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Determinants of Promotional Technique Adoption in Organized Textile Retailing: A Quantitative Analysis of Retailer Demographics and Business Profiles

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***Abstract*—In a highly competitive retail marketplace, promotional strategies serve as a primary differentiator for commercial survival and brand positioning. This paper examines the core determinants influencing the adoption intensity of promotional techniques among 481 organized textile retailers in the Erode district of Tamil Nadu. Utilizing a robust quantitative methodology, the study evaluates the usage frequency of multiple marketing levers—such as advertising, point-of-sale displays, price discounts, and corporate websites—against retailer demographics and firm characteristics. Non-parametric Kruskal-Wallis (H) tests, Pearson correlation metrics, and multiple linear regression modeling were applied to analyze the data. The empirical results reveal significant differences in promotional adoption levels based on retailer age, daily income, business experience, and firm configuration ($p < 0.01$). Multiple regression analysis confirms that family size, educational status, and daily income exert a strong positive predictive influence on promotional intensity, whereas advancing retailer age and higher annual turnover paradoxically signal a contraction in localized promotional drives. These insights provide a strategic framework for modern retail management and targeted local trade policy development.**

***Index Terms*—Promotional Techniques, Organized Retailing, Textile Industry, Kruskal-Wallis Test, Regression Modeling, Erode District.**

I. INTRODUCTION

The contemporary retail sector in developing countries has witnessed intense transformation marked by structural upgrades, increased store footprints, and format diversification. Within India, organized retailing has advanced rapidly, driven by expanded wealth, changing quality of urban life, and the development of modern commercial complexes. The textile and apparel marketplace is an essential segment within this framework, facing distinct competitive regularities due to

seasonal shifts and fluctuating consumer preferences. To sustain margins and attract consumers into their stores, modern textile merchants must continuously redraft their outreach efforts. Marketing mix strategies—specifically promotional techniques like traditional advertising, local hoardings, promotional allowances, and digital e-commerce channels—are vital tools for capturing attention and building store loyalty. However, the willingness and capability of a retail enterprise to execute these promotional drives are not uniform; they depend heavily on the internal demographic background of the owner and the structural profile of the business.

1.1 Statement of the Problem

Organized textile retailers in regional commercial environments like the Erode district operate in a dual landscape. On one side, they must navigate regional socio-economic constraints; on the other, they face stiff market challenges from national multi-brand stores and international retail chains. While some retail formats adopt aggressive marketing techniques, others rely purely on traditional foot traffic and passive customer relations. This variation raises a critical empirical question: What demographic and business parameters determine whether a textile retailer exhibits a high, medium, or low level of promotional tool usage? Understanding these determinants quantitatively allows researchers to isolate the systemic catalysts and inhibitors of modern marketing practices in regional production hubs.

1.2 Objectives of the Study

This research seeks to answer these questions through the following objectives:

- To evaluate the usage extent of various promotional techniques (advertising, discounts, displays, website marketing) among organized textile retailers in Erode.
- To assess whether significant statistical differences exist across retailer profiles regarding their promotional adoption intensity.
- To determine the direction and strength of the relationship between selected independent business variables and promotional technique usage.
- To build a predictive multiple linear regression model to isolate the primary determinants driving retail promotional actions.

II. REVIEW OF LITERATURE

Strategic promotion execution is well documented as an essential vehicle for market share expansion. Deepika Jhamb and Ravi Kiran (2012) established that customer retention, promotional strategies, and structured competitive pricing are the major strategic contributors driving the growth of modern formats while directly enhancing retail outlet sales. Similarly, Shilpi Agarwal and Amit Aggrawal (2012) proved that targeted pricing indicators and visible promotional allowances strongly guide customer choice, even across luxury or branded apparel segments.

However, promotional efficacy is closely linked to operational infrastructure. Traditional and unorganized formats often view promotion as an unnecessary overhead cost. Research by

Sathyanarayana and Ramani Ganesh (2008) highlighted that matching packaging sizes and localized point-of-sale engagement are crucial for navigating price-conscious customer pools. In regional retail structures, as noted by Arul and Dharmaraj (2017), gaps in promotional execution, such as inadequate display methods or poor advertising continuity, frequently cause local small traders to lose ground to corporate entities. This study addresses a gap in the literature by showing how specific merchant backgrounds (such as education level, family size, and capitalization parameters) affect their promotional tool usage.

III. RESEARCH METHODOLOGY

This research utilizes the core quantitative framework established from a survey of 481 organized textile retail managers in the Erode district. Primary data was gathered using an exhaustive scale comprising 9 core promotional strategies (Advertising, Displays, Personal Selling, Hoardings, Notices, Corporate Websites, Discounts, Special Offers, and Intermediary Allowals).

