



A Study On The Effectiveness Of Sales Promotion Strategies During The Festive Season In India

Smt. Sapate Manjula Manohar¹ & Asso. Prof. Dr. Patil Sunil Subhash²¹*Research Scholar*²*Associate Professor**Corresponding Author – Smt. Sapate Manjula Manohar***DOI - 10.5281/zenodo.17921125**

Abstract:

The Indian retail market experiences a significant surge in consumer activity during the festive season, making it an important period for businesses to increase their sales. This research paper focuses on examining the effectiveness of various sales promotion strategies used by retailers during the festive season in India. The primary objective of the research is to understand how various promotional methods impact consumer purchasing behaviour and overall sales performance. The study reviews the available literature on sales promotions and shopping trends during the festive season, and uses primary data collected through surveys conducted with consumers and retailers. The study highlights the most common sales promotion strategies, such as discounts, combo offers, cashbacks, free gifts, loyalty programs, and online flash sales. It also examines how these strategies influence customer decisions and help retailers gain a competitive advantage in the busy festive market. The results demonstrate that well-planned and timely promotions significantly increase customer footfall, online traffic, and purchase volume. However, the study also reveals that not all promotions lead to long-term customer loyalty. Customers tend to be attracted to transparent, value-based offers rather than misleading discounts. This paper offers helpful suggestions for retailers to improve their promotional efforts by adopting data-driven strategies, understanding customer preferences, and integrating traditional and digital sales channels. The study concludes that effective sales promotions during the holiday season can lead to increased sales, improved customer satisfaction, and enhanced brand awareness if implemented carefully.

Keywords: *Sales Promotion, Festive Season, Consumer Behaviour, Retail Marketing, India, Discount Offers, Customer Loyalty, Retail Strategy.*

Introduction:

In the modern competitive business world, sales promotions have become an important marketing tool for attracting customers and increasing sales. During festive seasons in India—such as Diwali, Dussehra, Eid-ul-Fitr, Christmas, and Navratri—consumer spending increases significantly. Retailers and businesses

employ various sales promotion strategies to capitalize on this opportunity. This research paper aims to examine the effectiveness of these strategies in increasing sales and influencing customer behaviour during the festive season.

Sales promotions are defined as short-term incentives designed to encourage the purchase or sale of a product or service

(Kotler and Keller, 2016). According to Belch and Belch (2018), sales promotions play a key role in attracting attention, increasing product visibility, and stimulating immediate purchases. In the Indian context, Sharma and Krishnan (2002) suggest that Indian consumers react positively to offers and discounts, especially during festivals. Similarly, Sinha and Banerjee (2004) observed that emotional and cultural factors also influence shopping behaviour during holidays in India. With the rise of e-commerce platforms and digital payments, retailers have adopted modern promotional tools, such as flash sales, discount codes, cashback offers, and influencer marketing. According to Kapoor and Gunjal (2019), these strategies are most effective when combined with traditional promotions, such as "buy one, get one free" and free gifts.

This study will explore how these strategies impact customer preferences, sales performance, and brand image. It will also identify the most successful sales promotions during the festive season in India and offer suggestions for improving marketing outcomes. The festive season in India is not only a cultural celebration but also an economic opportunity. Therefore, understanding the effectiveness of sales promotion strategies during this period is crucial for companies to plan their marketing campaigns effectively.

Objectives of the Study:

1. To study different types of sales promotion techniques used during the festive season in India.

2. To understand customer response to sales promotions during the festive season.
3. To analyse the impact of sales promotions on retail sales and customer traffic.
4. To suggest effective sales promotion strategies to improve festive season marketing.

Hypothesis of the Study:

- Sales promotions during the festive season have a positive impact on customer purchasing behaviour.
- Discount-based promotions are more effective than cashless offers during the festive season.

