

**SALES PROMOTION AND ORGANIZATIONAL PERFORMANCE IN THE CARBONATED  
SOFT DRINKS INDUSTRY IN UGANDA: A CASE OF CROWN BEVERAGES LIMITED**

**BY**

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## **DEDICATION**

This piece of work is dedicated to my aunt Hassy Namukyala for your loving, believing and unreserved encouragement at all times, my parents Mr and Mrs Ssewa Ssebaduka Abdul for their continued support and patience respectively during my studies.

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## TABLE OF CONTENTS

DECLARATION.....	i
APPROVAL .....	ii
DEDICATION.....	iii
ACKNOWLEDGEMENT.....	iv
LIST OF TABLES .....	ix
LIST OF FIGURES.....	x
ABSTRACT.....	xi
<b>CHAPTER ONE .....</b>	<b>1</b>
<b>GENERAL INTRODUCTION.....</b>	<b>1</b>
1.0 Introduction .....	1
1.1 Background of the Study .....	1
1.1.1 Background to the Case Study.....	4
1.2 Statement of the Problem.....	6
1.3 Purpose of the Study .....	7
1.4 Research Objectives .....	7
1.5 Research Questions .....	7
1.6 Scope of Study .....	8
1.6.1 Content Scope.....	8
1.6.2 Geographical Scope .....	8
1.6.3 Time Scope .....	8
1.7 Significance of the Study .....	8
1.8 Justification of the Study .....	9
1.8 Conceptual Framework.....	10
1.9 Definition of Terms.....	12
<b>CHAPTER TWO.....</b>	<b>14</b>
<b>LITERATURE REVIEW .....</b>	<b>14</b>
2.0 Introduction .....	14
2.1 Theoretical Review .....	14
2.2 Conceptual Review .....	18
2.2.1 Sales Promotion.....	18
2.2.2 Organisational Performance .....	20

2.3	Empirical Literature Review .....	22
2.3.1	Consumer Promotions and Organisational Performance .....	22
2.3.2	Retailer Promotions and Organisational Performance .....	24
2.3.3	Trade Promotions and Organisational Performance .....	26
2.4	Moderating Variables.....	29
2.5	Literature Summary .....	30
<b>CHAPTER THREE.....</b>		<b>31</b>
<b>METHODOLOGY .....</b>		<b>31</b>
3.0	Introduction .....	31
3.1	Research Design.....	31
3.3	Study Population .....	31
3.4	Sample Size and Selection.....	32
3.4.1	Sample Size .....	32
3.4.2	Sampling Technique .....	32
3.5	Data Collection Methods .....	34
3.5.1	Questionnaire Survey.....	34
3.5.2	Interview Survey.....	35
3.5.3	Documentary Analysis.....	35
3.6	Data Collection Instruments .....	36
3.6.1	Self-Administered Questionnaire.....	36
3.6.2	Interview Guide.....	36
3.6.3	Document Review Checklist.....	37
3.7	Quality Control Methods .....	37
3.7.1	Validity Test .....	37
3.7.2	Reliability Test.....	38
3.8	Data Analysis .....	40
3.8.1	Quantitative Data.....	40
3.8.2	Qualitative Data.....	40
3.9	Ethical Considerations .....	40
3.10	Limitations of the Study .....	42
3.11	Conclusion.....	43

<b>CHAPTER FOUR</b> .....	<b>44</b>
<b>DATA PRESENTATION, ANALYSIS, INTERPRETATION AND DISCUSSION OF FINDINGS</b> ...	<b>44</b>
4.0 Introduction .....	44
4.1 Response Rate.....	44
4.2 Bio Data of Respondents .....	45
4.2.1 Respondent Category by Gender .....	45
4.2.2 Respondent Category by Age Group .....	46
4.2.3 Respondent Category by Level of Education.....	48
4.2.4 Tenure of Employment .....	49
4.3 Empirical Findings .....	50
4.3.1 Descriptive Statistics on Organisational Performance .....	51
4.3.2 Descriptive Statistics on Consumer Promotions .....	54
4.3.2.1 Consumer Promotions and Organisational Performance .....	58
4.3.3 Descriptive Statistics on Retailer Promotions .....	59
4.3.3.1 Retailer Promotions and Organisational Performance.....	62
4.3.4 Descriptive Statistics on Trade Promotions .....	63
4.3.4.1 Trade Promotions and Organisational Performance .....	67
4.4 Regression Model.....	69
4.5 Conclusion.....	70
<b>CHAPTER FIVE</b> .....	<b>71</b>
<b>SUMMARY, CONCLUSIONS AND RECOMMENDATIONS</b> .....	<b>71</b>
5.0 Introduction .....	71
5.1 Summary of the Findings .....	71
5.1.1 Sample Characteristics.....	71
5.1.2 Consumer Promotions and Organisational Performance.....	71
5.1.3 Retailer Promotions and Organisational Performance .....	72
5.1.4 Trade Promotions and Organisational Performance.....	72
5.2 Conclusions .....	72
5.3 Recommendations .....	74
5.3.1 Consumer Promotions and Organisational Performance .....	74
5.3.2 Retailer Promotions and Organisational Performance .....	74
5.3.3 Trade Promotions and Organisational Performance .....	75
5.4 Areas for Further Study .....	76

REFERENCES .....	78
APPENDIX I.....	82
APPENDIX II.....	85
APPENDIX III.....	86
APPENDIX IV .....	87
APPENDIX V.....	88

## LIST OF TABLES

Table 3.1: Sample Size .....	32
Table 3.2: Validity Test .....	38
Table 3.3: Reliability .....	39
Table 4.1: Gender Distribution .....	45
Table 4.2: Age Group Distribution .....	47
Table 4.3: Level of Education .....	48
Table 4.4: Tenure of Employment Distribution .....	49
Table 4.5: Organisational Performance .....	51
Table 4.6: Consumer Promotions .....	55
Table 4.7: Consumer Promotions and Organisational Performance .....	58
Table 4.8: Retail Promotions .....	60
Table 4.9: Retail Promotions and Organisational Performance .....	62
Table 4.10: Trade Promotions .....	64
Table 4.11: Trade Promotions and Organisational Performance .....	67
Table 4.12: Prediction Model .....	69



## LIST OF FIGURES

Figure 1.1: Conceptual Framework .....	11
Figure 4.1: Gender Distribution .....	46
Figure 4.2: Age Distribution .....	48
Figure 4.3: Level of Education Distribution .....	49
Figure 4.4: Tenure of Employment Distribution .....	50

## **ABSTRACT**

The purpose of the study was to investigate the effect that sales promotion has on organizational performance at Crown Beverages Limited. The study was guided by the following specific objectives; to assess the effect of consumer promotion on organisational performance; to determine the effect of retailer promotion on organisational performance; and to establish the effect of trade promotion on organisational performance at Crown Beverages Limited. Using a cross sectional survey design, responses were collected from 104 respondents and the data was analyzed using the Statistical Package for Social Scientists (SPSS). Frequency tabulations were used to present the results of the sample characteristics, correlation analysis was used to present the results of the study objectives and regression analysis was used to examine the predictive power of sales promotions on organizational performance. The study showed distinctive results for the effect of sales promotions dimensions; consumer promotions, retail promotions and trade promotions on organizational performance.

From the findings, consumer promotions, retail promotions and trade promotions had positive significant relationships with organizational performance. The results from regression analysis showed that sales promotions in regard to consumer promotions, retail promotions and trade promotions were strong predictors of organizational performance (Adjusted  $R^2 = 0.414$ ). In conclusion, the findings established that sales promotions were a major determinant of organizational performance at the company. The study recommended that; the management of CBL should develop strategies which support consumer promotions, retail promotions and trade promotions so as to enhance their organisational performance. The strategies will help promote the development and implementation of sales promotions which promote profitability, liquidity, sales growth, sales turnover and operational cost reduction.

# **CHAPTER ONE**

## **GENERAL INTRODUCTION**

### **1.0 Introduction**

Much as organisational performance is a vital aspect for organizations, not all carbonated soft drinks organizations consider making it a top priority. This is in line with the assertions of the Uganda Manufacturers Association (2014) which revealed that manufacturing organisations needed become more efficient in their work processes if they were to remain sustainable. Although there have been efforts made by organisations to enhance organisational performance through sales promotion, the performance of carbonated soft drink companies remains inadequate. The study was an examination of sales promotion and its effect on the performance of the carbonated soft drink industry using at Crown Beverages Limited as a case study. According to the study, sales promotion was the independent variable and organisational performance the dependent variable. This chapter looked at the background to the study, statement of the problem, purpose of the study, objectives of the study, research questions, scope of the study, significance, justification and operational definition of terms and concepts.

### **1.1 Background of the Study**

Creating a high performance organization requires understanding factors that affect sales promotion. Sales promotion has a very rich history. The oldest most widely used sales promotion tool is the cent-off coupon which has been around since 1895 when C.W. Post began using penny-off coupon to sell Grape Nuts. Proctor and Gamble began using coupons in 1920 that were goods for discounts or buyone-get-one free deals. Another classic promotional tool is the premium offer, which dates back to 1912 when Cracker Jack began offering “a prize in every box.” Over the years marketers have found creative ways to provide consumers with an extra incentive to purchase their

brands. The success of these promotions has had a major impact on consumers throughout the years and also has resulted in similar programs being developed by competitors (History of Sales Promotion, English Articles, 2011). Consumer promotions are now more pervasive than ever.

Sales promotion is defined as a key ingredient in marketing campaigns, consist of a collection of incentives tools mostly short term, designed to stimulate quicker or greater purchase of particular products or service by consumers or the trade, (Kotler and Keller 2011). The ultimate objective of every business is to increase the sale of goods that it deals in. Sales promotion is an initiative undertaken by organizations to promote increase in sales, usage or trial of a product or services. Merceler (1992) observed that sales promotions have become so popular that they now account for more than 65% of typical marketing budgets. Sales promotion encourages the purchase of a large quantity of a product or encourages consumers to consume more of a service offered by the service provider. Sales promotion consists of diverse collection of incentive tools, mostly short term designed to stimulate quicker or greater purchase of products or service by consumer (Alvarez and Casielles, 2005).

Sale promotion acts as a competitive weapon by providing an extra incentive for the target audience to purchase or support one brand over another. It is particularly effective in spurring product trial and unplanned purchases (Aderemi, 2003). Sales promotion has been said to be effective in organizational performance. Managements of organizations strive to improve their organisational performances through marketing actions or activities such as promotional incentives (Pauwels, 2004). According to Loudon and Bitta (2002) , effective sales promotion increases the basic value of a product for a limited time and directly stimulates consumers purchasing, selling effectiveness in time with the efforts of sales team. Therefore, contributes to the sales revenue generated by the organisation due to increased demand of the firm's product by customers. Sales

promotion can promote organization effectiveness through increase in profitability from higher sales (Nijs, et al., 2001). Okoli (2011) explains that the essence of setting up a business organization is to make profit. Without profit, a business is bound to fail.

Throughout history, performance measures have been used to assess the success of organizations. The modern accounting framework dates back to the middle ages and since that time assessment of performance has predominantly been based on financial criteria (Bruns, 1998). By the start of the twentieth century the nature of organizations had evolved causing ownership and management to be separated. As a result, measures of return on investment were applied so that owners could monitor the performance that managers were achieving (Johnson and Johnson, 1983). By the 1980s there was a growing realization that the traditional performance measures were no longer sufficient to manage organizations competing in modern markets (Johnson and Kaplan, 1987). With more demanding customers and more competitive markets came the need for greater responsiveness and external focus for activities. The message from the history of performance measurement suggests, therefore, that measurement systems must reflect the context and objectives of the organization in question.

Ray, Muhanna, and Barney (2005) view organisational performance as an important factor for organisational success aimed at achieving effective use of organisational financial resources. Nwokah (2008) agrees that organisational performance is a product of the process of formulating a strategy through which the organization seeks to achieve its mission and objectives in the long term. According to Armstrong (2009), performance is a continuous and flexible process that involves managers and those whom they manage acting as partners within a framework that sets out how they can best work together to achieve the required results. Nwokah (2008) asserts that when managed well, organisational performance ensures that adequate funding is available when

needed to meet the needs of the business. He further posits that it also ensures that organisational operational costs are kept in agreeable levels in regard to set budgets.

Organizational performance comprises the actual output or results of an organization as measured against its intended outputs (or goal and objectives). According to Richardson and Thompson (1999) organizational performance encompasses three specific areas of firm outcomes, financial performance, product market performance and shareholder return. Most organizations view their performance in terms of effectiveness in achieving their mission, purpose or goals (Armstrong, 2009). At the same time, a majority of organizations also see their performance in terms of their efficiency in deploying resources. This relates to the optimal use of resources to obtain the results desired. Finally, in order for an organization to remain viable over time, it must be both financially viable and relevant to its stakeholders and their changing needs. However, successful performance also depends on the existence of the skills and capabilities of each individual organization (Ray, Muhanna, and Barney, 2005).

### **1.1.1 Background to the Case Study**

Crown Beverages Limited (CBL) was founded and incorporated as Lake Victoria Bottling Company on 29th March 1950. Then, the Uganda government owned the majority shares while a few elite indigenous Ugandans owned the minority shares. In 1965, Lake Victoria Bottling Company became the Pepsi Cola franchise in Uganda and started bottling global soft drinks including Pepsi, Mirinda, Gingerly among others (Crown Beverages Limited Report, 2013). Under the privatization arrangement with government, the company was sold to three indigenous Ugandans. In December 1997, CBL went into joint ownership with International Pepsi Cola Bottling Investments, (IPCBI) of South Africa, who bought 51% shares in the CBL and injected in more capital and also had a controlling team(Crown Beverages Limited Annual Report, 2015).

With the new shareholders, the company took on Crown Beverages Limited as its new name. To run the company more efficiently, the IPCBI shareholding was bought back by indigenous Ugandans in March 2002.

However, delivering products and services that meet the changing needs of the customers remains a challenge to Crown Beverages Limited (CBL). A baseline research conducted by the carbonated soft-drinks companies' market survey indicated that the companies were still facing challenges in relation to product differentiation. Uganda's soft drinks market has never been as open and as competitive as it is now. It is a complex market with an array of mixes of carbonated (sparkling) drinks which keenly compete for the consumers' stomachs and purses (Crown Beverages Limited Annual Report, 2014). For a long time the Uganda's carbonated soft-drinks industry has recorded staggering growth in the sale of its products. Much as Century Bottling Company commands a 60% market share compared to Crown Beverages Limited's 40%, the customer units per annum still remains low (CBL Sales Performance Report, 2015). For the years 2012, 2013 and 2014 and 2015 carbonated soft-drinks case sales volumes were 31.4 million, 27.5 million, 28.9 million and 27.4 million cases respectively (Crown Beverages Limited Strategic Plan Report, 2015).

The per capita soft drinks consumption in Uganda has remained less than a crate and estimated to be 18 units per annum. This is low compared to other markets such as Mexico's 360 units (where a unit represents a bottle/can of the drink of any capacity) and Nigeria where it is estimated at 110 units per annum. Currently, Americans consume more than 53 gallons of carbonated soft drinks per person per year; the amount surpassed all other beverages, including milk, beer, coffee and water. The U.S. market includes nearly 450 different soft drinks, with the total retail sale over \$60 billion annually. Additionally, the Crown Beverages Limited Sales Performance Report (2015) reported showed sharp increases in operational costs for Crow Beverages Limited continued rising

to 24 percent and 35 percent between 2012 and 2013. The director Crown Beverages Ltd revealed that government's increase of the rate from 10 per cent to 13 per cent would force the companies to cut jobs due to limited sales volumes.

