**EXECUTIVE SUMMARY**

**GAMBLING BASED SALES PROMOTION STRATEGIES: A STUDY ON THE BUSINESS HOUSES IN KERALA**

**DIVYA GEORGE**

**ASSISTANT PROFESSOR, RESEARCH AND PG DEPARTMENT OF COMMERCE**

**ST.THOMAS’ COLLEGE, (AUTONOMOUS), THRISSUR**

**1581-MRP/14 -15/KLCAO19/UGC-SWRO**

It is an era where we can see heavy competition between business houses and one of the major strategy used by the business houses to dilute the effect of competition is to focus on sales promotion. Variety of sales promotional tools are adopted by business houses to attract customers to them. But some of the sales promotional tools have gambling elements. People who have a natural affinity towards gambling will get attracted towards this and they are not aware that their weakness in this area is exploited by the business people. This may result in an irrational buying behavior of the customers and ends up in various activities like stock piling, repeated purchase behavior, purchase acceleration, delay, brand switching, searching for promotions etc. Most of them were not desirable actions, while thinking from the point of the customers. This may create a spend thrift culture among customers, and gradually it will affect the savings and investment culture of the people.

This study on the title “Gambling Based Sales Promotion Strategies: A Study on the Business Houses in Kerala concentrated on the objectives, To analyse various gambling based sales promotional strategies, To examine factors attracting customers towards gambling based sales promotion tools, To analyse the consequences of gambling based sales promotional tools on the saving habits of society and to identify the influence of gambling based sales promotion tools on the buying behavior of customers. Primary data were collected through questionnaire from the customers of Fast Moving Consumer Goods (FMCG) in Thrissur, Calicut and Ernakulam Districts in Kerala. Sample size of the study was100, which constitutes 50 males and 50 females. **Gamblers’ Beliefs Questionnaire** developed by Timothy A Steenbergh, Andrew W Meyers, Ryan K May, and James P Whelan. (it is copy righted by American Psychological Association (APA), **Spending and saving attitudes and behaviors questionnaire,** from Psyc Tests ,a database of American Psychological Association are the two inventories used by the researcher to develop the questionnaire. Convenience sampling method is adopted for sample selection. Respondents are classified into three categories on the basis of their present status; they are business/professionals, homemakers, youngsters/college students. The Gambling Related Sales Promotion (GRSP) tools selected for this study are coupons, prize offers (contests/games), sweepstakes. Collected data were analysed using various statistical tools like percentage analysis, Cross tabs, Frequencies, Mean,Mean proportion,Paired Comparison Scaling, t- test for single mean, Independent Sample t test for two means, Factor Analysis, Chi square tests for independence of attributes, Kolmogorov- Smirnov Z (Test of Normality), Krusikal Wallis H Test (Non Parametric Test) Five point Likert type scale were used to measure the variables through questionnaire. (Strongly agree-5, Agree-4, Moderately Agree-3, Disagree-2, and Strongly Agree)

This study identify the fact that majority of the male respondents are of the opinion that the attractive sales promotional tools offered by business houses are coupons, prize offers and scratch cards. All these three sales promotional tools are gambling natured. Female respondents are of the opinion that the most attractive factor among sales promotional tools are Buy one get one (BOGO) offers.

Another thing identified was the period for which gambling related sales promotion influence the customers. Maximum number respondents opined that their effects last long only for a short period. Only a small segment agrees that it influence them for a long period. This may be the main reason that every business houses are offering these type of sales promotion tools repeatedly.

Then it was identified that the Gambling related sales promotion tools affects the buying culture of customers. Majority of the customers are ready to change their purchase timings for getting the benefits of gambling related sales promotion tools. Change in purchase timings means purchase acceleration or purchase delay. Purchase acceleration means they may speed up their purchases only because of the existence of sales promotional offers. Purchase delay means customers may postpone their purchases and they will wait for the gambling related sales promotional tools to make their purchases. It is also noticed that these sales promotional tools cause repeated purchase behaviour. Whenever they need products or services they will approach those shops or companies offering GRSP strategies.

Sometimes the GRSP tools may results in irrational buying behaviour like stock piling and frequent brand / shop switching. Stock piling means maintain stocks which was not really useful to the customers. They increase their purchase not to meet their unsatisfied needs but only to get the benefits of sales promotional tools. This will be resulted in unwanted collection of stocks which will seriously affects the saving habit of our customers. Without any rational thinking customers are willing to change their regular brands/ shops only for getting the offers. While switching the brand/shops they may not even look for the quality of products and services. These are the reasons which influence the buying behaviour of customers and it shows that the strong influence of GRSP tools on customers may lead to an unsatisfactory situation which affects the economic situation of our state and also create a negative impact on the saving culture and spending habit of our people.

Based on the results of t- test for single mean, mean score of male customers (19.62) is better than (higher than) female customers with regard to interest on Gambling based sales promotion tools. Overall ANOVA based on Duncan Multiple Range Test (DMRT) shows that, the age group of below 25 is significantly different with above 35 at 5% level but there is no significant difference between 25-35 and other age groups. The age group of 25-35 is not different with any other age group. It is identified that there is significant difference in age group and purchase timing at 1% level of significance, between below 25 and above 35 age groups and between 25-35 age group and above 35 age group. But no much significant difference between below 25 age group and 25- 35 age group, significant difference identified at 5% level of significance, so with respect to brand/shop switching and age group. The same reflects in overall buying behaviour and age group. In both cases age group below 25 is significantly different from above 35 age group. But the age group of 25-35 is not difference with any other age group. No difference is identified between age group and buying behaviour so with respect to repeated purchase and stock piling and there is no significant difference between three categories of age group.

