

# **Effectiveness of Reverse Promotional Marketing in Retail Outlets Bangalore**

**Arul Jyothi M**

Assistant Professor,

M S Ramaiah Institute of Management, MSRIT Campus, Bengaluru - 560 054, Karnataka

**S Dr. Rizwana M**

Associate Professor,

M S Ramaiah Institute of Technology, MSRIT Campus, Bengaluru - 560 054, Karnataka

## **Introduction**

Reverse marketing, also known as value or attraction marketing, is a marketing strategy that encourages customers to choose companies rather than forcing them to spend through aggressive promotion. It focuses on establishing trust and allowing customers to approach the business. Companies attract their ideal clients by providing assistance, guidance, and pertinent information. These customers regard them as authorities or experts. Companies that use this strategy avoid using coercion and instead urge clients to feel empowered and confident in selecting their products.

Reverse marketing, despite being an unconventional strategy, has shown to be successful for a number of businesses since it steers consumers away from scare tactics and the sense of being sold to. Of all, consumers do not like to be threatened or told what to do, therefore this is a very effective marketing strategy nowadays.

## **REVIEW OF LITERATURE**

In their paper titled "Purchasing as Reverse Marketing," David L. Blenkhorn and Peter M. Banting examine how the idea of reverse marketing has altered the buyer-seller interaction and its effects on the function of the traditional marketer. With case studies on companies like Maltson Bakery and Mega Technologies, the study sampled a variety of marketing organizations in North America and Japan. Case studies and observational methods are both used in the primary data collection phase of research. The study's findings show that the buyer and seller roles are now reversed, which appears to be the fundamental idea behind the concept of reverse marketing. The given study has a broad scope because it presents reverse marketing as a brand-new strategy with the potential to significantly advance an organization's goals and objectives. The study is constrained in that it makes the assumption that every consumer in the market is proactive, knowledgeable about the offered goods, and less inclined to look for other solutions to their purchase needs.

D.Rajasekar in his review named " Reverse Marketing - another point of view in the current advertising situation" examines the opposite promoting perspective and its application in the field of showcasing. The analyst investigations the appearance of Pigeon and Walmart that have utilized this promoting method to turn themselves through the stepping stool of accomplishment. The article closes by expressing that opposite promoting is a forceful and inventive methodology that requires an essential point of view of the inventory job in the association. Switch advertising might include the current, past, or new providers for any sort of items both existing and new. In this way, both public and private associations can utilize invert showcasing to increment supply adequacy.

As indicated by Ndubisi and Moi (2005) Sales Promotion devices utilized decisively/strategically not just increment brand mindfulness yet in addition urge shoppers to purchase new item. There is significant proof that business advancements are related with expanded buy amounts and more limited buy times (Neslin, Henderson and Quelch, 1984).

Landscaper and Trivedi (1998) have found premium offers successful as a greater amount of the item is incorporated at no additional expense, they found, that the customers can without much of a stretch be convinced to purchase the item.

Kincade, Doris H.; Woodward, Ginger A.; Park Haesun (2002) These three concentrated on the Buyer Seller Relationships as a basic variable for progress for limited time support in the Apparel Sector. The concentrate likewise portrays the retailers', insight towards limited time support. Wide extension and Calderwood, 2002 accentuate the way that during a time of expanding rivalry from enormous scope coordinated basic food item retailers, nearby shops need to have the responsibility and eagerness to take care of the neighbourhood local area for endurance. Hyllegard, Karen; Eckman, Molly; Descals, Alejandro Molla; Borja, Miguel Angel Gomez (2005) concentrated on the customers' impression of US clothes and the administrations delivered by the retailers in the worldwide market. Sinha P.K., Mathew E., Kansal AI (2005) did a review on the configuration of food and staple retailer for one item and one client portion. Miranda, Konya and Havrilla (2005) concentrated on the Consumer Behaviour which was affected by a few different reasons, for example, habitually purchasing plans, inclination for an in-store deli and so forth, Mayer (1989), guaranteed that store picture has been one of the fundamental themes in retailing examination.

According to Wim G. Biemans and Maryse J. Brand, firms progressively understand that drastically changing economic situations require critical changes in their acquiring. This paper investigates this idea by depicting how organizations can execute reverse marketing by making utilization of surely understood advertising ideas and instruments. In 1988 Leenders and Blenkhorn distributed Reverse Marketing - The New Buyer-Supplier Relationship, in which they express that the purchaser provider relationship has changed significantly. The conventional relationship, where the merchant steps up with regards to offering an item, is progressively being supplanted by one where the purchaser effectively scans for a provider who can satisfy its correct needs. One direct result for the provider is an expanding consideration regarding the utilization of relationship administration, which may prompt to the usage of record administration.

