

**IMPACT OF DISTRIBUTION STRATEGIES ON A MANUFACTURING INDUSTRY  
PERFORMANCE (A CASE STUDY OF SELECTED DISTRIBUTORS OF 7UP BOTTLING  
COMPANY, ILORIN)**

# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 Background to the Study**

Sales promotion is an aspect of promotional tools. It is a special consumer's incentive aimed at persuading consumers to buy the product. It also trade incentive designed to encourage or push member of trade stock and fully display the product.

In (1995) Mr. J.H Peterson set up a merchant service department who instead of looking for new business tried to encourage existing clients to buy more by providing them with promotional advice material. According to "Oyeniya and Atoyebi" principles of marketing (1999) define sales promotion as marketing activity other than personal selling advertising and publicity that stimulate consumer on purchasing and dealer effectiveness such as display, show and exhibit in the ordinary routine. Sales promotion is one of the oldest techniques of advertising in Britain that come into light around (1896) in which promotion were organized and run away retargets and producers it banker and merchandising assistance coupons branding stating buy pack price of packs self understanding premium crossruff promotion etc.

Manufactures have normally taken the incentive in devising also promotion to influence the various level of distribution at the excursive competitors the promotional uses are Britain names great exhibition of 1851. The used promotion in two distinct was virtually exchanged to the sponsoring publication in which most efforts were directed towards sports and feats of transportation. The second types of promotion embarked upon were aimed at consumer participation when it comes to consumer. Participation newspapers have two major advantages larger number of retailer or purchase cost.

As a result of these facilities news paper were able to develop some of techniques in retailer use body.

### **1.2 Statement of the Problems**

The project is designed on sales promotion and its impartation on market share expansion. The main purpose of their research study is to know how important is the sales promotion to an organization to the increase in sales of particular product and stimulating or potential customer with a particular reference to 7UP Nigeria bottling company ilorin. Ltd.

Henceforth, one cannot but mention the factors that have compared them for achieving their main objectives. Therefore, the problems are stated as follows:

Inefficient sales promotion method a fellow

Poor presentation of the information gathered inexperience sale effort

### **1.3 Research Questions**

The questions that will be provided with answer in the work or study are:

- i. Is there relationship between sales promotion and profitability in the firm

- ii. Can appropriate promotional tools increase firm marketing share
- iii. Is there any relationship between sales promotion and employee performance?

#### **1.4 Objectives of the Study**

The objectives of the study are:

- i. To examine how to sales promotion increase market share expansion
- ii. Examine how sales promotion can increase profitability of a firms
- iii. Determine what promotional tool that is appropriate for firm
- iv. Analyze the relationship between sales promotion and employees performance in a firms

#### **1.5 Research Hypothesis**

The hypothesis in the research work is

Ho<sub>1</sub> - Sales promotion helps stop increase sales and profitability in an organization

Ho<sub>2</sub> - Sales promotion helps workers to view company in relation to the sales company

Ho<sub>3</sub> - Sales promotion help consumer on sales of the company product.

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

- To establish the level of awareness of the manufacture undertaking the promotion. To establish level of awareness of promotion details
- To establish demography profit of target group promoted broad and company along specified dimension
- To achieve a purchasing penetrate of a certain percentage among non target group.

#### **1.7 Scope of the Study**

This project will focus on five important area sales promotions which are

- i. Sales promotion as a marketing tool comprising earnest form or promotional materials it uses. Sales promotion in the marketing evaluation sale promotion and motivate principle in sales promotion
- ii. Planning and management which include management responsibility for sales promotion planning and budgeting individual and joint promotion role agency and using supplier of display material
- iii. Out or shop promotion including game and competition inability and using direct mail
- iv. Finally, this project is giving to canter the sales promotion activities of 7UP Nigeria bottling company ilorin company Nig.

#### **1.8 Definition of Terms**

**Product:** product is anything that can be differed to a market that might satisfy a want of need in raise. In manufacturing product are bought as raw material and are sold as finished goods.

**Interest:** Interest is a fee paid by a borrower of assets to the owner or a form of compensation for the use of the asset. It is a most commonly the price paid for the use of borrowed money, or none e.g. earned by deposited funds.

**Distribution:** Distribution is the process of making a product or services unavailable for use of consumption by a consumer or business use using direct means or indirect means of with intermediaries.

**Customer:** Customer (sometimes known as a client buyer of purchase) is the receipt of good service product of idea obtained from a seller vendor service for a monetary or the valuable consideration.

**Promotion:** Promotion is one of the market mix elements or ventures and a term used frequently in marketing the specification of five promotional mix or promotional plan. These elements are personal selling advertising sales promotion direct marketing and publicity.

**Marketing mix:** The concept of marketing was first expounded professional burden or forward university in the 1940's which the identified twelve they variables in the typical marketing. The twelve key variable have subsequently been reduce to floor heading by later writers, these four heading are product price, promotion and place.

**Definition of marketing mix:** Marketing mix is the mixing together of the marketing variable in to right promotion that ended marketing programme to be carried out in a successful name at a time. The marketing mix is described as the four (4ps of marketing they are:

P=Product

P= Price

P= Promotion

P= Place of physical distribution

**The marketing mix:** Before moving on to consider the different variables, the question of timing should be not being over looked.

The particular mix to be vital factor in assessing in the particular mix to be offer am change raiding over oven a short period of time as the cube may be when a major competition is suddenly decreed bankrupt by using be marketing mix as a special tactical tool an organization. Marketing plans is possible to speedily and profitability to change in the marketing environment. This is be development of mix meet, condition of particular point, or period of times of essentially a contingency approach to marketing management

**The Product:** Product is the first element of the firms' market mix a product is the basic ingredient in the exchange process. It represents the expectation that satisfaction will be realized through exchange.

**What is product:** A product may be defined as a bun due of physical goods and services that the symbolic characteristics design to product want satisfaction anything that is offered to a market for is use of consumption may viewed as a product. Put other way a product can be seen as the entire bun due or utility that is offered to a market to the place i.e something that satisfy a need or full solve problem the product offered by manufacturer consist of physical items such as television sets, cosmetics, cars, books, etc product offered by service industries include hospital are marketing

**Sales promotion:** As a marketing activity other than personal selling advertising and publicity that stimulates consumers in purchasing and dealer effectiveness such as display show and ascribed in the ordinary routine.

