

**PRODUCTS PROMOTION AND BUSINESS PERFORMANCE OF NIGERIAN  
BOTTLING COMPANY, ILORIN**

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background of The Study**

Marketing as a concept is the philosophy that emphasized on firms organizing the needs of their customers and there after makes decision to satisfy those needs, better than their competition. Today according to Center for Management, Business and Administration most firms have adopted the marketing concept, but this has not always been the case. The term “marketing” has been defined by different scholars and practitioners all definitions pointing to the fact that it involves personal or organizational relationship involving and exchange of transaction (ICMBA, 2002).

Owing partly to the position of Adam Smith his book titled “The Wealth of Nations” 1976, he wrote that it necessary for any manufacturers to considered the availability of potential consumers. While this philosophy is consistent with the market concept, this was not totally acceptable then until recent time.

Sales promotions however, are marketing strategies companies use chiefly to increase sales temporarily to gain sales volume and market share (Lisa, 2009). They are occasionally used to clear out year-end inventory before new models arrive in showrooms as often done in the automobile industry. Sales promotions are also used as a competitive strategy to undercut competition by offering a lower price or other incentive.

Although sales promotions usually produce sales volume over and above what is typically the case, they do not build brand identity and loyalty (Lisa 2009). Without mincing words, early trade by barter which involves exchanging of goods for goods reflected and economic situation in which most economics were called agrarian economies, which later matured into exchange economies. Emphasis then was on production which was then largely manual.

The industrial revolution resulted from various innovations on technology and management that generated vast increase in production. The vast increase in production that most manufacturers recorded mass production of their products and there was no significant problem of disposing them. Manufacturers were in charge and usually produce goods against orders. The seller's market prevailed throughout this period. Also, deficit was noticed in the U.S.A during the 20<sup>th</sup> century. These deficit market conditions disappeared in U.S.A between 1900 and 1920s as most manufacturers moved into surplus production of goods.

Shortly after the period of sales of goods, demand ran behind the industry's ability to produce and this further warranted a system of mass distribution. There was need, therefore to design better method for marketing the excess goods, this brought about the growth of marketing specialist.

However, it is against the background of this study to examine the feasible effects of sales promotions on sales performance use 7up Bottling Company as a reference study.

## **1.2 Statement of The Problem.**

The beverage industry is influenced by seasoned fluctuations and climatic changes coupled with depression in the economy. The sensitivity of the soft drink market often lead to sales decline, erosion of market share, low capacity utilization, reduction in overall industrial output and colossal loss of profit. Thus, the success of any beverage firm that wishes to sustain the acceptability of its product hands on its intensive sale promotional activities.

Despite the magnitude and relative importance of sales promotion, comparatively, little attention is given to it by most business organization. Many view it as money consuming and as waste venture. So, the question is “could sales promotion if adopted as one of the problem-solving behavior help organization to achieve their marketing objectives”.

It is in the light of this question that the researcher was motivated to conduct a study on sales promotion with reference on the 7up Bottling Company Plc as case study. However, one excruciating hindrance of sales promotion is the difficulty in measuring its direct contribution to organizational performance. Despite huge investment in sales promotion, business still finds it difficult to solve some problems in other to fulfill its basic objectives.

This research work will try to investigate kind of specific problems that affect business organization to achieve its target objective through promotion tool, such as inability to improve sales volume through price discount, difficulties in the use of coupon to increase profitability and failure in application of premium to increase market share.

### **1.3 Research Objectives.**

The major objective of this study is to investigate the impact of Products promotion in Business performance. The specific objective to be highlighted are;

- i** To examine the price discount effect on sales volume of 7up bottling company.
- ii** To evaluate the influence of coupon on profitability of 7up bottling company.
- iii** To determine the impact of premium on market share of 7up bottling company.

### **1.4 Research Questions**

- i. What is the impact of price discount on sales volume of 7up bottling company?
- ii. What is the profitability of 7up bottling company?
- iii. To what extent does coupon influence profitability of 7up bottling company?
- iv. In what way can premium impact market share of 7up bottling company.

### **1.5 Research Hypothesis.**

The following hypotheses were formulated for the purpose of this research work:

H<sub>01</sub>: There is no significant relationship between price discount and sales volume of 7up bottling company.

H<sub>02</sub>: Coupon has no significant influence on profitability of 7up bottling company. H<sub>03</sub>: There is no significant relationship between premium and market share of 7up bottling company.

### **1.6 Significance of the Study.**

The success of this research provides a significant contribution to knowledge and also useful to both individual and organization. The following are some of the significances of this study. This research revealed the reason why organizations should key into the use of sales promotion. It exposes the rationale behind the use of various sales promotional tools. The study will review the work of previous researchers relating to sales promotion and organizational performance. Organizations and individual will be exposed to how sales promotion can influence sales, profitability, and growth in market share. Lastly, the study will serve as a reference to future researchers on similar research topic.

### **1.7 Scope to the Study.**

This research work will sole aims of elucidating and establishing the efficacy of sales promotional tools on organization survival. Based on this, effort would be made to look at impact of sales promotion on organizational performance and highlight the degree of measure put in place. The jurisdiction of this research work would be limit to 7Up Bottling Company Ilorin Plant, Kwara State as case study for the research work whereby focus would be on how the organization uses sales promotional to carry out various activities.

It shall also be looking at few years backward into the promotional activities of 7Up Bottling Company (i.e. considering from 2011-2017) in order to synchronize the effects of sales promotional tools such as price reduction, coupon, and premium on the financial statement of the case study.

### 1.8 Operationalization of The Research Variables.

Equation of exchange is used to show the two constructs in this study. The two constructs are sales promotion and Organizational performance

Therefore,  $Y = f(x)$

$X = \text{Sales promotion}$   $Y = \text{Organizational performance}$

Y is further broken down in its variables.

Therefore,  $Y = (y_1, y_2, y_3)$

$Y = \text{Sales Promotion}$

$y_1 = \text{Sales volume.}$

$y_2 = \text{Profitability.}$

$y_3 = \text{Market Share.}$

$X = \text{Sales Promotion.}$

Where  $x_1 = \text{Price discount}$

$x_2 = \text{Coupon}$

$x_3 = \text{Premium}$

**X Sales promotion**

x1 Price discount

x2 Coupon

x3 Premium

**Y Organizational Performance**

y1 Sales Volume

y2 Profitability

y3 Market Share

**1.9 Operational Definition of Terms.**

1. **Bonus:** Bonus means an extra payment (bonus payment) received for doing one's job well or a salary or wages based completely on how well on does one's job, called performance-related pay or pay for performance.
2. **Buy-one-get-one-free:** it is inform of incentive for the customers to gain their loyalty to the product.
3. **Coupon:** A coupon is a ticket or document that can be redeemed for a financial discount or rebate when purchasing a product.
4. **Competitive edge:** is a business concept that describes the attribute of allowing an organization to outperform its competitors. These attributes may include access to natural resources, such as high-grade ores or a low-cost power source, highly skilled labor, geographic location, high entry barriers, etc.
5. **Effectiveness:** is the capability of producing a desired result. When something is deemed effective, it means it has an intended or expected outcome, or produces a deep, vivid impression.



6. **Premium:** a prize, bonus, or award given as an inducement, as to purchase products, enters competitions initiated by business interests etc.
7. **Price reduction:** the act of reducing the selling price of merchandise. Synonyms: deduction, discount type of: decrease, diminution, reduction, step- down. The act of decreasing of reducing something.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Preamble**

This study reviews sales promotion and its impact on organizational performance which has been viewed by various authors and scholars who were interested in the subject. Some of the areas that will be touched include the concept of sales promotion and other variables which are, price discount, coupon, premium as well as sales volume, organizational profitability, and market share, which are relevant to organizational performance and economic growth at large. However, this chapter is based on four (4) perspectives, which are conceptual review, theoretical review, empirical review and gap in literature.

