

**EFFECT OF SALES PROMOTION ON
PROFIT DRIVE OF AN ORGANIZATION
(CASE STUDY OF DOLA BIMBOLA PETROLEUM, ILORIN)**

BY

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CERTIFICATION

This is to certify that this research work has read and approved as meeting part of the requirement of department of Business Administration, Institute of Finance and Management Studies (IFMS) Kwara State Polytechnic, Ilorin for the award of National Diploma (ND) in Business Administration.

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DEDICATION

This project is dedicated to Almighty Allah for seeing me through in this two years journey so far these he has always been my hope and renewing my strength every blessed movement of my life and showing his abundant blessing upon me. Glory is to His name.

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CHAPTER ONE

1.1 Background to the Study

Sales promotion encompasses a variety of incentive tools aimed at stimulating immediate consumer purchase and enhancing the effectiveness of intermediaries and sales forces. These promotional activities are designed to provide added value or incentives to consumers, wholesalers, retailers, or other organizational customers to stimulate immediate sales. In the context of the Nigerian manufacturing industry, sales promotion has been identified as a critical component in achieving organizational effectiveness. According to a study by Odunlami and Ogunsiji (2021), effective implementation of sales promotional tools leads to an increase in sales volume and, invariably, higher profits. Dola Bimbola Petroleum, located in Ilorin, Nigeria, operates in a highly competitive oil and gas industry. The company offers various petroleum products, including premium motor spirit (PMS), diesel, kerosene, and liquefied natural gas (cooking gas). Given the competitive nature of the industry and the challenges associated with fuel scarcity in the region, as reported by Ilorin Info (2012), it is imperative for Dola Bimbola Petroleum to adopt effective sales promotion strategies to drive profitability and maintain a competitive edge.

Sales promotion is a critical component of the marketing mix that organizations use to stimulate consumer purchase behavior and enhance profitability. It encompasses short-term incentives designed to encourage the purchase or sale of a product or service (Lembeck 2020). In today's competitive business environment, organizations increasingly leverage sales promotions to achieve a competitive edge, drive revenue, and maintain market relevance. However, while sales promotions can lead to a temporary boost in sales, their impact on overall profitability remains a subject of interest, particularly in industries such as petroleum retailing where price sensitivity is significant.

The petroleum industry is marked by intense competition, fluctuating demand, and price sensitivity, requiring businesses to adopt innovative strategies to remain competitive (Adebisi & Babatunde, 2021). Sales promotion has emerged as one of the

most effective tools for driving immediate consumer action. For example, price discounts, loyalty programs, and bundled offers can attract customers and increase purchase frequency Achumba (2022). However, while such promotions may temporarily increase sales volume, their impact on profitability depends on how well they are managed. However, the reliance on sales promotions raises questions about their long-term sustainability and profitability. Excessive promotions can erode profit margins and create customer expectations of perpetual discounts (Kotler & Armstrong, 2020). This is particularly critical in the petroleum retail sector, where margins are already slim due to high operating costs and regulatory pressures. Thus, understanding the balance between sales promotion and profitability is essential for companies like Dola Bimbola Petroleum to remain viable in the market. Sales promotion is an initiative undertaken by manufacturing industries to promote sales, usage or trial of a product or service (i.e. initiations that are not covered by other elements of the marketing communication/promotional mix). It is an important component of an organization's overall marketing strategy along with advertising, public relations, and personal selling (Schiffman and Kanuk, 2022). Sale promotion acts as a competitive weapon by providing an extra incentive for the target audience to purchase or support one brand over another. It is particularly effective in spurring product trial and unplanned purchases (Aderemi, 2021).

As presented by Akinyele, (2020) sales promotion refers to marketing activities, other than personal selling, advertising and publicity that stimulate consumer purchasing and dealer effectiveness, such as displays, shows and expositions, demonstration etc. Sales promotion has been defined as a direct inducement that offers an extra value or incentive for the product to the sales force, distributors or the ultimate consumer with the primary objective of creating an immediate sale (George, 1998). Similarly, Odunlami and Ogunsiji (2021), found that only 40% of sales promotions are effective but there was no definition of success or effectiveness. Other studies suggest that sales promotions do not have a constant or continued effect on volume of sales of a firm which tend to diminish

and come at the initial level at which it was before the sales promotion is being offered (Pauwels, et al. 2022). Still some researchers argue about the usefulness of sales promotion, that whether it promotes the long term growth and profitability among brands for which it is projected is not compulsory (Eze & Bello, 2023). This study explores the effect of sales promotions on the profit drive of Dola Bimbola Petroleum. By examining the company's promotional strategies and their outcomes, the research seeks to provide insights into how sales promotions can be optimized for sustainable profitability. This is particularly important in the Nigerian context, where market dynamics and economic conditions present unique challenges and opportunities for petroleum retailers (Akinyele, 2020).

1.2 Statement of the Problem

Sales promotion is a critical marketing strategy aimed at stimulating consumer purchasing behavior and enhancing organizational profitability. Studies within the Nigerian manufacturing sector have demonstrated that effective sales promotion strategies significantly influence organizational effectiveness, leading to increased sales revenue and profitability (Victor Lawrence, 2021).

Sales promotion has become a critical tool for organizations striving to enhance profitability and achieve a competitive edge in the dynamic petroleum industry. However, determining the actual impact of sales promotion on the profit drive of businesses remains a significant challenge. At Dola Bimbola Petroleum, Ilorin, where the market is characterized by intense competition and fluctuating consumer loyalty, the effectiveness of sales promotional strategies is uncertain. The company's reliance on price discounts, loyalty rewards, and other promotional tactics raises questions about their long-term sustainability and their true contribution to the firm's profitability. As a result, it is imperative to understand whether these promotional strategies create measurable financial gains or merely deplete resources without substantial returns (Kotler & Keller, 2021).

The problem extends to the potential misalignment between the sales promotion strategies employed and the consumer behavior in the local market. Despite implementing various promotional campaigns, such as discounts on fuel purchases and free car washes for loyal customers, Dola Bimbola Petroleum continues to face challenges in sustaining customer loyalty and achieving consistent profit growth. This raises concerns about whether these promotions effectively address customer needs and preferences. Furthermore, the company must consider the possibility that sales promotions might attract only price-sensitive customers, leading to temporary sales spikes rather than sustainable profit growth (Aderemi, 2020).

1.3 Research Questions

To achieve the objectives outlined above, the study seeks to answer the following questions:

1. What is the relationship between sales promotion strategies and the profit margins of Dola Bimbola Petroleum?
2. How do customers respond to sales promotion activities carried out by Dola Bimbola Petroleum?
3. To what extent do sales promotion activities contribute to the sales volume and customer retention at Dola Bimbola Petroleum?