On the basis Paired t test for difference of two Means, it can be concluded that there is significant difference between repeated purchase and Stock piling. Based on mean score the opinion on repeated purchase (18.33) is more than stock piling (17.71)

On the basis, of the Chi square tests for independence of attributes, there is no association between gender and level of buying pattern. Based on row percentage male respondents have 31.6% under low level and 45.6% under moderate level and 22.8% under high level, where as female respondents 20.96% under low level, 50% under moderate level and 29.03% under high level.

Gambling related sales promotion tools like coupon based sales, sweepstakes; bumper prize offers are highly attractive among apparel customers. The respondents possess a positive attitude towards these types of promotional tools. Among the six major promotional tools selected for study, Gambling based promotional tools ranked second. While analyzing the gender difference it is evident that male members are more attracted towards these types of sales promotion tools. While comparing the two buying pattern it is identified that there is significant difference between repeated purchase and stock piling behaviour in FMCG sector. Buying pattern changes and gender is closely associated. Hence gender is one of the significant factors which influence the buying pattern.

On the basis of Chi square tests for independence of attributes, it is concluded that there is no association between gender and influence of GRSP on saving habits. . Based on row percentage male respondents have 33.39% under low level and 45.45% under moderate level and 15.15% under high level, where as female respondents 19.40% under low level, 47.76% under moderate level and 32.84% under high level. It shows that most of the respondents are showing an attraction towards the Gambling Related Sales Promotion Tools and also agreeing that these GRSP tools are having severe influence on their saving habits. Because the range of Mean is closely related to 5 and all the mean values are around 4. It means that all the respondents are positively responded to the questions. The above mean value shows that there is a positive approach of respondents towards GRSP tools.

It was identified that most of the respondents are interested in GRSP tools irrespective of their age. Age group of 25-35 is more interested in these types of sales promotion tools. The mean value reveals that most of the respondents are interested in Gambling Related Sales Promotion tools irrespective of their gender. Male respondents are more interested in GRSP tools than female respondents on the basis of their mean value. Business/ Professionals are more interested in these types of Gambling Related Sales Promotion tools next to them on the basis of their mean value comes respondents belonging to Youngsters and students category. On the basis of status those who belongs to Home maker category shows low awareness and attitude towards GRSP tools. By using Kolmogorov- Smirnov Z it was identified that the normality of distribution related to respondent’s attitude towards influence of GRSP tools on saving habits. Here P values of all statements are less than .05. So the null hypothesis (H0) will be rejected. That means the distribution of data is not normal. Hence, non parametric test is used to prove the difference occurred in the above data are statistically significant. So here the researcher applied Kruskal- Wallis H Test to check the difference in the mean value found in variable age, gender and status.

The results of Kruskal- Wallis H Test are as follows; p value of all statements is more than 0.05 that means the attitude is independent of age. So we can accept the null hypothesis that there is no significant difference between attitude of respondents towards the influence of GRSP tools on saving habits and age of respondents. The p value of all statements is more than 0.05 that means the attitude is independent of gender. So we can accept the null hypothesis that there is no significant difference between attitude of respondents towards the influence of GRSP tools on saving habits and gender of respondents. Finally the p value of all three statements is more than 0.05 that means the attitude is independent of status. So we can accept the null hypothesis that there is no significant difference between attitude of respondents towards the influence of GRSP tools on saving habits and age of respondents. Descriptive statistics depicts that Addiction is the most important factor that attracts people towards gambling related sales promotion tools. It has the highest mean of 6.25. On the basis of Factor Analysis it’s clear that the Age (A), Gender (G), Occupation/Education (O/E), Income (I) and religion are substantially loaded on Factor 3, which can be recognized as Demographic factors. While Advertisement (Advt) and Personal Selling (PS) are loaded on Factor 2 which can be related to promotional pressures. All the remaining variables are substantially loaded on Factor 1. That includes Ego (E), Addiction (Ad), Pride and Status (Pr S), Recreation (R) and Challenge (C) which can be linked to the personality of an individual

Sales promotional tools are considered as one of the relevant marketing tool to promote products and services. It has several benefits with which the sellers can serve their customers. But the importance given by the retail business houses to these tools, in the changing business environment is visible. This leads to an irrational buying behavior among customers. This study is an attempt to analyse the effects of gambling in sales promotional tools and recommendations will be provided to maintain a balance between savings and spending culture of our people. Positive aspects have to be maintained and the negatives are to be nullified. And the study also concentrates to change the buying culture of our society which will be beneficial to them. This study helps the customers of FMCG sector to inject rationality in their purchase decisions and also helps them to go through the formal buying process before making their purchases. The study also helps the customers of FMCG sector to identify various factors which attract them towards gambling based sales promotion tools. This may helps them to realize the fact that, these factors may lead them to voluntary gambling activities and the involvement in these involuntary gambling activities may lead to a situation which increases their consumption habit of unwanted goods and slowly it will lead to attract them towards voluntary gambling activities.