
**CUSTOMER-ORIENTED SALES PROMOTION AS AN IMPORTANT TOOL OF
INTEGRATED MARKETING COMMUNICATIONS
(On the Example of Chain Grocery Stores Operating in Gori)**

ENTEĞRE PAZARLAMA İLETİŞİMİNİN ÖNEMLİ BİR ARACI OLARAK MÜŞTERİ
ODAKLI SATIŞ PROMOSYONU
(Gori şehrinde faaliyet gösteren zincir marketler örneği)

ОРИЕНТИРОВАННОЕ НА ПОТРЕБИТЕЛЯ СТИМУЛИРОВАНИЕ ПРОДАЖ КАК
ВАЖНЫЙ ИНСТРУМЕНТ ИНТЕГРИРОВАННЫХ МАРКЕТИНГОВЫХ
КОММУНИКАЦИИ
(на примере действующих в г. Гори сетевых продовольственных магазинов)

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ABSTRACT

In contemporary conditions, amidst the swift development of information technologies and fierce competition, companies employ various marketing techniques to attract customers. In order to attract and maintain customers, companies try to create additional motivation for them to purchase their products or services. In this regard, a particular significance is attributed to such a marketing tool as sales promotion, which holds a crucial stance in integrated marketing communications.

Certain factors contributed to increased sales incentives. Among them, it is worth noting: the growing power of retailers, fragmentation of the consumer market, competition, declining brand loyalty, increasing sensitivity to incentives, consumer behavior, etc.

One of the categories of sales promotion is customer-oriented sales promotion. Among the customer-oriented sales stimulation methods, it's noteworthy to mention: discounts, samples, coupons, bonus packages, premiums (advertising prizes), brand loyalty programs, competitions and giveaways, event marketing and so on.

Sales promotion has both advantages and disadvantages. Benefits include: instantly increasing sales, providing a discount to a price-sensitive customer, building loyalty,

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increasing awareness of new products (e.g. product samples), attracting new customers, getting rid of unsold inventory, etc. Disadvantages include: May negatively impact on brand image, short-term strategy, sales promotion may not change consumer attitudes and perceptions, increased price sensitivity, low coupon cashing rates and costs, false coupon cashing and fraud, additional costs for companies.

The paper showcases the primary trends in the development of customer-oriented sales stimulation methods on the example of chain grocery stores operating in Gori. Based on the results of the research conducted by us in Gori, specific conclusions and recommendations are presented.

Key words: sales promotion, marketing, Integrated Marketing Communications, a store, Gori.

ÖZ

Modern koşullarda, bilgi teknolojilerinin hızlı gelişimi ve şiddetli rekabetin arka planına karşı şirketler, müşterileri çekmek için bir dizi pazarlama yöntemi kullanır. Müşterileri çekmek ve elde tutmak için şirketler, ürün veya hizmetlerini satın almaları için onlara ek motivasyon yaratmaya çalışır. Bu bakımdan bütünleşik pazarlama iletişiminde önemli bir yere sahip olan satış tutturma gibi bir pazarlama aracı özel bir rol oynamaktadır.

Satış teşviklerindeki artışa bazı faktörler de katkıda bulunur. Bunlar arasında perakendecilerin artan gücü, tüketici pazarının parçalanması, rekabet, marka bağlılığının azalması, teşviklere karşı duyarlılığın artması, tüketici davranışları vb. dikkate değerdir.

Satış promosyonunun kategorilerinden biri müşteri odaklı satış promosyonudur. Müşteri odaklı satış teşvik yöntemleri arasında şunları belirtmekte fayda vardır. Bunlar indirimler, numuneler, kuponlar, bonus paketleri, primler (reklam ödülleri), marka sadakat programları, yarışmalar ve çekilişler, etkinlik vb.

Satış promosyonunun hem avantajları hem de dezavantajları vardır. Avantajları arasında şunlar yer alır: satışlarda anında artış, fiyata duyarlı bir alıcıya indirim sunmak, sadakati güçlendirmek, yeni ürünlere ilişkin farkındalığı teşvik etmek (örneğin ürün numuneleri), yeni müşteriler çekmek, satılmamış envanterden kurtulmak vb. Dezavantajları şunlardır: marka imajı üzerinde olumsuz etki, kısa vadeli strateji, satış promosyonunun tüketici tutumlarını ve algılarını değiştirebilmesi, artan fiyat duyarlılığı, düşük kupon itfa oranları ve maliyetleri, sahte kupon itfası ve dolandırıcılık, şirketler için ek maliyetler.

