

An Examination of the Impacts of Effectual Promotional Mix Strategies on Customer Loyalty and Intensification of Sales level: A Study on Meena Bazar

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Abstract

In today's competitive business field, the applications of diverse promotional tools are growing day by day for their significant role in making both customer acquisition and customer retention. The importance of assessing the impact of promotional mix strategies is undeniable for all business organization as the usages of effective promotional mix strategies enhance customer loyalty which ultimately increase sales growth for the organization ranging from producer to retailer. For this study, Meena Bazar has been chosen as it is one of the leading supermarkets in Bangladesh which mainly focuses on its customers' satisfaction by making and implementing different promotional strategies. In addition, this study is based on the primary and secondary data which are collected from Meena Bazar super shop with the help of structured questionnaire. Data analysis has been done using SPSS software. Descriptive research design has been applied to analyze the primary data. After the analysis, it is found that Meena Bazar is continuously applying different promotional tools; such as- sales promotion, campaign, contests, print and online advertisements etc which ultimately increase its customer loyalty and sales growth. In addition, creating unique appeal in advertisement and maintaining good public relation is the two weak point where Meena Bazar need to improve. However, the maximum respondents believe that promotional mix strategy has a significant impact on customer loyalty and intensification of sales level. Finally, some recommendations have been presented for Meena Bazar regarding its' promotional practices to make their customer more loyal and increase their sales growth.

Keywords: Advertising, Sales promotion, Personal selling, Word-of-mouth marketing, Customer loyalty, Cross promotion.

1. Introduction

In order to survive in the changing competitive business field, companies are enforced to adopt effective promotional mix strategies to promote sales growth and increase the total

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number of loyal customers. Promotional mix strategies facilitate companies to attract and retain customers thus increased growth in terms of return on investments due to expanded client base (Kotler, 2007). By maintaining effective promotional mix strategies, an organization can create and maintain customer loyalty and thus further excel in their field (Kotler, 2004). This research is about to measure the impact of effective promotional mix strategies on the customer loyalty and sales growth of Meena Bazar.

In many countries around the world, companies are using promotional mix strategy appropriately and they are also trying to evaluate the impacts of this on customer loyalty and growth. In our country there have very few researches on the impacts of appropriate promotion mix strategy. So it may be expected that the proper implementation of effectual promotional tools can increase the customer loyalty and sales growth level. For evaluating the impacts of promotional mix strategies, Meena Bazar retail supermarket chain has been chosen. It is specially chosen as it is one of the largest retail supermarkets in Bangladesh which can reflect the practical scenario of impacts of effectual promotion mix strategies. Meena Bazar opened in 2002 and operates in Dhaka, Chittagong & Khulna division. Its outlets are providing convenient shopping experience, easy parking and friendly customer service for its customers. Due to the increasing number of retail chain, Meena Bazar has to give more emphasis on its promotional activities for gaining its customer loyalty and increasing its growth of sales.

The remainder of the paper is designed in seven sections. Section 2 contains the literature review. In addition, Section 3 precisely describes objectives of the study followed by methodology in section 4 and results and discussion in section 5. Finally, author makes some recommendations and conclusion in section 6 and 7.

2. Literature Review

There are very few research report on Promotional mix strategies but lots of authors wrote books on this issue. So, the author has chosen this topic to bring some practical insights on the impacts of promotional mix strategies on customer loyalty and growth of sales. The significance of promotional mix strategies on loyalty building and sales level are discussed below:

A. Promotional mix strategies:

There are many promotional tools which have a tremendous impact on increasing sales level and customer loyalty. These tools are advertising (Traditional, Online), Social Media Marketing, sales Promotion (Discounts, free product, raffle draw etc), Public Relation, Direct marketing, Personal selling etc. The first strategy is advertising. According to Kotler & Armstrong (2012) , advertisement is the heart of a promotional mix which is the presentation and promotion of ideas, goods, or services by a recognized sponsor and able to reach to every type of people including low, middle and high class as these are published on several public medias. Shimp (1997) opined that, advertising is completely related to brand loyalty because

it reinforces brand-related associations and attitudes toward the brand. Display and feature advertising have significant effects on item sales. The relationship between this type of advertising and sales growth was found by Woodside, Waddle (1975) and Kumar, Leone (1988). The second strategy of promotional mix is personal selling. Julian and Ramaseshan (1994) stated that the long term person to person relationship is an important factor for a retail firm to achieve a competitive advantage. Sales promotion is the third promotional mix strategy. According to Peatti (1994), normally, coupons, special offers and other forms of price manipulation are the dominant forms of sales promotion. Thus, price based promotions are difficult to continue for all type of companies. In addition, fourth type of promotional tool is Public relations. In accordance with Brassington and Pettit (2000), the core of public relations (PR) is to look after the nature and quality of the relationship between the organization and its different publics, and to create a mutual understanding. Fifth type of promotional mix strategy is direct marketing. According to Sudnik (2011), direct marketing is making of direct interaction with the company's stakeholder groups, especially with the customers. Finally, six types of promotional tools is Word-of-mouth marketing where people share their opinions and experiences of using products or services (Kotler & Armstrong, 2012).

B. Impacts of promotional mix on rapid growth of sales and customer loyalty:

According to Sudnik (2011), promotional mix strategy is implemented in the market so that customers go back to a particular company again and again by being interested to purchase the product of that company and enhance customer loyalty. Various promotional tools affect sales and customer loyalty level. One of the promotional tools is advertising which is specially made to increase sales growth, to create customer awareness and loyalty. Besides this, a company frequently gives several price discounts, rewards or incentives to its customer which is known as sales promotion. Sales promotion is one of the most important tools to increase sales in the competitive retail chain business. Kotler & Armstrong (2012) opined that sales promotion is the tools which raise the sales of a company right away in a large number as well as create the loyalty of that customer toward the company who get the benefit. Furthermore, often companies apply personal selling where the sales personnel persuade people to buy the products of that company through making oral presentation (Griffin, 2008). At last, in accordance with Mullins (2007), public relation is one of the tools of promotional mix, by which a company is able to boost its sales through making and getting favorable non paid media protection and enhance its image towards the customer.

3. Objectives

The main objective of this study is to "Examine the Impacts of Effectual Promotional Mix Strategies on Customer Loyalty and intensification of Sales level". Now, the overall objective is divided into specific objectives, which will help to prepare this article efficiently and effectively.

- To critically analyze the major tools of effective promotional mix strategies of Meena Bazar .
- To critically evaluate the customer loyalty and growth of sales of Meena Bazar in terms of effective promotional mix strategies that are offered.
- To recommend some suggestions for Meena Bazar based on the findings.

4. Methodology

To evaluate the impacts of promotional mix strategies of Meena Bazar on its customer loyalty and sales level, the **conclusive research design** has been applied where the author has applied the concept of descriptive research design. The author wants to find out the cause and effect relationship between the different promotional strategies (causes) and the customer loyalty and sales of Meena Bazar (effect). Using this conclusive research design, the author wants to come to a valid conclusion to make whether several promotional strategies of Meena Bazar have positive effect in raising its customer loyalty with sales or not.

For this study, the author selects **deductive approach** to use. At the beginning of this study, the author has identified 3 major research problems for which the whole study is carried out to find answers. Based on the research topic, the author at first put focuses on several theories on promotion, promotional mix (advertising, sales promotion, public relation) and their effects on a company's profit, sales and customer loyalty. All the theories suggest that all types of promotional mixes have positive impact on increasing sales and retaining customers for a long time. After learning this from the theories, the author collects quantitative data regarding the impacts of promotional mixes on customer loyalty and sales on Meena Bazar and then makes analysis to determine whether the existing theories supported the collected data or not. This approach helps the author to reach an endpoint whether the promotional mix strategies of Meena Bazar are helpful for making customer loyalty and sales or not.