## Statement of the problem

Any marketing strategy that encourages consumers to seek out a company or a product on their own, rather than a corporation seeking to promote specific things to consumers, is known as reverse marketing. Companies do this in a variety of ways, but the most typical is to supply consumers with useful information without requiring them to make a purchase.

The study is conducted to understand how efficient is reverse promotional marketing in retail outlet Bangalore.

### Objective

1. To identify the types of reverse promotional marketing adopted by the retail outlets.
2. To understand the effectiveness of reverse promotional marketing on consumers buying behavior.
3. To determine the process of reverse marketing, and how it is differentiated from traditional coercive marketing.
4. To find out whether the influence of reverse marketing affect the brand loyalty of existing customers.

### Scope of the study

The study is conducted on consumers who have brought goods based on reverse marketing.

The study focuses primarily on determining the extent influence that Reverse Marketing has on the brand image of a given company and its ability to attract new customers as well as retain existing customers with equal efficiency.

The study is confined to specific product category that is wet groceries and food product in Bangalore city at selected location and thus the findings cannot be generalized to other areas and the product categories.

### Hypothesis

H0: There is no significant relationship between reverse promotional marketing and consumer buying behavior.

H1: There is significant relationship between reverse promotional marketing and consumer buying behavior.

### Methodology

For the present investigation, Bangalore city is purposively selected, mainly because of the heterogeneous population, standard of living, dual income group. The present research has been conducted in in east west north and south Bangalore. The required data for the present study have been collected both from Primary data. Data have been collected through the "Survey Method" with the help of structured questionnaire 200 sample size. The samples were selected randomly those who visit the outlet frequently. For finding of the objective and drawing of the conclusion, percentage as the statistical tool has been used.

**Plan of Analysis**

The collected data will be analyzed with the help of statistical packages and the tools such as Mean, correlation and the same will be presented using tools such as tables, graphs, diagrams, figures.

**Table showing Gender of respondent**

**Gender**

| Frequency |        |     | Percent | Valid Percent | Cumulative Percent |
|-----------|--------|-----|---------|---------------|--------------------|
| Valid     | Female | 77  | 38.5    | 38.5          | 38.5               |
|           | Male   | 123 | 61.5    | 61.5          | 100.0              |
|           | Total  | 200 | 100.0   | 100.0         |                    |

**Interpretation:**

The above table states that 123 respondents (61.5%) are male and 77 respondents (38.5%) are female.

**Profession**

| Frequency |          |     | Percent | Valid Percent | Cumulative Percent |
|-----------|----------|-----|---------|---------------|--------------------|
| Valid     | EMPLOYEE | 94  | 47.0    | 47.0          | 47.0               |
|           | RETIRED  | 24  | 12.0    | 12.0          | 59.0               |
|           | STUDENT  | 82  | 41.0    | 41.0          | 100.0              |
|           | Total    | 200 | 100.0   | 100.0         |                    |

**Interpretation:**

The above table states that 94 respondents (47.0%) are Employee and 24 respondents (12.0%) are retired and 82 respondents (41.0%) respondents are students.

**Monthly Income**

| Frequency |             |    | Percent | Valid Percent | Cumulative Percent |
|-----------|-------------|----|---------|---------------|--------------------|
| Valid     | 10001-20000 | 26 | 13.0    | 13.0          | 13.0               |
|           | 10001-20001 | 11 | 5.5     | 5.5           | 18.5               |
|           | 10001-20002 | 11 | 5.5     | 5.5           | 24.0               |
|           | 20000       | 1  | .5      | .5            | 24.5               |
|           | 20001-30000 | 61 | 30.5    | 30.5          | 55.0               |
|           | 20001-30001 | 6  | 3.0     | 3.0           | 58.0               |

|             |     |       |       |       |
|-------------|-----|-------|-------|-------|
| 20001-30002 | 6   | 3.0   | 3.0   | 61.0  |
| 30000       | 1   | .5    | .5    | 61.5  |
| 40000       | 2   | 1.0   | 1.0   | 62.5  |
| 50000       | 1   | .5    | .5    | 63.0  |
| 60000       | 1   | .5    | .5    | 63.5  |
| 70000       | 1   | .5    | .5    | 64.0  |
| 80000       | 1   | .5    | .5    | 64.5  |
| 90000       | 1   | .5    | .5    | 65.0  |
| below 10000 | 66  | 33.0  | 33.0  | 98.0  |
| below 10001 | 2   | 1.0   | 1.0   | 99.0  |
| below 10002 | 2   | 1.0   | 1.0   | 100.0 |
| Total       | 200 | 100.0 | 100.0 |       |

**Interpretation:**

The above table states that, mostly respondents have income below 10000 only and 61 respondents have 20001 to 30001 income.

