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The Impact of Sales Promotion on Purchase Intention of Package Spice Brands in Pakistan: An Empirical Study

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Abstract

Pakistan's spice industry is no different from other commodity-based sectors. The dynamics of packaged milk, oil, tea, and spices are comparable. Following China, India, Bangladesh, and Turkey as the world's top five producers of spices is Pakistan. Pakistan exports to the Middle East and Europe as well. The relationship between sales promotion and purchase intentions of Pakistani cash and carry products, namely in the cities of Rawalpindi and Islamabad, is the focus of this study. Primary data was gathered from female shoppers who visited certain cash and carry stores and made purchases as part of the study's quantitative research technique. The information is gathered via a modified questionnaire. Following data collection, SPSS 17 was used to capture the information and other statistical analyses, including ANOVA, regression analysis, and descriptive analysis, were carried out. The study's findings indicated a strong positive correlation between purchasing intentions and sales promotions. Businesses operating in Pakistan might make use of these findings and raise their marketing expenditures to improve sales promotions.

Keywords: Sales Promotion, Sales Intention, Spice Brand, Pakistan

Introduction

The current study demonstrates a connection between purchase intention and sales promotion in Pakistan's packaged spice sector. According to a DAWN study released in November 2012, National Foods' sales increased by 29% during that year (Andrew, 2015). The category is expected to reach Rs 100 billion in 2020, even with a conservative 15% annual growth rate between 2010 and 2020. If a new player gains 10% of the market, it could become a Rs 10 billion business. This indicates that entering the industry is worthwhile. It offers significant prospects for expansion, not only because there are two main businesses in the market which grab the major market share in packaged spices sector in Pakistan which are Shan and National Foods

However, about two-thirds of the category is unbranded and available for purchase. Ganatra reports that recipe mixes are increasing by 20 to 25 percent annually, while basic spices are growing by 10 percent. It is difficult for brands to grow in the plain spices industry because supermarkets' own brands and unbranded spices compete with them. Because women don't want to spend a lot of time cooking with simple spices, Ganatra claims that the spices category has enormous growth potential. Pakistan's spice industry is no different from other commodity-based sectors.

The dynamics of packaged milk, oil, tea, and spices are comparable. Following China, India, Bangladesh, and Turkey as the world's top five producers of spices is Pakistan. Pakistan exports to the Middle East and Europe as well. The incremental value derived from a brand name is known as brand equity. It enhances a business's long-term profitability. When examined exclusively, brand equity is a useful indicator for assessing the strategic influence of marketing choices (Atilgan, 2005). Customers' willingness to find new distribution channels, the firm's ability to raise prices, the legitimacy of marketing communications, and the success of brand extensions and licensing opportunities are all directly impacted by positive customer-based brand equity, which can therefore result in increased revenue, decreased expenses, and higher profits (Keller, 2003).

Problem Statement

The impact of brand equity on customers' buy intentions in the packaged spice business was not examined in any of the prior studies that concentrated on sales promotion and purchase intentions in various contexts, including airlines, hostels, and beverages. This study aims to ascertain the impact of the sales promotion on the intention to purchase packaged spices in order to investigate the relationship between one dimension of Aaker's (1991) model, namely, sales promotion and purchase intention.

Research question

RQ₁: What will be the effects of sales promotion on purchase intentions in case of packaged spices?

Related Work

Brand equity is a key marketing asset for companies because it can produce a special and necessary tool for examining the relationship between the company and its stakeholders, brand equity is a crucial marketing asset for businesses (Christodoulides & de Chernatony 2010, 44). Another crucial component of the marketing industry is brand equity. Given its significance in gaining a competitive edge, Torres, Augusto, and Lisbon (2015) supported Keller and Lehmann (2006) and believe that measuring brand equity is a pertinent study issue with a strategic role to play. As a result, the goal of both scholars and practitioners has been to pinpoint the elements that contribute to brand equity. A number of brand equity measuring methods have been developed (Valette-Florence et al., 2011; Chenhall and Langfield-Smith, 2007).

However, the literature on brand equity is largely fragmented and inconclusive (Christodoulides & de Chernatony, 2010), and only a few studies have attempted to establish causal relationships among the constructs (Buil et al., 2013; Huang and Cai, 2015).

