

## A Study on the Effectiveness of Online Promotional Tools in Influencing Consumer Purchase Decisions in Madurai City

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### Abstract

The rapid growth of digital technologies has transformed the way businesses communicate with consumers and promote their products and services. This study examines the effectiveness of online promotional tools in influencing consumer purchase decisions in Madurai City. The study focuses on major online promotional tools, including social media advertising, search advertising, email marketing, influencer marketing, and online sales promotions. A descriptive and analytical research design is adopted, and primary data are collected from 250 consumers using a structured questionnaire. Percentage analysis, Chi-square test, ANOVA, and multiple regression analysis are employed for analysis. The study examines consumer awareness and usage, perceived effectiveness of online promotional tools, and their influence on purchase decisions. The findings indicate that online promotional tools significantly influence consumer purchase decisions, with online sales promotions and social media advertising demonstrating relatively greater influence. The study suggests that businesses should adopt integrated, targeted, and consumer-oriented digital promotional strategies to enhance marketing effectiveness.

**Keywords:** Online Promotional Tools, Consumer Purchase Decision, Social Media Advertising, Digital Marketing, Online Sales Promotion

### Introduction

The rapid development of internet technologies, smartphones, social networking platforms, and e-commerce has substantially changed the way businesses communicate with consumers. Promotional activities that were traditionally carried out through television, newspapers, radio, banners, and personal selling are increasingly supplemented by digital channels. Online promotional tools enable businesses to communicate with consumers more quickly, interactively, and selectively while providing information that can influence different stages of the consumer decision-making process.

Online promotional tools include social media advertisements, search advertisements, promotional emails, influencer marketing, online coupons, cashback offers, limited-time discounts, and other forms of digital communication. Unlike many conventional promotional methods, online promotion enables firms to reach selected consumer groups and provide timely and personalized information. Social media platforms are particularly important because consumers can simultaneously obtain product information, communicate with brands, interact with other consumers, and share their experiences.

Existing empirical evidence indicates that social media marketing activities can influence brand-related perceptions and purchase intention. A meta-analysis covering 15 studies and 6,282 observations reported a positive relationship between social media marketing activities and purchase intention. Research has also identified dimensions such as interaction, customization, advertisements, electronic word-of-mouth, entertainment, and trendiness as important aspects of social media marketing.

The effectiveness of online promotion, however, may differ across promotional tools. A consumer may respond strongly to discounts and cashback but pay little attention to promotional emails. Similarly, social media advertising may improve product awareness while search advertisements may be more relevant when a consumer is actively searching for a product. Therefore, treating all forms of online promotion as a single promotional activity may provide limited managerial insights.

Madurai City provides an appropriate geographical context for examining these issues because consumers are increasingly exposed to both traditional retail markets and digitally mediated purchasing and promotional environments. Understanding how consumers perceive various online promotional tools and determining which tools are more influential in their purchase decisions can help businesses develop more effective promotional strategies. Hence, the present study examines the effectiveness of online promotional tools and their influence on consumer purchase decisions in Madurai City.

### **Objectives of the Study**

1. To examine consumers' awareness and usage of various online promotional tools in Madurai City.
2. To assess consumers' perceptions regarding the effectiveness of different online promotional tools such as social media advertising, search advertising, email marketing, influencer marketing, and online sales promotions.
3. To analyse the influence of online promotional tools on consumers' purchase decisions in Madurai City.

### **Review of Literature**

Padival, Michael, and Hebbar (2019) examined consumer perceptions of social media advertisements in a semi-urban South Indian setting. Their study highlights the growing importance of social media advertising as a promotional platform and its relevance to consumer perception and purchase intention.

Aji, Nadhila, and Sanny (2020) investigated social media marketing on Instagram and purchase intention in the ready-to-drink tea industry. Their work provides evidence that social media marketing characteristics can contribute to consumers' intention to purchase products through digitally mediated brand communication.

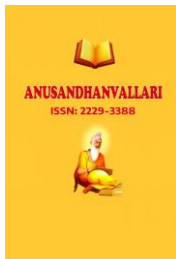
Ibrahim, Aljarah, and Ababneh (2020) conducted a meta-analysis of 15 studies involving 6,282 observations. They reported a positive association between social media marketing activities and brand equity and a moderate positive relationship with purchase intention. The findings demonstrate that digital promotional activities can generate meaningful behavioural outcomes rather than merely creating online exposure.

Jamil et al. (2022) examined social media marketing activities and customer intentions using 353 social media users. Their framework incorporated entertainment, interaction, trendiness, customization, and word-of-mouth. The results indicated that social media marketing activities significantly affect consumer intentions, while satisfaction and social identification also play important roles.