According to the CBL's 5 year strategic plan (2011-2016), the company projected a steady rise in sales annually but did not realize the projections due to stiff competition from other beverage manufacturers such as Riham, Century Bottling Company, Fitz among others. This is evidence that there is revenue decline which is explained by the fluctuations in sales of CBL. From the above background, the poor performance of CBL may explain the relevance of sales promotion as a vital part of organisational performance. Therefore this study examined the effect of sales promotion on organisational performance at CBL.

## **1.2 Statement of the Problem**

Globally, logistical costs have had a major effect on the performance of soft drinks organisations. According to Uganda Manufacturers Association (2012), the rising operational costs have had a negative influence on the performance of soft drinks manufacturing companies. According to the Crown Beverages Sales Report (2015), CBL's profits, liquidity, sales growth and return on investment have been fluctuating amidst rising operational costs which have affected the performance of the company. CBL conducts different promotions with the aim of promoting organisational performance (Crown Beverages Limited Sales Report, 2014). It is company policy that promotions are carried out for both already existing and new products as a way to encourage the purchase of a large quantity of the products or encourage consumers to consume more of particular products offered by the company. Although sales promotions continue to be conducted by CBL, the company still faces challenges of organisational performance. The Crown Beverages Limited Sales and Marketing Report (2014) showed that the company continued to record declines



in profitability, market share and sales volumes against dissatisfied customers which have contributed to the poor performance. For the period 2011 to 2015, the per unit consumption of the company's products other companies in the industry declined from 42% to 36% contributing to the reductions in the company's profits, liquidity and sales volumes. The Crown Beverages Limited Performance Evaluation report (2014) revealed that the sales promotions of carbonated beverage companies including CBL were insufficient probably due to discrepancies in consumer, retailer and trade promotions. This could explain why the company is experiencing declining return on investment, market share and customer satisfaction. The current situation at the company may undermine the company's sustainability therefore necessitates a study to be carried out to examine the effect of sales promotion on organisational performance.

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

The purpose of this study was to examine the effect of sales promotion on organisational performance in Crown Beverages Limited (CBL).

### **1.4 Research Objectives**

- i) To assess the effect of consumer promotion on organisational performance in CBL.
- ii) To determine the effect of retailer promotion on organisational performance in CBL.
- iii) To establish the effect of trade promotion on organisational performance in CBL.

### **1.5 Research Questions**

- i) What is the effect of consumer promotion on organisational performance in CBL?
- ii) What is the effect of retailer promotion on organisational performance in CBL?
- iii) What is the effect of trade promotion on organisational performance in CBL?

## **1.6 Scope of Study**

The scope of this study was structured around three key areas: content scope, geographical scope and time scope.

### **1.6.1 Content Scope**

The study focused on establishing the effect of sales promotion on organisational performance. Sales promotion was the independent variable in this study whereas, organisational performance was the dependent variable. Sales promotion was examined in terms of consumer promotions, retailer promotions and trade promotions. On the other hand, organisational performance was conceptualized as sales growth, market share, customer base, liquidity and profitability.

### **1.6.2 Geographical Scope**

The study was conducted at Crown Beverages Limited in Kampala district. Kampala district was chosen for the study because the headquarters of the company are located there and it is the commercial district where most of the company products are developed and distributed to other parts of the country.

### **1.6.3 Time Scope**

The study covered the period from 2014 to 2017 during which the company had continued to experience a decline in sales, revenues, liquidity, profitability and market share among others (CBL Sales Performance Report, 2016) despite the company's efforts to devise better strategies to improve performance in the company.

## **1.7 Significance of the Study**

Management of CBL: The study may inform the company the related purpose, such as benefiting practitioners in their respective roles in engaging the world. Scientific-based evidence,

information, research and technical support to build knowledge and capacity are needed to help the company support its performance, both in terms of efficiency and the services they provide.

Academicians: It may be used for other research references; as it is with all research work, there are always gaps. So to academicians and researchers, the study should help to generate more intensive knowledge for further research on the response of carbonated soft drink companies to other operational areas of service provision.

Policy makers: The findings of the study may also be vital to policy makers as it clearly points out the effect of sales promotion on organizational performance in carbonated soft drink companies as well as other factors which affect performance. The possible solutions to these causes may be used by policy makers since they are a point of reference while writing company and government policies.

To the policy formulation and review, this study's findings on the effect of sales promotion and organizational performance are expected to provide guidelines. Within the different departments, the recommendations of this study can be translated to the rest of the organisations for implementation to continuously improve on organisational performance.

## **1.8 Justification of the Study**

In the case of Uganda, the beverage sector has undergone several reforms geared among other things toward improvement of the performance of carbonated soft drinks companies. The reforms in the sector have forced the companies to rethink their sale promotion strategies so as to remain competitive. However, the reformation of the sector has not helped improve the performance of carbonated soft drinks companies. This notion was supported by the UMA report of 2014 which revealed that beverage manufacturing companies were faced with performance challenges that undermined their sustainability. The Beverage Sector Report (2012) revealed that the companies

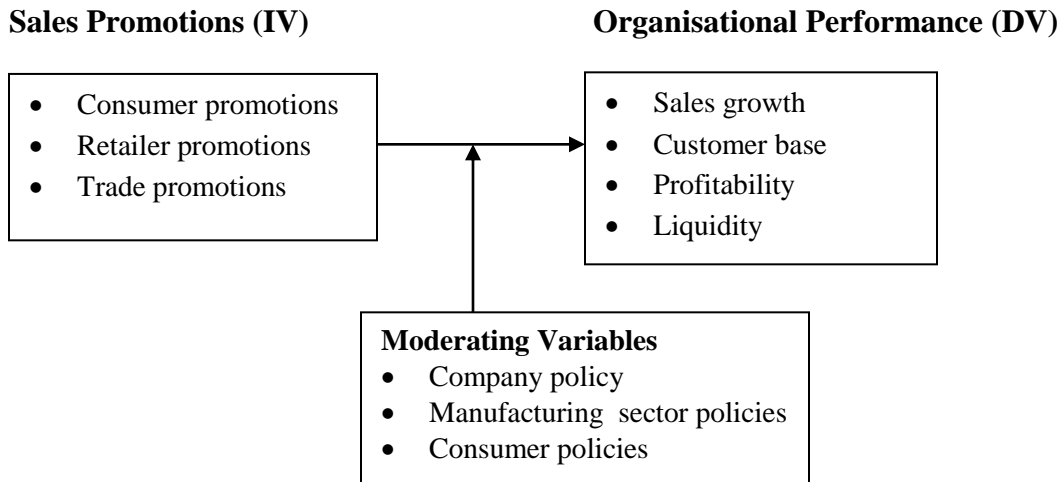
still struggled to ensure effective consumer, retailer and trade promotions which was affecting the performance of the companies. The reports further showed that the increasing customer defections and declining customer retention in the industry was having a negative influence on performance of the companies. For example, the Beverage Sector Report (2016) showed that annual units consumption was reducing against increasing operational costs and health awareness necessitating the company to do more to meet customer expectations. The study may provide an understanding of why the companies should put a lot of emphasis on enhancing sales promotion so as to cause the required effect to organisational performance. Similarly, it is hoped that the study may identify the factors undermining organisational performance resulting from the industry's failure to promote sales promotion and how they can be overcome. This provided a research gap which was filled by undertaking a study on the effect of sales promotion on organisational performance on CBL.

## **1.8 Conceptual Framework**

According to Sekaran (2003), a conceptual framework is either a graphical or narrative form of the main dimensions to be studied or the presumed relationship among them. Sekaran (2003) states that a conceptual framework helps postulate or hypothesize and test certain relationships which improve the understanding of the situation. The effect of sales promotion on organizational performance can be affected by the moderating variables like company policy, manufacturing sector policies and consumer policies as reported by Alvarez and Casielles (2005). Company policies and procedures establish the rules of conduct within an organization, outlining the responsibilities of both employees and employers. Company policies and procedures are in place to protect the rights of staff and customers as well as the business interests of employers. By tackling challenges and development issues of great importance for specific sectors, governments develop policies and programmes aimed at enhancing economic opportunities and improving

working conditions in each sector. Consumer policies are aimed at protecting the basic consumer rights such as right to safety, right to be informed, right to choose, right to be heard and simple and expeditious administrative procedures. The figure below examines the relationship between sales promotion programmes and organisational performance.

**Figure 1.1: Conceptual Framework**



**Source:** Developed from Kessler, 1986; Kotler and Keller, 2011; Merceler, 1992; Alvarez and Casielles, 2005

Sales promotion plays a vital role in the enhancement of organisational performance. Therefore, the study attempted to establish the effect of sales promotion on organisational performance on carbonated soft drink companies. The key factors related to organisational performance are synthesized to form this presented conceptual framework. The dependent variable was organisational performance whereas, the independent variables were sales promotions and the dimensions comprised of consumer promotions, retailer promotions and trade promotions. Organisational performance was the variable of interest in which the variance was attempted to be explained by dimensions of consumer promotions, retailer promotions and trade promotions. According to Alvarez and Casielles (2005), sales promotion contributes a vital role in the enhancement of effective and efficient organisational performance. In regard to consumer

promotions, Kotler and Keller (2011) observe that the effectiveness of organisational performance of an organisation rests on having or ensuring consumer promotions. For some organizations, retailer promotion is paramount in determining the performance of organisations (Alvarez and Casielles, 2005). Therefore, higher levels of retailer promotion tend to result in an increase in organisational performance (Kotler and Keller, 2011). On the other hand, an organization's performance can be improved through trade promotions since company values and culture help a firm to focus on responding and adapting to its customer needs effectively (Mercceler, 1992). Therefore, the study attempted to establish how the identified sales promotion dimensions affect organisational performance with company policy, manufacturing sector policies and consumer policies moderating the relationships.

## **1.9 Definition of Terms**

- Consumer sales promotion is a marketing technique that is used to entice customers to purchase a product.
- Customer base is the group of customers who repeatedly purchase the goods or services of a business.
- Liquidity is the amount of money that is readily available for investment and spending.
- Organisational performance is a totality of organization goodness, a sum of such elements as production, cost performance, turnover, quality of output, profitability, efficiency and the like.
- Performance is defined as the achievement of specific tasks measured against predetermined or identified standards of accuracy, completeness, cost and speed.
- Profitability is ability of a company to use its resources to generate revenues in excess of its expenses.

- Retail promotion refers to any communication by a retailer that informs, persuades, and/or reminds the target market about any aspect of that firm.
- Sales growth refers to the amount by which the average sales volume of a company's products or services has grown typically from year to year.
- Sales promotion is defined as a key ingredient in marketing campaigns, consist of a collection of incentives tools mostly short term, designed to stimulate quicker or greater purchase of particular products or service by consumers or the trade.
- Trade Promotion is a marketing technique aimed at increasing demand for products in retail stores based on special pricing, display fixtures, demonstrations, value-added bonuses, no-obligation gifts, and more.

### **1.10 Conclusion**

This chapter presented the introduction of the study, which includes the problems statement, objectives which led to the next chapter of the study literature review on sales promotion and organisational performance.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This chapter presents the literature on the dimension of sales promotion and how it relates to organisational performance. The purpose of reviewing the literature was to bring out a relationship amongst the variables in this study, present what other researchers have written in connection to this dimension and to identify the gaps in their reviewed studies but was then closed by this study. The literature reviewed was from journal articles, research dissertations, books from the libraries and CBL reports. The chapter was structured in four sections; the first is an introduction that gives general views of previous researchers, followed by the theoretical review; the third is an overview of literature of sales promotion, followed by literature on organisational performance and lastly the summary and conclusions.

#### **2.1 Theoretical Review**

Mugenda and Mugenda (2003) define a theory as a system of explaining phenomena by stating constructs and the laws that inter-relate these constructs to each other. Theories have been reviewed to explain the effect of sales promotion on organisational performance. Sales promotion in companies including beverage companies cannot be overemphasized as they all have bearings in theoretical foundations. The theories that will be used as theoretical guide for this study included the Theory of Planned Reasoned Action and Social Judgment Theory.

##### **The Theory of Reasoned Action**

The Theory of Reasoned Action (TRA) was formulated by Martin Fishbein and Icek Ajzen (1975 and 1980). The theory explains behavioral intentions, spanning prediction of attitude and



prediction of behavior. TRA was developed to evaluate individual behavior by examining their attitudes, beliefs and behavioral intentions coupled with observed/expressed acts. Also, the theory suggest that most determinant of person's behavior is his/her behavioral intentions, which involves the negative or positive feeling leading to 'perform or not to perform' that particular action. Fishbein and Ajzen (1980) noted that, the component of TRA is generally anchored on three constructs which include behavioral intentions, attitudes and subject norms. TRA suggests that a person's behavioral intentions depend on person's attitude about the behavior and subjective norms. This implies that if a person intends to do behavior then it is likely that the person's readiness to perform a given behavior, their subjective norms and their perceived behavioral control was influenced.

Theory of reasoned action holds that only specific attitudes towards the behavior in question can be expected to predict that behavior. Similarly, in measuring attitudes towards behavior, there is need to measure people's subjective norms and their belief about how people they care about view the behavior in question. Knowledge of these beliefs can determine the person's attitudes. However, the theory suggests that attitudes and norms are not weighted equally in predicting behavior. Though, a weight is associated with each of this factor in predictive formula of the theory. In other word, if someone cares little for what others thinks, then the subjective norms in this case would carry little weight in predicting behavior. Furthermore, TRA entails a person's voluntary behavior which is predicted by his/her attitudes toward that behavior and how he/she thinks other people view them, if they perform the behavior.

Therefore, a person's attitude combined with subjective norms forms his/her behavioral intention. However, the theory states that attitudes and norms are not weighted equally in predicting behavior. Indeed, depending on the individual and situation, these factors might have very

different effects on behavioral intentions. Therefore, a weight (consequences) is associated with each of the factors on predicting individual behaviors. Relating this theory to the work under study is in the prediction of individuals' intention to engage in a certain behavior at a specific time and place. This is the ability of CBL to know that using the various tools in sales promotion, adding incentives in cash or kind to their products they are certain to change the attitude and behavior of consumers to purchase their product at that particular time and place of promotions and makes sales because sale promotion deals with sales at a particular time and place.

### **Social Judgment Theory**

This is a self persuasion theory proposed by Sherif, Sherif and Hovland 1965. It's seen as the perception and evaluation of an idea by comparing it with current attitudes. The central tenet of social judgment theory is that attitude change is mediated by judgmental processes and effects; that is, messages produce attitude change through judgmental processes and effects. More specifically, the claim is that the effect of a persuasive communication depends upon the way in which the receiver evaluates the position it advocates. Therefore attitude change is seen as a two-step process. First, the receiver makes an assessment of what position is being advocated by the message. Then attitude change occurs after this judgment with the amount and direction of change dependent on that judgment. The plausibility of this general approach should be apparent. Our reaction to a particular persuasive communication will depend on what we think of, how favorable we are toward and the point of view that it advocates.

But this suggests that, in order to understand a message recipient's reaction to a given message, it is important to understand how the receiver assesses the various positions on that issue. The implication of this theory to the work is that consumers always judge any message they come across and decide whether to accept or reject which determines their choice of purchase. The

implication on the company is on their campaign messages which must be seen as positive and credible. Relating this theory to the work under study, we see that the persuasive communication used by carbonated soft drink companies to promote products and services which must be positive and credible decides the attitudes of network consumers thereby persuading them into purchasing the product. The information from the incentives of product helps judge the decision of purchase and use.

