

## PRICE PROMOTIONS IN SUPERMARKETS: AN EXAMINATION

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### ABSTRACT

Today's environment of business is competitive. Retailers always offer price promotions to attract both loyal customers and price-sensitive customers to purchase products from them. Price promotions have become a powerful tool to attract price-sensitive customers. Retailers induce customers by offering price discounts, coupons, buy one get one free, rebates, and buy one and get one with price off. This paper examines how retailers practice price promotion to induce customers. The data was collected from printed brochures supplied by supermarket in the Jazan region, Kingdom of Saudi Arabia. Price promotions were offered for five weeks starting from 6<sup>th</sup> March to 9<sup>th</sup> April 2013. The findings revealed that price discounts were not constant for some brands. Furthermore, many brands were not featured during the period of price promotions.

**Keywords:** Retailing, Price, Price Promotion, Price Promotion Strategies

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## INTRODUCTION

Price, according to Maqsood (2012), is a value that exchange for products or services. It generates revenue and sales volume. Customers are price-sensitive and they believe that higher the price higher the quality, lower the price lower the quality. He concluded that setting a price is a challenging task for any company. Retailers use price promotions to stimulate sales of regular price products. Price Promotion is a ubiquitous phenomenon (CAO, 2011) and a regular practice at most of FMCG companies (Gopal, 2009). Price discounts, buy one and get one, extra 10 per cent, rebates, coupons are price promotions strategies.

Today, survival of retailers depends on customers because customers purchase the products and pay money to retailers. The main aim of retailers is to offer products to customers at profits. Everyday, customers purchase products from retailers which offer them at the best price. Price promotions have been practicing by many small as well as large retailers. These are supported by firms, industries or even distributors to induce customers to purchase brands in more and more quantities. Many retailers offer products to consumers at either fixed price or discounted price. But in today's competitive environment, every retailer offer price discounts on brands to attract consumers. In addition, offer products by dropping its actual price and sometimes offer free product or bundle free products with regular price or discounted price. Companies offer discounts, cut prices, loyalty cards, coupons, bundle free products with another products, buy one and get two products or free gifts on bulk purchase to induce customers to buy products to improve sales and profitability. This paper examines price promotions that are offered to consumers by a supermarket in the Jazan region, Saudi Arabia.

## REVIEW OF LITERATURE

Freo (2005) indicates that promotions are temporary offers to consumers, which are design to achieve a specific sales objective. He studied how promotion affects store sales from the retailers' point of view and state that sales promotion produces short-term response only. Shaker and Bolton (2004) in a study investigate the determinants of retailing pricing decisions based on four dimensions: price consistency, price promotion intensity, price promotion coordination and relative brad price. According to them, price promotion intensity include frequency, depth and duration of deals that determine the final price paid by consumers.

Rafi (2011) indicates that "a lower-priced version (poorer quality, smaller quantity, fewer features) can be a powerful magnet for price-sensitive customers." Zhang (2011) states that

consumers are price-sensitive and they purchase products from one or more companies. Companies producing single products require reducing its prices by more than a lump-sum amount. Manuere et al. (2012) studied effect of sales promotion on company performance and found that sales promotion increase sales volume of organisation. They indicate that sales promotion is used at the introductory and growth stage.

According to O'Guinn et al. (2012) the purpose of sales promotions are: to stimulate short-term demand, to encourage brand switching, to induce trial use, to promote price orientation and to obtain immediate measurable results. Smith and Jonathan (2004) indicate that discount vouchers, two for the price of one, and free extra 10 per cent helps to boost sales in the short-term but sales promotion damage the core values, image and the positioning of the brands.

Das and Kumar (2009) conducted a study to find out the impact of retail sales promotions on consumers' buying behaviour and found that sales promotions have impact on consumers' purchase basket. In addition, consumers do not wait for promotional schemes to purchase convenience products. Promotions are the main reason for satisfied customers to buy more products. Rajagopal (2008) in a study analyses the drivers of compulsive buying behaviour induced by store-based promotions and concludes that point-of-sales promotion significantly stimulate the buying behaviour among customers towards compulsive buying. In addition, customer loyalty, value for money and competitive products are drivers of compulsive buying behaviour. Satish and Naachimutta (2011) conducted a study to find out the effectiveness of sales promotion offered by FMCG retailers in Coimbatore. Results show that sales promotion offered by retailers is effective. The most effective sales promotions are price discounts and buy one and get one for retailers.

Bouhlal and Capps (2012) in a study investigate the relationship between private label processed cheese products and couponing activity and found strong negative relationship between them. They conclude that store level couponing does not help to increase the purchase of private label products. Mulhern and Padgett (1995) studied the relationship between regular price and promotion purchasing. They found positive correlation between regular price and promotion purchasing. Customers buy more regular price items than promoted items.

From the above literature review, it is observed that no studies have been undertaken to examine weekly price promotions in supermarkets, particularly in the Jazan region, Kingdom of Saudi Arabia. Hence, there is a need to study weekly price promotions practiced by a supermarket.

