

UNIVERSITY OF CAPE COAST

SALES PROMOTION AND CONSUMER RESPONSE: EVIDENCE FROM  
CUSTOMERS OF KINAPHARMA LIMITED IN THE SEKONDI  
TAKORADI METROPOLIS

KINGSLEY AMPONSAH NTI

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TAKORADI METROPOLIS

BY

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Of Master of Business Administration (MBA) Degree.

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## DECLARATION

### Candidates Declaration

I hereby declare that this dissertation is the result of my own original research and that it has not been presented for another degree in this university or elsewhere.

Candidate's Signature..... Date.....

**Name: Kingsley Amponsah Nti**

### Supervisor's Declaration

I hereby declare that the preparation and presentation of this dissertation was supervised in accordance with the guidelines of dissertation supervision laid down by the University of Cape Coast.

Supervisor's Signature..... Date.....

**Name: Prof F. O. Boachie-Mensah**

## ABSTRACT

The study was to assess Sales promotion as an effective tool in influencing consumer buying decisions in the Ghanaian market. The study used a quantitative and descriptive design of which customers of Kinapharma Company Limited were targeted. Two hundred and forty-Six respondents were chosen with the aid of convenience sampling technique. Questionnaire was the main data collection instruments. The data was analyzed by using frequencies and percentages of the Statistical Product for Service Solution (SPSS version 21.0) software. The data was presented by using tables and graphs. The study found out that common sales promotion tools used by Kinapharma Limited included discount/price-off offer, free samples, bonus pack and buy one get one free and discount/price –off offer was the preference of the respondents. 197 of the 240 respondents agreed that Buy one get one free affects their buying decision making it the most effective promotional tool. It was closely followed by Free Sample, Discount/price-off offer and Bonus pack having 184, 182 and 128 respondents agreeing respectively. Premiums, Refunds and Rebates, Fairs and Exhibitions and Coupons fairly influence the buying decisions of consumers. Exchange schemes had the least influence with 94 of the respondents disagreeing to it. Factors that affect respondents’ decision to purchase a product were the price of the product, the brand and service loyalty, and quality service. It is recommended that Kinapharma Limited add premium as sales promotion tool in order to influence customers’ preference and buying behaviour.

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Finally, to all the sources whose works I consulted in this study, I remain grateful for the permission. While thanking everybody for their immerse help, I wish to take sole responsibility of any shortcoming in this study.

**DEDICATION**

To my wonderful wife Priscilla Botwe.

## TABLE OF CONTENTS

Content	Page
DECLARATION	ii
ABSTRACT	iii
ACKNOWLEDGEMENT	iv
DEDICATION	v
TABLE OF CONTENTS	vi
LIST OF TABLES	ix
LIST OF FIGURES	x
CHAPTER ONE: INTRODUCTION	
Background of the Study	1
Statement of the Problem	4
Purpose of the Study	6
Research Questions	6
Significance of the Study	7
Delimitation of the Study	7
Limitations of the Study	7
Definition of Terms	8
Organization of the study	8
CHAPTER TWO: LITERATURE REVIEW	
Introduction	10
THEORETICAL REVIEW	10
Sales Promotion Theory	10
Push Theory	11
Howard – Sheth Model	12
Input	13

Perceptual and Learning Constructs	13
Outputs	14
Exogenous or external variables	14
Pharmaceutical Marketing	16
The concept of sales promotion	17
Sales Promotion Tools	20
Free samples	21
Bonus offer or points	21
Exchange schemes	22
Price-off offer	22
Coupons	22
Premium	23
Refunds and Rebates	23
Fairs and Exhibitions	23
Money Back offer and Scratch & win offer	24
Bonus Pack	24
Sales Promotion Strategies	24
Push strategy	24
Pull strategy	25
Factors influencing sales promotion	25
Reasons for the increase use of sales promotion	28
Influence of promotion on consumer purchase decision	28
Some problems of sales promotion	30
Empirical review of Sales Promotion	32
Summary	37



Research gaps	38
Conceptual framework	39
CHAPTER THREE: RESEARCH METHODS	
Introduction	40
Research Design	40
Population	41
Sampling Procedure	41
Data Collection Instrumentation	42
Source and type of data	42
Data Processing and Analysis	42
CHAPTER FOUR: RESULTS AND DISCUSSION	
Introduction	44
Socio-demographic characteristics of respondents	44
Sales Promotion Tools of Kinapharma Limited	47
The Effects of Sales Promotion Tool on Customers' Purchasing behaviour	50
Factors that Affect Buying behaviour and Purchasing Decision	56
CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS	
Introduction	59
Summary of the Results	60
Conclusions	63
Recommendations	64
Suggestion for further studies	65
REFERENCES	66
APPENDIX	75

## LIST OF TABLES

<b>Table</b>		<b>Page</b>
1	Demographics of Respondents	45
2	How often respondents buy products from Kinapharma Limited	46
3	Duration of buying drugs from Kinapharma Limited	47
4	Sales promotion tools of Kinapharma Limited perceived by the respondents	48
5	Sales promotion tools of Kinapharma Limited preferred by the respondents	49
6	The effect of coupon as a promotional tool on customers' purchasing behaviour	51
7	The effect of price discount as a promotional tool on customers' purchasing behaviour	52
8	The effect of free samples as a promotional tool on customers' purchasing behaviour	53
9	The effect of buy-one-get-one-free as a promotional tool on customers' purchasing behaviour	55
10	Factors that affect customers' buying behaviour	56
11	The overall effect of promotional tools on customers' buying behaviour	57

## LIST OF FIGURES

<b>Figure</b>		<b>Page</b>
1	A Simplified version of the Howard-Sheth Model of Buyer Behaviour	15
2	Relationship between variables	39

## CHAPTER ONE

### INTRODUCTION

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

The business environment has become very competitive in the 21st century due to growth in technology, infrastructure and access to information around the globe. This has made the environment very complex and consumer preferences keep changing because of the low switching cost in the market. As a result of increasing demand by consumers in the market, management of business organizations have to increase their resources with more attention focused on attracting and retaining its customers (Kotler, 2003).

The ever increasing competition in the global market has prompted organizations to be determined and ensure satisfaction of customer needs and wants more efficiently and effectively than one's competitors (Kotler, 2003). The implementation of an adequate sales promotion may guarantee an increase in the short-term sales figures. This justifies the tendency of corporations to invest large portions of their budget into sales promotion (Alvarez, 2005).

Sales promotion is an initiative undertaken by organizations to promote and increase sales, usage or trial of a product or services (Aderemi, 2003). Sales promotion refers to the provision of incentives to customers or to the distribution channel to stimulate demand for a product. It is an important component of an organizations overall marketing strategy along with advertising, public relations and personal selling. Sales promotion acts as a competitive weapon by providing an extra incentive for the target audience to

purchase or support one brand over the other. It is particularly effective in spurring product trials and unplanned purchases (Aderemi, 2003).

Sales promotion is a marketing activity that adds to the basic value proposition behind a product (i.e. getting more for less) for a limited time in order to stimulate consumer purchasing, selling effectiveness or the effort of the sales force (Aderemi, 2003). This implies that sales promotion may be directed either at end consumer or at selling intermediaries such as retailers or sales crews.

Most marketers believe that a given product or service has an established perceived price or value, and they use sales promotion to change this price/value relationship by increasing the value and /or lowering the price compared with other components of the marketing mix (Odunlami & Ogunsiji, 2011). In determining the relative importance to place sales promotion in the overall marketing mix, an organization should consider its marketing budget, the stage of the product in the life cycle, the nature of competition in the market, the target of the promotion and the nature of the product (Odunlami & Ogunsiji, 2011).

Sales promotion can be an effective tool in a highly competitive market, when the objective is to convince retailers to carry a new product or influence consumers to select it over those of competitors. More so, sales promotion tend to work best when it is applied to items whose features can be judged at the point of purchase, rather than more complex, expensive items that might require hands of demonstration (Kotler & Keller, 2006). Sales promotion includes communication activities that provide extra value or incentives to ultimate customers, wholesalers, retailers or other organizational customers. It also stimulates sales product trial (Kotler & Keller, 2006).

A sales promotion that attracts some new users can have positive after-effects if the new users repeatedly re-purchase later. However, there is evidence speaking for no long-term favourable effects for established brands. The prime reason is that price promotion most of the times attract infrequent buyers and that the small number of attracted new buyers has a low tendency to repeat the purchase (Dawes, 2004).

Research evidence suggests that the increase in sales of a promoted brand primarily is at the expense of other brands, due to brand substitution. Studies have shown that 85 percent of the short-term effect of price promotions is due to brand switching which leaves 15 percent owing to temporary category expansion. Similar studies have also shown that 75 percent of the effects of price promotion are due to brand switching and 25 percent due to purchase acceleration. According to Alvarez (2005), customers who purchase the promoted brand due to attraction of the promotional activity may later go back to their favourite brand when purchasing a product later.

