### THE EFFECT OF SALES PROMOTION ON THE SALES PERFORMANCE

# A CASE OF MBS FRUIT AGENCY, KAMPALA

### $\mathbf{BY}$

#### NAKABUYE FEDDY



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#### **DEDICATION**

I dedicate this report with great pleasure to the Almighty God without whose own grace I wouldn't have completed my studies. To all my beloved to beloved parents Mr. Mathias Kibirige and Mrs. Veronica Kibirige remembering with great gratitude their unconditional and unreserved technical support and advise spiritually, emotional, financially and socially as well as my brother Kalungi Edward and sister Betty Nattabi, you are a great treasure in my life because of unforgettable inspiration and care received from you. Not forgetting to dedicate it to the family of Dr. Martin Francis Kyeyune, Mabilizi family, Ndawula family, Aunt Anne and friends who been there on my side whenever I wanted them. Lastly, I appreciate the work of my supervisor Lugemwa Peter for his guidance and unreserved advice in this report.

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#### **ABSTRACT**

This research investigated the effect of sales promotion on sales performance in Beverages industry in Uganda taking MBS Fruit Agency as a case study. The study was guided by the following objectives, to determine the effect of consumer sales promotion on sales performance at MBS Fruit Agency, to examine the effect of trade sales promotion on sales performance at MBS Fruit Agency and to establish the effect of business to business sales promotion on sales performance at MBS Fruit Agency

It was concluded that that giving product compensation has worked for the company in improving its sales performance and therefore the company put more emphasis on production compensation consumer sales promotional tool to improve its sales performance. It was concluded on the promotional tool particularly is used for trade sales promotion as a way of effecting sales performance at MBS Fruit Agency revealed that providing sales contests to consumers has increased company sales being followed with other consumer promotional tool like display of the products, contacting sales meeting, giving discounts, giving special allowances, giving extra goods after meeting the target, giving adverting allowances and bonus deals. It was concluded about the promotional tool particularly used for business to business sales promotion as a way of effecting sales performance at MBS Fruit Agency that trade shows has worked for the company in improving the sales performance and others being consumer promotional tool like Trade discounts, free products, promotional products, and the trade. Therefore the company put more emphasis on trade shows business to business sales promotional tool to improve its sales performance.

It was recommended that MBS Fruit Agency should endeavour at all time to have a planned and systematic sales promotion programme in place as this would help to make such promotional implementation effective. MBS Fruit Agency should set up a more and effective sales promotion department with experienced staff with the view to developing more promotional strategy in line with the company's objectives.

#### CHAPTER ONE

#### INTRODUCTION

#### 1.0 Introduction

For companies to stay alive and to have good sales performance, they have to adopt effective and efficient means of promotion. Blattberg and Scott (2006) reported that every product needs to be promoted, that is to say it needs to be drawn to the attention of the market place and its benefits identified.

Achumba (2012) defined sales promotion as those marketing activities, other than personal selling, advertising and publicity that stimulate consumer purchasing and dealer effectiveness, such as displays, shows and expositions, demonstration etc. Sales promotion has been defined as a direct inducement that offers an extra value or incentive for the product to the sales force, distributors or the ultimate consumer with the primary objective of creating an immediate sale (Dekimpe, Hanssens and Risso, 2009). Sales promotion is one of the ways used by firms to communicate with intended target market (Gupta, 2001). Sales promotion is unique in that it offers an extra incentive for action Adrian (2004). Sales promotion refers to those promotion activities other than advertising, publicity and personal selling that stimulate interest, trial or purchase by final customers or others in the channel (Hanssens, Donald and Richard, 2001).

According to Smith, R. E. (1998), sales performance refers to the ability of a company's sales professionals to "win" at each stage of the customer's buying process, and ultimately earn the business on the right terms and in the right timeframe. Improving sales performance is not just a sales function issue; it's a company issue, as it requires deep collaboration between sales and marketing to understand what's working and not working, and continuous improvement of the

knowledge, messages, skills, and strategies that sales people apply as they work sales opportunities Belch and Belch (2012). Sales effectiveness has historically been used to describe a category of technologies and consulting services aimed at helping companies improve their sales results Achumba (2002).

The effect that sales promotions have on the sales performance include: 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 (Baohong et.al, 2003). The use of premiums, product warranties etc. stimulate consumer purchase in larger quantities (Kahn, Barbara and Loouise, 1990). 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 (Achumba, 2002).

# 1.1 Background to the study

The growing managerial importance of sales promotion has generated a great deal of research on how sales promotion affects sales performance (Dawes and John, 2004). There is no doubt sales promotions have become a vital tool for marketers and its importance has increased significantly over the past 2 decades.

In Uganda, sales promotions expenditures by various companies is estimated to be in millions of shillings and the emphasis on sales promotion activities by the various industry players continue to increase year on year (Dekimpe, Hanssens and Risso, 2009). Sales promotion is an initiative undertaken by organizations to promote sales, usage or trial of a product or service (for example initiations that are not covered by other elements of the marketing communication/promotional mix). It is an important component of an organization's overall marketing strategy along with

advertising, public relations, and personal selling (Ehrenberg, Hammond. and Goodhardt, 1994). 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 (Kotler, Keller and Burton, 2009) argue about the usefulness of sales promotion, that whether it promotes the long term growth and profitability among brands for which it is projected is not compulsory (Shimp, 2010). In contrast, a study conducted by Van Bruggen, Kacker and Nieuwlaat (2005) revealed that sales promotions motivate the consumers to make immediate purchases and also positively impacts the consumption volume. In the midst of the above controversies, this research sought to establish the effect of sales promotion on sales performance using MBS as case study.

As presented by Achumba (2002), sales promotion refers to marketing activities, other than personal selling, advertising and publicity that stimulate consumer purchasing and dealer effectiveness, such as displays, shows and expositions, demonstration etc. Sales promotion has been defined as a direct inducement that offers an extra value or incentive for the product to the sales force, distributors or the ultimate consumer with the primary objective of creating an immediate sale (Dekimpe, Hanssens & Risso, 2009). Elsewhere, Kahn, Barbara and Loouise, Therse, 1990) reviewed major trends in the management of sales promotion in a sample of U.S. package goods companies. He documented the shift of funds from advertising to sales promotion budgets. However, the author did not explore specific promotions nor specific success factors associated with promotions. Analyzing Laroche, Michel et.al (2005) observed thousands of individual promotions. He concluded that sales promotions are most effective in stimulating sales during the introductory and growth phases of the brand's life cycle. Mela (1997) further asserted that sales promotions frequently mortgaged the brand's future sales and he doubted the

profitability of many sales promotions. Similarly, Lembeck (1999) found that only 40% of sales promotions are effective but there was no definition of success or effectiveness. Other studies suggest that sales promotions do not have a constant or continued effect on volume of sales of a firm which tend to diminish and come at the initial level at which it was before the sales promotion is being offered (Kahn, Barbara and Loouise, 1990).

Still some researcher argue about the usefulness of sales promotion, that whether it promotes the long term growth and performance among brands for which it is projected is not compulsory (Pauwels, Dominique and Siddarth, 2002). In contrast, a study conducted by Ailawadi and Neslin (1998) revealed that sales promotions motivate the consumers to make immediate purchases and also positively impacts the consumption volume. In the midst of the above controversies, this research sought to examine the effect of sales promotion on organizational profitability using as case study.

According to Lindholn, (2008), essentially, sales promotions are classified into three broad categories depending on the initiator and the target of the promotion. These include consumer sales promotion, trade sales promotion and business to business sales promotion Asemah (2011). Consumer sales promotions are steered toward the ultimate product users typically individual shoppers in the local market but the same techniques can be used to promote products sold by one business to another, such as computer systems, cleaning supplies, and machinery Smith, (1998). A trade sales promotion is targeted at resellers-wholesalers and retailers who distribute manufacturers' products to the ultimate consumers Laurent and Dreze (2006). The objectives of sales promotions aimed at the trade are different from those directed at consumers.

In general, trade sales promotions hope to accomplish four goals: Develop in-store merchandising support, as strong support at the retail store level is the key to closing the loop between the customer and the sale Smith, Michael and Sinha, (2000). Business to Business (B2B) in the line of business stands for 'Business-to-Business' dealings Tellis, (1998). A small, but important sub-set of sales promotions are targeted to the business-to-business market. While these promotions may not carry the glamour associated with consumer or trade promotions, B2B promotions are used in many industries besides retailing Totten and Block, (1987). Actually in B2B sales promotion is used as a way of moving clients to action. Though, the promotional options available to the B2B marketer are not as broad as those found in the customers or trade markets Nwielaghi (2003). For example, in India, most of the B2B marketers do not use coupons as a medium for sales promotion with the exception of companies that sell to both customers and business clients Asemah (2011).

### **Background of the Case Study**

MBS Fruit Agency commonly known as "Romis Wine" is one of the best brewing companies in Uganda dealing in manufacturing and distribution of beverages using locally grown pineapples. it's main manufacturing and headquarters premises are located in Sembule zone near Muteesa II Stadium in Wankulukuku on Namibi building along Bunamwaya Kampala road, Uganda.

The company is producing different brands of product say, Romis Wine, Romi semi-sweet wine, Romi whisky Beer, Black Bull Wallagi and soft drinks.

The company is run by Doctor Terry Kahuma with a born **Vision** of being the best and leading manufacturer and distributor of classic beverages using local natural raw materials in east Africa. With an accompanying **Mission** of using locally grown raw materials to make best beverages so

as to reduce reliance on imported raw materials and support local farmers with creation of more employment through buying their products.

The company is now of the leading wine and whisky producing companies in Uganda in the Alcoholic Beverage Industry and serves east African community with a production of o.5 million Hectolitres of outputting different brands.

### 1.2 Statement of the problem

Although several sales promotions are conducted each year by brewery companies like Nile brewery, promotion managers are frequently confronted with the challenge of defending the question of the effect of sales promotions activities on the performance of the firm. A review of literature also shows that much of the previous research in sales promotion has focused on the consumer or retail trade response to promotions but has not incorporated the effect of sales promotion on sales performance Kopalle, Mela and Marsh, (1999); Ailawadi and Neslin, (1998); Dekimpe et al. 999; Pauwels et al.( 2002). For instance, Lembeck (1999) suggested that only 40% of trade promotions are effective but there was no definition of success or effectiveness.

An interesting review of MBS's annual report for 2013 and 2014 shows an increased expenditure in sales promotion activities of 13%. In 2013, an amount of 1,465,000shs was spent on promotional activities. In 2014 however, the figure increased to shs1,662,600. The ultimate question is how have these expenditures influenced the company's performance? It is quite intriguing to find that the operating sales at the end of 2013 was shs2,050,500 whilst that of 2014 was shs 647,700, a drop of 68% (MBS, 2014). As noted by Blattberg and Neslin (2006), sales promotions are effective demand boosters that do not incur the risks associated with new products. According to Hanssens et al. (2001), sales promotions are relatively easy to implement

and tend to have immediate and substantial effects on sales volumes. Consequently, the relative share of promotions in firms' marketing budgets continues to increase Currim and Schneider,(2009). However, sales promotion rarely have persistent effects on sales, which tend to return to pre-promotion levels after few weeks or months Dekimpe et al.(2009); Nijs et al.(2001); Pauwels et al.(2002). Consequently, promotion's effectiveness in stimulating long-term growth and profitability for the promoted brand is in doubt Kopalle et al. (1999). In line with the above, this study sought to examine the effect of sales promotion on the sales performance of MBS FRUIT AGENCY Ltd.