This theory has several strengths compared with other consistency theories. First it explains how the perception of messages influences persuasion. It helps predict attitude change based on where a person holds a position, e.g. if it is within their latitude of acceptance or not. It is an effective tool for advertisers and campaign managers when trying to invoke attitude change. On the other hand, it makes use of the concept that involvement in a topic has a great impact on persuadability. There are also some questions that can be raised about the theory itself. The concept of ego-involvement is not well-defined. Critics have raised the possibility that the latitudes aren't really specific to particular topics, but reflect a person's general persuadability. In other words, a person easy to persuade will have wider latitudes of acceptance than a person difficult to persuade. The theory ignores message content and message variables such as evidence or argument quality. People may be more open to persuasion on issues about which they do not know much, whereas, the theory not deal much with people who have low involvement other than to say they have high latitude of non-commitment.

Sales promotion theories provided some key principles of learning so that application of these principles in sales promotion may provide opportunities to the companies to be able to perform better. The theoretical review provided a solid body of knowledge about how organisations and employees learn the different methods of sales promotion involved and the significant factors that

affect organisational performance. This can significantly contribute to the sales promotion plans and programs alike. Regarding the above, the Social Judgment Theory underpinned the study and enabled the researcher to know whether sales promotion was effectively promoted by carbonated soft-drink companies and whether it affected their performance as postulated by other researchers. This is because the theory showed that when CBL adopts consumer, retailer and trade promotions, this enhanced the company's performance in regard to market share, profitability, revenues and growth.

## **2.2 Conceptual Review**

### **2.2.1 Sales Promotion**

Promotion refers to the mix of promotional elements a firm uses to communicate with its current or potential customers about its product or services. Sales promotion is defined as a key ingredient in marketing campaigns, consist of a collection of incentives tools mostly short term, designed to stimulate quicker or greater purchase of particular products or service by consumers or the trade, (Kotler and Keller, 2011). It is defined as a direct inducement that offers extra value or incentive for the product to the sales force, distributors, or the ultimate consumer with the primary objective of creating immediate sales. The definition dwells much on extra inducement beyond basic offer, acceleration tool and target different parties. The American Marketing Association (A.M.A 2010) defines sales promotions as media and non media marketing pressures applied for a predetermined time frame to different target audience, thus consumers ,retailers and wholesalers in order to stimulate trial, increase consumer demand and improve product viability, (American Marketing Association, 2010).

According to Kotler (1994), a good promotional strategy should encompass sales promotion, public relations, advertising and personal selling in order to communicate with their present and

potential consumers. Promotion is responsible for moving demand curve upward and to the right by utilizing some or all of the elements of the promotional mix. Marketers use both price and non-price promotions either independently or in association with each other. Price promotions allow buyers to make some savings of money where as non-price promotions like premium add value to the offer. Point-of-Purchase promotions like feature advertisements and displays lead to impulse buying. According to Okoro (2013), sales promotion is conceptualized as sampling, couponing, packaging, contests, price discount, bonus packs, jingles and low price. Trellis (1998) identified are two main types that anchor sales promotion which are consumer oriented promotion also known as pull strategy and business oriented promotion also known as push strategy. Pride and Ferrel (1989) grouped sales promotion methods to include consumer sales promotion, retail sales promotion and trade sales promotion. In this study, Trellis' (1998) and Pride and Ferrel's (1989) measurements of sales promotions were adopted to measure sales promotion because these apply to the organisations being studied due to the fact that they depend on the push and pull strategies. Consumer sales promotional methods are directed towards consumers and they include coupons, contents, bonuses, vacations, shopping, gifts, free products and services and free samples. The promotion is targeted on to the final user of the product or the consumer of a service. Due to the nature of services, inseparability, the end user has to be in direct contact with the service provider to benefit from the sales promotion. According to Pickton and Broderick (2005) consumer sales promotion are pull promotional activities designed to encourage demand by end users or customers that will pull products through the distribution chain. The scholar agree on the view that customer focused sales promotion activities are directed targeted at the end users, in a bid to induce demand for the product or service. Trade sales promotion methods focus on wholesalers, retailers and sales person. This includes free merchandise, demonstrations, point of purchase and displays (Pride and Ferrel 1989). Several authors have identified different categories of consumer oriented sales

promotion. The promotion is targeted to channel distributor's members. The main objectives being to maintain trade support for established or new brands encourage retailers or wholesalers display and promote brand, brand retailers or wholesaler inventories. Trade promotions are promotions presented by manufacturers to sellers or other trade bodies (Blattberg and Neslin, 1990). Pickton and Broderick (2005) states that when using intermediaries , trade sales promotion aid in "pushing" products through the distribution chain by encouraging channel members to stock and sell to end users. The manufacturers in most instances direct trade its promotion to the retailers.

### **2.2.2 Organisational Performance**

Organizational performance can be seen as an analysis of a company's performance as compared to goals and objective. Organizational performance is seen as the extent to which organizations viewed as a social system fulfilled their objectives (Joseph and Dai, 2009). Performance evaluation is focused on work, people and organizational structure. Lebars and Euske (2006) provide a set of definitions to illustrate the concept of organizational performance. Performance is a set of financial and non financial indicators which offer information on the degree of achievements of objectives and results. Performance is dynamic, requiring judgment and interpretation. Performance may be illustrated by using a casual model that describes how current actions may affect future results. Performance may be understood differently depending on the person involved in the assessment of the organizational performance. To define the concept of performance is necessary to know its elements characteristics to each area of responsibility. To report an organization's performance level, it is necessary to be able to quantify the results.

Conceptualization of firm performance, based on satisfying stakeholders as identified by Mitchell, Agle and Wood (1997), can be thought as having seven domains which include growth, profitability, market value, customer satisfaction, employee satisfaction, social performance and

environmental performance. Organisational performance relates to the actual output or results of an organisation as measured against its intended objectives. It embraces three specific dimensions, namely, financial performance, product market performance and shareholders' return (Richard, et. al., 2009). The financial dimension concerns issues in respect of profit margins, return on asset and on investment. In contrast, the product market performance also addresses issues with regards to sales and market shares. The third dimension basically deals with issues such as total shareholder return, and economic value added. More importantly, many organisations have attempted to manage organisational performance using the balanced scorecard methodology where performance is tracked and measured in multiple dimensions such as financial performance, customer service, social responsibility, and employee stewardship (Joseph and Dai, 2009). It can be discerned that organisational performance entails three specific dimensions including financial, product market performance and shareholder return (Richard, et. al., 2009). These are very useful aspects of any organisation.

In the case of the beverage sector, which is comprises manufacturers of carbonated soft drinks, some level of organisational performance has been realized regarding profitability, revenues, growth, customer satisfaction and cost reduction however, there have also been major deterrents to the performance of carbonated soft drink companies in Uganda. These include declining profitability, revenues, sales, return on investment against rising operational costs which have manifested over the years and have undermined the performance of the companies. Given the current situation at in beverage sector, it is hoped that the situation will change once a study is conducted to provide information on how the companies' performance can be improved through profitability, revenues, growth, customer satisfaction and cost reduction.

In the beverage sector, some level of organizational performance has been realized regarding profitability, sales growth, revenue growth and return on investment however, there have also been major deterrents to the performance of beverage manufacturing companies in Uganda. These include unavailability of products in some parts of the market, increasing operational costs, competition, declining sales due to health awareness and declining liquidity and profitability which have manifested over the years and have undermined the performance of the companies. Given the current situation at in beverage sector, it is hoped that the situation will change once a study is conducted to provide information on how the organisations' performance can be improved through better sales promotion strategies.

## **2.3 Empirical Literature Review**

### **2.3.1 Consumer Promotions and Organisational Performance**

Consumer promotion is a category of sales promotion including free samples, winning contests, different price packs, and sweep stakes. Sales promotion is projected to increase the sales of final ultimate consumers of the product (Kotler and Armstrong, 2002). Majority of the studies on sales promotion encompass consumer sales promotion strategies of marketers. Consumer sales promotion techniques are also called pull strategies as they attract or pull customers towards the promoted brand or promoted store as the case may be and in the process enhance organisational performance. Kotler and Keller (2006) revealed that consumer sales promotion influence consumer behaviour, sales, profit, market share among others. Kotler (2006) revealed that consumer sales promotion depending upon characteristics and the promoted product, promotion can either increase or decrease preference for a brand.

Shira (2003) evaluated the impact of consumer sales promotion, namely coupon, price discount, free sample, bonus pack, and in-store display, on product trial and repurchase behaviour of



consumers. The results showed that price discounts, free samples, bonus packs, and in-store display are associated with product trial which resulted into improved sales, revenues and profits of the organisation. Trial determines repurchase behaviour and also mediates in the relationship between sales promotions and repurchase which in turn enhanced the performance of the organisation. Shira (2003) studied the impact of coupons on brand sale and how they impacted sales performance and revealed that the effect of doubling the face value of coupon result in more than a proportionate increase in organisational performance. Moore et al (2003) has explained that negative perceptions and positive perceptions have an important impact on the decisions about the performance of the organisation. Different other studies have explained the perception of price as an element which can play an important role in the performance of a firm (Jiang, 2004). Moore et al. (2003) has described that positive perception of consumers about a particular brand is an indicator of status, quality and prestige which promote an organization's performance.

Schiffman and Kanuk (2004) have stated brand loyalty as one of the desired outputs of learning of the consumers. It is the probability of positive behaviours and attitude towards a brand, thus it could result in positive word of mouth and repeat purchase which positively affect the performance of an organisation. Shira (2003) identified five effects that sales promotions have on organisational performance pointing out that sales promotion consists of diverse collection of incentive tools, mostly short term designed to stimulate quicker or greater purchase of products or service by consumer e.g. the use of premiums, product warranties etc. stimulate consumer purchase in larger quantities (Rotimosho, 2003). Trials among non-users of a product are generated through invitation of prospective purchasers to try the product without cost or little cost with the hope that they will buy the product. Sales promotion encourages retailers to give shelf space to new products.

Manufacturers provide retailers with financial incentives to stock new products. Sales promotion also encourage off season buying especially during the festive periods, people tend to buy more of a particular product because of the added value, compared to normal season (Kotler and Keller, 2006). Sales promotion helps to build brand loyalty by giving the seller the opportunity to attract a loyal and profitable set of customers which provides sellers some protections from competition and greater control in planning their marketing mix (Kotler and Keller, 2006). Shira (2003) further stated that sales promotion has been seen to focus on customer relationship management, free gifts, free sample, price discount, etc. If an organisation effectively implements sales promotion techniques, it will not only encourage large purchase but it will also increase the performance of an organisation, invariably leading to the achievement of the stated objectives.

In the case of Uganda and more especially CBL, the idea of consumer promotions is practiced as a way of sales promotion in relation to set systems. However, it should also be noted that the reviewed literature draws a lot of attention on consumer promotions and organisational effectiveness leaving scanty literature on the effect of consumer promotions on organisational performance in the beverage sector and more especially carbonated soft drinks manufactures. This provides a gap in literature which this study intends to bridge to provide information on the effect of consumer promotions on organisational performance in carbonated soft drinks manufactures.

### **2.3.2 Retailer Promotions and Organisational Performance**

Retailer promotions are promotions offered by retailers to consumers. These include allowances and discounts, factory-sponsored in-store demonstration, trade shows, sales contests, cooperative advertising, etc (Jiang, 2004). Retailers who offer their own coupons incur the total cost, including paying the face value. In this way, retail coupons are equivalent to a cents-off deal (Ratimosho,

2003). Manufacturers disseminate coupons in many ways. They may be delivered directly by mail, dropped door to door, or distributed through a central location such as a shopping mall but the aim is to steer sales which have a positive effect on the performance of organisations. According to Schiffman and Kanuk (2004), coupons may also be distributed through the media such as magazines, newspapers, Sunday supplements, or free-standing inserts (FSI) in newspapers with the aim of improving sales of the products which play a contributory role to the performance of organisations (Shira, 2003).

Coupons can be inserted into, attached to, or printed on a package, or they may be distributed by a retailer who uses them to generate store traffic or to tie in with a manufacturer's promotional tactic (Schiffman and Kanuk, 2004). Retailer-sponsored coupons are typically distributed through print advertising or at the point of sale. Sometimes, though, specialty retailers or newly opened retailers will distribute coupons door to door or through direct mail (Beri, 2006 and Shira, 2003). This is carried out by organisations as a strategy of improving organisations sustainability. On the other hand, Shira (2003) posits that the main difference between contests and sweepstakes is that contests require entrants to perform a task or demonstrate a skill that is judged in order to be deemed a winner, while sweepstakes involve a random drawing or chance contest that may or may not have an entry requirement (Kotler and Keller, 2006). But the use of sweepstakes as a promotional tactic has grown dramatically in recent decades, partly because of legal changes and partly because of their lower cost hence, leading to organisational performance.

Sales promotion assist consumers to evaluate brands and increase purchase possibilities by offering benefits to them and make them think to buy that product about which they might not have thought of (Ratimosho, 2003) which in the process influences performance. Therefore, it is helpful for retailers to use these tactics to increase customer visits and sales by considering

customers' preferences which in the long run enhances organisational performance. By so doing retailers differentiate their shops through image communication and various promotional offerings that stimulate customers to visit and purchase merchandise as a way of enhancing their performance (Kotler and Keller, 2006). Sales promotions in the form of price discounts, buy one get one free and free samples have become a popular tool for not only fulfilling the purpose of attracting customers and increased sales, but it also moves surplus stock out and creates a space for new seasonal goods (Blattberg and Neslin, 1990) which in the long run influences organisational performance.

Much as the idea of retail sales promotion is been extensively studied in the private sector, little attention has been focused on the beverage sector. Similarly, much of the existing literature focuses on retail sales promotion and organisational effectiveness causing gaps on the literature on retail sales promotion and organisational performance in the beverage sector and more especially manufacturers of carbonated soft drinks in developing countries where the structures of retail sales promotion are still under developed to support organisational performance in carbonated soft drink companies. The little or no decentralized systems in these organisations is the major challenge affecting retail sales promotion and has in turn affected organisational performance. This explains why in carbonated soft drink companies there are still challenges of organisational performance. This literature deficiency provides a research gap which will be bridged by this study.

### **2.3.3 Trade Promotions and Organisational Performance**

Blattberg and Levin (1987) define trade promotion as special incentives offered by manufacturers to their distribution channel members. According to Nwielaghi, (2013), it is an aspect of sales promotion which creates incentives for channel members to share with consumers and create sales for manufacturer's merchandise. It is also called dealer or trade promotion or push strategy push

implies a forward thrust of effort whereby a manufacturer directs personal selling, trade advertising, and trade-oriented sales promotion to wholesalers and retailers (Ratimosho, 2003). The essence is to encourage these channel members to stock the product, provide strategic shelf space for it and encourage consumers to buy from their outlets so as to improve organisational sales, revenues and profits (Adebisi and Babatunde, 2011). Trade promotions can offer several benefits to businesses which in process result into improved organisational performance.

Through better trade promotion efficiency and effectiveness, organisations can transform their sales organizations to drive profitable growth. The rewards are significant in return on investment and great impact on overall organisational profits (Adebisi and Babatunde, 2011). Thus, increasing trade promotion effectiveness represents one of the most significant opportunities for organisational performance. Leading companies embrace trade spending as a strategic investment so as to improve organisational performance in regard to profitability, sales and revenues. With these additional investments now required, greater trade promotion effectiveness and return are more critical than ever, so that these new efforts, too, can be funded and leveraged (Beri, 2006 and Shira, 2003). The key is to integrate analytics, systems, processes and organizational capabilities. There's no question the potential return is worth the effort. Organisations can transform their sales through trade promotions to drive profitable growth through improved trade promotion efficiency (Ratimosho, 2003). Organisational success requires a willingness to change the way an organization deploys its trade spend, gathers trade promotion data, and uses systems to analyze it.