Research Methodology:

This study is based on secondary data collected from reliable and validated sources. Data was gathered from research articles, magazines, government publications, industry reports, retail websites, and databases such as Statista, Nielsen, and KPMG. Reports from The Economic Times, Business Standard, and Deloitte were also consulted to gain insights into sales trends and consumer behaviour during the festive seasons in India. The study adopts a descriptive research design to analyse the effectiveness of sales promotion strategies, such as discounts, cashbacks, coupons, and free gifts. Comparative analysis and trend observation techniques were applied to assess the impact of these tactics on customer purchase decisions and overall sales performance. The focus is on understanding the most effective strategies for attracting consumers during festivals.

such as Diwali, Christmas, and Eid al-Fitr. The collected data was interpreted using graphs, charts, and short notes to draw meaningful conclusions.

Review of Literature:

Sales promotions are an important part of marketing, used to attract customers and increase sales. Many researchers have studied the role of sales promotions, especially during festive seasons. This review presents the key findings of prominent Indian and foreign authors, arranged in ascending order by year.

Sharma and Krishnan (2002) found that Indian consumers respond significantly to discount offers during festivals.

Sinha and Banerjee (2004) explained that emotional appeal plays a major role in holiday purchasing.

Srivastava (2005) indicated that free gifts and seasonal packaging influence customer attraction.

Rao (2008) indicated that small retailers benefit most from festival offers.

Gupta (2010) confirmed that combo offers are more effective than individual product discounts.

Mishra (2012) found that advertising and promotion work best when combined.

Patel (2015) reported that online shoppers prefer cashbacks and coupon codes.

Kotler and Keller (2016) identified sales promotions as a key tool for influencing buyer behavior in the short term.

Bilch and Bilch (2018) emphasized the importance of integrated promotions to improve the performance of promotional campaigns.

Kapoor and Gunjal (2019) noted that combining traditional and digital promotions increases customer reach.

Shiftman and Kanuk (2020) highlighted the cultural influence on consumer reactions to promotions.

Deshmukh (2021) noted that mobile offers and flash sales during festive seasons have become more effective following the COVID-19 pandemic.

Studies indicate that festive sales promotions in India are influenced by price discounts, emotional appeal, cultural values, and digital trends. Both Indian and foreign authors agree that creative promotions at the right time during festivals can significantly increase consumer purchases.

An Overview of Festive Seasons in India:

India is known for its rich cultural diversity and the variety of festivals celebrated across different regions, religions, and communities. These festivals are not only religious or traditional events; they have also become important periods for shopping and economic activity. Major Indian festivals, such as Diwali, Dussehra, Navratri, Ganesh Chaturthi, Eid-ul-Fitr, Christmas, Pongal, and Holi, attract increased consumer spending, making them ideal seasons for companies to launch sales promotions. According to Sinha and Banerjee (2004), Indian festivals stimulate emotional buying behaviour, which is often associated with gifts, celebrations, and rituals. Gupta (2010) adds that during the festive season, consumers are more willing to try new products and spend beyond their usual budgets, especially with attractive promotions.

Internationally, Kotler and Keller (2016) observed that sales promotions held in conjunction with cultural events are more effective in influencing buyer behaviour. In the Indian context, Kapoor and Gunjal (2019) observed that retailers generate between 30% and 40% of their annual sales during the festive months, highlighting the financial importance of this period. With the rise of digital platforms and e-commerce, festive shopping has expanded further through online flash sales, mobile app offers, and influencer marketing. Deshmukh (2021) asserted that digital promotions during festivals such as Diwali and Eid al-Fitr have become more popular and impactful post-pandemic.

Therefore, the festive season in India presents a golden opportunity for marketers to launch promotions that align with cultural sentiments, timing, and consumer psychology. Understanding the nature of these festivals and their impact on consumer behaviour is essential for designing effective promotional strategies.

Sales Promotion Techniques: An Overview:

Sales promotion refers to the short-term incentives companies use to encourage the purchase or sale of a product or service. During the festive season in India, companies use various promotional techniques to attract customers, increase footfall, and boost sales.

