

A STUDY ON PROMOTIONAL STRATEGY AND PURCHASE INTENTION OF CORPORATE GIFTING AND MERCANDISING

MS. SUNTHARI MURUGAN

MBA STUDENT, SAVEETHA SCHOOL OF MANAGEMENT, CHENNAI.

MAIL ID: sundari4294@gmail.com

PHONE NO: 8939561932

Mr. P. WILLIAM ROBERT

ASSISTANT PROFESSOR, SAVEETHA SCHOOL OF MANAGEMENT, CHENNAI.

MAIL ID: william29robert@gmail.com

PHONE NO: 7708158435

CHAPTER 1

INTRODUCTION

ABSTRACT

Promotional strategy of company is what the sales of the company depends upon, therefore it is important for every organization to plan and design their promotional strategy. The company majorly focusing on corporate gifting and merchandising should adopt the suitable strategies to reach out their b2b as well as b2c clients. To attract different segment of customers it is required to adopt more than one way of promoting the company. The way of communication to the customer influences the purchase intention of the customers. The customers feels that they are influenced by direct marketing to provide information about the products, sales promotion influence the

customer for persuading to buy products. Then finally to remind about company and product the company should choose publicity and public relation.

1.4 NEED FOR STUDY

- To study Promotional and Communication strategy on purchase Intention.
- To know the customer purchase satisfaction of Corporate Gifting and Merchandising company.
- To know the effective promotional strategy for Corporate Gifting and Merchandising company

1.5 OBJECTIVES OF THE STUDY

- To study the promotional strategy and Purchase Intention of Corporate Gifting and Merchandising company
- To determine the communication strategy of Corporate Gifting and Merchandising company
- To determine the demographic profile of customers using Corporate Gifting and Merchandising company product.
- To determine the effectiveness of communication and Promotional strategy on Corporate Gifting and Merchandising company.

1.6 SCOPE OF THE STUDY

- The study is carried out in Purchase department and HR Department of the b2b customers of Corporate Gifting and Merchandising company
- The study also covered in the walkin customers.
- The study is performed in Mumbai.

1.7 LIMITATIONS

- The time period of the study
- The number of customers of Corporate Gifting and Merchandising company are less in numbers
- It was quite difficult to meet the customers of Corporate Gifting and Merchandising company.

CHAPTER 2

LITERATURE REVIEW

Rothschild, M. L., & Gaidis, W. C. (1981), Behavioral learning theory have been used in the development of marketing idea. The concept reveals that behavior that is positively reinforced is more likely to recur than non reinforced behavior. This model becomes vital to the marketing concept for dealing with most low involvement purchase situations. Its greatest value may be in the development of promotional strategies.

Chakravarthi, N., (1988) analyzed the equilibrium-pricing methods of brands engaged in a pricing game. Every brand features a monopoly market (loyal consumers) and competes with others during a common market known as brand switchers. Within the case of a duopoly, it's shown that the behavior of the brand switchers characterizes the equilibrium behavior of the duopolist. However these properties vary with the scale of the loyal markets and also the behavior of the change population is mentioned.

Raju, J. S., et al., (1990), analyzed the role compete by brand loyalty in crucial optimum value promotional methods utilised by companies in a very competitive setting. The objective is to look at however loyalties toward the competitive brands influence whether or not companies would use value promotions during a product class. The outcome is rely on the unique perfect equilibrium in a finitely repeated game.

Graeff, T. R. (1995), Promotional strategies should be considered to suggest, encourage, and facilitate personal interpretations of the self- relevance and positive consequences of merchandise use. Marketers can use probing procedures to obtain response about the individual interpretations consumers form during product comprehension.

Anwar, M., & Saeed, M. (1996), emphasized that the ethical behavior in advertising and other promotional activities must be based on a strong foundation of Islamic tenets and injunctions. There is a need to develop not only general guidelines for achieving marketing goals and corporate objectives in a morally acceptable manner, but also to devise an Islamic code of marketing by Muslim marketers, corporate leaders, and shari'ah experts.

Creyer, E. H. (1997), Examined the issue of unethical corporate behavior from the view point of consumers. Demonstrate that consumers responses that they are also concerned about a firms's ethical behavior which reflect in the purchase behavior of the consumers.