According to Shira (2003), Trade promotions may also be offered when organisations offer through third parties like retailers or distributors. Within organisations, incentives are being increasingly offered for superior performance. Many organisations now offer bonuses for meeting sales objectives or other incentives such as contests, free goods and holidays. Organisations can

utilize trade promotions to increase product visibility and brand awareness with consumers so as to improve product sales (Adebisi and Babatunde, 2011). Trade promotions can also increase a product's consumption rate, or the average quantity of a product used by consumers in a given time period which results into organisational performance. Business-to-business promotions, that is, promotion by manufacturers to wholesalers and retailers or wholesalers to retailers are not found much favour with researchers. Karl (2005) suggested that a business-to-business products strategy required to include a clear definition of its target market, point-of difference from competitors that are compelling the consumers and proof that the firm's claims are creditable. Business-to-Business companies need to expand their strategies to include pinpointing why potential customers are not buying their products and then developing specific programmes to overcome the barriers (Beri, 2006 and Shira, 2003). According to Kotler and Keller (2006), in an environment where manufacturers offer trade promotion, a retailer may not have the incentive to pass a low wholesale price on to consumers because consumers do not have perfect information about on-going trade promotions.

However, if the retailer never passes savings on, consumers can infer opportunistic pricing based on prior knowledge of trade promotion frequency and have a higher tendency to shop elsewhere hence affecting the performance of the retailer (Beri, 2006). The extent of retailer opportunism depends on product-market characteristics, such as the retailer's clientele and the heterogeneity of consumer search cost as well as the characteristics of the manufacturer's trade promotion policy like the frequency of trade promotion and depth of discount offered. Adebisi and Babatunde (2011) found that, while firms with differing levels of exhibition activity had much the same reasons for attending the exhibitions and the propensity to set objectives remained similar across the board, the methods used to assess the outcomes of the exhibition varied in both quantity and type according

to the frequency of exhibiting. Trade show is a variant of sales promotion and periodically, organisations sponsor shows for their members and customers (Beri, 2006 and Shira, 2003). More importantly, trade shows are relatively inexpensive and are very effective, since the buyer comes to the seller already interested in a given type of product which favors the performance of organisations (Beri, 2006).

The reviewed literature puts a lot of emphasis on trade sales promotions and focuses less on trade sales promotions in the beverage sector in developing countries. Similarly, there is much attention drawn by researchers to trade sales promotions and organisational performance but provided inadequate literature on the association between trade sales promotions as a measure of sales promotion on organisational performance in the beverage sector such as manufacturers of carbonated soft drinks. On the other hand, much of the available literature is centered on developed economies and little or no research has been conducted on the subject in developing economies such as Uganda. This has left a literature gap which the study intends to close by carrying out a study on the effect of trade sales promotions on organisational performance at CBL.

## **2.4 Moderating Variables**

A moderating variable is something that influences the connection between an independent and a dependent variable. In this study, the moderating variables included company policy, manufacturing sector policies and consumer policies. These moderating variables influence the relationship between sales promotion and organisational performance. It is evident that company policies, manufacturing sector policies and consumer policies have a bearing on the sale promotion strategy used by the company to reach out to consumers, retailer and traders. This in the process affects the performance of the company positively or negatively where by if the policies such as tax policies are favorable to the companies this results into increase in sales which enhance the

company's revenues and there after turn a profit. Much as these policies are regulatory in nature, they are intended to protect the consumers from over exploitation and risk while at the same time promoting economic growth through trade, employment and taxation. Therefore, in this study, the intervening variables provide an environment within which the companies can carry out their operations in adherence to set policies.

## **2.5 Literature Summary**

In analysis, the reason for carrying out literature review was to get background information on the study, identify and fill the knowledge gap about the study. In this chapter, sales promotion and organisational performance were examined according to the study objectives which were developed from the dimensions of sales promotion (consumer sales promotions, retail sales promotions and trade promotions) and organisational performance. The researcher managed to identify and analyse the knowledge gaps amongst the various author's perspective. A review of sales promotion theories was done from which the theory that guided the study was chosen. From the review of the existing literature on sales promotion and organisational performance, it was established that sales promotion was vital in determining the performance of organisations. Nonetheless, much of the existing literature is focused on developed economies with a lot of emphasis on the manufacturing sector and less on developing economies such as Uganda. The reviewed literature did not exhaustively relate organisational performance to specific dimensions of sales promotion. It was hoped that the researcher would pay attention to this aspect. This study is carried out to address these gaps in organisations specific to the beverage sector in developing economies like Uganda.



## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.0 Introduction**

This chapter presents the methodological aspects that were used in conducting the study on “the effects of sales promotion on organisational performance at CBL. It describes the research design, scope of the study, study population, sampling procedure and sample size, data sources and collection instruments, measurement of variables, validity and reliability, data analysis and limitations.

#### **3.1 Research Design**

According to Kothari (2005) research design means the procedure regarding the collection and analysis of data relevant to research work. The study adopted a cross-sectional survey design to help explain the current situation on organisational performance and analyze the inherent problem when dealing with quantitative and qualitative data. Cross sectional survey is a research design in which one or more samples of the population is selected and information is collected from the samples at one-time assert. The design was descriptive and analytical in nature. For qualitative data, the study adopted the field research method where the researcher went to the field take extensive field notes which were subsequently coded and analyzed in a variety of ways.

#### **3.3 Study Population**

Population refers to an entire group of individuals, events or objects having a common observable characteristic as Kothari (2003) posit. The population of the study was 125 (Beverage Sector Report, 2016). In this research the population included 9 management committee members, 11 channel distributors, 23 marketing/sales team staff, 46 retailers and 37 wholesalers. The views of

the customers were provided by the wholesalers and retailers. The researcher believed that this category of people was knowledgeable enough about her area of study and was able to avail her with the necessary data about the study.

### 3.4 Sample Size and Selection

#### 3.4.1 Sample Size

A sample is a proportion of the population whose results can be generalized to the entire population as defined by Kothari (2003). The sample size of the study was 104 selected scientifically using the table for determining sample size developed by Krejcie and Morgan's (1970). The staff list was used as a sampling frame. For purposes of giving equal chances of being selected, the researcher got pieces of paper and numbered them, then shuffled them and picked the sample size from each category of staff and thereafter summed up the sample sizes of the different staff categories.

**Table 3.1: Sample Size**

Category	Population	Sample Size	Sampling Technique
Management committee members	9	4	purposive sampling
Channel distributors	11	9	simple random sampling
Marketing & sales team	23	19	simple random sampling
Retailers	46	40	simple random sampling
Wholesalers	37	32	simple random sampling
Total	125	104	

Source: CBL Annual Report, 2016

#### 3.4.2 Sampling Technique

According to Sekaran (2003), sampling is the process of choosing the research units of the target population, which are to be included in the study. In other words, a sampling technique is a plan for obtaining a sample from a given population. This entailed stratified random sampling, purposive sampling and simple random sampling.

### **Stratified Random Sampling**

According to Mugenda and Mugenda (2003), stratified random sampling is a method of sampling that involves the division of a population into smaller groups known as strata. In stratified random sampling, the strata are formed based on members' shared attributes or characteristics. The strata were mutually exclusive in that every element in the population was assigned to only one stratum. The strata were also collectively exhaustive where no population element was excluded. A random sample from each stratum is taken in a number proportional to the stratum's size when compared to the population. These subsets of the strata are then pooled to form a random sample. In this study the respondents were grouped into management committee members, channel distributors, marketing & sales team, retailers and wholesalers.

### **Purposive Sampling**

Purposive sampling is used to select interviews for key informant's interviews because of their expertise and influence in the area of study. Purposive sampling was used because it aims at selecting units from the population of interest in order to fairly generalize the results back to the population from which they were chosen. The study adopted a purposive technique because staff are few and known homogeneous in category. While using purposive sampling technique the researcher used his own judgment and common sense regarding the participants from whom information was collected. Purposive sampling technique was used to select individual sample sizes from management committee members. The technique was used because the focus of the researcher is to get in-depth information and not simply making generalizations. Those selected provided the required information in-depth since their selection was based on their appropriateness to give the required information.

### **Simple Random Sampling**

Simple random sampling techniques are flexible and give equal chances to respondents to be in a sample (Amin, 2005). In a simple random sample of a given size; all such subjects of the frame are given an equal probability. Each element of the frame thus has an equal probability of selection; the frame is not subdivided or partitioned. This minimizes bias and simplifies analysis of results. In particular, the variance between individual results within the sample is a good indicator of variance in the overall population, which makes it relatively easy to estimate the accuracy of results. This method was used to sample the channel distributors, marketing & sales team, retailers and wholesalers. This method was justified for the study because it ensured that all subjects of the sub groups are given an equal chance of being selected. This minimizes bias and simplifies analysis of results.

## **3.5 Data Collection Methods**

Data collection method is an integral part of research strategy. Both qualitative and quantitative approaches were considered as data collection methods. Combinations of instruments (structured, unstructured questionnaires, interview guide and a document review checklist) were used to collect data.

### **3.5.1 Questionnaire Survey**

Quantitative data was collected using questionnaire. The researcher developed a questionnaire that answers specific objectives of the study for respondents to complete in writing. The questionnaire was structured (close ended). A closed ended questionnaire was adopted by the researcher because it elicits specific responses which are easy to analyze, compare among different groups and economical in terms of time and energy. It gave an accurate profile of the situation and the data provided described who, what, how, when and where of the variables in the study and also

established the relationship between the independent and dependent variables. The questionnaire survey was used to collect data from the channel distributors, marketing & sales team, retailers and wholesalers.

### **3.5.2 Interview Survey**

A personal interview survey also called as a face-to-face survey is a survey method that is utilized when a specific target population is involved. The purpose of conducting a personal interview survey is to explore the responses of the people to gather more and deeper information. Personal interview surveys were used to probe for answers from respondents and at the same time, to observe the behavior of the respondents. The study adopted the door-to-door interviews where the researcher had to go directly to the place of work and conducted the interviews on-the-spot or at a scheduled date. Face to face interviews were conducted and during the course of the interviews, notes were taken. Interviews are a good tool as they enable the researcher to gather in-depth information around the topic to meet specific needs. The researcher was also able to clarify unclear issues in the questionnaire to the respondent (Mugenda & Mugenda, 1999). This method was used to collect data from top executives who included heads of departments and senior managers.

### **3.5.3 Documentary Analysis**

A documentary analysis is the process whereby each party to a case sorts through and analyzes the documents and data they possess to determine which are relevant to the case (Mugenda & Mugenda, 2003). As yet another qualitative focus tool, information on the study topic was collected from already existing archived documents and this allowed the researcher to examine the organization's performance. Documentary analysis was the main source of secondary data from text books, internet, media, journals, articles, bulletins, reports, policies, minutes, newspapers, magazines and other researches.

### **3.6 Data Collection Instruments**

The researcher used the following tools to collect data; structured questionnaire, interview guide and a document review checklist.

#### **3.6.1 Self-Administered Questionnaire**

The study adopted a self-administered questionnaire to collect self-reported data from the respondents in order to establish how working sales promotion affects organisational performance. The attitude scale (interval Likert Scale) was used to enable the respondents to select a statement that best described his or her reaction to the statement in the question. The interval Likert scale questionnaire was designed on values assigned and ranked 5 to 1 in order of; 5-Strongly Agree, 4-Agree, 3- Not Sure, 2-Disagree and 1-Strongly Disagree. This scale was used to determine what an individual believes, perceives or feels about self, others, activities, institution or situation (Amin, 2005).

#### **3.6.2 Interview Guide**

The researcher used an interview guide which contained a list of questions on topical areas that were covered in the interview. These were not read verbatim but were used as an aide-mémoire. The researcher prepared set of questions which were used as a guide but in the process the researcher asked probing questions which were not contained in the guide. This was done by adding extra questions about unexpected but relevant areas that emerged and the sections that did not apply to the participant were negated. In this study, the interview guide was used to collect data from top executives. Interviews are a good tool as they enable the researcher gather in-depth information around the topic to meet specific needs. This data assisted in clarifying information collected by the structured questionnaires since it involved a face to face interaction and it also provided a wide range of views.

### **3.6.3 Document Review Checklist**

Document analysis involves reviewing existing publication and literature related to the study problem and cross reference with what the study discovered. Sarantakos (2005) asserts that reviewing documents gives an in depth study on the independent variable and the dependent variable. Similarly, in this study, following the researcher being granted permission to carry out the research at CBL, he availed a documentary checklist to the concerned authorities, thus, the management to enable him access the listed or necessary documents for perusal, studying of written documents and recording of facts where necessary.

## **3.7 Quality Control Methods**

### **3.7.1 Validity Test**

According to Kothari (2003), validity refers to the degree to which results obtained from data analysis actually represent the phenomenon under study. Validity being how data obtained in the study accurately represents the variables; it is the accuracy and meaningfulness of inferences that are based on research results. For purposes of producing a quality research study, the study focused on external validity to ensure that research findings of this study are highly generalized to other organisations and the environment outside the study setting. In this case, the researcher carried out a pre-testing method of piloting the same research instruments on a different but homogeneous sample of ten respondents before going to the field. This pre-testing was done to ensure content and construct validity of the instrument by improving on the questions, the format and scales of measurement. The researcher also incorporated responses and comments of the pilot study into the final improved instrument. To establish validity qualitatively, the instruments were given to two experts (supervisors) to evaluate the relevance of each item in the instrument to the objectives and rate each item on the scale of very relevant (4), quite relevant (3), somewhat relevant (2), and not

relevant (1). The purpose of qualitative research was to describe or understand the phenomena of interest from the participant's eyes, therefore the researcher allowed the participants to legitimately judge the credibility of the results. Validity was determined by using Content Validity Index (C.V.I).  $C.V.I = \text{Total items rated correct} / \text{total number of items in the questionnaire}$ . Kathuri and Pal (1993) argue that items with validity coefficients of at least 0.70 are accepted as valid and reliable in research. Validity of the instrument was obtained using the Content Validity Index (CVI) as presented in the table below.

**Table 3.2: Validity Test**

<b>Variables</b>	<b>Likert Scale</b>	<b>Content Validity Index</b>
Consumer promotions	5 Point	.782
Retailer promotions	5 Point	.814
Trade promotions	5 Point	.739
Organisation performance	5 Point	.818

**Source:** Primary data, 2017

The computed CVIs for the different items all of them scored above 0.7 showing that they have met the acceptable standards (Amin, 2003). From the results all the Content Validity Indices ranged from .782 to .818, therefore meeting the acceptable standards.

### **3.7.2 Reliability Test**

This is the measure of the degree to which a research instrument yields consistent results after repeated trials (Kothari, 2003). Random error being the deviation from the true measurement, it influences the instrument's reliability by reducing on it whenever it is high. Reliability threats always exist in research studies and do arise from inaccurate data coding; ambiguous instructions; interviewer/interviewee fatigue and bias. In this study, the researcher addressed reliability by reducing on the inaccuracy of both the instrument and the researcher's scoring thus reducing on the inconsistencies in the measurements that would affect the reliability of the collected data.



Reliability of instruments in this study was attained through employing the internal consistency method of assessment using the Cronbach's coefficient Alpha computation to determine the items' correlation among themselves. In this method, scores of a single test were done on a sample subject, where a score on 1 item is correlated with those from other items in the instrument. According to Kothari (2003), an alpha of 0.7 or higher is sufficient to show reliability; implying that the closer the alpha 1, the higher the internal consistency reliability. For qualitative data, the researcher during data collection exercise ensured that the data recorded from interviews reflected the actual facts, responses, observations and events. The researcher also took multiple measurements, observations or samples and also checked the truth of the record with an expert/lecturer to verify response consistency and customize questions so that only appropriate questions are asked. The experts also helped to confirm responses against previous answers where appropriate and detect questions likely to elicit unacceptable responses. A pretest of the instrument in a time lapse of 2 weeks was carried out to establish consistence in responses. The instrument is suitable if Cronbach Alpha Coefficient is above 0.70. The researcher used Alpha co-efficient to establish the degree to which the questions were internally consistent.

