Sales Promotion on Consumer Purchasing Behaviour

Daramola, GC, Okafor, LI and Bello, MA

Department of Business Administration, Bells University of Technology, Ota, Ogun State

Email for Correspondence: glodorachi@yahoo.com

ABSTRACT

The aim of this study “Sales Promotion on Consumer Purchasing Behaviour is based on Patterson Zochonis now renamed PZ Cusson’s Product is due to the fact that the organisation is producing many house hold items and the type of sales promotion technique to adopt for the products is very important in order to gain competitive advantage over the competitors in the market as well as determine the comparative importance of the sales promotional technique. The study design was descriptive survey; the respondents were randomly selected among the customers and staff members of PZ Cussons Nigeria Plc. thus bringing the population total to 137. Questionnaire was use as the instrument for data collection and convenient sampling technique was employed. Simple percentage was used to analyse the data and Chi-square was the means of testing the stated hypothesis. The study revealed that sales promotion is the most prominent promotional contrivance essential for the products which leads to product loyalty and good public perception of the products and effective and efficient sales promotion attracts consumers and evokes positive reaction, but the organisation should ensure that various sales promotion engaged must align with the target customers.

Keywords: Significance, sales promotion, consumer purchase behaviour

INTRODUCTION

Nowadays, it is a common phenomenon for organisations to bombard consumers with all forms of sales promotions on a daily basis by means of print or electronic media. This is applicable to manufacturing sector, banking sectors and even the mobile telecommunications industry too. This trend made people to develop some kind of interest in sales promotion adverts which will run on the organisation’s goods or services they are interested in order to take advantage of the price-off, trade bonus, cash discounts, compass, gifts and even free trials. Amazingly, during the sales promotion, customers tend to ask for free gifts even before receiving the goods paid for. The organisation understands how consumers are important to developing effective strategies, not only for sales promotion but for other elements of the marketing communication. Both Peattie and Peattie (2009) and Davis and Adeyinka (1992) concluded that price promotions do not have effect on consumers’ quality perceptions and promotions do not change the long-term purchases patterns of an established brand.

The problems of this study are if consumers purchase behaviour towards sales promotional efforts of this organisation’s products are positive or negative and what potential technique of achieving successful sales promotion activities to imbibe. The aim of this paper is to possibly proffer solution to achieving a successful sales promotional strategy while the study objectively seeks to know what extent sales promotion in this organisation have achieved its objectives of providing consumers with incentives aimed at exciting trial or continued consumption of the products, possibly win new buyers and encourage the existing customers.

The sales promotion’s objectives

Kotler and Armstrong (2008) posit that sellers may use consumer promotions to urge short-term customer buying or enhance long-term customer relationships which is due to the excitement and pulling power of advertisement hence sales promotion is to reinforce the product’s position and also help to build long term customer relationships which is
why most marketers are avoiding “quick fix”, price-only promotions in favour of promotions designed to build brand equity.

Achumba (2002) also identified the objectives of sales promotions countering the moves of competitors, and incentives to attract new customers, to encourage sales force for greater efforts, to give image to a product and to suggest new use for products. Adeleye (2006) posits that a sales promotion objective defines what the marketer hopes to achieve with the sales promotion, and that the objectives should identify the target consumers for the promotion and specify the response that is desired.

The importance of sales promotions

Conventionally, advertising has been the “glamorous promotional implement, attracting much managerial attentions in many forms but now the dynamic situation had changed as expenditures incurred for sales promotions have rapidly increased more than the initial outlays in most organisations compared to advertising expenditures, reason being that sales promotion is being integrated to the total marketing strategy in many organisations as it is introduced at the inception of a campaign as against tackling afterward changes in the marketing environment which exhibits upward pressure on the need for sales promotion Gbolagade et. al. In the recent times, dissatisfied customers with respect to retail selling could be improved by good sales promotion activities. Sales promotion campaign is often the only promotional material available at the point of purchases which inform, remind and also stimulate the buyers Stanton et. al, (1995). Kotler and Armstrong, 2008 emphasised that sales promotion provides many benefits to the producers to adjust to short-term changes in supply and demand, also the differences in consumer segments and encourages buyers to buy more.