## OBJECTIVE OF THE STUDY

The main objective of this paper is to examine weekly price promotions offered to customers for some select brands by a supermarket. The specific objectives are as follows:

- 1 to examine range of price discounts for some select brands of product categories
- 2 to examine price differences between brands in each category with equal weights
- 3 to study frequency of price promotion in each product categories

## HYPOTHESIS

H1: Price discounts are constant throughout weekly price promotions.

H2: Price promotions were offered for all brands during weekly promotions.

H3: There is no significance difference in pricing of each product categories.

## METHODOLOGY

Supermarket which offered weekly price promotions in the Jazan region of Saudi Arabia has been selected for the study. Identification of a supermarket is kept confidential due to stiff competition among supermarkets. Generally, supermarkets advertise price promotions through weekly e-brochures as well as printed brochures. Printed brochures are kept at the entrance of supermarket. The promotion that was offered for five weeks sequentially starting from 6th March 2013 till 9<sup>th</sup> April, 2013 was selected for the study. The regular price and discounted price during five weeks for some select brands were recorded in tables and analyse the practices of price promotions used by a supermarket. Percentages for discounted prices were calculated to know the levels of price discounts and to compare prices among the brands.

## RESULTS

### **Juice Brands**

All age group consume juices. Juices are offered in different flavours. Everyday, stores offer price promotion to induce customers to purchase more and more quantity. Retail store in table 1 provides the price promotions for juice brands.

**Table 1: Price Discounts for Juice Brands**

Juice BRANDS	1 <sup>ST</sup> WEEK			2 <sup>ND</sup> WEEK			3 <sup>RD</sup> WEEK			4 <sup>TH</sup> WEEK			5 <sup>TH</sup> WEEK		
	6-12 MARCH 2013			13-19 MARCH 2013			20-26 MARCH 2013			27 MAR-2 RPR 2013			3-9 RPRIL 2013		
	RP	DP	%	RP	DP	%	RP	DP	%	RP	DP	%	RP	DP	%
Nada Fresh	19.95	14.0	30	--	--	--	16.5	10.00	39	14.85	10.	33	16.5	10.00	39

Juice	(2*1.7 5L)	0				0 (3P)			(3P)	00		0 (3P)		
Nada (1L)	--	--	--	9.90	7.00	29	--	--	--	--	--	--	--	--
Al Rabie (1L)	--	--	--	--	--	--	--	--	--	--	--	16.5 0 (3P)	12.00	27
Cesar (3*1L)	--	--	--	--	--	--	--	--	--	--	--	12.5 0	--	
Al Rabie (330ML)	--	--	--	--	--	--	--	--	--	--	--	12.0 0 (6P)	10.00	16
Cesar (330 ML)	--	--	--	--	--	--	--	--	--	--	--	15.0 0	10.00	33
Rani (6*240ML )	--	--	--	8.50	7.00	18	--	--	--	--	--	--	--	--
Rani (3*1.5L)	--	--	--	12.7 5	10.0 0	22	--	--	--	--	--	--	--	--
-- Not Featured		RP=Regular Price			DP=Discounted Price			% = Per cent in Price Discounts					Prices are Saudi Riyals	

Table 1 show that Nada fresh juice offered in all weeks except in second week. It is noticed that price discounts for Nada fresh juice are not constant. Results show that there are differences in discounts. For example 30 per cent price off in the first week, 39 per cent in the third and last week while 33 percent in the fourth week. No price discounts are offered for brands Al-Rabie (1L) and Cesar (1L) for all the weeks except fifth week. It is noticed that price discounts for brand Nada juice is higher than brand Al-Rabie Juice (L). However, price discounts are between 16 to 39 per cent for juice brands. If we see the above table it is further observed that Nada fresh juice (1L\*3P) regular price in third week is 16.50 SAR but reduced in fourth week to 14.85 and again increase in fifth week to 16.50 SAR but offered at 10 SAR through out third, fourth and fifth weeks. It can be concluded that retailers use psychological pricing strategies. The price discounts ranges are between 16 to 39 per cent. In addition, the price 12.50 SAR of Cesar (3\*1L) is higher than the price 12.00 SAR of Al-Rabie (3\*1L) but the price of Cesar (330ml) and Al-Rabie (330ml) is same i.e., 10.00 SAR.

### Ketchup Brands

Ketchup is mostly consumed with sandwiches, toasters, noodles and Maggie foods. Companies attract customers to use it on daily basis. Hundreds of ketchup brands are selling by a supermarket. Table 2 depicts price discounts for ketchup brands.

**TABLE 2: Price Discounts for Ketchup Brands**

Ketchup Brands	1 <sup>ST</sup> WEEK			2 <sup>ND</sup> WEEK			3 <sup>RD</sup> WEEK			4 <sup>TH</sup> WEEK			5 <sup>TH</sup> WEEK		
	6-12 MARCH 2013			13-19 MARCH 2013			20-26 MARCH 2013			27 MAR-2 RPR 2013			3-9 RPRIL 2013		
	RP	DP	%	RP	DP	%	RP	DP	%	RP	DP	%	RP	DP	%
Saudi	7.25 (56.7g )	5.0 0	31	14.25 (340g )	10.0 0	30	--	--	--	--	--	--	--	--	--
Heinz	--	--	--	14.95 (36 oz)	10.0 0	33	7.95 (14 Oz)	6.0 0	25	14.9 5	10. 00	33	--	--	--
Baider	--	--	--	--	--	--	11.50 (2Kg)	8.0 0	30	13.5 0	10. 00	26	--	--	--
Al Alali (785g+33 % Free)	--	--	--	--	--	--	23.00 (2P)	15. 00	35	--	--	--	--	--	--
Rana (340g)	--	--	--	--	--	--	14.95	10. 00	33	--	--	--	--	--	--
Tiffany (3*525g)	--	--	--	--	--	--	--	--	--	--	--	--	13. 95	10. 00	28
-- Not Featured		RP=Regular Price			DP=Discounted Price			%= Per cent in Price Discounts					Prices are Saudi Riyals		