Makalede, Gori'de faaliyet gösteren zincir marketler örneğinde müşteri odaklı satış teşvik yöntemlerinin geliştirilmesindeki ana eğilimler sunulmaktadır. Bizim tarafımızdan Gori'de yürütülen araştırmanın sonuçlarına dayanarak spesifik sonuçlar ve bunlara dayalı öneriler verilmektedir.

Anahtar Kelimeler: satış tutundurma, pazarlama, bütünleşik pazarlama iletişimi, mağaza, Gori

АННОТАЦИЯ

В современных условиях, на фоне быстрого развития информационных технологий и жесткой конкуренции, компании прибегают к множеству маркетинговых инструментов для привлечения потребителей. Чтобы привлечь и удержать клиентов, компании стараются создать для них дополнительную мотивацию к покупке их товаров или услуг. В связи с этим особую роль играет такой маркетинговый инструмент, как стимулирование сбыта, занимающий важное место в интегрированных маркетинговых коммуникациях.

Определенные факторы способствовали увеличению стимулов к продажам. Среди них стоит отметить: растущую мощь розничных торговцев, фрагментацию

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потребительского рынка, конкуренцию, снижение лояльности к бренду, повышение чувствительности к стимулам, потребительское поведение и т.д.

Одной из категорий стимулирования сбыта является ориентированное на потребителя стимулирование продаж. Среди методов стимулирования продаж ориентированных на потребителя стоит отметить: скидки, образцы, купоны, бонусные пакеты, премии (рекламные призы), программы лояльности к бренду, конкурсы и розыгрыши, маркетинг мероприятий и др.

Стимулирование сбыта имеет как преимущества, так и недостатки. К преимуществам относятся: мгновенное увеличение продаж, предоставление скидки чувствительному к цене покупателю, укрепление лояльности, повышение осведомленности о новых продуктах (например, образцы продуктов), привлечение новых клиентов, избавление от непроданных запасов и т. д. К недостаткам относятся: может негативно повлиять на имидж бренда, краткосрочная стратегия, стимулирование сбыта может не изменить отношение и восприятие потребителей, повышенная чувствительность к ценам, низкий уровень обналчичивания купонов и затраты, ложное обналчичивание купонов и мошенничество, дополнительные расходы для компаний.

В работе представлены основные тенденции развития методов стимулирования продаж ориентированных на потребителя на примере действующих в г. Гори сетевых продовольственных магазинов. На основании результатов исследования, проведенного нами в г. Гори предложены конкретные выводы и рекомендации.

Ключевые слова: Стимулирование сбыта, Маркетинг, Интегрированные маркетинговые коммуникации, Магазин, Гори.

Introduction

In contemporary conditions, amidst the swift development of information technologies and fierce competition, companies employ various marketing techniques to attract customers. Companies try to maintain current customers and attract potential clients. Successful companies understand that establishing long-term relations with them, creating values and offering them is of extreme importance. Value refers to the consumer's perception of all merits of a product or service and comparing it with expenses involved in its purchase and utilization (belchi & belchi, 2013: 7). Values are emotions that consumers experience when they come into contact with a brand (veshaguri, 2019: 71).

In order to attract and maintain customers, companies try to create additional motivation for them to purchase their products or services. In this regard, a particular significance is attributed to such a marketing tool as sales promotion. Sales promotion has been a part of the marketing process for many years. However, against the background of the development of information technologies and the Internet, its significance has grown even more and has taken an important place in integrated marketing communications.

Methods

While working on the paper, methods of analysis, synthesis, comparison, survey were used.

Discussion and Results

As defined by marketing researchers George E. Belch and Michael A. Belch, sales promotion is a marketing effort that provides added value and momentum to sales personnel, intermediaries (distributors) and the end customer and promotes the immediate sale of a product/service.. (belchi & belchi, 2013: 23). Sales promotion complements advertising, so advertising and sales promotion are used in combination in business (todua

& mghebrishvili, 2009: 351-352). However, it should also be noted that in recent years there has been a shift in focus from advertising to sales promotion, which has its reasons.

