



**ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE
DEPARTMENT OF MARKETING MANAGEMENT**

**The Effectiveness of Sales Promotion Tools on
Purchase Decision of Consumers: The case of Walia
beer**

**Submitted by: Eyerusalem Ketema
Submitted to: Rakshit Negi**

June, 2017
ADDIS ABABA

**ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE
POST GRADUATE STUDIES DEPARTMENT OF MARKETING**

**The Effectiveness of Sales Promotion Tools on Purchase
Decision of Consumers: The case of Walia beer**

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**A Research Thesis Submitted to Addis Ababa University
College of Commerce in Partial Fulfillment of the
Requirement for Degree of Master of Arts in Marketing
Management.**

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By: Eyerusalem Ketema

APPROVAL BOARD COMMITTEE

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STATEMENT OF DECLARATION

I hereby Eyerusalem Ketema declare that this study entitled “ THE EFFECTIVNESS OF SALES PROMOTION TOOLS ON PURCHASE DECISION OF CONSUMERS. THE CASE OF WALIA BEER” is my original work prepared under the guidance of my advisor, Rakshit Negi (Ph.D). This paper is submitted in partial fulfillment of the requirement for the Award of Master of Arts Degree in Marketing Management and it has not been previously submitted to any diploma or degree in any college or university. I would also like to confirm that all the sources of materials used in this study are duly acknowledged.

Declared by; Eyerusalem Ketema

(Student)

Signature

Date

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List of Abbreviations

SPSS — Statistical Package for social science

VIF— Variance Inflation Factor

Acknowledgement

First and foremost, I would like to thank Almighty God for the energy, commitment, and initiation that he provides me so that this research could come in to an end.

Secondly I would like to express my heart- felt gratitude to my advisor, Rakshit Negi (Ph.D), for his valuable guidance and motivation throughout the process of completing my thesis. Finally, I would like to thank my family and friends who have supported me throughout my MA journey.

Abstract

In the emerging business scenario various promotional Tools are used by the marketer for influencing the purchase decision of consumers. Sales promotion, is a key element of promotional mix, it has been widely used to sustain competitive advantage, increase sales and stimulate consumer purchase decision and it is becoming a valuable tool for marketers to influence purchase decision. Through this study, an effort has been made to evaluate the effectiveness of various sales promotion tools in inducing purchase decision of consumers. For conducting the research Survey method was used to collect the data from Walia beer users residing in Addis Ababa. A sample of 267 was studied by applying descriptive and inferential statistics techniques. Specifically, the data were analyzed using correlation analysis and all the proposed hypotheses were tested by using multiple regression technique. The result shows that among the four sales promotion tools: point of sale materials, price discount and buy one and get one free are the most effective variables for inducing consumer purchase decision respectively. Whereas under the crown prize is the least effective in inducing purchase decision of consumers. The results of this study would help the managers of Heineken company in selecting the types of promotion that greatly influence the purchase decision of the consumers. Hence, this could help them become more competitive and gain more profit.

Keywords: *Sales promotion, purchase decision, point of sale materials, price discounts and under the crown promotion.*

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

Business organizations reach to their customers with goods or services through various mechanisms. A number of activities are being performed in order to sell the products to the consumers. This is called marketing and it is an important function. Marketing is the performance of business activities that directs the flow of goods and services from producer to the customer. Modern marketing is more than just producing good products, suitable pricing and easy access to them (Kotler & Armstrong, 2000). Attracting new customers has become important in modern business so firms have to consider the attitude and behavior of their consumers. Businesses need to communicate to the consumers what they have to offer (Jobber & Lancaster, 2006).

Large number of activities are performed in marketing. Promotion is one of the elements of marketing mix. It is one of the variables through which information regarding products or services is being communicated to customers to change their attitude and behavior. Promotion is referred to as any communication used to inform, persuade, and remind people about an organization's or individual's goods, services, image, ideas, community involvement, or impact on society (Evans & Berman, 1997). Promotion mix is a term used to describe the set of tools that a business can use to communicate effectively the benefits of its products or services to its customers. Promotion mix includes tools such as advertising, public relations, sales promotion, direct marketing and personal selling (Chunnawala & Sethia, 1994). Therefore, sales promotion is vital element of promotional mix. It consists of a variety of incentive tools, mostly short term, that are used to stimulate consumers and/or dealers to accelerate the purchasing process or to increase quantities of sales (Kotler & Armstrong, 2010).

In today's competitive global market, the role of marketing has been signified from time to time. Business ventures and product developments put larger portion of their annual budget for sales promotion and advertisement. Studies indicate clearly in global area specially after 1960s the

emphasis has been given for sales promotion (Shahriar et al., 2011). Many nations have been excessively applying sales promotion for their existing or emerging businesses. According to Low and Mohr (2000) manufacturers continue to spend a large amount from their communication budget on sales promotion. They allocate around 75 percent of their marketing communication budget to sales promotion (Hellman, 2005). In Kenya, sales promotion accounts for 65% to 75% of the total marketing budget in the fast moving consumer goods companies and this has been rising for the last two decades (Kotler, 1997).

Brewery companies in particular apply different sales promotion strategies and tools to promote their products. Among the strategies; vouchers, premium products, gifts, extra products, reduced prices, free samples and sweepstakes are common with a view of positively influencing the behavior of their customers towards purchasing of their products (Onyango, 2014). Currently sales promotion becomes a vital in many business activities especially in industry like brewery. Studies also magnifies the role of sales promotion in the future success of the business. Therefore, the management of brewery companies should formulate comprehensive and effective sales promotion strategies that seek to build brand awareness, creating favorable brand attitudes, gaining market share, inducing purchase, building brand loyalty and increasing sales (Onyango, 2014). In addition, for a company to penetrate into new markets it needs to arm itself with specific sales promotion strategies that will ensure growth in the target market. This becomes even more important if the target market is already filled up with competitors offering the same products or services (Kay, 2003). Different theories and conceptual frame works ascertains that sales promotion strategies have significant positive influence on the consumer behavior (Onyango, 2014).

Brewery industry in Ethiopia is growing fast in recent year with increased urbanization, population growth, rising incomes (Access capital, 2010). Ethiopia's beer industry is currently comprised of seven major breweries plants. These are Meta Abo, BGI Ethiopia, Bedele, Raya, Heineken, Dashen and Habesha. These all brewery companies are currently involved in some sort of sales promotion activities.

1.2 Background of the Organization

Heineken is an international company and is one of the leading brewers worldwide with a large international presence. The company is prominent with over 200 varieties of beer along with its ownership of 140 breweries and distributors in over 70 countries. The headquarters of Heineken is located in Amsterdam. The company operates and distributes in five main geographical areas. These include Western Europe, Central and Eastern Europe, Africa and the Middle East. (Market Line Business Information Center, 2011, pg. 4).

Heineken Breweries S.C Ethiopia is a manufacturer of seven brands which are; Walia, Bedele, Bedele Special, Harar, Buckler, Sofi Malt and Heineken. The headquarter is located in Addis Ababa Ethiopia. Ethiopia has become a key location for Heineken as a developing and growing market (www.africanbusinessreview.com). There are three breweries under Heineken Kilinto Brewery S.C, Harar Brewery S.C and Bedele Brewery S.C. Kilinto Brewery S.C is located in the outskirts of Addis Ababa in Kilinto. It started operations in July 2014. It is a home to the Walia brand but also produces other brands. Harar Brewery S.C is located in the city of Harar in Harari region. The brewery started operation in 1984. Its known for producing brand like Harar, Hakim Stout, Buckler and Sofi Malt. Bedele Brewery S.C is located in Bedele town, it started operations in 1993. The brewery produces Bedele and Bedele Special brands (www.theheinekencompany.com).

