## **UNIVERSITY OF CAPE COAST**

## PERCEPTION OF CONSUMERS ON IMPACT OF SALES PROMOTIONS ON FIRM PERFORMANCE

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#### UNIVERSITY OF CAPE COAST

# PERCEPTION OF CONSUMERS ON IMPACT OF SALES PROMOTIONS ON FIRM PERFORMANCE

BY

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Management, School of Business of the College of Humanities and Legal Studies,

University of Cape Coast, in partial fulfillment of the requirements for the award

of Master of Business Administration Degree in Marketing.

**JUNE 2021** 

#### **DECLARATION**

#### **Candidate's Declaration**

I hereby declare that this dissertation is the result of my own original research and that no part of it has been presented for another degree in this university or elsewhere.

Candidate's Signature ...... Date ......

Name: Baba Issahaku

### Supervisor's Declaration

I hereby declare that the preparation and presentation of the dissertation were supervised in accordance with the guidelines on supervision of dissertation laid down by the University of Cape Coast.

Name: Mrs Adwoa Y. O. Yeboah

#### **ABSTRACT**

Marketing strategy has been a focus of organizations and a tool for attaining overall firm performance. The purpose of this study was to investigate the perception of consumers on impact of sales promotions on company performance using consumers at Mataheko in the Ablekuma Central Municipal district of the Greater Accra Region of Ghana. Specifically the study sought to evaluate the impact of sales promotions strategies on patronage, establish the effect of sales promotion on consumer brand loyalty and identify the effect of consumer sales promotions on profit potential. Using the cognitive evaluation theory and marketing mix theory for the study, the Convenience sampling technique was used to gather data from a sample of 120 respondents in Mataheko, Ghana, using a structured questionnaire and data analysis carried out using SPSS version 21. Descriptive statistics were used to interpret the data. The findings showed a significant relationship between consumer perceptions of products on a firm's performance in the market space. The study further revealed that consumer sales promotions such as free gifts at the point of sale to customers, discount prices and bonus packs influenced consumer perception and resulted in patronages. However, it was also noted that consumers were not loyal but only remained as regular buyers due to continual sales promotional activities of organisations. On the bases of these findings, the study recommends that management and retailers of consumer goods in Mataheko, focus on churning out consumer sales promotion as a marketing strategy to continue influencing consumers' purchasing behaviour which will in turn lead to firm performance on the market. Also, the use of price discounts, extra pack (buy-oneget-one-free) and coupons as types of sales promotion to influence consumers' purchasing behaviour must be increased whilst focusing also on free sample and sweepstakes and contests.

**Keywords:** Consumer perception, consumer goods customer loyalty, firms, sales promotion

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## **DEDICATION**

I dedicate this to my wife, Mrs. Faustina Baba. My children Baba Jamal, Baba Majeed and Baba Hamid



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#### **CHAPTER ONE**

#### INTRODUCTION

#### **Background of Study**

Consumer's perception forms an integral part of consumers' buying behaviour and it determines the survival or failure of goods and services. A plethora of items and brands may be found in today's consumer-oriented industry. Customer demand is expanding on a daily basis, putting immense pressure on manufacturers to meet consumer expectations in an effective and efficient manner (Smolkin, 2015). Tarigan, Sabrina, and Syahputri (2020) discovered that lifestyle, defined as the activities, interests, and views expressed in everyday activities, has a strong beneficial effect on customer purchasing choices. Sales promotions are considered short-term incentives in the form of add-on items or price reductions that assist a rise in sales over a short period of time. Furthermore, online sales promotional activities such as coupons, discounts, rebates, product sample, competitions, sweepstakes, and premium have gained in relevance and have served as a marketing tool for online purchasing (Strauss & Frost, 2012). The promotional actions encourage customers to reconsider and analyze the brand (Chang, 2017; Gao, 2015).

Sales advertising is critical in the customer decision-making process (Amankwah & Asare, 2019; Jiang & Ma, 2018). Sales promotions have a short-term impact on customer purchasing behavior. Many experts argue that sales promotion has little long-term influence on customer purchasing behavior and loses

income, as in coupons, refunds, and rebates. Because of the lower product price, consumers of rival brands may switch and buy other branded items during the sales campaign. However, it is uncertain if these customers would continue to buy from their original brand. Consumers who have never purchased such a thing before may be enticed to do so since its value is extremely high; so, if the consumer purchases this product, his or her needs and desires will be met at the lowest possible cost and risk.

The setting in which information about the business and items to be bought is available, as well as the scenario during buying, such as browsing for merchandise, shape consumer impression. This exposure has a significant impact on the consumer's purchasing behavior, which determines whether or not there is a guarantee of satisfaction (Jun & Jaafar, 2011). Purchase behavior, however, is impacted by the consumer's impression of the quality and worth of the service, which experts refer to as consumerist ethos (Stilwell, 2006). The way a customer reacts to particular online items is dictated by his buying behavior, such as his product selection and even brand selection. The value of a product in the perceptions of consumers is quite competent of forecasting product purchase intentions (Chen & Dubinsky, 2003). According to Shanthi and Kannaiahs (2015), perceptions toward purchasing and intention to shop are influenced not only by ease of use, usefulness, and enjoyment, but also by exogenous factors such as consumer traits, situational factors, product characteristics, previous online shopping experiences, and trust in the firm that manufactures the product.

In Ghana, sales promotions are carried out in a variety of methods, one of which is by providing customers with free samples of the product. While the majority of businesses go around the city or town on a track, playing music to attract prospective clients, the salespeople will also distribute free samples. Additionally, coupons are concealed randomly throughout a company's goods; upon discovery, the coupon entitles the bearer to a specified prize. Additionally, things are being given at a discount from their original price. Occasionally, two or more similar goods are offered at a discounted price (Dzansi, 2016). Consumers' definitions for quality are fluid and yet their expectations are ever increasing. Consumers want the products that they buy to be reliably the same each time they purchase it. Consumers include getting what you are paying for in their definition of quality. The quality value is considered as one of prime reasonable expectations of the consumer. People who have never heard of the price/value curve know what it means and would expect that a quality product should give them value for money.

Consumers complain that so many advertisements today for new products concentrate on enticing consumers to purchase these products by indulging in promotional sales instead of providing informative advertisement that can aid them in their purchasing decisions (Vowotor, 2002). Servicing the consumer both inside and outside the supermarket is critical for today's less-knowledgeable and time-starved consumer (Ghodeswar, 2008). Product perception are not only affected by it quality but also by the attributes the producer is able to invest to the product through advertising and packaging of the product. Today, branding is so pervasive that few things are left untouched. It's usual to see basic branded products like salt

in unique containers, oranges stamped with the grower's name, and ordinary nuts and bolts wrapped cellophane with a distributor's logo; these are examples of simple branded products.

Brand positioning strategies for industrial firms providing customer solutions Firms main aim has become to reach their potential customers instead of providing the information to the mass which would decrease their return of investment and higher their costs. For instance, Nestle, another fast-moving consumer goods giant, has long presented itself as a responsible sourcing company, which, for example, is strong exhibited through its product brands such as lipton, closeup, blueband, Lux, Pepsodent, OMO, Sunlight, Vaseline, AXE, Fair & Lovely, Geisha Lifebuoy and Rexona, amongst others. This give a huge opportunity to the firms to introduce and communicate about their products directly to their potential target. The brand is of great importance in a globalizing world, considering that it is a means of distinguishing goods and services of a business from the goods and services of other businesses. Beyond being a name in today's competitive conditions, the brand emerges as a business entity that adds an identity, personality to the product, shaped by the perceptions of consumers, and pioneers consumers in product preferences. Brands are a tool that initiates and shapes the relationship between the business and the buyer (Demir, 2019).

Consumers can easily explain why they purchased a certain brand of goods at a specific price point, at a specific time, and through an exact source. Predicting human behaviours in the market place requires a grasp of the motivations that drive consumer behavior and brand perception. In order to develop a strong corporate

image, a well-known brand may be a powerful marketing tool. As a method of making the product more convenient for distributors, identifying suppliers, enforcing quality standards, and improving the preference of the end user, brand names have been shown to be an important factor. (Kotler & Armstrong, 2001). Perception is describe as the mental grasping of things, it is the feeling, the comprehension, the recognition or how one observes things through the five senses of sight, hearing, touch, taste and smell.(kotler, 1980, 65). How we perceives things differ for every individual.

However, when it comes to recurring purchases, the commitment of a customer is essential. The owners of companies must thus create a marketing plan that not only strengthens customer loyalty, but also promotes recurrence or repetition of purchases. The particular goals that may be accomplished by promoting short term sales, bringing consumers into shops, obtaining a retail display point of sale, persuading businesses to carry a good, and supporting personal sales efforts include direct purchasing and consumer product testing. In fact, many shopping scenarios are so common that consumers are doing a relatively little cognitive effort, according to Wathieu and Murre (2007). Actually, behavior like brand switching or increasing the number of units bought is difficult to inspire. Sales promotions are a wide range of temporary strategic support measures that generate a desired customer reaction (Gilbert & Jackaria, 2002).

The benefit of promotional tools is to encourage customers to consider, evaluate brand and buy possibilities if they do not have them. Therefore, marketers are using different kinds of advertising tools and advertising tactics to enhance

customer preference and sales. The main drivers in marketing strategies to increase sales volume with sales promotion are consumers' purchase intentions. Sales promotion becomes the main motivation to purchase particular goods or services quickly within a limited time period in such a competitive age. The question of whether the consumers would be given different perceptions of a tourist business and a perceived value is asked with the cross-application of sales promotions such as membership promotion, preferential to the second customer, purchase one for free, timetable promotion, directory discount and presents.

#### **Statement of the Problem**

The concept of consumers' attitudes and intentions are not fresh to audiences and researchers, which means that doing research on consumers' behaviors and consumers' attitudes basically understand the influential factors on purchasing decisions (Ramezani & Sali, 2016). Sales promotions can offer many consumer benefits, the most obvious being monetary savings, although consumers also may be motivated by the desire for quality, convenience, value expression, exploration and entertainment. Research shows that price promotions always lead to increase in sales during the promotion period (Narasimhan, Kim, &Tan, 2008). There are quite a number of service providers who have to sell the services and goods they produce. They are competing for the same customers and as such try to present their products in some attractive way. In rolling out a promotion one puts in an elaborate plan to assure that the money spent on promotion are worth the effort and the subsequent results. Following the promotional trends we see that they are similar in design and they have become more rampant than before. It goes without

saying that notwithstanding the promotions there is likely refusal of a product by the market when it is linked to inferior quality. Price promotion tends to kill a bad brand quickly (Zehra-Rizvi & Malik, 2011).

