

Sales Promotion Tactics in Retailing: Fair vs Unfair

¹Babita Singla, ²Sandhir Sharma, ³Amandeep Singh

ABSTRACT--Today's customer evaluates the pros and cons of every offering / scheme available in the market before making the final purchase decision. But still there are various offerings which create confusion in the kinds of the customer / channel partner and they are duped by the same. Some of these offerings are meant to increase the sales of the end product directly. In the designs of the posters, the word up to is shown in such a small size that it creates illusion in the mind of the end customer. They are attracted towards the store and when they visit there, they are forced to buy even some of the unplanned products thus earning huge benefits for the retailers. And some of the customers return empty handed because the offers are not meant for the products in which they are interested in. Ethics is one of the most important aspect of behavior and social sciences dealing with what is right and what is wrong. This paper discusses the concept that how the facts are twisted in the advertisements and promotions. What is the effect of this untruthful advertising on the customers / visitors and various laws related to these behavior of marketers.

Key words--Channel Partner, Promotion Tactics, Moral conduct, Untruthful advertising

I. INTRODUCTION

The concept of shopping in India has changed drastically as compared to the earlier times. There is a drastic shift in the store formats to the way the consumer likes to shop in the current scenario. Today's consumer has become more and more selective and he is not at all taken away by what the retailer says. In the earlier times, majority of the consumers were not brand loyal. The choice available to the consumers was very narrow. They used to buy whatever was recommended by the retailer. But in today's scenario, owing to the increasing competition, consumer has a wide choice and he is very informative. Due to this, the retailer is not able to dupe the consumer with his false promises. The profit margin has drastically fallen due to all this. Now in order to retain the same level of sales and margins, the retailers are pursuing every kind of unethical practices in sales and promotion to lure and dupe the consumers.

II. NEED OF THE STUDY

It is clear from the above-mentioned facts, that there is an urgent need to understand the changing scenario of sales tactics in Retailing and to re-evaluate and re-examine the same. There is a need to understand the psychology

¹ Chitkara Business School, Chitkara University, Punjab, India.

² Chitkara Business School, Chitkara University, Punjab, India.

³ Chitkara Business School, Chitkara University, Punjab, India.

of the common man that whether he is satisfied with the way these retailers are approaching towards him or whether it is that he is having no other choice that he is accepting it. Hence, I am presenting the research titled “Sales promotion tactics in Retailing: Fair vs Unfair” is taken for the present study.

III. OBJECTIVES OF THE PROPOSED STUDY

The objectives of our study include

1. To analyze the sales promotion activities carried over by the Retailers
2. To interact with the consumers and understand their level of satisfaction with this scenario

IV. METHODOLOGY

Research design: Descriptive.

Research plan:

- A. Data Source – Primary Data
- B. Research Approach – Survey Research
- C. Research Instrument – Open Ended Discussion with the customers
- D. Sampling Plan -Convenience Sampling
- E. Sampling Unit – 50

V. DATA ANALYSIS AND INTERPRETATION

For conducting the research, the author conducted a research in the market of Bathinda and interacted with the customers shopping at various retail outlets and shopping malls in the city.

The findings of the research are as follows:

1. Usage of the words Up to and Flat with Sale:

(a) Most common, confusing and irritating marketing practice which the retailers started following was by promoting their products in newspapers, billboards at the front of the shops mentioning “Sale Flat Off X %”. It means that the product will be sold to the customer at the amount reduced by X %.

(b) Then came the days when this promotion was changed to “Sale with Off 30% of 60 %” (example). It means the customer has to first calculate the 60% of the marked price of the product. Then he has to calculate 30% of the result. This final figure is the selling price of that product.

(c) Then came the days when this word “Flat was replaced by Up to”. E.g. “SALE UPTO X %”. When I personally visited most of the retail outlets at the Mall Road in Bathinda (mainly Apparels and Footwear retail shops), I found:

- Most of the outlets were displaying the signs “Sale up to 80 %” or even more (*Figures given below*).
- Inside the shop, there were only one or two articles which were on Sale at this percentage. E.g. at one of the outlets, they said that only full sleeves woollens are on 80% sale, other items are not on sale.