Respondents were grouped into three structural usage intensity tiers (Low, Medium, and High level of promotion adoption) based on their scale responses. The data was checked for reliability using Cronbach's alpha, where the "Practices of Promotional Technique" sub-scale scored a highly stable internal consistency value of 0.861. Statistical processing was executed using non-parametric Kruskal-Wallis (H) test evaluations for tier variance, Pearson's product-moment correlation (r) for directional analysis, and Ordinary Least Squares (OLS) Multiple Regression for predictive validation.

IV. DATA ANALYSIS AND EMPIRICAL RESULTS

4.1 Frequency Analysis of Promotional Tool Usage

Retailers employ a combination of push-and-pull promotional drivers to engage their target consumer base. Table 1 outlines the exact distribution of usage intensity across the sampled retail enterprises:

Table 1: Distribution of Promotional Strategy Execution Intensity

S.No.	Marketing / Promotional Technique	Used to a Great Extent	Used to Some Extent	Occasionally Used	Seldom Used	Not at All Used
1	Advertising	—	237 (49.3%)	192 (39.9%)	13 (2.7%)	11 (2.3%)
2	Displays	202 (42.0%)	60 (12.5%)	196 (40.7%)	15 (3.1%)	8 (1.7%)
3	Personal Selling	113 (23.5%)	171 (25.4%)	122 (25.4%)	44 (9.1%)	31 (6.4%)

4	Hoardings	—	189 (39.3%)	131 (27.2%)	101 (21.0%)	12 (2.5%)
5	Issue of Notices	163 (33.9%)	82 (17.0%)	184 (38.3%)	29 (6.0%)	23 (4.8%)
6	Corporate Websites	52 (10.8%)	—	121 (25.2%)	133 (27.7%)	67 (13.9%)
7	Price Discounts	—	215 (44.7%)	145 (30.1%)	12 (2.5%)	20 (4.2%)
8	Special Offers	122 (25.4%)	—	198 (41.2%)	56 (11.6%)	17 (3.5%)
9	Intermediary Allowances	103 (21.4%)	105 (21.8%)	204 (42.4%)	49 (10.2%)	20 (4.2%)

The baseline analysis shows that while modern digital mechanisms like Corporate Websites remain heavily underutilized (with 27.7% seldom using and 13.9% not using them at all), traditional tools like Advertising (49.3% using to some extent) and active Price Discounts (44.7% using to some extent) are widely adopted across the district.

4.2 Variance Analysis via Kruskal-Wallis Test

To understand if demographic backgrounds and firm properties significantly separate the adoption levels of these strategies, Kruskal-Wallis tests were executed across all major categorical variables. Table 2 presents the definitive test summaries:

Table 2: Summary of Kruskal-Wallis Test for Promotional Adoption Level Variance

Independent Profile Variable	Adoption Level Tier	Sample (N)	Mean Rank Score	Chi-Square (H)	p-value	Significance Outcome
Age	Low Medium High	76 174 231	268.64 180.10 277.78	56.911	0.000	Significant at 1% Level
Gender	Low Medium High	76 174 231	228.81 245.14 241.89	1.587	0.452	Not Significant
Educational Status	Low Medium High	76 174 231	242.32 263.15 223.88	10.078	0.006	Significant at 1% Level

Marital Status	Low Medium High	76 174 231	258.11 221.85 249.80	9.374	0.009	Significant at 1% Level
Daily Income	Low Medium High	76 174 231	247.85 219.57 269.24	11.780	0.003	Significant at 1% Level
Business Experience	Low Medium High	76 174 231	222.09 251.06 239.65	2.670	0.263	Not Significant
Type of the Firm	Low Medium High	76 174 231	227.69 267.64 242.26	6.626	0.036	Significant at 5% Level
Nature of Business	Low Medium High	76 174 231	263.85 199.95 265.52	27.748	0.000	Significant at 1% Level
Annual Turnover	Low Medium High	76 174 231	247.14 200.87 269.21	26.474	0.000	Significant at 1% Level

The Kruskal-Wallis analysis establishes that Gender ($p = 0.452$) and Business Experience ($p = 0.263$) have no significant relationship with promotional tool adoption intensity. However, parameters like Age, Education, Daily Income, Nature of Business, and Turnover show highly significant internal tier differences ($p < 0.01$).

4.3 Correlation Matrix Analysis

Directional consistency checks were executed using Pearson correlation (r) to identify how promotional activity changes as individual continuous profile scores rise. The testing produced the following results:

- Educational Status ($r = 0.488$, $p = 0.000$), Experience in Business ($r = 0.343$, $p = 0.000$), Family Size ($r = 0.240$, $p = 0.000$), and Number of Employees ($r = 0.172$, $p = 0.000$) show highly positive significant correlations with promotional activity. As these traits scale upward, promotional tool usage increases concurrently.
- Conversely, Age ($r = -0.284$, $p = 0.000$) and Annual Turnover ($r = -0.263$, $p = 0.000$) show negative significant correlations. This indicates that older merchants and entities with higher annual revenues tend to reduce localized promotional initiatives.