1.3 Statement of the problem

Brewery industry is an emerging and growing business in Ethiopia's economy. Jose', Ocampao et al (2013) indicated that the beer consumption rate has been increasing from time to time. In line to this, it becomes common to see and hear different sales promotion strategies and advertisement of Brewery companies in Ethiopia. The newly built industries have extensively

involved in sales promotion activities such as prize car to customer; free gift; reduction in cost of beer during happy hours; buy and get one free and more strategies (Access capital, 2010). Almost all beer companies avail different types of promotional materials such as, refrigerators, chairs, tables, trays, bottle openers, etc. to their customers. Additionally, Companies have been involved in different marketing strategies to promote new and existing brands. For instance, on September 2016, Heineken Breweries Share Company launched an under the crown promotion (lottery scheme) for promoting Walia beer, where by winners were awarded vehicle, Mobile apparatus, Television and free drinks (www.theheinekencompany.com). Immediately, after Walia sales promotion period ended, Meta brewery commence similar promotion for its products using telecom text message system to receive the entry and identifying winners, this reflects stiff competition among beer brands in the Ethiopian market.

Heineken company has been practicing various sales promotion campaigns for promoting its Walia beer brand such as free sampling, special event sponsorship (sponsorship on music concert and bazaar/festival), under the crown prizes (prizes like free drinks, trip to Seychelles to support the national team, car, etc.), price discount, point of sale materials promotion (light box, branded refrigerator, Outside signage on bars and restaurants, etc.) and buy and get one free(www.theheinekencompany.com). Among these sales promotion campaigns, the researcher selected four sales promotional tools which are under the crown prizes, price discount, point of sale materials and buy and get one free, as these are the most common ones which the company uses frequently(www.theheinekencompany.com). The company spent a lot of money for these campaigns, Despite the cost associated with sales promotion, the effectiveness of each tools in affecting purchase decision of the consumer is not well examined (company summary for Heineken SC). The company doesn't know which sales promotion framework would be most effective and would influence the purchasing decision of consumers. Therefore, this thesis investigated the gap created by the limited scope of previous research on addressing the effectiveness of sales promotion tools on consumers' purchase decision in the context of Walia beer brand.

1.4 Research Questions

1. What is the effectiveness of under the crown prizes on the beer purchase decision of consumers?
2. To what extent price discount affect beer purchase decision of consumers?
3. What is the effectiveness of point of sale materials promotion on the beer purchase decision of consumers?
4. To what extent buy and get one free affect the purchase decision of consumers?

1.5 Objective of the study

1.5.1 General Objectives

The general objective of this study is to examine the effectiveness of sales promotion tools on purchase decisions of consumers of Walia beer brand.

1.5.2 Specific objectives

- To identify the effectiveness of under the crown prizes on the purchase decision of consumers.
- To identify the effectiveness of price discount on the purchase decision of consumers.
- To examine the effectiveness of point of sale materials promotion on the purchase decision of consumers.
- To examine the effectiveness of buy and get one free on the purchase decision of consumers.

1.6 Significance of the study

This paper tries to throw light on the effectiveness of some specific variables of sales promotion on consumers' purchase decision in case of Walia beer brand. The results of this study would help marketers of Heineken company to know the types of sales promotion that greatly influence the buying decision of their customers, as a result they can select the right and the most successful sales promotion tools to catch the attention of customers in the fast growing competitive markets.

Stakeholders like, management staffs, employees, investors, and etc., will be benefited from the outcome of this study by having the correct information and awareness about the effectiveness of

sales promotion tools on the purchase decision of consumers. It will also help them to cross-check whether they have effective sales promotion strategies or not. This study also paves a way for future researchers to conduct further survey on this area and serve as a reference material for students and marketing practitioners.

1.7 Scope of the study

This study examined effectiveness of sales promotion tools on consumers' purchase decision pertaining to Walia beer brand. For this purpose, the researcher took four promotional tools which can affect the consumer purchase decision. These tools are Under the crown prizes, price discount, Point of sale materials promotion and buy and get one free. This study used quantitative approach. The data collection focuses on beer consumers found in Addis Ababa City Administration.

1.8 Operational definition of terms

Sales promotion- A range of marketing techniques designed within a strategic marketing framework to add extra value to a product or service over and above the normal offering in order to achieve specific sales and marketing objectives (Brassington & Pettitt, 2000).

Promotional Mix- The promotional mix is the combination of the different channels that can be used to communicate the promotional message to the consumers (Ansari et al., 2011).

Under the crown prizes- Is a one type of sales promotion that offers prizes on the bottle cap. It's a scheme for the distribution of prizes by chance. (Oxford dictionary)

Price discount- Manufacturers offer consumers products at reduced price from regular price of a product. Price-offs mean that the manufacturer marks the merchandise that the customer could accurately see that the price is lowered (Fill, 2002).

Point of sale materials- Is a way of showing product and offerings through in store and out store displays such as menu boards, POPs and brochures (Gedenk et al., 2006).

Buy and get one free- Is one type of popular volume discount nonmonetary sales promotions scheme in which the consumer gets one product of the same type for the price of one or receiving a free product by purchasing some other product (Inman et al.,2009).

Purchase- The exchange of values, either for money equivalent. It is the transaction between the buyer and the seller. (Gerald, 1997).

Purchase decision- the stage at which the buyer or the consumers actually buys the products (Kotler, 1999).

1.9 Organization of the Study

Chapter one of this paper discussed introductory issues, it points statement of the problem, objectives of the study, research questions, scope, significance of the research and operational definition of terms. Chapter two discussed on theoretical review of literatures extracted from different books, articles and journals, empirical review and conceptual framework and hypothesis. Chapter three covered the research design and methodology of the study. It describes the type and design of the research; the subject and participants of the study; as well as the data collection tools applied and methods of data analysis. The fourth chapter presented the research findings and analysis. The fifth chapter summarizes the findings from chapter four and draws conclusions. Finally, the recommendation part is presented.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

This chapter reviews the concepts and theories relevant to sales promotion. The context in which sales promotions are developed and the previous studies that focused on this field is briefly discussed in this section. The literature review consists of theoretical review, Empirical review and conceptual framework.

2.1 Theoretical Review

Marketing

According to the American Marketing Association, quoted by Kotler & Keller (2006) marketing can be defined as an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders. Another simpler definition is presented as marketing includes anticipating demand, managing demand, and satisfying demand (Evans & Berman, 1997). Marketing could also be defined in a few words with mutually satisfying exchange relationships (Baker, 2006).

The marketing mix is defined as the specific combination of marketing elements used to achieve objectives and satisfy the target market. It encompasses decisions regarding four major variables: product, distribution, promotion, and price (Evans & Berman, 1997). The whole marketing mix is defined as the set of controllable of controllable tactical marketing tools – product, price, place, and promotion – that the firm blends to produce the response it wants in the target market. (Kotler & Armstrong, 2006).

Promotional mix

As one of the marketing mix elements, promotion includes all the activities directed to the targeted consumers, that lead to facilitate the process of contacting with them for the purpose of formatting a sense of the importance of the commodity in achieving a high degree of consumer's

satisfaction of their wishes and needs comparing with the competitor's commodities (Mahmud I. Nour et al., 2014). Promotion is one of the key factors in the marketing mix and has a key role in market success. Promotion is used to ensure that consumers are aware of the products that the organization is offering. The promotional mix is the combination of the different channels that can be used to communicate the promotional message to the consumers (Ansari et al., 2011). The channels to be used are; advertising, direct marketing, public relations and publicity, personal selling, sponsorship and sales promotion (Rowley, 1998).

