

Impact of Residential Status on Customer's Perception towards Products' Promotional Strategies

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Abstract:

The study investigates how consumers' residential locations influence their perceptions of promotional strategies employed by different brands. In the dynamic landscape of marketing, understanding the role of residential status in shaping consumer attitudes towards promotional efforts is pivotal for businesses aiming to tailor their strategies to diverse demographic segments.

The research aims to discern whether consumers residing in different settings, such as urban, suburban, and rural areas, exhibit distinct responses to promotional strategies. Additionally, the study seeks to identify the underlying factors contributing to these variations, including cultural, social, and economic influences.

This study contributes to both academic understanding and practical application. Academically, it enriches the literature on consumer behavior by exploring the impact of residential status on perceptions of promotional strategies. For industry practitioners, the findings offer actionable insights, enabling marketers to design targeted and contextually relevant promotional campaigns. As the marketing landscape continues to evolve, this research sheds light on the intricate dynamics between residential status and consumer perceptions, providing valuable guidance for businesses seeking to navigate the complexities of contemporary promotional strategies.

Keywords: Residential locations, Dynamic, promotional strategies, perception, consumer attitude, consumer behavior promotional strategy.

Introduction

In the dynamic landscape of modern marketing, characterized by heightened competition and a myriad of consumer choices, understanding the intricacies of consumer behavior has become paramount for businesses striving to create impactful promotional strategies. One facet of consumer diversity that significantly influences perceptions and responses to promotional efforts is residential status. The place of residence, whether urban, suburban, or rural, shapes not only the physical environment in which consumers live but also influences their cultural, social, and lifestyle dynamics.

In the realm of promotional strategies, which serve as powerful tools for brand communication and consumer engagement, understanding the impact of residential status takes on paramount significance. Attractive advertisements, free samples, price discounts, and in-store displays represent a spectrum of promotional tactics employed by businesses to capture consumer attention and influence purchasing decisions. However, the efficacy of these strategies is not universal and is intricately tied to the unique characteristics and dynamics of different residential contexts.

Urban settings, marked by their fast-paced lifestyles and constant exposure to stimuli, may necessitate promotional approaches that cut through the noise and resonate with the preferences of city dwellers. Suburban areas, seeking a balance

between urban conveniences and a more tranquil environment, may respond differently to promotions emphasizing value and community. In rural landscapes, where tight-knit communities and limited exposure to marketing prevail, authenticity and local relevance may take precedence in consumer perceptions.

The background of this topic is grounded in the acknowledgment that residential status acts as a lens through which consumers interpret and respond to promotional efforts. The geographical, cultural, and socio-economic factors associated with different residential settings introduce a layer of complexity to consumer behavior. As businesses grapple with the challenge of creating impactful promotional strategies, understanding how these strategies are perceived across urban, suburban, and rural landscapes becomes pivotal for effective marketing campaigns.

Moreover, the evolution of digitalization and changes in consumer behavior add layers of complexity to the interplay between residential status and promotional strategies. The accessibility of online platforms in urban areas, for instance, may necessitate different approaches compared to the potential digital divide in rural locations. Recognizing these nuances is crucial for businesses aiming to craft targeted and culturally resonant promotional campaigns.

As consumer expectations and preferences continue to evolve, exploring the impact of residential status on customer perceptions towards specific promotional strategies is not only academically intriguing but also essential for businesses striving to remain agile and responsive in a dynamic marketplace. This study seeks to delve into this intricate relationship, uncovering insights that can guide businesses in tailoring their promotional approaches to align with the unique characteristics and expectations of consumers residing in diverse residential contexts.

Literature Review

The impact of residential status on customer perceptions towards promotional strategies is a multifaceted and dynamic area of research within consumer behavior. Understanding how individuals in urban, suburban, and rural settings respond to marketing efforts is crucial for businesses seeking to tailor their promotional strategies effectively. Belk (1975) and Kotler et al. (2009) have explored the connection between residence and consumption patterns, positing that individuals residing in different environments may develop distinct preferences and attitudes towards promotional strategies based on their surroundings.

Promotional strategy preferences appear to vary across residential areas, with studies such as those by Smith and Taylor (2016) and Chen et al. (2020) shedding light on the nuanced responses of consumers in diverse settings. Urban consumers, embedded in a fast-paced, digitally connected environment, may exhibit preferences for online and digital promotions, leveraging the convenience and accessibility of the internet. In contrast, rural consumers, often characterized by a closer-knit community and reliance on traditional channels, might respond more favorably to localized and community-centric promotional efforts. Understanding these distinctions is pivotal for marketers aiming to align promotional strategies with the preferences and behaviors of their target audiences.

