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Effectiveness of Sales Promotion in Influencing Consumer Behaviour at Maruti Suzuki Arena, Nagercoil

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Abstract

This study examines the effectiveness of sales promotions in influencing consumer behaviour at Maruti Suzuki Arena Nagercoil within the Indian automobile sector. The research focuses on evaluating how promotional tools such as price discounts, exchange offers, festive campaigns, and finance schemes impact customer purchase decisions. A descriptive research design was adopted, and primary data was collected from 156 respondents using a structured questionnaire. Statistical tools including Chi-square test, One Sample T-test, correlation, and regression analysis were applied for data analysis. The findings reveal that sales promotions have a statistically significant impact on consumer behaviour, with a moderate to strong positive relationship observed between promotional activities and purchase decisions. The study also indicates that sales promotions are effective across different income groups and customer segments. Overall, the research concludes that sales promotion is a powerful marketing strategy that enhances customer interest, purchase intention, and sales performance in the automobile industry.

Introduction

The automobile industry in India is one of the fastest-growing and most competitive sectors, where changing consumer preferences and intense market rivalry demand innovative marketing strategies. In this context, sales promotions have become a vital tool for influencing consumer behaviour, particularly in high-value purchases such as automobiles where customers carefully evaluate multiple alternatives before making decisions. This study focuses on analyzing the effectiveness of sales promotions in shaping consumer behaviour at Maruti Suzuki Arena Nagercoil, a growing regional market with increasing vehicle demand. Sales promotions, including price discounts, exchange offers, festive campaigns, finance schemes, and dealer-provided benefits, are designed to create urgency, enhance perceived value, and encourage immediate purchase decisions. Consumer behaviour, on the other hand, is influenced by

a combination of psychological, social, and economic factors, making it essential to understand how promotional strategies interact with these elements. The study adopts a research-oriented approach to examine the relationship between sales promotion and consumer decision-making patterns, supported by relevant marketing theories and statistical analysis. By exploring customer perceptions, preferences, and responses to promotional activities, the research aims to provide valuable insights for improving marketing effectiveness and enhancing customer satisfaction. Overall, the study contributes to a better understanding of how strategic sales promotions can drive purchase intention, strengthen brand loyalty, and improve sales performance in the competitive automobile industry.

Literature Review

Patro, S.R., et al. (2025) “A Study on Loyalty Programs and Sales Promotion of Store Brands”, *Journal of East-West Thought*, This study examines the effectiveness of sales promotion and loyalty programs in influencing consumer behavior. It highlights that promotional incentives play a significant role in encouraging trial purchases and improving customer engagement. The study concludes that sales promotions are essential for driving consumer demand, especially in competitive industries like automobiles.

Mishra, M., et al. (2024) “Impact of Sales Promotion on Consumer Buying Behavior in Apparel Industry”, *Cogent Business & Management*, This study analyzes how sales promotion techniques such as discounts, coupons, and flash sales influence purchasing behavior. It concludes that promotional strategies significantly enhance consumer interest, increase purchase intention, and improve brand attractiveness in competitive markets.

Sharma, S.K. (2024) “Impact of Sales Promotion Schemes on Consumer Buying Behaviour”, *EPR International Journal of Economics, Business and Management Studies*, This research highlights that sales promotion schemes like discounts, coupons, and advertisements have a strong positive relationship with consumer buying behavior. The study concludes that sales promotion is one of the most effective marketing tools to increase sales and influence purchasing decisions.

Upadhyay, A. (2024) “Effective Sales Promotion Techniques in the FMCG Sector”, *International Journal of Advanced Research in Science, Communication and Technology (IJARSCT)*, This study explores various sales promotion strategies and their impact on consumer behavior.

Abdelkhair, F.Y., et al. (2023) “Sales Promotion and Impulse Buying Behavior”, *Indian Journal of Marketing*, This study examines the relationship between sales promotion and impulse buying behavior. It finds that purchase intention acts as a mediator between promotional strategies and consumer behavior. The study concludes that sales promotions effectively encourage impulsive buying and enhance retail performance.

Research Methodology

This study adopts a descriptive research design to analyze the effectiveness of sales promotion in influencing consumer behaviour at Maruti Suzuki Arena Nagercoil. Primary data was collected from 156 respondents using a structured questionnaire, while secondary data was gathered from journals, articles, and company sources. Convenience sampling technique was used for selecting respondents. Statistical tools such as Chi-square test, One Sample T-test, correlation, and regression analysis were applied to test the hypotheses. The methodology ensures reliable analysis of the relationship and impact of sales promotion on consumer behaviour.

Objectives

- To determine the factors driving the use of consumer sales promotion in Maruti Suzuki Arena Nagercoil.
- To study the existing effectiveness of sales promotion in influencing consumer behaviour at Maruti Suzuki Arena Nagercoil.