Sales promotion

There have been many definitions of sales promotion. According to John and William (1986) sales promotional marketing activities considered to be more efficient than advertising publicity and personal selling. In addition to that other researchers considered sales promotion as a direct inducement, proposing special added value for goods to target salesperson, customers or resellers (William and Ferrell, 1987; Gardener and Treved, 1998). According to Joncos (1990) sales promotion is an effective way of competitive retaliation rather than marketing activities. Mercer (2002) defined promotion as it is a technique which mainly used by marketer on a temporary basis to create an attractive goods or services to encourage the customers to purchase goods or services in a specific time period by providing more benefits. Belch and Belch (1996) defined sales promotions as direct encouragements provide an additional stimulant for the products to be sold or distributed in a short period of time. Both Kotler (2002) and Totten & Block (1994) defined sales promotion as any activity which obtained by the producers usually short term designed to encourage quicker or greater amount trade retailer or wholesaler as well as influence individual to buy the product. According to Perreault, Cannon & McCarthy (2008) and Shimp (2003) sales promotion defined as a communicating information within two parties, seller and potential buyers, which is obtained to effect customer's decisions.

Moreover, Zallocco, Perreault & Kincaid (2008) defined sales promotion as it is an intentional effort from marketers to deliver the appropriate information in suitable inducement way to get the desired acceptable responses from the customers. According to Cotton and Babb (1978) another trend of sales promotion used to increase consumer purchases which known as in-store promotion, it is more effective during the period when a deal is going on. Some researchers have

different views that promotion is an expensive tool and it may affect negatively on retailer's profits (Walters and Mackenzie, 1988). Additionally, Martinez and Montaner (2006) indicated that there are some factors can induce customers to buy more or less, depends on his economic and hedonistic situation as well as his characteristics.

Promotion is a utensil that used by the retailers or manufacturer to attract consumers and purchase more or tries a service or product. The result of the sales promotion is the used of high quantity stock, appealing many new customers and more increase in sales. Chandon, Wansink and Laurent (2000) indicated that sales promotion may be gorgeous for well promotion prone consumers for reasons beyond price savings. Many consumers change brands so that they could receive greater deals that replicate and build up their smart buyer self-perception, and these consumers are favorably promotion prone, these consumers make an attempt to try a new product or service that have been promoted. For an example, decrease in price for a limited period to attract more a new consumer is referring to as price promotion. Sales promotion means any activity that is utilize by the producer to give confidence the trade (retailer, wholesaler, or network associates) as well as make customers to purchase a brand and boost up sales force to assertively sell it. The term sale promotion refers to several types of selling incentives and methods concave to yield immediate sales effects (Totten & Block, 1994).

Sales promotion is a tool to achieve company's marketing communication objectives and an essential element in planning marketing (Blattberg, 1990). Sales promotion is a short term strategy to derive demand and also special marketing offer which provides more profit than what consumers receive from the sale position of a product and also has sharper influence on sales (Banerjee, 2009).

A sales promotion consists of techniques that are aimed at increasing sales in the short run, meaning that they are mostly used for a short period of time. It offers control, and the costs can be much lower than of advertising. The main characteristics of sales promotions are that they offer better value for money and they try to cause responses immediately (De Pelsmacker, 2001). This tool has the ability to attract and keep loyal customers and is an excellent way to persuade

them build viable link with the organization and involves all motives applied by the producer to persuade trade with members of a channel (Ndubisi, 2006).

Sales promotion has a strong ability to add value and to bring forward future sales. For sales personnel promotional tools are used primarily for motivating staff or supporting them in their selling roles. Brassington and Pettitt (2000) provide a revised definition for sales promotions: “a range of marketing techniques designed within a strategic marketing framework to add extra value to a product or service over and above the normal offering in order to achieve specific sales and marketing objectives. This extra value may be a short-term tactical nature or it may be part of a longer-term franchise-building program.”

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 promotion according to Kotler (2003) has three distinctive characteristics; 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).

Over the years' sales promotion has become an indispensable element of consumer marketing. In the past, advertising used to be one of the most effective marketing tools to reach the target customers to influence their purchasing decision. However, today marketers put more emphasis to sales promotion and are gradually shifting away from traditional method of advertising towards sales promotion. There are number of factors that have resulted in this shift, from traditional method of advertising to the extensive growth of sales promotion. Firstly, companies

everywhere are facing declining real differences between the products and services that they have to offer. Secondly, companies today face a pressure to achieve short term result amid intense competition in the marketplace. Furthermore, with the advent of Internet technology, customers today are more informed about the product offerings, and as a result it has influenced companies to fight harder and faster for every sale (Cummins, 2008).

Marketers use different kinds of promotions such as coupons, sweepstakes, frequent user clubs, and premiums, rebates, price discounts to increase sales, market share, encourage trial, and encourage brand switching (Aaker, 1991). In addition, consumers prefer promotions and are always looking to reap benefit from some form of promotion. They provide utilitarian benefits such as monetary savings, added value, increased quality, and convenience, as well as other benefits such as entertainment, exploration, and self-expression (PChandon et al., 2000).

A large body of literature has examined consumer response to sales promotions, most notably coupons (Sawyer & Dickson, 1984), (Bawa, Kapil, & Shoemaker, 1987), (Gupta, 1988), (Blattberg & Neslin, 1990), (Agarwal & Rao, 1996) and (Leone & Srinivasan, 1996). Despite this, important gaps remain to be studied. It is generally agreed that sales promotions are difficult to standardize because of legal, economic, and cultural differences (Ellen R. Foxman et al., 1988); (Kashani & Quelch, 1990); (Huff & Alden, 1998) Multinational firms should therefore understand how consumer response to sales promotions differs between countries or states or province. According to (Blattberg & Neslin, 1990) sales promotion is a key ingredient in marketing campaigns which consist of collection of incentive tools to stimulate quicker or greater purchase of particular products by the consumers.

Sales promotion plays an important role in the marketing programs of the retailer and it can have a significant impact when customer makes their purchasing decision (Gedenk et al., 2006). Sales promotion adds value to the products or services and it provides an extra incentive to consumer who make purchasing decision based on the promotion. The value created by sales promotion may also vary depending upon the different types of sales promotion such as free sample, price discounts, coupons, point of sale display promotions etc. It provides direct impact on consumer behavior and accelerates the selling process by influencing consumer to make a swift purchase.

Customers look for more fun from the brands they buy. Sales promotion offers novelty, excitement and humor at the point of purchase (Cummins, 2008).

2.1.1 Types of Sales Promotions

Retailer promotion: is the promotion offered directly by the retailers towards the consumers. It includes price cuts, displays, feature advertising, free goods, retailer coupons and contest. (Blattberg & Neslin, 1990).

Trade promotion: is the promotion offered by the manufacturers to the retailers. It includes advertising allowances, display allowances, trade coupons, financing incentives and contests (Blattberg & Neslin, 1990). Trade market promotions: are those sales promotions directed at the distribution channel of a product i.e. distributors, wholesales or retailers (Sam & Buabeng, 2011). For instance, given extra product for a given quantity purchased to entice the retailer to stock the company's product or a reward to retailers who have sold the most products within a given period of time (Sam & Buabeng, 2011).

Consumer promotion: is the promotion offered by the manufactures directly to the consumers. It includes sampling, price packs, rebates and refunds, financing incentive, bonus or value packs, special events, sweepstakes contest, premium, advertising specialties and tie in. (Blattberg & Neslin, 1990).