#### **2.2 Conceptual Review**

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

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

Kotler (2011) describes sales promotion as any initiative undertaken by an organization to promote an increase in sales usage or trials of a product or service (i.e. initiatives that are not covered by the other elements of the marketing communication or promotion mix). He added that sales promotion had more impact at mature stage of a product and that product managers might try to stimulate sales by modifying one or more marketing mix elements. The American Marketing Association (AMA) defined sales promotion as those marketing

activities other than personal selling, advertising, publicity that stimulate consumer purchasing and dealer effectiveness such as display, shows and exhibitions, demonstrations and various non-recurrent selling efforts not in the ordinary routine. The development of the sales promotion strategies promotion strategies requires that a firm must determine what its bets potential markets are and then select the means by which it will try to sell it to its customers. Blythe (2006) viewed sales promotion as any activity intended to generate a temporary boost in sales. This includes several communications activities pursued in an attempt to provide added value or incentives to consumers, wholesalers, retailers, or other organizational customers to stimulate immediate sales. Such efforts are usually geared towards stimulating product interest, trial, or purchase. It is specifically designed to boost quick sales and ultimately create loyalty.

Aham (2008) is of the opinion that sales promotion emerged as a reaction by manufactures marketers, and marketing strategies alike to find a short-term solution to the problems of excess stock of goods which are available in variables manufacturer's warehouses but are not demanded by consumers and organization. Sales promotions are comparatively easy to apply, and are likely to have abrupt and considerable effect on the volume of sales (Hanssens 2010). According to Kotler and Armstrong (2009), consumer promotion is a category of sales promotion including free samples, winning contest, different price packs, and sweep stakes. Sales promotion is projected to increase the sales of final ultimate consumers of the product. Some kinds of sales promotion are based on some sort of benefit whereas some are very communicative in type.

### **2.2.2 Price Discount**

A price discount is a temporary reduction of the list price of the product. The major strategic goal of a price discount is to discriminate between informed and uninformed consumers, or between loyal users and switchers. Research suggests that price discounts are particularly effective in inducing purchase acceleration and product trial (Gilbert and Jackaria 2012). Price discounts are the simplest and the most straightforward sales promotion tool and are easy for shoppers to understand. Looking first at price discounts, in the mind of consumers there exists a 'fair' reference price based on their past shopping experience in supermarkets. Therefore, they are most likely to respond positively to price discounts because consumers know that they will be better off if they accept the offer. Studies show that consumers usually claim to respond more to price discounts, to buy-one-get-one-free offers and to coupons than to in-store demonstrations or sweepstakes and games. This may be because the first three promotions are relatively easy to understand and can provide consumers with instant transaction utility. These three tools allow consumers to make a rational evaluation of the deals offered by traders.

### **2.2.3 Coupon**

In coupon promotions, retailers maintain the original price of the product; only coupon holders are entitled to a discount. Consumers must keep track of their coupons and produce them at the point of purchase. Compared with price discounts coupons are less favored by consumers because they require greater involvement. However, the more price-conscious

the consumer, the more positive will be his/her attitude towards a coupon. A large body of literature has examined consumer response to sales promotions, especially coupons (Laroche, 2013). May be because of longer purchase intervals for durable goods in Nigeria unlike that from other countries, coupon promotions for durable goods are yet to catch up in Nigerian in a big way.

#### **2.2.4 Premium.**

A premium is a product or a service offered free or at a relatively low price in return for the purchase of one or many product or services. (Alain, and Jacob, 2012). A premium is a free gift offered to consumers when they purchase a product; and marketers in many product categories are using them as a sales promotional tool. The effect of gift promotion does not necessarily show a positive relationship with the gift price. In other words, if the gift price is much higher, even equal to the main product, consumer many think this is unreasonable, and then more possibly give a negative evaluation to the promotion depth was, the higher the perceived value of product bundle was e.g. positive relationship). However, in the range of exaggerated promotion depth, negative relationship was exhibited. (Chund-Hui Tseng, 2013)

As a sales promotion tool, what matters is not the premium as such, but the attractiveness of the premium. Offering an unattractive premium (a premium that is perceived by customers as have little or no value) may have a negative effect on image and sales. Marketers would obviously like their existing and potential customers to have a fondness

for buying products when premiums are involved. Such fondness has been referred to as “premium proneness.” How consumers respond to premiums may depend in part on the strength of their brand loyalty as well as the relative attractiveness of premiums offered by competing brands. That consumers should be prone to buying products with premiums, therefore, is of obvious importance to marketers. (Prendergast 14)

## **2.3 Sales Promotion**

### **2.3.1 Types of Sales Promotion**

Previous studies on the effectiveness of consumer sales promotion have focused on monetary sales promotions (Dhar and Hoch, 1996). However, in practice, both monetary and non-monetary sales promotions are used widely (Tillis, 1998). There are important differences between these two types: monetary promotions (e.g. shelf-price discounts, coupons, rebates and price packs) tend to provide fairly immediate rewards to the consumer and they are transactional in character; nonmonetary promotions (e.g. sweepstakes, free gifts and loyalty programmes) tend to involve delayed rewards and are more relationship-based. In assessing the effectiveness of sales promotions it is necessary to look at the various types of sales promotion.

#### **Coupon.**

In most cases, one method of sales promotion featuring a certificate that entitles the bearer to stated savings off a product's regular price is called in promotional mix as “coupons”. It is argued that, this may be utilized to motivate customers to try new product, to attract

customers away from competitors, or to induce current customers to buy more of a product. This implies that, with the utilization of promotional mix's effort of couponing, product and service offering firms. In essence, the sales promotional technique of "couponing" ensures development of brand loyalty. In that, as a technique, it ingeniously attracts customers from brand competitors. By so doing it induces current customers to buy more. This invariably develops customer's recognition of, preference for and insistence on buying the product with same brand name.

### **Point Of Purchase Displays**

In order to draw attention of many customers to a particular product's brand, many business organizations employ the use of "point-of-purchase" (POP) technique. This is a type of sales promotion in which a "product display" is so located in a retail store so as to encourage consumers to buy the product. This implies that, POP displays and demonstrates products (Guinness) at the point where it can be purchased. More important, in this day of advancement in technology, this can be equally achieved with the use of the internet. Here, the Retail outlet can open a web site where prospective customers can view new displays from time to time. The implication here is that, customers do not necessarily have to personally visit retail stores before they can have access to products being displayed for the first or continuous times.

### **Premium.**

This is a method of sales promotion in which some items are offered free or at a bargain price to customers in return for buying a specified GGBL product. These techniques therefore offer a product for free or at a lower price to induce the customers to buy mostly and effectively.

### **Trade Shows and Sponsorship**

Trade show is a variant of sales promotion, and periodically, industries sponsor trade shows for their members and customers. They therefore promote products to marketing intermediaries. More importantly, trade shows are relatively inexpensive and are very effective, since the buyer comes to the seller already interested in a given type of product, as a result international trade shows are becoming more important (Ricky, 2004). From the above discussion, it is recognized that there are many sales promotional techniques at the disposal of the organizations. However, each comes with its advantages and disadvantages. It is therefore incumbent on the organization in question to take due diligence when it comes to the issue of which sales promotional technique to use. It must be emphasized moreover that, apart from the above-mentioned techniques, one can also employ sweepstakes, contests and loyalty programmes. All are sales promotional techniques that can have effect on organizational performance be it financial, market share and shareholder returns (Richard, 2012).



### **2.3.2 Measuring Performance**

Performance measurement across a range of critical success factors is critical to the survival of every business. Performance measures provide a set of mutually reinforcing signals that direct manager's attention to the important strategic areas that translate to organizational performance outcomes. The theoretical background used to conceptualize firm performance on this study was the stakeholder's theory. Although other theories (i.e. goal accomplishment, the effectiveness of structures and processes or environmental adaptation) could be used to define firm performance stakeholder's theory was chosen for three reasons. First, this theory was recently employed by different authors (Agle, Kaplan and Norton, 2012;) to conceptualize performance.