**Marketing:** Various marketing definition have appeared overtime among member marketing scholars with hardly any of them according and commanding universal acceptance. the American marketing association committee on destination or marketing terms derives the subject as “the performance of business activities that direct the flow of goods and services from the producers to consumers or end users” this destination unfortunately, makes marketing sound largely like distribution on element in the marketing.

Marketing strategy several marketing strategies are available to management to achieve the target stores of the market.

Stim the cream (skimming pricing)

Penetration pricing

Image Pricing

Promotional pricing

Odd pricing

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.0 Introduction

This chapter provides a review of the existing literatures on the effect of sales promotion on consumer buying behavior. The main sections included therein are: theoretical framework, conceptual framework, critique of existing literature relevant to the study, summary and research gaps.

#### 2.1 Conceptual Framework

##### 2.1.1 Sales Promotion Tools

Promotion according to Doyle and Saunders (1985) is most important in changing the timing rather than the level of purchasing because customers tend to buy earlier. Promotion is a marketing effort by any organization in trying to communicate to its customers. According to Kotler (1994), a good promotional strategy should encompass sales promotion, public relations, advertising and personal selling in order to communicate with their present and potential consumers. Promotion is responsible for moving the demand curve upward and to the right by utilizing some or all of the elements of the promotional mix.

Again, Pride and Ferrel (1989) also grouped sales promotion methods into two. Consumer sales promotional methods are directed towards consumers and they include coupons, contests, bonuses, vacations, shopping, gifts, free products and services, and free samples. Trade sales promotion methods focus on wholesalers, retailers and sales person. This includes sales contests, free merchandise, demonstrations, point-of-purchase and displays (Pride and Ferrel, 1989). The purpose of sales promotion in the marketing mix in marketing events is to have a direct impact on the behavior of the firm's consumers. Several authors have identified different categories of consumer-oriented sales promotion. According to the International Chamber of Commerce, International Code of sales promotion practices, consumer –oriented sales promotion encompasses the following tools:

**Free samples:** These are distributed to attract consumers to try out a new product and thereby create new customers (Kotler, 2003). Some businessmen distribute samples among selected persons in order to popularize the product common examples - shampoo, washing powder etc. Sampling which by definition includes any method used to deliver an actual or trial size product to consumers. Sampling is generally considered the most effective way of generating trial, though it is the most expensive

**Bonus offer or points:** This is a reward given to the existing customers (Smith and Schultz, 2005). This tool will help increase the sales of the product among the existing customers itself. A toothbrush with 500 grams of toothpaste might be some examples of this tool. A certain retail shops will have a scheme which will require the customer to be a member of the shop and to acquire membership card for the same. And every time

the customer makes a purchase bonus points are added to the card and at the end of the year gifts are given for the points earned.

**Exchange schemes:** According to Belch (1998), it refers to offering exchange of old product for a new product at a price less than the original price of the product. This is useful for drawing attention to product improvement.

**Price-off offer:** Under this offer, products are sold at a price lower than the original price. This type of scheme is designed to boost up sales in off-season and sometimes while introducing a new product in the market. Price-off is a reduction in a brand's regular price (Kotler, 2003). The major reason for marketers to use the price-off reduction is that this type of deal usually presents a readily apparent value to consumers especially when they reference price point for the brand, therefore they can recognize the value of the discount.

**Coupons:** A coupon is a promotional device that provides cent-offs savings to consumers upon redeeming the coupon (Kotler and Keller, 2006). Coupons can be disseminated to consumers through newspapers, sales point, and radio stations among others. The organization could organize a raffle, competition or decide to reward loyal customers with coupons to get more of their products or any other product the organization will decide. Coupons are issued by manufacturers either in the packet of a product or through an advertisement printed in the newspaper or magazine or through mail. These coupons can be presented to the retailer while buying the product. The holder of the coupon gets the product at a discount.

**Premium** is also another technique identified by the International Chamber of Commerce as a standard sales promotion technique. A premium is an offer of merchandise or services either free or at a low price that is used as an extra incentive for buyers (Belch et al, 1995). The three types of premium offers identified are free in the mail premiums, in and on pack premiums and self-liquidating premiums.

**Refunds and Rebates** also refer to the practice by which manufacturers give cash discounts or reimbursements to consumers who submit proofs of purchase. Mostly the two sales promotional techniques provides users a delayed rather than an immediate value since the consumer has to wait to receive the reimbursement after consuming the service or products. This is evident in the Contest and Sweepstakes offer consumers the chance to win cash, merchandise or travel prizes. A contest is a promotion technique where consumers compete for prizes or money (Adcock, Halborg and Ross, 2001).

**Fairs and Exhibitions:** Fairs and exhibitions may be organized at local, regional, national or international level to introduce new products, demonstrate the products and to explain special features and usefulness of the products. Apart from this small stalls are also placed in popular locations where the products are sold in smaller quantity to attract more customers.

**Money Back offer and Scratch & win offer:** Under this scheme customers are given assurance that full value of the product will be returned to them if they are not satisfied after using the product. To induce the

customer to buy a particular product scratch and win scheme is also offered. Under this scheme a customer scratch a specific marked area on the package of the product and gets the benefit according to the message written there.

**Bonus Pack** is extra quantities of a product that a company offers to consumers at the regular price by providing larger containers or extra units (Cravens, 2000). Bonus packs results in a lower cost per unit for consumers and provides extra value as well as more products for the amount of money paid. This creates confidence among the customers with regard to the quality of the product. This technique is particularly useful while introducing new products in the market.

