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APPLYING SALES PROMOTION STRATEGY AMONG SMALL RETAILERS – QUESTIONS OF A PLANNED EMPIRICAL RESEARCH

SUMMARY

Sales promotion is a preferred communication tool among retailers in order to increase sales immediately, attract new customers or retain new ones. The use of different financial allowances or other type of incentives became popular in Hungary over the 21st century due to the spread of shopping centers, superstores and hypermarkets. Consumers are very price-sensitive and promotion-sensitive, they like good bargains, when they can buy something cheaper or with a better conditions. Due to the fierce competition and consumer demand independent small shops are forced to use sales promotion techniques to be successful. This statement is especially true in the region of West Pannonia, where the retailing sector is very well developed and the spending power is high. The study summarizes the main questions of an empirical research, namely the importance and the use of sales promotion tactics among small independent clothes shops with different strategic focus.

Key-words: marketing research, research plan, sales promotion strategy, small clothing shops

1. INTRODUCTION

Retailing is an important sector of national economy in Hungary, since independent small enterprises play a significant role in employment. Due to the spread of multinational companies different sales promotion techniques such as rebates, coupons, loyalty programs, seasonal price-offs become more and more popular. As a consequence of this fact small retailers like applying these consumer sales promotion methods in order to win new customers or increase store loyalty and altogether increase sales.

A lot of marketing experts are interested in the marketing activity and strategic thinking of independent small enterprises. However investigating the sales promotion strategy of small independent retailers is a quite new area of researches. In my article I introduce the steps of an empirical research plan relying on Malhotra. First I summarize Hungarian and other international studies connected to the strategic analyses especially focusing on sales promotion strategy of small clothes retailers. Then I define the scientific problem, and detail the problem approach such as research questions and hypotheses. The third step is defining the research plan, where I specify the measurement and scale techniques used in the questionnaire. I define the method of sampling and the sample size, the plan of data collection. Finally I write about preparing and analyzing data (Malhotra 2005).

2. THEORETICAL BACKGROUND

Definition of sales promotion

According to the American Marketing Association “*sales promotion encompasses the paid communication activities other than personal selling, advertising, public relations and publicity that stimulate consumer purchases and dealer effectiveness. It includes displays, contests, sweepstakes, coupons, frequent shopper programs, prizes, samples, demonstrations, gifts, and other limited-time selling efforts outside of the ordinary promotion routine.*” (Mason and Mayer 1987 p. 586.)

Sales promotion tries to influence consumers’ or retailers’ behavior in the most direct way. This communication technique differs from advertising because it gives not a cause but an inducement to buy so it is an immediate incentive and it is not responsible for long term impressing. It is intended to encourage buyers to act “now” rather than later (Józsa – Piskóti – Rekettye – Veres, 2005; Fill, 2005). In my article I focus on consumer sales promotion techniques, which are significant promotional tools since they have the ability to affect variable phases of purchase, from problem realizing till evaluation of post-purchase.

In the USA and in the UK the highest promotional expenses are spent on sales promotion of packaged goods. Considering the costs of promotional mix the general tendency is that more and more money is spent on measurable tools such as sales promotion, internet, direct mail from year to year. While one decade ago expenditures between sales promotion and advertising were in the ratio of 40:60, nowadays this rate has turned around and experts talk about a ratio of 75:25 (Kotler and Keller 2006, Cummins and Mullin 2003, Xu and Ergin).

This can be explained by the fact that people refuse ATL¹ tools, annoying advertising, but at the same time they like winning and are satisfied with the sense of making a good bargain after the purchase (Töröcsik 1998, Józsa et al. 2005). Furthermore consumers are less brand-loyal; they often make their purchase decision based on price. On the other hand there is a fierce competition between retailers and sales promotion can be a good method of differentiation that is obtaining competitive advantage. Managers think in short run, they want to see immediate results of “promotional invests or costs” (Belch and Belch 2001).

¹ Promotional literature differentiates ATL (above the line) and BTL (below the line) promotional instruments. Advertising is an ATL technique and the rest of promotional mix – sales promotion, personal selling, public relations and publicity – belong to BTL tools.