According to Narasimhan et al. (2008), sales promotions may have a negative impact depending on how they are implemented and the monitoring mechanisms put in place by management, as well as how the target audience understands the overarching goal. The ultimate question, however, is how these expenses affected the sponsorship of consumer products as a whole and the company's profits. Sales promotion technologies are extremely easy to carry out, according to Hanssens, Parsons and Schultz (2001), but their direct effect on the volume of consumable goods appears to be difficult to assess. As promotional expenditure in the marketing expenditure of businesses continues to rise (Currim & Schneider, 2009).

Consumers' perception and attitudes towards sales promotions of firms differs. Consumers' inclination towards branded products is influenced by various factors which affects the buying behaviour. Since the priorities of Unilever-Ghana products have been increasing during the last 10 years, the retailers have often experienced difficulty in balancing the overall benefits between manufacturer brands and private-label products in their stores. It appears there is a dearth of study that focuses on or narrows down on the different types of sales promotion and their influence on consumers' behaviour in the sense that many researchers suggested that different types of sales promotions will trigger different promotional responses. More so, majority of these studies were conducted in the Western world where

cultural differences significantly differ from those in a third world country such as Ghana. The uncertainty associated with the impact of sales promotion on the customer behavior has therefore developed the need for the study.

#### **Purpose of the Study**

The purpose of the study is to investigate the perception of consumer sales promotions on firm performance sales promotion on a company's performance. Specifically, the study sought to;

- evaluate the effect of sales promotion strategies on patronage of consumer goods.
- 2. establish the effect of sales promotion on consumer brand loyalty.
- 3. identify the effect of consumer sales promotions on profit potential.

#### **Research Questions**

- 1. What effect has sales promotion strategies on patronage of consumer goods
- 2. What is the effect of sales promotion on consumer brand loyalty?
- 3. Does consumer sales promotion have effect on profit potential?

#### Significance of the Study

The findings of this research will aid consumer goods corporations and other businesses in determining the variables that affect customer purchasing choices and adapting their sale marketing tactics appropriately. Additionally, it would assist the business in maximizing the use of its resources, thus increasing profitability and market share. The research will act as a resource for organizations anytime the topic of sales promotion is addressed. Additionally, it may be used by

students and other researchers to investigate the impact of sales promotions on organizational performance, as well as how consumers perceive these activities and their response to advertised goods and services.

#### **Delimitation of the Study**

There were many variables that the researcher could investigate pertaining to consumer perception on the impact of sales promotion. However, the interest to investigate brand loyalty, patronage of consumer products of Unilever-Ghana was the sole prerogative of the researcher. The study was delimited to only 120 consumers in Mataheko. Their consumption pattern informed the choice as at the time of collecting the data, they were likely to be home.

#### **Limitation of the Study**

Every area of study has difficulties, and the present research is no exception. To begin, the findings obtained from this research are based on respondents' perceptions. The researcher was unable to verify their statements independently. Second, the research was performed using a convenient sampling approach. Third, there is a restricted time scope in that the time allotted for this study is relatively insufficient, and the research must be integrated with routine academic work, which has an effect on the work's quality.

#### **Definition of Terms**

**Advertising:** Advertising is a type of commercial communication, either auditory or visual, that uses an openly sponsored, impersonal message to promote or sell a product, service, or concept (Farris et al, 2010).

**Promotion:** the process of increasing consumer awareness of a product or brand, generating sales, and cultivating product loyalty (Pappu, 2000).

**Sales Promotion:** Howard (2009) defined sales promotion as any activity done by a company to enhance product or service sales, use, or trial (that is, initiatives that are not covered by the other elements of the marketing communications or promotions mix).

#### **Organization of the Study**

The study is divided into five main chapters, which are as follows: Chapter one discusses the background to the study, statement of the problem, purpose of the study, research questions, significance of the study, study delimitation, study limitation, and study organization. The second chapter reviewed pertinent and related literature on the subject topic. It comprised the theoretical and empirical and conceptual reviews. Chapter three outlined the technique that were utilized to gather the pertinent and essential data necessary to accomplish the study's objective. This section discussed the study design, research population, sampling methods, sample size, data collection equipment, data collection method, and data analysis. The fourth chapter was devoted to analysis and discussions of the data. Chapter five focused on providing a summary of the findings as well as the discussion, conclusions and recommendations.

#### **CHAPTER TWO**

#### LITERATURE REVIEW

#### Introduction

The literature review presents works resulting from a survey of academic literature to show the need for the research. It is here that the research unpacks the concepts and definitions in the research work, and discovers the relationship between them. The literature therefore exhibits relevant information on sales promotions, types and theories of sales promotions. As well as consumer perception on sales promotions, promotional effect on loyalty and firms performance.

#### **Theoretical Framework**

This section provides an overview of the most significant sales and marketing theories and also examined the relevant studies that utilize two of the theories: the Cognitive Evaluation Theory and the Marketing Mix Theory.

#### **Cognitive Evaluation Theory**

Cognitive evaluation theory is a psychological theory that seeks to explain the relationship between extrinsic and intrinsic motivation. The idea of "intrinsic incentive," often known as "intrinsic motivation," is proposed by CET. According to the notion, individuals are more inclined to engage in an activity when they have intrinsic reasons, such as an enjoyable experience (Agarwal & Karahanna, 2000; Gottschalg & Zollo, 2007; Beecham, Baddoo, Hall, Robinson, & Sharp 2008). Deci and Ryan (2000) defined motivation as consisting of three components: extrinsic

regulation, intrinsic regulation, and intrinsic motivation. Their research stressed the importance of internal motivation above external incentive. Deci and Ryan's (2000) study was primarily concerned with intrinsic motivation and the factors that contribute to persistence. They defined intrinsic motivation as engaging in an activity purely for the purpose of obtaining intrinsic pleasure. This is a more expansive idea that individuals who are naturally driven are more energized and perform better than others (Cerasoli, Nicklin, & Ford, 2014). While academics see intrinsic motivation as an innate feature, the preservation and improvement of this drive is contingent upon the individual's social and environmental circumstances. Deci and Ryan's (2000) CET stated that key psychological demands of people are met when they sense their ability to govern their behaviour. Intrinsic motivation is aided by social and environmental variables, such as events and circumstances that increase an individual's feeling of autonomy and competence, and is harmed by elements that lower perceived autonomy and competence (Deci & Ryan, 1980; Chae Choi, & Hur, 2017).

By broadening the scope of such features of CET According to this research, extrinsic regulation behaviors are driven by external variables such as rewards and competition, while intrinsic regulation behaviors are motivated by interior reasons such as absorption and autonomy. Intrinsic motivation occurs when a person recognizes that the causation starts with the acts indicated before. Enjoyment is an example of intrinsic motivation. When individuals are primarily motivated by intrinsic motivation, they will stay with an activity for a longer period of time and enjoy it more (Deci, 1985). CET makes a contribution by proposing the elements

that allow individuals to produce intrinsic motivation, namely autonomy and competence. Autonomy refers to the volition or desire to complete a task; competence relates to the sensation of being successful (Silverman, 2011; Santhanam, Liu, & Shen, 2016; Huang, Bao, & Li, 2017), which includes obtaining prizes, being hooked to video games, and competing.

Consumer delight is a "necessary human reaction to activities facilitated by technology" (Laurel, 2013). When customers are drawn to a game, they experience a sensation of delight (Jacques, 1995). Intrinsic motivation for anticipated delight stems from a sense of pleasure or intrinsic interest in a task (Gagné & Deci, 2005). Intrinsic motives include curiosity, amusement, and pleasure (Kim & Drumwright, 2016). According to CET, intrinsic motivation stems from a person's desire for a certain activity. Individuals will get intrinsic gratification from their actions; intrinsic motivation shows the desire to participate in an activity for its own sake (Tao & Yun, 2019). Generally, enjoyment of an activity is seen as a significant intrinsic motivator (Kim & Drumwright, 2016; Hew, Leong, Tan, Lee, & Ooi, 2018). Consumer satisfaction is critical because it fosters a favorable attitude toward human—computer interaction, hence improving future desire for recurrent interactions with games (Webster & Ahuja, 2006). Consumer satisfaction has been found to foster good attitudes via various behaviors, such as earning prizes, becoming absorbed in games, competing, and developing a sense of self-control (Schaufeli, Martinez, Pinto, Salanova, & Bakker, 2002). These sub-elements include the emotional, cognitive, and physical dimensions of customer satisfaction (Chen Hui, & Sego, 2015).

According to CET, if individuals find a certain kind of technology attractive, their intrinsic motivation will improve and their extrinsic behaviors will eventually change (O'Brien, 2010; Lee & Yang, 2011). In sales promotion, pleasure is seen as a motivating condition that has the potential to impact the extent and emphasis of consumption (Bunchball, 2010). Purchase intention is characterized as a strong and spontaneous purchasing urge, as well as a consumer-driven shopping process. When consumers are in a state of pleasure, they are more sensitive to environmental cues and arousal impulses (Wang & Li, 2016). In practice, Bobadilla, Serradilla, and MovieLens (2009) shown that intention might predict customer Purchase Intention. Psychologically, purchasing habits were the decisionmaking process (Defever, Pandelaere & Roe, 2011). When confronted with expectations, a consumer would seek out pertinent knowledge based on personal experiences and external contexts in order to meet those needs (Mettas, 2011). Once sufficient data has been gathered, the customer will bypass assessments and considerations and will select a product based on comparisons and judgment. It was a consumer's Purchase Decision Process (Dhar & Varshney 2011). During the decision-making process, a customer may exhibit purchasing behaviors for certain items in response to emerging wants and preferences for those products (Karatzoglou, Baltrunas & Bohmer, 2011). Lee & Olafsson (2009) defined Purchase Intention as the likelihood of a customer purchasing certain items, with a greater Purchase Intention indicating a higher purchase probability.

