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Assessing Customer Awareness of Sales Promotion Strategies at Bhat-Bhateni Supermarket in Nepal

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Abstract

This study investigates the role of consumer awareness in determining the effectiveness of sales promotion strategies employed by Bhat-Bhateni Supermarket in Nepal. From the theoretical perspectives of the consumer decision-making process, the research explains various ways in which demographic factors, communication, and the type of promotion influence purchase decisions. The study, in a descriptive research design with responses from 120 respondents, finds that the non-price-based promotions comprising loyalty programs and bonus packs will eventually ensure consumer loyalty for a long period rather than price-based promotion. It also points out that one must make use of digital platforms while targeting the tech-savvy consumer base among the youth along with demographic preferences by framing promotional strategy targeting their preferences. Results have pointed out the need for a balanced promotional mix that incorporates monetary and emotional incentives in pursuit of maximum short-term sales and long-term customer engagement.

Keywords: awareness, consumer behavior, digital engagement, promotional strategies, retail marketing

Introduction

Sales promotion is one of the most potent marketing tools that retailers use to stimulate immediate customer interest and drive short-term sales (Kotler & Keller, 2016). Defined as short-term incentives to encourage the purchase of a product or service, sales promotions can take many forms, including price discounts, coupons, rebates, and loyalty programs (Belch & Belch, 2018). They create instant sales drives by encouraging consumers to act quickly—a very critical factor in highly competitive retail environments like Nepal, where Bhat-Bhateni Supermarket stands tall as a leader. However, studies reveal that these strategies are only successful when accompanied by a sufficient level of consumer awareness of the sales promotions available (Fill & Turnbull, 2016). Without this awareness, even the most attractive offers may go unnoticed, making them ineffective to achieve the business goals.

As a part of retail success, Sales promotions consume a significant portion of marketing budgets across the world—be it a developed or a developing economy. In the United States, for example, annual spending on sales promotions exceeded \$200 billion in 2022, reflecting the intense focus on consumer engagement through discounts, loyalty rewards, and rebates (Ailawadi et al., 2009). Similarly, in the European retail sector, studies reveal that consumers who engage with promotional offers are more likely to

make repeat purchases, demonstrating the effectiveness of well-communicated promotional strategies (Blattberg & Neslin, 1990). These trends underline the importance of sales promotions in driving consumer behavior and, by extension, retail success across the globe.

In the regional context of South Asia, one finds that sales promotion has emerged as the most important tool for navigating the highly price-sensitive markets. This is evidenced by the rapid growth in organized retail across countries like India and Bangladesh in recent years (Sharma et al., 2019). Studies have shown that consumers from South Asia show a positive response to value-based offers, with price discounts and loyalty programs topping the list of most effective promotional tools (Kumar & Ramesh, 2020). Still, consumer awareness is a big challenge because most promotions do not reach the target audience due to ineffective communication strategies.

In Nepal, the retailing landscape has considerably changed over the past decade driven by rapid urbanization and increased organized retail chain growth, like Bhat-Bhateni Supermarket (Shakya, 2019). Being one of the largest retail chains in Nepal, Bhat-Bhateni caters to a wide section of customers from all walks, hence becoming the most appropriate business case study that can be applied to understand sales promotion dynamics. Despite its success, there is a knowledge gap in the level of awareness of Nepalese consumers about sales promotions and their effect on purchase decisions. This knowledge gap creates a challenge for marketing professionals looking to optimize promotional strategies for maximum effectiveness.

Customer awareness is one of the crucial factors in consumer decision-making, which directly influences how consumers perceive and respond to promotional campaigns (Schiffman & Wisenblit, 2019). If the consumers are aware of the sales promotions programs, then they tend to act on them hence increasing the possibility of purchase decisions in favor of the business. In retail settings especially the supermarkets like Bhat-Bhateni where various sales promotions programs are practiced regularly studying customer awareness becomes imperative to assess the effectiveness of the marketing programs (McNeill, 2012). Researches show that consumers' awareness is not only about knowledge of the promotional offers of the retailers but also about consumers' trust and perceived value regarding the promotional activities performed by retailers (Chandon et al., 2000).

This research focuses on the examination of consumer awareness of sales promotions at Bhat-Bhateni Supermarket. The results of this research are going to contribute to a better understanding of how promotional strategies can be optimized to better engage customers and drive purchase decisions. This study ultimately highlights the critical role of customer awareness in the success of sales promotions and emphasizes the importance of developing effective communication strategies that are catered to the preferences and behaviors of target consumers.