**What do you think which promotion marketing strategy is more effective?**

|                     | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------------------|-----------|---------|---------------|--------------------|
| Valid Advertisement | 64        | 32.0    | 32.0          | 32.0               |
| Personal selling    | 50        | 25.0    | 25.0          | 57.0               |
| Reverse promotion   | 39        | 19.5    | 19.5          | 76.5               |
| Sales promotion     | 47        | 23.5    | 23.5          | 100.0              |
| Total               | 200       | 100.0   | 100.0         |                    |

**Interpretation:**

The above table states that 64 respondents (32.0%) have chosen Advertisement and 50 respondents (25.0%) have chosen Personal selling and 39 respondents (19.5%) respondents have chosen Reverse Promotion and 47 respondents (23.5%) have chosen Sales Promotion. From the above graph it is seen that the majority of the respondent have chosen Advertisement marketing strategy is more effective

**Do you buy products based on the promotion?**

|          | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------|-----------|---------|---------------|--------------------|
| Valid No | 97        | 48.5    | 48.5          | 48.5               |
| Yes      | 103       | 51.5    | 51.5          | 100.0              |
| Total    | 200       | 100.0   | 100.0         |                    |

**Interpretation:**

The above table states that 97 respondents (48.5%) have chosen 'No' option and 130 (51.5%) respondents have chosen 'Yes' option. The majority of the respondent have chosen Yes option that means they buy products based on the promotion.

**The promotion has you in which of the following**

|       | Frequency                       | Percent | Valid Percent | Cumulative Percent |       |
|-------|---------------------------------|---------|---------------|--------------------|-------|
| Valid | Change in brands frequently     | 26      | 13.0          | 13.0               | 13.0  |
|       | Increase in frequent purchasing | 61      | 30.5          | 30.5               | 43.5  |
|       | Loyalty with same brand         | 81      | 40.5          | 40.5               | 84.0  |
|       | No impact                       | 32      | 16.0          | 16.0               | 100.0 |
|       | Total                           | 200     | 100.0         | 100.0              |       |

**Interpretation:**

The above table states that 26 respondents (13.0%) have chosen 'Change in brands frequently' option and 61 respondents (30.5%) have chosen 'Increase in frequent purchasing', 81 respondents (40.5%) have chosen 'Loyalty with same brand', 32 have chosen (16%) 'No impact' option. The respondent has chosen Loyalty with brand option.

**Which selected promotion tools do you use frequently?**

|       | Frequency        | Percent | Valid Percent | Cumulative Percent |       |
|-------|------------------|---------|---------------|--------------------|-------|
| Valid | Advertising      | 38      | 19.0          | 19.0               | 19.0  |
|       | Direct marketing | 65      | 32.5          | 32.5               | 51.5  |
|       | Personal selling | 33      | 16.5          | 16.5               | 68.0  |
|       | Publicity and PR | 23      | 11.5          | 11.5               | 79.5  |
|       | Sales promotion  | 41      | 20.5          | 20.5               | 100.0 |
|       | Total            | 200     | 100.0         | 100.0              |       |

**Interpretation:**

The above table states that 35 respondents (19%) have chosen 'Advertising' option, and 65 respondents (32.5%) have chosen 'Direct marketing', 33 respondents (16.5%) have chosen 'Personal selling' option, 41 respondents (20.5%) have chosen Sales promotion option. The respondent has chosen Direct marketing promotion tool. That they are been used frequently.

**Are you aware of reverse promotional marketing in retail outlets?**

|       |       | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------|-----------|---------|---------------|--------------------|
| Valid | No    | 118       | 59.0    | 59.0          | 59.0               |
|       | Yes   | 82        | 41.0    | 41.0          | 100.0              |
|       | Total | 200       | 100.0   | 100.0         |                    |

**Interpretation:**

The above table states that 118 respondents (59.0%) have chosen 'No' option and 82 (41.0%) respondents have chosen 'Yes' option. The respondents are aware of Reverse Promotional marketing in retail outlets.