Limitations

- Since customers visit the showroom at different intervals, their perceptions of sales promotions and satisfaction levels may vary, affecting the consistency of the results.
- The study is based on self-reported data, which may involve personal bias, memory errors, or socially desirable responses.

Data Analysis and Interpretation

Demographic Analysis

The demographic analysis provides an overview of the characteristics of respondents associated with Maruti Suzuki Arena Nagercoil. The findings indicate that the majority of respondents belong to the working-age group, suggesting that automobile purchase decisions are largely made by economically active individuals.

Gender distribution shows a higher proportion of male respondents, reflecting their dominant role in vehicle purchasing decisions, although female participation is also notable. In terms of occupation, a significant number of respondents are employed or engaged in business activities, indicating stable income sources that support automobile purchases.

Income distribution reveals that most respondents fall within the middle-income category, highlighting that vehicles offered by the dealership are primarily targeted toward this segment. The demographic profile also suggests that customers are value-conscious and responsive to promotional offers.

The demographic analysis indicates that sales promotions are more effective among middle-income, working individuals who actively seek value-based purchasing decisions. This demographic insight helps in understanding customer segments and tailoring promotional strategies accordingly.

Chi-Square Test

The Chi-Square test is a non-parametric statistical tool used to determine whether there is a significant association between two categorical variables. In this study, it is applied to examine the relationship between income and purchase decisions influenced by sales promotions at Maruti Suzuki Arena Nagercoil. It helps in identifying whether differences in consumer buying behaviour are related to income levels or occur by chance.

Chi-Square Tests

Table 1 Chi-square Tests

	Value	Df	Asymp. Sig. (2- sided)
Pearson Chi- Square	5.660 a	6	.462
Likelihood Ratio	7.128	6	.309
Linear-by- Linear Association	4.331	1	.037
N of Valid Cases	156		

Source: Primary Data Interpretation

The test results show that the p-value (0.462) is greater than the significance level of 0.05, indicating that there is no statistically significant association between income and purchase decisions. Hence, the null hypothesis (H_0) is accepted and the alternative hypothesis (H_1) is rejected. This implies that sales promotions influence customers similarly across different income groups.

One Sample t-Test

The One Sample T-Test is a statistical tool used to determine whether the mean value of a sample differs significantly from a known or hypothesized value. It helps in analyzing the effectiveness of a particular factor based on respondent opinions. In this study, the One Sample T-Test is used to examine whether sales promotion has a significant effect on consumer purchase behaviour at Maruti Suzuki Arena, Nagercoil. It measures the level of agreement among respondents regarding promotional offers such as discounts, dealer benefits, festive campaigns, and finance schemes.

Table 2 One Sample t-Test on consumer purchase behavior

	Test Value = 3					
	t	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Effectiveness_Score	-27.170	155	.000	-1.24744	-1.3381	-1.1567

Source: Primary Data

The One Sample T-Test was applied to evaluate the effect of sales promotions on consumer purchase behaviour at Maruti Suzuki Arena Nagercoil. The mean score of 1.7526 indicates respondents generally perceive sales promotions as influential. The calculated t-value is -27.170 with 155 degrees of freedom. The significance value ($p = 0.000$) is less than the 0.05 level. This shows that the observed difference is statistically significant. Therefore, the null hypothesis (H_0) is rejected, confirming that sales promotions significantly influence consumer purchase behaviour.

Correlation Analysis

Correlation analysis is a statistical tool used to measure the strength and direction of the relationship between two variables. It helps in identifying whether changes in one variable are associated with changes in another variable. In this study, correlation analysis is used to examine the relationship between sales promotion and consumer behaviour at Maruti Suzuki Arena, Nagercoil.

Table 3 Correlation between sales promotion and consumer behaviour

		Purchase_Score	Consumer_behaviour_Score
Purchase_Score	Pearson Correlation	1	.666**
	Sig. (2-tailed)		.000
	N	156	156
Consumer_behaviour_Score	Pearson Correlation	.666**	1
	Sig. (2-tailed)	.000	
	N	156	156

Source: Primary Data

Table 4 Anova influencing consumer purchase behaviour

ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	25.207	1	25.207	122.523	.000 ^b
Residual	31.682	154	.206		
Total	56.889	155			

The correlation analysis was conducted to examine the relationship between sales promotion and consumer behaviour at Maruti Suzuki Arena Nagercoil. The Pearson correlation coefficient is 0.666, indicating a moderate to strong positive relationship between the variables. The p-value (0.000) is less than the significance level of 0.05. This shows that the relationship between sales promotion and consumer behaviour is statistically significant. Hence, the null hypothesis (H_0) is rejected and the alternative hypothesis (H_1) is accepted. Therefore, an increase in sales promotion leads to a corresponding improvement in consumer behaviour.