### **2.1.2 Sales Promotion Strategies**

**Push Strategy:** push strategy involves convincing trade intermediary channel members to "push" the product through the distribution channels to the ultimate consumer via promotions and personal selling efforts (Schiffman and Kanuk, 2007). The company promotes the product through a reseller who in turn promotes it to yet another reseller or the final consumer. Trade-promotion objectives are to persuade retailers or wholesalers to carry a brand, give a brand shelf space, promote a brand in advertising, and/or push a brand to final consumers. Typical tactics employed in push strategy are: allowances, buy-back guarantees, free trials, contests, specialty advertising items, discounts, displays, and premiums.

**Pull strategy** attempts to get consumers to "pull" the product from the manufacturer through the marketing channel. The company focuses its marketing communications efforts on consumers in the hope that it stimulates interest and demand for the product at the end-user level. This strategy is often employed if distributors are reluctant to carry a product because it gets as many consumers as possible to go to retail outlets and request the product, thus pulling it through the channel (Schiffman and Kanuk, 2007). Consumer-promotion objectives are to entice consumers to try a new product, lure customers away from competitors' products, get consumers to "load up" on a mature product, hold & reward loyal customers, and build consumer relationships. Typical tactics employed in pull strategy are: samples, coupons, cash refunds and rebates, premiums, advertising specialties, loyalty programs/patronage rewards, contests, sweepstakes, games, and point-of-purchase (POP) displays.

**Combination strategy:** This strategy requires both of the above strategies working together. The "push" is used to get more products into the hands of retailers and wholesalers while advertising and product tie-ins with other products are used as a "pull" to get more people to want to buy the product (Schiffman and Kanuk, 2007)..

### **2.1.3 Factors Influencing Sales Promotion**

According to Kotler (2003), Sales Promotion is a key ingredient in marketing campaigns and consists of a diverse collection of incentive tools, mostly short term designed to stimulate quicker or greater purchase



particular products or services by consumers. Sales promotions programmes are those activities other than stimulate consumer purchase.

The concept of sales promotion consists of diverse collection of incentive tools, mostly short term designed to stimulate quicker and/ or greater purchase of a particular product by consumers or the trade. It always offers an incentive to buy a product or service (Smith and Schultz, 2005). Sales promotion efforts are directed at final consumers and designed to motivate, persuade and remind them of the goods and receives that are offered. There are therefore several reasons why firms are compelled to roll out sales promotional packages for its customers and potential customers.

Customers have become more price sensitive because of the increasing cost of living. The economic recession is likely to fuel this trend further, as consumers and dealers become more sensitive towards prices. Price offs or discounts for example discourage brand switching by users and new product launch by competitors (Smith and Schultz, 2005). Timely sales promotion according to them can keep consumers from trying new brands or keep the wind out of a competitor's grand opening. Smith et al, (2005) however attributes the rationale for price offs to what they called trial. According to them, motivating consumers to try products or switch is crucial to conversion. For instance, consumers have become expectant of the purchase incentives and always look out for firms who will offer such benefits.

Services and products standardization in the global market has also given rise to the increasing use of sales promotion in reaching out to its consumers and potential consumers. Brands and services especially in the telecom industry have been perceived by consumers to be more or less similar within a given price range due to firms inability to really differentiate its products. In view of this problem, the other promotional mixes are not able to influence the consumer's perceptions and create brand franchise. As a result of these perceptions of similarity among brands, firms have no option than to compete with other competitors on the basis of the extra benefit offered through sales promotion.

Pressure from competitors and increased competition has also given rise to the need for sales promotion in recent times. The increased competition has left companies to differentiate their services and product on price and not the other features of the service or product. For instance if competitors offer price reduction, contest or other incentives, a firm may feel obliged to also come out with its own sales promotion for consumers to benefit from the service lest they face out of the competition. All these rationale of sales promotion, though unique from each other, has a long term effect on increasing the firm's market share, improve sales volume, retain customers and reduce switching of customers.

Adcock et al, (2001) assesses that when a purchase decision is made, the purchase decision can be affected by unanticipated situational factors. Some of these factors according to them could be directly associated with the purchase, for instance the outlet where the purchase is to be made, the quality to be bought,

when and how to pay. Most instances, firms remove the need to make this decision by either including the essentials in the form of sales promotion tools like coupons, discounts, rebates and samples. The additional benefit whether in cash or in kind offered to consumers through sales promotion is highly likely to influence their purchase behavior or decision (Ngolanya,2006). After considering the possible options, the consumer makes a purchase decision and the consumer's choice depends in part on the reason for the purchase (Kotler et al, 2003).

#### **2.1.4 Dependent Variable (Consumer buying behavior)**

Kotler (2006) mentioned that the market for any product category is made up of consumers who differ in their responsiveness to deals. Some consumers are loyal to a single brand in a category and buy only that brand. These on-and off-deal consumers fall into two general categories, loyalists and switchers. Loyalists are consumers whose purchase patterns reflect that they buy the same brand over and over when no brands are on deal (when the category is off promotion). Switchers are the consumers who even when all brands in a category are off promotion nonetheless switch among different brands. Kotler (2003) refers that consumers have varying degrees of loyalty to specific brands stores, and other entities. Aderemi (1975) stated that Brand switching means that a consumer is induced to purchase a brand other than the one that would have been purchased had the promotion not been available. Purchase acceleration Purchase acceleration means that a consumer's purchase timing or purchase quantity is influenced by promotion activities.

### **Critique of the existing literature**

Abdallat, M. and El-Emam, M. (2001) argue that sales promotion do not have impact on brand loyalty and brand equity. According to them even if the product or service is of good quality and the competitor present better products or services and better support services for the product among others, sales promotion will lead to little result (Sam and Buabeng, 2011). Again they argue that, if the product or service is generic, sales promotion is not likely to make much impact on brand loyalty and brand equity. Sales promotion connects the consumer with the company by prompting them for some actions. The consumer develops the brand loyalty over a period of repetitive buying, thus one can make a reasonable speculation that sales promotion has a direct influence on consumer buying behavior (Sam and Buabeng, 2011).