### 1.3 General objective of the study

The overall objective of the study was to examine the effect of sales promotion on sales performance in Beverages industry in Uganda taking MBS Fruit Agency as a case study.

### 1.4 Specific objectives of the study

- To determine the effect of consumer sales promotion on sales performance at MBS Fruit
   Agency
- ii. To examine the effect of trade sales promotion on sales performance at MBS Fruit Agency
- To establish the effect of business to business sales promotion on sales performance at MBS Fruit Agency

### 1.5 Research Questions

- What is the effect of consumer sales promotion on sales performance at MBS Fruit Agency
- ii. What is the effect of trade sales promotion on sales performance at MBS Fruit Agency

iii. What is the effect of business to business sales promotion on sales performance at MBSFruit Agency

# 1.6 Scope of the study

# 1.6.1 Content/Subject Scope

The study focused on the effect of sales promotion on sales performance in Beverages industry in Uganda and specifically market, sales and management

### 1.6.2 Geographical Scope

The study was carried out at MBS Fruit Agency which is located Sembabule zone near Mutesa II stadium Wankulukuku in Kampala, Uganda.

## 1.6.3 Time Scope

The study covered a literature concerning sales performance and sales performance for the last 10 years from 2007 to 2016. This period was considered because it is the period that most companies have impressed sales performance so that they improve on the sales performance of their products and therefore provided relevant information regarding the study.

### 1.7 Justification of the Study

The study will be important to the companies in understanding the importance of sales promotion in improving their sales.

The study will be helpful to both present and potential sales promotion manager to know the impact of promoting and using the right promotional tools.

The study will also necessitate a more impact coordination of the different promotional techniques of enhancing product patronage.

This study will enable the company achieve its objectives with the firms in applying some of sales promotional tools.

The study will give an insight in to sales promotional approaches used by the companies.

# 1.8 Significance of the study

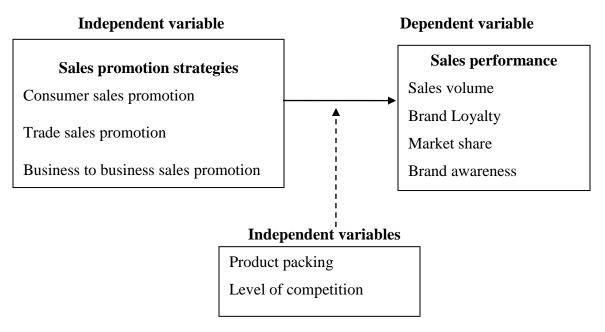
To the company, the study will help MBS Fruit Agency to increase its sales volume and yield more profits through exploring the various and most effective advertising techniques.

To scholars and academicians, the study findings will add to the limited body of existing literature on the subject.

To the researcher, the study will help the researcher who might want to use it for further study as source of reference.

To the students, the study will benefit students who need knowledge about sales promotion and its impact on sales performance.

Figure 1: Conceptual framework



Source: Moderated from Boddewyn and Leardi (1989)

The figure above explains the effect of sales promotion on sales performance in Beverage companies in Uganda. The main aim of any company is to earn maximum profit and this is possible through maximum sales (Pauwels, Dominique and Siddarth, 2002). The maximum sales can be achieved by using various techniques of sales promotion. As for this study, the independent variable is the sales promotion strategies applied by companies in improving their sales performance and these are consumer sales promotion, trade sales promotion and business to business sales promotion (Mela, 1997). The dependent variable is the sales performance which is measured in terms of sales volume, brand loyalty, market share and brand awareness Mittal and Sethi (2011). The intervening is variables are other factors that influence sales performance and these include product packing and level of competition in the market (Laroche, Michel, 2005).

# 1.9 Definitions of key terms

**Sales promotion:** This is an attraction to products and services that attracts consumers and induces sales Philip (2006). For the purpose of this study, sales performance means how the company will reach the market its products to ensure that consumers are aware of the products.

**Sales Performance**: This is the output of the company's sales as it regards their organizational goals/objectives Shira, (2003). For this study sales performance mean the amount of sales the company is willing to sale in a specific period of time.

#### **CHAPTER TWO**

#### LITERATURE REVIEW

#### 2.0 Introduction

The previous chapter addressed issues relating to the background of the study, problem statement, research objectives and research questions, significance of the study, scope and conceptual framework. This chapter deals with review of empirical work on sales promotion and sales performance. The chapter commences with definition of key constructs. This is followed by the objectives of the study.

Osman and Foon (2011) defines sales promotion as the array of short-term promotional techniques that marketers use to stimulate an immediate purchase". DaSilva (2008) defines sales promotion can be described as materials that act as a direct inducement, offering added value, or incentive for the product, to resellers' sales persons or consumers.

According to Belch and Belch (2012)sales performance refers to consistent and satisfactory turnover of goods and services produced and put on the market by an organization or company. It is the sole economic goal of companies to have as much goods sold on the market (Ferrelland Hartline, 2008). This facilitates the rate of goods turn over and consequently revenue and increased production Ferrell and Hartline (2008).

A study conducted by Perreault, Mccarthy, 2002, depicts that the effect of sales promotion on firms' sales performance which they call as first line performance, firms' income which is bottom line performance and on market to book value ratio which is named as firms' values is encouraging for the short term. While in the long run the sales promotion is positive for top line performance but it is negative for bottom line performance and firm's value.

# 2.2 Effects of consumer sales promotions on sales performance

Consumer sales promotions are steered toward the ultimate product users typically individual shoppers in the local market but the same techniques can be used to promote products sold by one business to another, such as computer systems, cleaning supplies, and machinery (Wierenga and Soethoudt, 2010). In contrast, trade sales promotions target resellers wholesalers and retailers who carry the marketer's product. Following are some of the key techniques used in consumer-oriented sales promotions Osman and Foon (2011).

A consumer price deal saves the buyer money when a product is purchased (Wierenga and Soethoudt, 2010). The main types of price deals include discounts, bonus pack deals, refunds or rebates, and coupons Shimp (2010). Price deals are usually intended to encourage trial use of a new product or line extension, to recruit new buyers for a mature product, or to convince existing customers to increase their purchases, accelerate their use, or purchase multiple units (Vecchio, Del, Devon, 200). Price deals work most effectively when price is the consumer's foremost criterion or when brand loyalty is low Shukla (2009).

Buyers may learn about price discounts either at the point of sale or through advertising Shukla (2009). At the point of sale, price reductions may be posted on the package, on signs near the product, or in storefront windows Shukla (2009). Many types of advertisements can be used to notify consumers of upcoming discounts, including fliers and newspaper and television ads Ndubisi and Moi (2006). Price discounts are especially common in the food industry, where local supermarkets run weekly specials Ndubisi and Moi (2006). Price discounts may be initiated by the manufacturer, the retailer, or the distributor Ndubisi and Moi (2006). For instance, a manufacturer may "pre-price" a product and then convince the retailer to participate in this short-

term discount through extra incentives. For price reduction strategies to be effective, they must have the support of all distributors in the channel Bruggen and Nieuwlaat(2005). Existing customers perceive discounts as rewards and often respond by buying in larger quantities Ndubisi and Moi (2006). Price discounts alone, however, usually do not induce first-time buyers.

When a bonus pack is offered, an extra amount of the product is free when a standard size of the product is bought at the regular price Vinhas andWang (2010). This technique is routinely used in the marketing of cleaning products, food, and health and beauty aids to introduce a new or larger size Ndubisi and Moi (2006). A bonus packs rewards present users but may have little appeal to users of competitive brands Vinhas and Wang (2010). A banded pack offer is when two or more units of a product are sold at a reduction of the regular single-unit price (Vinhas and Wang, 2010). Sometimes the products are physically banded together, such as in toothbrush and toothpaste offers (Vinhas and Wang, 2010).

A refund or rebate promotion is an offer by a marketer to return a certain amount of money when the product is purchased alone or in combination with other products (Tumwine and Agaba 2014). Refunds aim to increase the quantity or frequency of purchase, to encourage customers to "load up" on the product Shimp (2010). This strategy dampens competition by temporarily taking consumers out of the market, stimulates the purchase of postponable goods such as major appliances, and creates on-shelf excitement by encouraging special displays Tumwine and Agaba (2014). Refunds and rebates are generally viewed as a reward for purchase, and they appear to build brand loyalty rather than diminish it Shimp (2010).

Coupons are legal certificates offered by manufacturers and retailers Amollo and Karuiki (2006). They grant specified savings on selected products when presented for redemption at the point of

purchase Shim (2010). Manufacturers sustain the cost of advertising and distributing their coupons, redeeming their face values, and paying retailers a handling fee Amollo and Karuiki, (2006). Retailers who offer double or triple the amount of the coupon shoulder the extra cost. 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 Amollo and Karuiki (2006).

Manufacturers may be delivered directly by mail, dropped door to door, or distributed through a central location such as a shopping mall Shimp (2010). Coupons may also be distributed through the media, magazines, newspapers, Sunday supplements, or free-standing inserts (FSI) in newspapers (Achumba, 2002). 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 (Shimp, 2010). 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 (Shimp, 2010).

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 (Ndubis, and Moi, 2006). Contests were more commonly used as sales promotions, mostly due to legal restrictions on gambling that many marketers feared might apply to sweepstakes (Shimp, 2010). 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. Administering a contest once cost about \$350 per thousand entries, compared to just \$2.75 to \$3.75 per thousand entries in a sweepstakes (Shimp, 2010).

Furthermore, participation in contests is very low compared to sweepstakes, since they require some sort of skill or ability (Shimp, 2010).

A premium is tangible compensation that is given as an incentive for performing a particular act usually buying a product. The premium may be given for free, or may be offered to consumers for a significantly reduced price (Kotler, Keller and Burton, 2009). Some examples of premiums include receiving a prize in a cereal box or a free garden tool for visiting the grand opening of a hardware store. Incentives that are given for free at the time of purchase are called direct premiums. These offers provide instant gratification, plus there is no confusion about returning coupons or box tops, or saving bar codes or proofs of purchase.

Other types of direct premiums include traffic builders, door openers, and referral premiums (Kotler, Keller and Burton, 2009). The garden tool is an example of a traffic-builder premium an incentive to lure a prospective buyer to a store (Kotler, Keller and Burton, 2009). A door-opener premium is directed to customers at home or to business people in their offices (Dean, 2015). For example, a homeowner may receive a free clock radio for allowing an insurance agent to enter their home and listening to his sales pitch. Similarly, an electronics manufacturer might offer free software to an office manager who agrees to an on-site demonstration (Dean, 2015). The final category of direct premiums, referral premiums, rewards the purchaser for referring the seller to other possible customers (Dean, 2015).