Saudi and Baider ketchup are offered twice during the period of price promotions. Heinz offered in second, third and fourth week while rest are offered once. It is observed that many brands are not featured during weekly promotions. It is also noticed that Baider ketchup offered at 30 per cent in third week and reduced price discount to 26 per cent in the fourth week. It can be concluded that supermarket offers higher price discounts initially and decrease in the subsequent week. However, the discount ranges from 25 to 35 per cents. There is no price difference between Saudi Ketchup (340g) and Rana Ketchup (340g), both are offered at 10.00 SAR.

### Vegetable Items

Customers who do not prefer to eat meat are vegetarians; they purchase vegetables for their food. Generally, they purchase it from greengrocers. But today, vegetable items are sold by modern supermarkets. Table 3 shows the price discounts for vegetable items.

**TABLE 3: Price Discounts for Vegetables Items**

ITEMS (IN KG)	1 <sup>ST</sup> WEEK			2 <sup>ND</sup> WEEK			3 <sup>RD</sup> WEEK			4 <sup>TH</sup> WEEK			5 <sup>TH</sup> WEEK		
	6-12 MARCH 2013			13-19 MARCH 2013			20-26 MARCH 2013			27 MAR-2 RPR 2013			3-9 RPRIL 2013		
	RP	DP	%	RP	DP	%	RP	DP	%	RP	DP	%	RP	DP	%
Eggplant	1.95	--	--	--	--	--	--	--	--	1.95	--	--	1.75	--	--
Hot Pepper	2.50	--	--	--	--	--	1.95	--	--	--	--	--	--	--	--
Cabbage	1.25	--	--	--	--	--	1.25	--	--	--	--	--	--	--	--
Local Lettuce	2.75	--	--	--	--	--	--	--	--	--	--	--	3.50	--	--
Local Green Beans	--	--	--	4.75	--	--	--	--	--	4.25	--	--	--	--	--
Local Tomato	--	--	--	--	--	--	--	--	--	2.50	--	--	--	--	--
Kenyan Avocado	--	--	--	--	--	--	7.75	--	--	--	--	--	--	--	--
-- Not Featured	RP=Regular Price			DP=Discounted Price			% = Per cent in Price Discounts			Prices are Saudi Riyals					

Results of table 3 depict that all items of vegetables are not featured during the period of price promotions but reduces regular prices. For example, price of eggplant (per kg) reduces from 1.95 SAR in first week to 1.75 SAR in the last week. Similarly, hot peppers offered at 2.50 SAR (per Kg) in the first week and reduce price 0.55 SAR in the third week only. Local green beans also offered at 4.75 SAR (Per Kg) in second week and reduce price from 4.75 SAR to 4.25 SAR.

### Tea Brands

Tea is widely consumed by many customers in the world. It has introduced in different types such as green, black, herbal, white and yellow tea. In addition, tea can be consumed early in the morning, after noon and evening. Supermarkets offer price promotions to induce customers to purchase tea in bulk quantity. Table 4 shows the price discounts for tea brands.

**TABLE 4: Price Discounts for Tea Brands**

Tea Brands	1 <sup>ST</sup> WEEK			2 <sup>ND</sup> WEEK			3 <sup>RD</sup> WEEK			4 <sup>TH</sup> WEEK			5 <sup>TH</sup> WEEK		
	6-12 MARCH 2013			13-19 MARCH 2013			20-26 MARCH 2013			27 MAR-2 RPR 2013			3-9 APRIL 2013		
	RP	DP	%	RP	DP	%	RP	DP	%	RP	DP	%	RP	D P	%
Bentleys Loose Tea	21.50 (3*4 50g)	18.5 0	14	--	--	--	--	--	--	10.00 (450g+2 25g Free)	--	--	9.50 (3*225 g)	--	--
Bentleys Black Tea Box	13.25 (2*1 00's)	12.0 0	10	--	--	--	--	--	--	10.00 (100's + Green Tea bag)	--	--	12.00 (2*100 )	--	--
Bentleys Green Tea Bags	12.50 (100' S + 50 free)	11.7 5	6	--	--	--	--	--	--	--	--	--	11.50	--	--
Lipton Green Tea Bags	18.95 (150' s + Mug Free)	17.0 0	10	--	--	--	--	--	--	--	--	--	17.00	--	--
Lipton loose Tea	--	--	--	35.75 (880 g)	31.0 0	13	--	--	--	40.00 (1.2kg+ 25g free)	--	--	39.00 (1.2kg +25g free)	--	--
-- Not Featured		RP=Regular Price			DP=Discounted Price			%= Per cent in Price Discounts					Prices are Saudi Riyals		

The above table revealed that Bentleys Loose Tea, Bentleys black tea, and Lipton loose tea was offered thrice in weekly promotions. Bentleys Green Tea Bags (100's) is bundled with 50 bags free and offer price discount of 6 per cent but not featured in the other weeks. Lipton Green Tea Bags (150's) is bundled with Mug Free and offered at 10 per cent. In addition, the same brands are not featured during the period of weekly price promotions. Moreover, 450g, 225g, 880g, 1.2kg, 100's tea bags were offered only. The price discounts ranges from 6 to 13 per cents.