- One store said that this is the stock clearance sale, we are offering this off only on the old stock lying at one corner of the shop. And the condition of that old stock was such that a normal consumer was not even visiting that space for even viewing that stock once.

- At one of the stores which was offering sale of Up to 80 %, only one SKU was on 80 % off and that was 10 pieces of Old Sweaters kept in one rack. The other 5 SKUs were on the sale range from 20% to 40 % and on remaining SKUs, there was no sale at all.

- At one of the stores, when I entered, the racks were empty. The look outside the shop and in their pamphlets was exactly opposite to what I observed inside. When I asked about the sale, I was told that there is some pair of Jeans lying at one corner which are on sale. When enquired about the pamphlets given in the newspaper the same day, I was told that stock is not there since last 15 days. Pamphlets are given today just for promotion but we have no stock since last 15 days.

- At one of the stores, when I entered, I saw various signages placed on the shelves in front of the clothes showing signs “40% off”. I liked the stuff and I chose one of the pair for myself”. When I took that pair to the counter for billing, I was told that the signages are meant for sale of 40 % off on only full sleeve shirts kept in the shirts section. But they have kept signages throughout the shop on every shelf to tell the customer that we have some item on 40 % off.”

There were various other instances where I found similar results. It was very confusing to assess the true situation from outside the shop while entering.

Moreover, the word “Up to” is mentioned in such a small font size that it is not visible from a normal distance. Only the percentage of the sale is highlighted.



Figure 1: Koutons Shop, The Mall, Bathinda



Figure 2: Numero Uno Shop, The Mall, Bathinda

Note: See the size of the word Up to and Flat respectively



Figure 3: Lee Shop, The Mall, Bathinda



Figure 4: Blackberry Shop, The Mall, Bathinda



Figure 5: Reebok & Monte Carlo Shop, The Mall Bathinda

Note: See the size of the word Flat (Reebok)



Figure 6: Sant Footwear & Gadoni of Italy, The Mall Bathinda

Note: In Gadoni of Italy, the sale is mentioned on Glass which is transparent. Due to the small font size, the word “Flat” is not visible. Only Sale and 25 % are visible.

2. Undisclosed Business Practices:

Usage of the words “Conditions Apply”

One of the family who came for buying the clothes for their child, was of the view that the retailers are mentioning the word “SALE” in very big size and they hide away all the other details by writing “Conditions Apply” in the subscript in very small size. This practice is very irritating. This is because when one goes to the shop, selects the product and then afterwards he / she comes to know what are the details of “Conditions Apply”, it sometimes becomes problematic. Because you can't leave the shop and can't buy the product either.



Figure 7: Catmoss Bathinda

When I went inside the shop to verify, most of the shops were having no details displayed inside the shop mentioning what are the Conditions which are applied on the sales.



Figure 8: John Player Bathinda

The second figure of John Players (above) promotion standee highlights the 40 % off message. But under it, there is a line showing “On 2 or more garments”. A customer discovers this when he enters the shop and sometimes when he chooses his product.

3. Generalization of the wording for all:

Some customers were of the view that there are certain words which mean different to every person. They can't be interpreted in a similar sense by everyone.

E.g. The use of the word “heavy” in “Heavy Discounts” may mean different to everyone. According to the social and financial status, the word heavy can be 20% for one person and 90 % for the other.

They were of the view that such generalization sometimes forces them to enter the shop; and then when they are not able to find the discount / product of their choice they have to return ashamed. Or in some cases they are forced to buy even if their pocket doesn't allow them to do so.



Figure 9: Levi's Bathinda



Figure 10: Puma Bathinda

Levi's mentioning the message "It's time to get Heavy Discounts". So, come Inside.....

PUMA mentioning the word "Awesome with Sale". It creates a feeling in the mind of a common man to buy the product.