Lin, Li, Yang, Liu, Guo, Li, and Li (2011) defined Purchase Intention as the psychological state of a customer who intends to consume a certain brand over a

specified time period, as well as the likelihood and potential of the consumer taking or exhibiting a genuine purchase response (Ochi, Rao, Takayama & Nass, 2010). Additionally, Stever (2011) noted that the assessment of Acquire Desire is dependent on the consumer's intention to purchase certain items, and that a greater Purchase Intention indicates a greater purchase likelihood. In other words, Purchase Intention referred to the likelihood of a customer acquiring certain items; the more the Purchase Intention, the greater the purchase probability (Yim, Cicchirillo & Drumwright 2012).

#### The Marketing Mix Theory

Following the release of Neil Borden's book "The Concept of Marketing Mix" in 1964, marketing mix advanced. Beginning in the late 1940s, he used the word educating in describing his activities, as he was depicted by James Culliton as a fixings mixer. Borden's marketing mix included associated fixings assortment assembling, estimating, distribution marking, dispersion methods, individual offerings, publicizing, bundling, show revamping, and physical caring. After the fixes were included, E. Jerome McCarthy created the classification known as the 4P's, which are used today to define the value, item, progression, and location of marketing. Inward and exterior tightening effects on the marketing situation govern the variables (Culliton, 1940). The goal is to make choices that concentrate on the four P's of the target market for customer value generation, while simultaneously obtaining a favorable customer reaction. Back at the time of the inception of marketing, a tangible product represented the whole of the national economy (Krohmer, 2015). Today, marketing is better integrated at every level of the

business, with diverse goods, markets, and organizations. This means there is an effort to increase the significance of marketing, by writers who propose a fifth P, like package, people, and process. While this is true, however, the marketing mix of today is still founded on the 4Ps. Despite its shortcomings, the usage of this model remains popular due to its simplicity and a variety of marketing textbooks have been structured according to it.

#### Push theory

According to the push theory of sales promotion, companies should advertise their goods to retailers who will then distribute them to their consumers (Martin, 1994). To generate consumer demand for a product the "push" promotional method utilizes a sales force strategy for a business and marketing activities. Hinkelman and Putzi (2005) states that the manufacturer sells the products to wholesalers and then sell them to retailers who subsequently sell what they have bought to their clients/consumers. The selling of mobile phones is an example of the "push" marketing strategy, since major manufacturers of phones like Nokia utilize the Carphone Warehouses to advertise their products. The most effective time restriction products for businesses are typically personal sales and exchange promotions, such as Nokia, which offers phone dockets that motivate merchants to provide more money (Dowling, 2014). A "push" approach tries to market directly to the customer, avoiding traditional distribution channels (e.g. Selling protection or occasions specifically). Under this paradigm, customer promotions and advertising are probability-limited time apparatuses (Peter and Donnelly, 2002). Manufacturers use the push sales strategy by "pushing" their products through the supply chain to the consumer. Incentives are given to encourage each middle-carrier to convince the next person to buy the products. Historically, this approach has included premiums, wholesale discounts, and buyback guarantees. This approach is not limited to big corporations trying to get their products sold at other stores. This technique may benefit you whether you run a small retail store or a service-oriented firm. Offering an incentive to your workers for selling the highlighted product or service of the week is a "push" strategy.

#### The Pull Theory

The pull theory distinguishes itself by focusing on the customer himself. Present your products to the provider immediately, allowing for a quick purchase (Terry et al., 2003; Hopp, 2014). In order to create consumer interest in a product, a "pull" marketing approach necessitates substantial expenditure in public relations and customer development (Ashayeri and Kampstra, 2005). If the method works, consumers will approach retailers, retailers will approach wholesalers, and wholesalers will approach manufacturers (O'Sullivan, 2003). Pull pricing promotions are seen by manufacturers as a method of coordinating in an unconnected channel of distribution. Pricing decisions made by both the manufacturer and the retailer that are not coordinated may endanger the channel's growth attempts, resulting in channel losses. We show how manufacturers may enhance channel pricing coordination by directing pull price reductions to priceconscious consumers. Price coordination improves both the channel as a whole and the consumer surplus. The probability of collaboration increases when pull and push are combined.

#### The Effect of the Push and Pull Theory on Sales Promotion

In other words, a product is anything that you might provide to a business prospect for evaluation, which could either satisfy a need or desire or generate revenue. A consumer product is defined as a product bought by a final consumer for use. Consumers will generally purchase goods that have thorough planning and comparisons of brands based on price, quality, and style. Combination of push and pull marketing tactics has been associated with increase in sales, according to research conducted by Cavusgil and Zou (2013). Cavusgil and Zou (2013) also found that using a combination of push and pull marketing strategies improves the company's overall performance. Exhibiting better performance for a firm requires adjustments to be made to the marketing systems, which should also be considering the internal and external business environments that influence the business (Bainey, 2008). Many academics are now focusing on the impact of marketing tactics on a range of issues, including the existence and performance of product characteristics in sales marketplaces. A research done by McCullough (2013) compared composite sales performance metrics that included push and pull marketing tactics. Based on the research, marketing tactics that include push and pull may help differentiating a company's goods from its competitors, which can help a customer's attitude towards the company's products become favorable.

Push and pull marketing tactics and style led to better company performance in a research by Johnson (2014). Whereas previous studies examined the effectiveness of different combinations of marketing techniques in comparison to pull marketing and its influence on a business's financial success, the study found

different approaches were more effective on their own. While both push and pull marketing strategies produced similar outcomes, the pull approach was shown to provide superior results as opposed to the combination of both strategies (Terpstra & Sarathy, 2015). Connecting pull marketing strategy to customer performance and sales has the effect of reducing perceived risk around purchasing the product, which in turn influences sales and profitability (Terpstra & Sarathy, 2014). It's only when a company enters a new market that the balance between push and pull marketing tactics becomes very important. According to Thomas (2013), increasing the efficiency of deal execution is possible by servicing more parts of customers, which will be accompanied by a wider range of marketing, authoritative, and other appropriation costs being distributed over many things (Beamish & Munro, 2009). According to Leonidou, Hult, and Tomas (2012), push and pull marketing tactics are linked to overall company success in consumer markets. Combination of push and pull marketing techniques precisely reflects a customer-oriented approach, as the company incorporates push and pull marketing tactics that take into consideration consumer and seller attributes and characteristics (Douglas & Wind, 2015). Secondly, using a blend of push and pull marketing methods will provide better-than-expected money-related results, for example, productivity, since a great product may serve as a marketing showcase. The weights of satisfying specific market needs need innovative and imaginative methods of marketing, which may drive product assortment growth for both the local and marketplace sections of the company (Czinkota & Ronkainen, 2009).

The approach of pricing has already been shown to result in increased company profitability. Based on his research, Owomoyela (2013) found that there is a strong correlation between the price of a product and the company's financial success. Researchers in 2008 conducted an empirical study and found that there was a definite link between valuing technique and company execution, demonstrating a strong connection between valuation methods and overall company performance. According to the research published by Christensen, Johansson & Perona (2009), pricing choices including technique of pricing, strategy of pricing, terms of sales, credit policy, and strategy of currency all affect the sales performance of a company. In an in-depth analysis of promotion-related factors, authored by Styles & Ambler (2009), the following variables were examined: publicizing, deals advancement, individual offering, exchange fairs, individual visits, and advancement adjustment. The relationship between promotion factors and business performance was found to be mostly favorable. The literature shows that many research have examined the use of trade fairs for promoting sales (Seringhaus & Rosson, 2012). Trade fair participation had a noticeable impact on sales success in the research. In view of the assumption that with good technique of publicizing, businesses can transfer information, recall their customers, and convince clients to purchase the products, advertisements were among the most generally researched promotional mix variables. Positive advertising affects sales performance was verified by the results of the research conducted by Cateora and Graham (2013).

#### **Concept of Sales Promotion**

Sales promotion has received little academic attention, despite its ubiquitous use in management (Wierenga & Soethoudt, 2010; Alvarez & Casielles, 2005). Consumer sales promotions are extensively employed in product management, which has led to much debate about their effectiveness. According to critics, sales promotions do not work since they make customers more priced, causing long-term losses of market shares (Ehrenberg et al., 2004). Meanwhile, the word "promotion" may mean many things to different individuals, depending on the context and region in which it is employed. In this instance, the term "marketing mix" usually refers to a "marketing mix" component. It refers to any kind of product marketing in one sense (Ricky, Ebert, and Starke, 2005). Others consider it an effort by the seller to influence the choice of the buyer (Blanchard, Schewe, Nelson, & Hiam, 1999). As with promotion, the marketing concept of "sales promotion" has often been developed by various academics. In addition, Kotler (2010) defined sales promotion as "a collection of short-term marketing tactics employed by marketers to prompt buy." Sales promotional materials are likewise those which provide an additional value or incentive for the goods as a direct incentive for retailers and customers. Sales promotion is "marketing methods and tactics to increase the attractiveness of products and services by giving an extra benefits, in kind or in money, or anticipation of such an advantage," according to the International Chamber of Commerce (ICC) (ICC, 2010).

Many service providers and merchants have launched many promotional programs in order to help them stay in business or propel their company.

Promotional pricing is almost always used to advertise goods and help increase sales. Incentives used to promote sales have the tendency to promote action by giving additional value, more than that incorporated into the product, at its regular price. Most of these short-term inducements occur after the purchase decision is made. While the industry is very competitive, sales promotions are on the rise. These incentive programs are straight incentives. Sales promotions may be a very effective and complex marketing strategy, with an almost infinite number of inventive options restricted only by the promotion planners' imaginations. "Extra purchase value" and "below-the-line selling" are both terms that relate to sales promotion. Mullin and Cummins (2008) put it this way in their book, Sales promotion: How to create, implement, and integrate successful campaigns: "A good sales promotion will result in a pause for the customer, a discussion of the brand and product, and, if the strategy is successful, the movement toward a purchase decision." It is assumed that, if the targeted customers fail to be influenced by a sales promotion, they would not have any effect on the customers' final decisions.