### Soft Drink Brands



As we know many of us consumer soft drink after eating junk foods. Soft drinks are available at retail outlets, restaurants, and hotels. Supermarket offered price discounts on soft drink brands. The detail of price discounts is shown in table 5.

**TABLE 5: Price Discounts for Soft Drinks Brands**

Coca Cola Brands	1 <sup>ST</sup> WEEK			2 <sup>ND</sup> WEEK			3 <sup>RD</sup> WEEK			4 <sup>TH</sup> WEEK			5 <sup>TH</sup> WEEK		
	6-12 MARCH 2013			13-19 MARCH 2013			20-26 MARCH 2013			27 MAR-2 RPR 2013			3-9 RPRIL 2013		
	RP	DP	%	RP	DP	%	RP	DP	%	RP	DP	%	RP	DP	%
Coca cola (2.5L)	20.00	15.00	25	20.00	15.00	25	--	--	--	--	--	--	--	--	--
Coca cola (3*330ml) buy Get coca cola 6 packs free	32.00	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Coca cola (24*250ml) + Coca cola (2*1L Free)	--	--	--	43.95	32.00	27	--	--	--	--	--	--	--	--	--
Pepsi can (24*355ml) + Pepsi diet (6*355ml Free)	--	--	--	--	--	--	--	--	--	33.00	--	--	--	--	--
Pepsi (2.25L)	--	--	--	--	--	--	--	--	--	15.00	12.00	20	--	--	--
-- Not Featured	RP=Regular Price			DP=Discounted Price			% = Per cent in Price Discounts			Prices are Saudi Riyals					

Results of table 5 depict that Coca Cola 2.5L is offered once while 330ml and 250 ml are offered twice during the period of weekly promotions. Coca Cola 2.5L is offered the same price discounts, i.e., 25 per cent. No price discount on Coca Cola 330 ml but 3\*330ml is bundled with Coca Cola 6 packs free. In addition, Coca Cola 24\*250ml is bundled with Coca Cola 2\*1 L free and at the same time offered 27 per cent price discounts in the second week. Pepsi offered once

in fourth week only and 24\*355ml is bundled with 6\*355ml free Pepsi without price discounts. Price discounts on soft drink brands are 20 to 27 per cents.

### Milk Brands

Everyday, customers purchase milk. Milk can be use for variety of reasons. It can be used for making tea, fruits salad, sweets, and juices. It can be added with different flavours such as chocolate, vanilla, apple, and strawberry. Table 6 shows the results of price discounts for brands.

**TABLE 6: Price Discounts for Milk Brands**

Milk Brands	1 <sup>ST</sup> WEEK			2 <sup>ND</sup> WEEK			3 <sup>RD</sup> WEEK			4 <sup>TH</sup> WEEK			5 <sup>TH</sup> WEEK		
	6-12 MARCH 2013			13-19 MARCH 2013			20-26 MARCH 2013			27 MAR-2 RPR 2013			3-9 RPRIL 2013		
	RP	DP	%	RP	DP	%	RP	DP	%	RP	DP	%	RP	DP	%
Nada Long Life (4*1L)	14.95	12.75	15	--	--	--	--	--	--	--	--	--	14.95	12.75	15
Saudi Long Life (24*200ML)	34.95	29.00	17	--	--	--	--	--	--	--	--	--	--	--	--
Nada Long Life Flavoured (18*200ML)	--	--	--	--	--	--	--	--	--	15.00	--	--	--	--	--
-- Not Featured	RP=Regular Price			DP=Discounted Price			% = Per cent in Price Discounts			Prices are Saudi Riyals					

It is noticed from the above table that Nada long life (4\*1L) is offered twice during the period of promotions while Saudi long life brand offered once. Price discounts for nada brand is 15 per cent in first and last week of promotion whereas Saudi milk brand is offered at 17 per cent. Both the brands are not featured in rest of weekly promotions. It is revealed that many milk brands are selling at regular price.

### Oil Brands

Customers use edible oils such as sunflower, corn, canola, soybean and other vegetable oils for cooking, baking and other purpose. In addition, oils are used for daily consumption. Table 7 presents the detail of price promotions offered by a supermarket on oil brands.