Consumer promotions are now more pervasive than ever. Witness 215 billion manufacturer coupons distributed in 1986, up 500% in the last decade (Manufacturers Coupon Control Center 1988), and manufacturer expenditures on trade incentives to feature or display brands totaling more than \$20 billion in the same year, up 800% in the last decade (Alsop 1986; Kessler 1986). So far, not much work has been done to identify the purchasing strategies that consumers adopt in response to particular promotions, or to study how pervasive these strategies are in a population of interest. behavior such as brand loyalty, private brand proneness and deal proneness." A greater understanding of the different types of consumer responses to promotions can help managers to develop effective promotional programs as well as provide new insights for

consumer behavior theorists who seek to understand the influence of different types of environmental cues on consumer behavior. (Blattberg, Eppen, & Liebermann, 1981).

Consumer promotions can further be classified as price promotions or non-price promotions. Non-price promotions are for example free samples, special packaging or promotion games, while price promotions are for example discounts or coupons (Gedenk, 2001). Price promotions can be defined as (1) temporary limited discounts to the regular market price, (2) sometimes supported by additional marketing measures (3) to increase sales for a retailer, wholesaler or manufacturer. Sales promotions and price promotions alike, do not necessarily have to focus on reaching short-term goals, such as the immediate increase in sales, but can also be targeted at e.g. increasing a retailer's image or increasing long-term sales (Gedenk, 2001).

2.1.2 Tools of sales promotion

Buy and get one free

Buy and get one free is one of promotion method of sales promotion in which an extra product is offered to the customers at normal price but with greater improve in package. The customers could easily be influenced to purchase the product because there is no condition of any additional price and it should be more valued by the customer to perceived (Sinha & Smith, 2000). Gardener and Trivedi (1998) have written that larger size of package and proper advertising of the product help to make the promotion more attractive. When the extra product is without any additional price, the customer could convinced to purchase the product if the consumers has sense that their money can be kept with this deal. The bonus packages inspire the consumers to purchase the product (Percy, Rossiter & Elliott, 2001). The bonus packs liked by producers or manufacturers because it should increase the product trial, switching a product and forcing stores to stock product. According to Li, Sun and Wang (2007) this technique of promotion would be very useful to manufacturer because it should help the retailers to clear the stock more hastily as contrast price promotion.

Buy and get one free scheme is one type of popular product volume discount nonmonetary sales promotions schemes in which the consumer gets two or more products of the same type for the price of one, or receiving a free product by purchasing some other product. Promotions such as

buy one get one free, buy two get one for free and so on are frequently used to generate unplanned purchase (Inman et al., 2009).

Coupon

Coupons is related to those customers who gained vouchers are eligible to get allowance on the products at its usual price (Ndubisi & Chew, 2006). Coupons are defined as vouchers or certificates, which help consumers to a price reduction on a specific product (Fill, 2002). The value of discount or price cut is set and the coupon must be presented when customer purchases product. According to Cook (2003) coupons are easily understood by the customer and can be extremely useful for trial purchase.

Coupon is a confirmed method by which producers can communicate with customers and it can be used as a strong brand-switching tool. Gardener and Trivedi (1998) reported that for many years as a means of presenting the customer a one-time reduction in price and construct brand consciousness and loyalty, for this purpose coupons have been used as key promotion tools. Actually, coupons have increased brand switching and influence purchases, indicating that consumers are influenced by the discount declared in the coupon. In the previous study it was found that six months after getting one of these coupon proposals, customers were between two and five times more likely to buy and use the promoted brand in the past than were a control group of a like customers who had not acquired coupon. Customers who got the coupon deal were also double as possible to show that they would purchase the promoted brand in the future. Wayne (2002) in a new consumer research on three recent coupon programs showed that the promoted brands gained incremental sales through enlarged trial and succeeding non-coupon purchases.

Price Discount

Price is one of the key elements of marketing mix as it produces revenues and fixing the price is one of the most important yet most sensitive aspects of marketing. In almost every market around the globe price still means the point at which buyer and seller are finally in agreement. Manufacturer, retailers in present day business often create non-price points of difference such as product quality, brand image, packaging and service against their competitors. However intense

competition in the marketplace and with growing ability of competitors to resemble each aspect of non-price points as discussed has made it difficult for marketers to win the confidence of customers. As a result, many businesses, retailers and manufactures today uses price based discount to influence the purchasing behavior of the customers (Ndubisi & Chew, 2006).

Price discount offers consumers products at reduced price from regular price of a product. Price-offs mean that the manufacturer marks the merchandise that the customer could accurately see that the price is lowered (Fill, 2002). A price promotion typically reduces the price for a given quantity or increases the quantity available at the same price, thereby enhancing value and creating an economic incentive to purchase. However, if consumers associate promotions with inferior brand quality, then, to the extent that quality is important, a price promotion might not achieve the extent of sales increase the economic incentive otherwise might have produced. Price discounting is a common practice used by organizations to induce product trial and repeat purchases by new and current customers. According to Blackwell, Miniard and Engel (2001), price discounts played significant roles in influencing consumer product trial behavior by which indirectly attract new consumer.

Consumer product companies spend almost a quarter of their marketing budget on consumer promotions (Inman, Winer, & Ferraro, 2009). According to Schindler (1998) a price promotion that is designed to evoke attributions of responsibility could be expected to appeal to consumers more than one that does not evoke such attributions, and thus have a greater ability to create product trial among consumers. There is a large body of research which is aimed at identifying impact of price promotion like discount on consumer buying behavior. Fill (2002) stated that discount is the simplest technique to offer a direct reduction in the purchase price with the offer clearly labeled on the package or point of purchase display.

Ndubisi (2005) reported that price discount plays significant roles in influencing consumer product trial behavior. Price Discount plays significant role in brand switching, purchase acceleration, stock piling, product trial and spending more in the store (Farrag, 2010). Also, Shi and Prendergast (2004) reports that price discount induces purchase acceleration, spending more and stockpiling among customers. Osman, Chan YinFah, and Foon (2011) described that “price

discounts play significant roles in influencing consumers purchase trial behavior and increase short term sale”. According to Manish Mittal and Poojae Sethi (2011) price discounts are found to be more effective in inducing stock piling, and purchase acceleration, moderate in brand switching, and new product trial in that order, but are not effective enough to induce people to spend more.

Price promotions are used to encourage trial among nonusers of products and services. Therefore, it is important to understand the effects of promotions on evaluations made by consumers who do not have any prior experience with the promoted brand. Such promotions are directed towards completely new customers with intention to introduce the brand. Much research has been done to highlight the positive effects of price discount on purchasing decision of a customer. For instance, ;(Blair & London, 1981) finds that the major reason for marketers to use the price discounts is that this type of deal usually presents a readily apparent value to shoppers, especially when they have a reference price point for the brand, therefore they can recognize the value of the discount. (Alvarez & Cavanagh, 2005) maintain that price-off or money-off are very common promotion techniques as they are effective when attracting customers. Percy, Rossister, & Elliott (2001) reported that consumers pay attention to price-off promotions. Many researchers have found an association between sales promotion and product trial (Wayne, 2002).

Point of sale display promotion/Point of sale materials promotion

Point of sale display is a way of showing product and offerings through in store and out store display such as menu boards, POPs and brochures. (Gedenk et al., 2006) argue that retailer promotions address customers at point of sale; meaning that communication regarding the product or services is best conveyed to the customers at the place and time where most of the purchasing decision is made. Retailers ‘promotion address consumers most at the point of sale therefore, communication regarding promotion best reaches consumers at place and time where most purchasing decision is made, thus increase of promotions at the point of sale drives customer to make decision there (Narasimhan, Neslin & SK, 1996).