With the proliferation of customers who are more discerning, marketers are working harder to convince customers and gain market share of whatever product or service they are selling. In order to persuade people, one should engage in many forms of public relations, such as increasing public relation activities, free-sample campaigns, giving free presents or trading stamps, putting up demos or exhibits, or organizing contests with appealing rewards. Promotional activities (called in marketing as "promotional activities") provide an instantaneous reaction of higher

magnitude than any other commercial communication activity (Yeshun, 2006). Many people, especially in conventional marketing, have seen sales promotions as nonrecurring marketing activities. Nevertheless, the contemporary marketing landscape seems to consist solely of continuous promotional efforts. As time goes on, sales promotions are more and more a regular occurrence. Distinguishing between advertising and promotion, Rossiter and Percy (1997) see them as having different strategic features. Advertising, they believe, is deliberately directed at increasing brand recognition and creating favorable brand attitudes, resulting in high brand equity. Initiatives for motivating quick action are often termed sales promotions, according to authors Rossiter and Percy (1997). More specifically, sales promotion is described as any kind of direct incentive, reward, or promise to customers, which is used to motivate them to make a particular purchase or do a specific activity in order to get benefits for themselves or for others who are motivated by the offer (Rossiter & Percy, 1997).

Promotion is part of marketing communication to assist speed up the decision process whether or not an incentive is included (as in advertising campaigns, telemarketing, personal letters, demonstrations and exhibitions etc.). Under the conventional definition, sales promotions may be split into two categories: Promotional techniques (Mullin & Cummins 2008, Kotler 2003, Rossiter & Percy 1997) include all-or-nothing schemes as well as schemes that provide deferred rewards. Promotional offers which give an instant benefit, such as a price decrease, bonus pack, or free gift, are categorized as "immediate reward promotions." Promotional offers which allow recipients to get a prize after a delay

keep the benefits of the campaign, but they need recipients to do some additional action beforehand. This may include giveaways such as raffles, offering a refund to those who provide proof of purchase, and more. Promotional strategies used in the Ghanaian telecom sector are mostly consumer-oriented sales promotions and methods that relate to them include price-off offers and bonus packs. Promotional methods, such as offering discounts on pricing, seem to be the most often utilized promotional techniques. When making a deal with a customer, you're providing them with a discount on the promoted product and saving them money on their purchase. For the bonus pack or value pack, however, when the normal package or size of the product is bought at the regular price, an extra quantity of the same product is given for free.

According to Kotler (2003), which may be contributing reasons to the method's recent rise in popularity, communication, incentive, and invitation are three primary features of sales promotion. As a result, he believes communication is most often used to garner the attention of customers, and after that customers may receive information that could lead them to the product; Invitation may include a concession, inducement, or contribution that gives value to the customer, and they may be enticed to make a transaction. Sales promotions are simple to implement and would certainly affect sales volumes immediately and significantly (Hanssens, Parsons & Schultz 2001). Currim and Scheinder (2001) thus maintain that there is a continuous increase in marketing spending for businesses. Consumer advertising is encouraged to buy greater quantities and consume them more quickly, leading to a rise in sales and, ultimately, profitability according to Ailawadi and Neslin (2008).

According to Hanssens et al. (2001), the short-term effects (known to as first-line performance), income (referred to as bottom-line performance), and the book-value ratio (referred to as corporate values) of the sales development method on business are all good,. While promotion of sales is beneficial for long-term success, it is detrimental for basic performance and firm worth (Hanssens et al. 2001). As a starting point, this work uses the definition of the International Chamber of Commerce (ICC). This is because it is briefer and clearer.

# **Types of Sales Promotion**

Many research on the efficacy of consumer sales promotion have solely looked at monetary sales promotions. In practice, though, both monetary and non-monetary sales promotions are often utilized (Tellis, 1998). There are significant distinctions between these two classifications: Money-saving promotions (such as shelf-price reductions, coupons, rebates, and price bundles) frequently reward consumers immediately and are transactional in nature; non-monetary promotions (such as sweepstakes, gifts, and loyalty programs) typically involve delayed benefits and are more relationship-based in nature. It is important to analyze the different kinds of sales promotions while evaluating the efficacy of sales promotions.

### Coupon

In most instances, the term "couponing" in the promotional mix refers to a sales promotion technique that includes a certificate entitling the bearer to specified discounts off the normal price of a product. According to reports, this may be used to encourage consumers to try new products, lure customers away from rivals, or

persuade existing customers to purchase more of a product (Ricky et al., 2005). This implies that goods and service suppliers may be able to increase their revenue by using the promotional mix's couponing effort. Essentially, the "couponing" sales promotion method fosters brand loyalty. That is, it is an innovative approach for luring consumers away from rivals' brands. This encourages current customers to make further purchases. Customers eventually become aware of, prefer, and insist on purchasing products bearing the same brand name.

### Point-of-Sale Displays

Many commercial organizations utilize the "point-of-purchase" (POP) technique to draw a large number of customers' attention to a particular product's brand. This is a sales campaign that strategically places "product displays" inside a showroom to entice customers to purchase a product (Ricky et al., 2005). That means displaying and highlighting goods at the point of sale (POP) (such as Guinness). More significantly, in this day and age of technical advancement, this may be done just as effectively via the use of the internet. The retail shop may then create a website where prospective customers may see new displays on a regular basis. The reason is that, customers will not visit the shop physically to get access to products and services that are on display for the first time.

#### Premium

This is a kind of sales campaign in which consumers get free or reducedprice products in exchange for purchasing a certain Guinness Ghana Breweries Limited (GGBL) product. As a consequence, in order to entice consumers to purchase, this approach provides a product for free or at a reduced price. The majority of the time, successful premiums are inextricably linked to the product or brand being marketed (Blanchard et al., 1999). In certain cases, consumers are given free samples of the product in order for them to test it. They may be available at local retail establishments (Ricky et al, 2005). However, it should be emphasized that "premiums" may not function as well as anticipated since some consumers may move to a competitor's brand to take advantage of the premiums offered by that business."

### Sponsorships and Exhibitions

Trade fairs are a kind of sales promotion and frequently industry sponsors them for its members and consumers (Griffin, Neuwirth, Dunwoody & Giese, 2004). As a result, goods are promoted via marketing middlemen. In addition, trade fairs are cheap and very lucrative because the customer is already interested in a particular kind of goods by the seller; international trade shows are therefore becoming more essential (Ricky et al, 2004). As a result of this, it is obvious that businesses have access to a wide range of sales marketing techniques. Each, however, has a number of benefits and drawbacks. As a result, it is incumbent on the business in issue to take caution while deciding which sales promotion approach to use. Sweepstakes, contests, and loyalty programs, in addition to the techniques mentioned above, may be utilized (Ricky et al, 2005; Blanchard et al, 1999). All of these are techniques of sales promotion that may have an effect on an organization's financial, market share, and shareholder returns (Richard, Devinney, Yip, & Johnson, 2009).

# Price Offs (Discounts)

Brands should examine the potential ramifications of a discount strategy before to implementing it, whether it is for the long run or the short term. A discount also hurts a brand's profitability, as well as the financial well-being of its owner. It is essential to note that when two large detergent manufacturers reduce their prices by considerable amounts, this results in a big impact on the whole market (Kumar, 2009). In these two articles, Chen, Monré, and Kou (1998) and Koekemoer (2004) argue that reducing a product's usual price is equivalent to a price decrease. When customers are equally eligible for the price reduction, every buyer has the same idea that a price discount is a short-term decrease of the stated price of a service or product. Straydom, Frylinck, Van Heerden, et al. (1999) and Koekemoer, (2004) both see the advantages of both parties as marketer and customer and therefore come to the same conclusion. After an initial trial, the marketer sets up a repeating buying behavior. Carmichael, Freeman, and Gilbert see sales promotion in different ways. Price cuts, according to the authors, need the cooperation of all intermediaries.

Setting prices may help avoid undesirable effects like brand switching in the long term. Prendergast, Cheung, and Shi (2005) claim that discounting increases short-term sales promotion, known as a "sale bump", both for brand-loyal and non-loyal customers. Baseline sales, incremental sales, and sales promotional lift all provide further insight into the possible impacts of a price cut on sales promotion. Estimates of initial sales numbers serve as a reference point to judge the increase in sales that will be derived from a certain marketing activity. The creation of this

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baseline allows for the distinction between incremental sales and the impact of other factors, such as seasonal variations or promotions from competitors. A rigorous estimate of the incremental impacts of the program under investigation is almost always used as the rationale for marketing expenditure. However, because marketing expenses (such as marketing personnel and sales force wages) are typically believed to be constant, this seldom results in additional sales. For a consumer-oriented promotion, the sales promotion curve proposed by Tellis (1998) states that the return on investment (ROI) must be greater than the return that would have happened had the promotional offers not been provided. When determining the impact of transitory price promotions, you may split the sales into two groups: those that would have occurred regardless of the offer, and those that are attributable to the promotion. Base sales are the typical number of units that a company expects to sell if no marketing is used.

# Relationship Marketing

Osuagwu (2002) expressed the opinion that Relationship Marketing seeks to increase the role of quality and marketing customer service. Osuagwu (2002) reports that marketing relationships imply that the goals of the respective partners are achieved amongst and between their respective business partners. He claims that a system approach needs all elements and parts of an organisation, in which the economic, social, technical, competition, cultural and legal interest of customer pleasure may be achieved. While marketing typically focuses on single transactions for goods, services or ideas, marketers are also looking at these problems from a long-term perspective. Kotler and Armstrong (2004) stressed that marketing

connections concentrate on long-term relation to consumers and suppliers, leading to better long-term satisfaction and customer loyalty, including stronger economic and social ties. For example, commercial banks provide financial incentives to promote longer-term partnerships. Branding enables firms, their customers and their suppliers to create, maintain and solidify connections. Relation marketing is used to support the idea that marketing should succeed as the management of the brand-to-customer connection network (Zekeri, 2004; Kotler & Armstrong, 2004). Therefore, marketing seeks to improve brand equity, thereby ensuring consumers' continuous pleasure and increasing brand owner's revenues. This implies that it is difficult and more costly to acquire new consumers than those that are already available.