Socioeconomic factors intersect with residential status, contributing to the complexity of consumer perceptions. Chakraborty and Roy (2017) and Nielsen et al. (2021) emphasize the role of income levels and employment opportunities in shaping consumer behavior. Urban areas, often associated with higher income levels and diverse job opportunities, may harbor consumers with greater purchasing power, potentially influencing their response to premium or exclusive promotional strategies. On the other hand, rural areas, marked by different economic structures, may elicit distinct responses to promotions that align with local affordability and community values.

Cultural influences further contribute to the mosaic of consumer behavior across residential areas. Research by Hofstede (1980) and Lee et al. (2019) underscores the importance of cultural differences in shaping consumer preferences. Suburban consumers, situated between urban and rural environments, may exhibit a blend of cultural influences that impact their response to promotional stimuli. Understanding the cultural nuances within residential areas is essential for marketers aiming to create resonant and culturally relevant promotional campaigns.

Accessibility to products and distribution channels also plays a pivotal role in shaping consumer perceptions across residential statuses. Sheth et al. (2018) and Wang et al. (2022) highlight the differential access to various distribution channels based on residential location. Urban consumers may benefit from a plethora of shopping options, including malls, supermarkets, and online platforms, influencing their exposure to different promotional strategies. In contrast, rural consumers may rely more on local stores and community events, shaping their interactions with promotions in a localized and community-centric context.

The technological landscape further differentiates consumer behavior across residential areas. Li and Kannan (2014) and Mangold and Faulds (2009) emphasize the impact of technology adoption on consumer responses to promotional strategies. Urban consumers, often early adopters of technology, may exhibit a higher acceptance of digital promotions, leveraging smartphones, social media, and online platforms. In suburban and rural settings, where technology adoption may vary, marketers need to consider the technological context when devising promotional campaigns, ensuring they align with the preferences and habits of the target audience.

Environmental concerns have emerged as a significant factor influencing product perceptions, particularly in the context of rural areas. Griskevicius et al. (2010) and Vermeir and Verbeke (2016) suggest that rural consumers may be more attuned to eco-friendly and sustainable promotional strategies. The connection to nature and the importance of community well-being may shape their preferences for products and promotions that align with environmental values. This presents an opportunity for marketers to integrate sustainability into promotional strategies, resonating with the values of consumers in rural settings.

In synthesizing the existing literature, it becomes evident that the impact of residential status on customer perceptions towards promotional strategies is a multifaceted interplay of economic, cultural, technological, and environmental factors. While urban consumers may respond to high-tech and digitally-driven promotions, rural consumers may favor community-oriented and sustainable approaches. Suburban consumers, positioned between these extremes, showcase a blend of influences that require careful consideration. These insights underscore the need for marketers to adopt a nuanced and context-specific approach when crafting promotional strategies, recognizing the diversity in consumer behavior across different residential statuses.

As businesses continue to navigate an ever-evolving marketplace, understanding the intricacies of customer perceptions becomes paramount. The literature reviewed here provides a foundation for the empirical investigation into the impact of residential status on customer perceptions towards promotional strategies. It sets the stage for a comprehensive exploration of the preferences, attitudes, and behaviors exhibited by consumers in urban, suburban, and rural settings, offering valuable insights for businesses aiming to tailor their promotional efforts to specific residential contexts.

The existing research, while insightful, also reveals gaps in understanding the dynamic interplay between residential status and consumer responses to promotional strategies. While certain studies highlight broad trends, there is a need for more granular insights into the specific mechanisms through which residential status influences promotional preferences. Additionally, the rapidly changing technological landscape and evolving consumer behaviors necessitate a contemporary examination of these dynamics. Addressing these gaps through empirical research will contribute not only to academic scholarship but also offer actionable insights for marketers seeking to optimize their promotional strategies in an increasingly diverse and dynamic marketplace.

In conclusion, the impact of residential status on customer perceptions towards products' promotional strategies is a rich and evolving area of research. This literature review highlights the complexity of consumer behavior across urban, suburban, and rural settings, emphasizing the need for marketers to adopt a tailored and context-specific approach. As businesses strive to engage diverse consumer bases, understanding the nuanced influences of residential status on promotional preferences becomes a strategic imperative. The synthesis of existing literature paves the way for empirical research that can deepen our understanding of these dynamics and provide actionable insights for businesses seeking to optimize their promotional efforts in diverse residential contexts.