LITERATURE REVIEW

Kotler and Armstrong (1997) assert that sales promotions consist of a short-term incentive to encourage purchase or sales of a product or service; they opined that “sale promotions include a wide variety of promotion implements designed to stimulate earlier or stronger market response”. Onu (2000) has it that sales promotion are those marketing activities other than personal selling, advertising and publicity that arouse consumers’ purchasing and dealer efficacy such as display shows, and exhibition, demonstrations and various non-current selling efforts not in the ordinary routine.

Sales promotion programme

An indispensable business role is the harmonization of activities which goal is to realize utmost efficiency in business actions so are sales promotion activities that need to be coordinated both internally and externally if the highest returns are to obtain the essences of the promotion.

Target audience

The promotion programmes must be directed to the ultimate consumers’ intermediary using mass media. The geographical dispersion and the number of potential buyers are the major reasons for a mass approach hence promotion selling is necessary at a place of purchase, but the industrial buyer advertising is used more selectively due to industrial buyers which require special needs and technical questions so that the sales person can give information and the necessary support of after sales. As regards to the issue of the target audience, this is the composition of Decision Making Unit (DMU). This includes the people in a household or people in a buying centre of an organisation that is involved in decision making of buying a product, which means that the more people in DMU, the greater emphasis on personal selling, otherwise the need for sales promotion (Adeleye, 2006).

The role of the consumer in marketing

Marketing management is set to influence the level; timing and character of the demand to allow the organisation achieve its goals. Marketing being the key to success of any business and conveys the most effective information about goods and services to the public (Alawiye, 2004), then the role of the consumer in marketing must be a critical point to examine since they make the buying decision of the products hence demand is the controlling factor which can still vary from what an organisation wants to supply that makes the supply the function of demand. Production is incomplete until the product gets to the consumers, the final users. It is obvious that for the consumers to decide to buy a brand product, marketers must have succeeded in persuading the consumers’ environment to create and maintain demand for their products. However, the buying process involves the consumer to be motivated to develop a need for
certain products and now go in for the product with his or her knowledge of the product as a result of personal exposure room peer group.

Economist opines that the buyer is influenced by resources available to him, psychologist believes that internal environment such as perception, personality, and learning of buyer affects the buying behaviour, sociologists says that external environment as social class, family, reference groups, culture, religion of buyers influence the purchasing pattern of the consumer. However, in an economy with freedom of choice, the principle of consumer sovereignty states that an organisation’s continued existence and performance is in due course determined by the consumer, hence consumer behaviour will determine the fate of the business which is why the role of consumers is very vital in marketing (Kotler, 2008). Thus the manager must design and develop a marketing strategy for the products and know the buyers and their locations as well as reasons behind both the need and buying behaviour of the consumers even when many buying decisions involved only one decision maker and other decisions may involved several participants, as the initiators, influencer, decider and user Adeleye, 2006.

**Consumer Purchasing Behaviour**

The consumer is faced with various stimuli to respond to in the market; the stimuli include the marketing mix (4Ps) alongside other forces within the environment. However, the stimuli pass through decision making process of the consumer which led to the aspect of observable buyer response in form of brand choice, dealer choice, product choice, time of purchase and amount to be expended on the products amongst others. It is expedient for the marketers to know what happens between the stimuli and consumer’s response behaviour (Odugbesan and Gbolahan, 1996). Concerning the marketing mix elements, the behaviour of market has to be well comprehended in order to structure the market mix element in an optimal manner for better positioning within selected marketing segments. The consumers’ characteristics and their influences serve as a major ingredient in the buyer’s perception about stimuli and their purchase decision making process, hence Hawkins et al., (1989), stated that the marketing manager needs to view the consumer as a problem solver due to the fact that consumer is a decision making unit that takes in information, processes it in light of existing situation, take actions to accomplish satisfaction that enhances lifestyle. It is obvious that consumer behaviour is the soul of marketing concept. One should not lose sight of certain factors which influence consumer behaviour such as cultural, social, personal, psychological and situational factors are all comprehensive approach to buying behaviour acknowledgement that makes man a complex creature.