**Table 3.3: Reliability**

<b>Variables</b>	<b>Likert Scale</b>	<b>Cronbach Alpha Value</b>
Consumer promotions	5 Point	.808
Retailer promotions	5 Point	.817
Trade promotions	5 Point	.837
Organisation performance	5 Point	.870

**Source:** Primary data 2017

According to Cronbach (1950), coefficient alpha of 0.7 and above is considered adequate. From the results all the Cronbach alpha coefficients ranged from .808 to .870, therefore meeting the acceptable standards.

## **3.8 Data Analysis**

### **3.8.1 Quantitative Data**

Data from the field was compiled, sorted, edited and coded to have the required quality, accuracy and completeness. It was then entered into the computer with the facilitation of Statistical Package for Social Sciences (SPSS) for analysis. SPSS is a data management and analysis program. It allows the researcher to store and analyze very large amounts of large data. The statistics that SPSS is capable of are far more complex than the statistics we can do in excel which makes it more desirable as an analysis tool. Using SPSS, the data was cleaned and analyzed according to the research questions where frequency tabulations were used to present the results of the sample characteristics and item means, standard deviations, Pearson correlation and regression analysis were generated to present the results of the objectives of the study.

### **3.8.2 Qualitative Data**

Qualitative data collection was sorted out and interpreted manually from respondents each interview was analyzed and interpreted using content analysis to appropriate the nature of the collected data before emerging themes are identified using “Template analysis” approach analysis of qualitative data was done to identify similarities across several accounts as well as direction. Data was categorized into recurrent themes that seem relevant to answer the research question, descriptive analysis was made from information obtained from the questionnaires and interviews key categorical variables such as gender, education of respondents were presented in a table form.

## **3.9 Ethical Considerations**

The ethical issues that were considered during the study included; voluntary participation formal consent, confidentiality, formal introduction, citation of sources and risk of harm

The principle of voluntary participation requires that the research participants are not forced to participate in research activities. The prospective research participants were fully informed about the procedures involved in research and gave their consent to participate. Those who were not willing to provide information for the study were not coerced but eliminated from the list, and this was because it was their right not to give information.

Closely related to the notion of voluntary participation is the requirement of formal consent. Informed consent was attained from the respondents that participated in the study by way of a consent form. The consent from all respondents was sought before interviews were conducted and the purpose and objectives of the study were carefully explained to the respondents. The participants were made aware of the purpose of the study, which was for academic purpose and that the findings were to be used for academic purposes only. They were also informed that the information they provide was kept confidential and their permission would be sought if it was to be published.

Almost all research guarantees the participants' confidentiality. The participants were assured that identifying information was not to be made available to anyone who was not directly involved in the study. The researcher made sure that filled questions were kept under key and lock and during the course of data analysis; the researcher monitored the entire process strictly to make sure that this information was not accessed by those who should not access it. Anonymity standard as a stronger guarantee of privacy, was used, the researcher designed the tools in such a manner that the respondents were not required to indicate their personal information leading to them such as names, phone numbers among others. Researcher was careful not to publish enough information that the participant can be identified.

The researcher obtained an introductory letter from the Uganda Martyrs University introducing her to CBL to allow her to carry out research. She then introduced herself to the management of the company and sought permission to carry out the study on the entity. This was done to help the researcher collect data, easy access to journals and any other forms of literature as well as getting assistance or being shown how to access information from the company.

Ethical standards also require that researchers not put participants in a situation where they might be at risk of harm as a result of their participation. The researcher did not cause any emotional, physical and/or psychological harm to the respondents such as stressing the respondents, making them anxious and antagonizing their privacy while doing their work or during their social time and ensured objectivity during the research so as to eliminate personal biases and opinions.

### **3.10 Limitations of the Study**

- i) Some employees were not willing to be interviewed or to provide answers to the questionnaires. However, this was solved by conducting regular follow-ups and in the process explaining the relevance of the information staff provided to the study.
- ii) There was also resistance from the management of the company because of suspicion of the researcher's intention of conducting the study and usage of the study results. To overcome this limitation, the researcher provided an introductory letter from the university to the management of the company providing reasons on the purpose of conducting the study
- iii) There was withholding of the required information by the respondents due to fear of victimization by management. The researcher assured the respondents that the information they provided was to be kept confidential and their permission would be sought in case the

results of the study were to be published.

- iv) On the other hand, respondents had a view of not directly benefiting from the information they provided to the researcher. However, the researcher explained to them that the findings of the study would benefit them indirectly through policy review and change with the aim of implementing better sales promotion strategies so as to enhance their performance.

### **3.11 Conclusion**

The chapter introduced and explained the methodological aspects that were followed when constituting the population, selecting the sample the sampling methods to be used, the data collection methods and instruments to be employed during the study, quality control of the instruments, data management and processing, ethical considerations and the anticipated limitations of the study. This set ground for chapter four which dealt with presentation and interpretation of the results of the study.

## **CHAPTER FOUR**

### **DATA PRESENTATION, ANALYSIS, INTERPRETATION AND DISCUSSION OF FINDINGS**

#### **4.0 Introduction**

This chapter consists of data presentation, analysis, interpretation and discussion of the findings. Data is analyzed using frequencies tabulations, item mean analysis, correlation analysis and regression analysis. The first section presents the background information of the respondents. Other sections are presented according to the research questions. To present the results of the background information of the respondents, frequency tabulations were used. Item mean analysis was used to present the results on the level of agreement and disagreement on the items used to measure the different variables. Correlation analysis was used to present the results of the study objectives whereas, regression analysis was used to present the results of the combined effect of the dimensions of sales promotion on organisational performance.

#### **4.1 Response Rate**

The study targeted 104 respondents to provide the information of the study and 100 questionnaires were distributed to the respondents and 4 interviews were conducted who composed the sample size of the study. Out of the 104 distributed questionnaires and interviews, 86 usable questionnaires and 3 interviews were returned and conducted respectively giving a response rate of 85.6% which was acceptable for the study. According to Sekaran (2003), the results would be representative if the response rate is 70% or higher. He adds that if a survey achieves a 70% response rate, the study suffers from a non-response bias of 30%. The high response rate was attributed to the fact that most of the questions were structured making it easy for the respondents to fill in the questionnaires. Furthermore, the questionnaires were delivered and collected by hand

and hence there was a close contact and follow-up with the respondents. The high response rate was an indication that the results of this study were reliable.

## 4.2 Bio Data of Respondents

This section of the study discusses the characteristics of the respondents CBL such as gender, age group, tenure of employment and level of education. The researcher adopted frequency tabulations to present and discuss the results of the sample characteristics below. The rationale of using frequency tabulations was to ascertain the categories of the different characteristics in relation to the responses of the respondents. In order to summarize the results, figures were used by the researcher because it was another way of presenting the results in a summarized manner.

### 4.2.1 Respondent Category by Gender

Frequency tabulation was used by the researcher to present the distribution of gender of the respondents. Table 4.1 below presented the results:

**Table 4.1: Gender Distribution**

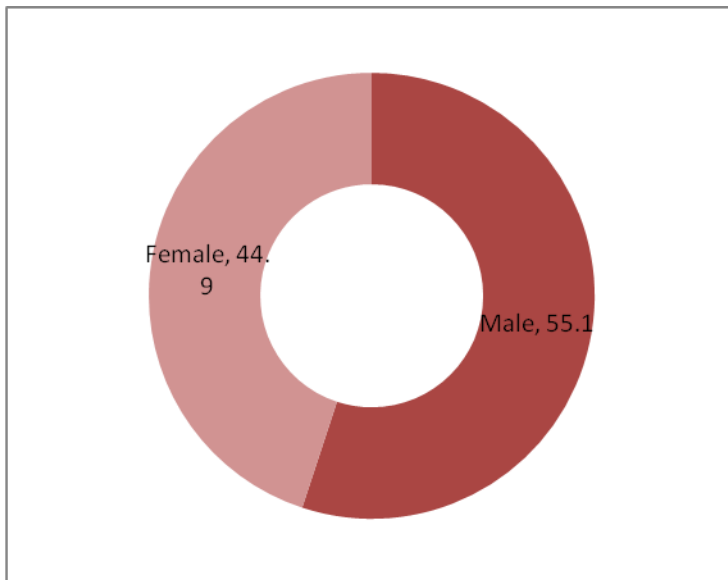
Gender	Frequency	Percentage (%)
Male	49	55.1
Female	40	44.9
<b>Total</b>	89	100.0

**Source:** Primary data, 2017

The results from Table 4.1 show that 55.1% of the respondents were male whereas 44.9% were female. From the findings, it is apparent that the males were more responsive compared to their female counterparts implying that, there were more male staff in the carbonated soft drink industry compared to the female staff. The high composition of male respondents is a justification that the industry recruited more male employees compared to the female. The reason for this is that the roles that are performed at CBL required a lot of flexibility where by staff can be transferred from

one department or branch or region to another at any given time which might be difficult for female staff who also have the responsibility of taking care of their families. The results are significant to the study because they show that both the male and female respondents were involved in the activities of the company and therefore were able to provide significant information on how sales promotions affected the performance of the company. The implication of these findings is that the responses reflected gender distribution of employees at CBL. A summary of the results is provided in figure 4.1 below.

**Figure 4.1: Gender Distribution**



Source: Primary data (2017)

#### **4.2.2 Respondent Category by Age Group**

Frequency tabulation was used by the researcher to present the age distribution of the respondents.

Table 4.2 presents the results:



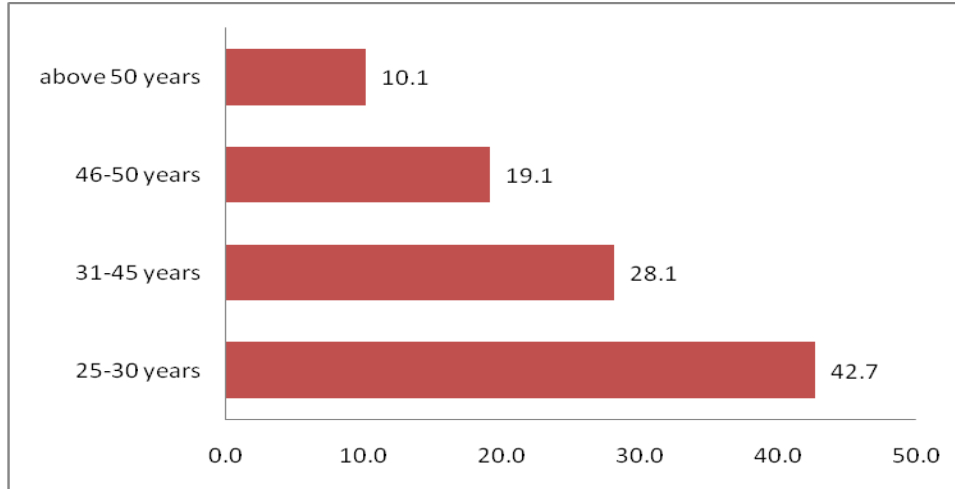
**Table 4.2: Age Group Distribution**

<b>Age group</b>	<b>Frequency</b>	<b>Percentage (%)</b>
25-30 years	38	42.7
31-45 years	25	28.1
46-50 years	17	19.1
above 50 years	9	10.1
<b>Total</b>	<b>89</b>	<b>100.0</b>

Source: Primary data (2017)

The results in the Table 4.2 revealed that the majority of the respondents were in the age brackets of 25-30 years and 31-45 years with percentages of 42.7% and 28.1% respectively whereas, 19.1% accounted for those respondents in the 46-50 years age group and 10.1% accounted for those in the over 50 years age group. The high response rate for the respondents under 25-30 years is explained by the fact that the company employs staff who are still young and energetic so as to be able to work in the different departments, be transferred upcountry and also work in the field making them able to provide the required information for the study. Likewise, the industry targets a population that is strong and energetic so as to be able to participate in marketing channels of the products of the company. This implied that the composition of the respondents was made up of staff and customers who were mature enough to understand the importance of sale promotion in enhancing the organisational performance of the company. A summary of the results is provided in figure 4.2 below.

**Figure 4.2: Age Distribution**



Source: Primary data (2017)

#### **4.2.3 Respondent Category by Level of Education**

Frequency tabulation was used to present the level of education distribution of the respondents.

Table 4.3 presented the results:

**Table 4.3: Level of Education**

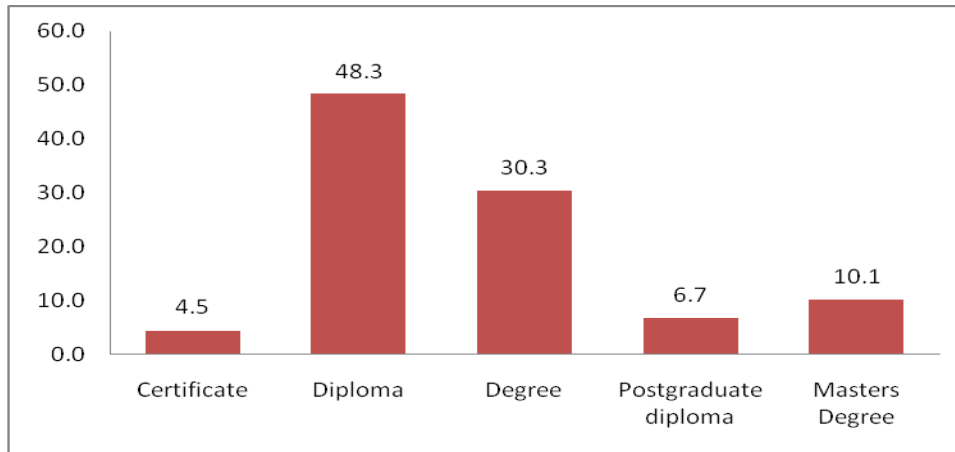
<b>Level of Education</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Certificate	4	4.5
Diploma	43	48.3
Degree	27	30.3
Postgraduate diploma	6	6.7
Masters Degree	9	10.1
<b>Total</b>	<b>89</b>	<b>100.0</b>

Source: Primary data, 2017

According to the results in Table 4.3, the majority of the respondents (48.3%) possessed diploma level of education, 30.3% had attained degree level of education, the masters holder accounted for 10.1%, 6.7% held postgraduate diplomas whereas, 4.5% were certificate holders. From the findings, the majority of the responses were acquired from degree holders and diploma holders which was justification that the respondents possessed the required qualifications to perform their

duties in an effective and efficient manner. This implies that data was collected from respondents who were able to read and understand and would therefore provide the required information on how sales promotions affected organizational performance. A summary of the results is provided in figure 4.3 below.