**How effective is promotional marketing compared to before covid-19 promotion?**

|       |                | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|----------------|-----------|---------|---------------|--------------------|
| Valid | Effective      | 72        | 36.0    | 36.0          | 36.0               |
|       | Less effective | 31        | 15.5    | 15.5          | 51.5               |
|       | Neutral        | 50        | 25.0    | 25.0          | 76.5               |
|       | Very effective | 47        | 23.5    | 23.5          | 100.0              |
|       | Total          | 200       | 100.0   | 100.0         |                    |

**Interpretation:**

The above table states that 72 respondents (36%) have chosen 'Effective option', 31 respondents (15.5%) have chosen 'Less effective option', 50 respondents (25%) have chosen 'Neutral option', 47 respondents (23.5%) have chosen 'Very effective' option. The majority of the respondent are have chosen effective option, that shows that before Covid -19 the promotional marketing is effective.

**Which method of sales promotion do companies use to push sale?**

|       |                | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|----------------|-----------|---------|---------------|--------------------|
| Valid |                | 1         | .5      | .5            | .5                 |
|       | Discount       | 55        | 27.5    | 27.5          | 28.0               |
|       | Extra quantity | 41        | 20.5    | 20.5          | 48.5               |
|       | Others         | 16        | 8.0     | 8.0           | 56.5               |
|       | Premium        | 53        | 26.5    | 26.5          | 83.0               |
|       | Price off      | 34        | 17.0    | 17.0          | 100.0              |
|       | Total          | 200       | 100.0   | 100.0         |                    |

**Interpretation:**

The above table states that 55 respondents (27.5%) 'Discount' option, 41 respondents (20.5%) have chosen 'Extra quantity' option, 16 respondents (8%) have chosen 'Others' option, 53 respondents (26.5%) have chosen 'Premium' option, 34 respondents (17%) have chosen 'Price off' option. The respondents have chosen Discount option that means companies are using Discount method as their sales promotion strategy.

**Do your shoppers give you sales promotions benefits of scheme whenever you buy a branded product?**

|       | Frequency | Percent | Valid Percent | Cumulative Percent |       |
|-------|-----------|---------|---------------|--------------------|-------|
| Valid | Always    | 34      | 17.0          | 17.0               | 17.0  |
|       | Never     | 15      | 7.5           | 7.5                | 24.5  |
|       | Often     | 76      | 38.0          | 38.0               | 62.5  |
|       | Rarely    | 44      | 22.0          | 22.0               | 84.5  |
|       | Sometimes | 31      | 15.5          | 15.5               | 100.0 |
|       | Total     | 200     | 100.0         | 100.0              |       |

**Interpretation:**

The above table states that 34 respondents (17%) have chosen 'Always' option, 15 respondents (7.5%) have chosen 'Never' option, 76 respondents (38%) 'Often' option, 44 respondents (22%) have chosen 'Rarely' option, 31 respondents (15.5%) have chosen 'Sometimes' option. The respondents expressed that their shoppers are giving sales promotion benefits of scheme.

**When do retail give you scheme/benefits for buying FMCG products?**

|       | Frequency           | Percent | Valid Percent | Cumulative Percent |       |
|-------|---------------------|---------|---------------|--------------------|-------|
| Valid | Always willingly    | 25      | 12.5          | 12.5               | 12.5  |
|       | Never give          | 35      | 17.5          | 17.5               | 30.0  |
|       | Only on request     | 61      | 30.5          | 30.5               | 60.5  |
|       | Sometimes willingly | 79      | 39.5          | 39.5               | 100.0 |
|       | Total               | 200     | 100.0         | 100.0              |       |

**Interpretation:**

The above table states that 25 respondents (12.5%) have chosen 'Always willingly' option, 35 respondents (17.5%) 'Never give' option, 61 respondents (30.5%) have chosen 'Only on request', 79 respondents (39.5%) have chosen 'Sometimes willingly' option. The respondents have chosen Only on request option. It clearly shows that only on request the retail shops give us scheme/ benefits for buying FMCG products.

**What time do companies bring schemes for sales promotion?**

|       | Frequency                         | Percent | Valid Percent | Cumulative Percent |
|-------|-----------------------------------|---------|---------------|--------------------|
| Valid | Any time                          | 20      | 10.0          | 10.0               |
|       | During fall in sales volume       | 62      | 31.0          | 41.0               |
|       | During off season                 | 41      | 20.5          | 61.5               |
|       | During peak season                | 33      | 16.5          | 78.0               |
|       | During tough competition in sales | 44      | 22.0          | 100.0              |
|       | Total                             | 200     | 100.0         | 100.0              |

**Interpretation:**

The above table states that 20 respondents (10%) have chosen ‘Any time’ option, 62 respondents (31%) have chosen ‘During fall in sales volume’ option, 41 respondents (20.5%) have chosen ‘During the off season’, 33 respondents (16.5%) have chosen ‘During peak season’ and 44 respondents (22%) have chosen ‘During tough competition in sales’. During fall in sales volume season only do companies bring schemes for sales promotion.