Point of sale display promotions are designed to build traffic, advertise a product, or induce impulse purchases and include display racks, counter pieces, in store promotions and self-

cartons. Ferrell and Hartline (2008) points out that volume gains arising from price promotion are larger if price promotion is advertised in point of sale or advertising. Similarly, IB and A (2011) also mentioned that sales promotion tends to work best when it is applied to impulse items whose features can be judged at the point of purchase, rather than more complex, expensive items that might require hands on learning. Gift giving is used to increase sales, enhance brand, create awareness, and increase customer loyalty (Kendrick, 1998).

Similarly, previous studies support that in-store display sharpness has the greatest effect on product trial when compared to other sales promotional tools. Eye-catching in-store displays are essential to achieve maximum sales from product trial (Kendrick, 1998).

Premium

Though the majority of promotion involves financial saving, some promotions could be non-financial. One kind of non-financial promotion frequently used by retailers nowadays is offering customers a free gift as an alternative of a price discount. Though researchers argue that non-price promotions such as free gifts are perceived as a little achievement when compared to price discounts, retailers continue to use this promotion tool to attract the customers (Diamond & Johnson, 1990).

As suggested by the previous studies, price discounts directly reduce the price that consumers would have paid for the product. But in a free gift promotion, the value of the promotion (free gift) could be equivalent to a discount; yet, it does not reduce the price of the product itself at the focal product purchase and therefore is perceived as a little gain by the customers (Diamond & Johnson, 1990).

A premium is a product or service offered at a relatively low price in return for the purchase of one or many products or services (d'Astous & Jacob, 2000). For instance, premium promotion is free tooth brush with a purchase of toothpaste, free containers with a purchase of food products or free glasses with a purchase of soft drinks etc.

Darkea and Chungb (2005) indicate that free gift promotion is effective in maintaining quality perception because consumers make quality inferences based on the original price rather than the

price corrected for the value of the free gift. This implies that devising an offer as a separate free gift is a good tool to communicate value to customers. Jha-Dang and Banerjee (2005) also support this reasoning. Similarly, Neha and Manoj (2013) also indicated that premium promotion is one of the most influencing variables for consumer purchase decision. This means that free gifts or premium promotion differentiates a promotional benefit in form of a tangible, separate product which is often complimentary product offered to the customers. These free gifts and premium often create value to the customers and induce them to purchase a product.

Free Samples

Free samples refer to offering of products or service customers without charging any cost in the hope that customers will buy the product. A free sample offers the customer a chance to use the product by providing a free small portion of the product to test (Blattberg & Neslin, 1990).

Shimp (2003) defined sampling as any activity which includes any method used to deliver an actual-or trial sized products to consumers. The objective of free sample is to persuade customer to try the product and to make product positively perceived by the consumer. Free sample is being widely popular among marketers and retailers as one of the effective promotional tool as it directly enhances product trial amongst customers. Therefore, many firms nowadays are focusing on mailing a small package of free samples to the customers to enhance direct product trial rather than just spending on communication media which just lets customers to hear about the product information (Kardes, 1999).

Fill (2002) presumes that sampling has the most impact on consumers. It could be provided as presentation in front of customers, small amounts designed to trial or usage of the product promoted free of charge as he notes as well. He continues that the cosmetic industry often applies perfumed space on pages of magazines for women, which seems to be pioneering method of how to make the trial less difficult. Shimp (2003) believes that sampling in spite of its high costs has been observed as an integral part of department stores more and more. Product trial engages a consumer to actually try or use a product (Kardes, 1999).

Refund or Rebate

This is a promotion offer by a marketer to return a certain amount of money when the product is purchased alone or in combination with other products. Refunds aim to increase the quantity or frequency of purchase to encourage customers to “load up” on the product. This strategy dampens competition by temporarily taking consumers out of the market, stimulates the purchase of postponable goods such as major appliance, and creates on shelf excitement by encouraging special displays. Refunds and rebates are generally viewed as a reward for purchase, and they appear to build brand loyalty rather than diminish it. (Quelch, John A, 1989).

Contests or Sweepstakes

The main difference between contests and sweepstakes is that contests require entrants to perform a task or demonstrate a skill that is judged in order to be deemed a winner, while sweepstakes involve a random drawing or chance contest that may or may not have an entry requirement. Participation in contests is very low compared to sweepstakes, since they require some sort of skill or ability, and because of legal changes and low cost of sweepstakes. (Ward & Hill, 1991). Games such as sweepstakes and lucky draws are used by supermarkets to attract traffic. People participate in these games because of perceived extrinsic and intrinsic values, such as the perceived value of the prize and perceived fun and interest (Ward & Hill, 1991).

Special Events

This marketing offers a number of advantages. First, events tend to attract a homogenous audience that is very appreciative of the sponsors. Therefore, if a product fits well with the event and its audience, the impact of the sales promotion will be high. Second; event sponsorship often builds support among employees, who may receive acknowledgement for their participation, and within the trade. Finally, compared to producing a service of ads, events sponsorship is prepackaged and reusable, such as booths, displays, and ads. Special events' marketing is available to small businesses, as well, through sponsorship of events on the community level. (Ward & Hill, 1991).

Physical Surroundings

Now a day's Shopping centers had different kinds of store and most of countries clutch similar sales advertisings yearly. Throughout the sales advertising, retail shops frequently change in physical surrounding with various kinds of music, décor and sales discount ranging from 25 to 75 per cent. This friendly environment transform would motivate and influence consumers purchasing behavior. It is frequent to watch that shopping malls lean to put up amazing physical surrounding as extrinsic value to draw customers to the mall and stores. In addition, the picture of the shopping Centre encourages consumer store condescending (Sit et al., 2003). This "front line" picture attraction is useful to retail stores. The elements that are include in physical surrounding such as arrangement, interior design and decoration, lighting, music, smell and cleanliness (Baker, 1987). It would be observed that during festive period like Christmas, individual footwear stores' sales persons decent in festive clothing adds glamour its environment. Other researches also shows optimistic relations by purchasers to the physical surroundings, which lean to encourage their useful requirements (Kim, 2002 and Keng et al., 2007). In the next purchase, consumers frequently try to form an assessment of their past mall and store experiences on the physical surroundings and services provide.

Continuity programs

Continuity programs retain brand users over a long time period by offering ongoing motivation or incentives. Continuity programs demands that consumers keep buying the product in order to get the premium on the future. Trading stamps, popularized in the 1950s and 1960s, are prime examples. Consumers usually received one stamp for every dime spent at a participating store. The stamp company provided redemption centers where the stamps were traded for merchandise. A catalog listing the quantity of stamps required for each item was available at the participating stores. Today, airlines' frequent-flyer clubs, hotels frequent-traveler plans, retailers frequent shopper programs, and bonus paying credit cards are common continuity programs. (Ward & Hill, 1991).

2.1.3 Consumer decision making process

Purchase decision is defined as the stage at which the buyer or the consumers actually buys the products (Kotler, 1999). Berkowitz (1994) also proposes that the visible act of making the

purchase decision lays an important process that a buyer passes through in making choices about which products and services to buy or consume. Berkowitz (1994) however suggested that there are five stages involved anytime a consumer wants to make a purchase decision.

2.1.4 Stages in the Purchase Decision

Problem Recognition is the first step in the purchase decision. In marketing, advertising or sales people can activate a consumer's decision process by showing the shortcomings of competing products (Ngolanya et al., 2006). The shortcomings according to them may include differences in prices, whereby the competitors' products are priced relatively higher than that of the company. Premiums can also be offered so as to attract competitor's customers. The consumer begins to search for information after recognizing the problem. The consumers may go through their memory for previous experiences with the brand or products. This according to Berkowitz et al (1994) is known as internal search. The consumer may also undertake an external search for information, this is especially if the past experience or knowledge is insufficient. Primary sources of external information are; personal sources for example relatives and friends whom the customer trusts, public sources for example product rating organizations like National Communication Authority, consumer reports and television consumer programs and marketer dominated sources such as information from sellers that include advertising, point of purchase displays and inquiry from sales people (Ngolanya et al., 2006).