Consumer buying behaviour however is the process by which the individual search for, selects, purchase, use and dispose of goods and services, in satisfaction of their needs and wants. The consumers' behaviour has a direct effect on the success of the firm and therefore must ensure that they create a marketing mix that satisfies consumers. The consumer mostly goes through about five steps in taking one purchase decision. These include Problem recognition, Information search, Evaluation of alternatives, Purchase decisions, Purchase and Post Purchase evaluation. Actual purchasing is only one stage of the process and not all decision processes lead to a purchase. Also not all

consumer decisions will include all the stages but will depend on the degree of complexity and risk involved (Kotler & Keller, 2006).

There are, however, about four types of buying behaviours that consumers exhibit, these include; a routine response which needs very little search and used when purchasing frequently purchased item, limited decisions, which is used when purchasing low priced brands in a familiar product category, extensive decision, which has a high degree of economic, performance and psychological risk, which demands a lot of time in seeking information and deciding and impulse buying which is spontaneous and needs no conscious planning.

### **Statement of the Problem**

Pharmaceutical Companies, like Kinapharma Limited, need to provide offerings that satisfy consumer needs and wants so as to ensure the company's economic survival. In order to achieve this, they need to understand consumer buying behaviour to help them evaluate their product offerings. Consumers of these firms go through a cycle of decision making processes before making a purchase decision which defines their behaviour. The consumer buying process is a complex matter, as many internal and external factors impact on the buying decision of the consumer.

The consumer makes a purchase decision by examining alternatives before making the purchase. Sometimes, the purchase may differ from the purchase decision reached earlier. There is always a post purchase evaluation by the consumers after purchasing and consumption of the product where the consumer determines his satisfaction level. This constitutes an important information reference in determining their buying behaviour in the future.

Because products have particular properties, chemical constituents, moods and emotions are critical factors that shape the behavioural process of consumers (Kotler, 2003).

Specific factors that may lead to altered consumer buying behaviour are size, price, composition/chemical constituents, effectiveness, packaging, brand loyalty and Taste (Alvarez, 2005). Despite the effects and contributions of sales promotion to companies' customer base, profit and others, there is paucity of empirical evidence on the extent to which sales promotion serves as an effective tool at influencing consumer buying decisions and response on the products of Kinapharma Limited though they hardly embark on sale promotions.

Several researchers have sought to explain this relationship between sales promotion and consumer response. Bello et al (2014) posited that sales promotion is the most important promotional contrivance essential for the products leading to product loyalty and good public perception of the product and effective and efficient sales promotion attracts consumers and evokes positive reaction. This study was conducted in Nigeria hence if it is replicated in Ghana may give varying results due to the demographic differences between the two countries.

In Gayibor et al (2013), the researchers noted that sales promotion influenced many young consumers to purchase the products of PZ Cussons. The study was designed to understand the influence of token prizes such as T-shirts, shopping baskets and cloth as promotional mechanisms on individual consumers in the Ho municipality, Volta Region Ghana. This study focuses on wholesalers and retailers of pharmaceutical products of Kinapharma Limited instead of individual consumers of consumables as used in the above study.



There is therefore the need to understand the behaviour of Kinapharma Customers in the Sekondi-Takoradi Metropolis. This research, therefore, sought to fill such gap.

### **Purpose of the Study**

The general objective of this research is to assess Sales promotion as an effective tool in influencing customer buying decisions in Kinapharma Limited.

Specifically, this research sought to:

1. identify the common sales promotion tools used by Kinapharma Company Limited.
2. examine the effects of sales promotion tool on customer purchasing behaviour at Kinapharma Ltd.
3. examine factors that affect buying behaviour and purchasing decision of Kinapharma customers

### **Research Questions**

This research sought to find answers to questions such as;

1. What are the sales promotional strategies commonly used in the Ghanaian Drugs and Pharmaceutical Industry, especially Kinapharma Limited?
2. What impact does sales promotion have on customers' response behaviour in the Ghanaian Drugs and Pharmaceutical Industry?
3. What are the factors that affect buying behaviour and purchasing decision?

### **Significance of the Study**

The underlying importance of this study is that it will expose the sales promotional tools that best drives consumer preference towards an increased purchase of a product over its competitive substitute. It further places an emphasis on the need for a business firm to perceive and continuously innovate in order to adapt quickly to changing consumer wants with the right promotional mix as this is key to an increased share of customer loyalty most especially where the concerned firm is not a top player in his industry. It will also help Pharmaceutical industry especially Kinapharma Limited to appreciate the effects of sales promotion on its customers' base, profitability and performance. This will also inform policy makers with regard to factors that influence customers purchasing response.

### **Delimitation of the Study**

The scope of this study is Sales Promotion as an Effective Tool in Influencing Consumer Buying Decisions with delimitation on the Drugs and Pharmaceutical Industry in the Ghanaian Market within the Sekondi-Takoradi Metropolis using Kinapharma Limited.

### **Limitations of the Study**

The limitations of this study warrant discussion and suggest the need for caution when interpreting the results because there were certain limitations that affected the results of the study. To begin, the use of the descriptive design affected the validity of the results. They are susceptible or easily influenced to distortions through the introduction of biases in the measuring instruments.

## **Definition of Terms**

**Sales Promotion:** Activities and devices designed to create goodwill and sell a product; especially: selling activities that supplement advertising and personal selling, coordinate them, and make them effective.

**Marketing:** Activities, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

**Marketing Mix:** A set of controllable variables that a company can use to influence the buyer's response. The marketing mix (also known as the 4 Ps) is a foundation model

**Consumer:** One that consumes, especially one that acquires goods or services for direct use or ownership rather than for resale or use in production and manufacturing.

**Consumer Behaviour:** It is the study of individuals, groups, or organizations and all the activities associated with the purchase, use and disposal of goods and services, including the consumer's emotional, mental and behavioural responses that precede or follow these activities.

## **Organization of the study**

The study is made up of five chapters. The first chapter, introduction, is devoted to the background to the study, problem statement, objective of the study, research questions, significance of the study, delimitation and lastly the organization of the study. Chapter Two deals with literature review on concepts, theories and empirical evidences relevant to the study. Chapter Three elaborates on the methodology adopted to conduct the research. In detail, the chapter deals with issues such as the research design, sampling procedure and size, instrument

and data collection tools, data analysis and ethical issues. Chapter Four presents the data, analysis and the discussions of the results. The final chapter summarizes the findings of the study, make conclusion and provide recommendations.

## CHAPTER TWO

### LITERATURE REVIEW

#### Introduction

The study was to assess Sales promotion as an effective tool in influencing consumer buying decisions in the Ghanaian market. This chapter gives an overview of exiting literature on the effects of sales promotion on firms' performance. The main sections comprises; theoretical framework, marketing, concept and issues of sales promotion, conceptual framework, and issues as well as empirical evidence on sales promotion and firms' performance.

#### THEORETICAL REVIEW

##### Sales Promotion Theory

Sales promotion is giving the customer something extra, rewarding them for their behaviour 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 behaviour in relation to sales promotion. Operant conditioning suggests the response of the individual is likely to be affected by positive reinforcement (reward) and negative reinforcement (punishment) and the effect is likely to cease when the reinforcements are taken away. Edward Thorndike (1927) 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 behaviour now will govern the consequences of that behaviour 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.

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 behaviours in a series of stages and the parts are learnt in sequence.

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

De Pelsmacker et al (2016) states, priming suggests that a short exposure to a particular stimulus can evoke an increased drive to consume more of a product. So all these theories offer reasons why we can motivate people to buy more by offering incentives although the continuation of these behaviours is open to doubt.

### **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. 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.

Consumer Behaviour is the study of how individuals, groups and organisations select, buy, use and dispose of goods, services, ideas or experiences to satisfy their needs and wants (Kotler & Keller, 2009). According to Schiffman and Kanuk (2004), the study of consumer behaviour focuses on how individuals make decisions to spend their available resources (time, money, effort) on consumption-related items. Belch and Belch (1998) also defines consumer behaviour as the process and activities people engage in when searching for, selecting, purchasing, using, evaluating and disposing of products and services so as to satisfy their needs and desires. Behaviour occurs either for the individuals or in the context of a group or an organization.

Schiffman and Kanuk (2004) distinguished between two different types of consumers which are personal and industrial consumers. Personal consumers purchase goods and services for their own use, household use or as a gift to someone else. Organisational consumers on the other hand purchase goods and services to run an organisation including both profitable and non-profitable organisation, government and non-governmental organisations.

### **Howard – Sheth Model**

This model suggests that there are three levels of consumer decision making, according to Abdallat and El-Emam (2001). The first level describes the extensive problem solving of the consumer. The consumer at this level of the decision making does not have the basic information or knowledge about the brand and does not have any product preference. At this level, the consumer

will seek information about all the different brands in the market before making a purchase.

The second level is limited problem solving. This level is a problem that exists for consumers who have little knowledge about the market or partial knowledge about what they want to purchase. The consumer will arrive at a brand preference after resorting to comparative brand information.

The last level is habitual response behaviour. The consumer at this level have information and knows very well about the different brands and he can differentiate between the different characteristics of each product, and already has a decision on which particular product and brand they will purchase.

The Howard-Sheth model discusses the buyer decision process using four major sets of variables, as presented in figure 1. The four sets of variables are inputs, perceptual and learning constructs, outputs and exogenous or external variables.