Interestingly, some researchers have also shown that sales promotion is likely to repeat purchases if consumers are satisfied with the brand that is being promoted; it is more likely that they will also buy it later after the promotion is over (Peattie and Peattie 2009). However, it was concluded that sales promotions should be handled with care the outcomes vary from products or services to consumer groups is the situational factors play a major role in the outcome analysis bearing in mind that most promotions research are based on the context of USA markets hence the implications differ if applied to Nigerian markets.

The problem facing sales promotions on consumer purchases behaviour in Nigeria are that, whether consumers’ purchase behaviour towards sales promotional efforts yield positive or negative for the product concerned since manufacturing organisations operate under inflexible competitions and increasing harsh challenges that make it almost impossible for the organisation to meet the profitability target and reasonable return on investment of shareholder funds. Most organisations now concentrate their efforts on promotion strategies and techniques to reach the dwindling profit problem. Promotion being a short-term incentive is to encourage purchases (Kotler, 2008) and is combined with advertising. It is not all sales promotion techniques that are directed to consumers, some are directed to the middle men and some to the organisation’s own sales force (Govon, 2006). One gets involved in making decisions of the product to buy which is now a problem solving process that is dependent on the consumer’s level of involvement which is the degree of interest on a product or service. The high involvement products are those that are not expensive with less society risk attached to them (Witton, 2006) Choosing between 2 brands put one in a position to make decisions but if there is no alternative, one is literally forced to buy because there is no choice to choose from and this does not constitute a decision, such a no-choice decision is commonly referred to as a “Hobson’s Choice” (Achumba, 2000). Due to its present economic recession in the world at large, this brought about increased economic pressure on the consumer and a corresponding increase pressure on the consumers’ disposal income which lead to consumers becoming more conscious and rational in their purchasing decisions (Buel, 2004). Promotion becomes increasingly important in marketing as it serves as a way of increasing the demand for products, as a substitute for price competition and as a way of differentiating similar products (Osuagwu and Eniola, 1998).

**Consumer motivation**

Modern day marketing impinges on the consumers’ needs which are the core of marketing concept because the major
Hypothesis 1:

Table 1. Presenting Test of Hypothesis 1

<table>
<thead>
<tr>
<th></th>
<th>Observed N</th>
<th>Expected N</th>
<th>Residual</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.00</td>
<td>26</td>
<td>19.6</td>
<td>6.4</td>
</tr>
<tr>
<td>7.00</td>
<td>13</td>
<td>19.6</td>
<td>-6.6</td>
</tr>
<tr>
<td>8.00</td>
<td>23</td>
<td>19.6</td>
<td>3.4</td>
</tr>
<tr>
<td>10.00</td>
<td>21</td>
<td>19.6</td>
<td>1.4</td>
</tr>
<tr>
<td>11.00</td>
<td>40</td>
<td>19.6</td>
<td>20.4</td>
</tr>
<tr>
<td>14.00</td>
<td>6</td>
<td>19.6</td>
<td>-13.6</td>
</tr>
<tr>
<td>16.00</td>
<td>8</td>
<td>19.6</td>
<td>-11.6</td>
</tr>
<tr>
<td>Total</td>
<td>137</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Test Statistic

<table>
<thead>
<tr>
<th></th>
<th>H1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-Square(a,b)</td>
<td>42.599</td>
</tr>
<tr>
<td>Df</td>
<td>6</td>
</tr>
<tr>
<td>Asymp. Sig.</td>
<td>.000</td>
</tr>
</tbody>
</table>

a 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 19.6

reason for an organisation’s endurance is based on profitability and growth in a highly competitive marketplace is the ability to spot and suit the discontented needs faster than the competitors. Although marketers do not create the consumers needs but are keen to satisfy the needs if the marketers are able to identify the needs because the needs are defined in terms of the presumably to fill those needs and not in terms of the offered products.

RESEARCH HYPOTHESES

Hypothesis one

H_0: Giving gifts to buyers does not increase sales
H_1: Giving gifts to buyers increase sales

Hypothesis two

H_0: Radio form of advertisement does not increase sales
H_1: Radio form of advertisement increase sales

The test of hypotheses is impinged on the questions based on the questionnaire administered to the respondents. The hypotheses formulated for the study is tested by means of Chi-square as applied by this function thus:

\[ X^2 = \sum \left( \frac{(O - E)^2}{E} \right) \]

Where \( \sum = \) summation
\( X^2 = \) Chi square
\( E_i = \) Expected frequency of responses
\( O_i = \) Observed frequency of responses

The degree of freedom (df) is determined as df= r – 1; where r is the number of observations and is a constant. The degree of freedom will be adopted for the aim of decision making.