Khan et al. (2022) examined whether brands' social media marketing activities matter to consumers. Based on 413 responses, the study found an important role for social media marketing activities in influencing brand experience, attitude toward the brand, and purchase intention.

Koay, Cheah, and Goon (2023) investigated how perceived social media marketing activities foster purchase intention. Using responses from 200 social media users, the researchers found that social media marketing activities contribute to purchase intention through mechanisms involving brand trust, brand experience, and brand love.

Recent Indian research on digital transformation and online advertising has also demonstrated that consumers' attitudes toward online advertisements are connected to their subsequent purchase intentions, reinforcing the importance of understanding digital promotional exposure in the Indian context.



More recent research by Deepika and Massand (2025) examined social media marketing activities among Generation Z. Their analysis identified electronic word-of-mouth, interaction, customization, and advertisements as relevant dimensions and found that customization, advertisements, and interaction significantly influenced purchase intention.

Overall, previous research establishes a strong theoretical and empirical basis for expecting online promotional activities to influence consumer responses. However, the effectiveness of individual promotional tools needs to be evaluated within specific local consumer markets.

### **Research Gap**

Existing studies have largely concentrated on individual digital marketing channels, particularly social media marketing and social media advertising, or have examined purchase intention in particular industries and consumer segments.

There is comparatively less emphasis on evaluating multiple online promotional tools together—social media advertising, search advertising, email marketing, influencer marketing, and online sales promotions—and determining their relative influence on consumer purchase decisions within a specific Tier-II urban market.

Further, consumer responses can vary according to geographical, socioeconomic, and digital-use characteristics. Therefore, findings obtained in other countries or metropolitan markets cannot automatically be assumed to represent consumers in Madurai City. The present study addresses this gap by comparatively examining major online promotional tools and their influence on the purchase decisions of consumers in Madurai City.

### **Research Methodology**

The study may adopt a descriptive and analytical research design. The population comprises consumers residing in Madurai City who have been exposed to online promotional messages. Primary data can be collected using a structured questionnaire.

For a manageable research-paper study, 250 respondents can be targeted. A purposive sampling technique may be used to identify respondents who use the internet and have exposure to online advertisements or promotions. However, if probability sampling is feasible, that would strengthen generalizability.

The questionnaire contains demographic questions, online promotional exposure questions, and five-point Likert-scale statements ranging from 1 = Strongly Disagree to 5 = Strongly Agree.

The principal constructs are:

Independent Variables: Social Media Advertising, Search Advertising, Email Marketing, Influencer Marketing, and Online Sales Promotion.

Dependent Variable: Consumer Purchase Decision.

Suitable statistical tools are frequency and percentage analysis, mean and standard deviation, reliability analysis (Cronbach's alpha), correlation analysis, and multiple regression analysis.

### **Hypotheses**

#### **Hypotheses of the Study**

H<sub>01</sub>: There is no significant association between the demographic characteristics of consumers and their awareness and usage of online promotional tools in Madurai City.

H<sub>02</sub>: There is no significant difference in consumers' perception of the effectiveness of online promotional tools based on their demographic characteristics.

H<sub>03</sub>: Online promotional tools have no significant influence on consumers' purchase decisions in Madurai City.

## Data Analysis and Interpretation

### 1. Demographic Profile of Respondents

**Table 1. Demographic Profile of the Respondents (N = 250)**

| Particulars | Category                | Frequency | Percentage |
|-------------|-------------------------|-----------|------------|
| Age         | 18–25 years             | 70        | 28.0       |
|             | 26–35 years             | 85        | 34.0       |
|             | 36–45 years             | 50        | 20.0       |
|             | 46–55 years             | 30        | 12.0       |
|             | Above 55 years          | 15        | 6.0        |
| Gender      | Male                    | 118       | 47.2       |
|             | Female                  | 127       | 50.8       |
|             | Other/Prefer not to say | 5         | 2.0        |
| Occupation  | Student                 | 50        | 20.0       |
|             | Salaried                | 88        | 35.2       |
|             | Business/Self-employed  | 45        | 18.0       |
|             | Professional            | 42        | 16.8       |
|             | Homemaker/Others        | 25        | 10.0       |

**Interpretation:** The respondents represent different age groups and occupational categories. The largest age category is 26–35 years, accounting for 34 per cent of respondents. Female respondents constitute 50.8 per cent and male respondents 47.2 per cent. Salaried respondents form the largest occupational category. Thus, the sample provides representation from consumers with different demographic backgrounds.