### **Input**

This input variable to the consumer decision process is provided by three distinct types of stimuli (information sources) in the consumer environment. The marketer in the form of product or brand information furnishes physical brand characteristics (significant stimuli) and verbal or visual product characteristics (symbolic stimuli). The last type of stimuli provides inputs concerning the product class or specific brands to the specific consumer.

### **Perceptual and Learning Constructs**

The most central part of the Howard-Sheth Model deals with the psychological variables involved when the consumer is making a decision.



These constructs are composed of psychological variables such as motives, attitudes and perceptions that influence the consumer's decision process. Learning construct category, consumer goals, information about brand, criteria for evaluating alternatives, preferences and buying intentions are also included. Some of the variables are perceptual in nature and are concerned with how the consumer receives and understands the information from the input stimuli and other parts of the model (Abdallat & El- Emam, 2001). For instance stimuli ambiguity happens when the consumer does not understand the message from the environment whereas perceptual bias occurs if the consumer distorts the information received so that it fits his or her established needs or experience.

### **Outputs**

The purchase decision represents the output. They are the results of the perceptual and learning variables and how the consumers will respond to these variables i.e. attention, brand comprehension, attitudes and intention. If after using the product, the consumer is satisfied with it, this will reinforce his positive attitude and purchase intent about the product and brand. Again, the positive attitude makes the consumer more attentive to the product or brand's stimuli and further increases his brand comprehension.

### **Exogenous or external variables**

The exogenous variables do not directly impact the decision making process. However, they have an influence on the consumer and it varies from one consumer to the other and it includes consumer personality traits, social class, importance of the purchase and financial status among others.

The Howard-Sheth model of consumer behaviour emphasizes that the decision making process takes place at three input stages. These are Significance, Symbolic and Social stimuli. In both significance and symbolic stimuli, the model emphasis is placed on material aspects such as price and quality. These are not applicable in every society in the world. However, in the social stimuli, the model does not mention the basis of the decision making in this stimulus such as what influences the family decisions. This may differ from society to society. There is also no direct relation drawn on the role of religion in influencing the consumer's decision making process. Religion is considered as an external variable with no real influence on consumer, which is a weakness in the model's anticipation of the consumer's decision. Also the model, analyse the buyer as the final consumer; however, it is not always the case that, the buyer is the final consumer of the product or service.

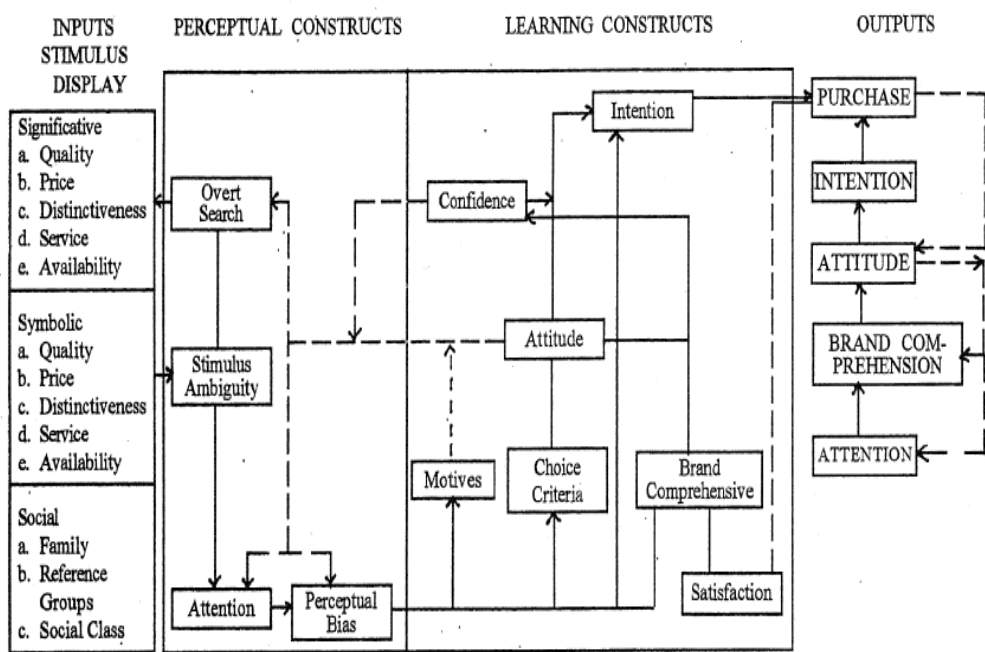


Figure 1: A Simplified version of the Howard-Sheth Model of Buyer Behaviour

Source: Howard, and Sheth (1969)

## **Pharmaceutical Marketing**

Marketing is a process by which one identifies the needs and wants of the people, creates a product/service to meet the needs and wants, develops a way of taking the product/service to the market place, determines the way of communicating the product to the market place, determines the value for the product, targets the people (segmentation), who have needs/ wants and then creating a transaction for exchanging the product for a value and thus creating a satisfaction to the buyer's needs/wants (Smith, 1998).

Pharmaceutical industries adopted marketing toll with some controlled practices initially. But with passage of time, pharmaceutical marketing became like fast moving consumer goods (FMCG) and all the concerns regarding patient safety and health were neglected. The definition of pharmaceutical marketing is “activities focused on making physicians as well as the general public aware of new and existing pharmaceutical brands, pharmaceutical marketing can include giveaway samples, detailed product literature, disease management programs, and support material for patients, internet initiatives, and events/meetings for physicians” (Olszewska, 2006). Pharmaceutical marketing can also be defined as a management process that serves to identify and meet patients’ needs in a profitable way (Pharmaceutical Marketing, 2006).

Pharmaceutical business mainly adopts sales and promotion branches of marketing (Doran et al., 2006). World Health Organization (WHO) defines promotion as “all informational and persuasive activities by manufacturers and distributors, the effect of which is to induce prescription, supply, purchase and/or use of medicinal drugs” (Olszewska, 2006). International Federation of Pharmaceutical Manufacturers Association (IFPMA) defines promotion as “any

activity undertaken, organized or sponsored by a member company (pharmaceutical company member of IFPMA) which is directed at healthcare professionals to promote the prescription, recommendation, supply, administration or consumption of its pharmaceutical product(s) through all media, including the internet” (Nahler, 2009).

### **The concept of sales promotion**

Blattberg and Levin (2007) define trade promotion as “special incentives offered by manufacturers to their distribution channel members”. According to Nwielaghi, (2013), “it is an aspect of sales promotion which creates incentives for channel members to share with consumers and create sales for manufacturer’s merchandise.” It is also called ‘Dealer’ or ‘trade promotion’ or ‘push strategy’ Push implies a forward thrust of effort whereby a manufacturer directs personal selling, trade advertising, and trade-oriented sales promotion to wholesalers and retailers. The essence is to encourage these channel members to stock the product, provide strategic shelf space for it and encourage consumers to buy from their outlets.

Sales promotion is an initiative undertaken by organizations to promote and increase sales, usage or trial of a product or services (Aderemi, 2003). Sales promotion refers to the provision of incentives to customers or to the distribution channel to stimulate demand for a product. It is an important component of an organization’s overall marketing strategy along with advertising, public relations and personal selling. Sales promotion acts as a competitive weapon by providing an extra incentive for the target audience to purchase or support one brand over the other. It is particularly effective in spurring product trials and unplanned purchases (Aderemi, 2003).

Sales promotion is a marketing activity that adds to the basic value proposition behind a product (i.e. getting more for less) for a limited time in order to stimulate consumer purchasing, selling effectiveness or the effort of the sales force (Aderemi, 2003). This implies that, sales promotion may be directed either at end consumer or at selling intermediaries such as retailers or sales crews. Most marketers believe that a given product or service has an established perceived price or value, and they use sales promotion to change this price/value relationship by increasing the value and /or lowering the price compared with other components of the marketing mix (Odunlami & Ogunsiji, 2011). In determining the relative importance to place sales promotion in the overall marketing mix, an organization should consider its marketing budget, the stage of the product in the life cycle, the nature of competition in the market, the target of the promotion and the nature of the product (Odunlami & Ogunsiji, 2011).

Sales promotion can be an effective tool in a highly competitive market, when the objective is to convince retailers to carry a new product or influence consumers to select it over those of competitors. More so, sales promotion tend to work best when it is applied to items whose features can be judged at the point of purchase, rather than more complex, expensive items that might require hands on demonstration (Kotler & Keller, 2006). Sales promotion includes pharmaceutical products that provide extra value or incentives to ultimate customers, wholesalers, retailers or other organizational customers (Kotler & Keller, 2006).

Sales promotion activities are a form of direct advertising designed to stimulate sales mainly by the use of incentives. Sales promotion activities are organized and funded by the organization's own resources. Sales promotion is

used most frequently in the area of consumer products. Sales promotion could either be directed at consumers or trade customers. To embark on any sales promotion, a sales promotion programme must first be developed. This is then pre-tested and then implemented. When the promotion ends the results are evaluated or assessed (Odunlami & Ogunsiji, 2011).

Sales promotion includes a wide variety of tools: consumer promotion tools, samples, coupons, rebates, price pack, premiums, contests, patronage awards, advertising specialties and point-of purchase promotions, trade promotion tools – buying allowance, free goods, merchandise allowance, push money, dealer sales contest, sales force promotion tool – bonuses, contest, sales rallies (Kotler & Keller, 2006).