Difference should be made between value increasing and value adding functions of consumer sales promotion in order to avoid generalization. Value is increased by offering changes to the product quantity/quality or by lowering the price. Generally used and perceived as effective promotion technique over the short term. Value increasing solutions are: discount pricing, money-off coupons, refunds, multi-packs, and quantity increases. Value is added by offering something extra while leaving core product and price unchanged. Premiums, information or opportunities can be offered as extras and the benefits are realized over different periods of time: delayed (postal premiums or gifts), accumulated (loyalty programs) or instant (games, contests). These add value to the promotion over longer term. For example samples, gifts, loyalty programs, competitions belong to this category. (Fill 2005 p. 636.)

There is a similar classification to the previous one, but in that case consumer SP is divided into price and value added promotions based on the utilitarian and hedonic type of benefits that consumers get. Utilitarian benefits refer to saving, higher product quality and more comfort. Different financial or price promotions, which contribute to saving of consumers, belong to this group. For example discounts, rebates, coupons, patronage rewards are considered to be price promotions. Among hedonic advantage are value, entertainment and the adventure of discovery. Value added promotions are contests, sweepstakes and games, gifts, exhibitions and fairs. (Chandon – Wansink - Laurent 2000)

Sales promotion strategy in theory

In the 21st century strategic thinking is extremely important among companies. Planning and implementing a strategy come in foreground in order to be successful in the market (Józsa 2003). Companies can formulate their strategy globally, for the whole organization, but it is also possible to formulate for one particular functional area, e.g. for marketing. Marketing strategy, where after the analyses of external and internal environment, partial strategies – product, price, distribution and promotion policy – have to be formulated, is extremely important for a company to determine its competitiveness and market position. Within the communication policy companies have to decide about their sales promotion program, which includes every activity that contributes in any way, directly or indirectly, to the promotion of profitable sales (Edwards and Brown 1959, p. 478.).

According to Cumins and Mullin (2003) sales promotion is strategic if it improves companies' differentiated capabilities, increases its competitive advantages and builds its long-term relationships. A good tactical plan does not exist without a good strategic

promotion. All in all we can say that SP strategy is an activity that contributes to the increase of sales². This can be achieved by different ways due to the wide range of applied sales promotion methods.

Analyzing sales promotion activities of companies was a popular topic as early as the beginning of the last century. Howard (1940) emphasized that the choice of SP tools depend on the type and competitive position of the product. Later Edwards and Brown (1959) found that successful sales promotion strategy came as the result of thoughtful planning. This group of authors focused on large companies where the sales promotion campaign is controlled by a merchandising staff³. The planning process begins with defining the problem and determining the goals. Then companies have to take into consideration former experiences and costs of informing customers inside and outside the shop. It is important for companies to choose such incentives that help them to achieve their goals. For a successful sales promotion campaign employees should know their task and inform customers about the program, managers should monitor sales and responses to deals. More authors came to the conclusion that studying consumer behavior and understanding consumers is useful for a well designed promotion campaign to adopt sales promotion tools fitting the expectation of the target market (Schultz et al. 1998, Heiman 1998).

In the 21st century marketing experts agree that the planning of sales promotion programs starts with setting up goals. As former models highlighted assignment of responsibilities is also important. Nowadays researchers put emphasis on tactical questions of SP that is the size of the budget, the forms of incentives⁴, the length and timing of the campaign, and size of SP. After retailers decided about the concrete techniques of consumer promotion, they can implement and finally evaluate the strategy (Józsa et al. 2005. Kotler and Keller 2005). During the process of planning the sales promotion campaign more aspects have to be taken into consideration such as the affordable budget, the phase of product life-cycle, the nature of competition and the target market of the program. Sales promotion is a good promotional tool if the product is in the mature phase of the life-cycle, the competitive situation is fierce and companies want to convince customers to choose a brand instead of competitive brands (Small Business Encyclopedia 2002).

² <http://www.smallbusinessbible.org/salespromotionstrategy.html>

³ However small-and medium sized enterprising should follow the same steps when they plan to introduce the sales promotion campaign.