**TABLE 7: Price Discounts for Oil Brands**

Oils Brands	1 <sup>ST</sup> WEEK			2 <sup>ND</sup> WEEK			3 <sup>RD</sup> WEEK			4 <sup>TH</sup> WEEK			5 <sup>TH</sup> WEEK		
	6-12 MARCH 2013			13-19 MARCH 2013			20-26 MARCH 2013			27 MAR-2 RPR 2013			3-9 RPRIL 2013		
	RP	DP	%	RP	DP	%	RP	DP	%	RP	DP	%	RP	DP	%
Afia Sunf. Oil (2*1.8L+750 ml free)	36.50	35.00	4	--	--	--	--	--	--	--	--	--	36.50	28.50	22
AlArabi Veg. Oil	34.95	28.00	20	--	--	--	34.95	27.00	23	--	--	--	34.95	26.50	24
Afia Corn Oil (2*1.8L)	44.50	40.00	10	--	--	--	44.50	43.00	4	--	--	--	44.50	40.00	10
Jenan Corn Oil (2*1.8L)	39.95	29.5	26	--	--	--	34.95	27.50	22	--	--	--	35.90	26.50	26
Noor Sunf. Oil (2*1.8L+ Ralma Olive Oil 500 ml free)	--	--	--	36.95	35.50	4	--	--	--	36.95	34.50	7	--	--	--
Shams SO	--	--	--	--	--	--	31.50	25.50	19	--	--	--	--	--	--
Haana Corn Oil (5L)	--	--	--	44.95	38.50	14	--	--	--	--	--	--	44.95	38.50	14
Abu Zahra Sunf. Oil (1.8L + Nakhatain Oil 500ml free)	--	--	--	16.50	14.50	12	--	--	--	--	--	--	16.95	13.50	20
-- Not Featured	RP=Regular Price			DP=Discounted Price			%= Per cent in Price Discounts						Prices are Saudi Riyals		

Afia Sunflower oil is offered two times during promotions i.e., first and last week. Price discounts are ranges between 4 to 22 per cent. It is bundle with 2\*1.8L with 750ml free. Al-Arabi vegetable oil is offered three times and bundle with 2\*1.8L. It is observed that 20 per cent

price discount is given in first week, 23 per cent in third week and 24 per cent in fourth week. Afia Corn Oil offered three times and bundle with 750ml free to 2\*1.8L in third week only. It is noticed that 10 per cent is offered for 2\*1.8L in first and last week whereas 4 per cent in third week.

Jenan Corn Oil also offered twice during promotions and found the differences in regular price and price discounts. For example it is offered in first week at 39.95 SAR, 34.95 SAR in second week and in third week 35.90 SAR. Price discounts such as 26 per cent in first and last week while 22 per cent in third week is given. Noor Sunflower Oil brand is offered two times and it is found that there are differences in price discounts. For example, 4 per cent in second week and 7 per cent in fourth week is given. It is bundle with Rahma Olive oil (500ml) free. Abu Zahra sunflower Oil 1.8L is bundle with Nakhatain oil 500ml free offered at 12 and 20 per cents discounts in second and last week respectively.

In summary it is noticed that few brands with regular price is kept constant and offered different price discounts. In addition, regular price has changed in every week and also change price discounts. However, price discounts ranges between 4 to 26 per cents for oil brands.

### Fruits Items

All age groups eat fruits. Fruits are purchased to make sweets, juices, ice creams and salad. Fruits lead to health and provide mineral, fibre and vitamins. Usually, fruits were sold by greengrocers in small outlets. Today, Modern supermarkets are selling fruits. They prepare pricing strategies to induce customers to purchase fruits in quantity. Table 8 depicts the results of the study.

**TABLE 8: Price Discounts for Fruits Items**

Fruits Brands (Per Kg)	1 <sup>ST</sup> WEEK			2 <sup>ND</sup> WEEK			3 <sup>RD</sup> WEEK			4 <sup>TH</sup> WEEK			5 <sup>TH</sup> WEEK		
	6-12 MARCH 2013			13-19 MARCH 2013			20-26 MARCH 2013			27 MAR-2 RPR 2013			3-9 RPRIL 2013		
	RP	DP	%	RP	DP	%	RP	DP	%	RP	DP	%	RP	DP	%
Yemeni Mango	7.50	--	--	7.25	--	--	6.95	--	--	6.50	--	--	6.25	--	--
Pakistani	3.75	--	--	3.75	--	--	3.75	--	--	3.75	--	--	--	--	--

Mandarin															
Spanish Mandarin	--	--	--	--	--	--	5.25	--	--	4.75	--	--	--	--	--
South African Peers	6.75	--	--	6.50	--	--		--	--	--	--	--	--	--	--
Chinese Peers	--	--	--		--	--	3.50	--	--	--	--	--	--	--	--
Oranges	2.50	--	--	2.75	--	--		--	--	--	--	--	--	--	--
American Red RPPles	--	--	--		--	--	6.50	--	--	--	--	--	--	--	--
Chinese Fuij RPPle	--	--	--	4.25	--	--		--	--	--	--	--	--	--	--
-- Not Featured	RP=Regular Price		DP=Discounted Price		% = Per cent in Price Discounts				Prices are Saudi Riyals						

Yemeni mango offered from first week to fifth week. It is observed that small percentage of price is reduced from first week till last week. For example, the price of Yemeni mango was 7.50 SAR in first week reduce to 7.25 SAR in second week and subsequently reduced to 6.95 SAR, 6.50 SAR and 6.25 SAR in rest of the weeks. The price of Pakistanis Mandarin was constant in all the weeks. In addition, the price of oranges in the first week was 2.50 Per Kg increased to 2.75 SAR. Many fruits items were not featured during the weekly promotions period. The price discounts range for fruits items are between 4 to 16 per cents. The price of Spanish mandarin (5.25 SAR per kg) is higher than the price of Pakistani Mandarin 3.75 SAR per Kg.