**Figure 4.3: Level of Education Distribution**



Source: Primary data, 2017

#### 4.2.4 Tenure of Employment

Frequency tabulation was used by the researcher to present the tenure of employment distribution of the respondents. Table 4.4 presents the results:

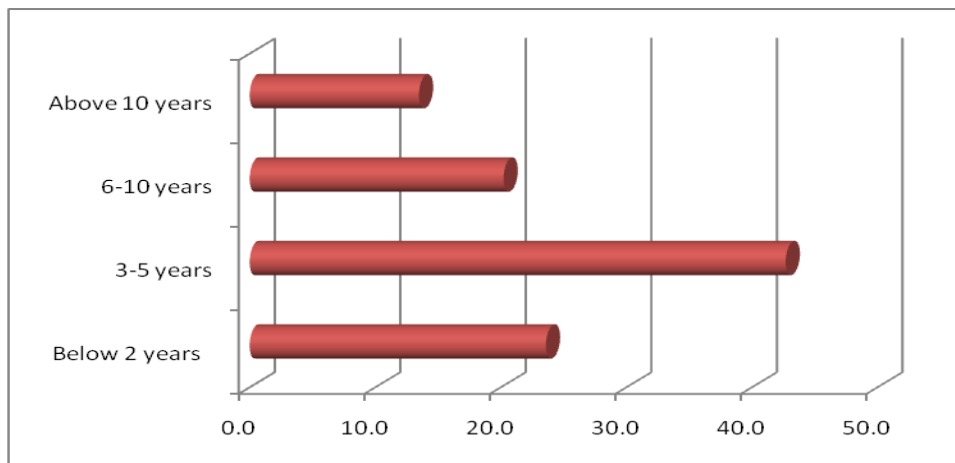
**Table 4.4: Tenure of Employment Distribution**

Tenure of Employment	Frequency	Percentage (%)
Below 2 years	21	23.6
3-5 years	38	42.7
6-10 years	18	20.2
Above 10 years	12	13.5
<b>Total</b>	<b>89</b>	<b>100.0</b>

Source: Primary data, 2017

From the results in Table 4.4, it was observed that 42.7% of the respondents had worked with the company for some 3-5 years, 23.6% had been employed for less than 2 years, 20.2% had worked for 6-10 years whereas, 13.5% had been employed for over 10 years. This could imply that the majority of the staff at the company had served for at least more than 3 years which was confirmation that they possessed the required experience to provide information for the study. This implies that most of the respondents have a thorough understanding of the effect sales promotions on organisational performance at the company. Therefore, any information obtained from them would be reliable. A summary of the results is provided in figure 4.4 below.

**Figure 4.4: Tenure of Employment Distribution**



Source: Primary data, 2017

### 4.3 Empirical Findings

The findings in this study are based on the study objectives which included the effect of consumer promotions and on organisational performance; the effect of retailer promotions on organisational performance; and the effect of trade promotions on organisational performance. The variables are measured using a five point Likert scale and the results are presented in descriptive tables, showing percentages and item means of responses under each variable. The results are further explained using the Pearson correlation matrix in order to show relationships between the study variables

whereas, to study the predictive power of the dimensions of sales promotions (consumer promotions, retailer promotions and trade promotions) on organizations performance, a regression analysis was carried out. The results from the quantitative source are compared with qualitative ones. Statistical tables were used for easier understanding and interpretations.

### 4.3.1 Descriptive Statistics on Organisational Performance

This section focuses on the respondents' level of agreement and disagreement in regard to organisational performance at CBL. In order to achieve this, the study used a number of self administered questions and interview guide to collect data. The self administered questions were rated on the 5 point Likert scale ranging between strongly agree, agree, undecided, disagree and strongly disagree. The self administered questions item means showed the average response from the respondents for each item in relation to organisational performance. From the results, the item mean results between 3.5 to 5.0 accounted for respondent agreement with the items, item mean results between 3.0 to 3.49 showed that the respondents were undecided whereas, for item mean results between 1.0 to 2.99 presented those who had disagreed. The findings are shown in table 4.5 below:

**Table 4.5: Organisational Performance**

Items	Min	Max	Mean	StdDev
The company's sales volume have increased	1	5	3.77	0.689
Total costs of operation have increased at the company	1	5	3.75	0.842
Investment in research and development is promoted at our company	1	5	3.72	0.752
Our sales revenue has increased	1	5	3.7	0.684
Customers purchasing frequencies have increased at the company	1	5	3.65	0.652
The profits of our company are increasing on an annual basis	1	5	3.65	0.734
The demand for our products has increased	1	5	3.61	0.789
The liquidity of the company has improved	1	5	3.59	0.789
Our company's customer base has increased	1	5	3.54	.556

Source: Primary data, 2017

**Key:** Min represents minimum scale of strongly disagree (1); Max represents maximum scale of strongly agree (5); mean represents the average response on each item; Std Dev represents the standard deviation.

The results in table 4.5 showed that the company's sales volume had increased (mean=3.77; SD=.689) which justification that there was sales growth at the company as a result of sales turnovers. This is corroborated by Joseph and Dai (2009) who asserted that sales growth can be explained as all the activities or investment carried out in the firm in the given period of time. The results further showed that the company's sales revenue had increased (mean=3.70; SD=.684) and their liquidity had improved (mean=3.59; SD=.789) which is corroboration that as a result of growing sales of company products this has caused an increase in company sales revenues which made the company more liquid. In line with the results, Richardo (2001) posits that organizational performance increases indirectly proportion to increases in efficiency and effectiveness. Mitchell, Agle and Wood (1997) assert that conceptualization of organisational performance is based on satisfying stakeholders. It can be measured by total amount of revenue collected for the goods/services sold (Richard, et. al., 2009). In agreement with the quantitative results, the qualitative results showed that;

“much as for the company, there was growth in sales, for others sales has declined and or stagnated which was making them less liquid and therefore affecting their performance”.

On the other hand, the quantitative results further showed that the demand for company products had increased (mean=3.61; SD=.789) which is proof that the pull strategies used by the company to improve the demand for their products were effective influencing the customers to demand more of company products. In support of the results, Richard, et. al., (2009) attests that the ultimate objective of every business is to increase the sale of goods that it deals in. if the customer surplus

is higher when compared with the market, customers will prefer the firm, what will manifest in higher growth rates. For this reason, the results also showed that customers' purchasing frequencies had increased at the company (mean=3.65; SD=.652) which validation that customers were demanding more of company products. Customers want the company to provide them with goods and services that match their expectations. To do that, company must understand its needs, avoid defects, and improve perceived quality and value added by their goods and services. This increase in demand for company products was also correspondent to the increasing customer bases for the company (mean=3.54; SD=.556).

From the results showed that the profits of the company were increasing on an annual basis (mean=3.65; SD=.734) which was justification that the company's return on investment was improving over the years. The results are in line with the assertions made by Okoli (2011) who explained that the essence of setting up a business organization is to make profit. Without profit, a business is bound to fail. Market value and profitability measure a firm's future and past ability to generate returns (Lebans and Euske, 2006). If the company has a higher economic profit than its competitors, it will experience higher profitability. In order for an organisation to remain viable over time, it must be both financially viable and relevant to its stakeholders and their changing needs. The qualitative results from the key informants revealed that;

“to a greater extent, the company was making some level of profits which enabled it to operate. Although the profits they were making were inadequate for CBL to steer growth in assets and development”.

Despite the increase in profitability, the results revealed that the total costs of operation had increased in the company (mean=3.75; SD=.842) which was eroding the profits made by the company. These results are in line with the suggestions of Joseph and Dai (2009) who posited that performance informs about the relation between minimal and effective cost (economy), between

effective cost and realized output (efficiency) and between output and achieved outcome (effectiveness). The results further showed that investment in research and development were encouraged at the company (mean=3.72; SD=.752) which is evidence that the company ventured into better ways of meeting customer expectations through product improvements. According to Lebars and Euske (2006), when the resources are used in a proper way as compared to the competitors, the cost of operation will decrease and the profit margin will increase. The standard deviation results of less than 1 point to the fact that the results on organisational performance were relevant to company's ability to grow their sales, profits and at the same time reduce operational costs.

#### **4.3.2 Descriptive Statistics on Consumer Promotions**

This section gives a description of research objective one which was examined using a variety of questions as per Section B of the research tool (Appendix I); what is the contribution of consumer promotions on organisational performance? This research objective was conceptualized using 9 questions which required each respondent to do self-rating on consumer promotions. Responses were based on Likert scale ranging from strongly disagree (1) to strongly agree (5), although these were subsequently categorized into agree and disagree sections. . From the results, the item mean results between 3.5 to 5.0 accounted for respondent agreement with the items, item mean results between 3.0 to 3.49 showed that the respondents were undecided whereas, for item mean results between 1.0 to 2.99 presented those who had disagreed. The resulting summary statistics are in Table 4.6;



**Table 4.6: Consumer Promotions**

Items	Min	Max	Mean	Stdv
Scratch and win promotions prompt customers to increase buying frequency	1	5	3.85	0.752
Through premium and pricing deals incentives customers are rewards for their loyalty	1	5	3.81	0.889
Our company uses cent-off coupons to increase sales	1	5	3.79	0.789
The company uses free samples to encourage customers to try its products	1	5	3.78	.856
The company uses special sales, price off and coupons to promote its products	1	5	3.77	0.789
Our company uses sweepstake and gifts to induce customers to continue buying products.	1	5	3.77	0.754
Couponing and premiums are used by our company to persuade customer to buy its products	1	5	3.74	0.884
Our company uses pricing deals to attract new customers	1	5	3.73	0.761
Cash refund offer and free goods are used to increase customer repurchases	1	5	3.63	0.691

Source: Primary data (2016)

**Key:** Min represents minimum scale of strongly disagree (1); Max represents maximum scale of strongly agree (5); mean represents the average response on each item; Std Dev represents the standard deviation.

Basing on the study results in table 4.6, the majority of the respondents were in agreement that scratch and win promotions prompted customers to increase buying frequency (mean=3.85; SD=.752) which is confirmation that these promotions were used by the company as a pull strategy to have its products purchased more by customers. The results are supported by the literature of Bamiduro (2001) who showed that consumer promotions are those efforts aimed at influencing the trial consumer. According Shira (2003), consumer promotions are designed to motivate consumers to immediate action. The results showed that through premium and pricing deals incentives customers were rewarded for their loyalty (mean=3.81; SD=.889) which is justification premiums and pricing deals were used by the company to give back to their customers which would in turn strengthen their loyalty to the company. Kotler (2006) avers that consumer's promotion techniques can be used to draw people into a particular store, to induce new product or to promote established

products. To accomplish this task, markets have developed quite a variety of sales promotion techniques or tools.

According to the results on consumer promotions, the company used cent-off coupons to increase sales (mean=3.79; SD=.789). This was corroboration that cent-off coupons as a consumer promotion by the company was used to increase company sales. From the results, the company encouraged buying frequency, rewarded customer loyalty and increased sales through the use of different promotions. In line with the quantitative results on consumer promotions above, the results from the interviews affirmed that;

“coupon, price discount, free sample, bonus pack and in-store display promoted product trial through buying frequency and customer loyalty. However, given the changing dynamics about healthy drinking by customers, this has affected the consumption of the company’s products due to health hazards which has undermined the sales of company products”.

This why the results showed that the company used free samples to encourage customers to try their products (mean=3.78; SD=.856). This is because through customer trials, this would attract would be customers to become loyal consumers of the products. In line with the results, Shira (2003) stated that consumer sales promotions have been seen to focus on customer relationship management, free gifts, free sample, price discount, etc. Trials among non-users of a product are generated through invitation of prospective purchasers to try the product without cost or little cost with the hope that they will buy the product. In support the results showed that company used special sales, price off and coupons to promote its products (mean=3.77; SD=.789) since these increased awareness about the products through trying the products through reduced prices and free samples. If an organisation effectively implements consumer sales promotion techniques, it will encourage large purchase suggests Shira (2003). This is also supported by the fact that the

company also used sweepstake and gifts to induce customers to continue buying products (mean=3.77; SD=.754).

On the other hand, the company used couponing and premiums to persuade customer to buy their products (mean=3.74; SD=.884) which in turn boosted its sales and consequently making them more liquid. According to Okoro (2013), consumer promotion is conceptualized as sampling, couponing, packaging, contests, price discount, bonus packs, jingles and low price. However, consumer sales promotional methods are directed towards consumers and they include coupons, contents, bonuses, vacations, shopping, gifts, free products and services and free samples. This is why the results showed that pricing deals were used by the company to attract new customers (mean=3.73; SD=.761) which in turn promoted customer base growth. They also revealed that the company used cash refund offer and free goods to increase customer repurchases (mean=3.63; SD=.691) which is corroboration that company was inclined on the use of consumer promotions so as to enhance its sales through repeat purchases. According to Pickton and Broderick (2005), since consumer sales promotions are pull promotional activities, they are designed to encourage demand by end users or customers that will pull products through the distribution chain.

The item results are supported by the standard deviation results, which revealed that the results could apply to the industry. The results point to the fact that much as there was some level of consumer promotions practiced by the company, there were also lapses in promoting consumer promotions by the company which undermined sales promotion. Various studies have shown that consumer promotions influence organisational performance.

### 4.3.2.1 Consumer Promotions and Organisational Performance

In order to understudy the relationship between consumer promotions and organisational performance, the Pearson's correlation test was used. The Pearson correlation coefficient was used because it presents data in a numerical way to quantify the relationship between two variables where the correlation coefficient is determined. Where if the correlation coefficient, is positive, then an increase in the independent variable would result in an increase in dependent variable, however if it was negative, an increase in independent variable would result in a decrease in the dependent variable. Larger correlation coefficients would suggest a stronger relationship between the variables and vice versa. The results are presented in table 4.7 below.

**Table 4.7: Consumer Promotions and Organisational Performance**

		Consumer Promotions	Organisational Performance
Consumer Promotions	Pearson Correlation	1	.375**
	Sig. (2-tailed)		.000
Organisational Performance	Pearson Correlation	.375**	1
	Sig. (2-tailed)	.000	
** . Correlation is significant at the 0.01 level (2-tailed).			

**Source:** Primary data, 2017

Table 4.7 shows that, Pearson's Correlation Coefficient for consumer promotions and organisational performance was  $r = 0.375$ , which was positive with probability value ( $p = 0.000$ ) that is less than  $\alpha = 0.01$  level of significance showing a positive relationship between consumer promotions and organisational performance at the one percent level of significance. In support, Ratimosho (2003) posits that consumer promotion is the probability of positive behaviours and attitude towards a brand, thus it could result in positive word of mouth and repeat purchase which positively affect the performance of an organisation. Shira (2003) identified five effects that sales promotions have on organisational performance pointing out that sales promotion consists of

diverse collection of incentive tools, mostly short term designed to stimulate quicker or greater purchase of products or service by consumer e.g. the use of premiums, product warranties etc. stimulate consumer purchase in larger quantities (Rotimosho, 2003).

Sales promotion helps to build brand loyalty by giving the seller the opportunity to attract a loyal and profitable set of customers which provides sellers some protections from competition and greater control in planning their marketing mix (Kotler and Keller, 2006). This implied that where there are consumer promotions as a dimension of sales promotions at CBL, the performance of the company would be enhanced. This position was also shared by top executives such as the head sales, head marketing and head productions who revealed that consumer promotions were paramount in promoting sale growth, profitability and revenues in the ever changing dynamic environment, the carbonated soft drinks sector that requires key players to have a competitive advantage so as to thrive in the global market.

### **4.3.3 Descriptive Statistics on Retailer Promotions**

This section gives a description of research objective two which was assessed using a variety of questions as shown in section C of the instrument. Respondent self-rated retail promotions using 8 Likert items. Responses were based on Likert scale ranging from strongly disagree (1) to strongly agree (5), although these were subsequently categorized into agree and disagree sections. . From the results, the item mean results between 3.5 to 5.0 accounted for respondent agreement with the items, item mean results between 3.0 to 3.49 showed that the respondents were undecided whereas, for item mean results between 1.0 to 2.99 presented those who had disagreed. The resulting summary statistics are shown in Table 4.8.