#### The Benefit of Sales Promotions to the Consumer

For customers, sales promotion offers both utilitarian and hedonic advantages (Chandon Wansink, & Laurent, 2000). It should be noted that six important advantages are possible: money saved, quality, convenience, value, expression, and discovery. To get a better grasp of how the sales campaigns performed, one must recognize their importance to the customer. Price promotions mainly have utilitarian advantages in mind, which may include cost savings, improved quality, and more convenience. On the other hand, sales promotions are seen as having a hedonic effect when they give participants the pleasure of the senses, excitement, amusement, and self-satisfaction. Premium sales marketing methods are associated with the experience of pleasant feelings, personal satisfaction, and self-esteem. Chandon et al. (2000) concluded that price discounts

offered greater utilitarian advantages (savings, better quality goods, and enhanced shopping experiences); [provide] more pleasant experiences (opportunities for value expression, entertainment and exploration). Additionally, people react to sales promotions not just because of their money interests; these other non-monetary advantages provided by sales promotions are also quite significant. In order to attract all kinds of customers to the point of purchase, where goods are sold, it is essential to utilize both the hedonic and utilitarian advantages of sales promotion.

### **Empirical Studies**

### **Promotional Sales and Consumer Perceptions**

Consumer perception is an assessment by the consumer of a product's price, quality and perceived worth. An assessment of the price, quality and worth of a product by a customer takes into account both the product characteristics and any advertising services related to the product. The reception of an offer for sales and the goods modifies the assessment process for the customer. The consumer views a sales promotion as an increase in product value or a decrease in prices. Customer perception is a hard word to understand since it is a psychological process in the mind of the customer. Therefore, a consumer's assessment of a product may influence many factors.

According to Zeithaml (1988), the perception of clients has three major dimensions: price collected, quality perceived and value perceived. Consumers get values in proportion to price paid depending on the usefulness offered by the characteristics of a product (Sanchez-Fernandez, 2006). The availability of sales

promotions helps create a favorable image by improving the perceived value of a product. In addition, it may influence the effectiveness of sales marketing techniques as monetary or non-monetary. There is considerable effect on customer perception on monetary and non-monetary sales promotions. According to Pride and Ferrell (2009), monetary promotions are activities that enable clients to buy a product at a reduced cost and are frequently referred to by prices. This is done by enticing the customer to promise a decrease in costs. Campaigns to encourage financial sales are pushed to reduce losses (Diamond & Campbell, 1989). In the eyes of the marketer, financial sales promotions are lucrative because (Teunter & Teunter, 2004). The efficacy of financial marketing in all product categories was shown by Kwok and Uncles (2005). Researchers examined the effect on consumer perception of monetary sales promotions and discovered a favorable connection (Akaichi, Nayaga, & Gil, 2015; Lee & Tsai, 2014).

Likewise, the effect of monetary sales promotions on customer perception is substantial and favorable. Examples of sales promotion include non-monetary incentives such as donations, bonuses, competitive opportunities, sweepstakes and similar in exchange for buying a product. Many study support such sales promotion, since the brand value of goods has no negative impact. In fact, the value of the brand has shown to be beneficial (Buil, Chernatony & Martínez, 2013). Promotions of non-monetary sales are called profit increases (Diamond & Campbell, 1989). This results in more effective non-monetary marketing in establishing a good brand image for people (Yi & Yoo, 2011). In recent years, academics have concentrated

on researching non-monetary sales promotions and show that they can create a favorable product image (Buil et al., 2013; Yi & Yoo, 2011).

## **Effects of Sales Promotions on Consumer Loyalty**

Sales promotion is one of the very exciting tools of marketing communication. This technique not only works for grasping the attention of the customer but also facilitates the customer to purchase the product by encouraging through different incentives (Omotayo, 2011). The consumer loyalty can be divided into the two different categories, hard core loyal and brand switcher. A hard core loyal customer is one who does not affect from the price change and makes the repeat purchases on the normal prices. He is less prone to the price cuts or discounts. Lau, Chang, Moon and Liu (2006) described the difference between hardcore loyal and the brand switchers. According to them hardcore loyal shows the highest level of commitment and makes the repeat purchase of the same product, even in the case of premium price. Whereas the brand switcher keeps on moving within one or two of the brands in order to satisfy the needs fully. Brand switchers do not satisfy from one particular brand and sales promotion is very useful tool to attract brand switchers.

In the brand loyalty discussion between Delgado-Ballester and Munuera-Alemán (2005), it's not only dependent on repeat purchases, but also on internal provisions and attitudes about the brand. A connection between promotional sales and product or brand loyality has been found by Palazón-Vidal and Delgado-Ballester (2005). Non-monetary promotions on the other hand, since they generate larger quantity and quality of positive connections, are better for establishing

customer franchises than monetary promotions. Results indicate that sales promotions "may be utilized to improve brand awareness since the quantity and quality of associations are elicited by people subjected to promotional stimuli" (Palazón-Vidal & Delgado-Ballester, 2005, p. 198).

In order to prevent moving to another, clients are encouraged to buy a brand on a regular basis. As a result, brand equity will grow inasmuch as customers stay loyal to the brand" (Yoo, Donthu, & Lee, 2000, p. 197). Non-monetary marketing, such as premiums, distracts attention from the price according to Palazón-Vidal and Delgado Ballester (2005). "If pleasant emotions, ideas and advantages are connected with promotional events, better and more positive brand links are established" (Films from Palazón-Vidal, 2005, p. 184). This is comparable to the results by Yoo et al. (2000) on brand associations as a result of sales promotions that influence product loyalty favorably.

### Sales Promotion on Organisational Performance

Sales promotions have a significant impact on a company's success. Sales promotion first increases the probability of new goods being tested by consumers (Ricky et al, 2005). Couponing, for example, "encourages consumers to try new goods," as a sales promotion strategy. This is because the methods of sales promotion tend to urge existing customers to purchase bigger dimensions in order not to acquire goods of competitors (Ricky et al, 2005; Blanchard et al, 1999). In essence, sales promotion urges customers to purchase brand extensions (Blanchard et al, 1999). In other words, sales promotion increases awareness of products and may enhance customer size and quantity inside a certain business.

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As a result, loyalty to brands is growing. This means that marketing helps to generate consumers who would come back to the same brand if they needed specific items and purchase the goods of the business (Ricky et al, 2005). It refers to the 'knowledge, preference or insistence of the consumer on the purchase of goods with specific brand names.' This is the proper definition of marketing brand loyalty. Sales promotion may be utilized to increase brand awareness, preference and persistence according to the results. The sales promotional method of loyalty programs may be used in order to accomplish this objective (Blanchard et al, 1999). The rationale was that such a program tends to create links with existing consumers, so that more products may be purchased from the business. This is really successful as research in Canada has shown that businesses like Wal-Mart and Black & Decker, who use loyalty programs to promote sales, remain positive when it comes to brand loyalty (Strauss, 2003). Furthermore, as a consequence of meetings with people and friends, customers develop extremely strong opinions about goods (Ricky et al, 2005). As a result it can be concluded that effective methods for the promotion of sales will help its clients to create a corporate brand. Sales are more likely to increase if loyal consumers' positive words of mouth confirm a brand's quality.

The marketing activity of "sales promotion," as a sub-set of promotions, seems to have a significant impact on organizational performance. They are essential because they enhance the probability of new goods being tried by customers. They also enhance awareness about the goods, which may boost purchasing size and volume (Ricky et al, 2005). These consequences have a direct

impact on the returns of businesses, who use sales promotion as marketing techniques efficiently and successfully. This enables the company to achieve the real outcomes or results indicated in its objectives.

# **Conceptual Framework**

Conceptual frameworks, according to educational researcher Smyth (2004), are structured from a set of broad ideas and theories that help a researcher to properly identify the problem they are looking at, frame their questions and find suitable literature.

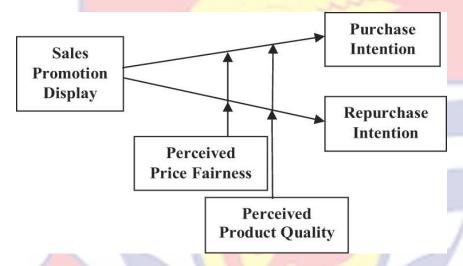


Figure 1: Conceptual framework

The conceptual framework is focused on considerations obtained from the literature review. As people are prone to being affected by information obtained in businesses, displaying sales promotions may have a direct impact on customer attitudes and behaviors (Law, Wong & Yip, 2012). Ballantine, Jack and Parsons (2010) have emphasized the prominence and significance of product display aspects, among other physical environmental signals. Because customers' senses and logic (e.g., sight and assessments) are the foundation of their decision-making and shopping behaviors (Underhill, 2009), stores can manipulate customer behavior by displaying a sale promotion that includes a variety of factors (e.g.,

discounts, sound, space, and promotion type). Color labels, billboards, banners, and color balloons are examples of new technologies and things that may be utilized to excite consumers' emotions and, as a result, their behavior (Wu, Won Ju, Kim, Damminga, Kim & Johnson, 2013). Displaying of sales promotion as conditioned stimuli can influence customer behaviour.

### **Summary of Review of Literature**

The literature review has depicted several factors that affect the perception of consumers on impact of sales promotions on firm performance. This chapter discussed the literature on sales promotion from a variety of marketing scholars; marketing scholars' scripts were utilized to shape a research project on the subject of sales promotion. The author's many viewpoints helped the researcher in developing different perspectives on the definition of sales promotion, its scope, its goals, the reason for its development, and the various kinds of sales promotion methods that an organization may use. The researcher was able to discover and analyse knowledge gaps between the perspectives of different authors.

A review of empirical studies examined in this research showed a positive link and others a negative relationship between the study variables, resulting in mixed results. Because there is no compromise, this inquiry is accepted, with the ultimate aim of gaining a better understanding of the relationship. Indeed, even from this little overview of writing styles. Some of the motivations for these conflicting results stem from theoretical, practical, and methodological differences in the perceived connection between the research variables.

#### CHAPTER THREE

#### RESEARCH METHODS

### Introduction

The chapter described the research methodology used to investigate the perception of consumers on impact of sales promotions on firm performance. This segment outlines the study's analysis architecture. It investigates the population, survey and sampling methods, statistical tools, and measurement instruments with psychometric properties. Furthermore, data processing and interpretation methods, as well as ethical questions raised by the report, have been addressed.

## **Research Philosophy**

Research philosophy relates to the development of knowledge and the nature of that knowledge. Research philosophies show the way in which the researcher is seeing the world, by choosing research strategy and methods as part of that strategy. None of the philosophies is better than another, but a chosen philosophy affects the point of view of the researcher and therefore choosing a philosophy needs to be done carefully. Four main research philosophies are identified, namely; Positivism; Realism; Interpretivism; and Pragmatism.