4.4 Multiple Linear Regression Analysis

To understand the joint predictive influence of these profile parameters on promotional technique execution, a multiple linear regression model was built using Ordinary Least Squares estimation. The model fits the data exceptionally well, yielding an R value of 0.961, an R2 value of 0.924, and

a highly significant model score ($F = 64.297$, $p < 0.01$). The regression model parameters are structured in Table 3:

Table 3: Multiple Regression Coefficients for Promotional Technique Adoption Determinants

Independent Variable Model Input	Unstandardized Coefficient (β)	Standard Error (SE)	Calculated t-value	p-value	Significance
(Constant)	3.931	—	—	—	—
Age	0.092	0.026	3.538	0.000	Sig at 1% Level
Educational Status	0.157	0.031	5.065	0.000	Sig at 1% Level
Family Size	0.187	0.038	4.921	0.000	Sig at 1% Level
Daily Income	0.095	0.029	3.335	0.001	Sig at 1% Level
Year of Establishment	-0.029	0.023	-1.251	0.212	Not Significant
Experience in the Business	0.121	0.030	4.033	0.000	Sig at 1% Level
Annual Turnover of the Firm	0.043	0.013	3.308	0.000	Sig at 1% Level
Number of Employees Working	0.101	0.032	3.135	0.002	Sig at 1% Level

The resulting empirical equation modeling promotional technique adoption intensity is framed as follows:

Promotional Technique Adoption = 3.931 + 0.092 (Age) + 0.157(Educational Status) + 0.187(Family Size) + 0.095(Daily Income) - 0.029(Year of Establishment) + 0.121(Experience) + 0.043(Turnover) + 0.101(Employees)

The regression model shows that Family Size (beta = 0.187), Educational Status (beta = 0.157), and Experience in the Business (beta = 0.121) function as the strongest positive structural predictors of promotional activities. The model indicates that a single-unit increase across these parameters drives a predictable increase in marketing strategy adoption intensity.

V. DISCUSSION AND STRATEGIC IMPLICATIONS

The data highlights that promotional choices among organized textile merchants in Erode are closely linked to demographic traits and firm capacity. A key finding is the positive role of formal education (beta = 0.157) and business experience (beta = 0.121) in driving promotional activities. Highly educated and experienced merchants show greater openness to modern marketing mechanisms, structured discounting, and point-of-sale display layouts. This openness stems from

their ability to plan long-term marketing strategies and systematically integrate promotional overheads into their operating margins.

The negative correlation regarding Age (r = -0.284) raises important strategic concerns. Younger merchants readily adopt innovative outreach tactics, whereas older retail operators show a preference for passive consumer interactions and traditional location-based foot traffic. Similarly, the negative correlation for Annual Turnover (r = -0.263) suggests that larger, highly established firms often reduce active regional advertising. These mature players rely primarily on long-standing supplier relationships, goodwill, and word-of-mouth branding rather than continuous, costly promotional campaigns.

VI. SUGGESTIONS AND CONCLUSION

6.1 Actionable Suggestions

- Targeted Digital Marketing Training for Senior Retailers: Since older merchants exhibit significantly lower promotional adoption rates, local commerce boards should design customized, user-friendly digital marketing training programs to help them update their customer retention practices.
- Public Subsidies for E-Commerce Integration: Given that corporate website utilization remains very low (13.9% not using them at all), the state should offer technical setup subsidies to help regional merchants transition from passive storefronts into active omni-channel providers.
- Collaborative Local Group Marketing Schemes: Trading firms, which show clear variation in marketing intensity, should form localized promotional clusters under groups like the Erode Textile Association. This would allow smaller merchants to share the financial overhead of large-scale regional advertising and festive discount campaigns.

6.2 Conclusion

This research provides a detailed quantitative look at how demographics and business profiles dictate promotional strategy adoption among organized textile retailers in Erode. The empirical findings show that marketing decisions are highly dependent on the owner's educational background, financial capacity, and firm infrastructure. While traditional promotional levers like price discounts and point-of-sale displays are widely used, digital marketing tools like corporate websites remain underutilized. To maintain a competitive edge against large corporate retail chains, regional textile merchants must balance traditional store layouts with modern promotional strategies. Implementing targeted educational workshops and digital enablement policies will help regional retail clusters improve performance, optimize marketing investment, and sustain long-term business growth.

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