**Table 4.8: Retailer Promotions**

Items	Min	Max	Mean	SD
Company sponsored retail demonstrations are used by the company to create awareness about its products	1	5	4	0.871
My company offers special discounts on different occasions to retailers	1	5	3.87	0.761
The company uses trade shows to encourage retailers to buy and stock its products	1	5	3.82	0.769
Sales contests are used to attract more customers to buy company products	1	5	3.77	0.869
Cooperative advertising is used to increase visibility of company products in retail stores	1	5	3.75	0.834
Our company offers allowance & discounts to retailers in order to stock company products	1	5	3.67	0.853
My company uses selling on special long term instalment plans encourage retailers to purchase its products	1	5	3.32	0.674
Retail coupons are used to customers to by from stockists of company products	1	5	3.26	0.716

**Source:** Primary data, 2017

Basing on the study results in Table 4.8, the majority of the respondents agreed that company sponsored retail demonstrations were used by the company to create awareness about their products (mean=4.00; SD=.871). This is because through awareness creation about the products customers were able to acquire desired information about company products and decide whether they are the ones which meet their expectations. According to Blattberg and Neslin (1990), retail promotions are helpful for retailers to use promotions to increase customer visits and sales by considering customers' preferences which in the long run enhances organizational performance. The results showed that the company offered special discounts on different occasions to retailers (mean=3.87; SD=.761). This is because through special discounts retailers would stock more of the company products thus making them more accessible to the final consumers of the products. Sales promotions in the form of price discounts, buy one get one free and free samples have become a popular tool for not only fulfilling the purpose of attracting customers and increased sales, but it also moves surplus stock out and creates a space for new seasonal goods (Blattberg and Neslin, 1990).

This is also supported by the results which revealed that the company used trade shows to encourage retailers to buy and stock their products (mean=3.82; SD=.769). In agreement with the results, Ratimosho (2003) revealed that retail sales promotion assist consumers to evaluate brands and increase purchase possibilities by offering benefits to them and make them think to buy that product about which they might not have thought of. The results also showed that sales contests were used to attract more customers to buy products (mean=3.77; SD=.869). This method was used by the company steer sales growth through high sales turnovers from the sale of company products. This is why Kotler and Keller (2006) posit that retailers differentiate their shops through image communication and various promotional offerings that stimulate customers to visit and purchase merchandise. Likewise, cooperative advertising was used to increase visibility of company products in retail stores (mean=3.75; SD=.834). This is because the more the company products were more visible in retail stores, this would make it easy for the customers to identify them for purchase. Sometimes, though, specialty retailers or newly opened retailers will distribute coupons door to door or through direct mail (Beri, 2006 and Shira, 2003). This is carried out by organisations as a strategy of improving organisations sustainability. As a way of increasing the presence of company products, the company offered allowance and discounts to retailers in order to stock their products (mean=3.67; SD=.853).

In line with the qualitative results on retail promotions above, the results from the interviews affirmed that;

“although to some extent company used retail promotions to encourage customer purchases much as, the company was still facing challenges related to retail promotions which needed to be addressed so as to promote increased customer purchases of company products”.

From the results, the standard deviation result of less than 1 is proof retail promotions determined sales promotion at CBL. Likewise, the standard deviation results provided evidence that the results obtained on retail promotions could be applied to the industry and therefore could be generalized on carbonated soft drink companies in the country.

#### 4.3.3.1 Retailer Promotions and Organisational Performance

Correlation analysis was done where by all responses for each variable; retailer promotions and organisational performance were aggregated into a single index and respectively and then Pearson's correlation Co-efficient (r) technique was used to assess the nature and magnitude of the relationship. Table 4.9 gives Pearson's correlation Coefficient for the two variables which include; retailer promotions and organisational performance.

**Table 4.9: Retailer Promotions and Organisational Performance**

Variables		Retailer Promotions	Organisational Performance
Retailer Promotions	Pearson Correlation	1	.437**
	Sig. (2-tailed)		.000
Organisational Performance	Pearson Correlation	.437**	1
	Sig. (2-tailed)	.000	

\*\**. Correlation is significant at the 0.01 level (2-tailed).*

Source: Primary data, 2017

Table 4.9 shows that, Pearson's Correlation Coefficient for retailer promotions and organisational performance was  $r = 0.437$ , which was positive with probability value ( $p = 0.000$ ) that is less than  $\alpha = 0.01$  level of significance showing a positive relationship between retailer promotions and organisational performance at the one percent level of significance. This implied that in order to adequately promote retailer promotions in the company, the company should focus the promotions on consumers, evaluate their effectiveness so as to be able to review them to become more effective as this will promote organisationsl performance. In agreement, Kotler and Keller (2006) revealed that retailers should use promotions to increase customer visits



and sales by considering customers' preferences as these will enhance organisational performance. According to them, various promotional offerings that stimulate customers to visit and purchase merchandise promote organisational performance.

#### **4.3.4 Descriptive Statistics on Trade Promotions**

This section gives a description of research objective three which was assessed using a variety of questions as shown in section IV of the instrument. Respondent self-rated work consistency using 11 Likert items. Responses were based on Likert scale ranging from strongly disagree (1) to strongly agree (5), although these were subsequently categorized into agree and disagree sections. . From the results, the item mean results between 3.5 to 5.0 accounted for respondent agreement with the items, item mean results between 3.0 to 3.49 showed that the respondents were undecided whereas, for item mean results between 1.0 to 2.99 presented those who had disagreed. The resulting summary statistics are shown in Table 4.10.

**Table 4.10: Trade Promotions**

Items	Min	Max	Mean	SD
Trade advertising is used to increase awareness and visibility of company products in outlets	1	5	3.99	0.886
Our company uses trade fairs to attract traders to order company products	1	5	3.97	0.863
Contests are used by the company to promote brands sales	1	5	3.88	0.776
We use trade deals as a way of providing special display or point-of-purchase support to traders	1	5	3.76	0.842
Traders with the highest sales turnover of products are rewarded through provision of attractive incentives	1	5	3.75	0.873
Trade contests are used at the company to attract traders to stock our products	1	5	3.72	0.766
The company uses trade deals to increase the volumes of the products stocked by traders	1	5	3.68	0.753
Our company uses trade deals to discount product prices to traders	1	5	3.65	0.754
The company uses trade fairs to promote new and modified products	1	5	3.62	0.798
Our company offers special discounts to traders for them sell its products	1	5	3.55	0.854
Our company uses trade fairs to gather public views about company products	1	5	3.34	0.711

**Source:** Primary data, 2017

From the results in Table 4.10, there was agreement that trade advertising was used to increase awareness and visibility of company products in outlets (mean=3.99; SD=.886). This is confirmation that in order to promote increase products awareness and visibility at the sales points, company used different advertising strategies. In support, Nwielaghi (2013) revealed that it is an aspect of trade sales promotion which creates incentives for channel members to share with consumers and create sales for manufacturer's merchandise. Similarly, the results showed that through trade fairs the company was able to attract traders to order products (mean=3.97; SD=.863). This is because when traders stocked company products, this would bring the products closer to the final consumers. The essence is to encourage these channel members to stock the product, provide strategic shelve space for it and encourage consumers to buy from their outlets so as to improve organisational sales, revenues and profits (Adebisi and Babatunde, 2011).

Likewise, as a way of promoting brand sales, the company used contests (mean=3.88; SD=.776) so as to promote sales growth which in turn would lead to sales revenue. In line with the findings, Nwielaghi (2013) asserts that trade promotion are the aspect where the manufacturer is concerned not only with promoting the product to the consumers but also with whether the product is on the retailers' shelves when the customers go to the store to buy. On the other hand, the results showed that company used trade deals as a way of providing special display or point-of-purchase support to traders (mean=3.76; SD=.842) which resulted into improvements in company sales through provision of targeted information to customers that entered retail stores. Trade promotions show is a variant of sales promotion and periodically, companies sponsor trade shows for their members and customers (Griffin, et. al., 2004). They therefore promote products to marketing intermediaries. If compared to other techniques, one can realise that, this technique appears more favourable, more especially, in automobile industries where customer's decision to purchase a product is more rational.

From the results, the company also recognized traders with the highest sales turnover of products through provision of attractive incentives (mean=3.75; SD=.873). Organisations can transform their sales through trade promotions to drive profitable growth through improved trade promotion efficiency (Ratimosho, 2003). Organisational success requires a willingness to change the way an organization deploys its trade spend, gathers trade promotion data, and uses systems to analyze it.

In support of the above results, some heads of departments attested that;

“the company use different trade promotions such as trade contests, trade deals, trade fairs, special discounts among others as a way of pushing their products to the customers by encouraging them to access them from the retailers and traders.”

This is why the results showed that the company used trade contests to attract traders to stock their products (mean=3.72; SD=.766) whereas, they used trade deals to increase the volumes of the

products stocked by traders (mean=3.68; SD=.753) and company used trade deals to discount product prices to traders (mean=3.65; SD=.754). This is suggestion that through trade deals, company was able to increase the stock levels of the traders and also be able to sale the stocked prices at favourable prices to customers. Through better trade promotion efficiency and effectiveness, organisations can transform their sales organizations to drive profitable growth. The rewards are significant in return on investment and great impact on overall organisational profits (Adebisi and Babatunde, 2011). Thus, increasing trade promotion effectiveness represents one of the most significant opportunities for organisational performance.

On the other hand, the results showed that through trade fairs, the company was able to promote new and modified products (mean=3.62; SD=.798). This is because through trade shows exhibitors would be sensitized more about new and modified products so as to know the advantages of the products and therefore be able to use them. Organisations can utilize trade promotions to increase product visibility and brand awareness with consumers so as to improve product sales (Adebisi and Babatunde, 2011). Trade promotions can also increase a product's consumption rate, or the average quantity of a product used by consumers in a given time period which results into organisational performance. This why for those who were interested in the products, the company offered special discounts to consumers and traders for them sell their products (mean=3.55; SD=.854). The key is to integrate analytics, systems, processes and organizational capabilities. There's no question the potential return is worth the effort.

In support of the above results, some top management members revealed that;

“The company endeavored to make sure that they implement trade promotions as a way of promoting sales promotion of its products”.

From the results, the standard deviation results of less than 1 provided evidence that the results obtained on trade promotions applied to CBL and therefore could be generalized on all companies in the sector that are involved in the manufacturing of carbonated soft drinks in the country.

#### 4.3.4.1 Trade Promotions and Organisational Performance

Correlation analysis was used to present the results on the relationship between trade promotions and organisational performance. Correlation was done where by all responses for each variable were aggregated into a single index and then Pearson's correlation Co-efficient (r) technique was used to assess the nature and magnitude of the relationship. Table 4.11 gives Pearson's correlation Coefficient for the two variables which include; trade promotions and organisational performance.

**Table 4.11: Trade Promotions and Organisational Performance**

		Trade Promotions	Organisational Performance
Trade Promotions	Pearson Correlation	1	.443**
	Sig. (2-tailed)		.000
Organisational Performance	Pearson Correlation	.443**	1
	Sig. (2-tailed)	.000	
**. Correlation is significant at the 0.01 level (2-tailed).			

**Source:** Primary data, 2017

The results in Table 4.11 shows that, Pearson's Correlation Coefficient for trade promotions and organisational performance was  $r = 0.443$ , which was positive with probability value ( $p = 0.000$ ) that is less than  $\alpha = 0.01$  level of significance showing a positive relationship between trade promotions and organisational performance. This shows that there was a moderate correlation between trade promotions and organisational performance which was significant at 5% level (\*\*). This means that there is a substantial positive linear correlation between trade promotions and organisational performance. This also shows a high positive correlation between trade

promotions and organisational performance implying that the results from the relationship are highly correlated therefore, more reliable. According to the results, 44.3% of the organisational performance of the company was accounted for by trade promotions. From the results, the study revealed that management of the company had made efforts to promote trade promotions by putting in place systems, processes and procedures that promoted sales promotions, much as there were still challenges faced in sale promotions in the company.

According to the majority of management members, there was some level of trade promotions in the company much as this could not be relied on by the company because over the years, the company's sales, profits and revenues were declining. Through better trade promotion efficiency and effectiveness, organisations can transform their sales organizations to drive profitable growth. The rewards are significant in return on investment and great impact on overall organisational profits (Adebisi and Babatunde, 2011). Thus, increasing trade promotion effectiveness represents one of the most significant opportunities for organisational performance. Leading companies embrace trade spending as a strategic investment so as to improve organisational performance in regard to profitability, sales and revenues. Organisations can transform their sales through trade promotions to drive profitable growth through improved trade promotion efficiency (Ratimosho, 2003). According to Shira (2003), within organisations, incentives are being increasingly offered for superior performance. Trade promotions can also increase a product's consumption rate, or the average quantity of a product used by consumers in a given time period which results into organisational performance.

#### 4.4 Regression Model

Regression analysis is also used to understand which among the independent variables are related to the dependent variable, and to explore the forms of these relationships. In restricted circumstances, regression analysis can be used to infer causal relationships between the independent and dependent variables. A regression analysis was carried out to examine the extent to which study variables (consumer promotions, retailer promotions and trade promotions) predict organisational performance at the company. The results are presented in Table 4.12 below.

**Table 4.12: Prediction Model**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	0.526	.321		3.321	.000
Retailer promotions	.012	.050	.242	1.135	.0013
Consumer promotions	.130	.061	.184	2.133	.0020
Trade promotions	.423	.078	.413	4.268	.0000
<b>Dependent variable:</b> Organisational performance					
R <sup>2</sup> =.425		Adj R <sup>2</sup> =.414		Sig= 0.000	

Source: Primary data, 2017

According to table 4.12, consumer promotions, retailer promotions and trade promotions predict 41.4% of organisational performance (Adjusted R Square = .414). Further, the model was found to be well specified, implying that all the independent variables combined in the model were appropriate predictors of organisational performance, and the variation in all of the independent variables combined caused up to 41.4% variation in organisational performance. The regression model was significant and thus reliable for making conclusions and recommendations. The most significant predictor of organisational performance was trade promotions (Beta= 0.413, Sig. = 0.000) followed by retail promotions (Beta= 0.242, Sig. = 0.0013) and then consumer promotions (Beta= 0.184, Sig. = 0.002). The findings revealed that consumer promotions, retail promotions and trade promotions were moderate predictors of organisational performance. Providing evidence

that for the company to attain desirable profitability, cost reduction, growth and liquidity there was needed to ensure that there is consumer promotions, retail promotions and trade promotions at CBL.

According to Odunlami and Ogunsiji (2011), sales promotion helps to build brand loyalty by giving the seller the chance to draw a loyal and profitable set of customers which provides sellers some protections from competition and greater control in planning their marketing mix (Shira, 2003) Sales promotions also encouraged off season buying especially during the festive periods, people tend to buy more of a particular product because of the added value, compared to normal season. Trials among non-users of a product are generated through invitation of potential purchasers to try the product without cost or little cost with the hope that they will buy the product. Sales promotion persuades retailers to give shelf freedom to original products. Companies provide retailers with financial motivation to stock novel products. Categorically, sales promotion has been seen to centre on customer relationship management, free gifts, free sample, and price discount. If an organization successfully gear sales promotion techniques, it will not only push large purchase but it will also boost the sales performance of a company, consistently leading to the realization of the declared objectives.

#### **4.5 Conclusion**

This chapter analyzed the contribution of sales promotions on organisational performance. The findings indicated that consumer promotions, retail promotions and trade promotions were strong predictors of organisational performance accounting for 41.4% of the change in organisational performance at CBL. This provided a basis for chapter five which considered the summary of the findings, discussion, conclusions and recommendations.



## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.0 Introduction**

This chapter presents the summary of results presented in chapters four and conclusions drawn from the presentation. The chapter presents a short summary of the purpose of the study and the research findings, followed by the set of recommendations, limitations of the study and areas of further research.