Second, it allows one to define performance with financial and social aspects, as suggested by (combs, Crook and Shook 2013). Third, the concept of firm performance that stems from this theory provides a clear basis for defining the construct boundaries and measuring performance under this perspective poses that a firm is as efficient as its ability to respond to its stakeholder's requirements. So, to measure performance it is necessary to identify the firm's stakeholders and its demands. Based on a wide review on stakeholder's management, present a model to define the main stakeholders of a firm. They do not state, but rather suggest that investors, employees, customers, community and government are the relevant parts that a firm must manage. So, high performing firms are the ones attending the demands of investors, customers, employees, government and the society.

The literature review suggested that these five groups have seven different wants. Financial performance is a way to satisfy investors can be represented by profitability, growth and market value (Cho and Pucik, 2014). Market value and profitability measure a firms' future and past ability to generate returns (Glick, Waschburn and Miller, 2015), while growth is the increase in firm's size. If we consider performance as a manifestation of competitive advantage, It is possible to invoke a conceptual reason to use growth and profitability simultaneously. (Peteraf and Barney 2013) propose that an organization has a competitive advantage when it can create more economic value than the marginal competitors of the same product market. Economic value is defined as the difference between the customers' willingness-to-pay and the economic cost of the company. Price divides the economic value in the economic profit appropriated by the company-difference between economic cost and price-and in the customer surplus-difference between economic cost and price and in the customer surplus – difference willingness-to-pay and price (Barney and Clark, 2016). If the company has a higher economic profit than its competitors, it will experience higher profitability. On the other hand, if the consumer surplus is higher when compared with the market, customers will prefer the firm, what will manifest in higher growth rates. In this sense, growth is a complementary dimension to profitability. While financial returns can satisfy investors, the other stakeholders can have other demands.

Customers want companies to provide them with goods and services that match their expectations. To do that, companies must understand their needs, avoid defects, and improve perceived quality and value added by their goods and services. Investments in good human resources practices can promote employees' satisfaction and turnover rates.

### **2.3.3 Organizational Performance**

Organizational performance is the outcome of both individual and collective efforts of human elements in the work environment. It should not come as a surprise that researchers and organizational leaders show age-long deep interest in organizational performance. Podsakoff (2012) put it succinctly, when he argued that: the performance of organizational participant of individually and as a collective, has been an overriding concern of corporate and national leaders for decades, and for good reason. Individual productivity is often taken as a measure of societal and socioeconomic trends of a culture and is therefore an important determinant of the welfare and health of an economy.

Finally, an individual's performance and its effectiveness are prominent factors influencing the decisions which management practitioners make with respect to training, motivation, advancement and identification of outstanding workers. It should come as no surprise; therefore, the behavioral scientists and organizational leaders alike have long been interested in the determination of human performance. Stoner (2015) perceived organizational performance as the measure of how efficient and effective an organization is, that is, how well it achieves appropriate objectives. A similar perspective to the

discussion of organization performance is the view expressed by Ogundele (2015) when he quoted who viewed it as the totality of organizational goodness representing the sum of such elements as production, cost performance, turnover, and quality of output, profitability and efficiency.

Performance measures include market share, sales volume, marketing cost return on investment, gross earnings, total assets, profit before tax and current ratio (Osuagwu, 2016). The implication of these diverse views is that leadership and performance measures are the cement that binds all other organizational components together. The corollary to this idea is that effective internal performance measure is sine qua non to organizational performance. To support this perspective, Gititci (2011) opined that when it comes to performance measure, they can also make or break a business. There are numerous examples where performance measures cause dysfunctional behaviors at all levels and undermine business results and transformation attempts. What is really needed is a simple but integrated set of performance measures that links stakeholders' expectations, and strategies of the values streams, to the processes, teams and individuals within the organization. Furthermore, the performance measures should provide everyone, from the chief executive officer (CEO) down to the shop floor, with accurate, factual and timely information to allow these people to make decisions on a daily basis. The measurement system in the organization should be a living and breathing thing. It should allow us to monitor performance in certain areas, at the same time facilitating performance improvements in other areas. What we measure and what we do with the information we

get back should be sensitive to business priorities and, where necessary, we should be able to change these to realign the organization with a new or changed set of objectives. The trick here is to develop a simple and integrated performance measurement system first, and then we can develop a process that allows us to review, refine and change the performance measurement system as the business needs, environment and strategy changes.

The foundation for performance measurement saw organizational performance dimensions as including competitive advantage, financial performance, quality of product or service, flexibility, resource utilization and innovation. However, the most noticeable and convincing measurements of organizational performance, especially to the shareholders of an organization is the level of profitability. Organizations get a lot of things done through the amount of profit they make in their various business endeavors. Government charges company income tax from the profit organizations make from their operations. Most publicly quoted companies pay minimum of 30% to the government as company income tax, which form substantial part of government revenue. The revenue so generated by the government is normally used to provide social and economic infrastructures for the citizenry. These facilities include good network of roads, hospitals, security, schools and educational institutions of higher learning, maintenance of embassies abroad and portable water among other good things of life, if organizations are not performing to provide much of the government revenue, one can make a good guess of our societal standard. What is incontrovertible is the fact that organizations contribute substantially to the revenue base of governments at all levels. Such revenue are generated

from their performance, what needs to be is efficient management and utilization of these scarce financial resources which must be managed for their positive effects to trickle down to all levels of the economy. Approaches to organizational performance improvement can be examined from internal and global perspectives. The internal performance concepts include balanced scorecard, benchmarking, business process reengineering, continuous improvement and cultural change. The global performance concepts include learning organization, certification, knowledge management and management by objects. Pearce and Robinson (2013) conceived organizational performance as a multidimensional factor which includes profitability, productivity, competitive position, employee development, employee relations, technological leadership and public responsibility. One of the most radical views of organizational performance was provided by Osuagwu (2016). He said organizational performance, whether as a construct or concept, can be measured objectively or subjectively. There were several good reasons for using subjective performance measures in business research. First, managers may be reluctant to disclose actual performance data if it is considered to be commercially sensitive or confidential.

Second, subjective measures of performance may be more appropriate than objective measures of performance for comparing profit performance in cross-industry business research studies. This is because profit levels can vary considerably across industries, thereby obscuring any relationship between independent variable and measures of performance. Subjective measures of performance may be more appropriate in this situation because involving managers in a research study can take the relative performance

of their industry into account when providing a response. Subjective measure of performance has been recommended by various researchers. Third, objective performance measure, such as profit, may not accurately indicate the underlying financial health of a company. For instance, profitability may be due to reasons such as the level of investment in R&D or marketing activity that might have long-term effects (Dawes, 2011). Osuagwu (2006) stressed that there have been research studies that showed correlation between objective and subjective measures of performance (Dawes, 2011). He supported this view by arguing that subjective measures of performance are popular in market orientation research studies (Dawes, 2011). Also, he cited existing evidence that managers can give good subjective estimates of specific financial estimates. In conclusion, Osuagwu (2016 a) listed organizational performance measures to include sales, market share, ability to gain market share, sales growth rate, return on investment, profit and competitive position or advantage. Desarbo (2015) in their research, collected a battery of performance indicators, which included profit (that is, total revenue minus variable cost divided by total revenue), average percentage of the return on investment: return on assets; relative market share; overall customer retention; retention of major customer; sales growth rate; and overall profit margin relative to the objective for a business unit.

Thus, organizational performance does not depend on a single attribute, but rather on the fit among the elements of an organization (Donaldson, 2011; Miles and Snow, Miller, 2008; Siggelkow, 2002; Venkatraman and Camillus, 2004; Zajac, Kraatz and Bresser, 2010). As pointed out by Miles and Snow (2008), organizational performance is a function

of the level of fit (Consistency) that managers achieve between strategy, structure and technology. The Miles and Snow (2008) framework remains one of the most comprehensive, insightful and useful ways for senior managers to understand patterns of relations among organizational variables and their effect on effectiveness, and thus respond to the challenges they face in their own organizations (Ghoshal, 2013).