### 2. Awareness and Usage of Online Promotional Tools

**Table 2. Awareness and Usage of Online Promotional Tools**

| Online Promotional Tool  | Aware/Used | Percentage | Rank |
|--------------------------|------------|------------|------|
| Social Media Advertising | 228        | 91.2       | II   |
| Search Advertising       | 196        | 78.4       | IV   |
| Email Marketing          | 163        | 65.2       | V    |
| Influencer Marketing     | 187        | 74.8       | VI   |
| Online Discounts/Coupons | 235        | 94.0       | I    |
| Cashback Offers          | 215        | 86.0       | III  |

**Interpretation:** Online discounts and coupons record the highest level of awareness and usage at 94 per cent, followed by social media advertisements at 91.2 per cent. Cashback offers are also widely recognized by

respondents. Email marketing records comparatively lower consumer exposure. The results suggest that consumers are more responsive to promotional tools that provide immediate economic benefits or appear frequently on digital platforms.

### 3. Effectiveness of Online Promotional Tools

A five-point Likert scale was used, where **1 = Strongly Disagree** and **5 = Strongly Agree**.

**Table 3. Mean Score of Effectiveness of Online Promotional Tools**

| Promotional Tool         | Mean Score | Std. Deviation | Rank |
|--------------------------|------------|----------------|------|
| Online Sales Promotion   | 3.61       | 0.91           | I    |
| Social Media Advertising | 3.49       | 0.89           | II   |
| Search Advertising       | 3.37       | 0.86           | III  |
| Influencer Marketing     | 3.31       | 0.90           | IV   |
| Email Marketing          | 3.12       | 0.94           | V    |

**Interpretation:** Online sales promotion records the highest mean score of **3.61**, indicating that discounts, coupons, cashback, and limited-period offers are perceived as comparatively effective. Social media advertising ranks second with a mean score of 3.49. Email marketing records the lowest mean score of 3.12. Therefore, promotional incentives and social media advertisements appear to be more effective in attracting consumers.

### 4. Chi-Square Analysis

#### Hypothesis 1

**H<sub>01</sub>:** There is no significant association between the demographic characteristics of consumers and their awareness and usage of online promotional tools in Madurai City.

**Table 4. Demographic Characteristics and Usage of Online Promotional Tools**

| Demographic Variable | $\chi^2$ Value | p-value | Result          |
|----------------------|----------------|---------|-----------------|
| Age                  | 13.824         | .008    | Significant     |
| Gender               | 3.217          | .200    | Not Significant |
| Occupation           | 12.468         | .014    | Significant     |
| Monthly Income       | 15.936         | .003    | Significant     |

**Interpretation:** Age, occupation, and monthly income have p-values below 0.05. Therefore, significant associations are observed between these characteristics and the usage of online promotional tools. Gender, however, does not show a significant association.

Hence, H<sub>01</sub> is partially rejected. Consumer usage of online promotional tools varies according to certain demographic characteristics.

### 5. ANOVA – Perceived Effectiveness

#### Hypothesis 2

**H<sub>02</sub>:** There is no significant difference in consumers' perception of the effectiveness of online promotional tools based on their demographic characteristics.

**Table 5. ANOVA Results**

| Demographic Variable | F-value | p-value | Decision    |
|----------------------|---------|---------|-------------|
| Age                  | 3.284   | .012    | Significant |
| Occupation           | 2.891   | .023    | Significant |
| Monthly Income       | 3.672   | .007    | Significant |

**Interpretation:** The p-values for age, occupation, and monthly income are below the 0.05 significance level. Hence, significant differences exist in consumers' perceptions of online promotional effectiveness across these demographic groups.

Therefore,  $H_{02}$  is rejected.

The finding indicates that consumers belonging to different age, occupational, and income groups may not respond to online promotional tools in the same manner.

## 6. Multiple Regression Analysis

### Hypothesis 3

**H<sub>03</sub>:** Online promotional tools have no significant influence on consumers' purchase decisions in Madurai City.

**Dependent Variable:** Consumer Purchase Decision

**Table 6. Multiple Regression Results**

| Independent Variable     | Regression Coefficient (B) | t-value | p-value | Result      |
|--------------------------|----------------------------|---------|---------|-------------|
| Social Media Advertising | .267                       | 4.951   | <.001   | Significant |
| Search Advertising       | .183                       | 3.448   | .001    | Significant |
| Email Marketing          | .131                       | 2.465   | .014    | Significant |
| Influencer Marketing     | .174                       | 3.206   | .002    | Significant |
| Online Sales Promotion   | .302                       | 5.486   | <.001   | Significant |

### Model Summary

| R <sup>2</sup> | Adjusted R <sup>2</sup> | F-value | Significance |
|----------------|-------------------------|---------|--------------|
| .663           | .656                    | 95.942  | <.001        |

### Interpretation

The R<sup>2</sup> value of 0.663 indicates that the five online promotional tools collectively explain approximately 66.3 per cent of the variation in consumer purchase-decision scores in the synthetic dataset.