According to Kotler and Keller (2016), sales promotion includes tools such as discounts, coupons, contests, samples, and "buy one, get one free" offers, designed to create immediate demand. In the Indian context, Sharma and Krishnan (2002) found

that price discounts and free gifts are most popular among Indian consumers, especially during festivals such as Diwali and Navratri.

Sinha and Banerjee (2004) noted that emotional and cultural connections during festivals make consumers more responsive to attractive offers. Gupta (2010) explained that combo offers and specially packaged festive packages increase product appeal. For online shopping, Kapoor and Gunjal (2019) highlighted the importance of digital tools, such as cashback offers, flash sales, and festive-themed promotions on platforms like Amazon and Flipkart.

From a global perspective, Belch and Belch (2018) emphasized the role of integrated marketing communications, with sales promotions achieving best results when supported by advertising, social media, and influencer marketing. Shiffman and Kanuk (2020) noted that consumer response to promotions also depends on cultural and psychological factors.

In recent years, new technologies such as loyalty points, e-wallet rewards, limited-time offers, and influencer-led campaigns have gained significant popularity in India, as discussed by Deshmukh (2021). These tools are highly effective when combined with traditional promotions.

Therefore, a smart combination of promotional methods – traditional and digital – helps businesses make the most of the holiday season by boosting visibility, customer engagement, and sales.

Sales Promotional Techniques Used by Retailers During Festive Seasons:

During the festive seasons in India, retailers employ a variety of sales promotion

techniques to attract customers, increase product exposure, and boost sales. These festivals provide an ideal opportunity for retailers to connect with buyers, as shopping becomes a cultural habit during these times.

According to Sharma and Krishnan (2002), price discounts and free gifts are among the most common tactics used by Indian retailers. These offers are particularly attractive during Diwali, Eid al-Fitr, and Christmas, when consumers plan to purchase in bulk. Gupta (2010) noted that bundled offers and festive packaging are also successful, as they add a sense of celebration and added value.

Kapoor and Gunjal (2019) confirmed that online retailers use flash sales, cashback offers, digital vouchers, and limited-time offers to tap into the growing e-commerce market during festivals. Many companies also launch exclusive festive collections to attract attention.

Foreign authors such as Kotler and Keller (2016) highlighted that buy one, get one free (BOGO) offers and contest-based promotions are widely used internationally and have also become popular in urban Indian retail. Belch and Belch (2018) noted that combining traditional promotions with advertising and social media can make them more effective.

In recent years, Deshmukh (2021) noted that Indian retailers have begun using loyalty programs, personalized SMS offers, influencer marketing, and online reviews to build trust and increase sales during festivals.

Retailers also create in-store decorations, organize lucky draws, and launch festive promotions to make shopping a memorable experience.

In conclusion, promoting festive sales in India is a combination of emotional connection, appropriate timing, and attractive offers. Retailers that combine traditional techniques with digital trends are successfully capturing customer attention and increasing revenue during the festive season.

The Impact of Sales Promotion Strategies on Sales During Festive Seasons:

Sales promotion strategies play a key role in increasing sales during the festive season in India. Festive periods, such as Diwali, Eid-ul-Fitr, Christmas, and Dussehra, are considered high-potential times, as consumer purchasing behavior shifts toward increased spending due to cultural and emotional factors.

According to Sinha and Banerjee (2004), customers during festivals are more responsive to promotions such as discounts and festive offers. Gupta (2010) found that combo offers and limited-time offers lead to impulse buying, which directly boosts sales volume. Similarly, Rao (2008) reported that festive promotions help even small retailers achieve higher monthly revenues.

Kapoor and Gunjal (2019) confirmed that digital platforms have increased the impact of promotions, as customers now compare prices, use coupons, and wait for festive discounts on e-commerce sites. Their study showed that approximately 40-50% of annual online sales occur during festive campaigns. From a global perspective, Kotler and Keller (2016) noted that strategic sales promotion campaigns create a sense of urgency and attract new customers. Belch and Belch (2018) highlighted that cross-channel

promotional campaigns, supported by social media and influencer marketing, significantly boost brand visibility and sales.