The study is based on both **primary and secondary data** to get reliable and valid information regarding the promotional mix strategies of Meena Bazar and the effects of those to the customers. The sample size for this study is 40. In this study, primary data source is used to collect the opinion of the customers of Meena Bazar on the promotional mix strategies. Secondary data are used for the theoretical part of the article. The author has used the following secondary sources 1) Website of Meena Bazar, 2) Journals, 3) Books, 4) Previous research papers on Meena Bazar and so on.

Primary data have been collected through structured questionnaire survey. The questionnaire which is used in this study involves the application of 5 point likert scale where the customers who strongly agree on the asked question provide 5 marks, who agree provide 4 marks, and continuing this serial, who strongly disagree on the asked question provide 1 mark. For this study, the author uses the random sampling method to reach to an exact and accurate conclusion. The sample size for this study is 40.

After collecting the raw data from the survey, the author has analyzed the findings by using descriptive statistical methods such as mean, percentages in SPSS.

5. Results and Discussion

Firstly the descriptive statistics is shown in Table-1. All data have been analyzed through the SPSS version 20.

Descriptive Statistics

	N	Range	Mini mum	Maxi mum	Mean		Std. Deviation	Variance	Skewness		Kurtosis	
	Statistic	Statis tic	Statis tic	Statis tic	Statistic	Std. Error	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Male/Female	40	1.00	1.00	2.00	1.4750	.07996	.50574	.256	.104	.374	-2.097	.733
Different Age Groups	40	3.00	1.00	4.00	2.6500	.15000	.94868	.900	.018	.374	-.941	.733
Educational Background	40	3.00	1.00	4.00	3.1750	.13815	.87376	.763	-.843	.374	.043	.733
Product specification needed in advertisement	40	2.00	3.00	5.00	4.1500	.12169	.76962	.592	-.268	.374	-1.235	.733
Undistinguishable appeal in advertisement	40	3.00	1.00	4.00	2.6500	.15000	.94868	.900	-.172	.374	-.808	.733
Frequently giving Sales promotion	40	3.00	2.00	5.00	4.0000	.14322	.90582	.821	-.436	.374	-.758	.733
Giving Occasional Gifts	40	3.00	2.00	5.00	3.9000	.13301	.84124	.708	-.076	.374	-.996	.733
Maintaining Good Public Relation	40	3.00	2.00	5.00	3.2000	.12506	.79097	.626	-.052	.374	-.736	.733
Promoting is the way to attract clients	40	2.00	3.00	5.00	4.3000	.10860	.68687	.472	-.470	.374	-.759	.733
Promotion help to increase customer loyalty	40	2.00	3.00	5.00	4.3750	.09259	.58562	.343	-.290	.374	-.662	.733
Promotion help to increase sales growth	40	1.00	4.00	5.00	4.5750	.07916	.50064	.251	-.315	.374	-2.003	.733
Customer Satisfaction increase the customer loyalty	40	2.00	3.00	5.00	4.3750	.12241	.77418	.599	-.780	.374	-.865	.733
Occupation	40	2.00	1.00	3.00	2.0500	.07966	.50383	.254	.108	.374	1.280	.733
Valid N (listwise)	40											

Table:1 (Source- survey results)

From the above table, it is seen that, the survey has been conducted on 40 samples and each sample provides responses, Using SPSS, the author finds out the mean, median, mode, standard deviation, standard error, range, minimum and maximum values which are the popular statistical terms. Among the total sample respondents, 52.5% are male and 47.5% are female. Here, there are 10% respondents who are in the age range of below 24, 37.5% respondents are in the age of 25-40, 30% respondents belong to 40-55 age range and the last 22.5% samples are in the other age. In addition, 37.5% respondents are graduated and 42.5% are post graduated. Among the overall sample customers, a significant number of customers (75%) are service holder and a very small proportion of customers are from business (15%) and students (10%).

Survey Questionnaire Analysis

5.1. The analysis of research objective-One: In this study, objective one is to critically analyze the major tools of effective promotional mix of Meena Bazar .So at first, Meena Bazaars' promotional mix strategies had been discussed then the customers opinion had been analyzed so that the author can analyze the research objective one which is analyzing the major promotional mix strategies of Meena Bazar properly.