⁴ Marketers have to decide whether they offer the premium immediately at the point of purchase or later. In case of immediate incentives the response rate is higher than in case of delayed deals when the incentive requires further action.

Promotion strategy in practice

Soyeon and Drake (1991) analyzed promotional activities of clothes shops in the USA. They found that profitable shops can be characterized by marketing-centered thinking. These shops choose customer-oriented promotional tools to improve store-image and increase sales immediately. Profitability does not depend on individual traits or professions of store managers/owners.

Fam and Merrilees (1998) investigated the strategic communication management approach of independent clothes and shoes retailers in Australia. They found that shops formulate their promotional activity based on their strategic needs.

The promotional strategy of small independent clothes and shoes shops were researched empirically by Fam and Yang in New-Zealand and in Portugal, in two culturally different nations. Their study focused on the change of expenditure on in-store⁵ and outdoor⁶ promotions due to the uncertainty of the external environment. Their most important findings:

- Smaller shops consider in-store promotions more important than other promotional tools and they spend more money on that.
- Retailers use different sales promotion techniques, especially price-markdowns to decrease inventory that is they are dominated by less strategic aims.
- When the computability of external environment becomes uncertain, small independent retailers prefer to spend more money on in-store promotions rather than on outdoor promotions. (Fam and Yang 2005)

Hungary joined to an international research by investigating the integrated marketing communication (IMC) strategy of small-and medium sized enterprises (Fam et al. 2006). The authors differentiated successful and unsuccessful retailers in three countries, namely in New-Zealand, in Hungary and in Portugal and compared the aim of promotional activities, the preferred communicational tools and the promotional expenditures between successful and unsuccessful retailers. Finally the promotional mix of successful retailers was analyzed over the three nations. Successful retailers of all investigated countries consider personal selling and in-store promotions as the most important promotional tools what is more this is reflected in their promotional budget. It is interesting that IMC approach is not typical for the managers

⁵ Elements of in-store marketing elements are personal selling, price-markdowns and point of sales (POS).

⁶ Outdoor solutions are TV, print-media advertisings, direct mails (DM), coupons, flyers, PR and sponsorship.

of small shops. Sales promotion, price-markdowns and point of sales are important communication tools for retailers following discount strategy⁷ (Józsa and Fam 2007)

Within the above mentioned research Józsa and Tárkányi (2005) investigated the motivations of retailers for using seasonal price-offs and price-markdowns in Hungary. The basic aim of price promotions is competitor-, and quantity-oriented. Hungarian clothes and shoes retailers think selling a certain quantity of products and protecting against competitors' deals are very important. Inventory adjustment is a dominant marketing activity for both successful and unsuccessful retailers in their promotional campaign.

In order to be able to answer the research questions and to compensate the shortcomings of previous researches connected to this topic I need primary information. I would like to collect data through questioning.

3. DEFINING THE SCIENTIFIC PROBLEM

The scientific problem is to understand the use of different consumer sales promotion (SP) techniques such as coupons, price-offs, rebates, seasonal price-offs, BOGOF-s⁸, loyalty programs, gifts, games, contests and sweepstakes by small independent clothes shops operating in the region of West Pannonia tactically and strategically.

4. DEVELOPMENT OF PROBLEM APPROACH

Scientific problem of marketing research

Sales promotion is a popular communicational tool among retailers. Due to the spread of shopping centers, hyper-and supermarkets Hungarian population got used to special offers. In a fierce competitive situation small independent retailers have to adopt sales promotion techniques in order to respond to the actions of larger companies and retain old customers or win new ones.

Small independent retailers are not members of associations and they are characterized by private ownership (Corcoran 2002). The analysis of their promotional program is an interesting and up-to-date question since shop owners or managers have free choice, however retailers operating in a franchise system apply tools suggested by the franchisor. Clothes shops give the highest ratio considering turnover in non-food category.

⁷ Retailers sell their products below the average price due to low rental costs, minimal offered service or type of product (out of fashion). These shops are usually outlets (Varley 2006).

⁸ Buy one get one free incentives

The region of West Pannonia is one of the most developed are in Hungary and regardless the capital city and its surrounding the number of small shops is the highest in our country. However a problem arises since this region is close to Austria and a lot of customers decide to shop there, in the nearby outlets.