4. Use of multiple messages inside and outside the same shop:

Some of the customers brought our attention to the fact that various retailers are using different messages inside and outside the shop. One message pulls a visitor to visit the shop. Other messages confuse him inside the shop and thus sometimes he ends up being forced to buy what he doesn't even have planned for and is not required.



Figure 11: Woodland Store Bathinda

Outside the shop, it was mentioned as Flat 40 % off. While entering, it became up to 50 %, then inside it was up to 40%. These are few more confusing messages inside the shop.

5. Use of the words such as “Few Days Left”:

As shown in the above figure, some shops display this message throughout the year. But this entices the customer who once visits the shop to buy the stuff immediately as the sale is left for few days.

There is a need to define this word few.

6. Messages designed in such a way that they force the customer to Buy:

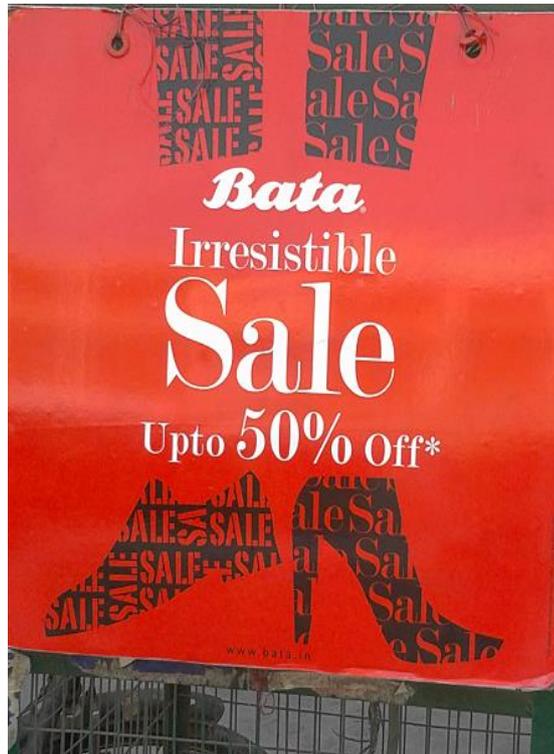


Figure 12: Bata Store, Bathinda



Figure 13: Pepe Store, Bathinda

Bata promoting their products on Tree guards. The use of the word “**IRRESTIBLE**” is giving a message that these products are not able to be refused or missed at all. The message is being projected that everyone should once visit and try it.

The message in the communication of **Pepe** is motivating the common visitor to take a new resolution that; in the coming year; they will shop more and more at Pepe outlets.

7. Usage of the glamorous advertising and highlighting price related factors in products related to Children:



Figure 14: Lilliput Store, Bathinda

8. Pricing related Factors:

Some of the products are promoted in such a way that the manufacturer is providing an extra quantity of the product in the packing at the same price; when actually the price is increased according to the quantity.



Figure 15: MRP Tag on Shirt

One of the customers brought our attention to the fact that the retail brands were advertising huge savings, when in fact they are raising the prices of the products to unbelievable high rates and then providing huge discounts. E.g. One of the products which was shown to us was a Shirt (*see above*). The consumer told us that according to his experience, the same shirt is available at other stores for Rs. 225. But this person has tagged it as Rs. 1399 and then promoting that all shirts of Rs. 1399 are available at Rs. 250