Sales promotion is traditionally divided into two categories (Kotler, 2003). These are those that have immediate reward and those that have delayed reward. Immediate reward promotions are offers that provide a benefit immediately such as bonus pack, price reduction on calls, and free airtime among others. Delayed reward promotions defer the benefit of the promotions and usually require the target consumers to do something before they receive the reward of the promotions. This mostly takes the form of raffle draws, refund offers that require proof of purchase etc.

Sales Promotions can be classified into three main areas, namely Consumer Market directed, Trade Market directed and Retail or Business to Business Market directed. The consumer oriented promotions includes Premiums, coupons, loyal reward programs, contest or sweepstakes, bonus packs, price offs and rebates or refunds.

Trade market promotions are those sales promotions directed at retailers and wholesalers (Sam & Buabeng, 2011). Examples of promotional techniques used include trade allowance which is a short term incentive offered to entice a retailer to stock up a product, dealer loader, which is also an incentive given to entice a retailer to purchase and display a product and lastly the trade contest which is a contest to reward retailers that sell the most products (Sam & Buabeng, 2011).

Sales promotion, according to Kotler (2003), has three distinctive characteristics which could be contributing factors to the methods popularity in recent years. According to him, these factors are Communication, Incentives, and Invitation. Communication gains attention and usually provides information that may lead the consumer to the product or service, the Incentive incorporates some concession, inducement, or contribution that gives value to the consumer whereas Invitation includes a distinct invitation to engage in the transaction now (Sam & Buabeng, 2011).

### **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 & Ferrel, 1989). The purpose of sales promotion in the marketing mix in marketing events is to have a direct impact on the behaviour 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 is the method used to deliver an actual or trial size product to consumers for testing. 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 & 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 brands 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 devise that provides cent-offs savings to consumers upon redeeming the coupon (Kotler & 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**

It 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**

This is 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 & 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 consumers 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**

It 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.

### **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 & 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**

It 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 & 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 and 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.

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 & Kanuk, 2007).

### **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 promotion programmes are those activities that 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 & Schultz, 2005). Sales promotion efforts are directed at final consumers and designed to motivate, persuade and remind them of the goods and services 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 & 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 behaviour 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).

### **Reasons for the increase use of sales promotion**

According to Kotler and Armstrong (1994), several factors have contributed to the rapid growth of sales promotion particularly in consumer markets. First, inside the company, promotion is now accepted more by top management as an effective sales promotion tool and more product managers are qualified to use sales promotion tools. Furthermore, product managers face greater pressures to increase their current sales.

Second, externally, the company faces more competition and competing brands are less differentiated. Competitors are using more and more promotions and consumers have become more ideal oriented. Third, advertising efficiency has declined because of rising costs, media clutter and legal restraints. Finally, retailers are demanding more deals from manufacturers.

### **Influence of promotion on consumer purchase decision**

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 behaviour or decision (Ngolanya et al, 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). According to them, the consumer may act quickly, especially if sales promotional tools are used or the consumer may postpone making any purchase. Whenever the consumer makes a purchase, they find out what products and services are available, what features and benefits they offer, who sells them at what prices, and where they can be purchased (Stanton et al, 2004).

The firms and its sales team provide consumers with the market information whenever they engage consumers in efforts to inform or persuade in an attempt to communicate with them. Sales promotion therefore provides a suitable link by providing consumers with samples of the products for them to test them in small quantities as well as provide consumers with most needed information concerning the product (Ngolanya, et al, 2006).

According to Davidson et al (1984), purchase decision may be between objective or emotional motives; nevertheless, in all cases, the sale is made or not made in the customers mind and not in the mind of the seller. A product is not purchased for its own sake but for its ability to satisfy a need. The use of some of these promotional tools helps in determining the use that consumers are likely to put the product into and therefore guide them towards the right product (Cox & Britain, 2000). The consumer is therefore provided with the relevant information, get the opportunity to try the product and get to know whether it satisfies their needs and also enjoy a price reduction. Sales promotion is



therefore used to draw consumers to the product and they end up making an impulse purchase as a result of the strength of the sales promotional tool (Ngolanya, et al, 2006).

Berkowitz et al (1994) proposed that, in the purchase decision process, at the recognition and the information search stage, the sales promotional tool that is most effective is the free samples because it helps gain low risk trials. According to them, consumers will be more likely to take the risk of trying a sample rather than buying the whole product and being disappointed. They further suggested that, at the alternative evaluation and the purchase decision stage, coupons, deals, point of purchase displays and rebates are suitable sales promotional tools because they encourage demand and repurchase of the same product by the consumer. They finally proposed that, at the post purchase stage, the best sales promotion tool would be the use of coupons, as they encourage repeat purchase from first time buyers.

The pharmaceutical industry in Ghana has realized the need to influence the decision making process of consumers thereby indulging in increased sales promotions of their products and services. These sales promotions are mostly undertaken to stimulate trials of products, increase consumer demand or improve product availability. The sales promotion carried out in Ghanaian pharmaceutical industry are mostly tailored in such a way to fit the actual decision the consumer is facing.

### **Some problems of sales promotion**

Nilson (1995) reported that in sales promotions, discount levels once introduced to a customer will be very difficult to decrease. It also takes a lot of experience to get the discount levels so that the company gets the maximum

effects from a promotion, he added. He further noted that from time to time, companies declare that they will do away with short term price promotions and work on an everyday low price formula instead. The reasons for this are usually very logical and rational; price promotion cost money to administer, they impose a purchasing pattern on the customer and they cause logistical problems with the suppliers. Smith et al (2000), however, listed the following as some sales promotion problems; Premiums are pilfered; Mal-redemption (large scale fraudulent coupon redemption) and Over redemption.

According to James Engel et al (1994), companies offer more coupons, bigger rebates and more valuable sweepstakes prizes in an effort to draw customers from the competition. This marketing approach neglects the brand images that some manufacturers have spent decades developing through advertising. They assert that companies are worried that consumers are starting to take promotion for granted.

Also, companies fear that heavy couponing which represents a significant proportion of all sales promotion is evaporating brand loyalty and turning retail brands into competition. Beierlein and Woolerton (1991) reported that since sales promotion are generally employed along with other promotional activities; their effects are hard to single out. Kotler and Armstrong (1990) observed that the growing use of sales promotion has resulted in promotion increasingly turning out promotions, weakening their ability to trigger immediate purchase.

## **Empirical review of Sales Promotion**

Studies relating to the impact of consumer sales promotion on consumer behaviour, sales, profit, market share are included in this section. This part addresses various issues such as the appropriate tools that may be used for achieving a specific marketing objective, improve their sales promotion effectiveness and so on.

Vecchio et al (2006) reports the results of a study which examined the effect of sales promotion on brand preference through meta-analysis. Results of 51 studies had been integrated. The study found that sales promotions do not affect post promotion brand preferences in general. But depending upon characteristics of sales promotion and the promoted product, promotion can either increase or decrease preference for a brand.

Also, Ndubisi (2005) in his study evaluated the impact of sales promotional tools, namely coupon, price discount, free sample, bonus pack, and in-store display, on product trial and repurchase behaviour of consumers. The moderation role of fear of losing face on the relationship between the sales promotional tools and product trial was also examined. The results of study show that price discounts, free samples, bonus packs, and in-store display are associated with product trial. Coupon however does not have any significant effect on product trial. The study also revealed that trial determines repurchase behaviour and also mediates in the relationship between sales promotions and repurchase.

Cosmas (2013) assessed the effect of sales promotion on consumer buying behaviour with 20 employees in the Oriflamme Natural Cosmetic Products Company in Mombasa. The study revealed that sales promotion has

an influence in the purchase decision of consumers. It was also realised that the consumer may not go through the entire decision making process anytime they want to purchase a service or product.

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

Laroche et al (2005) studied the effect of coupons on consumer's brand categorization and choice process using fast-food restaurants in China. Results suggest that there are both direct and cross-advertising effects, i.e., the presence of a coupon for a focal brand has an impact on consumer's attitudes and intentions towards that brand. Also, Lewis and Michel (2004) developed an approach for simultaneous measurement of the influence of a dynamic loyalty programme and more traditional short- term promotions. They argue that the loyalty programmes under examination successfully alter behaviour and increase retention rates. Email-based coupons, shipping fee and general price levels all significantly affect customers purchase decisions.

Furthermore, Anderson et al (2004) investigated how the depth of a current price promotion affect future purchasing of first time and established

customers based on three large scale field experiments on durable goods sold through a direct mail catalogue. The findings revealed different effect for first-time and established customers. Deeper price discounts in the current period increased future purchases by the first time customers (a positive long-run effect), but reduced future purchases by established customers (a negative long-run effect).

In the same vein, Dawes (2004) reported the result of his study on the effect of a massively successful price promotion in a consumer goods category. Specifically, he sought to determine if this large price promotion had any long-term impact on brand value; short-term impact on total category volume for the retailer; short-term effect on competing retailers; and long-term effect on category sales for the retailer who runs the promotion. Results of the study showed that a very successful promotion did not have any longer-term effect on the brand (positive or negative), but it did expand the total category for the retailer, though temporarily. Sales dropped slightly for one competing retailer at the time of promotion out of the three units studied. It was observed that the promotion was followed by a decline in the total category volume for the retailer, suggesting some degree of purchase acceleration or stockpiling by consumers. Longer-term negative effect on category cancelled out approximately two third of the gain of the price promotion to the retailer.

