

# Developing profit with online sales promotions



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Promotional Mix is consists of 4p's (Sales promotion, advertising, personal selling, and publicity/public relations) and has a very significant role to play in Business success . Basically, Sales promotion is concerned with ensuring that customer are aware of the different products manufactured by companies and makes available to their customers (Rowley J. 1998).

Promotion alters consumer behaviour beyond the normal price/quantity trade-off, change in buying time of the product, as well as how much the customer buys (Blattberg et al., 1995).

Marketing Communication is one of the very important Marketing activities and is generally preferred to the term ' PROMOTION'. All of the Marketing communication activities are the form of promotion that is in one way or another try to promote product range brand and/or company (Rowley J. 1998).

The Internet is a best tool to provide an efficient way for, Marketing communication. It has been observed that the adoption of the Internet is faster than any other media. Other Medias like Radio (took 38 years) and TV (took 13 years) to reach 50 million users, whereas Internet took only five years to achieve this level (Ellsworth and Ellsworth, 1997). Companies are also conducting promotional programs using social networking websites such as Facebook, Orkut, Hi5, and Twitter. Many researchers realized that Internet would improve the Marketing communication process and it will increase future sales. Internet websites act like an information provider, and organizations encourage customers to visit their websites. Tools such as print advertising, text messaging and broadcast are being used to bring about such visits (Harridge and March, 2004).

The development of different tools of promotion, such as sales promotion, advertising and direct marketing have been improved by the development of the technology, which has offered the potential to communicate with customers ( Harridge and March, 2004). This has been done in order to maximize the effectiveness of the tools, but to achieve this a unified integration is needed ( Cornelisessen and Lock, 2001). The synergy generated by such a integration far outweighs the use of individual tools in isolation, although it has been suggested that the Internet has increased effectiveness and efficiency in communicating with customers ( Harridge and March, 2004).

Promotions should not be considered as a simply price promotions, rather it should be considered in a broader content and will include advertising budgets, display allowance to the trade, as well as feature and display advertising activity direct to the customer (Blattberg et al., 1995). In order to meet the promotional objectives of any given promotion strategy an appropriate promotional mix must be created. The promotional mix is the mixture of two or more different promotional channels that is used to communicate a promotional message with customers (Rowley J, 1998).

## 1. 2 Problem Discussion

In year 2001, over a one third adults of the UK who accessed the Internet also purchased goods or services through it. This means remaining two-third do not shop online. Some companies have been criticized for apparently thinking that all the Internet shoppers are the same, instead of realizing that there are many reasons why a customer may visit a web site (ibid).

On the other hand, due to very high competition in Market there is a massive pressure on marketers to increase their spending on the promotional mix.

While at the same time top management has examined carefully that promotional expenditures are among one of the most promising areas left for cutting costs and increasing profits. This study puts extreme pressure on Marketers to develop and implement promotional programs within the constraints of tighter budgets and can contribute to their organizations. Hence, it is important to reexamine how promotional money is spent (Srinivasan and Anderson, 2008).

In today's Businesses sales promotions are very important Marketing tools but they command a greater portion of the Marketing budget than advertisements. For example, in the USA investments amount on sales promotion is nearly 30 percent of what company spend on advertising alone (d' Astous and Jacob, 2005) and in many European countries, expenditures on sales promotion are larger than advertising expenditures (ibid).

However, advertisements are very popular and a big business on the Internet, sales promotions on the Internet are still limited. The reason behind this is that Internet is not so common in underdeveloped and developing nations and reaching customers using this technology is difficult because not everyone is accessing Internet (Kumar et al., 2005).

Since there are many other problems on which research is needed and I will try to cover them in Dissertation.

### 1. 3 Research purpose and research questions.

The Purpose of my Dissertation is to provide understanding on the use of online sales promotions in today's competitive market. How it can be improved and make it more profitable?

In order to achieve this purpose I have constructed the following research questions.

Que1-How can the types of sales promotions for consumer goods be described?

Que2-How can online environment (i. e. Internet) providing types of sales promotion be described?

## Methodology

### Purpose of Research

According to Yin (2004) the purpose of Research study can be described in three categories: exploratory, descriptive, or explanatory. According to Zikmund (2000) good researchers strive for descriptive precision. Descriptive Research includes:

- Surveys (questionnaires, Delphi method, normative, interviews)
- Case studies
- Job Analysis
- Co relational studies
- Documentary Analysis

\*Development studies and, I will try to conduct questionnaires and include case studies to my dissertation. Descriptive Research is useful to find out the

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answer of who, what, when, where, and how, and to find the need, difference, Characteristics, and features of subgroups (ibid).

Explanatory Research is conducted when we are supposed to identify the causal relationships, among variables (Zikmund, 2000). It helps in determining the best research design, selection of subjects and data collection methods. It relies on secondary Research such as literature reviewing, qualitative approaches such as informal discussion with consumers, management or employees and formal approaches through focus groups, case studies, etc.

The Research purpose and questions show that this Dissertation is going to be mainly descriptive and somewhere I will use explanatory Research also to explore and find out the answers to Research questions and to draw conclusions.

### Research Approach

In this study qualitative approach will be used. Qualitative research is used to determine the answer to ' Why' not the ' How' through case studies, emails, interviews, customers feedback forms, photos and videos. It is used to understand people's attitudes, concerns, behaviours, culture or lifestyles, motivations and helps in taking Business decisions (Yin, 2004). According to Amaratunga et al., (2002) it is difficult to make accountable speech on Qualitative Research in Business economics.

The purpose of my Dissertation is to enhance understanding on the use of online environment for sales promotions. On the basis of above discussion Qualitative approach is suitable and hence I will use Qualitative approach.

#### Data collection method

According to Yin (2004), for data collection, participant observations are one of the most important sources of case study. These observations provide strength of being real, contextual, and also provide understanding of interpersonal behaviour and motives. It is a mode of observation where researcher is not a passive observer. Instead, researcher may have to play many roles within a case according to situation and may participate in the events being studied (ibid).

Therefore, for this Dissertation data would be collected by participant observation.

#### Sample Selection

According to Gragiano and Raulin (1997), it is not possible to collect and gain data from all the available sources to solve the research problems and to find the solutions. Techniques provided by sampling reduce the amount of data that is needed to collect from a sub-group (Saunders & Thorn hill, 2000). Sample for case studies can be chosen in many ways (Yin, 2004).

For my dissertation I will use judgmental or purposive sampling. According to Saunders (2000) purposive sampling enables researcher to use judgment to select cases that will best enable researcher to answer research questions

and to meet objectives. It can be use when we have to work with very small samples such as in case study research.

<http://www.qsrinternational.com/what-is-qualitative-research.aspx>