Interpretivism recommends that it is required for the researcher to understand the contrast between humans in their role as social actors (Saunders, Lewis & Thornhill, 2009). This will be the philosophy of this research and its basis is that research regarding the social world requires a different logic of research

procedures. According to this philosophy, a strategy is required that realizes the differences between people. There are several factors which influence the data on individuals, i.e.; different living standards, differences in social and cultural environment, personality and family groups (Saunders, 2003). The researcher has adopted the interpretivism philosophy based on the fact that the researcher seek to understand the differences that exist between humans and the world from their point of view. As Saunders et al. (2007) explain, interpretivism is used for research among people and not objects, and is suitable in the case of business and management research, particulary in fields as organisational behaviour, marketing and human resource management. As the above three fields are the fields related to this research, interpretivism is a philosophy that is suitable. Besides, the work related needs and behaviour of talents can be influenced by their social and cultural environment, personality and living standards.

## Research Approach

According to Saunders et al. (2009), research projects will always involve the use of theory. This theory is not necessary in the design of the research, but is usually present in the results and conclusions. In the notion of Saunders et al. (2009), the design of the research depends on the extent to which the theory is clear at the beginning of the research. There are two different approaches: inductive and deductive. In this research both approaches have been used, the deductive approach and the inductive approach. According to Saunders et al. (2009), it is perfectly possible to combine both approaches within the same research and it is even providing some advantages.

The deductive approach is an approach where a theory is developed and a research strategy is designed to test the hypothesis. The deductive approach enables the use of large quantitative data to test the hypothesis and is therefore used in this research (Saunders et al., 2009). The result of this process tells the reader something about the theory that was studied (Bryman, 2008). To test the research questions, quantitative data are collected and data analysis are done of the data collected through the survey method using a questionnaire. Through the deductive approach more specific answers can be found to answer the research question.

The inductive approach is mostly used in qualitative research and makes it able to explore a social phenomenon to obtain empirical patterns that operate as the start of a theory (Bryman, 2008). When using the inductive approach data are collected and a theory is formed using the results of the data analysis. This approach suited to this research as the inductive approach makes it able to study a small sample instead of the large numbers studied with the deductive approach. Besides, different methods to collect the data are common, and in this way a broader and more different view is received (Saunders et al., 2009).

# **Research Design**

Cooper and Schindler (2002) posit that research design is "the direction researchers take in carrying out their analysis." In other words, the research design outlines the fundamental methods that the researcher can use to generate reliable and interpretable data. The research design may be described as the guide that educates the researcher about the kind of technique that will be most appropriate for the study, i.e., assisting in the achievement of the study's goals (Mulwa, 2000).

The exploratory quantitative method was chosen based on the assumption that the study's objective was to determine the impact of one variable on another. While exploratory research aims to provide insight and understanding of unknown territory, conclusive research focuses on the exploration of characteristics and functions with the goal of providing a more profound insight (Blythe, 2013). With these options in mind, I decided to utilize a conclusive, or more specifically a descriptive approach since the research was being built on the existing theories and papers with the goal to draw connections between different elements. Additionally, it allows us to compile the various variables that are involved in the interconnecting mechanisms at play. Another essential element of consideration with the descriptive research method is the available timeframe. According to Creswell (2014), quantitative approaches offer responses with a far stronger foundation than common sense or experience. Quantitative approaches, on the other hand, are concerned with measurements and the assignment of numerical events in accordance with the rules defined by Kombo and Tromp (2006).

### **Population**

A population is a collection of people, objects, or things from which measurements are taken (Kasonde-Ng'andu, 2013). The target population for the study included all consumers at Mataheko in the Ablekuma Central Municipal district of the Greater Accra Region of Ghana. As the target population was too large to work with, and also considering the fact that the study needed to be completed within a stipulated time frame, the researcher deemed it appropriate and expedient to use only consumers of Unilever products at Mataheko. The

distribution of accessible population is that gender is made up of 69 males, while females are 51.

## **Sampling Procedures**

The purpose of a sampling frame is to ease the possibility to identify the different elements in the target population. A sampling frame could be a map or a provided list with e-mail addresses or telephone numbers (Malhotra, 2004). During this research it was not possible to get access to any form of consumer information. Therefore no sampling frame could be presented in this case. However, this was not of major importance since it is usual within business research, especially in market surveys, that one does not have any sampling frame (Saunders et al., 2012). The various sampling techniques available can be divided into two main types, namely probability and non-probability sampling (Saunders et al., 2012). It is important to decide which of the sampling techniques to use throughout a research process (Malhotra, 2004). Simple, systematic, stratified and cluster sampling are examples of probability samples. With these techniques the probability for each element in the population to be selected is equal (Saunders et. al., 2012). In other words, the sampling units are selected completely by chance (Malhotra, 2004). When using non-probability samples it is possible for the researcher to select sample elements by personal judgements (Malhotra, 2004).

Quota, purposive, volunteer and convenience sampling are examples of non-probability techniques. By these, the probability of each element being selected is different and unknown. Thereby it is also impossible to make statistical conclusions from the population as a whole. However, it is important to remember

that it is still possible to generalise about the population from non-probability samples, but not on statistical grounds (Saunders et al., 2012). When there is no sampling frame available, it is not possible to do any form of random sampling. The sample must then be selected on another basis (Saunders et al., 2012). The options that remain are all non-probability sampling techniques.

Convenience sampling was utilized since the researcher is seeking data from consenting and easily accessible respondents. Setting up this kind of sampling is as simple as creating surveys and sending them to their intended audience. Additionally, since the majority of convenience sampling is conducted with the population in mind, the research selected 120 respondents. The elements in the sample are selected by the researcher on the basis that the respondent happens to be in the right place at the right time. This is the least costly and least time-consuming of the sampling techniques. A big advantage is that the sampling units are easy to access and easy to measure. However, there are also limitations with this technique. For example, the study has the potential of being biased since people can choose themselves whether to respond to the survey or not. Thereby, there will only be answers from a certain kind of people willing to respond (Malhotra, 2004).

The researcher make choices relying on that the units chosen are appropriate to represent the population (Malthotra, 2004). In this research, the researcher purposely excluded people under the age of 18 years due to legal and ethical issues. Except from that, all men and women of all ages and cultures were included and asked to participate. It was of great importance to receive respondents representing all kinds of characteristics within the population. According to Jacobsen (2002),

going into a shopping mall asking people to respond to a survey, as in this case, is convenience sampling. However, that is based on that the researchers use convenience as the only factor of choice and not involve any consciousness. With that in mind, the judgmental technique still was the most adequate method.

Determine the sample size Malhotra (2004) argues the importance of deciding how many elements of the population that will be included in the study, in other words, the size of the sample. Before conducting the survey in this research it was hard to foresee peoples' willingness to respond. Moreover, this contributed to difficulties in assigning time to spend at the various ratil shops in Mataheko collecting answers. A sample between 100 and 200 units is in general sufficient for drawing general conclusions. This is independent of the size of the population (Jacobsen, 2002). With this as a base, a minimum of 120 respondents were contacted to be subjects for this study. This was reached within a reasonable time frame. The strategy was to ask people to participate in the survey until a minimum of 120 answers was reached.

In order to execute the sampling process a specification of the previous parts of the sampling design process model must be compiled (Malhotra, 2004). This includes a description of the population, sampling frame, sampling technique and sample size. Furthermore, Malhotra (2004) also emphasize the importance of how the researchers will proceed if people chosen to be included in the sample refuse to respond. In this study the target population was identified as all people above 18 years, and is per definition seen as a customer. Both local and commuting customers were of interest and therefore all its customers were included. The sample in this

study is every approached customer, no matter if they responded or not to the survey. Instead of deciding a sample size the authors aimed at 120 responses in total. This is due to the difficultness of knowing the customers willingness to respond and therefore hard to decide a desired response rate. Since the authors did not count how many approached customers were unwilling to answer no response rate is available for this survey.

#### **Research Instrument**

The survey questionnaire was used to collect data in order to investigate the perception of consumers on impact of sales promotions on firm performance. Questionnaires are effective data collection tools, but only if the researcher understands what is needed and how to quantify the dependent and independent variables of interest. The researcher used the questionnaire-style instrument because it allow him gain the exact answer he was looking for from the participants. The researcher created a closed-ended questionnaire for this report, soliciting details that addressed the study's basic objectives. According to Gray (2004), a near ended questionnaire is one that gives participants pre-determined answers to select from a series of numbers that indicate strengths of feeling or mood.

Since the researcher was dealing with a broad sampling group of 100 people, a questionnaire was considered necessary. The questionnaire was a simple way to analyze content, and it allowed participants to answer correctly. The questionnaire was split into two parts. The first section which contained four items included questions about respondents' demographic information such as age, gender, level of education, occupation and the frequency of patronizing consumer

good. Section B was based on the impact of sale promotions on consumer goods patronage. The respondents were to choose responses applicable to statements given by ticking in the appropriate column.

Section C was on sales promotional effect on brand loyalty. It consisted of six items which sought for the participants' brand choice, the ability to switch, satisfaction with quality of purchase and recommendation. Section D was presented in a five-point Likert scale, 5=Strongly Agree (SA), 4=Agree (A), 3=Undecided/Neutral, 2=Disagree (D) and 1=Strongly Disagree (SD). The Likert scale made it very easy to analyze statistically (Tuckman, 1994). The respondents were to choose responses applicable to statements given by ticking in the appropriate column. The items in the questionnaire were based on the perception of consumers on impact of sales promotions on firm performance (See Appendix A)

# Validity and Reliability of Instrument

The legitimacy of an instrument, according to Sekaran (2003), is related to the degree to which it really tests what it is intended to measure. According to Siniscalo and Auriat (2005), an instrument has material value when a jury of judges or experts on a subject agrees that the assertions in the instrument do correspond to what they are intended to calculate. To establish validity, the items formulated for the questionnaire were scrutinized to ensure that they were based on the content of the literature. Again, the content and face validity of the instrument was checked by experts in the Department of Marketing and Supply Chain Management, School

of Business, University of Cape Coast who are well knowledgeable about marketing and sales to ensure that they were devoid of ambiguities.