Mail premiums, unlike direct premiums, require the customer to perform some act in order to obtain a premium through return mail (Ndubisi and Moi, 2006). An example might be a limited edition toy car offered by a marketer in exchange for one or more proofs-of-purchase and a payment covering the cost of the item plus handling (Boone and Louis, 2006). The premium is

still valuable to the consumer because he or she cannot readily buy the item for the same amount (Ndubisi and Moi, 2006).

Continuity programs retain brand users over a long time period by offering ongoing motivation or incentives (Smith and Schultz, 2005). Continuity programs demand that consumers keep buying the product in order to get the premium in the future. Trading stamps, popularized in the 1950s and 1960s, are prime examples. Consumers usually received one stamp for every dime spent at a participating store (Endicott, Craig and Kenneth Wylie, 2006). The stamp company provided redemption centers where the stamps were traded for merchandise (Smith and Schultz, 2005).

A sign of a successful marketer is getting the product into the hands of the consumer (Smith and Schultz, 2005). Sometimes, particularly when a product is new or is not a market leader, an effective strategy is giving a sample product to the consumer, either free or for a small fee (Kotler, Keller and Burton, 2009). But in order for sampling to change people's future purchase decisions, the product must have benefits or features that will be obvious during the trial (Mehta and Anderson, 2000). The most popular has been through the mail, but increases in postage costs and packaging requirements have made this method less attractive (Smith and Schultz (2005). An alternative is door-to-door distribution, particularly when the items are bulky and when reputable distribution organizations exist (Leahy, 2011). This method permits selective sampling of neighborhoods, dwellings, or even people Dean (2015). Another method is distributing samples in conjunction with advertising Leahy (2011). An ad may include a coupon that the consumer can mail in for the product, or it may include an address or phone number for ordering Leahy (2011). Direct sampling can be achieved through prime media using scratch-and-sniff

cards and slim foil pouches, or through retailers using special displays or a person hired to hand out samples to passing customers Leahy (2011).

#### 2.3 Effects trade sales promotion on sales performance

A trade sales promotion is targeted at resellers-wholesalers and retailers who distribute manufacturers' products to the ultimate consumers (Laurent and Dreze, 2006). The objectives of sales promotions aimed at the trade are different from those directed at consumers (Hutt and Speh, 2013). In general, trade sales promotions hope to accomplish four goals: Develop in-store merchandising support, as strong support at the retail store level is the key to closing the loop between the customer and the sale Hutt and Speh (2013). Control inventory by increasing or depleting inventory levels, thus helping to eliminate seasonal peaks and valleys (Hutt Michael and Speh (2013). Expand or improve distribution by opening up new sales areas (trade promotions are also sometimes used to distribute a new size of the product). Generate excitement about the product among those responsible for selling it. Some of the more common forms of trade promotions profiled below include point-of-purchase displays, trade shows, sales meetings, sales contests, push money, deal loaders, and promotional allowances (Smith and Taylor, 2003).

Manufacturers provide point-of-purchase (POP) display units free to retailers in order to promote a particular brand or group of products (Lyer and Villas-Boas, 2003). The forms of POP displays include special racks, display cartons, banners, signs, price cards, and mechanical product dispensers (Smith and Taylor, 2003). Probably the most effective way to ensure that a reseller will use a POP display is to design it so that it will generate sales for the retailer (Dean, 2015). High product visibility is the basic goal of POP displays. In industries such as the grocery field where a shopper spends about three-tenths of a second viewing a product, anything increasing

product visibility is valuable (Dean, 2015). POP displays also provide or remind consumers about important decision information, such as the product's name, appearance, and sizes (Shimp, 2010). The theme of the POP display should coordinate with the theme used in ads and by salespeople.

Thousands of manufacturers display their wares and take orders at trade shows. In fact, companies spend over \$9 billion yearly on these shows. Trade shows provide a major opportunity to write orders for products (Shimp, 2010). They also provide a chance to demonstrate products, disseminate information, answer questions, and be compared directly to competitors Dean (2015). Related to trade shows, but on a smaller scale, are sales meetings sponsored by manufacturers or wholesalers (Shimp, 2010). Whereas trade shows are open to all potential customers, sales meetings are targeted toward the company's sales force and/or independent sales agents (Dean, 2015). These meetings are usually conducted regionally and directed by sales managers. The meetings may be used to motivate sales agents, to explain the product or the promotional campaign, or simply to answer questions (Lyer and Villas-Boas, 2003). For resellers and salespeople, sales contests can also be an effective motivation (Dean, 2015). Typically, a prize is awarded to the organization or person who exceeds a quota by the largest percentage.

A deal loader is a premium given by a manufacturer to a retailer for ordering a certain quantity of product (Lyer and Villas-Boas, 2003). Two types of deal loaders are most typical (Shimp, 2010). The first is a buying loader, which a gift is given for making a specified order size (Smith and Taylor, 2003). The second is a display loader, which means the display is given to the retailer after the campaign. For instance, General Electric may have a display containing appliances as

part of a special program (Lyer and Villas-Boas, 2003). When the program is over, the retailer receives all the appliances on the display if a specified order size was achieved.

Trade deals are special price concessions superseding, for a limited time, the normal purchasing discounts given to the trade (Mehta, Dubinsky and Anderson, 2002). Trade deals include a group of tactics having a common theme to encourage sellers to specially promote a product (Bakanauskas, 2007). The marketer might receive special displays, larger-than-usual orders, superior in-store locations, or greater advertising effort. In exchange, the retailer might receive special allowances, discounts, goods, or money (Boddewyn and Leardi, 1989). In many industries, trade deals are the primary expectation for retail support, and the marketing funds spent in this area are considerable (Osman and Foon, 2011).

A buying allowance is a bonus paid by a manufacturer to a reseller when a certain amount of product is purchased during a specific time period (Marshall, 2005). For example, a reseller who purchases at least 15 cases of product might receive a buying allowance of \$6.00 off per case, while a purchase of at least 20 cases would result in \$7.00 off per case, and so forth (Hanssens and Schultz, 2001). The payment may take the form of a check or a reduction in the face value of an invoice Osman and Foon, 2011). In order to take advantage of a buying allowance, some retailers engage in "forward buying." In essence, they order more merchandise than is needed during the deal period, then store the extra merchandise to sell later at regular prices (Marshall, 2005). This assumes that the savings gained through the buying allowance is greater than the cost of warehousing and transporting the extra merchandise Hanssens and Schultz (2001). Some marketers try to discourage forward buying, since it reduces profit margins and tends to create cyclical peaks and troughs in demand for the product (Hanssens and Schultz, 2001).

The slotting allowance is a controversial form of buying allowance (Cathy, 1994). Slotting allowances are fees retailers charge manufacturers for each space or slot on the shelf or in the warehouse that new products will occupy (Smith and Taylor, 2003). The controversy stems from the fact that in many instances this allowance amounts to little more than paying a bribe to the retailer to convince him or her to carry your company's products (Hanssens, 2003). But many marketers are willing to pay extra to bring their products to the attention of consumers who are pressed for time in the store. Slotting allowances sometimes buy marketers prime spaces on retail shelves, at eye level or near the end of aisles (Hanssens, 2003).

The manufacturer offers a certain amount of product to wholesalers or retailers at no cost if they purchase a stated amount of the same or a different product (Amanda, 2002). The allowance takes the form of free merchandise rather than money (Ndubisi and Moi, 2006).

An advertising allowance is a dividend paid by a marketer to a reseller for advertising its product. The money can only be used to purchase advertising for example, to print flyers or run ads in a local newspaper (Shimp, 2010). But some resellers take advantage of the system, so many manufacturers require verification. A display allowance is the final form of trade promotional allowance Amanda (2002). Some manufacturers pay retailers extra to highlight their display from the many available every week (Ferrelland Hartline, 2008). The payment can take the form of cash or goods. Retailers must furnish written certification of compliance with the terms of the contract before they are paid (Ferrelland Hartline, 2008). Retailers are most likely to select displays that yield high volume and are easy to assemble.

#### 2.2.3 Business to Business sales promotion on sales performance

Business to Business (B2B) in the line of business stands for 'Business-to-Business' dealings (Vecchio, 2006). A small, but important sub-set of sales promotions are targeted to the business-to-business market (Vecchio, 2006). While these promotions may not carry the glamour associated with consumer or trade promotions, B2B promotions are used in many industries besides retailing (Robson, 2005).

Business-to-business markets sales promotions are also used as a means of moving customers to action. However, the promotional choices available to the B-to-B marketer are not as extensive as those found in the consumer or trade markets (Gould, Grein, and Lerman, 1999). For example, most B-to-B marketers do not use coupons as a vehicle for sales promotion with the exception of companies that sell to both consumer and business customers (products sold through office supply retailers). Rather, the techniques more likely to be utilized include price-reductions, free product, trade-in, promotional products and trade shows (Belch and Belch, 2002).

The most common business-to-business markets are manufacturers, resellers, the government and non-profit institutions (Duncan, 2005). Most businesses that fall into these categories do make some money off of a consumer base; however, the majority of their capital is made off of other businesses (Smith, 1998). While private donations from individuals like you and me is important to a non-profit's operations, most charitable organizations make the great majority of their money from corporations or through government funding (Smith, 1998). Because of this, non-profits must make themselves and their products and services attractive not just to individuals, but also to other businesses (Smith, 1998).

Business-to-business marketers promote goods and services that will help other companies run. Some of the things businesses produce for other businesses include equipment, components, raw materials, processing services and supplies (Smith, 1998).

The target audiences for B2B communications are amorphous, made up of groups of constantly changing individuals with different interests and motivations (Belch and Belch, 2002). Buyers seek a good financial deal. Production managers want high throughput. Health and safety executives want low risk. And those are just their simple, functional needs (Belch and Belch, 2002). Each person who is party to the DMU will also bring their psychological and cultural baggage to the decision and this can create interesting variations to the selection of products and suppliers (Belch and Belch, 2002).

Business-to-business (B2B) describes commerce transactions between businesses, such as between a manufacturer and a wholesaler, or between a wholesaler and a retailer (Gould, Grein, and Lerman, 1999). Contrasting terms are business-to-consumer (B2C) and business-to-government (B2G).

The volume of B2B transactions is much higher than the volume of B2C transactions (Belch and Belch, 2002). The primary reason for this is that in a typical supply chain there will be many B2B transactions involving subcomponent or raw materials, and only one B2C transaction, specifically sale of the finished product to the end customer (Tellis, G.J. 1998). For example, an automobile manufacturer makes several B2B transactions such as buying tires, glass for windscreens, and rubber hoses for its vehicles. The final transaction, a finished vehicle sold to the consumer, is a single (B2C) transaction (Kitchen and Schultz, 2001).