#### **2.3.4 Sales Increase**

Sales increase means to make the most sales revenue possible without the business taking a loss. It's a fairly logical business approach. After all, businesses generally want to make as much revenue as possible with as little cost as possible, which can lead to greater profits. In the case of your business organizations, one way to achieve increase sales might be to offer your new product to customers at little cost (Sales promotion) until you've got them hooked on the new product. Then, you increase the price a little at a time until you make a profit. A business can focus on maximizing either revenue or profits, but usually cannot pursue both goals simultaneously. To maximize profits, the company has to sell its products or services at a healthy profit margin; in other words, it has to charge significantly more than what it costs to deliver the product or service. When attempting to maximize sales, for a newly-established company to sell at a loss to build a loyal consumer base and gain name recognition in the industry.



### 2.3.5 Organizational Profitability

Profit is the end result of deducting total costs (TC) from total revenues (TR) as stated by Primeaux (2012). Therefore, profit maximization is production the right quantity of goods or services given the suitable amount of resources (Premeaux, 2012). From a behavioral perception, profit maximization can also be obtained from producing the correct quantity with an acceptable quality of goods or services to the customers and as the legal and ethical standards of the society. Profitability means ability to make profit from all the business activities of an organization, company, firm, or an enterprise. It shows how efficiently the management can make profit by using all the resources available in the market. According to Harward & Upton, “Profitability is the ‘the ability of a given investment to earn a return from its use’”.

However, the term ‘Profitability’ is not synonymous to the term ‘Efficiently’. Profitability is an index of efficiently; and is regarded as a measure of efficiently and management guide to greater efficiency. Though, profitability is an important yardstick for measuring the efficiency, the extent of profitability cannot be taken as a final proof of efficiency. Sometimes satisfactory profits can mark inefficiency and conversely, a proper degree of efficiency can be accompanied by an absence of profit. The net profit figure simply reveals a satisfactory balance between the values receive and value given. The change in operational efficiency is merely one of the factors on which profitability of an enterprise

largely depends. Moreover, there are many other factors besides efficiency, which affect the profitability.

### **2.3.6 Market Share**

Market share represents the percentage of an industry or market's total sales that is earned by a particular company over a specified time period. Market share is calculated by taking the company's sales over the period and dividing it by the total sales of the industry over the same period. This metric is used to give a general idea of the size of a company in relation to its market and its competitors.

A company's market share is its portion of total sales in relation to the market it operates within. For example, if a company sells 100 million worth of tractors a year domestically, and the total tractors sold in Nigeria is 200 million, the company's nation market share for tractors would be 50% organizations look at market share increases and decreases carefully, because they can be a sign of the relative competitiveness of the company's products or services. As the total market for a product or service grows, a company that is maintaining its market share is growing revenues at the same rate as the total market. A company that is growing its market share will be growing its revenues faster than its competitors. Market share increases can allow a company to achieve greater scale in its operations and Improve profitability. Companies are always looking to expand their share of the market, in addition to trying to grow the size of the total market by appealing to

larger demographics, lowering prices, or using promotional tactics like sales promotion and advertising.

## **2.4 Theoretical Review.**

This study was based on certain relevant theories that form the backbone of idea which provided the super structure that culminated in the development of research questions and construction of hypotheses tested. The strands of arguments on the basis of these theoretical paradigms are discussed below.

### **2.4.1 Congruency Theory.**

The basic principle of congruency theory is that changes in evaluation are always in the direction that increases congruity with the existing frame of reference. In other words, people have a natural preference for consistent information. The principle has been examined in many marketing contexts, including studies of brand extensions and advertising appeals. Applying the congruity principle to sales promotions, it is expected that sales promotions will be more effective when they provide benefits that are compatible with the benefits sought from the promoted product. For example, Dowling and Uncles (2011) suggested the effectiveness of loyalty programmes is enhanced if programme benefits directly support the value proposition of the brand. Roehm et al. (2012) went on to show that loyalty programmes are indeed more successful if they provide incentives that are compatible with the brand. Congruency effects for consumer sales promotions were directly tested and confirmed by Chandon (2010), who showed that: monetary promotions

are compatible to those sought from utilitarian products; and non-monetary promotions are more effective for hedonic products as they provide more hedonic benefits, which are compatible to those sought from hedonic products. For example, price cuts are more effective than free gifts for influencing brand choice of laundry detergent (i.e. a utilitarian product), whereas sweepstakes are more effective than price cuts for influencing brand choice of chocolates (i.e. a hedonic product). However, it is noted that there are other factors that may have an impact on the congruency effects, including the product factor, and the focus of this study, is culture at the ethnic-group level.

#### **2.4.2 Adaptation Level Theory,**

This theory proposes that consumers carry with them an adaptation level price or ‘internal reference price’ for a given product (Monroe, 1979). The internal reference price represents the price a consumer expects to pay for a product and is formed on the basis of past prices paid/observed either for the same product or similar products. The internal reference price is a standard against which market prices are compared and judged as high, low or medium.

The existence of internal reference prices has been confirmed in several laboratory studies (Gurumurthy and Winer, 1995). Researchers have proposed that consumers respond to a price promotion based on the comparison between the internal reference price and the promotional price (Lattin and Bucklin, 1989; Kalwani and Yim, 1992). Frequent price promotions can lead consumers A comparative price ad presents the higher regular price

of a product along with the lower promotional price in an attempt to document the savings associated with the lower promotional price. Lower the reference price for the promoted product. Consumers with lowered reference prices will be unwilling to pay the full price of a product once the promotion is over.

### **2.4.3 Attribution Theory.**

Attribution theory describes how consumers explain the causes of events (Mizerski, Golden and Kernan, 1979) Different types of attribution can be distinguished based on the object about which the attribution is being made. Attributions made about self (the 'why-did-I-buy' question) come under self-perception theory while attributions made about an object/brand (the 'why-is-brand-X-on-promotion') come under object perception theory. Each is analyzed in the context of promotions. Self-perception theory: Researchers who have applied self-perception theory to price promotions have stated that a purchase in the presence of a strong promotion is expected to lead the consumer to attribute purchase to an external cause (i.e. the promotion) rather than an internal cause (i.e. liking for the product). This will lead to discounting of a favorable brand attitude and repeat purchase probability will diminish. Basically, self-perception theory suggests a negative long term effect of price promotions on consumer attitudes and behavior.

## 2.5 Empirical Review

Oyeniya (2010) conducted a study on the “Effect of Sales Promotion and Customer Loyalty: A Study of Nigerian Telecommunication Industry”, he investigated the relationship and effect of sales promotion and customer loyalty. The survey method was used in gathering information from the respondents. Simple random sampling was used to select a sample size of 310, while descriptive and inferential statistical analyses were conducted with the aid of SPSS software. The findings suggested that there are positive relationships between sales promotion and customer loyalty. From the summary of the result, it can be concluded that as sales promotion expenditure increases so does the customer loyalty. Hypotheses one to three were confirmed from the data of this study. The main crux of the study is to investigate the relationships between sales promotion and customer retention for telecommunication mobile network users in Nigeria. The results show that sales promotion has positive relationship with customer retention.

Neha and Manoj (2013) carried out a study on the “Impact of Sales Promotion Tools on consumer’s Purchase Decision towards White Good (Refrigerator) at Drug and Bhilai Region of CG, India”. The research has been framed to be organized through Multiple Regression Analysis for which a sample of 109 respondents was collected through convenience sampling from consumers of white good (refrigerator). It was stated that on the basis of the findings, it can be concluded that sale promotion tools plays significant role in consumer purchase decision. The respondents are most influenced by offer further

followed by premium and contest while price pack and rebate have been found to be insignificant. It was stated that “The marketers should focus on reframing of the above tools for stimulating purchase decision”.

Kumar (2005) also studied the impact of coupons on brand sale and how that impact decays over the life of the coupons. The authors use an econometric model to demonstrate the coupon effect in terms of equivalent price reduction, account for coupon effect over time, allow inference of coupon effects when retailers decide to double or triple the coupon value and provide both self-coupon and cross-coupon elasticity at different levels of aggregation. Result indicates that the effect of doubling the face value of coupon result in more than a proportionate increase in elasticity and both self and cross-coupon elasticity are much smaller in magnitude than the average self-cross price elasticity.