Baohong et al (2003) reviewed various studies relating to the impact of promotion on brand switching and found that these studies used choice models, especially logit. According to these studies, promotion has a strong effect on brand switching. The authors show that logit choice model can substantially over estimate brand switching because they do not take into account the rational

adjustments that customers make to take advantage of promotion. Logit models do not take into account stock piling and deceleration strategies. They use a dynamic rational model and compare it with a logit model.

Swait et al (2002) in their study focused on a particular aspect of marketing mix consistency overtime for frequently purchased packaged consumer goods, the impact of temporal consistency of store promotions as well as the availability of the product on the shelf; on consumer product evaluations (utilities) and choices. The empirical results, based on fabric softener panel data, indicate that true insert and availability consistency increase systematic utility in a statistically significant way over and above the positive effects that displays and feature have on choice.

Smith et al (2000) examined the relationship between different types of promotions (straight price promotion, extra-product or volume promotion and mixed promotion) across four supermarket product categories controlling separately for the effect of two category-based moderating factors viz. product stock-up characteristics and price level. Results showed that a majority of consumers preferred mixed promotions; type of promotions does influence store preference (with price and volume promotions having the greatest influence). Consumers generally preferred price promotion for higher priced product categories and they preferred volume promotions for lower priced categories.

Also, Feame et al (1999) studied the impact of promotions on the demand for spirits category in the UK market. The results of an econometric analysis of weekly cross-sectional store data and cluster analysis of consumer panel data suggested that promotions have had a slight positive impact on the volume of sales, particularly over the seasonally important Christmas period.

Some promotions, especially multi-buys, reward largely loyal buyers, doing little for either volume or monetary growth of the spirit category. Other promotions, such as price and gift offers, appeal more to consumers who do purchased packaged consumer goods, the impact of temporal consistency of store promotions as well as the availability of the product on the shelf; on consumer product evaluations (utilities) and choices. The empirical results, based on fabric softener panel data, indicate that true insert and availability consistency increase systematic utility in a statistically significant way over and above the positive effects that displays and feature have on choice.

Mela et al (1997) examined the long-term effect of promotion and advertising on consumer's brand choice behaviour. They addressed two questions: 1. Do consumers respond to marketing mix variables such as price changes over a long period of time? 2. If yes, are these changes associated with change in manufacturer's advertising and retailer's promotional policies? Their results are consistent with the hypothesis that consumers become more price and promotion sensitive over time because of reduced advertising and increased promotions.

Sethuraman (1996) developed a Separate Effect Model that separates the total discount effect of competing high-priced brand on the sale of the focal low-priced brands in to discount effect. Findings from empirical analysis revealed that the leading national brand can draw sales from competing brands without reducing its price below the price of other brands. Leigh (1994) tested the hypothesis that coupon redemptions are greatest in the periods immediately following the coupon drop and decline monotonically. As per the study the

hypothesis was rejected and it was proved that expiration dates induce a second mode in the redemption pattern just prior to the expiration dates.

Furthermore, Grover et al (1992) investigated the multiple effect of retail promotion on brand loyal and brand switching segment of consumer. They found that the market can be characterised by brand loyal segment and switching segments; promotional variable have significant effects on segment market shares, the effect being different across segments; store share is related significantly to promotional attractiveness of a store; the overall promotional attractiveness of the product category has significant current and lagged effect on category volume and the lagged effects resulting from consumer purchase acceleration and stock-up last longer for brand loyal segments than for switching segments.

Sales promotion therefore is a multifaceted marketing tool which when utilized appropriately can help a firm to realize its sales and performance objectives. Though pharmaceutical marketing varies in practice from other products and services, it follows the basic tenets of marketing and promotions hence can be used to a pharmaceutical firm's advantage with both short and long term effect on consumers.

### **Summary**

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.

### **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.

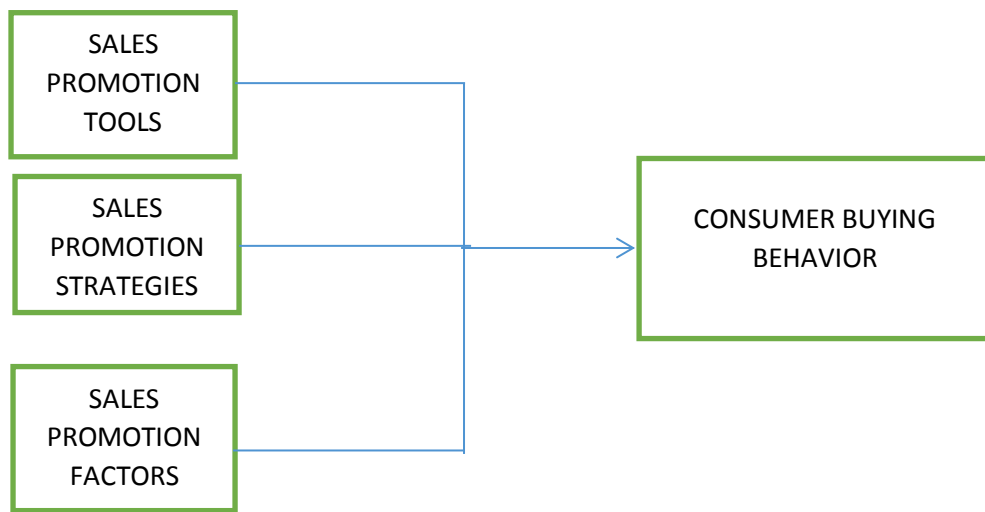
From previous literature review, it is found that there is a big gap in the research. Mainly, the researchers did not highlight the influence of sales promotion on

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.

**Conceptual framework**

**Independent Variable**

**Dependent Variable**



*Figure 2: Relationship between variables*

Source: Author (2017)

## CHAPTER THREE

### RESEARCH METHODS

#### **Introduction**

The study aimed at assessing sales promotion as an effective tool that can be used to influence consumer behaviour. This chapter of the study primarily seeks to cater for the specific methods and techniques employed in undertaking this research. The entire chapter clearly spells out the means through which these techniques are used and how effectively they contribute to the realization of the set objectives. Notable within the chapter are in- depth information with regards to the research design, population, sample and sampling techniques which are employed in carrying out this research. Further information is provided concerning the data collection and mode of analysis.

#### **Research Design**

The study employed descriptive survey design. Descriptive survey is concerned with describing, recording, analyzing and interpreting conditions that either exist or existed. The techniques allow the researcher to describe what common sales promotion tools are used and their effects. Mugenda and Mugenda (2003) described descriptive research design as a systematic, empirical inquiry into which the researcher does not have a direct control of independent variables as their manifestation has already occurred or because they inherently cannot be manipulated. Descriptive studies are concerned with the what, where and how of a phenomenon hence more placed to build a profile on that phenomenon (Mugenda & Mugenda, 2003).

## **Population**

Gyimah (2002) defined population as the entire aggregation of cases that meet a designated set of criteria. The target group which the researcher is interested in gaining information about and drawing conclusions from is the working population. The study targeted the customers of Kinapharma Limited. The customers included the retailers (Pharmacies and Licensed Chemical shops) and intermediaries (Wholesale Pharmacies) of Kinapharma Limited within the Sekondi - Takoradi Metropolis. The population used in the study therefore was the Pharmacies and Licensed Chemical shops in the Sekondi - Takoradi Metropolis.

## **Sampling Procedure**

A total of 246 respondents were chosen as the sample size for this research. The total number of customers in the population is 640. The sample size was arrived at using Fischer et al (1998) formula. This included all the customers of the Kinapharma Company Limited. Sampling involves “the use of definite procedures in the selection of a part for the express purpose of obtaining from its description or estimates certain properties and characteristics of the whole” (Kumekpor, 2002; p.123). The researcher used convenience sampling technique to select 246 customers. This allowed only customers who were willing and freely to participated in the study. This sampling method was used because all the pharmacies and licensed chemical sellers in the population area are customers of Kinapharma and have equal tendencies of enjoying promotional schemes from the company.

### **Data Collection Instrumentation**

The study employed a structured questionnaire design, which is a survey method, to empirically gather the necessary data to answer the research questions for the study. Separate questionnaire was developed for each of the respondents, thus, the customers and the management of Kinapharma Limited. The questionnaire was made up of both open-ended and close-ended questions. The open-ended type questions allowed for free expression of views and comments. The questionnaires were administered personally to the sampled customers and management members from the sampling frame, and given some time to fill at their convenience. Data was collected during the active hours of the day since this is the time most responses can be generated. Data collection lasted for a period of two weeks, one of the main challenges that was encountered was that customers had little time to spare at the busy hours of the day hence the questionnaire was given to them to fill at their convenience, however they could not so the researcher had to go back to help them fill. This delayed the process and increased the cost of the sampling.

### **Source and type of data**

Primary data was used for the study. The researcher administered questionnaires to Wholesale and Retail Pharmacies as well as Licensed Chemical shops who buy Kinapharma drugs through personal contact and trained personnel.