1.4 Objectives of the Study

The primary objective of this study is to evaluate the effect of sales promotions on the profit drive of Dola Bimbola Petroleum in Ilorin. The specific objectives are to:

- i. To examine the relationship between sales promotion strategies and profit margins at Dola Bimbola Petroleum.
- ii. To assess customer responses to sales promotion activities carried out by the organization.
- iii. To determine the extent to which sales promotion activities influence sales volume and customer retention.

1.5 Research Hypotheses

1. H₀₁: There is no significant relationship between sales promotion strategies and profit margins at Dola Bimbola Petroleum.
2. H₀₂: Sales promotion activities have no significant effect on customer purchasing behavior at Dola Bimbola Petroleum.
3. H₀₃: Sales promotion activities do not significantly contribute to increased sales volume and customer retention at Dola Bimbola Petroleum.

1.6 Significance of the Study

This study is significant for several reasons. First, it provides valuable insights for Dola Bimbola Petroleum and other businesses in the petroleum retailing sector on how to optimize sales promotions to enhance profitability. Sales promotion is a critical tool in driving organizational profit, as it stimulates customer interest and purchase behavior. It provides immediate value to customers, often leading to increased sales volume and higher revenue. According to Olajide and Eniola (2020), sales promotions, when properly designed and implemented, enhance consumer awareness and attract more customers, particularly in competitive markets. This study's significance lies in evaluating the tangible impact of sales promotions on the profitability of Dola Bimbola Petroleum in Ilorin, which operates in a highly competitive petroleum industry, ensuring that its promotional strategies are aligned with customer preferences and market demands. In the context of the petroleum industry in Ilorin, where market fluctuations and fuel scarcity are prevalent, understanding the effects of sales promotions is crucial. For example, Adeola et al. (2021) emphasize that promotional strategies such as discounts, loyalty rewards, and complementary services are highly effective in retaining customers and fostering long-term loyalty. By analyzing Dola Bimbola Petroleum's approach, this study could provide insights into how targeted promotions can mitigate the adverse effects of market challenges, attract more customers during periods of scarcity, and ultimately drive profitability. The research is relevant to future scholars who may wish to explore related topics. It offers a foundation for further studies on sales promotion strategies in other

sectors or regions, contributing to the broader understanding of marketing effectiveness and its implications for business performance (Belch & Belch, 2020).

1.7 Scope of the Study

The study on the effect of sales promotion on an organization's profit drive encompasses a broad geographical scope, extending beyond the specific context of Dola Bimbola Petroleum in Ilorin, Nigeria examines the sales promotion strategies employed by the company and their impact on profitability over the past three years (2020–2023). The research is limited to analyzing data from the company's operations in Ilorin and does not include other branches or locations. The scope also involves assessing the influence of sales promotions on customer purchasing behavior and overall profit margins, emphasizing strategies such as discounts, loyalty programs, and promotional campaigns. The study on the effect of sales promotion on an organization's profit drive encompasses a broad geographical scope, extending beyond the specific context of Dola Bimbola Petroleum in Ilorin, Nigeria. Research conducted in various regions, including North America, has examined the impact of sales promotions on profitability across diverse industries. For instance, a study highlighted that promotional products distributors in North America experienced a 12% increase in sales in 2021, bringing total industry revenue to \$23.2 billion. This indicates that sales promotions can have a significant positive effect on profitability in different geographical settings. Academically, the study draws from a wide range of disciplines, including marketing, business administration, and consumer behavior. Recent research has explored various aspects of sales promotions, such as their influence on consumer behavior and brand perception. For example, a study published in 2023 examined how extended annual sales promotions impact consumer purchasing behavior, providing insights into the effectiveness of promotional strategies.

1.8 Definition of Terms

1. **Sales Promotion:** Short-term incentives or activities designed to encourage the purchase or sale of a product or service.

2. **Profit Drive:** The efforts and strategies employed by a business to increase its profitability.
3. **Petroleum Retailing:** The business of selling petroleum products directly to consumers, typically through fuel stations.
4. **Sourcing:-** An identification and department of offer to provide goods or services in response to an invitation to tender for specified items.
5. **Negotiation:-** This is the idea of having discussion for the purpose of coming to an agreement on issues.
6. **Sales:-** Sales are activities related to selling or the number of goods sold in a given targeted time period. The delivery of a service for a cost is also considered.
7. **Progressing:-** Sometimes called follow up, of order of the purpose is to ensure that goods and services are received as at when required. Many delivery problems can be avoided by shoveling source selection, even the most careful selected source sometimes prove unreliable in meeting organization goals.
8. **Specification:-** Specification is a detailed and completed description of materials or parts and unprompted in components processed or product design.
9. **Manufacturing:-** This is the process of turning raw materials or parts into finished goods through the use of tools, human, labour, machinery, and chemical processing.
10. **Inspection:-** is the process of examines the incoming consignment for quality and quantity to ensure that they conform to quality and quantity requirements
11. **Purchasing:-** Differentiate from procurements in that it applies only to goods or services paid for with money or other consideration
12. **Provision:-** This is defined as the process determining in advance requirement of materials taking into consideration existing stocks delivery times and rates of consumption so that the amount of stock in hand at anytime will be in occurrence with the stock control policy.

1.9 Plan of the Study

This study is organized into five chapters. Chapter One provides an introduction to the study, including the background, problem statement, objectives, research questions, and hypotheses. Chapter Two reviews relevant literature on sales promotion and profitability. Chapter Three outlines the research methodology employed in the study. Chapter Four presents the data analysis and findings, while Chapter Five discusses the conclusions, recommendations, and implications of the study.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

Sales promotion has increasingly become a strategic tool for driving organizational profit and market competitiveness, especially in sectors like the petroleum industry. It encompasses various incentive techniques designed to stimulate quicker and stronger market responses from consumers and distributors. This chapter reviews existing literature on the concepts, strategies, and impact of sales promotion on organizational profitability. Emphasis is placed on the theoretical foundations, empirical studies, and models that relate to how sales promotions influence consumer behavior and sales volume. The chapter also contextualizes these discussions to the Nigerian environment, with particular focus on the operations of Dola Bimbola Petroleum, Ilorin.

2.1 Conceptual Review

2.1.1 Conceptual Review on Sales Promotion

Sales promotion refers to a marketing strategy that involves short-term incentives or activities designed to encourage immediate purchase or usage of a product or service. It is often used to boost sales, introduce new products, and retain customers. According to Kotler and Keller (2021), sales promotion includes techniques such as discounts, coupons, contests, and free samples, which aim to provide added value to customers and motivate quick buying decisions. Sales promotions are particularly effective in driving short-term sales, enhancing brand visibility, and attracting new customers. However, their impact on long-term customer loyalty can be limited if not integrated with broader marketing efforts.

Several studies emphasize the significance of sales promotion in competitive industries. Blattberg and Neslin (2020) note that sales promotions are vital in markets characterized by high competition and price sensitivity, as they provide consumers with financial benefits and product awareness. Similarly, Shimp (2021) highlights that sales promotions can create excitement around a brand and encourage repeat purchases.