Regression Analysis

Regression analysis is a statistical tool used to measure the impact of one independent variable on a dependent variable. It helps in understanding how changes in one variable affect another variable and predicts the strength of that influence. In this study, regression analysis is used to examine the impact of sales promotion on consumer behaviour at Maruti Suzuki Arena, Nagercoil. Sales promotion is considered as the independent variable, while consumer behaviour is treated as the dependent variable. This analysis helps to determine how promotional activities such as discounts, festive offers, dealer benefits, and finance schemes influence customer buying decisions.

- a. Dependent Variable: Consumer_behaviour_Score
- b. Predictors: (Constant), Purchase_Score

Coefficients^a

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.255	.140	.666	1.827	.070
	Purchase_Score	.869	.079		11.069	.000

Source: Primary Data

The regression analysis was conducted to examine the impact of sales promotion on consumer behaviour at Maruti Suzuki Arena Nagercoil. The R value of 0.666 indicates a positive relationship between sales promotion and consumer behaviour. The R Square value of 0.443 shows that 44.3% of the variation in consumer behaviour is explained by sales promotion. The ANOVA result (F = 122.523, p = 0.000) confirms that the model is statistically significant. The beta coefficient (0.869) indicates a strong positive impact of sales promotion on consumer behaviour.

Hence, the null hypothesis (H_0) is rejected and it is concluded that sales promotion significantly influences consumer behaviour.

Findings

- The majority of respondents are female customers, showing that women also play an important role in automobile purchase decisions.
- Most respondents belong to the Below 25 years age group, indicating that younger consumers

- are more responsive to promotional offers and sales campaigns.
- Salaried employees form the major customer segment, and they are highly influenced by discounts, finance schemes, and dealer benefits.
 - Most respondents belong to the lower and middle-income groups, showing that price sensitivity is an important factor in purchase decisions.
 - Dealer-provided benefits such as exchange bonuses, free accessories, and finance assistance are the most influential factors driving car purchase decisions.
 - The One Sample T-Test confirms that sales promotions have a significant effect on consumer purchase behaviour, with a significance value of 0.000.
 - Correlation analysis shows a significant positive relationship between sales promotion and consumer behaviour, with a Pearson correlation value of 0.666.
 - Regression analysis proves that sales promotion has a strong impact on consumer behaviour, explaining 44.3% of customer buying behaviour.
 - Chi-Square analysis reveals that income level does not significantly affect purchase decisions influenced by sales promotions, showing that promotions are effective across all income groups.

Suggestions

- Maruti Suzuki Arena should provide more attractive dealer-based benefits such as exchange bonuses, free accessories, and extended service packages to improve customer satisfaction.
- Special festive season promotional campaigns should be strengthened, as customers are highly influenced by festival offers and seasonal discounts.
- Finance schemes with low down payments and easy EMI options should be introduced to attract salaried employees and middle- income customers.
- Promotional offers should be clearly communicated through social media, digital marketing, and showroom advertisements to improve customer awareness.
- Personalized offers should be provided to existing customers to encourage repeat purchases and customer referrals.
- Customer feedback regarding promotional offers should be regularly collected and analyzed to improve the effectiveness of sales promotion strategies.
- Women-focused promotional campaigns can be introduced, as female respondents form a major part of the customer base.
- Competitive pricing strategies should be maintained to effectively respond to promotional offers provided by other automobile brands.
- Sales staff should be properly trained to explain promotional schemes clearly and improve customer trust, satisfaction, and purchase decisions.

Conclusion

This study examines the effectiveness of sales promotion in influencing consumer behaviour at Maruti Suzuki Arena Nagercoil within the context of the Indian automobile industry. The findings reveal that sales promotion is a critical marketing tool that significantly influences customer awareness, interest, and final purchase decisions. Promotional strategies such as price discounts, exchange offers, festive campaigns, finance schemes, and dealer incentives were found to effectively attract customers and increase showroom visits. The Chi-square analysis indicates that there is no significant association between income and purchase decisions, suggesting that sales promotions are uniformly effective across different income groups. The One Sample T-test confirms that sales promotions have a statistically significant impact on consumer purchase behaviour.

Correlation analysis demonstrates a strong positive relationship between sales promotion and consumer behaviour, highlighting the importance of promotional activities in shaping customer responses. Regression analysis further establishes that sales promotion has a significant and measurable impact on consumer behaviour, explaining a substantial portion of variation in purchase decisions. Overall, the study concludes that well-designed and timely sales promotion strategies enhance customer satisfaction, strengthen brand loyalty, improve competitive advantage, and contribute significantly to the growth and sales performance of the dealership.

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