5.1.2 Meena Bazar's Implication of promotional mix strategies: Promotional mix strategies put a huge impact on customer loyalty and growth of sales. As one of the largest retailer, Meena Bazar has applied several promotional mix strategies. It focuses on the following methods:

Advertisement: Meena Bazar has hired Papyrus Communication to design and make advertisements that it requires. The budget allotted for advertising, is roughly 70 to 80 lac. Overall Meena Bazar's advertising concentrates upon the news media and banner, billboard, electronic media.

Sales promotion: Meena Bazar employs a wide range of sales promotional methods. The main methods include: 1) Discounts, 2) Buy1 get1, 3) Raffle draws, 4) Membership card, 5) Coupons, 6) Festival campaign, 7) Club card campaign, 8) Weekend offer, 9) Double point day etc. Meena Bazar placed special shelves at the forefront in the store and reserved for any company wanting to promote their products. In exchanges Meena Bazar is paid a special rent by the prospective companies with other trade promotions by suppliers include leaflets and small posters.

Cross promotion: As Meena Bazar is a relatively new venture, it needs to associate established firms with it as a promotional strategy. Eastern bank is involved with Meena Bazar in promoting the brand through sales or advertising. Besides these, EBL-Meena Bazar Visa Platinum credit card will offer customers an enriched experience and help save more on daily expenses while being able to pay securely and conveniently and enjoy exclusive offers.

Word-of-mouth marketing: Overall the most important and effective promotion of Meena Bazar has been through mouth-to-mouth communication of friends and relatives that has brought a lot of customers for Meena Bazar.

Social Media Marketing: Through the Facebook, Meena Bazar tries to attract and create a loyal customers group and enhance sales growth. With the help of this, it frequently gives advertisements and promotional offers.

Special services: Besides sufficient car parking space for congestion free shopping, air-conditioning and children's play area and other amenities are provided to increase the comfort of shopping.

Other promotional techniques: For promoting and creating brand equity Meena Bazar has been initiated "Meena Bazar Royal Tulip Campaign", occasional benefit, arranging ART competition, providing online recipe named "Meena Recipe"

5.1.2 Customers' perception regarding the major tools of effective promotional mix of Meena Bazar:

Product specification need to be included in advertisement: Due to the increase of retail chain competition, Meena Bazar needs to provide distinctive product specification in their advertisement so that they can create brand loyalty. Among the 40 respondents, 22.5% are neutral, 40% have agreed, and 37.5% have strongly agreed. So, from this statistics, it is realized that customers want to know the details of the products of a company before making any purchasing decision. So, Meena Bazar needs to inform product specification to its customers through advertisement.