Anderson et al. (2004) investigated how the depth of a current price promotion affect future purchasing of first time and established customers based on three large scale field experiments on durable goods sold through a direct mail catalogue. The findings revealed different effect for first-time and established customer. Deeper price discounts (a positive long-run effect) but reduced future purchases by established customers (a negative long-run effect). In the same vein, Dawes (2004) reported the result of his study on the effect of a massively successful price promotion in a customer goods category. Specifically, he sought to determine if this large price promotion had any long-term impact on brand value; short-term impact on total category volume for the retailer; short-term effect on competing

retailers; and long-term effect on category sales for the retailers who run the promotion. Results of the study showed that a very successful promotion did not have any longer-term effect on the brand (Positive or negative), but it did expand the total category for the retailer, though temporarily. Sales dropped slightly for one competing retailer at the time of promotion out of the three units studied. It was observed that the promotion was followed by a decline in the total category volume for the retailers, suggesting some degree of purchase acceleration or stockpiling by consumers, longer term negative effect on category cancelled out approximately two third of the gain of the price promotion to the retailer.

Baohong et al. (2003) reviewed various studies relating to the impact of promotion on brand switching and found that these studies used choice models, especially logit. According to these studies promotion has a strong effect on brand switching. The authors show that logit choice model can substantially over estimate brand switching because they do not take into account the rational adjustments that customers make to take advantage of promotion. Logit models do not take into account stock piling and deceleration strategies. They use a dynamic rational model and compare aspect it with a logit model. Swait et al. (2002) in their study focused on a particular aspect of marketing mix consistency overtime for frequently purchased packaged consumer goods, the impact of temporal consistency of store promotions as well as the availability of the product on the shelf; on consumer products evaluations (utilities) and choices. The empirical result, based on fabric softener panel data, indicate that true insert and availability dropped slightly for one competing retailer at the time of promotion out of the three units studied. It was observed that the



promotion was followed by a decline in the total category volume for the retailer, suggesting some degree of purchase acceleration or stockpiling by consumers, longer term negative effect on category cancelled out approximately two third of the gain of the price promotion to the retailer.

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Kahn (1990) also investigated how in-store promotions affect market share after the promotions have been retracted. They find that the effects of promotion are contingent of

both the choice pattern of subjects-whether or not subjects switch among brands and the ubiquity of promotions in a product category. If only one brand is being promoted and subjects are generally loyal to the last brand purchased, brand choice probability declines from pre-promotion levels once the promotion is withdrawn. However, if subjects tend to switch among brands, decline is mitigated and or does not occur. Gupta and Cooper (1992) found that consumers' perceptions of price discounts were typically lesser than the advertised price discounts i.e., consumers 'discounted price discounts.' The 'discounting of price discounts' was moderated by the discount level such that it increased with increases in the advertised discount. The authors found that consumers did not change their intentions to buy unless the promotional discount was above a threshold level of 15% of purchase price. They also found a discount saturation point located at 40% of the purchase price, above which the effect of discounts on consumer's purchase intention was minimal. The results of the study suggested a shaped response of consumer response to price discounts.

## **2.6 Gap in Literature**

Examination of various research works and literatures revealed that several studies had been done on promotional tools and sales promotion and organizational performances. Considering the empirical studies found, different approaches and methodologies ranging from descriptive, explanatory survey and regression techniques which resulted to various findings and conclusions. Most studies discussed the impact of sales promotion on organization effectiveness, also some studies go further to discuss how sales promotion can

influence consumer buying behavior. Some research actually covers challenges and prospects of sales promotion application.

As against the above, little or no effort has been made to investigate into how sale promotional tools such as price discount, coupon, and premium affect organizational performance. This gap is what this research will be carried out to fill.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Preamble.**

This chapter of the work discuss the method adopted in carrying out the study such as; the research philosophy in which the author beliefs has a relationship with the work, the research strategy that was adopted in the study, the approach taken in the research work, also discussing the source. Furthermore, it converses the population of the case study and how the sample size was finally arrived at. In addition, this chapter also thrashed out the method of analyzing the data collected. Lastly, it explains the validity, reliability and the ethical consideration in the research work.

#### **3.2 Research Method.**

This research study will adopt the Survey Research Method to explore the efficacy of promotional tools as regards it effects on organizational performance using the 7up Bottling Company, Ilorin Plant as a case study. The survey method will involve the use of structure questionnaire which will be design to obtain data from respondents on their experience on the use of promotional tools and how it affects the performance of the company. The reason for the use of survey research method is that it was widely and commonly used in similar research of this nature (Shamount, 2016).

### **3.3 Research Design.**

Research design is a plan that guides the researcher in his or her data collection step by step and analytical phases of research work. It specifies the type of information to be collect, source of the data collection procedure, it also includes research methodology, population of the study, sample determination, and sample procedure, source of data, data collection techniques and others. The major issues on research design are to determine if the research nature is prospective, it refers to the future outcome, re-prospective, it focus on the past trend phenomenon and study impact into the future, quantitative and qualitative and to explain the choice of time frame on data collection and cross sectional design to collect relevant information and clear image of the research, before and after etc. hence, this research adopted quantitative approach, as it is a formal objective and systematic process used to test the effects and relationships among variables, the quantitative method was solicited to help categories relevant subset exploratory and survey to analyze the definite answer to the research question and primary data was collected from primary source, the primary sources entail collecting information directly from the respondents for the purpose of this study structured questionnaire will adopt.

### **3.4 Population of Study**

As described in Asika (2016) population is said to be made up of “All conceivable elements, subject or observations relation to a particular phenomenon of interest to the researcher” for the purpose of this study, the population of interest consists of staff of 7up

Bottling Company, Ilorin Plant. The staff population of the company is 500. the numbers of staff of the organization are into categories and working arrangement are shifting. However, for convenience's sake, 200 questionnaires will be administered, 150 respondents is the target due to nature and kinds of staff in the organization.

### **3.5 Sample Seize Determination.**

As propounded by Bartlett, Kotrilik and Higgins (2011) in their work, sample size of this study is determined from the population using Minimum Returned Sample Size table for Continuous and categorical data. The population of the staff in 7up bottling company is 500. The sample size, the figure shall remain at 150 respondents as stated above.

### **3.6 Sampling Techniques/Procedure.**

For the purpose of clarity in instrument usage and due to the huge number of the staff of the 7up Bottling Company, Ilorin Plant, the researcher considers picking a sample size convenience method as stated in the above sections. For the reason that this sample size technique will be adopt and has been tested fit by Shamout, (2016).

### **3.7 Research Sample Frame.**

Despite discussing the population of the study above, it is pertinent to state the sample frame of the research work in it proper section. Hence, the sample size for this research study shall be 150. In relations to the aforementioned, the convenience method shall be sick to in arriving at the sample frame.

### **3.8 Collection of Data.**

Every research work has a framework for collecting data. Yin (2013) asserted that the framework through which data is being collected for the purpose of research is known as source of data. In this study however, the primary data shall be adopted. Primary data are those which are afresh and for the first time, and thus happen to be original in character (Kothari, 2014). To obtain the required data, a well-structured questionnaire shall be administered the staff of 7up Bottling Company, Ilorin Plant and this set of individuals shall constitute the study frame.

### **3.9 Research Instruments.**

The research instructions to be used in this work shall be questionnaire and this shall be adopted to draw responses from the identified respondents (7up Bottling Company, Ilorin Plant Staff). The questionnaire shall consist of a number of questions and statements printed in a definite order on a form or set of forms distributed to the respondents. The questionnaire shall be divided into two sections A and B with section A entails the respondent's Bio-Data while section B consists of the research statements shall aim at finding out the purpose of the study. However, for clarity purpose a 5-point likert attitude scale shall be adopted. Each level of the scale will be represented as SA, Strongly Agree, A, Agree, U, Undecided, D, Disagree and SD, Strongly Disagree.