Objective of the Study

The objectives of the research include assessing the effectiveness of promotional strategies like promotion, attractive advertisement, free sample, and in-store display/ testimonial across diverse residential contexts, uncovering the nuances in customer perceptions, and providing strategic insights for marketers. By illuminating the interplay between residential status and promotional strategy effectiveness, businesses can refine their approaches to better resonate with the expectations and preferences of varied consumer groups.

Hypothesis of the Study

Ho (1): There is no significant impact of residential status on customer's perception towards promotion of the brand.

Ho (2): There is no significant impact of residential status on customer's perception towards brand's attractive advertisement strategy.

Ho (3): There is no significant impact of residential status on customer's perception towards price discount offered by the brand.

Ho (4): There is no significant impact of residential status on customer's perception towards free samples offered by the brand.

Ho (5): There is no significant impact of residential status on customer's perception towards brand's in-store displays/testimonials.

Research Design

The research design for this study is quantitative, involving the systematic collection and analysis of numerical data. Stratified random sampling will be employed, ensuring that each residential status group is adequately represented in the final sample. Participants will be randomly selected from each stratum to avoid selection bias and enhance the external validity of the study. The inclusion criteria will be carefully applied to guarantee diversity within each residential status category.

This approach aims to provide a comprehensive understanding of how residential status influences customer perceptions towards promotional strategies for products across different geographic settings.

Sample Area

The selection of the sample area and size is a crucial aspect of this study, aiming to ensure diversity and representativeness across different residential statuses. The research focuses on three main types of residential areas: urban, suburban, and rural.

Sample Size

The determination of the sample size is based on statistical power analysis, ensuring that the study is adequately powered to detect meaningful effects. Considering the need for stratification across residential statuses, a balanced approach is adopted to achieve a representative sample. The total sample size for the study is anticipated to be at least 400 participants. This ensures a sufficiently large and diverse dataset for robust statistical analyses and meaningful comparisons across residential statuses.

Hypothesis Testing and Analysis

H₀ (1): There is no significant impact of residential status on customer's perception towards promotion of the brand.

H_a (1): There is a significant impact of residential status on customer's perception towards promotion of the brand.

In order to comprehend that whether residential status has any impact on customer’s perception towards promotion of the brand, ANOVA analysis was carried out.

ANOVA analysis was carried out to examine the hypothesis. The details are as follows:

Table 1: ANOVA results for Residential status and Customer’s Perception towards Promotion

Variables	Sum of Squares (SS)	Df	Mean Square (μ)	F	Sig.
Between Groups	0.904	2	0.452	0.432	0.649
Within Groups	310.527	297	1.046		
Total	31.431	299			
Source: Primary Data					
Note: 95% Confidence Interval & 5% Significance Level					

Table 1 presents ANOVA statistics for customer’s perception towards promotion of branded cosmetic products. It is observed that f value is 0.432 and $p = 0.649$ which is above our set level of significance hence it fails to reject our null hypothesis and concluded that there is no significant impact of residential status on customer’s perception towards promotion of the brand. This might be due to the same promotion strategy or some other exogenous variables.

H₀ (2): There is no significant impact of residential status on customer’s perception towards brand’s attractive advertisement strategy.

H_a (2): There is a significant impact of residential status on customer’s perception towards brand’s attractive advertisement strategy.

ANOVA analysis was carried out to examine the hypothesis. The details are as follows:

Table 2: ANOVA results for Residential status and Customer’s Perception towards Attractive Advertisement

Variables	Sum of Squares (SS)	Df	Mean Square (μ)	F	Sig.
Between Groups	0.620	2	0.310	0.175	0.839
Within Groups	525.950	297	1.771		
Total	526.570	299			
Source: Primary Data					
Note: 95% Confidence Interval & 5% Significance Level					

Table 2 shows ANOVA statistics for customer’s perception towards attractive advertisement of branded cosmetic products. It is observed that f value is 0.175 and $p = 0.839$ which is above our set level of significance hence it fails to reject our null hypothesis and concluded that there is no significant impact of residential status on customer’s perception towards attractive advertisement of the brand. This might be due to the same advertisement strategy or some other exogenous variables.

H₀ (3): There is no significant impact of residential status on customer’s perception towards price discount offered by the brand.

H_a (3): There is a significant impact of residential status on customer’s perception towards price discount offered by the brand.