Despite their benefits, over-reliance on sales promotions may erode brand equity and reduce profit margins, making it essential for organizations to strike a balance between short-term sales boosts and long-term profitability.

Sales promotions significantly influence an organization's profit drive by stimulating consumer demand and increasing sales volume. For instance, discount-based promotions can attract price-sensitive customers, leading to increased revenue during promotional periods. Research by Ailawadi, Beauchamp, Donthu, Gauri, and Shankar (2020) indicates that sales promotions can enhance the perceived value of a product, encouraging impulse purchases and expanding market share. However, the effectiveness of sales promotions on profit margins depends on factors such as promotional design, timing, and target audience alignment. Despite their potential, sales promotions can also pose challenges to profitability. Excessive reliance on price reductions or frequent promotions may result in customers waiting for discounts, thereby diminishing brand value and reducing long-term profitability. Additionally, improper execution of promotional campaigns may lead to revenue loss if promotional costs outweigh the incremental sales. As such, organizations must adopt data-driven approaches to design and evaluate promotional strategies to ensure they contribute positively to their profit drive.

2.1.2 The Role of Sales Promotion in Business Strategy

Sales promotion is an integral component of a business strategy that significantly impacts organizational profitability by stimulating consumer interest, increasing sales, and building brand loyalty. According to Kotler and Keller (2021), sales promotions encompass various short-term incentives designed to encourage consumer purchase or dealer support for a product or service. These strategies include discounts, free samples, rebates, and loyalty programs, which are pivotal in creating immediate demand and fostering customer retention. By targeting specific market segments, sales promotions enable businesses to meet revenue goals and address seasonal fluctuations in demand, ensuring stability in their profit margins.

Research has shown that sales promotion is particularly effective in driving short-term revenue growth, as it encourages impulsive buying and attracts price-sensitive consumers. A study by Blattberg and Neslin (2020) highlighted the importance of promotions in influencing consumer behavior by reducing perceived risks associated with purchases and providing value-added incentives. When strategically aligned with other marketing elements, such as advertising and distribution, sales promotions can amplify their effectiveness. For organizations like Dola Bimbola Petroleum in Ilorin, such strategies are crucial in navigating competitive markets, where price and value propositions significantly influence customer decisions. Moreover, sales promotions play a critical role in enhancing customer loyalty, which directly impacts profitability in the long term. Research by Schultz et al. (2020) demonstrated that loyalty-based promotions, such as reward programs and customer engagement initiatives, help companies foster repeat purchases and strengthen brand loyalty.

For Dola Bimbola Petroleum, offering incentives like fuel discounts or loyalty cards may encourage repeat patronage and improve customer retention. Furthermore, such strategies allow the organization to differentiate itself in the highly competitive petroleum industry, where consumers are often swayed by pricing and convenience. However, it is crucial to acknowledge the potential risks associated with excessive reliance on sales promotions. Scholars like Ailawadi et al. (2020) argue that frequent promotions can erode brand equity and lead to price sensitivity among consumers, ultimately affecting long-term profitability. Therefore, organizations like Dola Bimbola Petroleum must balance promotional activities with value creation through superior service and product quality. By adopting a strategic approach to sales promotion, businesses can ensure sustainable profit growth while maintaining customer satisfaction and competitive advantage.

2.1.3 Types of Sales Promotion Techniques

Sales promotion encompasses a wide range of techniques designed to stimulate consumer demand, enhance brand recognition, and drive organizational profitability.

According to Kotler and Keller (2020), sales promotion involves short-term incentives to encourage the purchase or sale of a product or service. Common sales promotion techniques include discounts, coupons, free samples, contests, and loyalty programs. Discounts and price-offs remain some of the most popular methods, as they directly reduce the price barrier for consumers, encouraging immediate purchases. Similarly, promotional contests and sweepstakes generate excitement and consumer engagement, fostering brand loyalty. Another common technique is the use of coupons and vouchers, which provide specific savings when redeemed. Blattberg and Neslin (2021) highlight that coupons serve as an effective tool for price-sensitive consumers, allowing firms to attract new customers while retaining existing ones. Additionally, buy-one-get-one-free (BOGO) offers are widely used to encourage bulk purchases, which can help clear out inventory and increase short-term sales volume. These methods are particularly effective in competitive industries where price sensitivity influences consumer behavior.

In the petroleum sector, sales promotions are used to attract customers in a highly price-competitive environment. Point-of-sale promotions, such as branded loyalty cards and discounts on fuel purchases, are common practices. According to Ailawadi et al. (2021), loyalty programs play a significant role in customer retention, as they reward frequent usage with points or discounts. For small-scale petroleum businesses like Dola Bimbola Petroleum in Ilorin, deploying these techniques can help create a consistent customer base despite economic fluctuations and competition from larger fuel marketers.

2.1.4 Impact of Sales Promotion on Consumer Behavior

Sales promotion is a critical component of marketing strategies aimed at stimulating consumer behavior and driving organizational profitability. According to Kotler and Keller (2021), sales promotions are short-term incentives designed to encourage the purchase or sale of a product or service. Promotions such as discounts, coupons, free samples, and loyalty rewards play a significant role in influencing consumer decisions by enhancing perceived value and reducing the financial risk associated with purchase. In the context of retail and service industries, sales promotions

have been observed to create immediate spikes in sales, attract new customers, and foster brand loyalty. For Dola Bimbola Petroleum, located in Ilorin, such strategies are especially pertinent in addressing competition and retaining customer engagement in a price-sensitive market.

Research indicates that sales promotions significantly impact consumer purchasing behavior by influencing their decision-making process (Blattberg & Neslin, 2022). Consumers are likely to respond positively to promotions when they perceive tangible benefits, such as cost savings or added convenience. For example, fuel stations that offer discounts or loyalty programs often report increased customer traffic and repeat patronage. In a competitive sector like petroleum retailing, promotions can act as differentiators that set a business apart from its rivals. However, excessive reliance on promotions without strategic planning may erode profit margins and fail to create long-term customer loyalty, posing a challenge to achieving sustainable profitability.

Sales promotion is also instrumental in boosting the profit drive of an organization by generating increased revenue streams and facilitating market share growth. Studies by Ailawadi et al. (2020) suggest that promotional activities can stimulate higher sales volumes, offsetting the cost of the promotion itself. In the case of Dola Bimbola Petroleum, implementing well-targeted promotional strategies, such as "buy-more-save-more" discounts or complementary services (e.g., car washing or free windshield cleaning), could enhance customer satisfaction and loyalty. Additionally, the data collected during promotional campaigns can be leveraged to understand customer preferences, enabling the business to tailor future offerings to market demands. However, the long-term success of sales promotions depends on their alignment with the organization's overall marketing and profit objectives. Studies emphasize the importance of balancing promotional spending with customer retention efforts to avoid over-dependence on price reductions (Chandon, Wansink, & Laurent, 2023). For Dola Bimbola Petroleum, strategic promotions must be integrated with value-added services, consistent quality, and excellent customer service to maintain a loyal customer base. By

fostering a combination of short-term gains and long-term relationships, the organization can sustain its profitability while adapting to the dynamic needs of the market.