Chevran Breton, M. (1997), determined that the globalization process that creates new common imperatives for cities, that cities are developing similar promotional approaches. Drawing on 2 case studies of the promotional methods and institutions of Paris and London, this paper investigates the balance between economic and strictly non-economic factors in shaping these capitals' responses to international pressure. The cities' responses are found to be formed by national and local factors instead of economic ones.

Zafer Erdogan, B., & Kitchen, P. J. (1998), said that advertising and sponsorship are key areas of marketing communications activity. Certainly the press coverage pertaining to integrated marketing communications, it may show self-evident that the latter alternative is preferred, also symbiotic relationship, leads in turn to the what can be described as the unity of a marketing communications culture, or its objective (managerial) mind.

Samu, S., et al., (1999), investigated the effectiveness of advertising alliances for introducing new brands. The results show an interesting pattern of interactions among the factors, which has significant implications for managers of new and recognized brands.

Stammerjohan, C., et al., (2005), said that the marketers and advertising firms are indulging into integrated marketing communication (IMC) way for promotion to accomplish direct results of the individual communication tool also an additional effect from the combination of communication tools used and to fill a gap in the marketing literature through picking up a controlled experiment of 2 IMC tools such as publicity and advertising.

Thackeray, R., et al., (2008) determined the second generation of Internet-based applications web2.0. Web 2.0 applications will directly interact customers within the creative method by each manufacturing and distributing information through cooperative writing, content sharing, social networking, social bookmarking, and syndication. Web 2.0 can expand to permit health promotion practitioners a lot of direct access to customers with less dependency on ancient communication channels.

Buil, I., et al., (2013), investigated the effects of two kinds of sales promotions, monetary and non-monetary promotions, that the individuals' attitudes toward the advertisements take part in a key responsibility for influencing brand equity dimensions, whereas advertising spend for the brands under investigation improves brand awareness but is insufficient to certainly influence brand associations and perceived quality.

Kuo, Y. F., et al., (2009), Evaluated the service quality of mobile value-added services. The main findings are service quality and perceived value positively influences on both customer satisfaction and post-purchase intention. The customer satisfaction positively influences post-purchase intention and also service quality has an indirect positive influence on post-purchase intention through customer satisfaction or perceived value.

Van derHeijden, et al., Investigated online purchase intention using two different perspectives: a technology-oriented perspective and a trust-oriented perspective. It was summarised that the antecedents of online purchase intention that have been developed within these two perspectives. In terms of relative contributions, we found that the trust-antecedent 'perceived risk' and the technology-antecedent 'perceived ease-of-use' directly influenced the attitude towards purchasing online.

CHAPTER 3

RESEARCH METHODOLOGY

3.1. RESEARCH DESIGN

Research Design adopted is descriptive research because as descriptive explains the study and aims at finding the promotional strategy and purchase intention of Corporate Gifting and Merchandising company. Survey questionnaires are collected from the 60 respondents. The present study was done by using primary data and secondary data. It is the first hand information, which is being collected by the researcher, or assistant is called primary data. In this study, the primary data was collected through structured questionnaire. Questionnaire was employed to collect the primary data from 60 selected sample respondents. Besides the primary data, the secondary data was also collected for the study. Websites, books were referred from the library to facilitate proper understating of the study.

The data collected from the primary sourced were arranged sequentially and tabulated in the systematic order. The collected data were classified, tabulated and analyzed with some of the statistical tools like Anova, Regression, Independent T-Test and Frequency analysis

CHAPTER 4

DATA ANALYSIS AND INTERPRETATION

FREQUENCY ANALYSIS

ANALYSIS OF GENDER

TABLE 4.1 ANALYSIS OF GENDER

GENDER	Frequency	Percent
FEMALE	31	51.7

MALE	29	48.3
Total	60	100.0

INTERPRETATION: Table 4.1 displays the frequency results of gender. There are 51.7% female respondents and 48.3% are male respondents

ANALYSIS OF AGE LEVEL OF CUSTOMER

TABLE 4.2 ANALYSIS OF AGE LEVEL OF CUSTOMER

AGE OF CUSTOMERS	Frequency	Percent
21-30	25	41.7
31-40	33	55.0
41-50	2	3.3
Total	60	100.0

INTERPRETATION: Table 4.2 displays the age level of the customers. It shows that 41.7% customers are between age level of 21-30, 55% customers are between age level of 31-40 and 3.3% customers are between age level of 41-50.