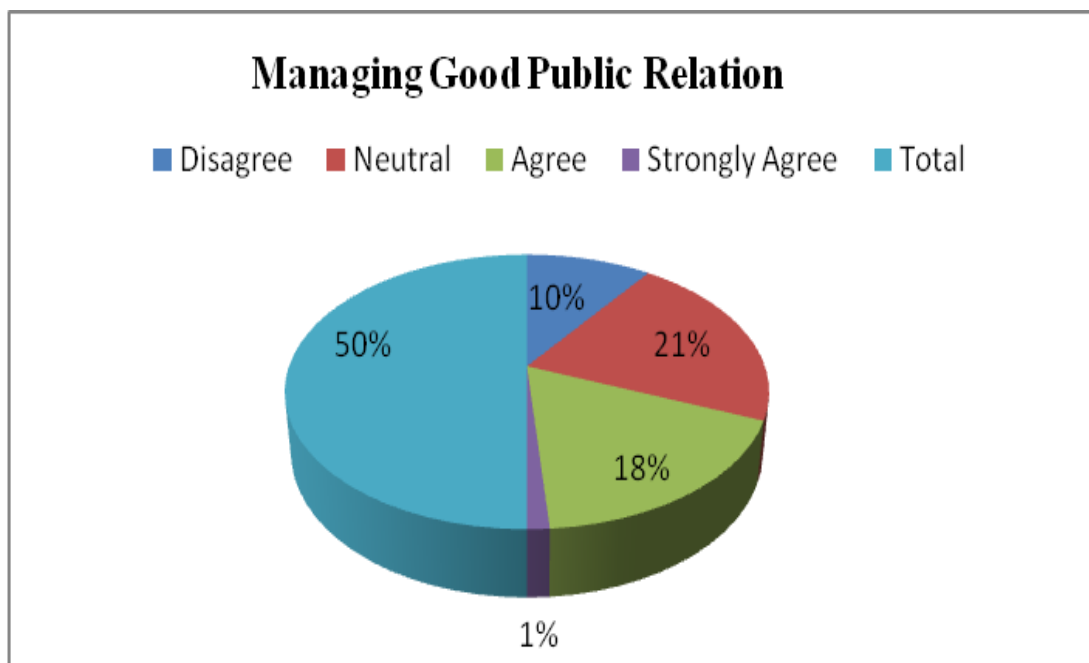
Undistinguishable appeal in advertisement: Advertising is the way to grab more people as customers, and to hit the competitors through making of good appeal. Meena Bazar doesn't properly maintain good image appeal in their advertisement. Among 40 samples of this survey, 37.5% respondents are neutral, 30% have disagreed, 20% people have agreed, and only 12.5 % respondents are strongly disagreed on this statement. Here, the mean value is 2.65 that means Meena Bazar need to create distinctive appeal in advertisement.

Frequently giving Sales promotion Sales promotion is the tool which raises the sales level of a company immediately in a large number within a short time. Meena Bazar provides several incentives to its customers as sales promotion. Therefore, on this question, 35% have strongly agreed, 35% have agreed, 25% are neutral and only 5% have disagreed. In addition the mean value is 4 which means customers are satisfied with the Meena Bazars' frequent sales promotional offers that establish the loyalty and increase sales growth.

Giving Occasional Gifts: Among the selected 40 respondents who are the customers of Meena Bazar, 27.5% samples have strongly agreed, 37.5% respondents have agreed, around

32% are neutral and only 2.5% in 'disagree' position. Also, the mean value of giving gifts is 3.9 Thus, it is apparent that the customers are pleased by getting different gifts from Meena Bazar on several occasions like Eid-ul-Fiter, Eid-ul-Azha, Pahela Baishakh and New Year and these gifts attract customers' mind strongly which encourage customers to purchase from Meena Bazar again and again and therefore, customer loyalty is established with Meena Bazar.

Maintaining Good Public Relation: Relationship with public develops a good reputation of a company by enhancing organization image in the eye of the general people.



Customers are not adequately satisfied with the Meena Bazars' initiatives of public relation. Thus, maximum respondents are neutral and disagreed with this statement (62.5%). However, the mean value is 3.2 which indicate maximum Meena Bazar's customers take neutral position and not that much satisfied in case of public relation. Here, the mean value is 3.2 which means Meena Bazar need to build strong public relation.

5.2. The analysis of research objective - two: Research objective two is to critically evaluate the customer loyalty and growth of sales of Meena Bazar in terms of the effective promotional mix strategies that are offered. To meet the research objective two, customers' opinion with the following statements have been analyzed.

Promoting is the way to attract clients: Promotion is the technique by which Meena Bazar is able to attract its customers with the proper use of integrated marketing communication. On

this statement, a significant number of respondents (45%) have agreed and strongly agreed (42.4%) and rests of the others are in neutral position. Here, the mean value is 4.3. Therefore, it is understood that customers desire promotion from a company which persuade them to buy the product of that company.

Promotion helps to increase customer loyalty: Promotional mix strategies of Meena Bazar put an immense impact on customer loyalty and growth of sales. Among the 40 samples, 52.5% samples put mark on agree option, 42.5% respondents have strongly agreed and only 5% are in 'neutral' position. Here, the mean value is 4.37. So, it is clearly seen that, most of the customers agree that effective promotional mix helps Meena Bazar to increase its customer loyalty and growth of sales.

