving the other two factors, that is stimulating effect and advertising slogans had comparatively, a little lesser impact on customers' attention. As discussed in evaluating the paper hypotheses, sales promotion of Iran Khodro could help company as a tool to achieve their main goal, namely motivating customers to purchase their products.

Limitations

There were several limitations in the present research which may have affected the results:

1. We worked on a sample size of 365 respondents against the whole population due to lack of resources. This sample may not be considered as a good representative of the whole population.
2. The questionnaire to collect data is made by the researcher which needs to be revised in terms of reliability and validity.

IMPLICATIONS FOR FUTURE RESEARCH

While writing this paper several issues connected to this research purpose have been encountered. Since they have been beyond this study and would have had a negative broadening effect, they have been ignored until this part where a proposal of the different issues as future research areas is presented. When studying the area of sales promotion there was the lack of information on how sales promotion differs from consumer sales promotion. Since there is limited amount of studies conducted in sales promotion, a comparison could contribute to a deeper understanding in the area. Look into how sales promotion, a comparison could contribute to a deeper understanding in the area

<table>
<thead>
<tr>
<th>Test result</th>
<th>Sig. (2-tailed)</th>
<th>df</th>
<th>T</th>
<th>95% Confidence interval of the difference Mean difference Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>H₀: Not confirmed</td>
<td>0.7</td>
<td>364</td>
<td>0.38</td>
<td>0.13</td>
</tr>
</tbody>
</table>

REFERENCES

Ping WP, Huang HH (2011). Effects of promotion on relationship quality and customer loyalty in the airline industry: The relationship