### Water Brands

Every one of us know, water contains H<sub>2</sub>O (one element of oxygen and two elements of hydrogen). Customers purchase safe drinking water particularly mineral water, which contains minerals such as calcium, iron, magnesium, iodine, zinc and other minerals. Supermarkets are selling water brands and offering price discounts to attract customers to purchase more quantity. Table 9 shows the price discounts offered on water brands.

Table 9: Price Discounts for Water Brands

Water Brands	1 <sup>ST</sup> WEEK			2 <sup>ND</sup> WEEK			3 <sup>RD</sup> WEEK			4 <sup>TH</sup> WEEK			5 <sup>TH</sup> WEEK		
	6-12 MARCH 2013			13-19 MARCH 2013			20-26 MARCH 2013			27 MAR-2 RPR 2013			3-9 RPIL 2013		
	RP	DP	%	RP	DP	%	RP	DP	%	RP	DP	%	RP	DP	%
Aquafina (30*330 ml)	12.95	9.00	30	12.95	9.00	30	12.95	9.00	30	12.95	9.00	30	12.95	9.00	30
Mozn (40*330 ml)	14.50	12.50	14	--	--	--	--	--	--	--	--	--	--	--	--
Safa (40*330 ml)	--	--	--	15.95	13.00	18	--	--	--	--	--	--	--	--	--
Hana (24*330 ml)	--	--	--	--	--	--	10.50	8.50	19	--	--	--	--	--	--
Fahya (40*330 ml)	--	--	--	--	--	--	--	--	--	14.50	12.00	17	--	--	--
Mozn (24*600 ml)	13.95	11.50	18	--	--	--	--	--	--	--	--	--	--	--	--
Safa (28*330 ml)	--	--	--	15.50	13.00	16	--	--	--	--	--	--	--	--	--
Hana (24*600 ml)	--	--	--	--	--	--	14.95	12.50	16	--	--	--	--	--	--
Fahya (24*600 ml)	--	--	--	--	--	--	--	--	--	--	--	--	12.95	10.00	22
Nestle (24*600 ml)	--	--	--	--	--	--	--	--	--	--	--	--	16.50	13.50	18
Arow (6*1.5L)	7.95	5.50	31	--	--	--	--	--	--	--	--	--	--	--	--
Mozn (6*1.5L)	12.95	10.00	22	--	--	--	--	--	--	--	--	--	--	--	--
Hana (6*1.5L)	--	--	--	--	--	--	6.95	5.50	21	--	--	--	--	--	--

Nestle (12*1.5L)	--	--	--	--	--	--	--	--	--	--	--	--	15.9 5	13.0 0	18
Nova (24*200 ml or 12*1L+5 L Free)	--	--	--	--	--	--	--	--	--	27.5 0	--	--	--	--	--
-- Not Featured		RP=Regular Price			DP=Discounted Price			% = Per cent in Price Discounts					Prices are Saudi Riyals		

Aquafina (30\*330ml) offered through out weekly promotions at 30 per cent price discount. Price discounts for Mozn, Safa, Fahya with weights 40\*330ml are 14, 17 and 18 per cents. Mozn, Hana, Fahya, and Nestle (24\*600ml) offered once at 16, 18 and 22 per cents. Arrow, Hana and Mozn (6\*1.5L) were available at 31, 21 and 22 per cents during the first week only. In summary, it is found that many brands of water are not featured and offered once except brand Aquafina during the period of weekly promotions. It is also noticed the price difference among brands. For example, Nestle (24\*600ml) is priced at 16.50 SAR, Hana at 14.95 SAR and Fahya at 12.95 SAR.

### Cheese Brands

Cheese is made from milk of cows, goats and buffalo. It consists of fat, proteins, calcium, and phosphorus. It is also made in different flavours such as salted, plain, strawberry etc. Table 10 shows the price discounts offered by a supermarket on cheese brands.

**TABLE 10: Price Discounts for Cheese Brands**

Cheese Brands	1 <sup>ST</sup> WEEK			2 <sup>ND</sup> WEEK			3 <sup>RD</sup> WEEK			4 <sup>TH</sup> WEEK			5 <sup>TH</sup> WEEK		
	6-12 MARCH 2013			13-19 MARCH 2013			20-26 MARCH 2013			27 MAR-2 APR 2013			3-9 APRIL 2013		
	RP	DP	%	RP	DP	%	RP	DP	%	RP	DP	%	RP	DP	%
El Zahar Feta Cheese (Per Kg)	13.95	8.00	57	13.95	8.00	57	--	--	--	17.9 5	9.00	5 0	--	--	--
Frico Hollan Cheese (Per	48.95	26.0 0	53	--	--	--	--	--	--	--	--	--	48.9 5	26.0 0	5 3