Objectives

The primary objective of this research is to determine customers' awareness of the sales promotions at Bhat-Bhateni Supermarket and how it affects their purchasing behavior. The research intends to look at how various demographic factors—age, gender, and level of education—mold this awareness and try to establish the most effective communication media in the promotions of sales techniques. Moreover, it tries to

investigate the congruities of these promotions with consumer expectations and buying behavior in the Nepalese urban setting. Examining these aspects, the study provides practical insights into how to optimize sales promotion campaigns to improve consumer loyalty in Kathmandu.

Methodology

This research is based on a positivist epistemology, where emphasis is placed on empirical evidence and objectivity; this enables a systematic study of consumer behavior. From an ontological perspective, this research is in the realist camp, because it assumes that customer awareness of issues and its consequences on purchasing decisions exist as phenomena that can be measured independent of individual perceptions. This philosophical position ensures a structured approach to understanding the relationships between awareness, promotional strategies, and consumer behavior.

A descriptive research design was adopted to assess customers' awareness of the sales promotion programs at Bhat-Bhateni Supermarket. Data were collected through a structured questionnaire designed to obtain quantitative insights into consumer demographics, their awareness levels, and purchasing behavior. The questionnaire consisted of closed-ended questions measured on a 5-point Likert scale to ensure consistency and clarity for respondents.

The targeted population was those between 18-45 years old, living in Kathmandu, Nepal, and aware of the sales promotions carried out by Bhat-Bhateni. Five Bhat-Bhateni stores were purposively selected from different locations of Kathmandu for their strategic importance, high customer footfall, and a representative mix of consumers. Such a purposeful sampling ensures that this study will bring forth the insights that were subtly meant to be considered; in other words, its aim is to understand awareness and its impact on purchase decisions (Shakya, 2019).

Data collection was carried out through both online and offline means. Questionnaires were distributed via Google Forms and in person to maximize the response rate. Respondents were assured of the confidentiality of their responses, and the questionnaire was designed in simple language to ensure clarity and comprehension. A total of 150 questionnaires were distributed, of which 120 were completed and returned, yielding an 80% response rate.

Statistical analysis was performed with the assistance of SPSS software. The reliability of the questionnaire was tested using Cronbach's alpha, which showed a value of $\alpha = 0.915$, postulating high internal consistency of the survey items. Descriptive statistics, including frequencies and percentages, were used to summarize demographic data. Regression analysis was performed to ascertain the relationship existing between customer awareness of sales promotions and their purchasing decisions. Furthermore, the key findings were interpreted using graphical representations like bar charts and pie charts to make the results accessible and informative.

Limitations

This research was confronted with several limitations that might affect the findings. Firstly, the sample size of 120 respondents cannot be considered to be representative of the customer base of Bhat-Bhateni Supermarket across Kathmandu or Nepal. While purposive sampling ensured representation from key consumer segments, the results

may not be generalizable to the broader population. Secondly, while the purposive sampling method used here is appropriate to achieve the study's objectives, it does introduce biases. Respondents were chosen based on their accessibility and familiarity with Bhat-Bhateni, which may exclude infrequent shoppers or people from lower socio-economic backgrounds whose awareness levels may be different. Third, by focusing exclusively on Kathmandu, the applicability of the study results to other geographic regions where Bhat-Bhateni operates is constrained. Semi-urban or rural contexts may have different consumer preferences and promotional awareness, which this study has not explored. Finally, the reliance on quantitative data through structured questionnaires constrained the depth of insights that could be generated about consumer attitudes. While statistical tools like regression analysis gave good results, the inclusion of qualitative methods, such as interviews or focus groups, would have enriched the understanding of consumer behavior. Future research should address these limitations by including larger and more diverse samples, employing mixed-method approaches, and expanding the geographic scope to better capture variations in consumer behavior across Nepal.