### **3.10 Method of Data Analysis.**

The study will employ the use of various techniques in analyzing the data. The data obtained will be analyzed using simple percentage frequency distribution. The presentation of data is in tabular form showing the frequency of responses and the corresponding percentages for each alternative. The validation of research hypothesis will be done using Chi-Square among others. The statistical hypothesis was made up of null hypothesis (H1) and the alternate hypothesis (H2).

The figure obtained from the Chi-Square analysis will be use to determine the validity of null hypothesis and the alternate hypothesis.

#### **Chi-Square Distribution Method**

The below chi-square distribution method was used to test the hypotheses. Its formula is;

$$\chi^2 = \sum \frac{(O - E)^2}{E}$$

Where:

O = Observation

E = Expected value

C = Column

R = Row



### **3.11 Validity of the Research Instrument.**

Test of validity is ability of the various instrument propose in this study to measure what will have designed in order to answer the question and hypothesis. It also represents the degree to which this work measure how statistically strong the hypotheses formulated were. Consequently, the instrument was subjected to expert validation in the department and researcher equally compared the instrument with previous empirical research (Balaghar, Majidazar, Niromand, and Shamout, 2016). Thus, statistical evidence supported the correlation between research question and outcome of investigation on variable. It was evidence and validated with both face to face and content validity (some element in the questionnaire were change from expect in the content) this work could not use concurrent and predictive validity.

### **3.12 Reliability of the Research Instrument.**

In management terrain, Reliability of the research has it's distinctiveness to ensure stability or consistency of measurement (Otokiti, 2017) the instrument precisely the questionnaire only has subject only has subject to test retest method to ensure the constant and steadiness of respondent's answer.

To ensure reliability of the instrument used, variable which emerged from this research of this research work, test/retest system of reliability where the questionnaire will be distributed twice to the respondent in order to attain accurate and reliable result for the study will be adopted.

### **3.13 Ethical Consideration.**

The work considered highest level of confidentiality on reasonable level from management of questionnaire to enveloping disclosure therein. The information shared during structured interview were transcribed with near perfect interpretation and without any interference from the researcher. Similarly, we ensure that the interpretation was devoid of personal interest.

## CHAPTER FOUR.

### DATA PRESENTATION, ANALYSIS, INTERPRETATION AND DISCUSSION OF FINDING DISCUSSION OF FINDINGS.

#### 4.1 Introduction

This section of focus on the presentation, analysis and interpretation of the data gathered. The data obtained for the study is presented in tables, analyzed and interpreted using frequencies and simple percentages. The bio data of the respondents was first dealt with after which the main focus of the study was treated.

#### 4.2 Presentation of Data

A total number of 30 questionnaires were distributed. The total numbers of 30 copies were collected.

##### Response Rate

	Frequency	Percentage
Completely	30	100%
Incompletely filled	NIL	NIL
Total	30	100

### 4.3 Data Analysis and Interpretation

The questionnaire was divided into two parts;

- Demographic data
- Test of questionnaire

#### 4.3.1 Analysis of Demographic Data

**Table 4.3.1.1**

##### **Gender**

	<b>Frequency</b>	<b>Percent</b>	<b>Valid percent</b>	<b>Cumulative percent</b>
Male	20	66.7	66.7	66.7
Valid female	10	33.3	33.3	33.3
Total	30	100.0	100.0	100.0

Source: Field Survey, 2023

The table above shows the sex distribution of the respondent. It shows that 66.7% are males and 33.3% are also females. The implication implies that there are more male in 7up Bottling Company than female.

**Table 4.3.1.2****Educational Qualification**

	Frequency	Percent	Valid percent	Cumulative percent
SSCE	10	33.3	33.3	33.3
B.sc/HND Valid	12	40.0	40.0	40
M.sc	8	26.7	26.7	26.7
Total	30	100.00	100.0	100.0

Source: Field Survey, 2023

From the table above, 33.3% of the respondents are SSCE holders, 40% are B.sc/HND Holders, while 26.7% are M.sc holders. This implies that we have more B.sc/HND holders among the respondent.

**Table 4.3.1.3****Marital Status**

	Frequency	Percent	Valid percent	Cumulative percent
Single	22	73.3	33.3	73.3
Married valid	8	26.7	26.7	26.7
Others	NIL	NIL	NIL	NIL
Total	30	100.00	100.0	100.0

Source: Field Survey, 2023

From the table above 73.3% of the respondents are single; while 26.7% are married the implication is that 7up Bottling Company have more single staff than married.

**Table 4.3.1.4**

**Work Experience**

	Frequency	Percent	Valid percent	Cumulative percent
1-5 years	26	86.7	86.3	73.3
6-10 years valid	4	13.3	13.3	26.7
11 years and above	NIL			NIL
Total	30	100.00	100.0	100.0

Source: Field Survey, 2023

The table above, 86.7% of the respondents are between 1-5 years, while 13.3% are between 6-10 years. This implies that we have more respondents who have work experience between 1-5 years.

**4.3.2 Test of Questionnaire**

In the below tables SD- Strongly Disagree, D- Disagree, U- Undecided, A- Agree and SA- Strongly Agree

**Table 4.3.2.1.1****Price Discount is more reliable in terms of Sales Volume**

	Frequency	Percent	Valid percent	Cumulative percent
Strongly disagree	1	3.3	3.3	3.3
Disagree Valid	2	6.7	6.7	10.0
Undecided	4	13.3	13.3	13.4
Agree	8	26.7	26.7	23.3
Strongly agree	15	50.0	50.0	50.0
Total	30	100.0	100.0	100.0

Source: Field Survey, 2023

The table above shows the response of respondent if Price Discount is more reliable in terms of Sales Volume, 1% strongly disagree 2% disagree, 4% undecided, 80% agree and 15% strongly agree. It implies that the respondent strongly agree that Price Discount is more reliable in terms of Sales Volume.

**Table 4.3.2.1.2****Price Discount creates Sales Volume**

	Frequency	Percent	Valid percent	Cumulative percent
Strongly disagree	2	6.7	6.7	6.7
Disagree Valid	3	10.0	10.0	16.7
Undecided	8	26.6	26.6	43.3
Agree	2	6.7	6.7	50.0
Strongly agree	15	50.0	50.0	100.0
Total	30	100.0	100.0	

Source: Field Survey, 2023

The table above shows the response of respondent if Price Discount creates Sales Volume, 6.7% strongly disagree, 10.0% disagree, 26.6% undecided, 6.7% agree and 50.0% strongly agree. It implies that the respondent agree that Price Discount creates Sales Volume.



**Table 4.3.2.1.3****The rate of Sales Volume is usually high with the use of Price**

	Frequency	Percent	Valid percent	Cumulative percent
Strongly disagree	2	6.7	6.7	6.7
Disagree Valid	5	16.6	16.6	23.3
Undecided	18	60.0	60.0	83.3
Agree	2	6.7	6.7	90.0
Strongly agree	3	10.0	10.0	100.0
Total	30	100.0	100.0	

Source, Field Survey, 2018

The table above shows the response of respondent if the rate of Sales Volume is usually high with the use of Price Discount, 6.7% strongly disagree, 16.6% disagree, 60% undecided, 6.7% agree and 10% strongly agree. It implies that the respondent undecided that the rate of Sales Volume is usually high with the use of Price Discount.

**Table 4.3.2.1.5**

**Price discount is an important tool of Sales Promotion in building and maintaining closer relationship with customer**

	Frequency	Percent	Valid percent	Cumulative percent
Disagree	3	6.0	6.0	6.0
Undecided	10	20.0	20.0	26.0
Agree Valid	22	44.0	44.0	70.0
Strongly agree	15	30.0	30.0	100.0
Total	50	100.0	100.0	

Source: Field Survey, 2023

The table above shows the response of respondent if Price Discount is an important tool of Sales Promotion in Buildings and maintaining closer relationship with customer, 6% disagree, 20% undecided, 44% agree and 30% strongly agree. It implies that more respondent agree that Price Discount is an important tool of Sales Promotion in building and maintaining closer relationship with customer.