#### **5.1 Summary of the Findings**

The study sought to examine the extent to which sales promotion predicted organisational performance at CBL. This was carried out by unpacking the dimensions of sales promotion which are: consumer promotions, retail promotions and trade promotions. These were related with organisational performance when developing the study objectives.

##### **5.1.1 Sample Characteristics**

From the findings on the demographic characteristics, the majority of the respondents were male, with the results showing that the majority of the respondents were diploma and degree holders. A large number of respondents had accumulated working relationships with the banks of 3-5 years. The majority of the respondents belonged to the 25-30 years age group.

##### **5.1.2 Consumer Promotions and Organisational Performance**

The findings validate that, consumer promotions was significant in determining organisational performance. This was confirmed by the findings from the management staff who were the key informants and the correlation results which indicated a significant and positive relationship between consumer promotions and organisational performance ( $r = 0.375^{**}$ ). The correlation

findings were also supported by regression analysis results which showed that reliability was a significant predictor of organisational performance (Beta=.184).

### **5.1.3 Retailer Promotions and Organisational Performance**

According to the findings, there was a positive and significant relationship between retailer promotions and organisational performance ( $r= 0.437^{**}$ ). The positive significant relationship between retailer promotions and organisational performance was confirmation that in order to realize efficiency in organisational efficiency there was need to allow promote retail promotions in sale promotions. The correlational results are in line with the regression analysis which revealed that retailer promotions predicted organisational performance (Beta=.242)

### **5.1.4 Trade Promotions and Organisational Performance**

The findings established that trade promotions influenced organisational performance in the carbonated soft drinks industry which was implication that trade promotions were principal in promoting organisational performance. The positive significant relationship between trade promotions and organisational performance ( $r= 0.443^{**}$ ) was explained by the fact that in order to attain efficient organisational performance, there was need to allow promote trade promotions in sale promotions. The correlational results are in agreement with the regression analysis findings which revealed that trade promotions predicted organisational performance (Beta=.413).

## **5.2 Conclusions**

CBL to some extent carried out consumer promotions through special sales, price offs, coupons, free samples among others which have enhanced the overall organizational performance. From the findings, consumer promotions positively affected the performance of the company in regard to sales growth,

customer base, sales turnover and profitability which promoted organizational performance resulting into their sustainability.

From the findings, retail promotions influenced the performance of CBL in relation to sales growth, customer base, sales turnover and profitability. In order to further promote retail promotions, the company offered allowances & discounts, sponsored retail demonstrations, conducted trade shows, conducted sales contests, cooperative advertising and offered retail coupons which all promoted the performance of the company.

The findings showed that there is a significant relationship between trade promotions and the performance of CBL. This was reflected in the relationship between trade promotions and organizational performance such as sales growth, customer base, sales turnover and profitability. The study established that through trade promotions, the company offered special discounts, used trade advertising, trade contests, trade fairs, offered incentives to traders and used trade deals. This is justification that trade promotions were vital in improving the company's effectiveness and efficiency.

In conclusion, the findings validate that consumer promotions, retailer promotions and trade promotions predicted the performance of CBL. This is because consumer promotions, retailer promotions and trade promotions had positive significant relationships with organizational performance and also predicted organizational performance up to 41.4%.

### **5.3 Recommendations**

In light of the research findings, the following main recommendations were made:

#### **5.3.1 Consumer Promotions and Organisational Performance**

The findings revealed that consumer promotions had a significant effect on the performance of CBL. It is recommended since consumer sales promotions attract brand switchers as well as new clients, the company should adopt a well designed consumer sales promotion strategy to build a strong good brand at the maturity stage in the product cycle in order to attract brand switchers or new customers. The management of CBL should ensure effective integration of communication tools to ensure that the intended objectives for all promotional tools are achieved. It is equally important for management to fully utilize technology to attract consumers to their brands. Likewise, the company should periodically evaluate the contribution of consumer sales promotions relative to other promotional tools.

The company should minimise their emphasis on contests and sweepstakes and price offs sales promotional strategies. The strategies are being over-used by CBL. There is need to venture into other sales promotional techniques such as coupons, rebates and premiums. There is need for the company to conduct formalised consumer opinion research with the primary objective of gathering data on perception of customers towards the company. The company should not base its business strategies on integrated marketing communication only, but they should invest also technological innovation, increasing its capacity so as to enjoy economies of scales, as the above strategies are corner stone in supporting integrated marketing communication.

#### **5.3.2 Retailer Promotions and Organisational Performance**

The findings revealed that retailer promotions had a significant effect on organisational performance. The findings of this study suggest that the management of the company should

involve key distributors and supply chain members in sales promotional activities if they need to meet the goals stipulated for such campaigns. This is because distributors and retailers deal directly with consumers hence they can give adequate feedback on promotional activities used. Likewise, there is need for the company to invest in market survey as this will help them in coming up with sales promotion practices that are acceptable, accessible, ethically sound, have a positive perceived impact, relevant, appropriate, innovative, efficient, sustainable and replicable. Likewise, there should be an enhanced and computerized distribution system as this will promote performance and proficiency on field managers and supervisors monitoring sales on consumers and complaint.

### **5.3.3 Trade Promotions and Organisational Performance**

From the findings on trade promotions and organisational performance, it was revealed that trade promotions was vital in promoting organisational performance. The researcher recommends that the management of the company should engage in more promotional mix strategies and also be creative to consumers which would in turn enhance and boost sales revenue. In addition, CBL's sales promotions budgets should always be adequate as this would give sales representatives and consumers alike performance to participate. Likewise, the company should channelize more resources towards contests and sweepstakes promotional strategies as they have a significant contribution to organisational performance.

The company should have a decentralized sales promotion draws, these can be under regional sales promotion so as to increase the chances of attracting more customers due to increased probability of winning in a contests or sweepstake. The company needs to set up a more effective sales promotion departments with qualified staff who are innovative and creative in coming up with ideas on effective sales promotion. The competitive nature of the beverage sector, the company needs to analyze the promotional activities and the media to use to disseminate information to

target audience. Planning promotional programs in an appropriate, feasible, comprehensive, time bound manner and periodically evaluating the program is key.

### **Other policy recommendations**

With due regard to the ever increasing desire to have better sales performance among the manufacturers of carbonated soft drinks in Uganda, there is need to invest in new sales promotion practices with emergence of new technologies so as to meet this expectation, as it was found that there were positive relationships between the dimensions used to measure sales promotion and sales performance at CBL.

There is need for the company to invest in market survey as this will help it in coming up with sales promotion practices that are acceptable, accessible, ethically sound, have a positive perceived impact, relevant, appropriate, innovative, efficient, sustainable and replicable.

### **5.4 Areas for Further Study**

- i) The researcher only focused on three components, that is; consumer promotions, retail promotions and trade promotions not considering other dimensions used by other researchers to measure sales promotions. Each of these components has broad areas which can be researched on in relation to organisational performance.
- ii) The study took a form of a cross sectional design but to study the true nature of relationship between sales promotion and organisational performance, a longitudinal study is more appropriate, organisational performance is a complex concept and difficult to measure objectively as it is influenced by a wide range of variables that could be identified for further studies.

- iii) A similar study may be carried out on all carbonated soft drinks manufacturing companies to assess the association between relationship between consumer promotions, retail promotions, trade promotions and organisational performance.

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**APPENDIX I**  
**QUESTIONNAIRE**

Dear Respondent,

I am a student of Uganda Martyrs University undertaking a study on Sales Promotion and Organizational Performance at Crown Beverages Limited. The study is a partial fulfillment of the requirements for the award of Master’s degree in Business Administration of Uganda Martyrs University. I kindly request you to answer the questionnaires with openness and accuracy. The information you will provide, will be treated with a high level of confidentiality. The responses you give will be integrated in other responses collected, to give an overall picture on the topic under study. The findings will be used for purely academic purposes by the researcher. If there is any issue you find unclear kindly feel free to get back to the researcher. Thanks for your support and co-operation.

**Section A: Background Information**

Tick or circle appropriately (√/0)

1. Age:

25-30 years	31-45 years	46-50 years	above 50 years

2. Gender:

Male	
Female	

3. Highest level of education

Certificate	Diploma	Degree	Post graduate diploma	Masters Degree

Others (please specify) .....

4. Tenure of Employment

- 1. Below 2 years
- 2. 2-5years
- 3. 5-10 years
- 4. Above 10years

**Section B: Consumer Sales Promotion**

Please indicate the extent to which you agree with the statements below (SD- Strongly Disagree, D- Disagree, N- Not Sure, A- Agree and SA- Strongly Agree)

Items	SD	D	NS	A	SA
The company uses special sales, price off and coupons to promote its products	1	2	3	4	5
Coupons and premiums are used by our company to persuade customer to buy its products	1	2	3	4	5
Our company uses cent-off coupons to increase sales	1	2	3	4	5
The company uses free samples to encourage customers to try its products	1	2	3	4	5
Scratch and win promotions prompt customers to increase buying frequency	1	2	3	4	5
Our company uses pricing deals to attract new customers	1	2	3	4	5
Through premium and pricing deals incentives customers are rewards for their loyalty	1	2	3	4	5
Our company uses sweepstake and gifts to induce customers to continue buying products.	1	2	3	4	5
Cash refund offer and free goods are used to increase customer repurchases	1	2	3	4	5

**Section C: Retailer Promotion**

Please indicate the extent to which you agree with the statements below (SD- Strongly Disagree, D- Disagree, N- Not Sure, A- Agree and SA- Strongly Agree)

Items	SD	D	NS	A	SA
Our company offers allowance & discounts to retailers in order to stock company products	1	2	3	4	5
Company sponsored retail demonstrations are used by the company to create awareness about its products	1	2	3	4	5
My company uses selling on special long term instalment plans encourage retailers to purchase its products	1	2	3	4	5
My company offers special discounts on different occasions to retailers	1	2	3	4	5
The company uses trade shows to encourage retailers to buy and stock its products	1	2	3	4	5
Sales contests are used to attract more customers to buy company products	1	2	3	4	5
Cooperative advertising is used to increase visibility of company products in retail stores	1	2	3	4	5
Retail coupons are used to customers to by from stockists of company products	1	2	3	4	5

**Section D: Trade Promotion**

Please indicate the extent to which you agree with the statements below (SD- Strongly Disagree, D- Disagree, N- Not Sure, A- Agree and SA- Strongly Agree)

Items	SD	D	NS	A	SA
Our company offers special discounts to traders for them sell its products	1	2	3	4	5
Trade advertising is used to increase awareness and visibility of company products in outlets	1	2	3	4	5
Trade contests are used at the company to attract traders to stock our products	1	2	3	4	5
Contests are used by the company to promote brands sales	1	2	3	4	5
The company uses trade fairs to promote new and modified products	1	2	3	4	5
Our company uses trade fairs to gather public views about company products	1	2	3	4	5
Our company uses trade fairs to attract traders to order company products	1	2	3	4	5
Traders with the highest sales turnover of products are rewarded through provision of attractive incentives	1	2	3	4	5
The company uses trade deals to increase the volumes of the products stocked by traders	1	2	3	4	5
Our company uses trade deals to discount product prices to traders	1	2	3	4	5
We use trade deals as a way of providing special display or point-of-purchase support to	1	2	3	4	5

traders					
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**Section E: Organisational performance**

Please indicate the extent to which you agree with the statements below (SD- Strongly Disagree, D- Disagree, N- Not Sure, A- Agree and SA- Strongly Agree)

Items	SD	D	NS	A	SA
The company's sales volume have increased	1	2	3	4	5
Our sales revenue has increased	1	2	3	4	5
The demand for our products has increased	1	2	3	4	5
Our company's customer base has increased	1	2	3	4	5
Customers purchasing frequencies have increased at the company	1	2	3	4	5
Investment in research and development is promoted at our company	1	2	3	4	5
The liquidity of the company has improved	1	2	3	4	5
The profits of our company are increasing on an annual basis	1	2	3	4	5
Total costs of operation have increased at the company	1	2	3	4	5

**Thank you**

## **APPENDIX II**

### **INTERVIEW GUIDE**

1. What sales promotions are used by our company and why?
2. Has the performance of your company improved?
3. Has your company been successful when carrying out consumer sales promotions?
4. In your view, have retailer sales promotions contributed to your company's performance?
5. Would you agree that trade sales promotions have had a positive influence on your company's performance?
6. What are some of the challenges affecting your company's performance?
7. What strategies have been put in place to improve the performance of your company's?
8. What other recommendations can you propose so as to enhance sales promotions at your company's?

## APPENDIX III

### DOCUMENTARY REVIEW CHECKLIST

#### Documents Reviews

Key: A- Always, F=Frequently, O=Occasionally, R=Really, N=Never

<b>General's Policy and Reports</b>	<b>A</b>	<b>F</b>	<b>O</b>	<b>R</b>	<b>N</b>
Are there well documented Marketing policies?					
Do staff meet set sales targets?					
Mandate of line managers					
What is the overall adherence to set performance goals?					
<b>Meeting minutes</b>	<b>A</b>	<b>F</b>	<b>O</b>	<b>R</b>	<b>N</b>
Is there a policy on consumer promotions?					
Is there a policy on retail promotions?					
Is there a policy on trade promotions?					
Is business on sales promotions discussed by management?					
<b>Journal articles</b>	<b>A</b>	<b>F</b>	<b>O</b>	<b>R</b>	<b>N</b>
Is there discussion on sales promotions?					
Is there a relationship between sales promotions and organisational commitment?					



## APPENDIX IV

TABLE FOR DETERMINING SAMPLE SIZE FROM A GIVEN POPULATION

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	246
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	351
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	181	1200	291	6000	361
45	40	180	118	400	196	1300	297	7000	364
50	44	190	123	420	201	1400	302	8000	367
55	48	200	127	440	205	1500	306	9000	368
60	52	210	132	460	210	1600	310	10000	373
65	56	220	136	480	214	1700	313	15000	375
70	59	230	140	500	217	1800	317	20000	377
75	63	240	144	550	225	1900	320	30000	379
80	66	250	148	600	234	2000	322	40000	380
85	70	260	152	650	242	2200	327	50000	381
90	73	270	155	700	248	2400	331	75000	382
95	76	270	159	750	256	2600	335	100000	384

Note: "N" is population size  
"S" is sample size.

Source: Krejcie & Morgan (1970)

## APPENDIX V

### RELIABILITY

#### Consumer Promotions

Scale: ALL VARIABLES

#### Case Processing Summary

		N	%
Cases	Valid	307	100.0
	Excluded <sup>a</sup>	0	.0
	Total	307	100.0

a. Listwise deletion based on all variables in the procedure.

#### Reliability Statistics

Cronbach's Alpha	N of Items
.808	9

### RELIABILITY

#### Retailer promotions

Scale: ALL VARIABLES

#### Case Processing Summary

		N	%
Cases	Valid	307	100.0
	Excluded <sup>a</sup>	0	.0
	Total	307	100.0

a. Listwise deletion based on all variables in the procedure.

#### Reliability Statistics

Cronbach's Alpha	N of Items
.817	8

### RELIABILITY

#### Trade promotions

Scale: ALL VARIABLES

#### Case Processing Summary

		N	%
Cases	Valid	307	100.0
	Excluded <sup>a</sup>	0	.0
	Total	307	100.0

a. Listwise deletion based on all variables in the procedure.

#### Reliability Statistics

Cronbach's Alpha	N of Items

**Reliability Statistics**

Cronbach's Alpha	N of Items
.837	11

**RELIABILITY**

**Organizational performance**

**Scale: ALL VARIABLES**

**Case Processing Summary**

		N	%
Cases	Valid	307	100.0
	Excluded <sup>a</sup>	0	.0
	Total	307	100.0

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

Cronbach's Alpha	N of Items
.870	9