Kg)																
Kiri Square Cheese 12'S (216g)	23.75	19.00	20	--	--	--	--	--	--	23.75	19.00	--	--	--		
AlMarai Cheese spread Jar blue	24.00	19.00	20	--	--	--	--	--	--	--	--	--	24.00	19.00	20	
Kraft Philadelphia Soft Cheese (300g)	14.95	11.00	27	--	--	--	14.95	11.00	26	--	--	--	14.95	11.00	26	
Kraft Philadelphia Light Cheese	15.95	12.00	25	--	--	--	15.95	12.00	25	--	--	--	15.95	12.00	25	
Kraft Jar Cheddar Cheese Original (500g)	15.95	12.00	25	31.75 (2*500g+15% Off)	25.00	21	159.95	12.00	25	--	--	--	15.95	12.00	25	
Feta French Cheese (Per Kg)	--	--	--	19.95	10.00	50	--	--	--	--	--	--	19.95	10.00	50	
Kraft cream cheese spread original Squeeze (440g)	--	--	--	15.95	12.00	25	--	--	--	15.95	12.00	25	--	--	--	
-- Not Featured	RP=Regular Price			DP=Discounted Price			% = Per cent in Price Discounts			Prices are Saudi Riyals						

Table 10 reveals that Frico Hollan Cheese (Per Kg), Kiri Square Cheese (12's and 216g) and AlMarai Cheese Spread Jar Blue offered in the first week but not featured in second and third week. Kraft Jar Cheddar Cheese original (500g) is offered at same price discount 25 per cent during the first, third and fifth week but in second week offered at 21 per cent price discount with 15 per cent off i.e., (2\*500g + 15 per cent off).

Feta French Cheese (per Kg) offered at 50 per cent price discount in second and fifth week but not in all the weeks. 25 per cent price discounts offered on Kraft cream Cheese Spread Original



squeeze (440g). All the brands offered twice and three times during the period of promotions. The price discounts ranges between 21 to 50 per cents during promotions.

### Bakery Items

Traditionally, bakery items such as bread, pastries, muffins, cookies and cakes are sold by bakery shops. But today, supermarkets are selling bakery items. Bakery items are made from wheat flour. Wheat flour is baked with other ingredients such as oil, ghee, cheese, salt and sugar. Table 11 depicts the detail of price discounts on bakery items.

**TABLE 11: Pricing Of Bakery Product**

Bakery Items	1 <sup>ST</sup> WEEK			2 <sup>ND</sup> WEEK			3 <sup>RD</sup> WEEK			4 <sup>TH</sup> WEEK			5 <sup>TH</sup> WEEK		
	6-12 MARCH 2013			13-19 MARCH 2013			20-26 MARCH 2013			27 MAR-2 RPR 2013			3-9 RPRIL 2013		
	RP	DP	%	RP	DP	%	RP	DP	%	RP	DP	%	RP	DP	%
Mixed Cookies (per kg)	--	--	--	29.95	20.00	33	29.95	20.00	33	--	--	--	--	--	--
Basbousa (per kg)	19.95	15.00	25	19.95	15.00	25	19.95	13.00	35	--	--	--	19.95	15.00	25
Mixed Sweets (Per Kg)	24.95	20.00	20	--	--	--	24.95	20.00	20	--	--	--	--	--	--
7 Day's Mini Croissant	10.00	8.00	20	--	--	--	--	--	--	6.00	4.50	25	6.00	4.50	25
Switz mini Cup	--	--	--	13.90	10.00	28	--	--	--	13.90	10.00	28	13.90	10.00	28

Cakes (10's)															
Butter Croissant (10's) + Muffins (6 Packs) --Value Pack)	--	--	--	--	--	--	24.90	17.00	32	--	--	--	19.90	14.00	30
Mixed Fruit Gateau (20cm)	--	--	--	--	--	--	47.95	35.00	27	--	--	--	--	--	--
-- Not Featured	RP=Regular Price			DP=Discounted Price			% = Per cent in Price Discounts					Prices are Saudi Riyals			

Mixed cookies (per Kg) mixed sweets (per Kg) and Butter Croissant are offered twice during the promotion while Basboussa (per Kg) offered all weeks except fourth week. 7 Day's mini Croissant and Switz mini Cup Cake are offered three weeks. The price discounts are ranges between 18 to 35 per cents. It is further noticed that Basboussa (per kg) offered at 35 per cent price discount in third week and reduced further to 25 per cent in last week.

**Shampoo Brands**

Shampoo is usually used for removing dandruff, oils and dirt. In addition, it is used for cleaning, growing, smoothing and shinning hair. It is also used for scalp disorder. Supermarkets are selling different brands of shampoo and offering price discounts on them. Table 12 presents discounts on shampoo brands.