### **Data Processing and Analysis**

Analysis means organizing and interrogating data in ways that allow researchers to see patterns, identify themes, discover relationships, develop

explanations, make interpretations, mount critiques, or generate theories. It often involves synthesis, evaluation, interpretation, categorization, hypothesizing, comparison, and pattern finding (Hatch, 2002). Descriptive statistics was used in analyzing the data that was be collected. The data was analyzed with the help of statistical software known as Statistical Product for Service Solution (SPSS version 21.0) and interpreted by using percentages and frequencies and presented by using tables with Excel 2013 version.

In conclusion, the researcher employed a descriptive survey approach with the use of questionnaire to gather information and analyse the prevailing issues. The key limitation in the methodology is with regards to the convenience sampling techniques which could be vulnerable to selection biases and influences beyond the control of the researcher as well as sampling error.

## CHAPTER FOUR

### RESULTS AND DISCUSSION

#### **Introduction**

The study was to assess Sales promotion as an effective tool in influencing consumer buying decisions in the Ghanaian market. The study used a quantitative and descriptive design of which customers of Kinapharma Company Limited were targeted. Two hundred and forty respondents were chosen with the aid of convenience sampling technique. Questionnaire was the main data collection instruments. Furthermore, the data was analyzed by using frequencies and percentages of the Statistical Product for Service Solution (SPSS version 21.0) software and presented using tables and graphs.

This chapter is an overview of the analysis of data and discussion of the results of the study. This study was to assess Sales promotion as an effective tool in influencing consumer buying decisions in the Kinapharma Company Limited. The returning rate was 97.6 percent (240 out of 246). This section is grouped into two; the background characteristics of the respondents and the specific objectives of the study.

#### **Socio-demographic characteristics of respondents**

This section presents background information about the respondents' sex, age, marital status, educational attainment, religious affiliation and average net monthly income.

**Table 1: Demographics of Respondents**

DEMOGRAPHIC	RESPONSE	FREQUENCY	PERCENTAGE
GENDER	MALE	130	54%
	FEMALE	110	110
AGE GROUP	BELOW 30	72	30.0%
	30 - 35	58	24.2%
	36 - 40	44	18.3%
	41 - 45	23	9.6%
	46 - 50	22	9.2%
	ABOVE 50	21	8.8%
	MARITAL STATUS	SINGLE	94
MARRIED		118	49.2%
DIVORCED		14	5.8%
SEPARATED		14	5.8%
EDUCATIONAL STATUS	NO FORMAL EDUCATION	22	9.2%
	BASIC	23	9.6%
	SECONDARY	82	34.2%
	TERTIARY	113	47.1%
RELIGIOUS AFFILIATION	CHRISTIAN	181	75%
	MUSLIM	45	19%
	TRADITIONALIST	14	6%
AVERAGE MONTHLY INCOME	BELOW 500	67	27.9%
	501 - 1000	116	48.3%
	ABOVE 1000	57	23.8%

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Source: Field survey, 2017



The table shows the demographic characteristics of the respondents. These details were taken in order to enable us understand the background of the customers. This will enable Kinapharma Limited to design their promotional tools and employ appropriate strategies to meet the needs of the market they operate in. The demographics will also help in future academic work and research as reference material.

**Table 2: How often respondents buy products from Kinapharma Limited**

Response	Frequency	Percentage
Daily	15	6.3
Weekly	80	33.3
Monthly	87	36.3
Once a while	58	24.2
Total	240	100

Source: Field survey, 2017

Table 2 shows that 15 of the respondents buy products from Kinapharma Limited daily, followed by 80 respondents who buy products on weekly basis, 87 of the respondents have theirs on monthly bases while others have theirs occasionally. This means that most of the respondents buy products from Kinapharma Limited on weekly and monthly basis. This is due to the fact that they buy products in bulk that last for some days and weeks before it gets finished.

**Table 3: Duration of buying drugs from Kinapharma Limited**

Response	Frequency	Percentage
Less than a year	61	25.4
1-3	50	20.8
4-6	50	20.8
More than 6 years	79	32.9
Total	240	100

Source: Field survey, 2017

Table 3 shows that 61 of the respondents have been trading with Kinapharma Limited for less than a year, followed by 100 respondents, who have been trading with Kinapharma between 1-6 years. However, 79 of the respondents have been trading with Kinapharma Limited for more than 6 years. This means that most of the respondents have been trading with the Kinapharma Limited for a long time (not less than 3 years).

### **Sales Promotion Tools of Kinapharma Limited**

This section presents information on the various sales promotion tools of Kinapharma Limited. Data was gathered from the respondents on the sales promotion tools of Kinapharma Limited used or experienced and the result is presented in Table 4.

**Table 4: Sales promotion tools of Kinapharma Limited perceived by the respondents**

Response	Frequency	Percentage
Coupon	14	2.7
Free samples	112	21.7
Discount/price-off offer	183	35.5
Buy-one-get-one-free	101	19.6
Bonus pack	49	9.5
Fairs and exhibitions	42	8.2
Refunds and rebates	7	1.4
Premium	0	0
Exchange schemes	7	1.4
Total	515	100

Source: Field survey, 2017

Respondents were given some promotional tools to select as many as apply to the various promotional tools of Kinapharma Limited perceived by the respondents, and the result is presented in Table 4. It shows that 183 (36%) responses of the respondents identified discount/price-off offer as one of the promotional tools used by Kinapharma Limited. It was followed by 112 (22%) responses for free samples, 101 (20%) responses for buy-one-get-one-free, 49 (10%) responses for bonus pack and 42 responses for fairs and exhibitions. However, none of the responses were allocated for coupon and premium. This means that Kinapharma Limited was used to discount/price-off offer, free samples, bonus pack and buy-one-get-one-free as promotional tools for her sales.

Sales promotion consists of marketing activities that stimulate consumer purchasing and dealer effectiveness. These include displays, trade shows, coupons, contests, samples, buy-one-get-one-free, premiums, product

demonstrations, and various non-recurrent selling efforts used combined with other forms of promotion to emphasize, assist, supplement, or otherwise support the objectives of the promotional programme (Thompson, 1998).

**Table 5: Sales promotion tools of Kinapharma Limited preferred by the respondents**

Response	Frequency	Percentage
Coupon	0	0
Free samples	49	20.4
Discount/price-off offer	152	63.3
Buy one get one free	14	5.8
Bonus pack	21	8.8
Fairs and exhibitions	0	0
Refunds and rebates	4	1.6
Premium	0	0
Exchange schemes	0	0
Total	240	100

Source: Field survey, 2017

Respondents were given some promotional tools to select the most preferred promotional tools out of the various promotional tools of Kinapharma Limited, and the result is presented in Table 5. It shows that 152 (63%) of the respondents identified “discount/price-off offer” as the preferred promotional tool used by Kinapharma Limited. It was followed by 49 (20%) respondents, who preferred free samples, 21 (9%) respondents preferred “bonus pack” and 14 preferred “buy-one-get-one-free”. This means that majority of the

respondents' preferred "discount/price-off offer", "free samples", "bonus pack" and "buy one get one free".

Exchange schemes did not show up because, according to Belch (1998), it involves the act of exchanging old product for a new product at a price, which is less than the original price of the product. And this is prohibited by pharmaceutical companies due to the risk involved in such instances, because they deal with chemicals. Also, premium services are not provided by pharmaceutical companies in Ghana. This could be due to the fact that customers do not prefer to have pharmaceutical products that are not demanded by their patients. By taking such products they will be prone to having them expired.

A price discount is a temporary reduction of the list price of the product. The major strategic goal of a price discount is to discriminate between informed and uninformed consumers, or between loyals and switchers. Studies show that price discounts are particularly effective in inducing purchase acceleration and product trial (Gilbert & Jackaria, 2002). This study found out that most of the respondents preferred discount among the various promotional tools used by Kinapharma Limited.

### **The Effects of Sales Promotion Tool on Customers' Purchasing behaviour**

It is believed that the various sales promotion tools affect customers' purchasing behaviour differently. Therefore, data were gathered on it, and the result is presented respectively in Tables 6, 7, 8, and 9. Table 6 shows that coupon influences respondents' purchasing behaviour as most of the respondents (131) agreed that a coupon allowed them to buy another drug, which they do not regular buy.

On whether a coupon influences respondents to buy the same brand even when they have coupon for other drugs, most of the respondents (101) disagreed to this notion. This means that respondents would buy other brand of product when they have coupon for other products. On the timely purchase of products, most of the respondents (122) agreed that a coupon has allowed them to buy the products earlier than planned, though few (74) of the respondents disagreed to this notion.

**Table 6: The effect of coupon as a promotional tool on customers' purchasing behaviour**

	Disagree	Do not know	Agree
A coupon has allowed me to buy another drug that I do not regular buy	94	15	131
I usually buy the same brand even when I have a coupon for other drugs	101	52	87
A coupon has allowed me to buy the drug earlier than planned	74	44	122
A coupon has allowed me to buy more quantities of the same drug	116	30	94
A coupon has allowed me to buy a drug that I have never tried before	73	36	131

Source: Field survey, 2017

On the quantities of purchase, Table 6 shows that most of the respondents disagreed that coupon allowed them to buy more quantities of the same drug and 30 of the respondents do not know. This means that coupon do not influence the quantities of product that respondents purchase.