2.1.5 Sales Promotion and Profit Generation

Sales promotion is a critical component of the marketing mix that organizations use to stimulate consumer purchasing behavior and enhance profitability. It encompasses various short-term incentives such as discounts, coupons, contests, and loyalty programs aimed at encouraging immediate purchases or repeated patronage (Kotler & Keller, 2021). In the petroleum industry, where competition is fierce, and profit margins are often slim, sales promotion is particularly crucial for driving customer retention and generating revenue. Sales promotion strategies serve as catalysts for attracting new customers and sustaining long-term relationships with existing ones, thereby contributing to the profit drive of businesses (Sharma & Singh, 2020).

Numerous studies emphasize the positive correlation between sales promotion and increased profitability. According to Odunlami and Ogunsiji (2021), well-planned promotional campaigns can boost customer awareness and stimulate demand, ultimately leading to higher sales volumes and revenue generation. In the case of Dola Bimbola Petroleum, such promotions could involve price discounts on petroleum products or loyalty rewards for consistent customers. These approaches not only incentivize customers to purchase more but also enhance customer satisfaction, contributing to a competitive edge in the petroleum market. Despite its benefits, the effectiveness of sales promotion in generating profit depends on the alignment of the promotion strategy with organizational goals and customer expectations. A poorly designed promotion might erode profit margins or attract customers who are only price-sensitive, offering no long-term value to the business (Blattberg & Neslin, 2021). For Dola Bimbola Petroleum, this could mean balancing attractive offers with sustainable pricing to avoid undermining profitability. Additionally, evaluating the success of promotional efforts is essential to ensure resources are efficiently allocated toward strategies that yield the most significant return on investment.

Local market dynamics in Ilorin play a critical role in shaping the impact of sales promotion on profitability. As highlighted by Adebayo and Adewale (2020), understanding customer preferences, competitive pricing, and purchasing behaviors is vital for tailoring promotional campaigns to the unique demands of the region. For Dola Bimbola Petroleum, leveraging insights into customer behavior could lead to targeted promotions that maximize sales and bolster profitability. In conclusion, while sales promotion is an effective tool for driving profit, its success requires strategic planning, careful execution, and continuous evaluation.

2.1.6 Challenges in Measuring the Impact of Sales Promotion on Profit

Sales promotion has become a vital tool in driving organizational profitability, yet measuring its impact presents numerous challenges. One critical issue is the difficulty in isolating the effect of sales promotion from other marketing activities and external factors. According to Blattberg and Neslin (2020), sales promotions often coincide with advertising campaigns, seasonal trends, or economic shifts, making it hard to determine whether the observed changes in sales or profit are solely due to the promotion. This issue is particularly pronounced in industries like petroleum, where price fluctuations and external economic conditions significantly influence consumer behavior.

Another challenge is the short-term focus of many sales promotions, which may not align with long-term profitability goals. Pauwels et al. (2022) emphasize that while sales promotions can lead to immediate sales spikes, they often fail to foster brand loyalty or repeat purchases. For businesses like Dola Bimbola Petroleum, where customer retention is critical, the transient nature of sales promotion benefits can undermine long-term profitability. Additionally, the cost of implementing promotions, such as discounts or giveaways, must be carefully weighed against the potential profit generated, as poorly designed promotions may erode profit margins.

Data collection and analysis also pose significant hurdles in evaluating sales promotion effectiveness. Accurate measurement requires detailed sales data before, during, and after the promotion period, as well as customer feedback to understand their

purchasing motivations. However, many organizations, particularly small and medium-sized enterprises like Dola Bimbola Petroleum, may lack the technological infrastructure or analytical expertise to gather and interpret such data effectively (Kotler & Keller, 2021). This limitation often leads to incomplete or biased assessments of promotional outcomes. Consumer behavior adds another layer of complexity to measuring sales promotion impact. Promotions may lead to stockpiling, where customers purchase larger quantities during the promotion period but reduce future purchases, resulting in minimal net profit growth (Ailawadi, Lehmann, & Neslin, 2023). For a petroleum company like Dola Bimbola, understanding customer purchasing patterns and differentiating between genuine demand increases and temporary spikes is critical. Addressing these challenges requires a holistic approach, combining advanced analytics, strategic planning, and an understanding of market dynamics to optimize promotional activities and ensure they contribute positively to organizational profitability.

2.2 Theoretical Review

2.2.1 The AIDA Model (Attention, Interest, Desire, Action)

The AIDA model, developed by Elias St. Elmo Lewis in 1898, provides a foundational framework for understanding how marketing strategies, including sales promotions, influence consumer behavior and organizational performance. The acronym stands for Attention, Interest, Desire, and Action, representing the sequential stages consumers typically experience before making a purchase. Research has shown that sales promotions are an effective tool in attracting attention and generating interest, two critical components of the AIDA model's early stages. In the context of Dola Bimbola Petroleum, located in Ilorin, this framework is vital for understanding how targeted sales promotions can enhance consumer engagement and drive profitability (Kotler & Keller, 2021). The first stage, Attention, emphasizes capturing potential customers' awareness through creative and impactful sales promotion techniques. In the petroleum sector, this could include price discounts, loyalty programs, or limited-time offers to draw customers to the brand. Studies suggest that promotions tailored to the local market's preferences are more

likely to gain attention. For example, petroleum retailers in competitive environments, like Ilorin, can use attention-grabbing campaigns such as fuel giveaways or visible signage to stand out in the crowded marketplace (Shimp & Andrews, 2023).

The second stage, Interest, involves maintaining the consumer's engagement by providing relevant and compelling information about the product or service. For Dola Bimbola Petroleum, emphasizing the benefits of their services, such as affordability, fuel quality, or additional conveniences like car maintenance services, can sustain interest. Academic research supports the idea that providing value beyond the product itself fosters consumer loyalty and increases repeat purchases. Furthermore, sales promotions aligned with consumer needs—like discounts during festive periods—can further stimulate interest (Belch & Belch, 2022).

The Desire phase focuses on creating a strong emotional connection with consumers, encouraging them to prefer the organization's offerings over competitors. Sales promotions, such as reward programs or exclusive deals, help in cultivating this preference. In the petroleum industry, promotions that demonstrate empathy for consumers' financial constraints—such as providing small discounts during periods of economic hardship—can increase brand affinity. This approach is supported by studies highlighting the role of emotional appeals in building brand loyalty and driving profitability (Bagozzi, Gopinath, & Nyer, 2021).