ANALYSIS OF INCOME LEVEL OF CUSTOMER

TABLE 4.3 ANALYSIS OF INCOME LEVEL OF CUSTOMER

INCOME LEVEL OF CUSTOMER	Frequency	Percent
10000 TO 20000	1	1.7
20000 TO 30000	25	41.7
MORE THAN 30000	34	56.7
Total	60	100.0

INTERPRETATION: Table 4.3 displays the Income level of customers. It shows that 1.7% of customer belongs to 10000 to 20000 level of income, 41.7% of customer belongs to 20000 to 30000 level of income and 56.7% respondent belongs to more than 30000 level of income.

ANALYSIS OF TYPE OF PRODUCT PURCHASED IN CORPORATE GIFTING AND MERCHANDISING COMPANY

TABLE 4.4 ANALYSIS OF PRODUCT PURCHASED IN CORPORATE GIFTING AND MERCHANDISING COMPANY

TYPE OF PRODUCT PURCHASED IN CORPORATE GIFTING AND MERCHANDISING COMPANY	Frequency	Percent
CLOTHING	28	46.7
GIFTING	21	35.0
ELECTRONICS	5	8.3
STATIONERY	5	8.3
PROMOTIONAL KIT	1	1.7
Total	60	100.0

INTERPRETATION: Table 4.4 displays the type product purchased in Corporate Gifting and Merchandising company. The table shows that 46.7% of product purchased are clothing, 35% of product purchased are gifting, 8.3% of product purchased are electronics, 8.3% of product purchased are stationery and 1.7% of product are promotional kit.

ANALYSIS OF OCCASION OF PURCHASE IN CORPORATE GIFTING AND MERCHANDISING COMPANY

TABLE 4.5 ANALYSIS OF OCCASION OF PURCHASE IN CORPORATE GIFTING AND MERCHANDISING COMPANY

OCCASION OF PURCHASE IN CORPORATE GIFTING AND MERCHANDISING COMPANY	Frequency	Percent
CORPORATE EVENTS	18	30.0
FESTIVALS	25	41.7
BRANDING	17	28.3
Total	60	100.0

INTERPRETATION:

Table 4.5 displays the occasion of product purchased. It clearly shows that 30% of products are purchased for corporate events, 41.7% of products are purchased during festivals and 28.3% of products are purchased for the purpose of branding.

ANALYSIS OF PROMOTIONAL AND COMMUNICATION STRATEGY FOR PROVIDING INFORMATION ABOUT CORPORATE GIFTING AND MERCHANDISING COMPANY

TABLE: 4.27 ANALYSIS OF PROMOTIONAL AND COMMUNICATION STRATEGY FOR PROVIDING INFORMATION ABOUT CORPORATE GIFTING AND MERCHANDISING COMPANY

	Frequency	Percent	Valid Percent	Cumulative Percent
ADVERTISEMENT	6	10.0	10.0	10.0
DIRECT MARKETING	44	73.3	73.3	83.3
SALES PROMOTION	5	8.3	8.3	91.7
PERSONAL SELLING	5	8.3	8.3	100.0
Total	60	100.0	100.0	

INTERPRETATION: From the table:4.27 it clearly shows that Personal Selling is the best promotional and communication strategy for providing information about the Corporate Gifting and Merchandising company which is 91.7%. The promotional and communication strategy that providing least information is advertisement which is 10%.

ANALYSIS OF PROMOTIONAL AND COMMUNICATION STRATEGY FOR PERSUADING TO BUY CORPORATE GIFTING AND MERCHANDISING COMPANY

TABLE: 4.28 ANALYSIS OF PROMOTIONAL AND COMMUNICATION STRATEGY FOR PERSUADING TO BUY CORPORATE GIFTING AND MERCHANDISING COMPANY

	Frequency	Percent	Valid Percent	Cumulative Percent
ADVERTISEMENT	9	15.0	15.0	15.0
DIRECT MARKETING	13	21.7	21.7	36.7
SALES PROMOTION	31	51.7	51.7	88.3
PERSONAL SELLING	6	10.0	10.0	98.3
PUBLICITY & PR	1	1.7	1.7	100.0

Total	60	100.0	100.0	
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INTERPRETATION: From the table:4.28 it clearly shows that personal selling is the best promotional and communication strategy for persuading to buy products from Corporate Gifting and Merchandising company. The least persuading is Advertisement which is of 15% only.