9. Other promotion Tactics as extracted from the Live Survey:

- Some of the successful brands force the channel partners (Distributors, retailers etc.) to buy a slow-moving item also if they have to get the proper stock of a regular fast-moving item. In this way, the retailers are forced to stock up and sell the items which are not of their choice. They ultimately follow unfair practices to sell the same.
- Some retailers intentionally advertise such products which they have no intention of selling. The promotion helps to attract the customer toward the store and then he is motivated / forced to buy other product.
- Promotion of Alcohol related products as sweet-tasting, brightly colored drinks with names that may appeal to a younger audience.
- Sponsorships: Alcohol advertising is common in motor racing competitions, and is particularly prominent in CAR racing.
- Some retailers promise the free coupons / gifts to the consumer and in turn demand for their phone numbers and e mail IDs. The customer never gets the gift; but gets annoying calls and promotional e mails. These are just done to make data banks oh contacts.
- Some of the retailers are advertising the huge discounts only to attract customer to come to their shop. Once the customer visits the shop, he is told that the stock of that item which was promoted in advertisement / pamphlet etc. is now over. And he is then forced to buy some other product.
- Some of the retailers highlight their brand by mentioning words such as “Best Quality”, “Best price”, etc. When actually they have no supporting proofs showing their products are better than other brands. But the normal consumer is duped by it and is harmed from the usage of the product.

10. Unfair Labelling of the products:

a) One of the respondents shared his experience of the product packaging and product message with us. Most of the cattle feed manufacturers in the region are promoting their brands by mentioning and highlighting their product as “Binaa Urea ton Tayaar, XYZ Feed”. i.e. this cattle feed is made without use of Urea. To highlight here, Urea if added in Cattle feed increases the milk generating capacity of the animal to very high levels, but it deteriorates and reduces the age of the animal. So, cattle owners do not want this to be added in the feed. But feed manufacturers want to add it in excessive limits so that their feed shows good results.

Our respondent was a doctor and he shown us the guidelines GADVASU (Guru Angad Dev Veterinary and Animal Sciences University, Ludhiana). In those guidelines, it was mentioned that 1 % urea (1 Kg in 1 Quintal of feed) is necessary. So, it is simply the policy of following one after the other person and not referring the actual scenario, that the retailers and manufacturers are doing without taking care of guidelines.

b) Similarly, as per the regulation of Food and Supplies department, all the retail packaged commodities must have the following details: Name of the commodity

- Name of the manufacturer
- Month and Year of Packaging
- MRP, etc.

But when we visited local wholesalers and retailers in Bank Bazar and Sirki bazaar, they were selling the basic commodities (Sugar, Rice, Chana, etc.) in their own packed transparent polybags without any such details.

VI. CONCLUSION & RECOMMENDATIONS

While concluding my research, I do not think I need to mention the exact laws which govern the above discussed cases. There is a section for every false promotion tactic used by the retailers in the Advertisement Law. The main aim of the paper here was to discuss the viewpoint of the common man towards the promotion tactics used by the retailers in day to day life and how it affects their purchase decision even unwillingly. How the dissatisfaction level is rising and it needs to be controlled at the earliest by strict implementation of the policies already made.

Ethics are a collection of principles of right conduct that shape the decisions people or organizations make. As our economic system has become more successful at providing for needs and wants, there has been greater focus on retailers adhering to ethical values rather than simply providing products.

This focus has come due to the fact that when a retailer behaves ethically, customers develop more positive attitudes about the firm, its products, and its services.

Retailers must follow such promotion practices which does not cause any harm to the consumer directly or indirectly due to the following reasons:

- Customers believed they will get more value from a product or service than they actually receive.
- The signages of Up to and Flat needs to be more accurate so that the customer gets the clear idea.
- False price comparisons are made
- Important conditions of the sale are omitted in the promotion (by mentioning Conditions Apply)
- No general words be used in Advertising. It needs to be taken care that all the individuals have the freedom to choose and use what they like. So, they should not be enticed to buy something which is not of use to them.
- The communication messages should be same throughout in every communication (Print media, Electronic media, Outdoor media and at the point of purchase).
- Making very low price offers available only when other items are purchased as well (Buy A, get B free)
- Products do not contain what is promoted, or that go out of style or become obsolete
- Pressuring vendors to buy more than they need and pushing items that will result in higher commissions
- Paying vendors to carry a firm's product rather than one of its competitors
- Making such appeals in the promotions that cause people to purchase more than they need or can afford.
- Confusing the customers by forcing them to make bigger calculations such as 60 % of 30 %
- Not following the guidelines of displaying the warning signboards showing “Tobacco is injurious to Health” at the place of selling Tobacco. We generally see the common unorganized shops (Khokhas) at the roadside

displaying all kinds of Cigarettes and other tobacco related stuff but not displaying any warnings. Also, it is to be noted here that such Khokhas account for around 70% of the total sales of Tobacco.