Research questions

I would like to investigate the following research questions:

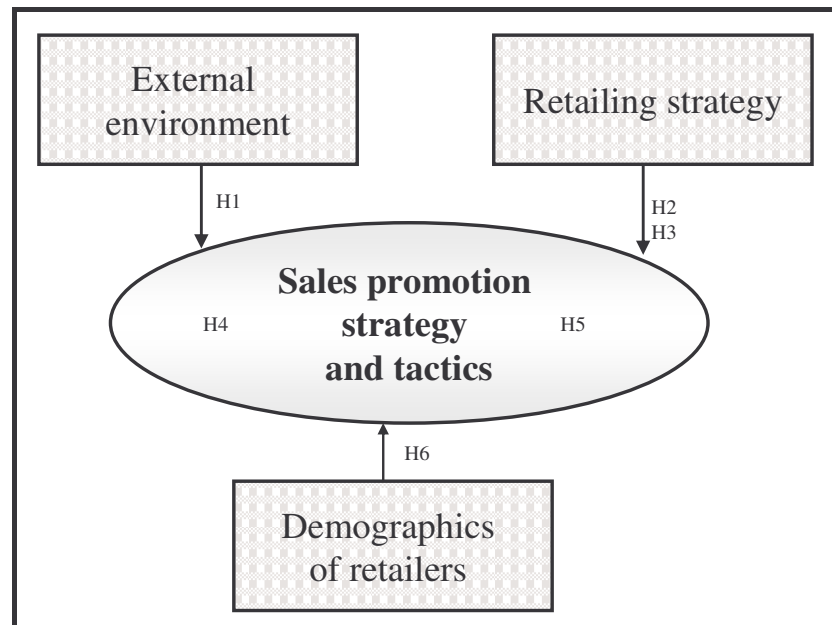
- How does the change of external environment (micro-and macro environment) motivate small clothes shops in the formulation of sales promotion strategy?
- How does the retailing strategy (product policy – assortment and brand policy, price policy, personal serving, physical evidence) affect sales promotion tool choice?
 - ❖ Is it true that retailers using prestige prices prefer value added promotions, such as games, loyalty programs, contests and sweepstakes?
 - ❖ Is it true that retailers using everyday low prices prefer value increasing that is price promotions such as price-offs, seasonal price-offs, coupons, BOGOF-s?
- How can be the sales promotion strategy of small clothes shops characterized in one of the most developed region of Hungary?
- What is the importance of sales promotion considering the other elements of marketing communication mix⁹?
 - ❖ What is the aim of sales promotion program?
 - ❖ Who is responsible for the formulation of sales promotion strategy?
 - ❖ How much money do they spend on sales promotion?
 - ❖ What is the size of incentives?
 - ❖ How long is the sales promotion campaign? (length of the program)
 - ❖ What kind of concrete techniques are preferred by clothes retailers?
 - ❖ How do retailers inform customers about incentives – outside or inside the shop?
 - ❖ Is the sales promotion program of small shops cost-effective?
- What is the difference between the sales promotional program of small clothes shops based on their demographics (time and place of operation, number of employees, number of managed shops)?

⁹ Advertising (TV, radio, internet), direct marketing (direct mail, flyer, brochure), PR and sponsorship.

Hypotheses

Based on research questions I define hypotheses that I would like to test empirically. The system of hypotheses can be seen in figure 1st.

FIGURE1ST: FRAMEWORK OF HYPOTHESES



Source: Own construction

Hypothesis related to the change of environment and sales promotion strategy

Fam and Young (2005) investigated the promotional strategy of small clothes and shoes shops, taking into consideration how customer behavior, customers' preference, the nature and intensity of competition, and the legal and economic boundaries changes in the past few years. According to this group of authors when the external environment becomes uncertain, small independent retailers prefer to spend more money on in-store promotions rather than on outdoor promotions, since sales promotion techniques hold less financial risk and are more easily and speedily adapted to changes in the environment.