The information search stage clarifies the problem for the consumer by suggesting criteria to use for the purchase and yielding brand names that might meet the criteria. The information the consumer has may not be adequate because it does not contain all the factors to consider. It is therefore important for the consumer to come up with evaluative criteria that represent both objective attributes of the brands they may consider important (Ngolanya et al., 2006). This knowledge according to them will assist the marketer to identify the most important evaluative criteria consumers use when judging products or services.

An evoked set is the set or groups of brands in the product class of which the consumer is aware (Berkowitz et al., 1994). The consumer therefore makes a decision after examining the alternatives in the evoked set. Impulse buying however occurs most often during the purchase

decision stage and therefore marketers must therefore take advantage of the impulse buying. Marketers may offer consumers something of value so that the consumers are tempted to buy the products and if the value is convincing enough, they may just end up purchasing the product (Ngolanya et al., 2006).

Consumers do not necessary follow through the process on their intentions (Ngolanya et al., 2006). They argued that developments at the purchase stage may cause the consumer to make a less preferred choice or not to buy at all. The circumstances at the time of sale may influence purchase decisions, the consumers preferred brand may be out of stock which could lead to no sale or seeking more information from the sales persons may shift their brand preference that the consumer had not intended to buy. Consumers who engage in low involvement decision-making process are a challenge for marketers. Little time and effort is spent on the purchase choice, hence information aimed at convincing consumers of the benefits of the brand is likely to be selectively ignored (Ngolanya et al., 2006). Getting the consumer to try the product on the spur of the moment is crucial. Free samples and coupons can be used to encourage consumers to try a low involvement product.

The final step in the purchase decision process is the post –purchase behavior of the consumer. After purchase, the consumer compares the actual experience with his expectations and may either be satisfied or dissatisfied. If the consumer was dissatisfied, the likelihood of purchasing that brand becomes very low whereas the probability of a satisfied consumer purchasing the same brand is very high. In the post purchase evaluation stage, consumers build experience and knowledge about the service and make evaluation whether the service has met their expectations or not. Consumers have a predetermined standard against which to compare the outcome, (Gabbath & Hogg, 1994).

Consumer decision making process is adjusted according to the complexity of the purchased service. Decision making in more complex offerings may involve more information search and evaluation than decisions in simple offerings and thus process lasts longer. In an extreme situation, the consumer can even feel that the service is too complicated and decides not to purchase at all. When a need is actualized, consumer might move straight to buying without

searching information or evaluating alternatives. In these situations, the consumer just buys the services that is familiar or reaches in for a competing service (Kotler, 2006).

2.1.5 Effects of Sales Promotion

Result of sales promotion can either be long term or short term effects and it could also influence the store choice, category choice, consumption rate, stockpiling and even new product trial of consumers. Short term effects occur during the time of promotion and long term effects, which involves behavior after the promotion has taken place (Gedenk et al., 2006). The indication of a short-term consequence appears to be well recognized in a literature. It is suggested that sales promotion can build brand awareness and persuade trial, influence sales, expand target market and provide opportunity to be a market leader (Pham et al., 2001). Sales promotions are usually unbeaten in encouraging customers to make a prompt purchase while it is offered. Nevertheless, the strength of promotion also lies in its suppleness to promptly respond to competitor attacks (Luxton, 2001).

Sales may increase during promotion as it can attract customers from other stores and it may induce them to switch brands and influence them to buy from the promoted category rather than another category, it can also induce customer who do not use the product to buy the product because of the promotion.

Despite these benefits, the question remains whether these effects are made at the expense of the long term impact that sales promotion may have on companies. Sawyer and Dickson (1984), proved that there is evidence pointing towards sales promotion having a negative effect on brands, especially in relation to advertising. It is argued that sales promotion does not have any brand-building impact and could lead to diminishing effects for the brand, particularly well-established ones.

2.1.6 Effect of sales 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 behavior 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., 1994).

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 customer's 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).

Numerous studies have been conducted to examine the responses of consumer to sales promotion. 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. On the other hand, Gilbert and Jackaria (2002) argue that a free sample as a promotion tool had little or no significance on consumer 's buying behavior, however, other studies have shown a significant impact of free samples on consumer 's purchase decision (Fill, 2002). Shimp (2003) reported that a free sample had influence on consumer's buying behavior. And Lammers (1991) stated that free sample was positively related to immediate sales of that particular brand.

Berkowitz et al (1994) 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.

Shrestha (2015) studied the effects of sales promotion on purchasing decision of customers. The results of data analysis indicate that price discount, free samples, and in store displays are associated with the product trial and are popular among consumers. Krishna and Zhang (1999) observed that coupons and discounts are the most widely used sales promotional tools in the grocery products industry. Compared with price discounts, coupons are less favored by consumers because they require greater involvement. However, the more price-conscious the consumer, the more positive will be his/her attitude towards a coupon (Huff & Alden, 1998).

Buy and get one free promotions may be offered to shoppers at the regular price, thus adding value to the product. Since an additional amount is given for free, consumers may be persuaded to buy the product. This means consumers must compare and evaluate the additional quantity received with respect to any costs they may incur. For instance, storing the additional quantity may be inconvenient for the consumer due to a lack of storage space (Gilbert & Jackaria, 2002).

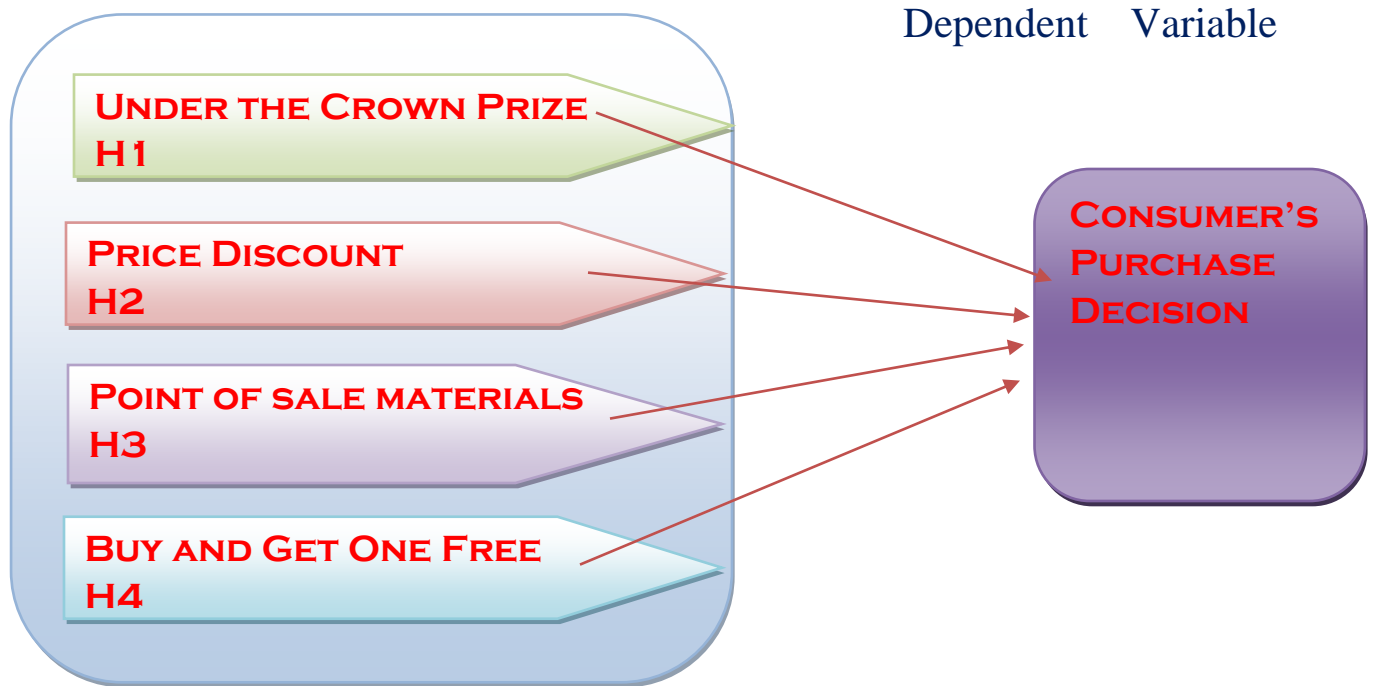
A price discount is a temporary reduction of the list price of the product. The major strategic goal of a price discount is to discriminate between informed and uninformed consumers, or between

