

CONSUMER BEHAVIOR



Brand: Mehta Solutions
Product Code: case1461
Weight: 0.00kg

Price: Rs500

Short Description

CONSUMER BEHAVIOR

case study

Description

CASE VI

Impact of Retail Promotions on Consumers

Shoppers' Delight, a large retail store, had above-average quality and competitive prices. It advertised its retail promotions in local newspapers. Its TV advertising was mainly aimed at building store image and did not address retail promotions. The management knew it well that they had to advertise their retail promotions more, but they did not feel comfortable with the effectiveness of present efforts and wanted to better understand the impact of their present promotions.

To better understand the effectiveness of present efforts, a study of advertising exposure, interpretation, and purchases was undertaken. Researchers conducted 50 in-depth interviews with customers of the store's target market to determine the appropriate product mix, price, ad copy and media for the test. In addition, the

store's image and that of its two competitors were measured.

Based on the research findings, different product lines that would appeal to the target customers were selected. The retail promotion was run for a full week. Full-page advertisements were released each day in the two local Hindi newspapers, and also in one English newspaper that devotes six pages to the coverage of the state.

Each evening, a sample of 100 target market customers were interviewed by telephone as follows:

- 1. Target customers were asked if they had read the newspaper that day. This was done to determine their exposure to advertisement.**
- 2. After a general description of the product lines, the respondents were asked to recall any related retail advertisements they had seen or read.**
- 3. If the respondents were able to recall, they were asked to describe the ad, the promoted products, sale prices, and the name of the sponsoring store.**
- 4. If the respondents were accurate in their ad interpretation, they were asked to express their intentions to purchase.**
- 5. Respondents were also asked for suggestions to be incorporated in future promotions targeted at this consumer segment.**

Immediately after the close of promotion, 500 target market customers were surveyed to determine what percentage of the target market actually purchased the promoted products. It also determined which sources of information influenced them in their decision to purchase and the amount of their purchase.

Results of the study showed that ad exposure was 75 per cent and ad awareness level was 68 per cent and was considered as high. Only 43 percent respondents exposed to and aware of the ad copy could accurately recall important details, such as the name of the store promoting the retail sale. Just 43 per cent correct interpretation was

considered as low. Of those who could accurately interpret the ad copy, 32 per cent said they intended to respond by purchasing the advertised products and 68 per cent said they had no intention to buy. This yields an overall intention to buy of 7 per cent. The largest area of lost opportunity was due to those who did not accurately interpret the ad copy.

The post-promotion survey indicated that only 4.2 per cent of the target market customers made purchases of the promoted products during the promotion period. In terms of how the buyers learned of the promotion, 46 per cent mentioned newspaper A (Hindi), 27 per cent newspaper B (Hindi), 8 per cent newspaper (English), and 15 per cent learned about sale through word-of-mouth communication.

The retail promotion was judged as successful in many ways, besides yielding sales worth

Rs 900,000. However, management was concerned about not achieving a higher level of ad comprehension, missing a significant sales opportunity: It was believed that a better ad would have at least 75 per cent correct comprehension among those aware of the ad. This in turn would almost double sales without any additional cost.

QUESTIONS

1. Why would some consumers have high-involvement levels in learning about this sales promotion?
2. Is a level of 75 per cent comprehension realistic among those who become aware of an ad? Why or why not?
3. Do you think such promotions are likely to influence the quality image of the retail store? Explain.

Details

1. Case study solved answers

2. pdf/word

3. Fully Solved with answers