**Table 12: Price Discounts for Shampoo Brands**

Brand s	1 <sup>ST</sup> WEEK			2 <sup>ND</sup> WEEK			3 <sup>RD</sup> WEEK			4 <sup>TH</sup> WEEK			5 <sup>TH</sup> WEEK		
	6-12 MAR 2013			13-19 MAR 2013			20-26 MAR 2013			27 MAR-2 RPR 2013			3-9 RPRIL 2013		
	RP	DP	%	RP	DP	%	RP	DP	%	RP	DP	%	RP	DP	%

Sunsilk (400 or 350 ml)	15.75 (2*1.75L)	10.00	37	15.75	10.00	37	--	--	--	15.75	10.00	37	--	--	--
Dove (400 or 300 ml)	18.25	12.50	32	--	--	--	18.25	12.50	32	--	--	--	18.25	12.25	33
Clear Woman shampoo (700ml)	--	--	--	27.75	18.75	32	--	--	--	22.75	18.75	18	--	--	--
Sunsilk (700ml)	23.75	15.75	34	--	--	--	--	--	--	--	--	--	--	--	--
Clear Men shampoo (700ml)	--	--	--	30.95	20.75	33	--	--	--	--	--	--	--	--	--
Dove (700ml)	--	--	--	--	--	--	25.75	17.00	34	--	--	--	25.75	18.75	27
Johnsons Baby (500ml)	--	--	--	--	--	--	--	--	--	20.00	13.00	35	--	--	--
-- Not Featured		RP=Regular Price		DP=Discounted Price		% = Per cent in Price Discounts				Prices are Saudi Riyals					

Table 12 shows that shampoo (400ml or 350ml) offered during first, second and fourth week with uniform price discounts i.e., 36 per cent but not featured in third and last week of

promotions. Similarly, dove (400ml or 300ml) offered to customers at 31 per cent discount on price during first, third and last week. Furthermore, price differences among Clear Woman shampoo (32 per cent), Sunsilk Shampoo (34 per cent), Clear Men shampoo (33 per cent) and dove shampoo (34 per cent) for 700 ml weights are not constant. Sunsilk and Dove shampoo (400ml or 350 ml) is offered thrice while Clear woman shampoo and Dove (700ml) offered twice during the period of promotions. It is noticed that many a times shampoos brands are not featured. The range of price discounts is between 18 to 37 per cents.

## **DISCUSSIONS**

The discussion of this study is based on three major objectives: identify range of price discounts on various brands of some select product category, frequency of promotions during five weeks and compare prices between the same product categories.

### **Identify Range of Price Discounts**

The study found that supermarket offer price discounts on various brands. Table 13 presents the detail of price discounts that were offered on various brands to induce customers to purchase more and more quantity.

**Table 13: Range of Price Discounts**

Price Discounts on Various Product Categories (Per cents)									
Juices	Oil	Ketchup	Milk	Tea	Soft drinks	Fruits	Shampoo	Bakery	Water
16-39	4-26	25-35	15-17	6-13	20-27	4-16	18-37	18-35	14-31

The above table reveals that the highest price discounts were given on juice, ketchup, shampoo, bakery, water brands. In addition, the average price discounts were offered on soft drinks and oil brands while the lowest price discounts were offered on tea and milk brands and fruits items.

### **Frequency of Price Promotions**

The preset study reveals that vegetable items were not featured during the period of price promotions but reduce prices in last week. Brands of water mostly Aquafina (30\*330ml) offered all five weeks whereas the other brands offered either in the first, second, third or fifth week. Moreover, bakery items were also offered on the same line of water. Majority of cheese brands were offered during the first and last week of promotions. It is further noticed that most of the ketchup brand were offered in third week, followed by second and fourth week.

Furthermore, majority of juice brands were offered during the fifth week of price promotions. Shampoo brands were offered two or three times during weekly promotions. Oil brands offered mostly in the first, third and last week and bundle with 2\*1.8L with free oil. For example, 750 ml free oil is bundled with 2\*1.8L. Milk brands were offered only in the first week of promotions.

### **Compare Prices between the Same Product Categories**

The price 12.50 SAR of Ceasar (3\*1L) is higher than the price 12.00 SAR of Al-Rabie (3\*1L). In addition, the price of both the brands weighting 330ml is the same i.e., 10.00 SAR. It is observed that there are no price differences between Saudi Ketchup and Rana Ketchup weighting 340g (for example, these are offered at 10.00 SAR).

Furthermore, the prices of Nestle, Hana and Fahya water weighting equally (24\*600ml) are 16.50 SAR, 14.95 SAR and 12.95 SAR which means the price of Nestle water is higher than Hana water followed by Fahya water. It is found that there are price differences between Sunsilk and Dove shampoo. For example, Sunsilk is priced at 15.75 SAR while Dove is priced at 18.25 SAR. Similarly, price of Sunsilk (700ml) is 23.75 SAR and 25.75 SAR for Dove (700ml). In case of Oil, there is a price difference between Afia Corn oil and Jenan Corn Oil brands. Afia Corn Oil is at 34.95 SAR (2\*1.8L) whereas Jena Corn Oil is at 39.95 SAR.

In summary, it is observed that there are price differences between the same brands of product categories. It is also noticed that the prices of brands of same product categories are higher than other brands.

### **CONCLUSIONS**

This study examines how a supermarket practicing weekly price promotions. It is found that supermarket offers price discounts on few brands of product categories during the period of weekly price promotions starting from 6<sup>th</sup> March to 9<sup>th</sup> April 2013. The highest price discounts were offered on brands of juices; shampoo, water and bakery items while the lowest discounts for fruits items, tea and milk brands. In addition, many brands were not featured during the period of weekly price promotions. But it is noticed that supermarket did not offer promotions on all brands during five weeks of promotions.

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