Certain factors contributed to the increase in sales promotion. Among them, it is worth noting:

- *Growing power of retailers.* ¶ In recent decades, the development of information technology has contributed to the shift of power in the market from manufacturers to retailers. The introduction of cash registers equipped with optical scanners and modern computer systems in stores allowed retailers to access such data as the speed of product turnover, which means of sales promotion are effective and which products bring more revenue, etc. Retailers use this information to analyze the sales of products supplied by the manufacturer and then request discounts and other incentives from the manufacturer of “dormant” goods. Companies that don’t meet the retailers’ demands for more merchandising support find that counter and shelf space for their products is reduced, in some cases, retailers may refuse to sell their products altogether (belchi & belchi, 2013: 524). The growing power of retailers was also facilitated by the creation of large chains of grocery stores (for example “Carrefour”, “Nikora”, “Magniti”, “2 Nabiji”, “Daily”, “Gvirila”, which have more purchasing power;

- *Fragmentation of the consumer market.* ¶ The consumer market is becoming more fragmented. As a result of the development of information technologies (the Internet), advertising in traditional mass media becomes less effective. Therefore, many companies focus their efforts on specific, regional markets;

- *Competition.* ¶ In the conditions of fierce competition, the market is saturated with various products. New brands are also emerging. It is becoming increasingly difficult to break into this market through advertising. Therefore, instead of investing a lot of money in advertising, companies have started to promote sales;

- *Decrease in brand loyalty.* Customers have become less loyal to the brand and make their purchase decisions based on price, value and convenience. A large number of customers buy what is discounted;

- *Increased sensitivity to stimulants.* Customers save money. Many consumers make the decision to buy a product directly in the store, at the time of purchase, because the buyer has little time and too many choices;

- *Customer behavior.* As a result of the development of information technology and above all – the internet, customers today are better informed about products/services, hold more knowledge and are less loyal to brand names that in the past, etc.

One of the categories of sales promotion is customer-oriented sales promotion. A customer-oriented sales promotion is a marketing method that encourages customers to purchase a product/service. Promotions usually last for a period of time and are used to achieve a specific goal, such as increasing market share (Joseph, 2019). Leading marketing specialists Philip Kotler and Gary Armstrong believe that customer incentives are used to increase customer purchases in the short term and dramatically, while also building relationships with them over the long term. (Kotler & Armstrong, 2018: 498). It should also be noted here that despite the essential goal of customer-oriented sales promotion - to increase the brand's sales rate, the company may have other goals, for example, trial and repeat purchase, increasing the consumption of a brand already established in the market, retaining existing customers and attracting potential customers, a specific market segment. Target removal, etc.

Among the many methods of customer-oriented sales promotion, we highlight the following main ones:

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- *Discounts.* In contemporary conditions, it is unthinkable to have both grocery and non-grocery retail network that does not use the aforementioned method. Discounts allow the customer to save money, therefore a significant part of consumers purchases products or services during the discount period;

- *Samples.* Samples include distribution of a trial version of a product. Its purpose is to arouse interest in the given brand among customers and push them to purchase it;

- *Coupons.* Coupons are a kind of discount certificates that allow the buyer to save money whilst purchasing from the brand. For example, this method is utilized by media holding “Palitra”, which publishes “Kviris Palitra” (Pallette of the Week) with discount coupons. Pharmaceutical company “PSP” also uses coupons;

- *Bonus packages.* A bonus package contains an excess amount of goods for sale, but the buyer does not pay its value. Such packages are often found in shops. For example, four soaps for the price of three, 2.5 liters of Pepsi for the price of 2 liters, which was also indicated on the packaging – 0.5 liters for free. Bonus packages are also often found on two related products that are in one package (for example toothpaste and a toothbrush, a set of a “Gilette” razor and shaving gel), etc.;

- *Premiums (advertising prizes).* A product that is offered for free or at a low cost to consumers in order to encourage them to purchase their product. Such products are mainly toys. For example, “McDonald’s” used toys to attract children through “Happy Meal”, Kinder uses a similar approach. In Georgia, the company “Kartuli Tema” (The Georgian Theme) used the aforementioned method in its brand “Pyramid”, “Tower” and “Owl Eggs”;

- *Brand loyalty programs.* Many companies in Georgia offer loyalty programs that give customers the opportunity to collect points for continuing to buy their brand, get a part of the cost of the purchased product back to their bank account (cashback), etc. In exchange for points, the user can receive a certain gift;

- *Competitions and giveaways.* Competition and giveaway are different from each other. A contest is a promotional even in which users compete with each other to win prizes or money, and the advantage is given to the participant who most closely matches the predetermined criteria. A giveaway is a type of incentive where the winner is determined completely randomly. Grocery store chains operating in Georgia – “Carrefour” “Nikora”, etc. The competition method is often used on the social network (Facebook), lotteries are also often held by, for example, “PSP”, “Magniti”, “Supta Sakhli”, etc.;

- *Event marketing.* Companies can promote their brand through event marketing, which involves organizing their own events or providing full/partial sponsorship of events organized by others. For example, festivals, marathons, concerts, etc.