B2B is also used in the context of communication and collaboration (Kitchen and Schultz 2001). Many businesses are now using social media to connect with their consumers (B2C); however, they are now using similar tools within the business so employees can connect with one another Kitchen and Schultz (2001). When communication is taking place amongst employees, this can be referred to as "B2B" communication (Kitchen and Schultz, 2001).

Integrated marketing communication (IMC) has had a significant impact on both industry and the academy (Kitchen and Schultz, 2003). Defined as a "collective term for all the various types of planned messages used to build a brand", marketing communication integrates advertising, public relations, sales promotion, direct marketing, personal selling, packaging, events and sponsorships, and customer service" (Tellis, 1998).

While much of IMC relates to the consumer, a number of authors suggest the need for communication to target non-customer stakeholders as well, such as investors, employers, regulators and others (Kitchen and Schultz, 2003). In fact, Tellis (1998 believe the nexus between IMC and corporate communication has significant implications for stakeholder judgments of organizational effectiveness.

As has been pointed out recently Schultz and Kitchen (2000), the marketing communications industry has entered and is now passing through critical times as a result of rapid changes in the marketing and media landscapes. In advertising, Sweeney's claim that classic image advertising has changed little in 30 years has been counterpoised by new integrated marketing approaches (Tellis, 1998).

Ehrenberg (1994) views advertising as an ambient reminder in mature markets. Consumers draw on advertising as background information providing familiar emotional warmth in their environment (Tellis, 1998).

Ambler (1998), exploring the neuro-science approach, claims that different parts of the brain respond differently to different forms of advertising appeal and that there are relative different lasting effects between ads that influence feelings over those that appeal to rationality.

Authors such as Stanton, Etzel and Walker (1991) and Kotler and Armstrong (1997) agree that the traditional marketing mix has been defined as a set of controllable instruments to manage the uncontrollable and dynamic marketing environment and consists of 4 major elements, such as Price, product, promotion and place (distribution).

Integrated Marketing Communications challenges business to confront a fundamental dilemma in today's marketing the fact that mass media advertising, by itself, no longer works. This landmark book reveals that strategies long used to deliver selling messages to a mass culture through a single medium are now obsolete--and shows marketers how to get back on track.

The answer lies in customer-focused marketing, a key planning tool that can in today's diverse, fragmented marketplace--explain the lifestyles, attitudes, and motivations of distinct buyer groups and predict their likely buying behaviors in the future. Schultz, Tannenbaum, and Lauterborn (1993) explain how, by beginning with detailed consumer information, marketers can build a synchronized, multi-channel communications strategy that reaches every market segment with a single, unified message (Mcgraw, 1993)

According to Tellis (1998), "Effective marketing is considered widely to be of critical, if not overwhelming importance to the achievement of competitive success. Organized around six key stages of the marketing process, a summarized review is therefore presented of the empirical research into successful marketing practice. Specifically, the aim is to provide the marketing practitioner with a "checklist" of all those marketing practices which have been found to be commonly associated with high-performing companies, regardless of their type of business, size, or other strategic" (Totten and Block, 1987).

Kotler (1992) coins the idea of a "new paradigm" in marketing, the emphasis that organizations need to practice "wrap-around marketing", which encompasses getting and retaining customers.

Organizations should therefore build strong relationship with their customers.

Gronroos (1994) argue that trends in business and modern research into industrial marketing, service marketing and customer relationship economics demand a relationship oriented approach to marketing.

According Smith (1998), say that it is proposed that organizations are increasingly organizing into 'virtual value chains' for the duration of individual projects, providing both flexibility and high levels coordination within trade networks.

#### 2.4 Conclusion

A great deal of research into relationship between sales promotion and sales performance indicated that it is a function with decreasing returns. That is with more and more input, one gets less and less output. This function rises slowly at first and then more rapidly before leveling off. Because most advertising campaigns must overcome a substantial inertia in the market. As the impact of repeated messages and resulting consumer learning attracts a large group of

consumers, and sales per unit increase rapidly. As time passes, returns to advertising diminish because demand has, to a large extent been satisfied and more advertising input is necessary to convert a prospect in to a consumer. In general this response function has been found to exhibit decreasing returns as sales expenditure is increased.

#### **CHAPTER THREE**

#### METHODOLOGY

#### 3.0 Introduction

This chapter presents the methodology that will guide the research and this include Research Design, Study Area, Population, sample size and sampling techniques, data collection methods and instruments, data validity and reliability, data management and processing, data analysis, ethical consideration and limitations of the study

## 3.1 Research Design

The study employed case study research design. This was preferred because it emphasized detailed contextual analysis of a limited number of events or conditions and their relationships. Researchers have used the case study research method for many years across a variety of disciplines. The case study research design is also useful for testing whether scientific theories and models actually work in the real world. The researcher employed both qualitative and quantitative approaches for the study; Sekaran (2003) defined qualitative research as a form of systematic inquiry into meaning which helps a researcher in getting holistic pictures from historically unique situation. Mugenda and Mugenda, 2003) explained quantitative data as a phenomenon for collecting numerical data that are analyzed using mathematically based methods. For qualitative data, the researcher described the relationship between sales promotion and sales performance and the quantitative data reflected the statistical analysis of the relationship between variables.

### 3.2 Area of the study

The study was conducted from MBS Fruit Agencies Ltd which is located at Wankulukuku Mutesa II Stadium Road Namibia Building, Uganda, Kampala. The Company is working in Wine and Beer, Wine and Beer wholesale business activities. The company deals in agricultural produce dealers / food commodities, processors and exporters, agriculture, drinks manufacturers, mineral water, spring water, bottled water, soft drinks, office and home water coolers, food processing and packaging

## **3.3 Study Population**

The researcher chooses a total population of 1200 for the study and this will be considered a considerate number in providing reliable and articulate information regarding the study. The study population included: Field sales supervisors, agents, distributors, retailers/venders and customers

#### 3.4Sample Size and selection techniques

According to Mugenda and Mugenda (2003), it's impossible to study the whole targeted population therefore the researcher used a specific method to scientifically arrive on an appropriate sample size to be used in the study. The sample size of the study was determined using Krejcie and Morgan (1970)'s formula to select respondents. According to Krejcie and Morgan tables (2010), out of the total population of 120 respondents, the researcher used a sample size of 92 respondents who participated in the study as shown below. This sample size was appropriate as it enabled triangulation of the findings to what take place in MBS Fruit Agencies Ltd as far as sales promotion is concerned. Simple random sampling was used in conjunction with purposive method to select key subjects that will participate in the study.

Table 1: Distribution of Respondents

RESPONDENTS	Population(N)	Sample size(S)	Sampling technique
Field sales supervisors	15	11	Purposive sampling
Agents	20	17	Purposive sampling
Distributors	25	21	Purposive sampling
Retailers/venders	26	22	Simple random sampling
Customers			Simple random sampling
Long term customers	12	8	
New customers	8	6	
Daily customers	14	7	
TOTAL	120	92	

Source: Krejcie& Morgan (1970) as modified by Lohr, (2010).

#### 3.5 Sources of Data

The study used both primary and secondary sources that helped a researcher in obtaining data for the study.

# **3.4.1 Primary sources**

Primary data; this is data observed or collected directly from first-hand experience by the researcher in the field (Mehta, Rosenbloom and Anderson, 2000). Primary sources involved a fieldwork where a researcher had a formal interaction with the selected respondents of the study through structured questionnaires and interview guides. These were distributed to the respondents who were given strictly one hour to respond which and the responses helped the researcher attain first- hand information regarding the study.

## 3.5.2 Secondary sources

Secondary source is the type of data that is gathered from already existing materials like books, journals, reports and internet and for this case secondary data will be mainly obtained from the records kept so as not to alter facts (Mehta, Rosenbloom and Anderson, 2000). It was supplemented by data extracted from books, weekly audit magazines, newspapers—and other sources available in libraries. This was able to make the researcher understand in-depth the subject matter according to other scholars. The researcher used this method because it was cost effective.

#### 3.6 Data Collection Methods and instruments

#### 3.6.1 Data Collection Methods

Data collection was done using both the qualitative and quantitative data methods. Qualitative data was collected through interviews, while quantitative data was collected using questionnaires.

#### **3.6.1.1 Interviews**

Structured interviews with the help of an interview schedule were administered to the study population. Interview guides was used to conduct in depth interviews to the selected key people because these allow wide understanding and as such respondents are able to express better their opinions through in depth interviews that are to be recorded (Mugenda, 2003). This method was applied to the top management staff and it enabled a face to face discussion where the researcher got first- hand information.

### 3.6.1.2 Questionnaire

This is the discussion in written form where by the responses of the participants were put on paper provided by the researcher; the questionnaires were in two forms, namely: The open-ended questionnaire, in which the responses by the participants are free according to their understanding and in the closed ended questionnaire responses were provided by the researcher and the participants chose one of them accordingly, for example strongly agree, agree or strongly disagree (Mehta, Rosenbloom and Anderson, 2000). The researcher used this method because it is time saving.

#### 3.6.2 Data collection instruments

### 3.6.2.1 Interview guide

Here the researcher gave questions on paper to the employees. It consisted of open and closed ended questions so as to collect responses in relation to the study. The collected data was discussed and the recorded one was included as soon as the interview session is finished. This helped in getting clear information regarding the study (Saunders, Lewis and Thornhill, 2007). This method was apply to the top management staff and enabled face to face discussions where the researcher tend to get first- hand information.

### 3.6.2.2 Self-Administered Questionnaires

The researcher used self-Administered questionnaires in generating some of the information from the respondents. These questionnaires were closed ended type of questions that the respondents answered directly by filling the questionnaire. The researcher was put sufficient care to ensure that the questions are clear and self-explanatory. This therefore helped in saving time

as well as resources to cover a wide range of respondents within the speculated time (Saunders, Lewis and Thornhill, 2007).

### 3.7 Data management and processing

After data collection and editing, data cleaning process followed. This was followed by coding to ensure completeness, accuracy and comprehensibility. Data editing was carried out to ensure that the data from the respondents is accurate, reliable and consistent. After data editing, the responses was translated into numerical terms and finally tabulated for easier analysis (Amin, 2004)

The researcher processed quantitative data by obtaining the filled-in questionnaires and entered them in a computer programme; SPSS V20. Analysis was run using the computer programme to generate frequency tables. Data was then presented in table forms showing percentages and frequency counts.

## 3.8 Data validity and reliability

## 3.8.1 Reliability

According to (Amin, 2004), the reliability of instruments is the ability of the instruments to test for the same data at different times. Therefore reliability aimed at testing for how reliable the instruments are to the study. The measure of how stable, dependable, trustworthy, and consistent a test is in measuring the same thing each time (Sekaran, 2003). It is the degree to which they accomplish the purpose for which they are being used. Truthfulness: Does the test measure what it purports to measure? The extent to which certain inferences can be made from test scores or other measurement (Mhrens and Lehman, 2007).