ANALYSIS OF PROMOTIONAL AND COMMUNICATION STRATEGY FOR REMINDING THE CUSTOMERS ABOUT THE CORPORATE GIFTING AND MERCHANDISING COMPANY PRODUCT

TABLE:4.29 ANALYSIS OF PROMOTIONAL AND COMMUNICATION STRATEGY FOR REMINDING THE CUSTOMERS ABOUT THE CORPORATE GIFTING AND MERCHANDISING COMPANY PRODUCT

	Frequency	Percent	Valid Percent	Cumulative Percent
ADVERTISEMENT	15	25.0	25.0	25.0
DIRECT MARKETING	5	8.3	8.3	33.3
SALES PROMOTION	5	8.3	8.3	41.7
PERSONAL SELLING	2	3.3	3.3	45.0
PUBLICITY & PR	33	55.0	55.0	100.0
Total	60	100.0	100.0	

INTERPRETATION: From the table: 4.29 it clearly shows that publicity helps for reminding the customers about the Corporate Gifting and Merchandising company product which is 55%

ANALYSIS OF REGRESSION

TABLE: 4.26 ANALYSIS OF REGRESSION

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.342 ^a	.117	.035	1.90047

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.

	B	Std. Error	Beta		
(Constant)	8.349	1.814		4.602	.000
Advertisement	.019	.089	.032*	.218	.828
Direct marketing	.175	.143	.173	1.221	.01
Sales promotion	.186	.127	.270	1.463	.149
Personal selling	.033	.119	.040*	.279	.02
Public relation	.025	.048	.092	.525	.602

INTERPRETATION

R is the correlation, its value is 0.342 and R square is degree of determination, its value is 0.117. The degree of determination shows the extent to which Advertising, Direct Marketing, Sales Promotion, Personal Selling, Public Relation influences the purchase intention of the customers. Tables 4.26 shows the values of beta and significant value. It is clear that variables such as Direct Marketing and Personal selling have the significant value of less than 0.05.

INDEPENDENT SAMPLE T- TEST

ANALYSIS OF GENDER AND PROMOTIONAL AND COMMUNICATION

Null Hypothesis : There is no significant difference between the the Gender with respect to Promotional and Communication strategy.

Alternative Hypothesis : There is a significant difference between the the Gender with respect to Promotional and Communication strategy.

TABLE 4.6 ANALYSIS OF GENDER AND PROMOTIONAL AND COMMUNICATION

Equal variances assumed	Levene's Test for Equality of Variances		t-test for Equality of Means			
	F	Sig.	T	Sig.(2-tailed)	Mean Difference	Std. Error Difference
Advertisement	1.688	.199	-.689	.494	-.56785	.82414
Direct marketing	4.981	.030	2.354	.022*	1.12310	.47718

Sales promotion	.011	.918	-3.308	.024*	-2.22108	.67149
Personal selling	.193	.662	-.975	.002*	-.59251	.60772
Public relation	5.338	.024	-2.610	.334	-4.50306	1.72513

INTERPRETATION: From the table 4.6 it is found that significant value of Direct Marketing, Sales Promotion and Personal Selling is less than 0.05 among the other promotional and communication strategy. So there is a significant difference between the Gender with respect to Direct Marketing, Sales Promotion and Personal Selling.

TABLE 4.7 ANOVA TEST RESULTS FOR AGE, INCOME, TYPE OF PRODUCT, OCCASION OF PURCHASING PRODUCT

CONSTRUCTS	AGE		INCOME		TYPE OF PRODUCT		OCCASION	
	F	Sig.	F	Sig.	F	Sig.	F	Sig.
ADVERTISEMENT	2.906	0.063	1.134	0.329	1.191	0.325	0.158	0.854
DIRECT MARKETING	9.947	0.000	1.055	0.355	0.541	0.706	0.161	0.852
SALES PROMOTION	2.968	0.059	3.245	0.046	0.594	0.669	0.041	0.960
PERSONAL SELLING	0.233	0.793	0.450	0.640	1.599	0.188	0.651	0.526
PUBLIC RELATION	2.185	0.122	0.471	0.627	1.310	0.278	0.097	0.908

INTERPRETATION:

Analysis of Age with respect to Promotional Strategies:

From the analysis it is found that significant value of Direct Marketing and Sales Promotion is less than 0.05 among the other Promotional and Communication. So there is a significant difference among the Age Level with respect to Direct Marketing and Sales Promotion.