## **2.2 Theoretical Review**

### **2.2.1 Sales Promotion Theory**

Sales promotion is giving the customer something extra, rewarding them for their behavior on this particular purchasing occasion. There are several theories which support the concept of reward as a motivator. The conditions of sales promotion are classical and operant conditioning. Whereas classical conditioning is largely associated with advertising, operant conditioning is seen as an explanation for consumer behavior in

relation to sales promotion. Operant conditioning suggests the response of the individual is likely to be affected by positive reinforcement (reward).

Negative reinforcement (punishment) the affect is likely to cease when the reinforcements are taken away. Edward Thorndike suggested that the 'law of effect', which had to do with positive and negative consequences of actions, is also relevant to sales promotion. The law states that the consequences of behavior now will govern the consequences of that behavior in the future. In other words once a buying pattern is achieved it will continue into the future. John Watson, US psychologist and founding father of American behaviouralism, introduced the concept of shaping, chaining, and priming.

**Shaping:** John Watson states shaping suggests that a final response can be explained as 'appearing after preceding acts which; taken together, constitute a chain of successive approximations'. Shaping breaks the desired behaviors in a series of stages and the parts are learnt in sequence.

**Chaining:** Chaining suggests behavior emerges from sequences of actions in which the preceding action becomes the discriminative stimulus for the final response (inducement > purchase).

**Priming:** De Pelsmacker (2001) states, priming suggests that a short exposure to a particular stimulus can evoke an increased drive to consume more of a product. So this all theories offer reasons why we can motivate people to buy more by offering incentives although the continuation of these behaviors is open to doubt.

### **2.2.2 Pull Theory**

The Pull Theory is about trying to market directly to customers to increase their demand for your product. Advertising and tie-ins with other products or services is the key to this strategy. The theory goes that if you increase the demand for your product by consumers, they will in turn demand the product from retailers, retailers will demand more of your product from wholesalers and wholesalers will demand more products from you. This is a way to increase your sales without decreasing the sale value of your merchandise. Most of the costs are in advertising, so using a tie-in with a related product or service can disperse this cost across both companies.

### **2.2.3 Push Theory**

Using the Push Theory, you can increase sales by creating incentives to wholesalers or retailers to sell more of your product. In this method you would offer discounts to wholesalers or retailers who buy your product in bulk. This leaves them with more of your merchandise on hand and drives them to sell more of your product. Giving them the discount "pushes" them to buy more of your product at a lower price to increase the amount of money they make. In turn they must "push" your products to customers because they will make a better return on them than on similar products supplied to them by your competitors.

### **2.2.4 Combination Theory**

This theory requires both of the above theories working together. The "push" is used to get more products into the hands of retailers and wholesalers while advertising and product tie-ins with other products are used as a "pull" to get more people to want to buy the product.

### **2.3 Empirical Review**

The business world today is a world of competition. A business cannot survive if its products do not sell in the market. Thus, sales promotion has to be undertaken to increase sales. From these literatures, sales promotion can help you provide information to potential customers that aid them in making a decision. This can be beneficial for products or services that are complicated or are unfamiliar to consumers. It is realized that price plays a crucial role in the consumer's decision to purchase a product or services. This implies that, consumers would only choose a product that offers the best price (Aderemi, 2003). This therefore can influence their decision to purchase a particular service or product from a company.

Sales promotion attracts new buyers; the new buyers are encouraged to buy the product by the extra benefits offered by the organization in buying the product. Sales promotion is very useful when introducing new product in the market, the consumers normally do not know about the new product so in order to educate the consumers about new product the various sales promotion tools such as sample distribution, product demonstration, participation in trade fair e.t.c can be used (Kotler and Keller, 2006). Sales promotion encourages the existing customers to buy and use more product than usual. Customers normally buy the additional products during promotion period so as to take advantage of sales promotion activities.

### **2.4 Research Gaps**

Some researchers argue that sales promotion do not have impact on brand loyalty and consumer buying behavior. According to them even if the product or service is of good quality and the competitor present better products or services and better support services for the product among others, sales promotion will lead to little result (Abdallat, M. and El-Emam, M, 2001; Sam and Buabeng, 2011). Again they argue that, if the product or service is generic, sales promotion is not likely to make much impact on brand loyalty and brand equity.

From previous literature review, it is found that there is a big gap in the research. Mainly, the researchers did not highlight the influence of sales promotion on consumer buying behavior. Most researchers concentrated on the broader aspect of promotion mix on various organizations and none of the research targeted the specific of sales promotion tools on consumer buying behavior. This research study, therefore, intended to investigate the relationship between sales promotion and consumer buying behavior.

## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

#### **3.1 Introduction**

This chapter will be concerned with methodology of the project. Methodology refers to specific procedure a technique used to identify select, process and analyze information about a topic.

The topic of this study “Impact of sales promotion on the performance of business organization in nigeria using 7UP Nigeria bottling company ilorinaceutical industries limited as a case study”.

The following components shall be discussed for the purpose of this study, the research design, Population of the study, the sample size and sample technique, method of data collection, instrument of data collection, methods of data analysis and the historical background of the case study.

#### **3.2 Research Design**

The study involved descriptive research design. The purpose of descriptive research design is to describe the state of affairs as it exists. The research technique is the most appropriate when the purpose of the study is to explore and create a detail description of a phenomenon .Thus making it suitable for this study because the researcher was fairly knowledgeable about the aspects of the phenomenon, but little was known regarding their nature. The descriptive research design formulates the problem for more precise investigation and in this case was to explore the effects of sales promotion on consumer buying behavior (Kothari, 2008).

#### **3.3 Population of the Study**

The target population is the area of the study that the researcher studied. The target population for this study comprised of 60 employees from 7UP Nigeria bottling company ilorinaceutical LTD, Kwara state Ilorin.