Sales promotion has its pros and cons.

Pros:

- *Instant sale increase.* Sales promotion helps increase sales in a short period of time;

- *Offering discounts to price-sensitive customers;*

- *Increasing the loyalty;*

- *Facilitating the formation of awareness regarding the new products (for example, product samples);*

- *Attracting new customers.* Information about low prices or offers can be enough to attract new customers.

- *Getting rid of unsold stock, etc.*

Cons:

- *Can have a negative impact on the brand image: sometimes sales promotion campaigns have a negative impact on the quality of company's image. For example, consumers may think that if a product has a high discount, the company is offering a low-quality products;*

- *Short-term strategy: sales promotion is not a long-term solution. It should be used to ensure instant success, but it should not be the sole starting point of a marketing strategy;*

- *Sales promotion may not change consumer attitudes and perceptions. One of the biggest mistakes the companies make is that presenting an incentive will change the customer's opinion of their product to a positive one. If people distrust a company's product, then it can cause a lot of damage to company and its brand. For example, Samsung's popular Note series of mobile phones was a fire and explosion hazard. This significantly damaged the image of the company for several years (Prasanna, 2022);*

- *Increased price sensitivity. The customer waits for the promotions to be announced and then purchases the product. Thus, sales at the market price are lost and profit margins are reduced (Drypen, 2008).*

- *Low level of coupon redemption and costs;*

- *False redemption of coupons and fraud;*

- *Additional costs for companies.*

Sales Promotion can't fix a poor product: sales promotion can't overcome product problems. For example, lack of distribution channels or poor product quality will affect the effectiveness of sales promotion.

Among the chain grocery stores operating in Georgia, the following are represented in the city of Gori: "Carrefour", "2 Nabiji", "Magniti", "Nikora", "Libre", "Daily", "Madagoni", "Gvirila", "Zghapari" and the local chain "Begheli". The presented chain stores successfully use the methods of customer-oriented sales stimulation discussed above. Based on the information we found and processed about each network, an informative table is presented below (see Table 1)

Table 1.

Chain grocery stores operating in Gori ¹

Name	Number of branches in Gori	Website	Social media page (Facebook)	Mobile application	Basic methods of stimulation
Carrefour	1	√	√	√	Discounts Bonus packages Giveaways Coupons Loyalty program
2 Nabiji	6	√	√	√	Discounts Bonus packages Giveaways Loyalty

¹ Compiled by the author.

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					program
Magniti	13	√	√	-	Discounts Bonus packages Giveaways
Nikora	2	√	√	√	Discounts Bonus packages Giveaways Contests Loyalty program
Libre	6	-	√	-	Discounts Bonus packages Giveaways Contests
Daily	13	√	√	-	Discounts Bonus packages Giveaways
Madagoni	2	√	√	-	Discounts Bonus packages
Gvirila	10	-	√	-	Discounts Bonus packages Giveaways Contests Loyalty program
Zghapari	1	√	√	-	Discounts Bonus packages Giveaways
Begheli	7	-	√	-	Discounts Bonus packages

In order to better study the issue, we conducted a research in the form of a survey in Gori in order to study the attitude of consumers towards sales promotion tools used by chain grocery stores. 126 people participated in the survey, among whom 57.1% are women, and 42.9% are men. 4.8% of respondents are under 18 years of age, 47.6% are between 18 and 25 years old, 16.7% are between 26 and 35 years old, 19% are between 36 and 45 years old, and 11.9% are over 45 years old.

As a result of the research, it was found that 38.1% of the respondents always buy products in a chain grocery store, 47.6% - often, 11.9% - sometimes, and 2.4% rarely. None of the respondents did not buy products in chain grocery stores.

Among the respondents, 26.2% of the chain grocery stores in Gori most often buy products in "Begheli", 21.4% - in "2 Nabiji", 23.8% - in "Daily", 9.5% - in "Magniti", 4.8% - in "Nikora", 4.8% - "Libre", 4.8% - "Gvirila", 2.4% - "Carrefour", 2.4% - "Madagoni".

Of the sales incentives offered by chain grocery stores, the vast majority of surveyed consumers 64.3% use discounts the most, 21.4% - bonus packages, 9.5% - loyalty programs, 2.4% - coupons, 2.4% - samples.