The researcher will therefore use the Likert scale to measure the internal consistency of the research instruments and under this method, the researcher usee a computer program Statistical Packages for Social Sciences (SPSS) to calculate Cronbach's alpha which is the level of internal consistency of the research instruments thus ensuring the quality of the data. A Likert scale is a method of subscribing quantitative value to qualitative data to make it amendable to statistical analysis.

### 3.8.2 Validity

According to Dawson (2005), content validity is highly advised in testing for the validity of any research in controlling statement in the instruments. Under this aspect the researcher ensured the validity of the information by use of the content validity, the researcher sent the questionnaires to the respondents to identify whether they reflected the predicted data by the researcher and adjustments will be made and this was reflect the required data for the research study.

## 3.9 Data analysis

Basing on the objectives of the study, the data was analyzed at two levels i.e. descriptive statistics and inferential statistics using Statistical Package for Social Scientists (SPSS) computer program, which was appropriate for the study. At the primary level of analysis, concepts regarding sales performance was described statistically using frequencies and percentages while at the secondary level of analysis, correlation analysis was carried out to test the relationship between the study variables (Amin, 2004).

#### 3.10 Ethical Consideration

The researcher got permission and recommendation from the university authorities. The researcher promised respondents confidentiality about the information they provided. For quality control purposes, the researcher proofed read through the raw data to eliminate misinterpretation and duplication.

# 3.11 Limitations of the study

Limited funds was a challenge yet the activity requires money say for transport, stationery and for research assistants but however, the researcher tried to get a sponsor who helped in facilitating her financially.

Some respondents deliberately refused to give out information thus limiting the success of the research because it increased the sampling era. This was solved by replacing them with other respondents.

In addition to the above, some respondents gave out wrong information which limited the success of the research, this may be solve by assuring them that the information they give will be confidential and that their identity would not be revealed to any one in or out of the company.

#### **CHAPTER FOUR**

## DATA PRSENTAION, ANALYSIS AND DISCUSSION OF FINDINGS

#### 4.0 Introduction

This chapter provides the presentation analysis and discussion of the study findings on "effect of sales promotion on sales performance in Beverages industry in Uganda taking MBS Fruit Agency as a case study". It presents findings of the study that were generated from data analysis and its interpretation. The results presented were guided by the research objectives which were:

To determine the effect of consumer sales promotion on sales performance at MBS Fruit Agency

To examine the effect of trade sales promotion on sales performance at MBS Fruit Agency

To establish the effect of business to business sales promotion on sales performance at MBS Fruit Agency

# 4.1 Background information of respondents

With a questionnaire as the main research tool to gather data from the respondents, the first section was intended to gather data on the background of the respondents. Frequency tables are used in analyzing the data gathered from the respondents.

# **4.1.1** Gender of the respondents

**Table 2: Gender of the respondents** 

Frequency	Percent	Valid Percent	Cumulative Percent
51	55.4	55.4	55.4
41	44.6	44.6	100.0
92	100.0	100.0	
	51 41	51 55.4 41 44.6	51 55.4 55.4 41 44.6 44.6

Source: Field data, 2017

The findings showed that most of the respondents were male with 55.4% compared to 44.6% who were female. This was an indication that both male and female were presented in the study, but however male were more that the female respondents meaning that the company employ more male employees business they energetic and hardworking than females employees.

# **4.1.2** Age of the respondents

**Table 3: Showing the age of the respondents** 

		Frequency	Percent	Valid Percent	<b>Cumulative Percent</b>
	18-24	14	15.2	15.2	15.2
	25-31	41	44.6	44.6	59.8
<b>37 1' 1</b>	32-39	26	28.3	28.3	88.0
Valid	40 and Above	11	12.0	12.0	100.0
	Total	92	100.0	100.0	

Source: Primary data, 2017

The findings from the table above showed that most of employees at MBS Fruit Agency are the youth between the age of 25 to 31 years with 44.6%, this was followed by those in the age bracket between the age of 32-39 with 28.3%, then followed by those in the age bracket of 18 to 24 years and the least age group of above 40 years. This means that the company use more youth staff between the age group of 25 to 39 years since they have the potential to work towards the company set goals and objectives.

# **4.1.3** Marital status of the respondents

**Table 4: Showing the marital status of the respondents** 

		Frequency	Percent	Valid Percent	<b>Cumulative Percent</b>
	Single	55	59.8	59.8	59.8
Valid	Married	37	40.2	40.2	100.0
	Total	92	100.0	100.0	

Source: Primary data, 2017

Basing of the study findings, it was evidenced that most of the respondents who participated in the study were single with the highest percentage of 59.8% compared to 40.2% who were married. This was an indication that most of the staff employed at MBS Fruit Agency are single since most of the company work is based on time rate.

# 4.1.4 Level of education of respondents

**Table 5: Showing the level of education of the respondents** 

		Frequency	Percent	Valid Percent	<b>Cumulative Percent</b>
	PHD	1	1.1	1.1	1.1
	Masters	5	5.4	5.4	6.5
Valid	Degree	21	22.8	22.8	29.3
Valid	Diploma	26	28.3	28.3	57.6
	Certificate	39	42.4	42.4	100.0
	Total	92	100.0	100.0	

Source: Primary data, 2017

The findings of the education level of respondents, it was clearly showed that MBS Fruit Agency has more employees who are certificate holders indicated by the highest percentage of 42.4%, this was followed by diploma holders with 28.3%, then by degree holders with 22.8%, then by those with masters with 5.4% and the least being PhD holder with 1%. This means that the company has more staff who are certificate holders since much of the work is not an office work rather than field work.

# 4.1.5 For how long have you worked with MBS Fruit Agency?

Table 6: For how long have you worked with MBS Fruit Agency?

		Frequency	Percent (%)	Valid Percent	<b>Cumulative Percent</b>
	Less than a year	40	43.5	43.5	43.5
Valid	More than a year	52	56.5	56.5	100.0
	Total	92	100.0	100.0	

Source: Primary data, 2017

The study findings indicated that most of the respondents who participated in the study had worked for more than one year with 56.5% compared to those respondents who have worked with company with 43.5%. This is an indication that most of the staff at MBS Fruit Agency have been at company for more than years meaning they are satisfied by the company and the company has also trusted these staff.

### 4.2 The effect of consumer sales promotion on sales performance

# 4.2.1 Promotional tool particularly used for consumer sales promotion as a way of effecting sales performance

Table 7: promotional tool particularly used for consumer sales promotion as a way of effecting sales performance

		Frequency	Percent	Valid Percent	<b>Cumulative Percent</b>
	Price deals	15	16.3	16.3	16.3
	Price discount	13	14.1	14.1	30.4
	Coupons	15	16.3	16.3	46.7
	Tangible	16	17.4	17.4	64.1
Valid	compensation	10	17.4	17.4	04.1
	Product sample	14	15.2	15.2	79.3
	Bonus deals	9	9.8	9.8	89.1
	Premiums	10	10.9	10.9	100.0
	Total	92	100.0	100.0	

Source: Primary data, 2017

The finding on which promotional tool particularly is used for consumer sales promotion as a way of effecting sales performance at MBS Fruit Agency revealed that giving product compensation has worked for the company in improving its sales performance which was indicated by the highest responses of 17.4%, and this was followed with other consumer promotional tool like price deals and coupons both with 16.3%, product sample with 15.2%, price discount with 14.1%, premiums with 10.9% and the least being bonus deals with 9.8%. This means that MBS Fruit Agency has employed all of the above consumer sales promotional tools but putting into consideration that other tools work for the company than other as indicated

on the table above. Therefore the company put more emphasis on production compensation consumer sales promotional tool to improves its sales performance.

The finding is in relation with literature review by Sam and Buabeng (2011) who assert that customers are given an incentive for performing a particular act usually buying a product. The premium may be given for free, or may be offered to consumers for a significantly reduced price. Some examples of premiums include receiving a prize in a cereal box or a free garden tool for visiting the grand opening of a hardware store.

During an interview with a key respondent, it was revealed that giving incentives for free at the time of purchase motivates a customer to more of the products as one of the respondents explained that

"...when customers are offered incentive for having bought from the company directly they are motivated to buy more of the products whenever they find these products and therefore for this reason the company has put more emphasis on the giving back its customers through incentive prizes..."

Therefore this implies the company should impress its consumer sales promotion through strengthening by continuing giving incentive in form of gifts to its customers who directly buy from the company.

**Table 8: The effect of consumer sales promotion on sales performance** 

Strongly Disagree (SD); 2 - Disagree (D); 3 - Not Sure (NS); 4 - Agree (SA); 5-Strongly Agree (A)

	N	Min.	Max.	Mean	SD
Customers are given price discounts and this has encouraged customers to buy more products from the company	92	1.00	5.00	3.79	1.254
Coupons are distributed to reward royal which has increased company's sales after customers get to know about the product through coupons received	92	1.00	5.00	4.02	1.167
The company gives a tangible compensation as incentive for buying the product and this encouraged customers to buy more of the company's products	92	1.00	5.00	4.03	1.045
The company gives new products to consumer either for free or small sample like small gifts like sweets which has made customers to know about the company's products	92	1.00	5.00	3.80	1.311
Customers buy more of the company's products after receiving bonus pack deals to test of the new products from the company	92	1.00	5.00	3.79	1.254
Consumers are given bonus pack deals by the company which convinces the existing customers to increase their purchase	92	1.00	5.00	4.02	1.167
The company gives its customers tangible compensation which influences them to come and buy more products	92	1.00	5.00	4.02	1.038
New products are promoted with point of sales display which creates awareness of products to customers	92	1.00	5.00	3.78	1.129

Source: Primary data, 2017

Basing on the finding on the effect of consumer sales promotion on sales performance, it was showed the most of the respondents who participated in the had to that MBS Fruit Agency gives price discounts to its customers which encourage them to buy more products from the company and this was revealed by the average mean of 3.79 and Standard Deviation of 1.254 meaning that most of the respondents agreed with statement according to the scale. The finding is in agreement with (Shukla, 2009) who suggested that buyers may learn about price discounts either at the point of sale or through advertising. At the point of sale, price reductions may be posted on the package, on signs near the product, or in storefront windows (Shukla, 2009). Many types of advertisements can be used to notify consumers of upcoming discounts, including fliers and newspaper and television ads (Ndubisi and Moi, 2006).

It is was also indicated that company distribute coupons to consumers to reward royal customers and this has increased company's sales after customers get to know about the product through coupons received from the company, this was revealed by most of the respondents agreeing with the statement as shown by the average mean of 4.02 and standard deviation of 1.167. The findings in relation with (Amollo and Karuiki, 2006) who asserted that coupons are distributed through the media, magazines, newspapers, Sunday supplements, or free-standing inserts (FSI) in newspapers to attract customers buy more and more products with an intention of winning. 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 (Shimp, 2010).