Theoretical Perspectives

Sales promotion has been the focus of much research in the marketing literature due to its important role in affecting consumer behavior and driving short-term sales growth. Defined as short-term incentives aimed at stimulating immediate purchases, sales promotions include discounts, loyalty programs, and coupons, which are strategically designed to engage consumers and encourage repeat purchases (Kotler & Keller, 2016). The importance of these promotions is based on their two-pronged ability to both provide short-term revenue while establishing long-term customer loyalty, with successful integration among all the elements in the marketing mix. Fill and Turnbull (2016) stressed that most promotional activities require customer awareness—the creation of the desire to learn about and make decisions related to promotional offers. The theoretical framework for this study is based on the consumer decision-making process, which describes how consumers proceed from need recognition to post-purchase evaluation (Blackwell et al., 2006). Sales promotions in the form of discounts, coupons, and loyalty programs affect several stages of this process, with particular emphasis on the evaluation and purchase stages. Chandon et al. (2000) propose a benefit congruency framework that highlights the dual role played by sales promotions in providing both utilitarian benefits—monetary savings, for example—and hedonic benefits: excitement and exploration, for example. These benefits greatly impact consumers' perceptions of promotions and their willingness to take part in them. Moreover, consumer behavior literature highlights the role that demographic factors play in shaping consumer responses to sales promotions. For example, Fill and Turnbull (2016) note that younger consumers are typically more sensitive to promotional offers, particularly digital and interactive promotions, than older consumer segments. Correspondingly, Belch and Belch (2018) argue that the awareness of consumers is a function of the effectiveness of the communication channels, and in modern retail environments, digital platforms increasingly play a larger role in diffusing promotional information.

There are various theories they provides the insights into how consumer awareness shapes purchasing decisions. Ajzen's (1991) theory of planned behavior (TPB) states that behavior is influenced by three key factors: attitudes, subjective norms, and perceived behavioral control. In the context of sales promotions, awareness directly impacts perceived behavioral control, empowering consumers to feel capable of engaging with promotional offers. For example, if consumers are informed about loyalty programs or discounts, they tend to be more willing to participate as the process seems straightforward and rewarding. Shrestha (2021) applied this theory to the Nepalese retail context by pointing out that promotional offers are well communicated; hence, consumer confidence in participation grows. Similarly, Vroom's (1964) expectancy theory of motivation gives a framework applicable to understanding consumers' behaviors in relation to sales promotions. This theory posits that people are motivated to act only when they believe that their efforts will result in expected, desirable outcomes. In retail, consumers are more likely to take part in promotions where they perceive there is a high likelihood of receiving tangible benefits, such as saving money or gaining a reward. Calder and Malthouse (2008) supported this view by highlighting the importance of matching promotional offers to consumer expectations in order to maximize engagement. In this respect, the loyalty programs and festive discounts by Bhat-Bhateni reflect this congruence as they address the needs of consumers to save and gain further value.

Thus, this paper develops a holistic theoretical framework to examine the effectiveness of sales promotion by adopting the consumer decision-making process model and supplementing with appropriate theories of planned behavior and expectancy theory. The consumer decision-making model provides the general framework on which the more detailed TPB and expectancy theory build on psychological and motivational factors that shape consumers' engagements with promotions. All these theories together present a much broader understanding of factors that shape consumers' awareness and behavior in response to sales promotions.

Consumer Decision-Making Process Model

The theoretical framework leading to this study is the consumer decision-making process model, a framework that outlines the stages consumers go through in making a purchasing decision. This model, as described by Blackwell et al. (2006), has five main stages: need recognition, information search and evaluation of alternatives, purchase decision, and post-purchase behavior. Sales promotions mainly influence this process at the evaluation and purchase stages through creating perceived benefits that help consumers make favorable decisions. This model is particularly relevant to this research since it offers an encompassing lens through which the impact of consumers' awareness of sales promotions on purchase behavior can be assessed.

Empirical research, thus, confirms that the consumer decision-making model comes into play in the retail context. For example, Kotler and Keller (2016) have elaborated on how price-based promotions, such as discounts or coupons, act as a trigger in the evaluation stage, making consumers perceive products as having greater value. Equally, Chandon et al. (2000) advanced the benefit congruency framework, which fits very well into this model by splitting the benefits of sales promotions into two types: utilitarian,

referring to saving money, and hedonic, referring to the emotional satisfaction obtained. Because they address both types of benefits, sales promotions are congruent with both the psychological and functional needs of the consumers and therefore influence their steps through the decision-making process.

Retailing in Nepal is characterized by rapid urbanization and rising exposure of consumers to organized retail chains like Bhat-Bhateni Supermarket (Shakya, 2019). However, little attention has been paid to the role of knowledge regarding sales promotions on consumer behavior within this distinctive environment. Nakarmi (2018) indicated that ineffective communication strategies tend to leave Nepalese consumers uninformed about promotional offers, thus lessening their effectiveness. This gap highlights the need for the consumer decision-making model as a framework for this study, since it will be a systematic approach to assessing how awareness affects each stage of the purchasing process.