On trying other products, majority of the respondents (131) agreed that coupon allowed them to buy drugs that they have never tried before, while few of the respondents (73) disagreed with this statement and 36 of the respondents were also silent on this notion. According to Adcock et al (2001), sales promotion like coupons is used to remove customers' decision on the quality to buy, when and how to pay and the outlet where the purchase is to be made.

**Table 7: The effect of price discount as a promotional tool on customers' purchasing behaviour**

	Disagree	Do not know	Agree
If a drug offers price discount that could be a reason for me to buy it	98	0	142
When I buy a drug that had a discounted price, I feel I am getting a good buy	42	28	170
Price discount has allowed me to buy another drug that I do not regular buy	49	21	170
I have favourite drugs, but most of the time I buy a drug that gives good offers	87	0	153

Source: Field survey, 2017

If a drug offers price discount, majority of the respondents (142) agreed that they would buy such drugs due to the discount, while few of the respondents (98) disagreed with this notion. This means that price discount influence respondents purchasing behaviour. Also, majority of the respondents agreed that when they buy drugs that had a discounted price, they feel that they have gotten a good buy, while only few of the respondents disagreed to this notion.

On the influence of discount price on the regular purchasing behaviour of the respondents, majority of the respondents (170) agreed that price discount has allowed them to buy another drugs that they do not regular buy. However, few of the respondents (49) disagreed and could buy same drugs even when there is price discount for other drugs.

Moreover, majority of the respondents (153) agreed that though they have their favourite drugs, but most of the times, they drugs that give good offers, while few of the respondents (87) disagreed to this. According to Blackwell, Miniard and Engel (2001), price discounts played significant roles in influencing consumer product trial behaviour by which indirectly attract new consumer.

**Table 8: The effect of free samples as a promotional tool on customers' purchasing behaviour**

	Disagree	Do not know	Agree
I look forward to receive free samples when I buy from pharmaceutical company	66	0	174
Stores that provide free samples are most festive	73	29	138
Stores that provide free samples are of better quality	145	36	59
I choose my pharmaceutical company based on the free samples they provide	180	15	45
I choose my pharmaceutical company based on the free samples they provide	122	28	90

Source: Field survey, 2017



According to Table 8, majority of the respondents (174) look forward to receive free samples when they buy from pharmaceutical company, while 66 of the respondents do not. With regard to the time of free sample promotion, majority (138) of the respondents agreed that stores that provide free samples are most festive, while few of the respondents (29) were silent on this. However, 73 of the respondents disagreed, and said that stores could provide free samples any time that they feel to do so.

On the quality of samples given for free, majority of the respondents (145) disagreed to the notion that stores that provide free samples are of better quality while few of the respondents (59) agreed that they are of good quality. This means that respondents perceived free samples from pharmaceutical companies as not quality. Moreover, majority of the respondents (122) disagreed that they choose their pharmaceutical company based on the free samples they provide, while few of the respondents (90) do so. This means that majority of the respondents are not influenced by free samples.

This finding is consistent with the view of Kotler (2013), that free samples are distributed to attract consumers to try out a new product and not to attract customers to old products. This is the most effective way of generating trial, but it is the most expensive for companies to practice.

**Table 9: The effect of buy-one-get-one-free as a promotional tool on customers' purchasing behaviour**

	Disagree	Do not know	Agree
A buy-one-get-one-free free has led me to buy another drug when I do not regular buy	86	7	147
I usually buy the same drug even when there is a buy-one-get-one-free offers on other drugs	73	36	167
A buy-one-get-one-free has led me to buy the drug earlier than planned	86	0	154
A buy-one-get-one-free has led me to buy more quantities of the same drug	35	0	205

Source: Field survey, 2017

On the brand of products, Table 9 shows that majority of the respondents agreed that when there is “buy-one-get-one-free” promotion, they buy another drug that they do not buy regular. However, a significant proportion of the respondents (86) disagreed with this notion.

On the timely purchase of products, majority of the respondents (154) agreed that “buy-one-get-one-free” led them to buy drugs earlier than planned schedule or period. However, a significant proportion of the respondents (86) disagreed to that. On the quantities of products bought by the respondents, majority of the respondents (205) agreed that “buy-one-get-one-free” led them

to buy more quantities of the same drugs while only few (35) of the respondents disagreed with this notion.

The price reduction may be used for taking the attention of the customers away from the competitors (Nakarmi, 2018). According to Gilbert (1999), other than price lessening, marketing tools such as free sample and buy-one-get-one-free given to retailers were found to be inducing consumer buy more than they expect.

### **Factors that Affect Buying behaviour and Purchasing Decision**

This was to identify the factors that influence customers' buying behaviour and purchasing decision. General factors such as price of drugs or product, branding, time of promotion, competitors and service quality were examined and the result is presented in Table 10. Also, the overall effect of promotion tools on customers' purchasing behaviour was examined and the result is presented in Table 11.

**Table 10: Factors that affect customers' buying behaviour**

	Disagree	Do not know	Agree
Price of the drugs	21	7	212
Brand and services loyalty	36	0	204
Time of promotion	58	58	124
Competitors	58	36	146
Service quality	21	36	183

Source: Field survey, 2017

Table 10 shows that majority of the respondents identified the price of the product as an influential factor on their decision to purchase a product. It was followed by 204 respondents, who were interested in the brand and service

loyalty, as well as 183 respondents, who look up for quality service. Nevertheless, majority of the respondents were not concerned with the time of promotion and competitors as compared to the price and service quality of the company. This means that majority of the respondents like affordable products, interested in brand as well as customer satisfaction.

This finding confirms that of Bridges, Briesch and Yim (2006), that consumer purchase decisions sometimes is based on the price sensitivity. According to Schiffman and Kanuk (2004), there are four views for explaining consumer decision and behaviour such as, economic view which it has the more impact followed by passive view, emotional view and cognitive view.

**Table 11: The overall effect of promotional tools on customers' buying behaviour**

	Disagree	Do not know	Agree
Coupon	79	75	86
Free samples	28	28	184
Discount/price-off offer	14	35	182
Buy one get one free	21	22	197
Bonus pack	28	84	128
Fairs and exhibitions	93	57	90
Refund and rebates	43	100	97
Premium	58	72	110
Exchange schemes	94	111	35

Source: Field survey, 2017

The results in Table 11 reveal that, majority (197) of the respondents are influenced by buy-one-get-one-free, followed by free samples (184), discount/price-off offer (182) and bonus pack (128). However, a significant number of the respondents (110) showed interest in premium, which was not

practiced by the Kinapharma Limited. However, majority of the respondents were also not certain on exchange schemes, refund and rebates, premium and coupon as sales promotion tools that influence their purchasing behaviour.

## CHAPTER FIVE

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### Introduction

The study was to assess Sales promotion as an effective tool in influencing consumer buying decisions in the Ghanaian market. Specifically, the study sought to:

1. Identify the common sales promotion tools used in the Ghanaian market especially Kinapharma Company Limited.
2. Examine the effects of sales promotion tool on customer's purchasing behaviour.
3. Examine factors that affect buying behaviour and purchasing decision.
4. Make recommendations for further improvements for the firm under study.

The study used a quantitative and descriptive design of which customers of Kinapharma Company Limited were targeted. Two hundred and forty respondents were chosen with the aid of convenience sampling technique for selecting the customers. Questionnaire was the main data collection instruments.

Furthermore, the data was analyzed with the help of statistical software known as Statistical Product for Service Solution (SPSS version 21.0) and interpreted by using percentages and frequencies and presented by using tables, and charts using Excel 2013 version.

## Summary of the Results

Most of the respondents in this study were males. Majority of the respondents who partook in this study were found below 40. A little more of the respondents were married as compared to those who were not married. On educational background of the respondents, majority of the respondents have had their tertiary form of formal education while only few of the respondents had no form of formal education. Concerning religious affiliation of respondents, it was dominated by Christians with few Muslims. On the average, respondents were receiving not less than GHC500 in almost every month.

Most of the respondents buy products from Kinapharma Limited on the weekly and monthly bases. Most of the respondents have been trading with the Kinapharma Limited for long time (not less than 3 years). Kinapharma Limited was used to discount/price-off offer, free samples, bonus pack and buy-one-get-one-free as promotional tools for her sales.

On respondents' preference on sales promotion tools, 152 (63%) of the respondents identified "discount/price-off offer" as the preferred promotional tool used by Kinapharma Limited. It was followed by 49 (20%) respondents who preferred free samples, 21 (9%) respondents preferred "bonus pack" and 14 preferred "buy one get one free". Thus, majority of the respondents' preferred "discount/price-off offer", "free samples", "bonus pack" and "buy-one-get-one-free".

Coupon influence respondents' purchasing behaviour as most of the respondents (131) agreed that a coupon allowed them to buy another drug which they do not regular buy. Respondents would buy other brand of product when they have coupon for other products.

On the timely purchase of products, most of the respondents (122) agreed that a coupon has allowed them to buy the products earlier than planned, though few (74) of the respondents disagreed to this notion. On the quantities of purchase, most of the respondents disagreed that coupon allowed them to buy more quantities of the same drug and 30 of the respondents do not know. This means that coupon do not influence the quantities of product that respondents purchase.