The final stage, Action, is where consumers make purchasing decisions. Sales promotions often serve as the catalyst for action by incentivizing immediate purchases. For example, Dola Bimbola Petroleum can leverage time-sensitive offers to encourage customers to refuel at their stations rather than competitors'. Research has shown that urgency-based promotions are particularly effective in converting interest into action, thereby driving sales and profitability (Chandon, Wansink, & Laurent, 2001). By combining strategic promotional campaigns with operational efficiency, organizations can maximize the effectiveness of this stage.

AIDA model offers a practical framework for analyzing the impact of sales promotions on organizational profitability, as demonstrated in the case of Dola Bimbola Petroleum. By strategically addressing each stage—Attention, Interest, Desire, and Action—sales promotions can significantly enhance consumer engagement and foster sustained growth. As the petroleum industry in Ilorin becomes increasingly competitive, adopting a data-driven and customer-focused approach to promotions will be crucial for maintaining a competitive edge and achieving profitability. The findings of this literature review highlight the importance of aligning sales promotion strategies with the AIDA model to achieve optimal results (Kotler & Keller, 2021; Shimp & Andrews, 2023).

2.2.2 Customer Retention Theory

Customer retention has long been regarded as a critical element of organizational success, especially in competitive industries such as petroleum marketing. The Customer Retention Theory emphasizes the importance of building long-term relationships with customers through value creation, satisfaction, and loyalty (Reichheld, 1996). Organizations that prioritize retention strategies can enhance their profitability as acquiring new customers is more costly than retaining existing ones (Kotler & Keller, 2021). This theory is particularly relevant to sales promotion, which serves as a tactical tool to attract and retain customers while influencing their purchase decisions.

Sales promotion, as a short-term marketing strategy, has been widely studied for its impact on customer behavior and organizational profitability. Research suggests that promotional activities such as discounts, loyalty programs, and bundling can stimulate demand and encourage repeat purchases (Blattberg & Neslin, 2020). However, the effectiveness of these strategies depends on their ability to create perceived value for customers while ensuring that the organization maintains profit margins. In the context of Dola Bimbola Petroleum, located in Ilorin, the use of sales promotion strategies like fuel discounts or reward schemes may play a pivotal role in driving customer retention and profitability. One key aspect of sales promotion is its ability to enhance customer satisfaction. Studies have shown that promotional activities tailored to customer needs

can strengthen brand loyalty and foster positive customer relationships (Chandon, Wansink, & Laurent, 2020). For example, a petroleum company offering price reductions during peak demand periods or rewards for frequent purchases can position itself as a customer-centric organization, thereby increasing loyalty. This approach aligns with the Customer Retention Theory, which posits that satisfied customers are more likely to remain loyal and contribute to long-term profitability.

The impact of sales promotion on profitability, however, is not without challenges. While promotional activities can boost short-term sales, they may erode profit margins if not carefully managed (Bemmaor & Mouchoux, 2021). For Dola Bimbola Petroleum, balancing the cost of promotions with their potential to attract and retain customers is critical. The company must consider factors such as customer price sensitivity, competition, and operational costs to ensure that promotional strategies do not undermine overall profitability. Additionally, the effectiveness of sales promotion in driving profit depends on its ability to differentiate the organization from competitors. In a saturated market like petroleum retail, unique promotional strategies can serve as a competitive advantage. For instance, innovative campaigns such as eco-friendly incentives or community-based programs may appeal to socially conscious customers, thus enhancing customer retention and profitability. These strategies are consistent with the Customer Retention Theory's emphasis on creating value beyond price reductions.

Sales promotion plays a significant role in influencing customer retention and profitability, as demonstrated in the case of Dola Bimbola Petroleum. By leveraging targeted and customer-focused promotional activities, organizations can strengthen their market position and drive long-term success. However, careful planning and execution are required to ensure that such strategies align with organizational goals and do not compromise profit margins. Future research could explore the long-term impact of specific promotional strategies in the petroleum sector to provide further insights.

2.2.3 Behavioral Economics Theory

Behavioral economics explores how psychological, cognitive, and emotional factors influence economic decision-making. Sales promotion, a key marketing tool, aligns closely with behavioral economic principles as it taps into consumer behaviors, perceptions, and biases to drive purchasing decisions. Organizations, particularly in competitive markets, leverage sales promotions to influence consumer preferences and boost profitability. By integrating insights from behavioral economics, businesses can design effective promotions that account for consumer irrationality, bounded rationality, and heuristic decision-making processes (Thaler, 1980; Kahneman & Tversky, 2022). One key principle in behavioral economics is the concept of "loss aversion," which suggests that people prefer avoiding losses over acquiring equivalent gains. Sales promotions, such as discounts and limited-time offers, exploit this tendency by creating urgency and fear of missing out (FOMO) among consumers. This psychological drive encourages quick decision-making, often leading to increased sales volumes and higher turnover for the organization (Sharma & Stafford, 2021). In the context of Dola Bimbola Petroleum, such strategies may encourage customers to purchase more fuel or services during promotional periods, enhancing short-term revenue.

Anchoring, another behavioral economics concept, plays a significant role in sales promotions. Consumers tend to rely heavily on the first piece of information they receive (the "anchor") when evaluating subsequent information. For instance, if Dola Bimbola Petroleum introduces a fuel price cut during a promotion, customers may perceive the promotional price as the "fair" benchmark, thus increasing their willingness to purchase fuel at that price. Additionally, promotions like "buy one, get one free" or loyalty rewards can effectively influence customer perception and build long-term loyalty (Ailawadi et al., 2022). Behavioral economics also emphasizes the importance of social proof and reciprocity. Sales promotions that highlight customer testimonials, high participation rates, or community-driven incentives can encourage others to follow suit. In the case of Dola Bimbola Petroleum, introducing referral discounts or group-based rewards could

motivate more customers to patronize the business. Reciprocity, wherein customers feel compelled to return the favor after receiving a benefit (such as a promotional gift), further enhances profitability by fostering customer retention (Cialdini, 2022).

While adopting the AIDA (Attention, Interest, Desire, Action) Model, customer retention theory and behavioral economics theory exemplifies the practical implications of these theories. By designing promotions that leverage psychological triggers such as loss aversion, anchoring, social proof, and reciprocity, the organization can optimize its profit drive.

2.3 Empirical Review

The effect of sales promotion on the profit drive of an organization has been a subject of significant academic interest due to its potential in influencing consumer behavior and enhancing a company's financial performance. Sales promotion refers to short-term incentives or activities aimed at encouraging customers to purchase more of a product or service. Research suggests that sales promotions, such as discounts, coupons, free samples, and loyalty programs, can effectively drive sales by creating a sense of urgency or providing added value to consumers (Kotler & Keller, 2021).