Moreover, there is demographic diversity in the Nepalese consumer base, adding another layer of complexity. Adhikari and Shrestha (2020) found that younger, digitally savvy consumers were more responsive to online promotions, while older demographics relied more on traditional communication methods, such as in-store signage. These findings need to be considered in developing appropriate promotional strategies for the different consumer segments with varying preferences and levels of awareness.

The consumer decision-making process model, supported by the theory of planned behavior and expectancy theory, provides a multidimensional framework for analyzing how promotions impact consumer behavior. In the context of Nepal, these theories emphasize the importance of clear communication strategies and tailored promotional efforts to address the diverse needs of Bhat-Bhateni's customer base. The study is based on these existing frameworks, hence attempting to generate actionable insights for the optimization of sales promotion strategy in the retail sector of Nepal.

Fig1

Consumer Decision Making Process Model



Source: Adopted from Blackwell et al. (2006)

Results and Discussion

Demographic Profile of Respondents

The demographic profile of the respondents provides a foundation to understand the variations of sales promotions awareness and purchase decisions. From Table 1, it is established that 55% of the respondents were female, while 45% were male. The high number of female respondents is an indication that women play a very active part in making decisions regarding household purchases. This corroborates Schiffman and Wisenblit's (2019) assertion that women are quite responsive to promotional activities

directed toward household needs like grocery discounts, family-oriented bundles, and other related offers. Similarly, Shrestha (2021) observes that women mostly serve as primary decision-makers for household consumption in Nepal, which implies their centrality to promotional strategies.

In terms of age, the highest percentage of respondents (66.3%) were aged 18–24, followed by 25–34 (25%). This age distribution indicates the appropriateness of targeting younger consumers who are digitally engaged and tend to have impulsive purchasing behaviors driven by promotions (Kotler & Keller, 2016). The high awareness levels among younger consumers can be explained by their frequent use of digital platforms like Facebook and Instagram, which have become critical channels for communicating promotional offers (Shakya, 2019).

Table 1

Demographic Profile of Respondents

Variables	Frequency	Percent
Gender		
Female	44	55%
Male	36	45%
Age Group		
18–24	53	66.3%
25–34	20	25%
35–45	7	8.8%

Source: Field Visit, 2024

Reliability of Constructs

To check for data reliability, Cronbach's alpha was computed to be 0.913, which is far above the acceptable level of 0.7 (Fill & Turnbull, 2016). With this high score of reliability, it really ascertains that there is high internal consistency for all constructs: price-based sales promotion, non-price-based sales promotion, and purchase decisions. By having reliable measures, it boosts the credibility of any subsequent analysis performed; therefore, Blackwell et al. (2006) underscore that consistency in measurement is one important factor that yields meaningful consumer behavior insights.

Table 2

Cronbach's Alpha Reliability Scores

Construct	Cronbach's Alpha
Price-Based Promotions	0.894
Non-Price-Based Promotions	0.879
Purchase Decisions	0.913

Impact of Sales Promotion Awareness on Purchase Decisions

Regression analysis showed a moderate positive relationship ($R = 0.465$) between awareness of sales promotions and purchase decisions of consumers, with an adjusted R-square value of 0.216 ($p = 0.000$). The results indicate that 21.6% of variance in purchase decisions can be explained by the levels of awareness. Chandon et al. (2000) argue that the more a consumer is aware of a product, the higher will be the perceived

utility and emotional value of promotional offers. This has been supported in the current research. However, the moderate association also shows that factors such as product quality, brand equity, and convenience are important purchase influencers (Shrestha, 2021).

Table 3

Regression Analysis Summary

Model	R	Adjusted R ²	Sig. (p-value)
Awareness → Purchase	0.465	0.216	0.000

Effectiveness of Price-Based and Non-Price-Based Promotions

The analysis showed that non-price-based promotions ($\beta = 0.453$, $p < 0.001$) had a stronger influence on purchase decisions compared to price-based promotions ($\beta = 0.144$, $p > 0.05$). Non-price-based promotions, such as loyalty programs and bonus packs, provide emotional value and foster long-term customer loyalty (Chandon et al., 2000; Kotler & Keller, 2016). Conversely, price-based promotions, including discounts, are effective for attracting price-sensitive consumers but may not sustain long-term loyalty (Nakarmi, 2018). These findings suggest that a balanced promotional strategy integrating both approaches can maximize reach and effectiveness.