During an interview with a key respondent, it was revealed that most of the customers are impressed whenever the company distribute coupons through different sources and thus makes them buy more and more products as they expect to win more prizes. By this a key informant to say that

".....the company has been in position to attract its customers' intention of buying more of its products by making sure more coups are printed and supplied distributed to different sell points to be given to customers and this has motivated more and new customers to buy more products. Therefore the company has made more of the sells as more coupons have been distributed and offered to customers...."

This implies that by distributing coupons, the company has been in position to sell more of its products.

The findings as indicated on table 8 above indicated that the company gives a tangible compensation as incentive for buying the product and this encouraged customers to buy more of the company's products, and this was showed by the most of respondents agreeing with the statement with the average mean of 4.03 and standard deviation of 1.045. This is line with Sam and Buabeng (2011) who assert that customers are given an incentive for performing a particular act usually buying a product. The premium may be given for free, or may be offered to consumers for a significantly reduced price. Some examples of premiums include receiving a prize in a cereal box or a free garden tool for visiting the grand opening of a hardware store.

During an interview with a key respondent, it was revealed that giving incentives for free at the time of purchase motivates a customer to more of the products as one of the respondents explained that

"...when customers are offered incentive for having bought from the company directly they are motivated to buy more of the products whenever they find these products and therefore for this reason the company has put more emphasis on the giving back its customers through incentive prizes..."

Therefore this implies the company should impress its consumer sales promotion through strengthening by continuing giving incentive in form of gifts to its customers who directly buy from the company.

Table 8 above indicated that MBS Fruit Agency gives new products to its consumer either for free or small sample like small gifts like sweets which has made customers to know about the company's products which increases its sales performance, this was showed by most of the respondents agreeing with the statement with the average mean of 3.80 and standard deviation of 1.311 which according to the Likert scale as applied stand for "Agree". In relating to the literature, Iyer and Villas-Boas (2003) suggested that manufacturers provide point-of-purchase (POP) display units free to customers in order to promote a particular brand or group of products. The forms of POP displays include special racks, display cartons, banners, signs, price cards, and mechanical product dispensers (Smith and Taylor, 2003).

Table 8 showed that most of respondents agreed with the statement that MBS' customers buy more of the company's products after receiving bonus pack deals to test of the new products from the company and this was indicated by the findings showing the average mean of 3.79 and 1.254 and this means that bonus pack deal increase consumers' perception on company product. This is in line with Munnukka (2008) that price deals are usually intended to encourage trial use

of a new product or line extension, to recruit new buyers for a mature product, or to convince existing customers to increase their purchases, accelerate their use, or purchase multiple units.

The study findings as indicated on table 8 above showed that consumers at MBS Fruit Agency are given bonus pack deals by the company which convinces the existing customers to increase their purchase and this was indicated that the average mean of 4.02 and standard deviation of 1.167 meaning that bonus pack deals given to company consumers increase its sales volume. This is in relation with what Shukla (2009) suggested that price deals work most effectively when price is the consumer's foremost criterion or when brand loyalty is low

During an interview with a key respondent, it was revealed that bonus pack deals given to company consumers increase its sales volume. By this, a key informant said that

"....customers have been always given bonus pack deals by the company to persuade both existing and new customers to improve and buy their purchase. Price deals have worked most effectively when price is the consumer's foremost criterion or when brand loyalty is low ...."

The study findings showed that MBS in increasing sales performance, it went ahead and give its customers tangible compensation which influences them to come and buy more products and this was showed by most of the respondents agreeing with the statement with the average mean of 4.02 and standard deviation of 1.038 which indicate that consumers get aware of the company products after receiving tangible compensation from the company. The finding is in relation with literature review by Sam and Buabeng (2011) who assert that customers are given an incentive for performing a particular act usually buying a product. The premium may be given for free, or may be offered to consumers for a significantly reduced price. Some examples of premiums

include receiving a prize in a cereal box or a free garden tool for visiting the grand opening of a hardware store.

The findings from the table above showed that MBS Fruit Agency's new products are promoted with point of sales display which creates awareness of products to customers and this was revealed most of the respondents with average mean of 3.78 and standard deviation 1.129 meaning that point of sales display increase company sales where by consumers get aware of the product through displays. This is in line with Shukla (2009) that buyers may learn about price discounts either at the point of sale or through advertising. At the point of sale, price reductions may be posted on the package, on signs near the product, or in storefront windows (Shukla, 2009).

Table 9: Showing the relationship between Consumer sales promotion and Sales performance.

#### **Pearson Correlations coefficient**

		Consumer sales promotion	Sales performance
	Pearson Correlation	1	.436*
Consumer sales promotion	Sig. (2-tailed)		.029
	N	92	92
	Pearson Correlation	.436*	1
Sales performance	Sig. (2-tailed)	.029	
	N	92	92

<sup>\*.</sup> Correlation is significant at the 0.05 level (2-tailed).

Source: Field data, 2017

Consumer sales promotion was found to be having a significant positive (0.436) relationship with sales performance at 5% level of significance (2-talied test). Thus the higher the consumer sales promotion the higher the level of sales performance.

# 4.3 Effect of trade sales promotion on sales performance

# 4.3.1 Promotional tool particularly is used for trade sales promotion as a way of effecting sales performance

Table 10: Showing promotional tool particularly is used for trade sales promotion as a way of effecting sales performance?

		Frequency	Percent	Valid Percent	<b>Cumulative Percent</b>
	Providing products to point of	6	6.5	6.5	6.5
	purchase	0	0.3	0.3	0.3
	Display of the products	14	15.2	15.2	21.7
	Contacting sales meeting	14	15.2	15.2	37.0
	Giving discounts	13	14.1	14.1	51.1
Valid	Sales contests	19	20.7	20.7	71.7
	Giving special allowances	13	14.1	14.1	85.9
	Giving extra goods after meeting	8	8.7	8.7	94.6
	the target	o o	0.,	9.7	<i>y</i> o
	Giving adverting allowances	5	5.4	5.4	100.0
	Total	92	100.0	100.0	

Source: Primary data, 2017

The finding on which promotional tool particularly is used for trade sales promotion as a way of effecting sales performance at MBS Fruit Agency revealed that providing sales contests to consumers has increased company sales which was indicated by the highest responses of 20.7%, and this was followed with other consumer promotional tool like display of the products and contacting sales meeting both with 15.2%, giving discounts and giving special allowances both with 14.1%, giving extra goods after meeting the target with 8.7%, giving adverting allowances with 5.4% and the least being bonus deals with 5.4%. This means that MBS Fruit Agency has employed all of the above trade sales promotional tools but putting into consideration that other tools work for the company than other as indicated on the table above. Therefore the company put more emphasis on providing sales contests to consumers as trade sales promotional tool to improve its sales performance. The finding is line with Dean (2015) who asserted that for resellers and salespeople, sales contests is an effective motivation to resell company's products or services. Typically, a prize is awarded to the organization or person who exceeds a quota by the largest percentage.

During an interview with a key respondent, it was revealed that b sales contests increase its sales volume. By this, a key informant said that

"....resellers and salespeople for company's products have been mostly motivated to sell company products after offering sales contests to them.

Typically, a prize is awarded to the organization or person who exceeds a quota by the largest percentage ...."

**Table 11: Effect of trade sales promotion on sales performance** 

	N	Min.	Max.	Mean	SD
The company provide point of purchase display units free to retailers and this has helped customers to buy more products after knowing about the company's products from different display units	92	1.00	5.00	3.79	1.254
Customers have got know about company's products after the company displaying its products and take orders at trade shows	92	1.00	5.00	4.02	1.167
The company has sold more products after offering a certain amount of money to wholesalers or retailers at no cost if they purchase a stated amount of the or a different product facilitation in trade promotion sales discount and credit	92	1.00	5.00	4.02	1.038
The company has been able to sale more products after contacting sales meeting with retailers or wholesalers as their agents	92	1.00	5.00	3.86	1.280
The company gives advertising allowance to the wholesalers or retailers which helps them to meet costs like printing flyers or run ads in local newspapers	92	1.00	5.00	3.79	1.254
Wholesalers or retailers receives display allowances from the company and this intends to let customers know about the company products	92	1.00	5.00	3.39	1.254

Source: Primary data, 2017

Basing on the finding on the effect of consumer sales promotion on sales performance, it was showed the most of the respondents who participated in the study agreed that MBS Fruit Agency provide point of purchase display units free to retailers and this has helped customers to buy more products after knowing about the company's products from different display units and this was revealed by the average mean of 3.79 and Standard Deviation of 1.254 meaning that most of the respondents agreed with statement according to the scale which means that point of purchase display improves the company sales volume. This is in line with Iyer and Villas-Boas (2003) who had it that manufacturers provide point-of-purchase (POP) display units free to retailers in order to promote a particular brand or group of products. The forms of POP displays include special racks, display cartons, banners, signs, price cards, and mechanical product dispensers (Smith and Taylor, 2003).

It is was also indicated that customers get know about company's products after the company displaying its products and take orders at trade shows and this was revealed by most of the respondents agreeing with the statement as shown by the average mean of 4.02 and standard deviation of 1.167. This in relation with Shimp (2010) product displays provide or remind consumers about important decision information, such as the product's name, appearance, and sizes.

The findings as indicated on table above indicated that MBS Fruit Agency has sold more products after offering a certain amount of products to wholesalers or retailers at no cost if they purchase a stated amount of the or a different product facilitation in trade promotion sales discount and credit and this was showed by the most of respondents agreeing with the statement with the average mean of 4.02 and standard deviation of 1.038 meaning that the company make more sale of its products after offering a certain amount of products to wholesalers or retailers at

no cost if they purchase a stated amount of the or a different product facilitation in trade promotion sales discount and credit. This is in line with Amanda (2002) that the manufacturer offers a certain amount of product to wholesalers or retailers at no cost if they purchase a stated amount of the same or a different product. The allowance takes the form of free merchandise rather than money (Ndubisi and Moi (2006).

During a transcribed interview, a key respondent revealed that offering a certain amount of products to wholesalers or retailers has actually made sales for the company. The respondents gave an example as stated below

"....the company has made more sale of its products after offering a certain amount of products to wholesalers or retailers at no cost when they purchase a stated amount of the or a different product facilitation in trade promotion sales discount and credit...."

Table above indicated that MBS Fruit Agency the company has been able to sale more products after contacting sales meeting with retailers or wholesalers as their agents, this was showed by most of the respondents agreeing with the statement with the average mean of 3.86 and standard deviation of 1.280. This is in accordance with literature of Dean (2015) who suggested that sales meetings are targeted toward the company's sales force and/or independent sales agents. These meetings are usually conducted regionally and directed by sales managers. The meetings may be used to motivate sales agents, to explain the product or the promotional campaign, or simply to answer questions (Lyer and Villas-Boas, 2003).

Table above showed that most of respondents agreed with the statement that MBS Fruit Agency gives advertising allowance to the wholesalers or retailers which help them to meet costs like

printing flyers or run ads in local newspapers and this was indicated by the findings showing the average mean of 3.79 and 1.254. This is in line with literature by Marshall (2005) who stated that a buying allowance is paid by a manufacturer to a reseller when a certain amount of product is purchased during a specific time period. The payment may take the form of a check or a reduction in the face value of an invoice (Osman and Foon, 2011).