**Table 3.1 Target population**

<b>Departments</b>	<b>Target population</b>	<b>Percentage%</b>
Marketing	15	25
R & D	12	20
Management	6	10
Purchasing	10	17
Deposits	8	13
Finance	9	15
<b>Total</b>	<b>60</b>	<b>100%</b>

**Source: Oriflamme (2025)**

**Sampling frame**

Mugenda (2008) argues that where the number of the population of interest is big and not possible to access it wholly, a sample should be taken so that every member of the population has an equal chance of being selected. The researcher used a sample size of 20 representing (33.3%) of target population. This was obtained from the different departments in the Company as illustrated in the table below;

**Table 3.2: Employees Sample procedure**

DEPARTMENTS	POPULATION	RATIO	SAMPLE
Marketing	15	0.3	5
R&D	12	0.3	4
Management	6	0.3	2
Purchasing	10	0.3	3
Deposits	8	0.3	3
Finance	9	0.3	3
<b>TOTAL</b>	<b>60</b>	<b>1.8</b>	<b>20</b>

From the above table, the sample size was 20 out of a population of 60 employees which translated to 33.3% of the entire population as explained in the table above.

$$\text{Sample size} = \frac{\text{Sample}}{\text{Population}} \times 100 = 33.3\%$$

### 3.4 Sample Size and Sampling Techniques

The general goal of the sampling method is to obtain a sample that is representation of the target population. In a simple random sample of a given size, all such subsets of the frame are given an equal probability. Each element of the frame, thus, has an equal probability of selection (Mugenda, 2003). In order to collect primary data the questionnaire survey technique were used and the type of sampling used was simple random sampling.

### 3.5 Method of Data collection

The researcher used the following method of data collection:

### **3.5.1 Questionnaires**

The questionnaires were developed and hand delivered to the respondents in their respective departments by the help of managers. The questionnaires were formulated to address the study subject which they were then collected back by the researcher after two weeks upon which the researcher acted on the information collected to come up with findings.

### **3.6 Data Collection Instruments**

Mugenda (2003) states that data collection is gathering of empirical evidence in order to gain new insight about a situation and answer questions that prompted the undertaking of the research. For the purpose of this research and in order to achieve the objectives of the study, both primary and secondary data was collected. The secondary data contributes towards formation of background information in order to constructively build the research project. Primary data was collected by use of questionnaires. Kothari (2008) defines a questionnaire as a self-report instrument used for gathering information about variables of interest to an investigation. The researcher also used questionnaires to obtain data from the respondents.

### **3.7 Method of Data Analysis**

The research data collected through questionnaires was analyzed both quantitatively and qualitatively and presented by use of tables and pie charts where necessary which helped in understanding the reports.

### **3.8 Historical Background of the Case Study**

7UP Nigeria bottling company ilorin. Ind. Ltd, a privately owned business, was established on the 1st of May, 1996 in Ilorin, Kwara State, at No 22 Stadium Road, Ilorin Kwara State. It is a Pharmaceutical company that manufactures both human and animal products including potable table water. Due to its rapid expansion in production activities, the company moved to its permanent site at No 22 New Yidi Road, Ilorin. Kwara State on the 2nd of June, 2005 and was commissioned by Governor Bukola Skraki and former Director of NAFDAC, (Late) Prof Dora Akuyil as special guest.

## CHAPTER FOUR

### DATA PRESENTATION, ANALYSIS AND INTERPRETATION

#### 4.1 Introduction

This chapter presents the result of the study obtained from the statistical analysis of the responses given by respondents. The analysis is done with the aid of simple frequency count and percentage. Information obtained is presented in tabulated format. A summary of the major findings of this study is presented in line with the stated objectives. A total of one hundred and fifty questionnaires were administered to respondents. Rate of returns was 95% as the questionnaires were administered but not all were collected immediately from the respondents.

#### 4.2 Data Analysis and Interpretation

##### Section A; Demographic feature of respondents

**Table 4.1 Distribution of Respondents by Gender**

	Frequency	Percentage
Male	46	65.7%
Female	24	34.3%
<b>Total</b>	<b>70</b>	<b>100.0%</b>

*Sources: Field Survey, 2025*

Table 4.1 shows that there are 46 (65.7%) respondent who are male while 24(34.3%) of the respondents are females.

**Table 4.2 Distribution of Respondents by Age**

	Frequency	Percentage
18-25 years	11	15.7%
26-33 years	22	31.4%
34-41 years	24	34.3%
42 years and above	13	18.6%
<b>Total</b>	<b>70</b>	<b>100.0%</b>

*Sources: Field Survey, 2025*

Tables 4.2 shows that 11(15.7%) of the respondents are between age 18-25 years, 22(31.4%) are aged between 26-33 years. 24(34.3%) are aged between 34-41 years and 13(18.6%) of the respondents are aged 42 and above.



**Table 4.3 Distribution of respondents by marital status**

	<b>Frequency</b>	<b>Percentage</b>
Single	13	18.6%
Married	43	61.4%
Divorced	7	10.0%
Widowed	7	10.0%
<b>Total</b>	<b>70</b>	<b>100.0%</b>

*Sources: Field Survey, 2025*

Table 4.3 indicate that 13(18.6%) of the respondents are single, 43(61.45%) of the respondents are married, 7(10.0%) are divorced and 7(10.0%) of the respondents are widowed

**Table 4.4 Distribution of Respondents by Educational Background**

	<b>Frequency</b>	<b>Percentage</b>
SSCE	2	2.9%
OND/NCE	15	21.4%
B.sc/ND	39	55.7%
M.sc/PHD	14	20.0%
<b>Total</b>	<b>70</b>	<b>100.0%</b>

*Sources: Field Survey, 2025*

Table 4.4 shows that 2(2.9%) of the respondents are SSCE graduate, 15(21.4%) are graduates with OND/NCE, 39(55.7%) are B.sc/ND graduates, while 14(20.0%) are graduate with M.sc/PHD

**Table 4.5 Distribution of Respondents by Working Experience**

	<b>Frequency</b>	<b>Percentage</b>
1-5 years	3	4.3%
6-10 years	16	22.9%
11-15 years	25	35.7%
16-20 years	26	37.1%
<b>Total</b>	<b>70</b>	<b>100.0%</b>

*Sources: Field Survey, 2025*

Table 4.5 shows that 3(4.3%) respondents have 1-5 years working experience, 16(22.9%) of the respondents have 6-10 years working experience, 25(35.7%) have 11-15 years working experience while 26(37.1%) have 16-20 years working experience.