Sales Promotion

Both manufacturers and retailers use sale promotion as a marketing technique. They are used by retailers and manufacturers alike to boost customer sales. Sales promotion refers to marketing tactics that use unusual, short-lived techniques to persuade people in a target industry to respond or try a particular action. Since promotion is one of the four Ps of the advertising mix (Gil et al., 2007), it is crucial to the success of the business sector. The goal of promotion is to ensure that customers are aware of the products that the association makes available to them. In particular, the objectives of any promotional strategy will be derived from a suitable combination of the supporting elements eg. to: (1) increase sales; (2) maintain or increase market share; (3) create or improve brand recognition; (4) create a favorable environment for future sales, and so forth. Sales promotions play a significant part in a retailer's marketing campaigns. While advertising in exemplary media is becoming less viable, promotions reach the shopper at the time and place where the majority of purchase decisions are made. This is because a significant portion of retailer sales are made during promotions, which target buyers with the offer's purpose. Impermanent value reduction (TPR), coupons, buys one, get one free, and other promotions were all part of the sale. Sales promotions increase the purchase target since they attract customers and allow the advanced brand to grow eg. to change brands (brand switching), attract customers from other stores (store switching), encourage customers to buy from the advanced classification rather than another class (classification exchanging), attract customers who would not typically use the

item classification to make a purchase (new customers), or encourage customers to advance their purchasing behavior in time (buy increasing speed). Customers' earlier purchases or the fact that they purchase more than they could have without the promotion can both contribute to the buy speed increase. Consumers have the option to consume the extra quantity more quickly or save it for later use. Additionally, absolute class use may increase as a result of classification switching or if the campaign attracts new customers.

Purchase Intention

Purchase intention is a crucial metric for predicting customer behavior. The likelihood that customers will intend or be willing to buy a good or service is known as purchase intention. Purchase intention, according to Harris (2010), is what a customer believes they will buy. According to numerous studies, brand equity can influence purchase intention in a variety of situations (Irshad, 2012). According to Keller's (2003) research on the relationship between brand equity components and purchase intention, brand awareness influences consumer decision-making by offering three benefits: learning, contemplation, and choice advantages. Purchase decisions are based on brand connections, which also add value for the company and its clients.

Customers' purchase intention is influenced by perceived quality, which both motivates them to buy and sets the brand apart from competitors. An effective and unique association between a buyer's brand memory and a positive brand image will increase the likelihood that they will make a purchase. Therefore, according to Zeeshan (2013), the larger the brand equity, the higher the buy intention.

Theoretical Framework



Source: Adapted from Yoo and Donthu (2001) and Tih (2013)

Hypothesis statement

H₁: Sales promotion significantly influences the Purchase intentions of the female shoppers in Pakistan.

Because it has a bit of the general business and quality conviction associated with it, a product with strong brand care will attract more merchants and also more customers (Valette-Florence, 2011).

Research Methodology

The purpose of this study is to look into how sales promotions affect consumers' intentions to

buy in Pakistan's packaged spice market. Individual customers, particularly women, particularly those in Rawalpindi and Islamabad, will therefore be the unit of analysis in this instance. Sekaran and Bougie (2010) assert that the unit of analysis is determined by the problem statement and research questions. For this reason, the study will use individual clients as its unit of analysis.

A questionnaire will be used to gather primary data. For the aim of the literature review, secondary data will be compiled from many concerned secondary sources of information, such as scholarly journals, periodicals, and the internet. For the objective of gathering data, a straightforward and understandable questionnaire was created. Eleven questions were created for the questionnaire based on the pertinent studies. The five-point Likert scale, which goes from "strongly agree" to "strongly disagree," will be used to rate each of these things for researchers in the same field. Every scale was taken from earlier studies conducted by well-known researchers. The Purchase Intention scale was taken from the study of Tih (2013), while the Sales Promotion scale was taken from the study of Yoo and Donthu (2001).

To make it easier for respondents to complete the questionnaire and improve its accuracy, the researcher made sure that each item was brief, straightforward, and easy to understand. The study's target group consisted of Pakistani women customers who lived in Rawalpindi and Islamabad and who were interested in purchasing various packaged spice brands. In the first step, ten Cash & Carry stores in busy areas were selected to survey the target population in Rawalpindi and Islamabad utilizing eleven questionnaires per branch. The study's target group consisted of Pakistani women customers who lived in Rawalpindi and Islamabad and who were interested in purchasing packaged spice brands.

The population of females in Rawalpindi and Islamabad City 1,578,037 data information updated until year 2015. Female are 25-45 years will be suitable as our target population; this group population is total 835,575 people.

Results and Discussion

To gain a sense of the data and a general overview of the attributes of the variables being observed, descriptive statistics were employed. It contained the variables' means, frequencies, and dispersion. Model fitness was examined using SPSS v.17 in order to assess the quality of the data. Inferential statistics serves the purpose of providing statistical evidence, which is necessary for hypothesis testing (Sekaran and Bougie, 2010). The degree of relationship was examined using correlation analysis. The next phase involved testing the study hypothesis using ANOVA and regression analysis. Descriptive statistics include frequency distributions, which are displayed in the tables.

Table 1 show that all respondents (100%) were female. Female respondents are more in the house hold consumers as compared to male. The reason behind the more female is due to the consumers of spices.