H₁: The change of external environment (micro- and macro environment) force small independent clothes shoes to adapt to the changed conditions through their sales promotional program. (See appendix 1st)

Hypotheses related to retailing strategy and its effect on sales promotion strategy

According to Varley (2006) companies can choose from four different pricing strategy, namely Józsa and Fam (2007) found in a cross-cultural study that small clothes and shoes shops can be classified into four main groups based on customer service, product range, low

or high price emphasis, namely high profile, discount, unfocused and upmarket retailers. Their most important finding is that high profile retailers focus on quality and image that is why they try to avoid promotional tools such as price markdowns or in-store displays. Discounter shops favor financial sales promotion techniques. Fam et. al (2006) found that successful retailers prefer personal selling and in-store promotions, so these communication techniques are the most popular among them and they spend much money on that solutions.

H₂: Small clothes retailers can be classified into different groups based on their retailing strategy. Relying on cluster-membership clothes retailers follow variable sales promotion strategy and tactics considering aim, applied tools, method of information dissemination, length of the program, size of incentives.

H₃: Retailers successful in their marketing strategy place more emphasis on sales promotion in their promotional expenditure than less successful shops. Successful retailers can be characterized by well-designed and long-term oriented sales promotion campaign. (See appendix 2nd)

Hypotheses related to sales promotion tactics

More authors highlighted that small entrepreneurs are not aware of marketing science, and they often identify marketing as a tactic of selling and advertising (Marcati 2008). In Hungary Józsa (2004) came to the conclusion that short-term thinking is a typical behavior among small enterprises, and these organizations miss the use of marketing as a strategy in order to be successful. However retailers operating in the most developed area of Hungary, and in a fierce competitive environment are aware of the effects of sales promotion techniques.

H₄: Small clothes retailers operating in the region of West Pannonia apply sales promotion techniques in order to fulfill their goals. In case of long-term goals, e. g. image building or retaining loyal customers, shop-owners choose value added promotions. In case of short-term aims, i.e. prompt increase of sales, retailers prefer value increasing solutions.

H₅: Small clothes retailers operating in the region of West Pannonia do not rely on consulting company in the process of planning their sales promotion program. However those retailers that turn to consulting company have more cost effective program. (See appendix 3rd)

Hypothesis related to the connection between sales promotion strategy and demographics

H₆: Based on demographics, namely time and place of operation, number of employees, and the number of managed shops there are significant differences among the tactical elements of the sales promotion strategy of retailers. (See appendix 4th)

In order to obtain the necessary information I plan a problem-exploratory primary research.

5. DEFINING THE RESEARCH PLAN

5.1. The exploratory, descriptive and cause and effect phases of the research

In the *exploratory phase* of the research the emphasis is on the collection of secondary data, where I collect information about sales promotion strategy of small independent retailers and former national and international empirical studies connected to this topic.

In the *descriptive phase* of the research I try to collect primary information personally from retailers. In this phase the purpose is to collect a wide range of data based on the research questions.

In the *cause and effect phase* of the research relying on primary data I explore the supposed relationships based on secondary data analysis. So I draw conclusions with the examination of relations between variables.

5.2. Specification of measurement and scale techniques

Due to the specialty of the examined topic I mainly use closed questions measured on 4 point Likert scale in the questionnaire. The point of scales is even number that is the unfavorable and favorable categories are in balance and respondents have to express their opinion, they do not have the opportunity for neutral answers (Malhotra 2005).

Using closed questions simplifies the process of data coding and analyses especially the use of statistical methods relying on more variables such as variance-, factor- and cluster analyses.

5.3. The questionnaire

The method of collecting primary information is a quantitative research, namely personal questioning to reach an adequate number of respondents and the subject of this is the person

who operates the store (managers or owners). Obtaining answers to the research questions I use a short and quickly get questionnaire, which consists of four parts.

The first part of the questionnaire investigates the changes of macro-and micro environment of shoe retailers in the past three years: the changes of political, legal, economic environment and purchase behavior, preferences of customers, respectively the nature and intensity of competition.