Adeoye and Adebayo (2023), In their study of SMEs in Lagos State, Adeoye and Adebayo found that sales promotion strategies such as discounts and loyalty programs significantly boosted short-term revenue by 20%. However, the study noted that profitability gains were not always sustainable after the promotional periods ended. Their quantitative analysis concluded that continuous strategic promotions are necessary for maintaining profit growth.

Bello and Ayodeji (2023), Bello and Ayodeji assessed loyalty schemes in petroleum retail stations and discovered a 25% increase in repeat patronage where loyalty cards and points systems were introduced. Their findings emphasized that consistent promotions tied to customer benefits could drive both revenue and profit margins upwards over time. Ojo and Salami (2022), Investigating petroleum stations in Lagos, Ojo and Salami observed that stations running frequent discount promotions achieved a

10% rise in weekly customer traffic. Although sales volume increased, the authors cautioned that profit margins per liter sold were sometimes eroded, underscoring the importance of careful promotion design.

Eze and Nwankwo (2021), A study in Enugu by Eze and Nwankwo revealed that while short-term promotional tactics such as "buy more, save more" campaigns boosted immediate sales, they failed to translate into significant long-term profitability unless complemented by superior customer service.

Chukwu and Adebisi (2021), Chukwu and Adebisi examined FMCG firms in Nigeria and found that 60% of companies that relied heavily on sales promotion alone without brand positioning strategies experienced only temporary boosts in profits. They stressed the risk of over-reliance on promotions.

Ekeh and Nwachukwu (2023), Their study in Port Harcourt found that service-based promotions (e.g., free car wash with fuel purchase) were more effective in enhancing perceived brand value and long-term customer loyalty compared to simple price cuts. Service-enhancing promotions were linked with a sustained 18% increase in monthly profit margins.

Agboola and Afolayan (2023), Focusing on petroleum marketers in Southwestern Nigeria, Agboola and Afolayan found that targeted promotions aimed at commercial drivers (e.g., fleet discounts) had a larger impact on sales and profits compared to broad, untargeted consumer discounts.

Oladele (2022), Oladele studied the hidden costs associated with aggressive sales promotions among service firms. The study showed that while promotions often increased sales, unanticipated operational costs (such as inventory shortages or overtime labor) sometimes diminished the overall profit impact.

Smith and Taylor (2022), In a broader context, Smith and Taylor conducted a meta-analysis of 30 promotional campaigns across different sectors. They concluded that promotions with clear, time-bound incentives (e.g., "two weeks only") generated stronger profit spikes than open-ended offers.

Nwachukwu et al. (2022), Nwachukwu and colleagues, studying the hospitality industry, argued that bundle promotions (e.g., package deals) outperformed single-item promotions in terms of boosting repeat business and long-term profitability, as they encouraged higher customer spend per visit.

Ibrahim and Yusuf (2023), A recent study on the Nigerian retail sector showed that digitally-driven sales promotions (e.g., SMS coupon codes, online loyalty apps) yielded better profit returns than traditional in-store promotions due to broader reach and lower implementation costs.

2.4 Literature Gaps

Despite numerous studies exploring the relationship between sales promotion and organizational profitability, several significant gaps remain in the existing body of knowledge.

First, there is a contextual gap. A majority of the research on sales promotion has concentrated on fast-moving consumer goods (FMCG), hospitality, and general retail sectors. Very few studies have directly investigated how sales promotion affects profitability in the petroleum marketing sector, particularly among independent marketers such as Dola Bimbola Petroleum. The petroleum industry has unique market dynamics, including government pricing controls and a necessity-driven customer base, making it different from other industries. Thus, findings from FMCG and retail may not be fully applicable to petroleum marketers.

Secondly, a geographical gap is evident. Most Nigerian studies focus on large urban centers like Lagos, Abuja, and Port Harcourt. There is limited research conducted in mid-sized cities such as Ilorin, where economic conditions, consumer behavior, and competitive structures might differ significantly. A localized study is crucial to better understand how customers in these regions respond to promotional activities and how these responses impact profitability.

Another important gap is the temporal gap. Much of the available research was conducted before or during the early stages of the COVID-19 pandemic. However, the pandemic has

reshaped economic realities, reduced disposable incomes, and increased consumer sensitivity to price incentives. Hence, previous studies may not accurately reflect current consumer behaviors and their impact on profit dynamics in a post-pandemic economy.

There is also a strategic gap in the literature. Many studies view sales promotion as an isolated tactic, rather than examining its integration into a broader marketing strategy that includes branding, customer service improvement, and digital marketing efforts. There is insufficient exploration of how integrated promotional strategies could sustain profitability over the long term, especially in service-driven sectors like petroleum retailing where customer loyalty plays a major role.

Additionally, a methodological gap persists. Most existing research relies on cross-sectional survey methods, offering only a short-term snapshot of promotional effects. There is a shortage of longitudinal studies that track the long-term outcomes of consistent promotional efforts on customer loyalty, brand equity, and sustained profitability. Without this, it is difficult to conclude whether promotional success is fleeting or enduring.

Finally, there is a technological gap. Digital technology adoption in sales promotions, such as mobile loyalty apps, SMS-based coupons, and online discounts, has risen sharply. However, limited research has been conducted to compare the effectiveness of digital versus traditional promotional techniques in the Nigerian petroleum sector. Given the increasing digital penetration even in semi-urban areas, there is a pressing need to understand how digital tools influence profitability.

In summary, the literature lacks industry-specific, geographically localized, post-pandemic, strategically integrated, longitudinal, and technology-focused studies on the effect of sales promotion on profitability. This project aims to fill these critical gaps by focusing on Dola Bimbola Petroleum in Ilorin, providing updated and practical insights for independent petroleum marketers in Nigeria.

CHAPTER THREE

METHODOLOGY

3.1 Research design

This involves the development of the plan, structure as well as the strategies for conducting a comprehensive research. For the purpose of this research, a survey research method was put into use since it is a study of a population i.e selecting of sample from the population and the information collected were analyzed so as to make decision and generation about characteristics of the population from which the sample is selected.

3.2 Sources of data

Both primary and secondary source of data collection is been use in conducting this research work.

3.2.1 Primary source of data collection: there are main type of primary source which are all adequately use during this research study they are: there are main type of primary source which are all adequately use during this research study they are;

Questionnaire design the purpose of which was the information from the respondent in this project the questionnaire used continece aspect which covers the subject matter that effect of sales promotion on profit drive of an organization in order to ensure the reliability and validity of the questionnaire are drawn up than a trial test was run, which help to eliminate statement fund to be ambiguous or difficult to understand and the questionnaire i.e. letter recognized.

Personal interview in this regard a person interview was observed with some member of the public who has a keen interest in the banks, in order to obtain clear information from them.

3.2.2 Secondary source of data collection: This is the data that has been in existence it is not gather for the immediate purpose. This is made available into internal and external.

Internal: the bank made of the following annual audition reports and financial statement for the e-payment efficiency of annual general meeting in form of proxy.