Analysis of Income Level with respect to Promotional Strategies

It is found that significant value of Sales Promotion is less than 0.05 among the other Promotional and Communication. So there is a significant difference among the Income Level with respect to Sales Promotion.

Analysis of Type of Product with respect Promotional strategies:

It is found that significant value of Advertising, Direct Marketing, Sales Promotion, Personal Selling, Public Relation is greater than 0.05. So there is a significant difference among the Type of Product with respect to Advertising, Direct Marketing, Sales Promotion, Personal Selling, Public Relation.

Analysis of Occasion of Purchasing a product in Corporate Gifting and Merchandising company with respect to Promotional strategies:

It is found that significant value of Advertising, Direct Marketing, Sales Promotion, Personal Selling, Public Relation is greater than 0.05. So there is a significant difference among the Occasion of Purchasing in Corporate Gifting and Merchandising company with respect to Advertising, Direct Marketing, Sales Promotion, Personal Selling, Public Relation.

CHAPTER 5

FINDINGS

FINDINGS FROM INDEPENDENT T-TEST

It is found that significant value of Direct Marketing, Sales Promotion and Personal Selling is less than 0.05 among the other promotional and communication strategy. So there is a significant difference between the Gender with respect to Direct Marketing, Sales Promotion and Personal Selling.

FINDINGS FROM ANNOVA

Analysis of Age with respect to Promotional Strategies:

From the analysis it is found that significant value of Direct Marketing and Sales Promotion is less than 0.05 among the other Promotional and Communication. So there is a significant difference among the Age Level with respect to Direct Marketing and Sales Promotion.

Analysis of Income Level with respect to Promotional Strategies

It is found that significant value of Sales Promotion is less than 0.05 among the other Promotional and Communication. So there is a significant difference among the Income Level with respect to Sales Promotion.

Analysis of Type of Product with respect Promotional strategies:

It is found that significant value of Advertising, Direct Marketing, Sales Promotion, Personal Selling, Public Relation is greater than 0.05. So there is a significant difference among the Type of Product with respect to Advertising, Direct Marketing, Sales Promotion, Personal Selling, Public Relation.

Analysis of Occasion of Purchasing a product in Corporate Gifting and Merchandising company with respect to Promotional strategies:

It is found that significant value of Advertising, Direct Marketing, Sales Promotion, Personal Selling, Public Relation is greater than 0.05. So there is a significant difference among the Occasion of Purchasing in Corporate Gifting and Merchandising company with respect to Advertising, Direct Marketing, Sales Promotion, Personal Selling, Public Relation.

FINDINGS FROM REGRESSION

R is the correlation, its value is 0.342 and R square is degree of determination, its value is 0.342. The degree of determination shows the extent to which Advertising, Direct Marketing, Sales Promotion, Personal Selling, Public Relation influences the purchase intention of the customers. Tables 4.8 shows the values of beta and significant value. It is clear that variables such as Advertising and Personal selling have the significant value of less than 0.05.

FINDINGS FROM PERCENTAGE

Analysis of promotional and communication strategy for providing information about giftonics it shows that Direct Marketing is the best promotional and communication strategy for providing information about the giftonics which is 73.3%. The promotional and communication strategy that providing least information is advertisement which is 10%.

Analysis of promotional and communication strategy for persuading to buy giftonics shows that personal selling is the best promotional and communication strategy for persuading to buy products from giftonics which is 51.7%. The least persuading is Advertisement which is of 15%.

Analysis of promotional and communication strategy for reminding the customers about the giftonics product shows that Publicity and Public Relation is the best promotional strategy for reminding the customers about the giftonics.

CONCLUSION

Promotion is the most effective way to communicate about the products to the customers. The company should design its promotional strategy according to their target customers. In this study on Promotional Strategies and purchase intension of Corporate Gifting and Merchandising company, they are into B2B (business to business) and B2C (business to consumer) so they need to adopt promotional strategy to attract both kind of customers. They focuses only on Direct Marketing such as Tele-marketing, Email-marketing, as a promotional and communication strategies. Due to their method promotional and communication strategy, it leads to less awareness among the public about Corporate Gifting and Merchandising company. They should emphasis on other few promotional strategies such as Internet advertising, brochures, news paper advertising.

The purchase intention of customer is largely depends upon the promotional and communication strategy of the organization. So here the company lacks in certain areas to influence the purchase intention of the customers. The purchase intention can be influenced largely through adopting effective promotional strategies only. The company should provide information to pull the customers.

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