**What do you think which promotion marketing strategy is more effective? \* Do you buy products based on the promotion?**

**Cross tabulation**

Count

Do you buy products based on the promotion?

No

Yes

Total

|   |    |     |     |
|---|----|-----|-----|
| What do you think which Advertisement promotion strategy is more effective? | 32 | 32  | 64  |
| Personal selling  | 21 | 29  | 50  |
| Reverse promotion   | 20 | 19  | 39  |
| Sales promotion   | 24 | 23  | 47  |
| Total   | 97 | 103 | 200 |

**Chi-Square Tests**

|                    | Value              | df | Asymptotic Significance (2-sided) |
|--------------------|--------------------|----|-----------------------------------|
| Pearson Chi-Square | 1.148 <sup>a</sup> | 3  | .766                              |
| Likelihood Ratio   | 1.152              | 3  | .764                              |
| N of Valid Cases   | 200                |    |                                   |

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 18.92.

**Inference:**

Since the significance value (0.766) is more than the critical value (0.05), so we will reject the null hypothesis and accept the alternative hypothesis i.e., there is significant relationship between reverse promotional marketing and consumer buying behavior.

**Findings**

- The respondent of male is more in number.
- Most of the respondent are employees.
- The majority of the respondent had income below 10000.
- Most of the respondent have chosen Advertisement marketing strategy is more effective.
- Most of the respondent have chosen Yes option that means they buy products based on the promotion.
- The number respondent chosen Loyalty with brand option are more.
- Most of the respondent have chosen Direct marketing promotion tool.
- Most of the respondent are have chosen No option that means they are aware of Reverse Promotional marketing in retail outlets.
- Most of the respondent are have chosen effective option, that shows that before covid - 19 the promotional marketing is effective.
- Most of the respondent have chosen Discount option that means companies are using Discount method as their sales promotion strategy.
- Most of the respondent are have chosen 'Often option', that means most of the respondents are saying that their shoppers are giving sales promotion benefits of scheme.
- Most of the respondent are have chosen Only on request option. That means on request only the retail shops give us scheme/ benefits for buying FMCG products.
- Most of the respondent are have chosen During fall in sales volume option. This shows that during fall in sales Volume season only do companies bring schemes for sales promotion.

**Limitations of the study**

1. The study is limited to food retail outlets.
2. Study is limited to the city of Bangalore.
3. The information collected is based on the perceptions of the respondents.
4. The sample size is very minor comparative to the population, and therefore does not signify the entire population.

**Conclusion:**

The promise of developing a more open contact with customers is the rejuvenating perception for advertisers in this new buyer-seller interaction known as reverse marketing. The creative industrial advertiser has the opportunity to authenticate more grounded and longer-lasting relationships with their clients, resulting in more prominent mutual benefits, as the buyer initiates more issues to be solved and new conditions to be researched. Modern businesses may begin to rationalize the promotion of reverse exhibiting relationships. Reverse Marketing focuses on establishing trust and allowing customers to visit the brand. Organizations attract

their ideal clientele by providing support, advice, and significant data. Organizations that utilize this method attempt to evade compulsion and to urge clients to feel engaged and sure about picking their items.

### **Suggestions**

- Building and sustaining relationships with third parties is crucial to both purchasing and marketing. Reverse marketing acts as a conceptual hub and embodies a number of current global trends. This suggests that reverse marketing shouldn't be adopted as a brand-new way of thinking about purchases.
- The idea of reverse marketing is not advantageous to all buyers, and it is certainly not profitable. It can only be used for a finite number of things, and there will always be a place for traditional, adversarial shopping that prioritizes one-off deals above enduring connections.
- Reverse marketing campaigns aimed towards suppliers demand a knowledgeable and efficient internal structure. The secret to having one's own organization operate as a single unit may turn out to be internal marketing. The adoption of a reverse marketing approach, however, has important ramifications for the entire organization.
- Companies can no longer limit themselves to merely implementing vertical marketing ideas (forwards to customer and backwards to suppliers). The successful businesses of this decade establish and maintain close contacts with all pertinent external parties, including rivals, producers of related goods, the government, interest groups, and pertinent media.

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