Table 1: Frequency Distribution with respect to Gender

Gender	Number of respondent (N=32)	
	Frequency	Percentage (%)
Female	400	100
Total	400	100

Table 2: Frequency Distribution and descriptive statistics with respect to “Qualification”

Qualification	<i>Number of respondents (N=400)</i>	
	Frequency	Percentage (%)
NO formal education	24	6
Under Matric	23	5.8
Matric	82	20.5
Graduate	219	54.8
Post graduate	52	13
Total	400	100

Table 3 Frequency Distribution and descriptive statistics with respect to Age

AGE	<i>Number of Responses (N=400)</i>	
	Frequency	Percentage (%)
25 or under	76	19
26-35	105	26.2
36-45	69	17.2
46- 65	144	36
Above 65	6	1.5
Total	400	100

Table 4 Frequency Distribution and descriptive statistics with respect to Monthly income

Income	<i>Number of Responses (N=400)</i>	
	Frequency	Percentage (%)
Under 20,000	179	44.8
20,000-29,900	104	26.0
30,000-60,000	64	16.0
Above RS 60,000	53	13.2
Total	400	100

Table 5 Frequency Distribution and Descriptive Statistics with respect to “Sale promotion”

ITEMS	SD	D	N	A	SA	MEAN	STD.DE V
I think National spices sales promotion are, in general, very good	000	41	141	181	37	3.5350	.80023
I think sales promotion of packaged spices can attract customer very well	000	45	131	136	88	3.6675	.94296
I think packaged spices has frequently sales promotion	000	43	120	157	80	3.6850	.91261
Packaged Spices brand will easier to be aware	000	43	136	140	81	3.6475	.92215

The study's findings in Table 5 indicate the proportion of respondents who fall into SD, D, N, A, and SA in relation to the sale promotion products. Table 5 above makes it evident that 181 respondents believed that sales promotions significantly increased the amount of national spices purchased. I think sale promos are great all around. The overall effect of sale promotion is aggressively pursued by economies of scale, as reported by over 45.2% of

respondents. The last three elements' responses are highly pertinent to the promotion and sale. The sale marketing is closely related to offering higher pricing and aiming for operational efficiency. The result of aggressive product-selling advertising is a low market share.

Table 6: Frequency Distribution and Descriptive Statistics with respect to “Purchase intention”

ITEMS	SD	D	N	A	SA	MEAN	STD.DEV
I would buy packaged spices rather than any other open spices available	6	39	132	166	57	3.5725	.90376
I am willing to recommend others to buy packaged spices	6	34	149	120	91	3.6400	0.97353
I am willing to purchase packaged spices in the future.	11	48	122	141	78	3.5675	1.032130

Table 7: ANOVA (Measures Difference between the variables w.r.t the age of the respondents as N=400)

Variables	Age	N	Mean	F-value	P- Value
Sale Promotion	25- under	76	3.4474	7.284	0.000
	26-35	105	3.5048		
	36-45	69	3.5652		
	46-65	144	3.8646		
	65-Above	6	3.5000		
	Total	400	3.6338		
Purchase Intention	25- under	76	3.2544	9.882	0.000
	26-35	105	3.4603		
	36-45	69	3.5990		
	46-65	144	3.8565		
	65-Above	6	3.8333		
	Total	400	3.5933		

Hypotheses testing based on regression weights

After determining the model fit, next step is the estimation of model through regression coefficients.

Table 8: Regression Analysis of Sales Promotion Vs Purchase Intention

Variables		Estimate	P-Value	Hypothesis Support
Purchase Intention	← Sales Promotion	0.345	0.001	H9 is Accepted

The analysis highlights that the relationship between purchase intentions and sales promotion is statistically significant ($p < 0.05$). We, therefore, accept hypothesis H1 i.e. Sales promotion affects the purchase intention of the package spices and have a significant relationship.

Conclusion

In Pakistan, the spice industry is a very alluring and rapidly expanding sector. Pakistan ranks among the top five manufacturers of spices worldwide. Our study would give managers a foundation for sales promotion efforts that target buy intents and give them a vision for implementing this research in the marketing domain. There is debate on the possible effects of marketing components on brand equity, despite the fact that they may increase sales in the short term. According to Keller (1998), a "discount" association with the brand may be strengthened or created by regular use of marketing components, such as price promotions, which would reduce the brand's equity. This study focuses on the connection between product purchase intentions and sales promotions in cash and carries of Pakistan, particularly in cities of Rawalpindi and Islamabad.

Primary data was gathered from female shoppers who visited certain cash and carry stores and made purchases as part of the study's quantitative research technique. The information is gathered via a modified questionnaire. Following data collection, it was entered into SPSS 17 and various statistical analyses, including ANOVA, regression analysis, and descriptive analysis, were performed. The study's findings indicated a strong positive correlation between purchasing intentions and sales promotions. Businesses operating in Pakistan might make use of these findings and raise their marketing expenditures to improve sales promotions.

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