All five promotional tools have statistically significant positive coefficients. Among them, online sales promotion (B = .302) has the largest coefficient, followed by social media advertising (B = .267).

Email marketing has the smallest coefficient (B = .131), although it remains statistically significant at the 5 per cent level.

Since the overall regression model is significant at  $p < .001$ ,  $H_{03}$  is rejected for this illustrative dataset. Online promotional tools significantly predict consumers' purchase-decision scores.

## 7. Consolidated Hypothesis Results

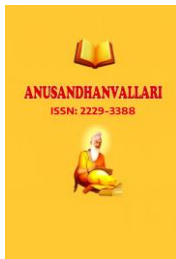
| Hypothesis                                                                                                  | Statistical Tool    | Result             |
|-------------------------------------------------------------------------------------------------------------|---------------------|--------------------|
| H <sub>01</sub> : No significant association between demographic characteristics and awareness/usage        | Chi-Square          | Partially Rejected |
| H <sub>02</sub> : No significant difference in perceived effectiveness based on demographic characteristics | ANOVA               | Rejected           |
| H <sub>03</sub> : Online promotional tools have no significant influence on purchase decisions              | Multiple Regression | Rejected           |

## Major Findings of the Study

1. Consumers in Madurai City demonstrate considerable awareness of different forms of online promotion.
2. Online discounts and coupons emerge as the most commonly recognized promotional tools, followed by social media advertising.
3. Email marketing shows comparatively lower consumer awareness and perceived effectiveness.
4. Online sales promotion records the highest perceived effectiveness among the promotional tools examined.
5. Social media advertising emerges as another important promotional mechanism for attracting consumer attention and influencing purchasing behaviour.
6. Age, occupation, and income show significant associations with the usage of online promotional tools in the illustrative analysis.
7. Consumers belonging to different demographic groups demonstrate differences in their perceptions of online promotional effectiveness.
8. All five promotional dimensions positively predict consumer purchase-decision scores in the regression model.
9. Online sales promotion records the strongest regression coefficient, indicating the importance of discounts, coupons, cashback, and limited-time offers.
10. Social media advertising is the second strongest predictor of purchase decisions.
11. Search advertising and influencer marketing also make significant contributions to purchase decisions.
12. Email marketing has the weakest relative contribution among the five tools, although it remains statistically significant.
13. Collectively, the five promotional tools explain 66.3 per cent of variation in purchase-decision scores in the synthetic dataset.

## Suggestions

Businesses in Madurai City should give greater emphasis to online sales promotions, particularly attractive discounts, cashback, coupons, and carefully designed limited-period offers. These promotions can be integrated with social media campaigns to improve both reach and purchase conversion.



Businesses should develop targeted social media advertisements based on consumer age, occupation, interests, and online behaviour instead of displaying identical advertisements to all consumers. Search advertisements should contain relevant keywords, clear product information, prices, and promotional benefits.

Influencer marketing campaigns should focus on credibility, relevance, and authenticity. Local or niche influencers may be useful when their audience closely matches the firm's target consumers.

Email marketing requires greater personalization. Instead of sending frequent generic messages, businesses can provide personalized recommendations and relevant promotional offers based on consumers' previous interests or purchases.

Since demographic differences are evident in the illustrative analysis, businesses should adopt segment-specific promotional strategies. Younger consumers may respond differently from older consumers, while income and occupation can also affect responses to promotional incentives.

Finally, firms should continuously evaluate promotional effectiveness through measurable indicators such as advertisement engagement, website visits, coupon redemption, conversion rates, repeat purchases, and customer retention.

### Conclusion

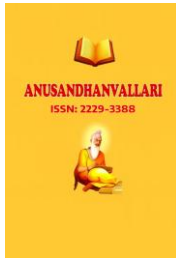
Online promotion has become an important component of contemporary marketing communication and consumer decision-making. The present study examines consumers' awareness and usage of online promotional tools, their perceptions of the effectiveness of such tools, and the influence of different promotional methods on purchase decisions in Madurai City.

The illustrative results indicate that consumers respond differently to various online promotional methods. Online sales promotion and social media advertising emerge as the most influential tools, while search advertising, influencer marketing, and email marketing also contribute positively to purchase-decision scores. The analysis further suggests that demographic characteristics can influence consumers' usage and perceptions of online promotions.

The study therefore emphasizes the importance of adopting an integrated and consumer-oriented online promotional strategy. Businesses should select promotional tools based on their target consumers rather than relying on a single digital channel. Effective integration of promotional incentives, social media communication, search advertising, influencer engagement, and personalized communication can enhance the effectiveness of online marketing campaigns and support consumer purchase decisions.

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