Promotion helps to increase sales growth: The promotional mix strategies enhance the growth of sales of a company. Among 40 samples maximum customers (57.5%) have strongly agreed and 42.5% have agreed with this statement. Here, the mean value is 4.57 which means a large proportion of customers strongly believe that usage of promotional tools appropriately increase the sales growth. . The author has found that Meena Bazar values its customers and therefore it takes many initiatives such as - weekly discount, discount on membership card, credit card, money back offer etc. to increase the satisfaction of its customers which ultimately increase the sales growth & loyalty.

Customer Satisfaction increases the customer loyalty: The more the customers are satisfied the more they remain loyal to a company. Thus, on this statement, total 82.5% of Meena Bazar's customers give positive statements among them 55% are strongly agreed and 27.5% are agreed.



Here, the mean value is 4.375. So, it can be said that customer satisfaction has a positive relationship with customer loyalty.

Table 4: Overall mean value

Research objectives	Mean Value
Evaluation of Promotional tools to increase customer loyalty	4.37
Evaluation of Promotional tools Promotion help to increase sales growth	4.57

From the above table, it is clear that the customers of Meena Bazar are satisfied with the promotional mix strategies of Meena Bazar and they believe that promotional mix strategies have a significant impacts on customer loyalty and growth of sales as the mean value respectively are 4.37 and 4.57. Thus, the researcher has concluded that the promotional mix strategies which Meena Bazar has applied in the market are effective but they need to apply these appropriately.

6. Recommendations

In the results and discussion part, the author has sought out both strong and comparatively weak sides of Meena Bazar's promotional mix strategies. The recommendations for improving Meena Bazar's promotional mix strategies and increasing sales and customer loyalty are given below.

- i. Distinctive appeal in advertisement:** Meena Bazar should create unique appeal in their advertisement so that more customers buy from them and remain loyal. It should focus more on online advertisement which can help them capturing a large group of customers. Furthermore, it should concentrate more on satisfying customers' needs.
- ii. Increasing social networking:** Meena Bazar is weak in this sector. Meena Bazar can take strategy such as making Facebook Fan Page through offering fewer prices, and coupon for those who will like the fan page of Meena Bazar.
- iii. Increasing public relation activities:** For increasing its sales, Meena Bazar should start CSR activities (Corporate Social Responsibility) and participate in event marketing which will help to increase Meena Bazar's popularity.
- iv. Occasional Gifts:** As customers like sudden occasional gifts so to desire customers Meena Bazar should emphasize on it.

- v. **Decrease the reliance on price promotion:** Instead of relying on price competition, Meena Bazar should ensure product quality and manage the customer relationship to build customer equity.
- vi. **More Outlets:** If Meena Bazar introduces more outlets at different places of the city, consumers will enjoy the neighborhood experience assuming more outlets more customers.
- vii. **Effective Supply Chain Management for low price offer:** Company can ensure effective supply chain management to make products available in time and good networking system for direct source to get the products at maximum possible lowest cost from the farmers avoiding excessive middlemen cost and risk there to.
- viii. **Intensive Customer Service:** To secure the position into the customers mind, Meena Bazar should deliver excellent customer service.
- ix. **Ensuring Quality and Freshness:** Meena Bazar should ensure food quality and freshness by using quality controls, better hygiene and correct storage conditions like cooling and refrigerating.

By following these recommendations, Meena Bazar will be able to make its promotional mix strategies more effective through which its number of sales and customer loyalty will increase rapidly.

7. Conclusion

Overall Meena Bazars' customers are satisfied with their frequent sales promotion. But customers are neutral or less satisfied with their unique advertising appeal and public relations. In addition, maximum customers believe that promotional mix strategies have huge impacts on building customer loyalty and increasing sales growth. So, Meena Bazar should apply the promotional mix strategies effectively so that it can make great sales and gains strong customer loyalty. It should ensure customer relationship management to keep its customers' loyal and increase sales growth. After analyzing the whole article, it can be concluded that the promotional mix strategies helps Meena Bazar to enhance its customer loyalty and the sales growth.

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