**Table 4.3.2.2.2****Coupon have influence on organizational profitability.**

	Frequency	Percent	Valid percent	Cumulative percent
Strongly disagree	3	6.0	6.0	6.0
Disagree	5	10.0	10.0	16.0
Valid Undecided	13	26.0	26.0	42.0
Agree	17	34.0	34.0	76.0
Strongly agree	12	24.0	24.0	100.0
Total	50	100.0	100.0	

Source: Field Survey, 2023

The table above shows the response of respondent if Coupon have influence on organizational profitability, 6% strongly disagree, 10% disagree, 26% undecided, 34% agree and 24% strongly agree. It implies that the respondent agree Coupon have influence on organizational profitability.

**Table 4.3.2.2.3****Coupon leads to sales generation.**

	Frequency	Percent	Valid percent	Cumulative
				percent
Strongly disagree	4	8.0	8.0	8.0
Disagree	5	10.0	10.0	18.0
Valid Undecided	10	20.0	20.0	38.0
Agree	8	16.0	16.0	54.0
Strongly agree	23	46.0	46.0	100.0
Total	50	100.0	100.0	

Source: Field Survey, 2023

The table shows the response of respondent to know if Coupon leads to sales generation.

8% strongly disagree, 10% disagree, 20% undecided, 16% agree and 46% strongly agree.

The tables implies that the respondent strongly agree that Coupon leads to sales generation.

**Table 4.3.2.3.1****Consumers respond positively to coupon**

	Frequency	Percent	Valid percent	Cumulative percent
Disagree	2	4.0	4.0	4.0
Undecided	17	34.0	34.0	38.0
Agree Valid	13	26.0	26.0	64.0
Strongly agree	18	36.0	36.0	100.0
Total	50	100.0	100.0	

Source: Field Survey, 2023

Table 4.3.2.3.1 shows the response of respondent to know if Consumers respond positively to coupon, 4% disagree, 34% undecided, 26% agree and 36% strongly agree. It implies that the respondent strongly agree that Consumers respond positively to coupon.

**Table 4.3.2.3.1****Premium has significant effect on Market Share.**

	Frequency	Percent	Valid percent	Cumulative percent
Strongly disagree	5	10.0	10.0	10.0
Disagree	11	22.0	22.0	32.0
Valid Undecided	8	16.0	16.0	48.0
Agree	15	30.0	30.0	78.0
Strongly agree	11	22.0	22.0	100.0
Total	50	100.0	100.0	

Source: Field Survey, 2023

The table above shows the response of respondent if Premium has significant effect on Market Share, 10% strongly disagree, 22% disagree, 16% undecided, 30% agree and 22% strongly agree. It implies that the respondent Premium has significant effect on Market Share.

**Table 4.3.2.3.4****Premium is a means for building customers long term commitment.**

	Frequency	Percent	Valid percent	Cumulative percent
Strongly disagree	2	4.0	4.0	4.0
Disagree	3	6.0	6.0	10.0
Valid Undecided	10	20.0	20.0	30.0
Agree	12	24.0	24.0	54.0
Strongly agree	23	46.0	46.0	100.0
Total	50	100.0	100.0	

Source: Field Survey, 2023

From the above table, it shows the response of respondent if Premium is a means for building customers long term commitment, 4% strongly disagree, 6% disagree, 20% undecided, 24% agree and 46% strongly agree. The table shows that the respondent strongly agrees that Premium is a means for building customers long term commitment.

**TABLE 4.3.2.4.1****Premium is useful in Building Brand Loyalty.**

	Frequency	Percent	Valid percent	Cumulative percent
Strongly disagree	2	4.0	4.0	4.0
Disagree	8	16.0	16.0	20.0
Valid Undecided	15	30.0	30.0	50.0
Agree	11	22.0	22.0	72.0
Strongly agree	14	28.0	28.0	100.0
Total	50	100.0	100.0	

Source: Field Survey, 2023

Table 4.3.2.4.1 shows the response of respondent if Premium is useful in Building Brand Loyalty, 4% strongly disagree, 16% disagree, 30% undecided, 22% agree and 28% strongly agree. It implies that more respondent undecided Premium is useful in Building Brand Loyalty.



**TABLE 4.3.2.4.2****A significant percentage of customers react positively to premium.**

	Frequency	Percent	Valid percent	Cumulative percent
Strongly disagree	13	26.0	26.0	26.0
Disagree	12	24.0	24.0	50.0
Valid Undecided	11	22.0	22.0	72.0
Agree	5	10.0	10.0	82.0
Strongly agree	9	18.0	18.0	100.0
Total	50	100.0	100.0	

Source: Field Survey, 2023

Table 4.3.2.4.2 shows the response of respondent if there is a significant percentage of customers react positively to premium, 26% strongly disagree, 24% disagree, 22% undecided, 10% agree and 18% strongly agree. The table above shows that the respondent strongly disagree that there is a significant percentage of consumers react positively to premium.

**TABLE 4.3.2.4.3****Premium is capable of buildings and maintaining Market Share.**

	Frequency	Percent	Valid percent	Cumulative percent
Strongly disagree	2	4.0	4.0	4.0
Disagree	3	6.0	6.0	10.0
Valid Undecided	10	20.0	20.0	30.0
Agree	12	24.0	24.0	54.0
Strongly agree	23	46.0	46.0	100.0
Total	50	100.0	100.0	

Source: Field Survey, 2023

Table 4.3.2.4.3 shows the response of respondent if Premium is capable of building and maintaining Market Share, 4% strongly disagree, 6% disagree, 20% undecided, 24% agree and 46% strongly agree. It shows that the respondent strongly agrees that Premium is capable of building and maintaining Market Share.

#### **4.4 TEST OF HYPOTHESIS**

Re-statement of hypothesis

Ho<sub>1</sub>: Price Discount does not create Sales Volume

Ho<sub>2</sub>: Price Discount creates Sales Volume

Ho<sub>1</sub>: Coupon does not encourage Profitability

Ho<sub>2</sub>: Coupon encourage Profitability

Premium cannot be employed to build Market  
Ho<sub>1</sub>: Share

Ho<sub>2</sub>: Premium can be employed to build Market Share

Ho<sub>1</sub>: Price Discount does not create Sales Volume

Ho<sub>2</sub>: Price Discount create Sales Volume

### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.075 <sup>a</sup>	.006	-.015	2.90331

a. Predictors: (Constant), Price Discount

**ANOVA<sup>a</sup>**

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	2.277	1	2.277	.270	.606 <sup>b</sup>
1 Residual	404.603	48	8.429		
Total	406.880	49			

- a. Dependent Variable: Sales Volume
- b. Predictors: (Constant), Price Discount

The result from the model summary table above show the relationship between Price Discount and Sales Volume in 7up Bottling Company. To be 0.6% (R square 0.006). The Anova table shows the Fcal as 0.270 at 0.606 level of significance. This implies that Price Discount create Sales Volume in 7up Bottling Company. Therefore, we reject the null hypotheses and accept the alternative hypotheses.

### Coefficients

Model	Un-standardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	20.718	2.720		7.616	.000
1 Price					
Discount	.076	.146	-.075	-.520	.606

a. Dependent Variable: Sales Volume

The coefficient tables above shows a simple model that expresses that Price Discount create Sales Volume in 7up Bottling Company. The Model shows the constant and B which is the value of coefficient. Values from the table above for every increase in Sales Volume, Price Discount contributed 7.6% (0.076). Thus we reject the null hypotheses.

### Hypotheses 2

HO<sub>1</sub>: Coupon does not Encourage Profitability

HO<sub>2</sub>: Coupon Encourages Profitability

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.075 <sup>a</sup>	.006	-.015	2.90335

a. Predictors: (constant), Coupon

**ANOVA <sup>a</sup>**

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	2.266	1	2.266	.269	.607 <sup>b</sup>
1. Residual	404.614	48	8.429		
Total	406.880	49			

a. Dependent Variable: Profitability

b. The coefficient table above shows a simple model that expresses that coupon Profitability.