Reliability

According to Sekaran (2003), reliability is the accuracy and stability of a measurement device independent of the stability of test takers. According to Stangor (2004), the reliability of a measurement instrument is the degree to which the instrument is error-free, thereby measuring accuracy over time and variables of interest. As a consequence, it is the degree to which an instrument yields the same effects following repeated testing over time. The collected data was processed using IBM SPSS version 21.0. I used Cronbach coefficient alpha to determine the reliability coefficient of the instrument. The questionnaire yielded an internal consistency reliability coefficient of 0.80. This was considered to be acceptable and reliable, since according to researchers (Bonett, 2010; Cronbach & Shavelson, 2004; Fraenkel & Wallen, 2000), the reliability coefficient should be at least 0.70 and preferably higher.

#### **Data Collection Procedure**

Since the study involved human beings, ethical procedures were followed in the data collection. The data collection began from 18<sup>th</sup> March, 2021 to 31<sup>st</sup> March, 2020. In all, two weeks were used to collect the data. Before, the data collection, an introductory letter was obtained from the Department of Marketing and Supply Chain Management, School of Business, University of Cape Coast to the selected site for the study. I personally showed the letter to the participant for them to know that the study is for academic purposes only. I explained to them the

reason for carrying out the research and if they could permit me to use their students for the study. They gave me permission and dates that I could administer the questionnaires.

The questionnaire was administered by me with the help of two research assistants. The sampled participants' were briefed on the reason for carrying out the research work and also solicited from them the need to respond to the items on the questionnaire. The questionnaires were given to them and they were given ample time to respond to them. The completed questionnaires were collected from the respondents. In all, 120 questionnaires were distributed to the respondents and all were retrieved which represents 100%. After the collection, the questionnaire were numbered one after the other and coded to allow easy entry of the items into the computer.

# **Data Analysis**

Analyzing data included condensing and organizing it, synthesizing it, looking for noteworthy patterns, and determining what was significant. Ary, Jacobs & Razavieh (2002) identified three stages involved in data analysis: organization, interpretation, and summarization. The statistical software used for data processing and analysis was the Statistical Package for Social Sciences (SPSS) version 21. Data screening was done to take care of incompletely filled questionnaires and prepared the data for statistical analysis. The analyses and discussion were done according to research question, using descriptive statistics (frequency, percentages, mean and the Cronbach Alpha). Section A of the questionnaire comprised background data of the participants and this was discussed using frequency and

percentages. The research questions were interpreted and discussed using descriptive statistics. The results were presented using Tables in the chapter four.

According to Dane (2011), it is in the researcher's best interest to assess how often a certain event happens, the mean average of the data gathered, and the degree of heterogeneity between the variables. The aim of using descriptive statistics as a research method is to explain the phenomena of interest (Sekaran, 2003). Furthermore, descriptive statistics entails the translation of new data into a process that contains information that explains factors of a specific scenario, and is accomplished by the ordering and manipulating of raw data gathered (Sekaran, 2003 as cited by Dane, 2011).

### **Ethical Considerations**

It is imperative and appropriate for any researcher to consider ethical problems governing science. This is due to the fact that in order to develop a sound—ethical practice, social researchers must train themselves in terms of all ethical considerations in the design of a study (Neuman, 2006). The respondents' privacy was protected in this study by first obtaining their permission, as one of the tenets of social science involves voluntary involvement of respondents. In this respect, the researcher clarified the study's goals as well as its importance in increasing respondents' voluntary engagement.

There is a widespread concern that subjecting respondents to questionnaire items could cause physical and emotional damage. As a result, statements in the questionnaire were formulated in such a manner that respondents had a range of choices and free will to choose objects that were important to them. Anonymity and

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secrecy were also guaranteed to respondents. The researcher would expose his identity to study participants in order to dispel any suspicions or deceptions about the study.

To prevent scientific fraud in science, known as plagiarism, the thesis strictly adhered to the established norms of scientific behavior. The researcher made certain that the inventions, works, and publications that were included were properly acknowledged and cited.

## **Summary of Research Methods**

This chapter focused on the process and study design that used a quantitative approach, primarily a descriptive survey. It addressed in depth methods of data collection and interpretation, as well as stressed statistical techniques, without failing to note the reason for using those tools in drawing the study's conclusion. Furthermore, the researcher addressed the ethical questions that bind the thesis.

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#### CHAPTER FOUR

### **RESULTS AND DISCUSSION**

### Introduction

This chapter presents the results and discussion of the data that was obtained from the one hundred and twenty respondents drawn from Mataheko in the Ablekuma Central Municipal district of the Greater Accra Region of Ghana. The data collected was inputted into SPSS version 21, which was the main statistical tool used to present the analysis. The presentation of the analysis was mainly quantitative. The quantitative data in this case made use of descriptive statistics like central tendencies, frequency distribution, correlation statistics and percentages to present the findings in tables.

### Socio-Demographic Characteristics

The study in Table 1 presented a descriptive statistics of the socio-demographic characteristics of the sampled respondents. Regarding the gender distribution, 69(57.5%) were males and constituted the majority. Whilst the remaining 51(42.5%) were females. Concerning the ages of the respondents, 22(18.3%) were between ages 18-23years, 24(20%) were between 24-29years, 41(34.2%) which was the majority were between 34-39years and the remaining 33(27.5%) were 40years and above. With the educational background out of the total sample, 32(26.7%) were SHS leavers, 42(35%) were diploma holder who happened to constitute the majority. Degree holders constituted 27(22.5%) whilst

respondents with other background not officially stated the questions constituted 19(15.8%). Looking at the occupation of the sampled the study saw the following; 85(70.8%) which formed the majority were employed, 26(21.7%) were unemployed whilst 9(7.5%) which was the least were students.

**Table 1: Socio-demographic characteristics** 

Variables	Frequency	Percentage %	
Gender	7		
Male	69	57.5	
Female	51	42.5	
Age distribution			
18-23yrs	22	18.3	
24-29yrs	24	20	
34-39yrs	41	34.2	
40yrs plus	33	27.5	
Education			
SHS	32	26.7	
Dip <mark>loma</mark>	42	35	
Degree	27	22.5	
Others	19	15.8	
Occupation			
Employed	85	70.8	
Unemployed	26	21.7	
Student	9	7.5	

Source: Filed data, 2021

# **Scale Conceptualization**

The mean analysis was based on a five point Likert scale as follows; 1-strongly disagree, 2-disagree, 3-undecided, 4-agree, 5-stongly agree. Now, result

that ended in 0.5 and above was rounded off to the nearest scale in order to make for easy analysis and clarification of findings.

## **Effect of Sale Promotions on Consumer Goods Patronage**

Looking at the total average at the bottom of Table 2, a mean score of 4.01 indicated that there is a general agreement that sales promotions affect consumer goods patronage. The Cronbach Alpha (α 0.74) results also indicated internal consistency in the questionnaire and responses given provided. The study further examined pertinent scores in the table below; item 3 showed that respondents strongly agreed (M-4.99) consumers are interested in free gifts offered by sales firm; similarly consumer strongly agreed (M=4.91) that bonus packs offered by firms motivated their purchase decisions. The findings in above paragraph is consistent with that of Smith (2008) who opined that customer promotions such as; premiums, gifts, competitions, and prizes are the result of patronage by many consumers. Going further, the study also realised that there was agreement from the responses obtained in items 2 and 7.

Thus, respondents agreed (M=4.33) that consumer content offered by firms influenced decision to buy. As well as an agreement (M=4.18) that purchase decision were based on free extra quantity offered by selling organisation. This buttresses the research conducted by Ailawadi and Neslin (2008) who revealed that promotions affect the consumers to purchase larger amounts and consume them faster; causing an increase consumption which may have an effect on profitability. However, this will be proved going forward. In conclusion, it was realised that respondents could neither agree nor disagree; in other words indifferent regarding

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responses in items 5 and 6 and how they influenced consumer patronage decisions after being exposed to sales promotions.

Table 2: Impact of sale promotions on consumer goods patronage

N	Mean
120	3.92
120	4.33
120	4.99
120	4.91
120	3.01
120	3.44
120	4.18
	7
	120 120 120 120

Source: Filed data, 2021 (Totals: Mean-4.01; C-Alpha-0.74; N-120)

# Sales Promotional Effect on Brand Loyalty

The total average in Table 3 points to indifference in responses; however, there were some items in the table that has significant responses that needs to the examined as far as the research is concerned. It was only evident in items 3 and 4; that responses realised some agreement. Thus item 3 agreed (M-3.87) consumers are satisfied with the quality of purchases made during sales promotions.

**Table 3: Sales promotional effect on brand loyalty** 

Response from customers	N	Mean
I am loyal to my brand of choice because of their sale	120	3.01
promotions		
I shall not switch to another brand when prices are	120	3.01
marginally increased after sales promotions.		
I am satisfied with the quality of purchases made during	120	3.87
sales promotions.		
I will frequently purchase products due to trust associated	120	3.88
with the brand.		
I shall recommend the brands to potential consumers	120	3.11
My choice of brand still provides good value for money.	120	3.00

Source: Filed data, 2021 (**Totals**: Mean-3.31; C-Alpha-0.73; N-120)

Whilst consumer agreed (M-3.88) that they will make frequent purchase products due to trust associated with the brand. Comparing the findings here so far, it agrees with Lau, Chang, Moon and Liu (2006) described the difference between hardcore loyal and the brand switchers. According to them hardcore loyal shows the highest level of commitment and makes the repeat purchase of the same product, even in the case of premium price. However, this assumption could be limiting as Delgado-Ballester and Munuera-Alemán (2005) cited that brand loyalty does not exclusively focus on repeated purchases but on the internal dispositions or attitudes towards the brand. Hence from what is seen with regards to the total

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average score shown under the table, make that assumption that, buyers are loyal is challenging to accept in the current research. Rather the repeat patronage is largely due to promotions.

### **Effect of Consumer Sales Promotions on Profit Potential**

Analysis in Table 4 tried to infer from consumer as to whether their buying activities may contribute to profitability of firms undertaking sales promotions. The studies found in item 1 that, respondents agreed (M-3.55) they are willing to commit more resource towards patronage of goods/services from my firm of choice. However it was strongly agreed (M-4.49) those customers were particularly influenced to buy particular products due to sales promotions. The analysis here is only making an inference on customer buying attitude resulting from sales promotion and extending that behaviour to influence potential profits firms are likely to make. Similarly, Blanchard et al. (1999) said that sales promotion increases product awareness and may raise the size and quantity of product that customers patronize in a certain organization, which may boost the organization's profit.