The second part of the questionnaire relates to the retailing strategy of clothes shops. I investigate how the type of brands, i.e. local, national, global or commercial brands offered by small retailers has changed since last year. Analyzing the changes of assortment (width and depth), price policy, shop design, physical environment, personal service and future plans (opening new store) is also important to understand the marketing strategy of small retailers. What is more I ask respondents to evaluate their ambition and decide whether their strategy is successful or not.

The third part of the questionnaire refers to the sales promotion strategy of retailers:

- ❖ What kinds of sales promotional tools are used by small retailers to pursue consumers?
- ❖ How do clothes shops inform customers about incentives¹⁰?
- ❖ Why do they adopt sales promotion?
- ❖ How can be their sales promotion tactics characterized?
- ❖ What kind of goals does motivate them? Short or long-term aims?
- ❖ How dominant are price-offs among price or value increasing promotions?
- ❖ Are sales promotion programs of small retailers cost-effective?
- ❖ Do small retailers work out their sales promotion campaign on their own or do they rely on consulting companies?
- ❖ What is the importance of SP in the promotional mix?

The last part of the questionnaire is about retailing demographics. I collect information about the date of establishment, the number of full time and part time jobs, the geographical place of the shop and the number of stores managed by an owner. I characterize and describe the sales promotion strategy of retailers based on their demographic and geographic criteria.

¹⁰ The ATL (above the line) support of incentives.

5.4. Defining the method of sampling and the sample size

I plan to conduct the research in the region of West Pannonia in Hungary since the Doctoral School for Regional and Economic Sciences supports regional researches and this area is very well developed considering retailing (number of shops and turnover). This region consists of three counties, namely Győr-Moson-Sopron-, Vas- and Zala county. During the empirical research I use quota sampling¹¹, which is a two-step, restricted convenience sampling (Malhorta 2005). The subjects of my research are managers or owners of small independent clothes shops who define their sales promotion strategy on their own. The quotas are assigned based on the ratio of the population, but it is important to note that this research is not a representative one¹². Determining quotas clothes shops are control-categories, particularly the number of clothes shops operating in the Western-Transdanubian region is considered to be the whole population. Relying on statistics¹³ the number of clothes stores in each county is the following:

▪ Győr-Moson-Sopron county:	1136 shops
▪ Vas county:	607 shops
▪ Zala county:	930 shops.

Altogether this means 2673 shops and a 100% population. The next step of sampling is to determine the ratio of clothes shops based on counties within the region.

▪ Győr-Moson-Sopron county:	42%	(2673÷1136)
▪ Vas county:	23%	(2673÷607)
▪ Zala county:	35%	(2673÷930)

The total size of my sample is 300 personally asked shop-owner, since according to Malhotra this sample is enough for a problem-exploratory research investigating market characteristics. Based on the ratio of clothes shops in the three Western-Transdanubian counties I can determine the size of my sample.

▪ Győr-Moson-Sopron county:	126 shops	(300×0,42)
▪ Vas county:	69 shops	(300×0,23)
▪ Zala county:	105 shops	(300×0,35)

¹¹ In the first phase the researcher defines control categories or quotas of the population. In the second phase the sample is chosen by the researcher on convenience or judgmental base (Malhotra 2005).

¹² This research cannot be representative since I do not have information about the number of employees and geographical place of shops.

¹³ http://portal.ksh.hu/pls/ksh/docs/hun/xstadat/xstadat_eves/tab13_02_03i.html

5.5. The plan of data collection

The questionnaire should be tested before data collection starts. At the end of November pilot research will be done and after that fieldwork can start. In my opinion having the total size of sample (300 personally asked shop-owner or manager) takes about two months long.

Data analysis can be conducted after data collection and coding. The expected time of data processing is one month. Based on the questionnaire I can test my hypotheses and examine the connection between variables in order to understand the motivations of sales promotion activities of independent small clothes shops operating in the region of West Pannonia.

5.6. Fieldwork and data collection

The primary research is conducted by personally asked questionnaires. Students specialized on marketing participate in the research, especially in data collection as a part of their marketing communication lecture. When they learn about sales promotion each student has to go to three small clothes shops and find the person who is responsible for the promotional program and ask them about their sales promotion program.