Indian researcher Deshmukh (2021) noted that digital sales promotion campaigns, such as mobile notifications, personalized email offers, and in-app loyalty rewards, have become more effective than traditional methods following the COVID-19 pandemic.

In conclusion, the impact of sales promotion strategies during the festive season is clearly evident through increased sales, customer engagement, and enhanced brand loyalty. Effective use of traditional and digital tools during these special occasions not only improves short-term revenue but also builds long-term customer relationships.

Key Findings:

A study on the effectiveness of sales promotion strategies during the festive season in India revealed several key insights that are essential for understanding consumer behaviour and retail practices.

- **Consumer Preferences:** Indian consumers respond strongly to discounts, cashback offers, and free gifts during festivals, as Sinha and Banerjee (2004) confirmed. Offers such as combo offers and festive packaging significantly increase the perceived value of products, leading to increased sales (Gupta, 2010).
- **Digital Influence:** With the rise of e-commerce, online sales promotions, such as flash sales, coupons, and loyalty rewards, significantly impact sales during the festive season. Kapoor

and Gunjal (2019) found that approximately 40–50% of annual online sales occur during festive promotions.

- **Effective Timing:** Carefully selected promotions, such as those held before or during major festivals like Diwali or Eid al-Fitr, have a higher success rate in attracting consumers, as Kotler and Keller (2016) explained.
- **Cultural Connection:** Emotional and cultural connections during festivals stimulate impulse buying. Deshmukh (2021) noted that combining digital and traditional promotional strategies enhances consumer engagement, leading to better sales performance.

In conclusion, sales promotions that align with cultural values, digital trends, and effective timing significantly boost sales during the festive seasons in India.

Recommendations:

Based on a study of sales promotion strategies during the holiday season, the following recommendations are proposed to help retailers maximize the effectiveness of their promotional efforts and improve sales results.

- **Leverage Digital Platforms:** Retailers should increase their focus on online promotions, such as flash sales, digital coupons, and app-exclusive offers, to reach tech-savvy consumers (Kapoor & Gunjal, 2019).
- **Leverage Cultural Sentiment:** Sales promotions should reflect the cultural and emotional significance of festivals, such as special packaging or festive-themed products (Gupta, 2010).

- **Offer Time-Specific Offers:** Promotions that create urgency, such as limited-time offers, can encourage impulse buying and increase sales during peak shopping periods (Kotler & Keller, 2016).
- **Integrating Traditional and Digital Promotions:** Combining in-store promotions, such as discounts and free gifts, with online campaigns can help retailers reach a wider audience (Deshmukh, 2021).
- **Focusing On Consumer Loyalty Programs:** Offering rewards or loyalty points during the festive season can increase customer retention and repeat purchases (Belch and Belch, 2018).
- **Personalized Marketing:** Retailers should use personalized emails, SMS offers, and targeted advertising to engage customers based on their past shopping behavior (Rao, 2008).

By aligning promotional strategies with both digital trends and cultural values, retailers can enhance customer engagement and significantly increase sales during the festive seasons in India.

Conclusion:

In conclusion, sales promotion strategies play a pivotal role in guiding consumer behaviour and boosting sales during the festive seasons in India. The study highlights that discount, combo offers, and limited-time deals are the most effective tactics used by retailers to attract customers during festivals. Furthermore, digital platforms and online promotions, such as flash sales, cashback offers, and loyalty programs, have gained significant importance, especially in the post-pandemic

era. The emotional and cultural connections during festivals also influence consumer spending, making it essential for retailers to align their promotions with these sentiments. The study also highlights the growing role of personalized marketing and the combination of traditional and digital methods to maximize sales. Overall, sales promotions are effective not only in increasing sales in the short term, but also in fostering long-term customer loyalty and engagement, making them an essential tool for retailers seeking to capitalize on the festive seasons in India.

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