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Table 4: Effect of consumer sales promotions on profit potential

Response from customers	N	Mean
I am willing to commit more resource towards patronage of	120	3.55
goods/services from my firm of choice		
I shall remain regular and loyal towards my brand of choice.	120	3.00
My continual patronage of goods/services will not be affected	120	2.91
after sales promotional activities have ended		
I was influenced to buy particular products due to sales	120	4.49
promotions.		

Source: filed data 2021 (**Totals**: Mean-3.50; C-Alpha-0.77; N-120)

Table 5: Regression between promotions and profitability

		Under Standardized Coefficients		Standardized T		Sig
	-			Coefficients		
Model		В	Std.Error	Beta	В	Std.
						Error
	Constant	1.799	.471	7	3.816	.000
	Sale	.460	.143	.421	3.213	.002
	promotions					

Dependent variable: Profit Potential

The regression analysis presented above show that sales promotional activities as inferred by consumer is a predictor of profit for firm who implement sales promotions for that matter.

#### **Discussions**

The data analysis shows a significant influence of sales promotion variable on customer behaviour towards products of Unilever Ghana. This means that promotion in an attractive and valuable store will influence customer value. This is following the statement made by Chen (2009), mentioning that private label product promotion, which is attractive, useful, and possessing a good value, will encourage the customers' shopping preference. Akram et al. (2017) argue that monetary promotion in the form of price discounts and packages provides benefits for the consumer in the form of convenience and economical prices. In Ghana, promotion of products in stores is usually in the form of price discounts and packages, generally informed in stores and displayed on banners. According to Currim and Schneider (2009), sales promotion of a firm that is Unilever Ghana, displayed in the form of banners can attract the consumers' attention and influence purchases if the banner has attractive displays, such as interesting banners with attractive images and information contained in the banners focuses on the discount percentage. Consumer purchase intentions would increase if the price discount is offered at a certain percentage. Retailers in Ghana frequently give price discounts or packages several times in the year with a fairly large percentage of price and item discounts. Thus, the promotion should be made weekly or monthly. This is in line with the opinion stated by Nordfalt and Lange (2013), mentioning that in-store promotion and outdoor promotions will be more effective if regularly made and scheduled. Furthermore, the consumers feel that they have already got private label products at lower prices and are worth purchasing good quality products at lower

prices. Meanwhile, in-store promotions also have a significant direct influence on purchase intentions. It means that promotion in modern stores influenced purchase intention. This study supported the research conducted by Yang and Lee (2016), mentioning that if the in-store promotion is attractive, the consumers will reactively have more purchase intention.

The results also found that the customer value variable positively and significantly influenced purchase intention. It means that customer value influenced private label product purchase intention. According to Pride and Ferrell (2009), purchase intention is directly influenced by customer value covering social, economic, functional/performance value, and conditional value. Besides having a direct influence, the in-store promotion variable also has a significant indirect influence through customer value on purchase intention by. It means that the better the store promotion, customer value can also increase purchase intention. This result supported the research conducted by Pai et al. (2017), emphasizing that monetary promotional activities in the form of price discounts increase customer value and encourage the consumers' purchase intention.

# **Summary of Results and Discussion**

This chapter presented the analysis, interpretation and discussion of results.

This was done in league with the research questions. Frequencies, Percentage and Mean and Cronbach Alpha were used to answer the demographic and research questions. This was followed up with the discussion of the key findings supported with relevant available literature.

#### CHAPTER FIVE

## SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### Introduction

This chapter is composed of an overview of the study, a summary of the various findings of the study. Again, the final chapter deals with the recommendations based on the key findings, as well as suggestions for further research.

### **Summary**

Perception of consumers on impact of sales promotions on firm's performance aimed at identifying the variables predicted to determine the consumers' perception on Unilever-Ghana products. Besides, the study sought to identify the most prevalent variable-sales promotion. The exploratory quantitative approach was adopted by using the descriptive survey design as the researcher wanted to present the situation as it exists. The convenience sampling technique was used to select the participants in the study. A total of 120 participants were selected. Self-administered questionnaire was the main instrument used for data collection. The questionnaire was designed in relation to the research questions. Reliability and validity of the instrument were ensured. The researcher presented the true research findings and used the results of the research study for only academic purposes.

Descriptive and inferential statistical tools were employed for the data analysis. Specifically, demographic data of participants were analyzed using

frequency counts and percentage distributions. For all the research questions, descriptive statistics were used.

#### **Main Findings**

The main findings that emerged from the research questions were;

- The study revealed that sale promotional activities such as free gift offers
  and bonus packs provided by businesses impacted their purchasing choices.

  Additionally, consumers believed that consumer content, price reductions
  at the point of sale, and free additional quantity given at the time of
  consumption impacted their patronage choices.
- 2. The results indicated that with a mean score of 4.01, participants agreed that sales promotions affect consumer goods patronage. Participants' are interested in free gifts offered by sales firm indicating a positive response which supports the fact that sales promotions have impact on consumers behaviour.
- 3. Consumers were willing to devote more resources to the purchase of goods/services from my preferred company, according to the research. Thus, the purchasing behavior of consumers toward these sales promotional activities indicates that businesses may generate larger sales volumes in the future, which will benefit their profits.
- 4. The study reported that whilst consumer agreed (M=3.88) that they will make frequent purchase products due to trust associated with the brand. Participants also agreed they are willing to commit more resource towards patronage of goods/services from my firm of choice ((M=3.55).

**5.** It was found that the consumer is a predictor of profit for firm who implement sales promotions for that matter.

#### **Conclusions**

Following the summary of significant results, the researcher reached the following conclusions, taking into account relevant literature to substantiate the research's conclusions.

The study found that consumer sales promotions such as giving free presents to consumers at the point of sale, providing discounted pricing, and supplying bonus packs impact consumer perception and ultimately result in patronage. These patronages affected by these promotions are similar with the findings of Ailawadi and Neslin (2008), who discovered that consumer promotions encourage customers to make greater purchases of goods.

The study's objective of identifying whether a customer's behavior or reaction to sales promotional activities is one that may be linked with loyalty proved difficult. However, the study showed that customers were not loyal but remained frequent buyers as a result of the organizations' ongoing sales promotional efforts. As a result, as Delgado-Ballester and Munuera-Alemán (2005) point out, brand loyalty is not only about recurring purchases but also about internal attitudes about the brand. As a result of the study's results, it was determined that businesses' sales promotional efforts boosted customer patronage, thus increasing the profit potential of organizations. As a result, it is a profitable practice. The finding was similar with Blanchard et al. (1999), who said that sales promotion increases product awareness

and may result in increased product size and quantity, which can result in increased profit for the organization.

#### Recommendations

The researcher offered the following suggestions based on the results and conclusions:

- 1. The research clearly shown that sales promotions impacted customers' favorable patronage choices, but that consumers' repeat patronage was mostly driven by businesses' existing sales promotional activities. It was thus suggested that companies focus on other factors such as product quality, customer relationship management, and research that have the potential to increase loyalty without relying on frequent promotions that are readily imitated by rivals.
- 2. There is a modification in the amount of hidden product costs to account for discounts given during special sales periods. Thus, the research suggested that businesses engage in promotional efforts on a limited basis as a method of giving back to customers and not as the primary means of influencing patronage.
- 3. Additionally, the research suggested that a case study method be utilized so that real business financial data collected during and after sales promotions may be used to determine if organizations gained profit as a result of their promotional efforts.

## **Suggestions for further Research**

The sample for this research was taken from the Matahekko community in Ghana's Ablakuma Central Constituency. As a result, the study recommended that future researchers investigating the same or comparable issues seek a bigger sample size that is not restricted to a single group. The method used in this study is critical since the greater sample size allows for more generalization of results.

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# NOBIS

#### **APPENDIX**

#### **CUSTOMER QUESTIONNAIRE**

This study seeks responses from customers by ticking the appropriate boxes on the perception of customers on the effect of promotions on firm performance. This research forms part of the requirement for the award of a Master of Business Administration. Respondents are assured that all the information provided will be kept in confidence and used only for academic purposes. The questionnaire is expected to take at least 10 minutes to complete.

Thank you.

#### **Section A: Background Information**

- 1. Gender: Male [] Female []
- 2. Highest level of education: SHS [] Diploma [] Degree [] Others []
- 2. Age group: 18-23 [ ] 24-29 [ ] 34-39 [ ] 40plus [ ]
- 3. Occupation: Employed [ ] Unemployed [ ] Student [ ]
- 4. Frequency of patronizing Consumer goods

Please state: .....

### Section B: Impact of sale promotions on consumer goods patronage

The table below is made up off a five point scales of Strongly Disagree, Disagree, Neutral, Agree and Strongly Agree. Kindly choose the appropriate column that best fits your response.

Item	Response from customers	SD	D	N	A	SA
1	My purchase decision is based on price					
	discounts offered at the point of sale.					
2	Consumer content offered by firms influences					
	my decision to buy.		8			
3	Am interested in free gifts offered by sales firm.	7	N			
4	Bonus packs offered by firms motivates my purchase decision.	-				
5	Prizes offered in addition to purchases from					
	sales firms motivate my purchase decision.					
6	I intend to make instant purchase decision when	/				
0	discount coupons are distributed at point of sale.		-	7		
7	My purchase decision is based on free extra		of)	1	>	1
	quantity offered by selling organisation.		/			

# Section C: Sales promotional effect on brand loyalty

Item	Response from customers	SD	D	N	A	SA
1	I am loyal to my brand of choice because of					
	their sale promotions					
2	I shall not switch to another brand when prices					
	are marginally increased after sales promotions.					

3	I am satisfied with the quality of purchases				
	made during sales promotions.				
4	I will frequently purchase products due to trust				
	associated with the brand.				
5	I shall recommend the brands to potential		7	7	
	consumers	-	Ţ		
6	My choice of brand still provides good value for	3			
	money.				

# Section D: Effect of consumer sales promotions on profit potential

Item	Response from customers	SD	D	N	A	SA
1	I am willing to commit more resource towards			7	(	
5	patronage of goods/services from my firm of choice					
2	I shall remain regular and loyal towards my brand of choice.				10/	
3	My continual patronage of goods/services will not be affected after sales promotional activities have ended					
4	I was influenced to buy particular products due to sales promotions.					