**Table 4.6 Before new product are launched we provide free sample to consumers for pre testing (sampling).**

	Frequency	Percentage
Agree	21	30%
Disagree	42	60%
Undecided	7	10%
<b>Total</b>	<b>70</b>	<b>100.%</b>

*Sources: Field Survey, 2025*

Table 4.6 points that 21(30%) of respondents agrees that samples are offered to consumers for pre testing, 42(60%) of the respondents disagrees, while 7(10%) respondents have no idea

**Table 4.7 We sometime reduce prices to boost sales during off seasons (price- off- offer).**

	Frequency	Percentage
Agree	53	73.0%
Disagree	17	14.6%
<b>Total</b>	<b>70</b>	<b>100.0%</b>

*Sources: Field Survey, 2025*

Table 4.7 shows that 53(73.0%) of the respondents agrees that prices of product are reduced to boost sales during off season, 17(14.6%) of respondents disagree

**Table 4.8 We provide gifts to our distributed to retailers to maintain good relationship (dealers gifts).**

	Frequency	Percentage
Agree	27	38.6%
Disagree	14	20.0%
Undecided	29	41.4%
<b>Total</b>	<b>70</b>	<b>100.0%</b>

*Sources: Field Survey, 2025*

Table 4.8 indicates that 27(38.6%) respondents agrees that goods are distributed to consumers to maintain relationship, 14(20.0%) disagrees while 29(41.4%) did not make a decision

**Table 4.9 We provide attractive materials are produced a sales point (i.e. fridges, television, generators e.t.c.) to reinforce purchase of goods**

	Frequency	Percentage
Agree	33	47.1%
Disagree	8	11.4%

Undecided	29	41.4%
Total	70	100.0%

*Sources: Field Survey, 2025*

Table 4.9 indicates that sources 33 (47.1%) respondents agree that attractive material, are produced at sales points to bring customers, 8 (11.4%) disagree, while 29 (41.4%) respondent did not decide.

**Table 4.10 We make use of several sales promotion**

	Frequency	Percentage
Agree	68	97.1%
Disagree	2	2.9%
<b>Total</b>	<b>70</b>	<b>100.0%</b>

*Sources: Field Survey, 2025*

Table 4.10 point that sources 68 (97.1%) respondent agree that the company make use of several sales promotion 2 (2.9%) disagree.

**Table 4.11 We use draws and scratch cards to reward customers**

	Frequency	Percentage
Agree	31	44.3%
Disagree	3	4.3%
Undecided	36	51.4%
Total	70	100.0%

*Sources: Field Survey, 2025*

Table 4.11 show that sources 31 (44.3%) of the respondent agree that draws and scratch cards are used to reward customers who emerge winners, 3 (4.3%) respondent disagree, while 36 (51.4%) respondent are not sure.

**Table 4.12 We encourage consumers to buy more and save cash.**

	Frequency	Percentage
Agree	47	67.1%
Disagree	23	32.9%
<b>Total</b>	<b>70</b>	<b>100.0%</b>

*Sources: Field Survey, 2025*

Table 4.12 shows that source 47 (67.1%) respondent agree that customers are encourage to buy more to save cash, 24 (32.9%) respondent disagree.

**Table 4.13 We use coupons to reward loyal customers**

	Frequency	Percentage
Agree	54	77.1%
Disagree	4	5.7%
Undecided	12	17.1%
Total	70	100.0%

*Sources: Field Survey, 2025*

**Table 4.13** points that sources 54(77.1%) respondent agree that coupons are used to reward customers, 4 (5.7%) respondent disagree while 12 (17.1%) respondents did not make a decision.

**Table 4.14** We use road shows to promote the consumption of our company brand.

	Frequency	Percentage
Agree	14	20.0%
Disagree	56	80.0%
<b>Total</b>	<b>70</b>	<b>100.0%</b>

*Sources: Field Survey, 2025*

**Table 4.14** indicates that source 14 (20.0%) of the respondent agrees that they make use of road shows to promote the consumption of the company brand while 56(80.0%) respondent disagree

**Table 4.15** New products are promoted with the point of sale display.

	Frequency	Percentage
Agree	32	45.7%
Disagree	14	20.0%
Undecided	24	34.3%
Total	70	100.0%

*Sources: Field Survey, 2025*

**Table 4.15** shows that source 32 (45.7%) respondent agree that the company new products are promoted with point of sales display, 14 (20.0%) respondent disagree and 24 (34.3%) respondent did not decide.

**Table 4.16** Sales promotion affects company sales volume.

	Frequency	Percentage
Agree	52	74.3%
Disagree	18	25.7%
<b>Total</b>	<b>70</b>	<b>100.0%</b>

*Sources: Field Survey, 2025*

**Table 4.16** show that 52(74.3%) respondent agree that sales promotion affect the company's sales volume, 18 (25.7%) respondent do not agree that sales promotion helps to increase company's sale volume.

**Table 4.17 Sales promotion helps increase the profit of the organization.**

	Frequency	Percentage
Agree	49	70.0%
Disagree	21	30.0%
<b>Total</b>	<b>70</b>	<b>100.0%</b>

*Sources: Field Survey, 2025*

**Table 4.17** indicates that sources 49 (70.0%) respondent agree that sales promotion helps to increase the profit the organization make at the end of the years, 20(30.0%) disagree.

**Table 4.18 Degree of competition determines the sales promotion of the organization.**

	Frequency	Percentage
Agree	15	21.4%
Disagree	42	60.0%
Undecided	13	18.6%
Total	70	100.0%

*Sources: Field Survey, 2025*

**Table 4.18** shows that 15 (21.4%) of the respondent agree that the degree of competition determines sales promotion, 42 (60.0%) respondent disagree and 13 (18.6%) respondent did not decide whether degree of sale promotion is determined by the degree of competition.