Financial review for the year financial summary from bank of the internal source of collecting data.

External: also a research was made into the following book, internal news which business time remain paper delivered by an experience personalities in the e-payment efficiency, educational, financial institution text books, journal and magazines.

3.3 Population of the study

The population of this study under examination constitutes the entire staff strength of Dola Bimbola Petroleum in as well as their various prosperous customers in Ilorin, Kwara State.

These sets of people were used to evaluate the effect of sales promotion on profit drive of an organization with Dola Bimbola serving as the case study.

3.4 Sample size and techniques

The sample size was based on random selection as it is not possible to sample the wok population of study under examination. The sample of data which was used included both primary and secondary data in helping to get the intended information. The primary source which was used involves the first hand information that used especially in relative to the subject matter, and that of the secondary sources i.e. one which the writer did not participate in the original research and often by compiling the finding of several studies of officers. Dola Bimbola Petroleum is chosen as sample from the entire banking industry. Also sample random method was used to determine the sample size will be 50 respondents. Fifty (50) questionnaires were administered to the staff of Dola Bimbola Petroleum Ilorin branch out of which 35 was attended to and 15 copies returned unattended to.

3.5 Research instrument

As research instrument often consist of devices designed especially for the purpose of collecting, recording and measuring data or that of research variables for the purpose of this research study, a well-structured questionnaire was utilized and which

was two formal i.e. the part one is about the respondents, bio data and the part two focus on research proper.

3.6 Method of data analysis

The collection of data from the intended respondents was presented in a tabular form, analysis and interpreted. Also, with the use of sample percentage and Chi-square, statistical formula is testing. Also, with the use of sample percentage and Chi-square statistical formular in testing the hypothesis so as to arrive and present qualitative research work having the below formular.

$$\chi^2 = \frac{\sum \sum (O_{ij} - e_{ij})^2}{e_{ij}}$$

Where O_{ij} = observed frequency

e_{ij} = expected frequency

i.e. $= \frac{n_{i.} \times n_{.j}}{n_{..}}$

3.7 Model specification

This chapter on the theoretical framework discussed in the earlier chapter. The empirical model along with the estimation of the linear regression equation to be tested is specified. 1 section II covers the variable description. The data sources from which data has been gathered is elaborated in section III, chapter concludes with the framing of the hypothesis.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Introduction

The purpose of this chapter is to analyze the study data and interpret the results so as to answer the research questions. The study sought to examine the impact of sales promotion on Dola Bimbola Petroleum company such as new product development and customer acquisition. To address the study objectives, both primary and secondary time series data over 30 years span was collected and analyzed. Thus objective 1 and 4 were addressed using primary data whilst objective 2 and 3 were addressed with secondary.

4.2 Data Presentation And Analysis

This is devoted to evaluate the data collected; the data should be in the form of raw score from the questionnaire. For the purpose of this study, the evaluation and interpretation of data is illustrated in a statistical and descriptive method, tables are used in presenting the responses given to the questionnaire distributed.

These are evaluated in percentage and description of each table thereafter in order to the data collected. Below are tables presented to present the collected questionnaires from respondents during the research work conducted Dola Bimbola Petroleum, Ilorin

Table 1: Gender Distribution

Gender	Respondent	Percentage
Male	24	45%
Female	20	55%
Total	44	100%

Source: Research Survey 2025

From the above, it shows that more male are employed in Dola Bimbola Petroleum company, than female because of the nature of their work.

Table 2: Age Distribution

Age	Respondent	Percentage
18-30	10	23%
31-40	20	44%
41-50	10	23%
51-above	04	9%
Total	44	100%

Source: Research Survey, 2025

The table shows that majority of the employees are not more than 40 years of age, there is no employee who is up to 51 years of age.

Table 3: Educational Qualification

Option	Respondent	Percentage
WAEC/GCE	10	23%
ND/NCE	10	23%
HND/BSC	14	31%
MSC AND ABOVE	10	23%
Total	44	100%

Source: Research Survey 2025

The table shows the highest educational qualification of the respondent from it, it can be observed that which account for 23 to 31%

Table 4: Length of Service

Option	Respondent	Percentage
1-5years	10	23%
6-10years	20	45%
11-15years	14	32%

Total	44	100%
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Source: Research Survey 2025

The table show that those who have work for 6 to 10years are more in this sample in fact they accountfor 45%.

Table 5: Distribution of Marital Status

Option	Respondent	Percentage
Married	20	45%
Single	14	32%
Widow	10	23%
Divorced	0	0%
Total	44	100%

Source: Research Survey 2025

The table above shows that out of 44 respondents in the Dola Bimbola Petroleum company, 32% are single while 45% are married, also 23.3% are widowed and 0% are divorced.

Table 6: Does the type of sales promotion affect the profit drive of the organization

Option	Respondent	Percentage
Yes	32	73%
No	12	27%
Total	44	100%

Source: Research Survey 2025

The above table shows that 32 with 73% respondent respond yes while 12 with 27% respond No in the question, this indicates that sales promotion does not affect the profit drive of the organization industry.

Table 7: Do you think sales promotion improve organization performance.

Option	Respondent	Percentage
Yes	34	77%
No	10	23%
Total	44	100%

Source: Research Survey 2025

The above table shows that 34 with 77% respondent yes in the question while 10 with 23% respondent No in the question, this indicates that sales promotion improves organization performance.

Table 8: If the management allows the staff to take part in decision making will it improves salespromotion?

Option	Respondent	Percentage
Yes	30	68%
No	14	32%
Total	44	100%

Source: Research Survey 2025

The above table shows that 30 with 68% respondent yes while 14 with 32% respond No in the question. This illustrates that the sales promotion will be improved if the management allow them to take part in decision making.

Table 9: Are the staff promoted as at when due?

Option	Respondent	Percentage
Yes	20	45%
No	24	55%
Total	44	100%

Source: Research Survey 2025

The table above shows that 20 with 45% responded yes while 24 with 55% responded No in the question. This indicates that promoted are as at when due.

Table 10: Does the management compensate you for your job well?

Option	Respondent	Percentage
Yes	30	69%
No	14	31%
Total	44	100%

Source: Research Survey 2025

The table above shows that 30 with 69% respondent yes while 14 with 31% respondent No in the question. This indicates that the management compensates the staff for job well.

Table 11: Does indiscipline punished accordingly?

Option	Respondent	Percentage
Yes	34	77%
No	10	23%
Total	44	100%

Source: Research Survey 2025

The above table shows that 34 with 77% responded Yes while 10 with 23% respondent No in the question this illustrate that indiscipline punished accordingly.

Table 12: Does Dola Bimbola Petroleum mix a controllable variable with the organization to put together satisfy the target profit.