6. PREPARING AND ANALYZING DATA

The data collected by personal questioning is going to be analyzed with SPSS statistical software. To do this I need to prepare a fundamental table, define the variables and code the questions. After coding the variables I record and purify data. In this step I filter out the atypical and incorrect answers that may distort the sample.

In the process of analysis I use different statistics and analytic methods.

The first hypothesis, which is related to the change of environment and sales promotion strategy, can be tested through *correlation* and *regression*.

- Is there a connection between the change of external environment (micro- and macro environment) and the adopted sales promotional program?
- Is there a significant difference between retailers who think of sales promotion as an important tool and those who do not apply considering the change of external environment?

The second group of hypotheses, which is connected to retailing strategy and its effect on sales promotion strategy, can be tested through hierarchical and non-hierarchical *cluster analyses*.

- What kind of clusters can be distinguished among small clothes retailers based on their marketing strategy (product – brand, assortment, price, physical evidence and service)?

Determining the sales promotion strategy and tactic of each retailer group I will use *variance analysis* and *F statistics*.

- How can be the different clusters characterized based on their sales promotion activity, considering
 - ❖ goals,
 - ❖ responsibilities,
 - ❖ size of the budget, forms of incentives, length of the program, size of incentives,
 - ❖ applied methods,
 - ❖ methods of informing customers,
 - ❖ cost-effectiveness?

I would like to determine the group of successful and unsuccessful companies¹⁴ with scale-transforming. After that the sales promotion program of these two types of retailers can be described with the help of *cross tabs*, and *χ^2 statistics*.

- Is there a significant difference between successful and unsuccessful retailers considering their spent on sales promotion, and tactics of sales promotion?

The third group of hypotheses, which is related to sales promotion tactics, can be tested through *correlation*.

- Is there a connection between the aim of sales promotion program and the applied methods?

The use of consulting company can be examined through *frequency*.

- How many of the questioned retailers turn to consulting company when they plan their promotional program?

The connection between the use of consulting company and cost-effectiveness can be analyzed with *χ^2 statistics*.

- Is there a connection between the use of consulting company and the cost-effectiveness of sales promotion program?

¹⁴ Successful or unsuccessful retailers in their marketing/retailing strategy are determined by the evaluation of shop managers/owners.

The fourth group of hypotheses, which is related to the connection between sales promotion strategy and demographics, can be tested through *correlation*.

- Is it true that shops operating longer time put less emphasis on sales promotion than shops operating shorter time?
- Is it true that retailers employing more workers put more emphasis on sales promotion than shops employing fewer workers?
- Is there a connection between the number of managed shops and the tactical elements of the sales promotion strategy of retailers?

7. THE PRACTICAL AND ACADEMIC USE OF THE PLANNED RESEARCH

Analyzing small independent retailers are very important nowadays since the main tendency is that small giant retailers - shopping centers, superstores and hypermarkets - are attractive places of shopping. In this fierce competition small shops have to use sales promotion methods in order to retain loyal customers. In my empirical research I will highlight the importance and the use of different sales promotion techniques among different strategic groups of retailers. The research will put emphasis how the external environment affects sales promotion tactics. Based on the primary research suggestions can be made for shop owners or managers how they can be more successful and effective in their promotional program, especially with the use of consumer sales promotion techniques. All in all I think that this empirical research will be useful both for academic experts and practitioners.