- Government agencies can play a role in awakening the general public about the ethical practices so that every citizen remains vigilant and doesn't get cheated.

- The promotions should not encourage the user towards excess consumption

- There should be no representation of snacks as meals; no undermining of healthy lifestyle messages; no undermining of the role of parents.

- The retailers should not advertise a product which they have no intention of selling.

- The advertisements related to children be evaluated from a child's point of view, not an adult.

- If your "free" item is tied to a second purchase, then the second item's price has to be the regular price.

Code of ethics is developed by the marketing association of the country. Self-regulation not only helps a firm avoid extensive government intervention; it also permits it to better respond to changes in market conditions.

All promotional messages must be carefully screened and tested, and communication media, programming, and editorial content selected to match the tastes and interests of targeted customers.

The proliferation of direct marketing and use of the Internet to market to children also raises ethical issues. Sometimes a few unscrupulous marketers design sites so that children are able to bypass adult supervision or control. Hence only giving messages that this particular source is not allowed for the children below 21 years will not serve the purpose. It needs to be checked by the appropriate authorities. A number of non-governmental organizations can also play a role in the same.

It needs to be analyzed that whether the alcohol, tobacco and other companies are only sponsoring major sporting events. Why and how other major corporate houses can enter in this Arena?

Media literacy is a relatively new discipline, aimed at teaching individuals and children in particular to understand and use the media to their advantage.

Promotions must be truthful and non-deceptive. They must have evidence to back up their claims

REFERENCES

1. Barnett, Tim, Bass, Ken, Brown, Frederick, and Hebert, J. (1998). "Ethical Ideology and the Ethical Judgments of Marketing Professionals." *Journal of Business Ethics* May: 715-723.
2. Berman, Barry, and Evans, Joel R. (1998). *Retail Management: A Strategic Approach*, 7th ed. New York: Prentice Hall.
3. Bone, Paula F., and Corey, Robert J. (1998). "Moral Reflections in Marketing." *Journal of Micromarketing* Fall: 104-114.
4. Ferrell, O. C., Hartline, Michael D., and McDaniel, Stephen W. (1998). "Codes of Ethics Among Corporate Research Departments, Marketing Research Firms, and Data Subcontractors: An Examination of a Three-Communities Metaphor." *Journal of Business Ethics* April: 503-516.
5. Jones, Thomas M., and Ryan, Lori V. (1998). "The Effect of Organizational Forces on Individual Morality: Judgment, Moral Approbation, and Behavior." *Business Ethics Quarterly* July: 431-445
6. Kotler, Philip, and Armstrong, Gary. (1999). *Principles of Marketing*, 8th ed. New York: Prentice-Hall.

7. Mahoney, Ann I. (1999). "Talking About Ethics." *Association Management* March: 45.
8. Murphy, Patrick E. (1998). "Ethics in Advertising: Review, Analysis, and Suggestions." *Journal of Public Policy and Marketing* Fall: 316-319.
9. Personal survey conducted in the market of Bathinda, Punjab, India
10. Self-Regulatory Guidelines for Children's Advertising. (1997). New York: Children's Advertising Review Unit of the Council of Better Business Bureaus.
11. Singh, A., Jain. A., & Singla, B. (2019). "Technological Advancement-Based Paradigm
12. Shift: A Focus Shift from Large Screen to Small Screen", *International Journal of Innovative Technology and Exploring Engineering*, 8(10).
13. Singla, B. & Singh, A. (2019). "Contract Manufacturing: The Boon for Developing Economies", *International Journal of Innovative Technology and Exploring Engineering*, 8(12)