The models shows the constant and B which is the value of coefficient. Values from the

table above, for every 100% increase in customer's profitability, Coupon contributed 6.1% (0.061). Thus we reject the null hypotheses.

### Hypotheses 3

HO<sub>1</sub>: Premium cannot be employed to build Market Share

HO<sub>2</sub>: Premium can be employed to build Market Share

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1.	.209 <sup>a</sup>	.044	.024	3.45673

a. Predictors: (constant), Premium

### ANOVA<sup>a</sup>

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	26.128	1	26.128	2.187	.146 <sup>b</sup>

1	Residual	573.552	48.49	11.949		
	Total	599.680				

- a. Dependent Variable: Market Share
- b. Predictors: (Constant), Premium

The result from the model summary table above shows the relationship between premium and market Share to be 4.4% (R square 0.0044). The Anova table shows the Fcal as 2.187 at 0.146 level of significance. This implies that premium can be employed to build Market Share. Therefore, we reject the null hypotheses and accept the alternative hypotheses.

### Coefficients

Model	Un-standardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	14.185	3.239		4.380	.000
Premium	.257	.174	.209	1.479	.146



a. Dependent Variable: Market Share

The coefficient table above shows a simple model that premium can be employed to build Market Share. The model shows the constant and B which is the value of coefficient. Value from the table above for every 100% increase in Market Share, productivity contributed 25.7% (0.257). Thus we reject the null hypotheses.

## **CHAPTER FIVE**

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

#### **5.1 INTRODUCTION**

This chapter of this research work gives an overview or summary of the whole research work from the first chapter to the last chapter. This chapter also examines the theoretical and empirical findings as discovered by the researcher, the conclusion of the research work and recommendations by the researcher. The purpose of this study is to examine sales promotion and its impact on organizational performance in 7up Bottling Company. Three hypotheses were put forward in the course of the research which was tested using regression analysis.

#### **5.2 SUMMARY OF THE WORK**

This research work started with the chapter one with introductory part discussion the background of the study. This was followed by a clear of the statement of research problem that the researcher has observed. Objectives were drawn out to address the overriding objective-to examine sales and its impact on organizational performance. The research objectives form the basis for the research questions and hypotheses. This was done through the operationalization of the two constructs (Sales Promotion and Organizational Performance) under Sales Promotion variable were Price Discount, Coupon and Premium while for Organizational Performance, the variables were Sales Volume, Profitability and Market Share.

The aforementioned variables were emphasized in the literature review section to provide a clearer understanding as regards the measurability and relations to their respective constructs. The works of scholars were reviewed to provide more depth to the understanding of the chosen topic. The literature review section examined conceptual framework of the constructs and their variables: theoretical framework and empirical framework as well the gap in literature.

### **5.3 FINDINGS**

The findings for this study are divided into two parts namely: theoretical findings and empirical findings. The theoretical findings are abstracted from the literature review in chapter two while the empirical findings are derived from the data generated from the field by researcher.

#### **5.3.1 Theoretical Findings**

A theoretical finding shows that to sustain institution performance, there is need for leadership style.

- 1. Aida Theory:** The acronym AIDA stands for attention, Interest, Desire and Action. These are the four stages that a consumer goes through when watching or viewing an advertisement. According to Lewis, first and foremost, the role of an advertisement is to attract the customers. Once an ad grabs attention, it has to invoke interest towards the product in the minds of the consumers. After creating an interest, the ad has to bring desire

in consumers mind to use to the product and finally the consumer has to take a favorable action towards the product by ultimately purchasing the product.

## **2. Theory of Reasonable Action (FISHBEIN, 1967)**

The theory of Reasonable Action (TRA) is a model that finds its origins in the field of social psychology this model developed by Fishbein and Ajzen (1975) defines the links between beliefs, attitudes, norms, intentions, and behaviors of individuals. According to this model, a person's behavior intention to perform it. This intentions is itself determined the person's attitudes and his subjective norms towards the behavior. Fishbein and Ajzen (1975) define the subjective norms as "the person's perception that most people who are important to him think he should or should not perform the behavior in question" (Fishbein and Ajzen 1975)

### **5.3.2 Empirical Findings**

1. The firm consists more of male than female as the frequency distribution form the research conducted shows that 66.7% are male and 33.3% are female. In addition to this, most of the staffs are single (73.3%).
2. Most of the staffs are within the work experience of 1-5 years which constitute 86.7% of the whole respondents.
3. The study found out that price discount Create sales volume in 7up Bottling Company.
4. The study also found out that coupon increases profitability.

5. The study also found out that premium can be employed to build market share

## **5.4 CONCLUSIONS**

This study has examined sales promotion and its impact on organizational performance in 7up Bottling Company. The results of the study revealed that there is strong Relationship between Premiums in building Market Share. On the basis of the findings of this study, it can be concluded that Sales Promotion has both positive and negative effect on Organization Performance. The study found that sales promotion allows consumers to have sense of belong where price discount creates the awareness of the firms' to the consumers. It is concluded that Price Discount, Coupon and premium are the best form of Promotional Tools to be employed in organization in order for them to wax stronger in a global institution competitive environment.

## **5.4 Recommendation**

This study shows that price Discount create Sales Volume related to 7up Bottling Company. In the study it has been examined how a firm grows towards success and how it improves it operations. This study also explains the different forms of advertising and their impacts on 7up Bottling Company. These ideas can be used for the future research especially for the on-line organizations based upon Kwara state. Nigeria. The study can also help in improving the performance of firms and increase customers patronage to accomplish satisfaction.

### **5.4.1 De- Limitations of The Study**

The poor record keeping attitude of the respondents as well as their skepticism to disclosing vital information that could validate their claims limited the research. The overall scope of the study (7up Bottling Company.) prevents the ability to generalize the findings of the research.

#### **5.4.2 Suggestions for Further Studies**

This research work focused on examined sales promotion and its impact on organizational performance in 7up Bottling Company. The study examined the sales promotion and its impact on organizational performance variables (Price Discount, Coupon, Premium, Sales Volume, Profitability and Market Share) on the firm performance. The researcher hereby suggests that further studies in the research topic be carried out using more sales promotional tools variables.

#### **5.4.3 Contribution to Knowledge**

This area of this research study addresses is one where there is limited. In view of this research will contribute significantly to the sparse knowledge in the area of study. Also, the study will be useful for managers to know the form of advertising that suit different situation as well as making the firm to be effective and efficient in its operation. Firms can use the result of the findings to make decisions and help sustains or increase of success. The study serves as codicils to existing literatures in this area evaluation and validating the findings realized prior to this study and carried out in other parts of the world.

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## **APPENDIX**

### **QUESTIONNAIRE**

#### **Section A: Bio-Data**

Gender: Male ( ) Female ( )

Marital Status: Single ( ) Married ( )

Age: 20 – 30 ( ) 31- 40 ( ) 41- 50 ( ) 51 - above ( )

Level of Education: Primary ( ) Secondary ( ) Others ( )

Management Level: Lower ( ) Middle ( ) Senior ( )

Experience: 0 – 5 years ( ) 5 – 10 Years ( ) 10 – above

**Section B:** Please tick the boxes as appropriate for each questions

S/N	QUESTIONS	SA	A	U	SD	D
1	Price discount is more reliable in term of sales volume					
2	Price discount creates sales volume					
3	The rate of sales volume is usually high with the use of price discount.					

<b>4</b>	Price discount is an important tool of sales promotion in building and maintaining closer relationship with consumer.					
<b>5</b>	Coupon have influence on organization profitability					
<b>6</b>	Coupon leads to sales generation					
<b>7</b>	Consumers respond positively to coupon					
<b>8</b>	Premium has significant effect on market share					
<b>9</b>	Premium is a means for building customer long term commitment					
<b>10</b>	Premium is useful in building brand loyalty					
<b>11</b>	A significant percentage of consumers react positively to premium.					
<b>12</b>	Premium is capable of building and maintain market share					