**Table 4.19 Sales promotion enhances the organizational relationship with the customers**

	Frequency	Percentage
Agree	15	21.4%
Disagree	39	55.7%
Undecided	16	22.9%
Total	70	100.0%

*Sources: Field Survey, 2025*

Table 4.19 indicates sources that 15 (21.4%) of the respondent agreed that sales promotion enhances the organization relationship with the customers, 39 (55.7%) respondent disagree while 16 (22.9%) of the respondent were undecided.

### **4.3 Test of Hypothesis**

In order to make this work purely scientific, the test of the hypothesis is very necessary. The chi square analysis will be used and the major focus is the ascertain if there is a significant relationship between the

independent variable and the dependent variables. Thus, in general form, the hypotheses to be tested in this research work are

### **HYPOTHESIS 1**

Hi. There is significant relationship between sales promotional technique used and achievement of organization objective.

Ho. There is no significant relationship between the sales promotional technique used and achievement of organizational objective.

Cross tabulation between use of several sales promotional techniques and increase in the organizational profit.

<b>We make use of several sales promotional techniques</b>	<b>Respondents response to whether sales promotional helps to increase the organization profit</b>		<b>Total</b>
	<b>Agree</b>	<b>Disagree</b>	
Agree	49	19	68
Disagree	0	2	2
<b>Total</b>	<b>49</b>	<b>21</b>	<b>70</b>

$\chi^2_{C, 4.804}$ ,  $\chi^2_{t:3.841}$ , DF: 1, alpha level 0.05

### **Decision**

Since the chi square calculated ( $\chi^2_{C:4.804}$ ) is greater than the chi square tabulated ( $\chi^2_{t:3.841}$ ), with the degree of freedom (1) at alpha level (0.05). The null hypothesis that there is no significant relationship between the sale promotional techniques used and achievement of organization objective is therefore rejected and the alternative hypothesis is accepted, thus there is a significant of organization objective.

### **HYPOTHESIS II**

Hi. There is significant relationship between the degree of competition and the sales promotion technique to be used.

Ho. There is no significant relationship between the degree of competition and the sale promotion techniques to be used.

Cross tabulation between degree of competition and the use of several sales promotional techniques

<b>Respondents response to whether sales promotion is determined by the degree of competition</b>	<b>We make use of several sales promotional techniques</b>		<b>Total</b>
	<b>AGREE</b>	<b>DISAGREE</b>	
AGREE	13	2	15
DISAGREE	42	0	42
UNDECIDED	13	0	13
TOTAL	68	2	70

$\chi^2_{(2)} = 7.549$ , 5991, df: 2, alpha level 0.05

### **DECISION**

Since the chi square calculated ( $\chi^2_{(2)} = 7.549$ ) is greater than the chi square tabulated ( $\chi^2_{(2)} = 5.991$ ), with the degree of freedom (2) at alpha level (0.05). The null hypothesis that there is no significant relationship between the degree of competition and the sales promotion techniques to be used is therefore rejected and the alternative hypothesis is accepted, thus there is a significant relationship between the degree of competition and the sales promotion techniques to be used.

### **HYPOTHESIS III**

Hi. There is significant relationship between sales promotion and customer's patronage.

Ho. There is no significant relationship between sales promotion and customer's patronage.

<b>Respondents response to whether sales promotion enhances the organization relationship with its customers.</b>	<b>We make use of several sales promotional techniques</b>		<b>Total</b>
	<b>AGREE</b>	<b>DISAGREE</b>	
AGREE	13	2	15
DISAGREE	32	0	39
UNDECIDED	16	0	16
TOTAL	68	2	70

$\chi^2_{(2)} = 7.549$ ,  $\chi^2_{(2)} = 5.441$ , DF: 2, alpha level: 0.05

### **DECISION**

Since the chi square calculated ( $\chi^2_{c:7.549}$ ) is greater than the chi square tabulated ( $\chi^2_{t:5.441}$ ) with the degree of freedom (2) alpha level (0.05). The null hypothesis is therefore rejected and the alternative hypothesis is accepted, thus there is a significant relationship between sales promotion and customer patronage.

#### **4.4 Discussion of Findings**

In finding of the sales promotion as a tool for achieving organization objective, the study as revealed the sales promotion is an indispensable tool any organization needs in order to achieve its desired objective without the involvement of an organization in sale promotional activities, it is going to be a difficult task for such organization to make its customers develop trust in their product which can enhance the constant patronage with the overall purpose of achieving the set objective of the organization at the end of a given year. The study reveals the use of different sales promotional activities as a means of deviating between different types of threat that different sales promotional activity used by the organization strengthens the bond of relationship between the customers and the company's product and it also gives customers the opportunity to test new product that has been produced.



## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Summary**

The study was conducted to examine the significant relationship between sales promotion and achievement of organizational objective using 7UP Nigeria bottling company Ilorin aceutical company in Ilorin, Kwara state. Based on existing result obtained after the analysis, the major findings of the research will be summarized in this section.

The first hypothesis tested shows that there is a significant relationship between the sales promotional technique use and the achievement of the organizational objective. It could be deduced from this study in the section B of the frequency distribution table that the company make use of different sales promotional technique, each designed and make use of in order to meet a particular objective at the time of use and which targets to meet up with the overall objective of the organization. Thus the company has different techniques used to meet up sales and achieve the set objectives of the organization.

Based on this, the sales promotion adopted by the organization influences meeting up with the set objectives which the company sets to achieve.

The second hypothesis tested reveals that there is a significant relationship between the degree of competition and the sales promotional technique to be used from the first findings that reveals that the company make use of different sales promotional techniques, and the second findings that shows that there is a significant relationship between the degree of competition and the sales promotion techniques used it can be concluded that the company make use of the different promotional technique in order to beat down the pressure of external threats arising from other companies that produces the same product as them. Thus the extent to which the company feels the threat from other companies who produce the same product determines the types of sales promotion to be adopted.

The third hypothesis reveals that there is a significance relationship between sales promotion and customers' patronage to the company product and customers' patronage to the company's product. According to shina (2003), sales promotion helps to build brand loyalty by giving the seller the opportunity to attract a loyal and profitable set of customers which provides sellers some protections from competition and greater control in planning their marketing mix. When the brand loyalty is built by the company through sales promotion, customers form a strong bond with the company's product, thus becoming a loyal customer to the company's product and enhance their patronage to the product as well.