On trying other products, majority of the respondents (131) agreed that coupon allowed them to buy drugs that they have never tried before while few of the respondents (73) disagreed to this statement and 36 of the respondents were also silence on this notion.

If a drug offers price discount, majority of the respondents (142) agreed that they would buy such drugs due to the discount while few of the respondents (98) disagreed to this notion. Also, majority of the respondents agreed that when they buy drugs that had a discounted price, they feel that they have gotten a good buy, while only few of the respondents disagreed to this notion. On the influence of discount price on the regular purchasing behaviour of the respondents, majority of the respondents (170) agreed that price discount has allowed them to buy another drugs that they do not regular buy. However, few of the respondents (49) disagreed and could buy same drugs even when there is price discount for other drugs. Moreover, majority of the respondents (153) agreed that though they have their favourite drugs, but most of the times, they drugs that give good offers, while few of the respondents (87) disagreed to this.



Majority of the respondents (174) look forward to receive free samples when they buy from pharmaceutical company, while 66 of the respondents do not. Majority (138) of the respondents agreed that stores that provide free samples are most festive, while few of the respondents (29) were silence on this. However, 73 of the respondents disagreed and said that stores could provide free samples any time that they feel to do so. Majority of the respondents (145) disagreed to the notion that stores that provide free samples are of better quality, while few of the respondents (59) agreed that they are of good quality. This means that respondents perceived free samples from pharmaceutical companies as not quality. Moreover, majority of the respondents (122) disagreed that they choose their pharmaceutical company based on the free samples that they provide while few of the respondents do so.

On the brand of products, majority of the respondents agreed that when there is “buy-one-get-one-free” promotion, they buy another drug that they do not buy regular. However, a significant proportion of the respondents disagreed to this notion. On the timely purchase of products, majority of the respondents agreed that “buy one and get one free” led them to buy drugs earlier than planned schedule or period. However, a significant proportion of the respondents disagreed to that. Majority of the respondents agreed that “buy one and get one free” led them to buy more quantities of the same drugs, while only few of the respondents disagreed to this notion.

Majority of the respondents identified the price of the product as an influential factor on their decision to purchase a product. It was followed by 204 respondents who were interested in the brand and service loyalty as well as 183 respondents who look up for quality service. Nevertheless, majority of the

respondents were not concerned with the time of promotion and competitors as compared to the price and service quality of the company.

Majority of the respondents were influenced by buy one get one free, followed by free samples, discount/price-off offer and bonus pack. However, a significant number of the respondents shown interest in premium which was not practiced by the Kinapharma Limited. However, majority of the respondents were also not certain on exchange schemes, refund and rebates, premium and coupon as sales promotion tools that influence their purchasing behaviour.

### **Conclusions**

The descriptive study was well conducted through appropriate methodology and the following inferences were made over the findings based on the objectives of the study. Common sales promotion tools used by Kinapharma Company Limited include; discount/price-off offer, free samples, bonus pack and buy one get one free and surprisingly, discount/price –off offer was the preference of the respondents. However, respondents were interested in premium, but was not available at Kinapharma Company Limited.

Coupon influences respondents' purchasing behaviour by allowing them to buy another drug that they do not regular buy; buy products earlier than planned and; buy drugs that they never tried before. Also, price discount influence respondents' purchasing behaviour by allowing them to buy more quantities of a product; making them to feel good when they buy drugs that had a discounted price; buy another drugs that they do not regular buy, and buy drugs that give them good offers and not necessity their favourite drugs.

Moreover, free samples were seen as festive. Free samples influence respondents negatively. Respondents perceived free samples as of low quality product. Respondents said that they do not choose their pharmaceutical company based on the free samples that they provide. Lastly, buy-one-get-one-free promotion tool influences respondents' buying behaviour by allowing them to buy another drug that they do not buy regular; let them buy drugs earlier than planned schedule and also influence them to buy more quantities of the same drugs.

Respondents identified the price of the product, the brand and service loyalty, and quality service as the most influential factors that affect their decision to purchase a product. Nevertheless, respondents were not concerned with the time of promotion and competitors as an influential factor when buying product.

### **Recommendations**

Based on the findings and conclusions drawn, the following suggestions are put forward for consideration; Kinapharma Company Limited should add premium as sales promotion tools in order to influence customers' preference and buying behaviour.

Also, Kinapharma Company Limited in collaboration with other pharmaceutical companies should educate their customers on free samples as product of good quality, but just part of the sale promotion tools if they only wants to continue with such strategy. Lastly, Kinapharma Company Limited should be realistic in its pricing, branding and improve their quality of service in order to influence respondents' decision to purchase product.

### **Suggestion for further studies**

The study focused on price promotional tools, such as discounts, rebates, coupons and buy-one-get-one-free. Therefore, other researchers can study about the effects of non-price promotion such as samplings, premiums, events, contests and promotions packaging on customers' purchasing behaviour. Also, other researchers can study the effects of promotional tools on customers' purchasing behaviour by considering the agrochemical companies, alcoholic or beverages companies.

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**SECTION B: THE COMMON SALES PROMOTION TOOLS USED**

7. How often do you buy products from Kinnapharma Limited?

- a. Daily [ ] b. Weekly [ ] c. monthly [ ] d. once a while [ ]

8. How long have you been buying drugs from Kinnapharma Limited?

- a. less than a year [ ] b. 1-3 [ ] c. 4- 6 years [ ] d. more than 6 years [ ]

9. What are the sales promotion tools used by Kinnapharma Limited? (tick many as apply)

- a. Coupon [ ]
- b. Free samples [ ]
- c. Discount/ Price-off offer [ ]
- d. Buy one get one free [ ]
- e. Bonus Pack [ ]
- f. Fairs and Exhibitions [ ]
- g. Refunds and Rebates [ ]
- h. Premium [ ]
- i. Exchange schemes [ ]

10. Which one the sales promotion tools used by Kinnapharma Limited is most preferred or favourite?

- a. Coupon [ ]
- b. Free samples [ ]
- c. Discount/ Price-off offer [ ]
- d. Buy one get one free [ ]
- e. Bonus Pack [ ]
- f. Fairs and Exhibitions [ ]
- g. Refunds and Rebates [ ]

h. Premium [ ]

i. Exchange schemes [ ]

**SECTION C: THE IMPACT OF SALES PROMOTION TOOL ON CUSTOMER'S PURCHASING behaviour**

11. To what extent do you agree with the following statements? Tick (✓) the answers provided according to your preferences

SD= Strongly Disagree D=DisAgree U= Undecided A= Agree SA= Strongly Agree

	SD	D	U	A	SA
A coupon has allowed me to buy another drug which I do not regularly buy					
I usually buy the same brand even when I have a coupon for other drugs.					
A coupon has allowed me to buy the drug earlier than planned					
A coupon has allowed me to buy more quantities of the same drug.					
A coupon has allowed me to buy a drug which I have never tried before					

12. To what extent do you agree with the following statements? Tick (✓) the answers provided according to your preferences

SD= Strongly Disagree D=DisAgree U= Undecided A= Agree SA= Strongly Agree

	SD	D	U	A	SA
If a drug offers price discount that could be a reason for me to buy it.					
When I buy a drug that had a discounted price, I feel I am getting a good buy.					
Price discount has allowed me to buy another drug which I do not regularly buy.					
I have favorite drugs, but most of the times I buy a drug that give good offers					



13. To what extent do you agree with the following statements? Tick (✓) the answers provided according to your preferences

SD= Strongly Disagree D=DisAgree U= Undecided A= Agree SA= Strongly Agree

	SD	D	U	A	SA
I look forward to receiving free samples when I buy from pharmaceutical company					
Stores that provide free samples are more festive					
Stores that provide free samples are of better quality					
I choose my pharmaceutical company based on the free samples they provide					
I buy drugs at pharmaceutical company when I know there will be free sample					

14. To what extent do you agree with the following statements? Tick (✓) the answers provided according to your preferences

SD= Strongly Disagree D=DisAgree U= Undecided A= Agree SA= Strongly Agree

	SD	D	U	A	SA
A buy one get one free has led me to buy another drug which I do not regularly buy					
I usually buy the same drug even when there is a buy one get one free offers on other drugs.					
A buy one get one free has led me to buy the drug earlier than planned					
A buy one get one free has led me to buy more quantities of the same drug					

**SECTION D: FACTORS THAT AFFECT BUYING behaviour AND PURCHASING DECISION**

15. To what extent do you agree with the following statements? Tick (✓) the answers provided according to your preferences

SD= Strongly Disagree D=Disagree U= Undecided A= Agree SA= Strongly Agree

	SD	D	U	A	SA
Price of the drugs					
Brand and services loyalty					
Time of promotion					
Competitors					
Service quality					

16. Rate the following promotion tools and strategies according to the degree to which it affects your patronage and buying decision

SD= Strongly Disagree D=Disagree U= Undecided A= Agree SA= Strongly Agree

	SD	D	U	A	SA
Coupon					
Free samples					
Discount/ Price-off offer					
Buy one get one free					
Bonus Pack					
Fairs and Exhibitions					
Refunds and Rebates					
Premium					
Exchange schemes					

*Thank you*