28.4% of respondents believe that, from chain grocery stores, "Gvirila" uses the most means of sales promotion, 21.4% - "2 Nabiji", 16.7% - "Daily", 23.9% named different chain markets, for 9.6% - it was difficult to answer.

The vast majority of respondents - 71.5% - get information about discounts, raffles and other promotions in online grocery stores from the social network - Facebook, 19% - from SMS messages received on their mobile phones, 7.1% - from the company's mobile application, and 2.4% - from the company website.

Conclusions

The research results lead to certain conclusions. In particular, the absolute majority of consumers (85.7%) always or often use chain grocery stores. One of the reasons for this is the wide variety of sales promotion methods offered by chain grocery stores: discounts, box packs, loyalty programs, sweepstakes, etc..

As a result of the research, it was found that among the chain grocery stores in Gori, the absolute majority of customers (71.4%) most often buy products from "Begheli", "2 Nabiji" and "Daily", which is not surprising. The local chain grocery store "Begheli" in Gori has low prices compared to other chain stores, which makes it even more attractive for price-sensitive consumers. "2 Nabiji" should also be mentioned, which has both an interactive website and a mobile application for online ordering. In addition to discounts and bonus packages, users can also accumulate points within the loyalty program. Additionally, through the application, customers can view a detailed statement of their purchase transactions, a receipt and see what product was purchased at what price. This is certainly a big advantage of "2 Nabiji", which provides reliability and transparency in the eyes of the user.

As a result of the study, it was determined that the sales promotion tools offered by chain grocery stores allow consumers to save money. In addition to discounts, giveaways and loyalty programs also occupy an important place among sales stimulation methods. As can be seen from the table we presented above, discounts and bonus packages are offered to customers by all chain stores with one frequency or another, which cannot be said about loyalty programs. Among the loyalty programs of "Carrefour", "2 Nabiji", "Nikora" and "Gvirila" (points accumulation system), the most outstanding are "Gvirila" and "2 Nabiji" loyalty programs, where more points are collected.

66.5% of the respondents believe that "Gvirila", "2 Nabiji" and "Daily" use the most means of sales stimulation from chain grocery stores. All three markets have discounts, bonus packages, giveaways, but "Daily" does not have a loyalty program (points accumulation system). It is significant that "Gvirila" chain store, unlike the previous months, is using the most and flexible means of sales stimulation at this stage. In addition to weekly discounts, "Gvirila" offers its customers up to 40% daily discounts on various product categories. In addition, users can get 5% of the cost of the purchased product back in the form of points on the "Friend" card.

It was not surprising the fact that the overwhelming majority of surveyed consumers, 71.5%, get information about discounts, giveaways and other promotions in chain grocery stores from the social network "Facebook". For 19% of users, the source of receiving the mentioned information is the SMS message received on the mobile phone. In the conditions of the development of information technologies and, above all, the Internet, social networks and search engines have become the main source of information. The

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results of the research prove this. St. All of the chain grocery stores in Gori have a page on the social network, but only a few have an interactive mobile application that is constantly updated in terms of information.

Thus, based on the analysis of the results of the research carried out by us and the processed literature, we can formulate the following recommendations:

- Companies must keep up the pace with modern challenges and implement innovations. Unfortunately, there still exist companies, including in Gori, that do not pay adequate attention to marketing, integrated marketing communications, advertising, sales promotion methods. Today, in the conditions of increased competition, in order to succeed in the market, companies should have an interactive website, mobile application and online ordering system. Taking into account modern trends, appropriate mobile applications are more comfortable and convenient for the customers;

- Marketing strategies of the companies in the field of sales promotion should include other elements of integrated marketing communications. We believe that sales promotion will be more effective if it is used simultaneously with other elements of integrated marketing communications;

- Concurrently with the utilization of sales promotion methods, companies ought to emphasize the visual aspect of stores, the qualifications of the employees, the extent of training, and the quality of their approach towards customers;

- Both consumers and companies must prioritize ensuring utmost safety whilst placing orders on the Internet. In the recent period, many users have been affected due to frequent frauds, phishing, and the spread of fake news;

- *Companies should implement a smooth and easy-to-comprehend loyalty program.* Withing the framework of the loyalty program, a very small number of points are collected in individual chain stores, which makes it less attractive for customers to accumulate points in the said chain stores;

- Chain stores should focus on product storage terms and rules, etc.

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