In the interviews, it was revealed that the use of systems and computers has brought about strict controls in the working process as one of the respondents explained that

".....some retailers engage in forward buying where they order more merchandise than is needed during the deal period, then store the extra merchandise to sell later at regular prices. This assumes that the savings gained through the buying allowance is greater than the cost of warehousing and transporting the extra merchandise...."

The study findings as indicated on table to above showed that the company gives advertising allowance to the wholesalers or retailers which helps them to meet costs like printing flyers or run ads in local newspapers and this was indicated that the average mean of 3.79 and standard deviation of 1.254 meaning that bonus pack deals given to company consumers increase its sales volume. This is in line with Adebisi and Babatunde (2011) that an advertising allowance is paid by a manufacturer to a reseller for advertising its product. The money is only used to purchase advertising for example, to print flyers or run ads in a local newspaper. But some resellers take advantage of the system, so many manufacturers require verification.

Table 12: showing the relationship between trade sales promotion and Sales performance Pearson Correlation coefficient

		Trade sales promotion	Sales performance
	Pearson Correlation	1	.599**
Trade sales promotion	Sig. (2-tailed)		.000
	N	92	92
	Pearson Correlation	.599**	1
Sales performance	Sig. (2-tailed)	.000	
	N	92	92

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

# Source: Primary data, 2017

Trade sales promotion was found to be having highly significant positive (0.599) relationship with sales performance at 1% level of significance (2-talied test non directional). Thus, more and better trade sales promotion leads to higher the level of sales performance.

# 4.4 The effect of business to business sales promotion on sales performance

# 4.4.1 Promotional tool particularly is used for trade sales promotion as a way of effecting sales performance

Table 13: promotional tool particularly is used for trade sales promotion as a way of effecting sales performance

		Frequency	Percent	Valid Percent	Cumulative Percent
	Price reduction	16	17.4	17.4	17.4
	Free products	15	16.3	16.3	33.7
	Trade shows	18	19.6	19.6	53.3
Valid	Trade discounts	17	18.5	18.5	71.7
	Promotional products	14	15.2	15.2	87.0
	Trade in	12	13.0	13.0	100.0
	Total	92	100.0	100.0	

Source: Primary data, 2017

The finding on which promotional tool particularly is used for business to business sales promotion as a way of effecting sales performance at MBS Fruit Agency revealed that trade shows has worked for the company in improving the sales performance which was indicated by the highest responses of 19.6%, and this was followed with other consumer promotional tool like

Trade discounts with 18.5%, price reduction with 17.5%, free products with 16.3%, promotional products with 15.2% and the least being trade in with 13.0%. This means that MBS Fruit Agency has employed all of the above business to business sales promotional tools but putting into consideration that other tools work for the company than other as indicated on the table above. Therefore the company put more emphasis on trade shows business to business sales promotional tool to improve its sales performance. This is relation with literature of Shimp (2010) who asserted that trade shows provide a major opportunity to write orders for products. They also provide a chance to demonstrate products, disseminate information, answer questions, and be compared directly to competitors (Dean, 2015). Related to trade shows, but on a smaller scale, are sales meetings sponsored by manufacturers or wholesalers (Shimp, 2010).

During a transcribed interview, a key respondent revealed that trade shows improve company sales performance. The respondents stated that

"....trade shows provide a major opportunity to write orders for products of the company. The company gives businesses trade shows like banners, fliers which has increased customer's awareness about the company's products....."

Table 14: The effect of business to business sales promotion on sales performance

	N	Min.	Max.	Mean	SD
The company sales more products after reducing prices for businesses that	92	1.00	5.00	3.79	1.254
The company gives free products to businesses to sell on their behalf and	02	1.00	5.00	4.02	1.167
this has increased sales of the company products  The company has made more sales through giving products to the	92	1.00	5.00	3.87	1 206
The company has made more sales through giving products to the businesses at promotional price and this has encouraged businesses to	92	1.00	5.00	3.87	1.286
The company gives businesses trade shows like banners, fliers which has				4.08	1.138
increased customer's awareness about the company's products	92	1.00	5.00		
The company applies trade in between businesses that resell their products so as to create more market	92	1.00	5.00	3.79	1.254
The company gives discounts to businesses so that these businesses resell as affair price to attract more customers for the company products	92	1.00	5.00	4.02	1.167

Source: Primary data, 2017

Basing on the finding on the effect of business to business sales promotion on sales performance, it was showed the most of the respondents who participated in the had to that MBS Fruit Agency sales more products after reducing prices for businesses that sale their products and this was revealed by the average mean of 3.79 and Standard Deviation of 1.254 meaning that most of the respondents agreed with statement according to the Likert scale. This is in relation with Shukla (2009) who stated that price reductions may be posted on the package, on signs near the product, or in storefront windows. Many types of advertisements can be used to notify consumers of

upcoming discounts, including fliers and newspaper and television ads (Ndubisi and Moi, 2006). Price discounts may be initiated by the manufacturer, the retailer, or the distributor (Ndubisi and Moi, 2006).

It is was also indicated that the company gives free products to businesses to sell on their behalf and this has increased sales of the company products and this has increased company's sales after customers get to know about the product through coupons received from the company, this was revealed by most of the respondents agreeing with the statement as shown by the average mean of 4.02 and standard deviation of 1.167. This is in line with Bruggen and Nieuwlaat(2005) that for price reduction strategies to be effective, they must have the support of all distributors in the channel. Existing customers perceive discounts as rewards and often respond by buying in larger quantities (Ndubisi and Moi, 2006).

The findings as indicated on table above indicated that the company make more sales through giving products to the businesses at promotional price and this has encouraged businesses to purchase more products from the company and this was showed by the most of respondents agreeing with the statement with the average mean of 3.87 and standard deviation of 1.286.

Table 11 above indicated that MBS Fruit Agency gives businesses trade shows like banners, fliers which has increased customer's awareness about the company's products, this was showed by most of the respondents agreeing with the statement with the average mean of 4.08 and standard deviation of 1.137. This is relation with literature of Shimp (2010) who asserted that trade shows provide a major opportunity to write orders for products. They also provide a chance to demonstrate products, disseminate information, answer questions, and be compared directly to

competitors Dean (2015). Related to trade shows, but on a smaller scale, are sales meetings sponsored by manufacturers or wholesalers (Shimp, 2010).

During a transcribed interview, a key respondent revealed that trade shows improve company sales performance. The respondents stated that

".....trade shows provide a major opportunity to write orders for products of the company. The company gives businesses trade shows like banners, fliers which has increased customer's awareness about the company's products....."

Table above showed that most of respondents agreed with the statement that MBS' Fruit Agency applies trade in between businesses that resell their products so as to create more market and this was indicated by the findings showing the average mean of 3.79 and 1.254. The study findings as indicated on table above showed that MBS Fruit Agency gives discounts to businesses so that these businesses resell as affair price to attract more customers for the company products and this was indicated that the average mean of 4.02 and standard deviation of 1.167. This is in line with Ndubisi and Moi (2006) that discounts are initiated by the manufacturer. For instance, a manufacturer may "pre-price" a product and then convince the retailer to participate in this short-term discount through extra incentives. Existing customers perceive discounts as rewards and often respond by buying in larger quantities (Ndubisi and Moi, 2006). Price discounts alone, however, usually do not induce first-time buyers

Table 15: Showing the relationship between business to business sales promotion on sales performance

**Pearson Correlation coefficient** 

		Business to business sales promotion	sales performance
Dusings to business of a	Pearson Correlation	1	.787**
Business to business sales promotion	Sig. (2-tailed)		.000
	N	92	92
	Pearson Correlation	.787**	1
Sales performance	Sig. (2-tailed)	.000	
	N	92	92

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

Source: Primary data, 2017

Business to business sales promotion was found to be having highly significant positive (0.787) relationship with sales performance at 1% level of significance (two-tailed test). Thus more and better just in time technique resulted into high level of sales performance

#### **CHAPTER FIVE**

## SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### 5.0 Introduction

This chapter highlights the summary, conclusions and recommendations based on the findings of the researchers.

The purpose of the study was to examine the effect of sales promotion on sales performance in Beverages industry in Uganda taking MBS Fruit Agency as a case study.

The study specifically sought:

- To determine the effect of consumer sales promotion on sales performance at MBS Fruit
   Agency
- ii. To examine the effect of trade sales promotion on sales performance at MBS Fruit Agency
- To establish the effect of business to business sales promotion on sales performance at MBS Fruit Agency

## **5.1 Summary of study findings**

The study thought to determine the effect of consumer sales promotion on sales performance at MBS Fruit Agency, it was revealed that giving product compensation as most effective consumer promotional tool has worked for the company in improving its sales performance. Consumer sales promotion was found to be having a significant positive (0.436) relationship with sales performance at 5% level of significance (2-talied test). Thus the higher the consumer sales promotion the higher the level of sales performance.

The study also thought to examine the effect of trade sales promotion on sales performance at MBS Fruit Agency, it was revealed that providing sales contests to consumers as effective trade to trade promotional tool has increased company sales. Trade sales promotion was found to be having highly significant positive (0.599) relationship with sales performance at 1% level of significance (2-talied test non directional). Thus, more and better trade sales promotion leads to higher the level of sales performance.

The study also thought to the effect of business to business sales promotion on sales performance at MBS Fruit Agency, it was revealed that trade shows as effective business to business promotional tool has worked for the company in improving the sales performance. Business to business sales promotion was found to be having highly significant positive (0.787) relationship with sales performance at 1% level of significance (two-tailed test). Thus more and better just in time technique resulted into high level of sales performance

#### **5.2 Conclusion**

The study thought to disclose the effect of consumer sales promotion on sales performance, it was concluded that MBS Fruit Agency gives price discounts to its customers which encourage them to buy more products from the company, the company distributes coupons to consumers to reward royal customers and this has increased company's sales after customers get to know about the product through coupons received from the company, the company gives a tangible compensation as incentive for buying the product and these encouraged customers to buy more of the company's products, the company gives new products to its consumer either for free or small sample like small gifts like sweets which has made customers to know about the company's products which increases its sales performance, MBS' customers buy more of the

company's products after receiving bonus pack deals to test of the new products from the company, MBS Fruit Agency are given bonus pack deals by the company which convinces the existing customers to increase their purchase, MBS in increasing sales performance, it go ahead and give its customers tangible compensation which influences them to come and buy more products, MBS Fruit Agency's new products are promoted with point of sales display which creates awareness of products to customers. The findings were in line with different authors about the effect of consumer sales promotion on sales performance as; Shukla (2009) suggested that buyers may learn about price discounts either at the point of sale or through advertising. At the point of sale, price reductions may be posted on the package, on signs near the product, or in storefront windows Shukla (2009). Amollo and Karuiki (2006) asserted that coupons are distributed through the media, magazines, newspapers, Sunday supplements, or free-standing inserts (FSI) in newspapers to attract customers buy more and more products with an intention of winning. Sam and Buabeng (2011) asserted that customers are given an incentive for performing a particular act usually buying a product. The premium may be given for free, or may be offered to consumers for a significantly reduced price. Iyer and Villas-Boas (2003) suggested that manufacturers provide point-of-purchase (POP) display units free to customers in order to promote a particular brand or group of products.