In order to comprehend that whether residential status has any impact on customer’s perception towards price discount offered by the brand ANOVA analysis was carried out to examine the hypothesis. The details are as follows:

Table 3: ANOVA results for Residential status and Customer’s Perception towards price discount offered by the brand

Variables	Sum of Squares (SS)	df	Mean Square (μ)	F	Sig.
Between Groups	2.960	2	1.480	0.841	0.432
Within Groups	522.810	297	1.760		
Total	525.770	299			
Source: Primary Data					
Note: 95% Confidence Interval & 5% Significance Level					

Table 3 shows ANOVA statistics for customer’s perception towards price discount offered by the brand. It is observed that f value is 0.841 and $p = 0.432$ which is above our set level of significance hence we accepts our null hypothesis and concludes that there is no significant impact of residential status on customer’s perception towards price discount offered by the brand. This might be due to the same advertisement strategy or some other exogenous variables.

H₀ (4): There is no significant impact of residential status on customer’s perception towards free samples offered by the brand.

H_a (4): There is a significant impact of residential status on customer’s perception towards free samples offered by the brand.

In order to comprehend that whether residential status has any impact on customer’s perception towards free samples offered by the brand ANOVA analysis was carried out to examine the hypothesis. The details are as follows:

Table 4: ANOVA results for Residential status and Customer’s Perception towards free samples offered by the brand

Variables	Sum of Squares (SS)	Df	Mean Square (μ)	F	Sig.
Between Groups	2.687	2	1.343	0.814	0.444
Within Groups	489.980	297	1.650		
Total	492.667	299			
Source: Primary Data					
Note: 95% Confidence Interval & 5% Significance Level					

Table 4 shows ANOVA statistics for Customer’s Perception towards price discount offered by the brand. It is observed that f value is 0.814 and $p = 0.444$ which is above our set level of significance hence we accept our null hypothesis and concludes that there is no significant impact of residential status on Customer’s Perception towards price discount offered by the brand. This might be due to the same advertisement strategy or some other exogenous variables.

H₀ (5): There is no significant impact of residential status on customer’s perception towards brand’s in-store displays/testimonials.

H_a (5): There is a significant impact of residential status on customer’s perception towards brand’s in-store displays/testimonials.

In order to comprehend that whether residential status has any impact on customer’s perception towards brand’s in-store displays/testimonials, ANOVA analysis was carried out to examine the hypothesis. The details are as follows:

Table 5: ANOVA results for Residential status and customer’s perception towards brand’s in-store displays/testimonials

Variables	Sum of Squares (SS)	Df	Mean Square (μ)	F	Sig.
Between Groups	0.287	2	0.143	0.084	0.919
Within Groups	505.510	297	1.702		
Total	505.797	299			
Source: Primary Data					

Note: 95% Confidence Interval & 5% Significance Level

Table 5 shows ANOVA statistics for Customer's Perception towards brand's in-store displays/testimonials. It is observed that f value is 0.084 and $p = 0.919$ which is above our set level of significance hence we fail to reject our null hypothesis and concludes that there is no significant impact of residential status on Customer's Perception towards brand's in-store displays/testimonials. This might be due to the same advertisement strategy or some other exogenous variables.

Finding of the Study

After conducting an extensive analysis of customer perceptions towards various promotional strategies, it has been determined that residential status does not exert a significant impact on these perceptions. The study involved a diverse sample of participants from different residential backgrounds, including urban, suburban, and rural areas. Through surveys, interviews, and observational data, we examined how customers from varying residential statuses respond to different promotional approaches.

Upon statistical analysis of the collected data, it was observed that there is no statistically significant difference in the way customers perceive promotional strategies based on their residential status. The customers' responses to promotions, including advertising, discounts, loyalty programs, and other marketing initiatives, did not demonstrate a meaningful correlation with their residential backgrounds. The null hypothesis stating that residential status has no significant impact on customer perception towards promotional strategies was not rejected.

Conclusion

In conclusion, the study indicates that residential status is not a decisive factor in shaping customer perceptions towards various promotional strategies. This finding suggests that businesses can formulate and implement promotional campaigns without customizing them extensively based on the residential background of their target audience. While demographic factors may play a role in shaping consumer behavior in other contexts, our research implies that promotional preferences are more universally applicable across different residential statuses.

This conclusion has practical implications for marketers and business strategists. Instead of allocating resources to tailor promotional strategies for specific residential segments, companies may opt for more universal and cost-effective approaches. However, it is crucial to recognize that other demographic, psychographic, or cultural factors might still influence customer perceptions, and further research in these areas could provide a more comprehensive understanding of consumer behavior.

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