Table 4

Coefficients of Independent Variables

Variable	Coefficient (β)	Sig. (p-value)
Price-Based	0.144	0.245
Non-Price-Based	0.453	0.000

Gender and Age Variations in Awareness

Gender and age are significant factors that affect consumers' awareness of sales promotions. Female respondents showed a slightly higher level of awareness (mean score = 4.15) compared to males (mean score = 3.85), which can be attributed to their active participation in household purchasing decisions. Schiffman and Wisenblit (2019) found that women show more receptiveness to promotions that are targeted toward household needs. Similarly, Shrestha (2021) found that women in Nepal give importance to value-based promotions for groceries and household goods.

Younger respondents aged 18–24 exhibited the highest awareness levels (mean score = 4.25), aligning with findings by Belch and Belch (2018), who argue that younger consumers are more engaged with digital marketing channels. Social media and email marketing have proven effective tools for reaching this demographic, as highlighted by Shakya (2019).

Table 5

Gender and Age-Based Awareness Levels

Demographic Group	Category	Awareness Mean Score
Gender	Female	4.15
	Male	3.85
Age Group	18–24	4.25
	25–34	3.90

Discussion

These findings support the consumer decision-making framework of Blackwell et al. (2006), where awareness is identified as being important in both the evaluation and purchase stages. This means that awareness could inform consumers of the existence and value of the promotion, thereby influencing their purchase. Chandon et al. (2000) argue that those promotions that offer utilitarian and hedonic benefits also resonate strongly with consumers; such a finding was supported by the results of this study.

From a practical point of view, Bhat-Bhateni Supermarket should focus on non-price-based promotions in order to develop emotional engagement with its customers and build loyalty. Using digital channels to reach the younger, more digitally savvy consumers, while including family-oriented messaging for the female shoppers, would make the promotion efforts more effective. According to Kotler and Keller (2016), for any marketing effort to be successful, all elements—product quality, branding, and convenience—must be in synergy with the promotion.

While consumer awareness plays a very important role in purchase decisions, the moderate correlation suggests that complementary factors like trust in the retailer and product quality are equally critical. A balanced approach, integrating price-based promotions for budget-conscious consumers with non-price-based strategies for long-term loyalty, can maximize promotional impact. Future research should explore regional and cultural variations in promotional effectiveness to provide a more nuanced understanding of consumer behavior in Nepal.

Conclusion

This paper analysed the role of consumer awareness in determining the effectiveness of sales promotion strategies at Bhat-Bhateni Supermarket. It concluded that consumer awareness is one of the main drivers of purchase decisions, where non-price-based promotions have a far greater influence compared to price-based strategies. Non-price promotions, such as loyalty schemes and bonus packs, create not only short-term value but also drive emotional engagement and long-term loyalty. This again brings to light the fact that Bhat-Bhateni has to invest in promotional activities that go beyond monetary incentives, targeting deeper levels of consumer satisfaction and connection. The theoretical insights, especially the consumer decision-making framework, underline the fact that awareness at the evaluation and purchase stages is essential in guiding consumer behavior. By informing consumers of the availability and benefits of promotional offers, awareness enhances the perceived value of these promotions and drives purchase decisions. The findings validate the critical importance of aligning promotional strategies with demographic characteristics. Younger consumers, who have shown higher levels of awareness and responsiveness to digital platforms, are a vital target demographic. Likewise, women shoppers, as principal household decision-makers, should continue to be a target for marketing campaigns since their influence on household purchase dynamics will not diminish.

From a practical standpoint, the findings call for a balanced promotional strategy. While non-price-based promotions are instrumental in creating lasting emotional value and

ensuring customer retention, price-based promotions are still indispensable for attracting price-sensitive consumers, especially during periods of economic uncertainty or seasonal demand peaks. This dual approach ensures that promotional efforts resonate across diverse consumer segments, maximizing both short-term revenue and long-term customer loyalty. The communication strategy is the only way the sales promotions of Bhat-Bhateni Supermarket can be optimized. In this age of digital literacy among consumers, especially the youth, making the most of digital platforms, including social media and email marketing, is a must. Traditional communication methods, including in-store signage and direct customer interactions, should also be used to ensure that all segments of consumers are included and reached. Tailoring promotional messages to meet the particular needs and preferences of target groups will not only increase awareness but also build trust and loyalty—two main pillars of sustained competitive advantage in Nepal's dynamic retail market. In conclusion, the study not only reiterates the critical role that consumer awareness plays in driving the success of sales promotion strategies but also gives actionable insights into the refinement of such strategies to adapt to the demands of the Nepalese market. With strategic, data-driven promotional planning and execution, Bhat-Bhateni Supermarket could enhance its position in the marketplace to ensure growth and relevance in Nepal's competitive retail sector.

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