Test of Hypotheses: Hypotheses 1 and 2 will be tested using tables 1 and 2:
Hypothesis II

Table 2. Presenting Test of Hypothesis II

<table>
<thead>
<tr>
<th>Observed N</th>
<th>Expected N</th>
<th>Residual</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.00</td>
<td>15</td>
<td>19.6</td>
</tr>
<tr>
<td>3.00</td>
<td>26</td>
<td>19.6</td>
</tr>
<tr>
<td>4.00</td>
<td>55</td>
<td>19.6</td>
</tr>
<tr>
<td>5.00</td>
<td>15</td>
<td>19.6</td>
</tr>
<tr>
<td>6.00</td>
<td>14</td>
<td>19.6</td>
</tr>
<tr>
<td>7.00</td>
<td>6</td>
<td>19.6</td>
</tr>
<tr>
<td>10.00</td>
<td>6</td>
<td>19.6</td>
</tr>
<tr>
<td>Total</td>
<td>137</td>
<td></td>
</tr>
</tbody>
</table>

Test Statistic

<table>
<thead>
<tr>
<th></th>
<th>H2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-Square(a,b)</td>
<td>88.788</td>
</tr>
<tr>
<td>Df</td>
<td>6</td>
</tr>
<tr>
<td>Asymp. Sig.</td>
<td>.000</td>
</tr>
</tbody>
</table>

b 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 15.2.

Decision: Since the chi-square significant value 0.000 is still within the range of significance, therefore alternative hypothesis was accepted which states that “giving out of gift does increase sales”.

Decision

Since the chi-square significant value 0.000 is still within the range of significance, therefore the alternative hypothesis was accepted which states that “radio form of advertisement increase.

FINDINGS

It was found that PZ products are not as popular as the products of Unilever a competitor of the business which sponsors some popular television family drama on the Nigeria television stations as confirmed by most of the respondents orally. Most consumers make more purchases at sales promotion periods. The respondents who claimed that PZ does not use appealing sales promotional implements are more prominent. Most of the respondents are yet to win any PZ prizes and scratch and win does not appeal to most of them but prefers free product trial or free gifts. Most of the respondents maintain loyalty even after sales promotion with PZ products due to sales promotional activities since the organisation’s competitors do not have stimulating promotional activities. This organisation mostly use premium offers but the promotional activities are attractive but not well communicated to the public. Consumers increase the purchasing of the products more during the events sponsored by the organisation due to awareness. It was observed that the PZ Cussons Plc. employs inter-organisation cooperative sales promotion as it does not use trade deals and coupons as sales promotional means

CONCLUSION

An aggressive sales promotion brings positive effect on consumer purchasing behaviour; it was obvious that both radio advert and trial gifts in the course of sales promotion mostly stimulate interest on consumers, PZ should play around the various sales promotional devices in order to know the most appropriate one to accomplish the market objectives. It was verified that sales promotion has significant effect on the organisation’s sales performance. Hence it was
recommended that the organisation should fasten to the identified sales promotional implements available to the organisation so as to have large market share and also have an excellence strategies to create customers brand loyalty and possibly add sponsorship of events on both radio and television programmes to give the products more awareness. Based on the work of Nnona, (2006) which stated that sales promotion has its limitations to what it can achieve even with its power to manipulate.

REFERENCES

Davies G and Adeyinka G (1992), the Dynamic of Consumer Behaviour Mac Williams Publishers Limited, Lagos
Guardian Newspapers Limited (2008) NCC Insists on Banning GSM Operators’ Sales Promotion
Kotler P (2003), Marketing Management Analysis, Planning, Implementation and control, New Delhi, Prentice Hall, India Private Limited
Nnomma O (2006), the fine Art of Selling Technology: Concept of Sales in Marketing, Georgia West Point Company.
Osuagwu L (2006), Marketing Principles and Management, Grey Resources Limited, Lagos: lisagwu@yahoo.co.uk
Schultz SE and Robinson WA (1982), Sales Promotion Management; Chicago, Crain Books.