loyals and switchers. Studies show that price discounts are particularly effective in inducing purchase acceleration and product trial (Gilbert & Jackaria,2002).

In-store demonstrations, such as product trial or tasting are widely used to introduce new products or new brands. The demonstrations can influence the perception of consumers towards a new product by offering product information and experience. They can also help reduce the resistance of consumers to new products by lowering functional and psychological barriers (Ram & Sheth, 1989).

2.2 Conceptual Framework and Hypothesis

Figure 1 *Conceptual Framework of the study*
Independent Variables



Obtaining a prize (like under the crown prize) has effect on consumer purchase behavior due to inherent willingness to gain advantage (additional) of the product purchase (Huff & Alden, 1998). Hence, following hypothesis can be proposed:

H1. Under the crown prize is very effective in inducing purchase decision of beer.

According to Shrestha (2015), sales promotion through price discount is associated with the product trial with great popularity among consumers. Therefore, the following hypothesis can be proposed:

H2. Price discount is very effective in inducing purchase decision of beer.

Point of sale materials promotion is widely used to introduce new products or new brands, and can influence the perception of consumers towards a new product by offering product information and experience (Ram & Sheth, 1989). Therefore, following hypothesis is proposed:

H3. Point of sale materials promotion is very effective in inducing purchase decision of beer.

According to Gilbert and Jackaria (2002), buy and get one free promotions may be offered to shoppers at the regular price, thus adding value to the product and induce their purchase. As consumers are getting additional amount of the product as free, they may be persuaded to buy it. Hence, following hypothesis can be proposed:

H4. Buy and get one free is very effective in inducing purchase decision of beer.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Method

Research method refers to techniques researcher use in performing research operations (Kothari, 1990). Olle Stromgren (2007) presents two approaches, inductive and deductive methods. Inductive approach is initialized by specific observations in a data material from which generalizations are made without conducting literature reviews. Thus, it is creating new theory from observation, pattern identification and hypothesis. A deductive approach is the opposite, initiating by reviewing and gathering theory from which conclusions are made. These mentioned methods of reasoning are different, while an inductive reasoning, by its very nature, is more open-ended and exploratory; a deductive reasoning is narrow and is concerned with testing or confirming hypotheses. Accordingly, the researcher employed deductive research strategy.

Quantitative research is an empirical research where the data are in the form of numbers. It aims at testing an assumption that has been formulated in advance in the form of hypothesis (Flick, 2009). It tends to involve relatively large scale and representative sets of data.

Qualitative research on the other hand is empirical research where the data are not in numerical form (Punch, 2005). It is concerned with exploring information and focusing on details as much as possible.

In this research, the researcher determines that the most appropriate method for this research is a quantitative research. This is because the quantitative approach allows the researcher to examine the relationship between the study variables.

3.2 Research Design

Research design represents the major methodology driving the study, which are distinctive and specific research approaches that are best suited to answer the research question (Comack, 1996).

The purpose of the research design, as stated by Burns and Grove (2001) is to achieve greater control of the study in examining the research problem.

Research can be classified as descriptive, explanatory and exploratory depending on the specific purpose that the research tries to address. Descriptive research sets out to describe and to interpret what is. It looks at individuals, groups, institutions, methods and materials in order to describe, compare, contrast, classify, analyze and interpret the entities and the events that constitute the various fields of inquiry. It aims to describe the state of affairs as it exists. On the other hand, explanatory research, aims at establishing the cause and effect relationship between variables. The researcher uses the facts or information already available to analyze and make a critical evaluation of the data/information. Exploratory research is less formal, sometimes even unstructured and focuses on gaining background information and helps to better understand and clarify a problem. It can be used to develop hypotheses and to develop questions to be answered (Abiy et al., 2009).

Accordingly, the researcher used descriptive and explanatory research design with which to describe and explain the four sales promotion dimensions and the relationship between sales promotion and purchase decision of consumers.

3.3 Population and sampling

3.3.1 Population

Population is defined as the entire collection of individual from which the researcher collect data. It is the entire group that the researcher is interested in (Jackson, 2008). All individuals of interest to the researcher are called population (Alan & Kaufman, 2005). The target population in this research is all the consumers of Walia beer residing in Addis Ababa.

3.3.2. Sampling

Sampling is the selection of fraction of total number of units of interest for the ultimate purpose of being able to draw general conclusions about the entire body of unit (Parasuruman, 2004).

The population of this research is consumers of Walia beer who found in Addis Ababa. But since the population size cannot be precisely known the research paper used the following formula. So

to find out the sample size when the population is unknown, is determined with the use of Top man formula as presented below (Hair et al., 2005).

$$n = \frac{Z^2 pq}{E^2}$$

Where;

n=Required sample size

Z = Degree of confidence

P= probability of positive response (0.5)

Q = Probability of negative response (0.5)

E = Tolerable error (0.06)

Z= (1.96)² n= 1.96²x0.5x0.5

P=0.5 (0.05)²

Q=0.5 =3.84x0.25

E= (0.05)² 0.0025

$$n = \frac{Z^2 pq}{E^2} = \frac{(1.96)^2 0.5 * 0.5}{(0.06)^2} = 266.777 \approx 267$$

From the above calculation it can be understood that the number participants or subjects for this study are 267 and the designed questionnaire were administered to these respondents and their responses were analyzed and presented in a matter which represents the target population, which is Walia beer consumers in Addis Ababa. The selection of respondents were places which are considered to be areas where beer consumers can mostly be found. These places are Restaurants and Bars.

The above mentioned 267 samples plus 10% contingency i.e. 26.7 \approx 27 were distributed. A total of 294 questionnaires were selected from four sub cities of Addis Ababa. Addis Ababa has ten sub cities which are Addis Ketema, Akaki, Arada, Bole, Chirkos, Gulele, Kolfe Lideta, Nefasilk, and Yeka, out of this ten sub cities four are selected randomly which are Arada, Bole, Chirkos and Nefasilk by using lottery method. And again randomly 3 bars and restaurants were selected

from each sub city, which means 12 bars and restaurants and then 74 questionnaires were distributed for Arada, Bole and Cherkos each, 72 questionnaires were distributed to Nefassik by using Accidental sampling technique. The total distributed questionnaires were 294.

Table 3.3 Questionnaires Distribution

Sub City	Number of Bars and Restaurants selected from sub cities	Number of distributed questionnaires to each sub city
Arada	3	74
Bole	3	74
Cherkos	3	74
Nifassilk	3	72
Total	12	294

3.4 Data collection instrument

This research used questionnaire to collect primary data because of the geographical distribution of the population of this research. The population of this research are scattered over a wide geographical area, and questionnaire is considered as the most feasible tool to reach them in the given time period. therefore, the use of questionnaire is comparatively convenient and inexpensive in contrast to other tools.