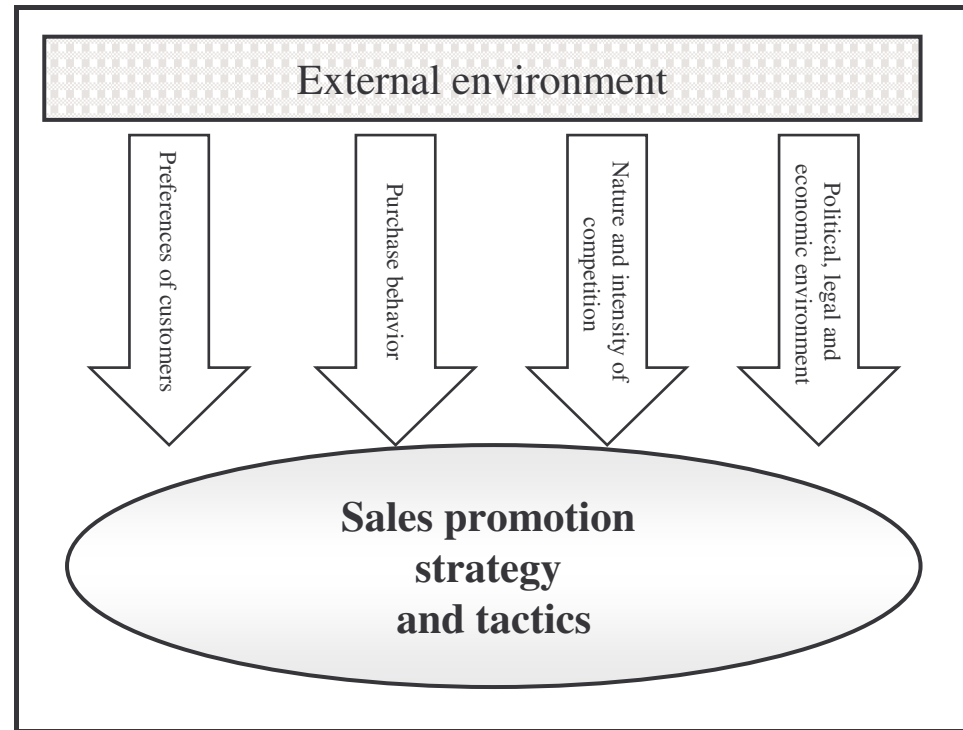
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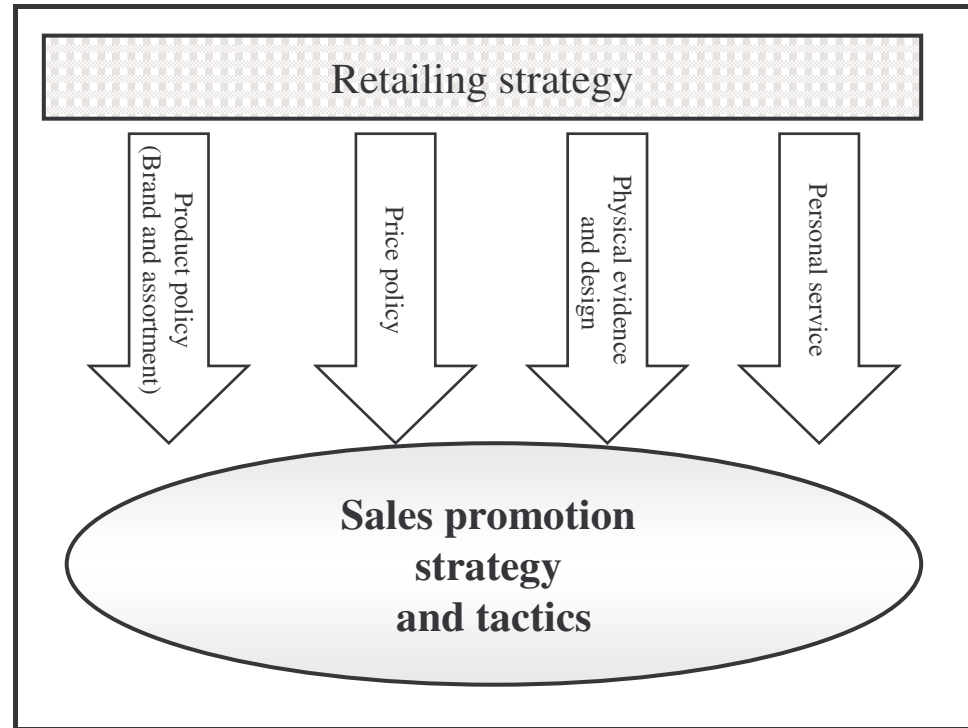
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APPENDICES

Appendix 1st: Hypothesis related to the change of environment and sales promotion strategy



Appendix 2nd: Hypotheses related to retailing strategy and its effect on sales promotion strategy





Appendix 4th: Hypothesis related to the connection between sales promotion strategy and demographics