The study also thought to disclose the effect of trade sales promotion on sales performance, it was concluded that MBS Fruit Agency provide point of purchase display units free to retailers and this has helped customers to buy more products after knowing about the company's products from different display units, customers get know about company's products after the company displaying its products and take orders at trade shows, MBS Fruit Agency has sold more products after offering a certain amount of money to wholesalers or retailers at no cost if they

purchase a stated amount of the or a different product facilitation in trade promotion sales discount and credit, MBS Fruit Agency the company has been able to sale more products after contacting sales meeting with retailers or wholesalers as their agents, MBS Fruit Agency gives advertising allowance to the wholesalers or retailers which help them to meet costs like printing flyers or run ads in local newspapers, the company gives advertising allowance to the wholesalers or retailers which helps them to meet costs like printing flyers or run ads in local newspapers. The findings were in line with different authors about the effect of trade sales promotion on sales performance as; Iyer and Villas-Boas (2003) had it that manufacturers provide point-of-purchase (POP) display units free to retailers in order to promote a particular brand or group of products. Shimp (2010) product displays provide or remind consumers about important decision information, such as the product's name, appearance, and sizes. Amanda (2002) that the manufacturer offers a certain amount of product to wholesalers or retailers at no cost if they purchase a stated amount of the same or a different product. Dean (2015) who suggested that sales meetings are targeted toward the company's sales force and/or independent sales agents. Marshall (2005) who stated that a buying allowance is paid by a manufacturer to a reseller when a certain amount of product is purchased during a specific time period. Adebisi and Babatunde (2011) that an advertising allowance is paid by a manufacturer to a reseller for advertising its product. The money is only used to purchase advertising for example, to print flyers or run ads in a local newspaper. But some resellers take advantage of the system, so many manufacturers require verification.

The study also thought to disclose the effect of business to business sales promotion on sales performance, it was concluded that MBS Fruit Agency sales more products after reducing prices for businesses that sale their products, the company gives free products to businesses to sell on

their behalf and this has increased sales of the company products and this has increased company's sales after customers get to know about the product through coupons received from the company, the company make more sales through giving products to the businesses at promotional price and this has encouraged businesses to purchase more products from the company, MBS Fruit Agency gives businesses trade shows like banners, fliers which has increased customer's awareness about the company's products, MBS' Fruit Agency applies trade in between businesses that resell their products so as to create more market and MBS Fruit Agency are given gives discounts to businesses so that these businesses resell as affair price to attract more customers for the company products. The findings were in line with different authors about the effect of trade sales promotion on sales performance as; Shukla (2009) who stated that price reductions may be posted on the package, on signs near the product, or in storefront windows. Bruggen and Nieuwlaat (2005) that for price reduction strategies to be effective, they must have the support of all distributors in the channel. Shimp (2010) who asserted that trade shows provide a major opportunity to write orders for products. They also provide a chance to demonstrate products, disseminate information, answer questions, and be compared directly to competitors Dean (2015). Ndubisi and Moi (2006) that discounts are initiated by the manufacturer. For instance, a manufacturer may "pre-price" a product and then convince the retailer to participate in this short-term discount through extra incentives.

#### **5.3 Recommendations**

Based on the findings, the researcher hereby makes the following recommendations.

Management of MBS Fruit Agency should make sure that at all time have a planned and systematic sales promotion programme in place so as to help in making such promotional

implementation effective. Since ineffective planning limited a 100% sales collected using consumer sales promotion since it is at 95% level of significance compared to other tools.

Top management of MBS Fruit Agency should make sure it set up a more and effective sales promotion department with experienced staff with the view to developing more sales promotional strategy in line with the company's goals and objectives of improving sales performance. This is evidenced with more staff of the company have certificates and diplomas compared to those with above bachelors degree.

The management should be aware of the fact that there are times when the effective use of sales promotions is needed, for example, during festive periods. MBS should take full advantage of such peak seasons by developing an effective and efficient sales promotion campaign that can arouse consumer's awareness, thereby leading to increase in sales. This is because most people usually spend more on drinks during festival seasons compared to other seasons.

Employees should be sensitized on various promotional tools and how it can be used to produce best results for the organizations to generate more sales for the company.

Management should also involve employees in different organization decision making since it creates an intrinsic relationship between and managers and customer so this will know better what their to do in case of any problem.

Carrying out more research about the product diversification and customer needs though encouraging collection of feedback

## **5.4** Areas for future research

The following are suggested for further investigation.

- 1. The interactive effect of sales promotion and advertising on profitability
- 2. The effect of sales promotion on brand equity
- 3. The effect of sales promotion on new customer acquisition.

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#### **APPENDICES**

### **SECTION A: QUESTIONNAIRE**

## Dear respondents,

I am NAKABUYE FEDDY a student of Uganda Martyrs University under taking a study on sales promotion and sales performance, a case study of MBS Fruit Agency. This study is a requirement for the award of bachelor's degree in business administration of Uganda Martyrs University. You have been chosen as a respondent because of the knowledge and information that you will have with regard to this topic. You're kindly been requested to answer the below questions. The information you give is exclusively and only for academic purposes and will be treated with at most confidentiality. This questionnaire is designed for purely academic purposes; your answers will be treated with utmost.

## **SECTION A: Socio-economic Background of the Respondents (Tick in the box provided)**

1. Gender		
Male	Female	
2. Age		
18-24	25-31	
32-39	40 and Above	

3. Level of Educ	ation				
PHD		Masters		Degree	
Diploma		Certificate			
Others (Please Sp	pecify):				
4. Marital status					
Single		Married			
5. For how long	have you worked wit	h MBS Fruit Age	ency?		
Less than a year	[	More	than a yea	ır 🗌	

# **SECTION B:** The effect of consumer sales promotion on sales performance

	6. Which promotional tool particularly is used for consumer sal	les p	ron	otio	n as	a w	ay of
	effecting sales performance?						
	Price deals Price discount		Coi	upon	S		
	Tangible compensation Product sample		Boı	nus c	leals		
	Premiums						
	Key: 1 - Strongly Disagree (SD); 2 - Disagree (D); 3 - Not Sure	(NS	); 4	- A	gree	(SA	A); 5–
	Strongly Agree (A)						
Sta	tement	1	2	3	4	5	
7.	Customers are given price discounts and this has encouraged customers to						
	buy more products from the company						
8.	Coupons are distributed to reward royal which has increased company's						
	sales after customers get to know about the product through coupons						
	received						
9.	The company gives a tangible compensation as incentive for buying the						
	product and this encouraged customers to buy more of the company's						
	products						
10.	The company gives new products to consumer either for free or small						
	sample like small gifts like sweets which has made customers to know about						
	the company's products						
11.	Customers buy more of the company's products after receiving bonus pack						
	deals to test of the new products from the company						

12. Consumers are given bonus pack deals by the company which convinces the				
existing customers to increase their purchase				
13. The company gives its customers tangible compensation which influences				
them to come and buy more products				
14. New products are promoted with point of sales display which creates				
awareness of products to customers				
In your own opinion, is the consumer sales promotion tools effects	ive in	creatii	ng aw	vareness?
(Give reasons for your opinion)				
In your own opinion, is the consumer sales promotion tools effective i	n incre	easing	the de	emand of
the products?				
				• • • • • • • • • • • • • • • • • • • •
In your own opinion, is the consumer sales promotion tools effective	e in im	provii	ng the	product
brand?				

# **SECTION B:** Effect of trade sales promotion on sales performance

15.	Which	promotional	tool	particularly	is	used	for	trade	sales	promotion	as	a	way	of
	effectin	g sales perfor	man	ce?										

Providing products to point of purchase	se	Display of the products	
Contacting sales meeting		Giving discounts	
Sales contests		Giving special allowand	ces
Giving extra goods after meeting the t	arget	Giving adverting allows	ances
Key: 5 - Strongly Disagree (SD); 4 - I	Disagree (D);	3 - Not Sure (NS); 2 - A	Agree (SA); 1 - Agree
(A)			

Description	1	2	3	4	5
16. The company provide point of purchase display units free to retailers and this has					
helped customers to buy more products after knowing about the company's					
products from different display units					
17. Customers have got know about company's products after the company					
displaying its products and take orders at trade shows					
18. The company have been able to make more sales of its products after giving					
allowance to the retailer/wholesalers to sell on their behalf					
19. The company has sold more products after offering a certain amount of money to					
wholesalers or retailers at no cost if they purchase a stated amount of the or a					
different product facilitation in trade promotion sales discount and credit					
20. The company has been able to sale more products after contacting sales meeting					
with retailers or wholesalers as their agents					

21. The company gives advertising allowance to the wholesalers or retailers which					
helps them to meet costs like printing flyers or run ads in local newspapers					
22. Wholesalers or retailers receives display allowances from the company and this					
intends to let customers know about the company products					
In your own opinion, is the trade sales promotion tools effective in creating	g aw	arene	ess? (	(Giv	/e
reasons for your opinion)					
In your own opinion, is the trade sales promotion tools effective in increasing	g the	dem	and o	of th	ne
products? (Give reasons for your opinion)					
					••
In your own opinion, is the consumer sales promotion tools effective in imp	rovi	ng th	ne pro	odu	ct
brand?(Give reasons for your opinion					

# Section 4: The effect of business to business sales promotion on sales performance

23. Which promotional tool particularly is used for trade sales promotion as a way of							
effecting sales performance?							
Price reduction Free products Trade show	WS						
Trade discounts Promotional products Trade in							
Key: 5 - Strongly Disagree (SD); 4 - Disagree (D); 3 - Not Sure (NS); 2 - Ag	ree (	SA)	; 1	Agr	ee		
(A)							
Description 1 2 3 4 5							
24. The company sales more products after reducing prices for businesses that sale their products							
25. The company gives free products to businesses to sell on their behalf and this has increased sales of the company products							
26. The company has made more sales through giving products to the businesses at promotional price and this has encouraged businesses to purchase more products from the company							
27. The company gives businesses trade shows like banners, fliers which has increased customer's awareness about the company's products							
28. The company applies trade in between businesses that resell their products so as to create more market							

29. The company gives discounts to businesses so that these businesses resell as affair

price to attract more customers for the company products

In your own opinion, are the business to business sales promotion tools effective in creating
awareness? (Give reasons for your opinion)
In your own opinion, are the business to business sales promotion tools effective in increasing
the demand of the products? (Give reasons for your opinion)
In your own opinion, is the business to business sales promotion tools effective in improving the
product brand?(Give reasons for your opinion

## THANK YOU FOR YOUR RESPONSES