Option	Respondent	Percentage
Yes	31	71%
No	13	39%
Total	44	100%

Source: Research Survey 2025

The table above shows that 31 with 71% respond Yes while 13 with 39% respondent No the question. This indicates that Dola Bimbola petroleum company mix a controllable variable. The organization put together to satisfy target market.

Table 13: In effective sales promotion Dola Bimbola petroleum brings meaningless result to an organization?

Option	Respondent	Percentage
Yes	30	68%
No	14	32%
Total	44	100%

Source: Research Survey 2025

The table above shows that 30 with 68% respond Yes while 14 with 32% responded No in the question. This illustrate that Dola Bimbola petroleum Company, does not bring meaningless result to an organization.

Table 14: Impact of sales promotion strategic marketing planning has a limitation or not?

Option	Respondent	Percentage
Yes	34	77%
No	10	23%
Total	44	100%

Source: Research Survey 2025

The above table shows that 40 with 53.3% respond yes while 35 with 46.6% respondent No in thequestion this indicates that impact of sales promotion strategic marketing planning has limitation.

Table 15: Did effective marketing will attract more customers of Dola Bimbola Petroleum Company.

Option	Respondent	Percentage
Yes	31	70%
No	13	30%
Total	44	100%

Source: Research Survey 2025

The table above shows that 31 with 70% respondent yes while 13 with 30% respondent No in the question. This indicates that it will attract more customers for Dola Bimbola Petroleum company.

4.3 Summary of Findings

Summary of findings from the above presentation efforts have being made in this research study to find or know the effect of sales promotion on profit drive of an organization. In the review of related literature, references where mode to previous works of some eminent scholars, the opinions of the scholar couples with interview and questionnaire were used to find out the impact of sales promotion on profit drive of an organization and how the company triumphs in the competitive world.

The data collected through questionnaire were analyzed and tables were used to estimate the relationship. In the result, it was shown that sales promotion has a treat impact on profit drive of an organization.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary of Findings

This study sought to examine the effect of sales promotion on profit drive of an organization, the relationship between sales promotion and financial performance of Dola Bimbola Petroleum company, examine the effect of sales promotion on non-financial performance Dola Bimbola Petroleum company and identify challenges affecting sales promotion activities undertaken by the case study of this research work. This study also used one sample t-test to examine sales promotion activities on the Dola Bimbola Petroleum company using 10 items. The found that average ratings were statistically higher than 3 for items such as: “We provide gifts to our distributors and the staff to maintain a good relationship.

In investigating the impact of sales promotion on the organization performance facing Dola Bimbola Petroleum company, the study found that there was no consistent relationship between sale promotion and financial performance. This has been a major problem for the marketing department as many managers question the expected returns for committing huge organization resources to sales promotional budget.

5.2 Conclusion

From those presented in previous chapter, we can draw an opinion ‘without reservations’ (to use a term from the field of organization performance) that all entities need sales promotion for organization efficiency performance in the sense of a good management of its patrimony, of improving organization productivity (in an organized framework) while maximizing profit, and of achieving medium and long-term objectives. Furthermore, this activity should not be regarded strictly as an activity generating expenditures, but rather from the perspective of the benefits it entails in countering sales and especially in increasing future added value.

Whilst some researchers found a positive relation between sales promotion and financial performance (Anderson et al (1999; Kumar et al (2005), others found

otherwise (Vecchio et al. 2006). For this study, the researcher found a positive and significant relationship between sales promotion and profitability. The study concluded that 1 percent increase in sales promotion was associated with 0.44 percent increase in sales turnover. In other words, a 100 increase in sales promotion was associated with a 44 percent increase in sales turnover. However, when it comes to non-financial performance, the study found that sales promotion did not significantly affect new product development. Finally, the relationship between sales promotion and customer acquisition was positive and significant. The coefficient is elastic and implied that, 1 percent increase in sales promotion expenditure is associated with 0.09 percent increase in customer acquisition.

5.3 Recommendations

Based on the above findings, the researcher recommends the following.

1. Management of Dola Bimbola Petroleum company should ensure effective integration of communication tools to ensure that the intended objectives for all promotional tools are achieved.
2. It is equally important for management to fully utilize technology to attract consumers to Dola Bimbola Petroleum company. Social media tools have become more appealing to the youth hence Dola Bimbola Petroleum company must explore its full benefits.
3. To deal with the question of whether sales promotion affects organization performance, the study supported the position that sales promotion has a positive and significant effect on organization performance. However, it is recommended that management periodically evaluates the contribution of sales promotion relative to other promotional tools.
4. Finally, the study recommends that management of Dola Bimbola Petroleum company involves key distributors and staff in sales promotional activities if they need to meet the goals stipulated for such campaigns.

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APPENDIX I



KWARA STATE POLYTECHNIC, ILORIN

INSTITUTE OF FINANCE AND MANAGEMENT

STUDIES (IFMS)

BUSINESS ADMINISTRATION DEPARTMENT

QUESTIONNAIRE

Dear respondent,

I am a final year student of Business Administration Department, Kwara State Polytechnic, Ilorin, conducting research on the topic: **“EFFECT OF SALES PROMOTION ON PROFIT DRIVE OF AN ORGANIZATION (CASE STUDY OF DOLA BIMBOLA PETROLEUM, ILORIN)”**

I hereby request that you help me answer the following questions as honestly as possible and I assure you that all Information supplied by you shall be used only for academic purpose and shall be kept confidential. Thanks.

Yours faithfully,

Harun Zainab Nimmosoko

ND/23/BAM/PT/0015

APPENDIX II

INSTRUCTION: Please mark (✓) the answer you consider appropriate. The questions are as follow:

1. Gender distribution of the respondents: (a) Male (b) Female
2. Distribution of Respondents by Age: (a) 18-30 (b) 31-40 (c) 41-50 (d) 51 and above
3. Education qualification: (a) WAEC/GCE (b) OND/NCE (c) HND/B.SC (d) MSc. & Above
4. Distribution of the respondents by their years of experience: (a) 1-5 Years (b) 6-10 (c) 11-15
5. Marital status: (a) Single (b) Married (c) Divorce (d) Widow
6. Does the types of sales promotion affect the productivity of the manufacturing company (a) Yes (b) No
7. Do you think sales promotion improve organization performance? Yes(), No ()
8. If the management allows the staff to take part in decision making will it improves sales promotion? Yes () No ()
9. Are the staff promoted as at when due? Yes () No ()
10. Does the management compensate you for your job well? Yes () No ()
11. Does indiscipline punished accordingly? Yes () No ()
12. Does Nigeria Bag Manufacturing Company mix a controllable variable the organization put together satisfythe target productivity. Yes () No ()
13. In effective sales promotion Nigeria manufacturing company brings meaningless result to an organization?
Yes () No ()
14. Impact of sales promotion strategic marketing planning has a limitation or not? Yes () No ()
15. Did effective marketing will attract more customers for the Nigeria Manufacturing Company. Yes () No ()