#### **5.2 Conclusion**

This research work was carried out to know the relationship between sales promotion and achieving the objectives of 7UP Nigeria bottling company ilorinaceutical company, Ilorin, Kwara state.

The research has revealed that sales promotion is an indispensable tool for an organization to achieve its set objectives; also it reveals that different sales promotional techniques should be adopted in order to meet the different demands of consumer's base on the degree of competition from other companies producing the same product.

Based on the findings made in the research certain important recommendations were made.

### **5.3 Recommendations**

As it has been disclosed in this findings that sales promotion is an effective tool that cannot be overlooked if a company must achieve its objectives it is recommended that all companies should engage in sales promotional activities at least three times a year. In order to bring their customers close and also to meet up with the set target of the company.

This study also identifies the use of different promotional techniques as an idea that helps to navigate through the different threats from the external environment, it is recommended that companies should not rely on one or two methods of sales promotion but also make use of more different methods to bring their customers closer and form a strong bond with them in order to effect the patronage of the company's products

## REFERENCES

- Aderemi S.A (2003), *Marketing principles and practice*. Mushin concept publication limited.
- Achumba I (2002) *Marketing management concepts strategies and cases* Al-mark Education research
- Adrian P (2004). *Introduction to marketing Theory and practice* (2<sup>nd</sup> Ed) USA.
- Aworemi JR (2008). *Impact of Advertising, sales promotion, Publishing and public Relations on the performance of Niger state Transport Authority* “*pac J.soc sci.5(2)* 182-186
- Balroer, J.M.T.Gray, E.R (2003) *Corperate Brands, What are they ? what of them?* European Journal of marketing 37, (7/8) 972-997.
- Babavathi P.R. (2007). *Modern marketing*. Revised Edition New Dethi Sc hand and company Ltd.
- Banabo E. Koroye BH (2011)“*sales promotion strategies of financial institution in Balyesa state* “ Asian J. Bus Monage . 3(3). 203 -209.
- Baohong et.al (2003)” *Measuring the impact of promotions on Brand switching when consumers are forward looking* “ Journal of Marketing Research Vol 40, Issue 4 November, pp. 48 1-491.
- Blathberg RC, Scott AN (1990). *Sales promotion, concepts, Methods and Strategies* Englewood cliffs. New Jersey. Prentice Hall.
- Cuttim. I and Schneider. L. (1991). “*A Taxanomy of consumer purchase strategies in promotion intensive environment*. Marketing Science., 10 ( spring). 91-110.
- Cho. H. and Puak L. (2005). *Vladimii, relationship between Innovativeness, quality, growth, profitability, and market value*. Strategic management Journal Novo, Jersey, V. 26 P. 555-575.
- Dekimpo, M.G and Dominique MH(1999), *The persistence of marketing effects on sales marketing science*, 14 (1), pp. 1-2
- Feame, Andrew et. Al ( 1999) “ *The impact of Alternative promotion strategies on the spirits category . Evidence from the UK*” Journal OF PRODUCT & Brand management, Vol &, Nos 5, pp 430-442.
- Grover, Rajui and srinivasan v. (1992), “ *Evaluating the multiple effect of Retails, promotion on Brand loyal and Brand switching segments* “ Journal of marketing Research , February, vol 29, pp. , 76-89
- Hellman K (2005) *Strategy- driven B2B promotion* .J. Bus. Ind Mark, 20: 4-11 Kotler P amstrong G (2008) *Principles of Marketing* 10<sup>th</sup> Edn, Prentice Hall INC, New York p.502
- Kottler. P. (2006). *Marketing Management* : 1<sup>st</sup> Edition, Pearson Education, New Jersey U.S.A P.556.
- Lancaster. G & Reynords. P ( 2004). *Essentials of Marketing*. London: McGraw-Hill
- Laroche. Michel et. Al(2005)” *Effect of coupon on Brand categorization and choice of fast food In China*” Journal of Business Research, Vol. 58, Issue 5, May, PP. 674-686.
- Osgood, C.E and Tannenbaum.P.H. (1995), “ *The principle of congruity in the prediction of attitude change* “ psychological Review. Vol.62 No. 1 PP 42-55.

## QUESTIONNAIRE

### SECTION A. SOCIO-DEMOGRAPHIC

Please kindly tick in the space provided with the appropriate answer below

**1. GENDER**

Male [   ]

Female [   ]

**2. AGE**

18-25 [   ]

26-33 [   ]

34-41 [   ]

42 and above [   ]

**3. MARITAL STATUS**

Single [   ]

Married [   ]

Divorced [   ]

Widowed [   ]

**4. EDUCATIONAL BACKGROUND**

SSCE [   ]

OND/NCE [   ]

B.SC/ND [   ]

M.SC/PHD [   ]

**5. WORKING EXPERIENCE**

1-5 yrs [   ]

6-10 yrs [   ]

11-15 yrs [   ]

16-20 yrs [   ]

		<b>A</b>	<b>D</b>	<b>N</b>
1	Before new products are launched, we provide free sample to consumers for pre-testing (sampling).			
2	We sometime reduce prices to boost sales during off seasons (price-off-offer)			
3	We provide gifts to our distributors and retailers to maintain a good relationship (dealers gifts)			
4	We provide attractive materials at sales point (i.e. fridge, television, generators, e.t.c) to reinforce purchase of goods.			
5	We use display contest to encourage dealers to buy a minimum quantity to display in shops.			
6	We use draws and scratch cards to reward customers who emerge winner in our contest			
7	We encourage consumers to buy more and save some cash			
8	We use coupons to reward loyal customers			
9	We use road shows to promote consumption of our brands			
10	New products are promoted with the point of sales display			

### **SECTION C. EFFECTIVES OF SALES PROMOTION**

1	Sales promotion affects company sales volume			
2	Sales promotion help to increase the profits of the organization			

3	Sales promotion enhance the purchase of organization at products by the consumer			
4	Degree of competition determines the sales promotion of the organizations			