The questionnaire comprises of 25 items. It is divided into 2 parts. The first part consists of 5 general questions and perception related questions such as personal background, demographics, income level, perception to Walia beer and regularity of consumption of the respondents whereas the second part consists of the 20 items to measure sales promotion tools and consumer purchase decision adopted from AjanShrestha (2015). All the scale items will be based on a five point

Likert scale ranging from 1 (being strongly disagree) to 5 (being strongly agree) (Malhotra et al., 2007).

3.5 Data analysis techniques

Data analysis consists of examining, categorizing, tabulating, or otherwise recombining the evidence to address the initial propositions of a study (Malhotra et al., 2007). The data collected were edited, coded, tabulated, and presented for analysis.

The study used descriptive statistics along with inferential analysis. In line with research objectives specifically percentages, mean scores and standard deviation were computed for describing the profile of respondents and scale item. Correlation and multiple regression analysis were used to examine the relationship and effect of independent variables (under the crown prizes, price discount, Point of sale materials promotion and buy and get one free) on the dependent variable (Consumer purchase decision).

3.6 Reliability and Validity

Kazi (2010) suggest two major criteria which applied to evaluate the quality of the study. These are validity and reliability.

3.6.1 Reliability

The coefficient alpha, or Cronbach's alpha, is the average of all possible split-half Coefficients resulting from different ways of splitting the scale items. This coefficient varies from 0 to 1, and a value of 0.6 or less generally indicates unsatisfactory internal consistency reliability (Naresh & David, 2007). Hence the coefficient alpha of this study shows 0.988, it shows that the internal consistency of the research instrument is satisfactory and reliable.

Table 3.6.1 Reliability statistics

Items	Cronbach's Alpha	N of Items
Under the crown prize	0.796	5
Price discount	0.821	4
Point of sale materials	0.707	4
Buy and get one free	0.725	3
Purchase decision	0.720	4
Overall Reliability	0.988	20

(Source: survey result, 2017)

3.6.2 Validity

Seif (2006) argues that validity is an assessment of the sufficiency and appropriateness of interpretations and usage of assessment results. It is considered as the similarity between the test performance and the criterion performance. So, the first pretest is given after the draft questionnaire is written in order to eliminate the possible mistakes; the second test is given after the questionnaire is finalized. It has been distributed to Walia beer consumers and the related Marketing experts to mark out the flaws in the questionnaire. Then, its finalized version was given to consumers to be filled out.

3.7 Ethical Considerations

According to Saunders, Lewis and Thornhill (2001) Ethics refers to the appropriateness of behavior in relation to the rights of those who become the subject of study, or are affected by it. All information was treated with confidentiality without disclosure of the respondents' identity. Moreover, no information was modified or changed, hence the information was presented as collected and all the literatures collected for the purpose of this study are acknowledged in the reference list. The purpose of the study is disclosed in the introductory part of the questionnaire. Furthermore, the researcher tried to avoid misleading or deceptive statements in the questionnaire. Lastly, the questionnaires were distributed only to voluntary participants.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Introduction

In this chapter, the data collected through survey are analyzed using statistical tool of SPSS Version 20. First, the survey overall response used are discussed followed by discussion on the respondent's profile, and perception of the respondents on different variables using descriptive statistical tools. Finally, the results of the correlation analysis and multiple regression analysis are presented.

4.2 Questionnaires Response

The sample size for this research is 294 (267+10% contingency). From the total 294 questionnaires distributed, 287 were returned (97.6% return rate), of which 20 questionnaires were found incomplete and rejected from the analysis. Therefore, the researcher took 267 questionnaires for analysis.

Table 4.2: Overall Response

Sample	Number
Number of questionnaires distributed	294
Returned questionnaires	287
Not returned questionnaires	7
Incomplete questionnaires	20
Total usable questionnaires	267

4.3 Demographic profile of respondents

Table 4.3.1. Age of respondents

Age	Frequency	Percentage
18-30	84	31.5%
31-45	111	41.6%
46-60	61	22.8%

61+		11	4.1%
Total		267	100%

Source: Survey result (2017)

Table 4.3.1 Illustrates the frequency and percentage distribution of age of the respondents of this research. The age group is categorized into 4 groups. The largest group of respondents falls into the age group of 31-45 years. It represents 41.6% of the total sample. Secondly, the respondents aged 18 -30 years represent 31.5% of the total sample. Next, respondents aged 46 – 60 years represent 22.8% of the total sample. Finally, respondents aged 60 years and above represents 4.1% of the total sample.

Table 4.3.2 Gender of respondents

Gender	Frequency	Percentage
Male	180	67.4%
Female	87	32.6%
Total	267	100%

Source: Survey result (2017)

Table 4.3.2 illustrates the frequency and percentage distribution of gender of the Respondents; Out of 267 respondents surveyed in this research; 67.4% were Male respondents and 32.6% were Female respondents.

Table 4.3.3 Monthly income of respondents

Income	Frequency	Percentage
3500 and below	73	27.3%
3501-10000	104	39.0%
10001-25000	81	30.3%
25001 and above	9	3.4%
Total	267	100%

Source: Survey result (2017)

Table 4.3.3 illustrates that the largest group of respondents have the income level of 3501 - 10,000 birr, it represents 39.0 % of the total sample. Secondly, respondents with a monthly

income of 10001 – 25,000 birr represent 30.3% of the total sample. Next, respondents with monthly income lower than 3500 birr represent 27.3%; respondents with a monthly income above 25,000 birr represent 3.4% of the total sample in this research.

4.4 Descriptive analysis of likeability of Walia beer

Table 4.4 Do you like Walia beer?

Likeability	Frequency	Percentage
Yes	202	75.7%
No	65	24.3%
Total	267	100%

Source: Survey result (2017)

Table 4.4 illustrates the frequency and percentage distribution of respondents who likes Walia beer. Out of 267 respondents surveyed in this research, 75.7% likes Walia beer and 24.3% respondents doesn't like Walia beer.

4.5 Descriptive analysis of frequency of consumption

Table 4.5 How often do you buy Walia beer brand?

Consumption frequency	Frequency	Percentage
Everyday	61	22.8%
3 times a week	77	28.8%
Once a week	63	23.6%
2-3 times a month	37	13.9%
Once a month	29	10.9%
Total	267	100.0%

Source: Survey result (2017)

Table 4.5 illustrates the frequency and percentage distribution of respondents who buy Walia beer. Out of 267 respondents surveyed in this research, 28.8% buys Walia beer 3 times a week; 23.6% buys Walia beer once a week, 22.8% of respondents buys Walia beer every day, 13.9% buys Walia beer 2-3 times a month and 10.9% buys Walia beer once a month.

4.6 Descriptive Analysis

Descriptive Analysis of the Level of Agreement of the Respondent's Perception towards Different Variables of the Research. The researcher uses itemized rating scale to construct a range. This range will be used to measure the perception level of the respondents towards each variable. The researcher uses the following formula to construct the range.

$$\text{Itemized rating scale} = \frac{\text{Max} - \text{Min}}{n_i} = \frac{5 - 1}{5} = 0.8$$

The mean each individual rating from 1-5 fall within the following interval

Table 4.6.1 Interval of mean

Interval of mean	Perception
1.00-1.80	Strongly disagree
1.81-2.60	Disagree
2.61-3.40	Neutral
3.41-4.20	Agree
4.21-5.00	Strongly agree

Source: (poonlar Btawee,1987).

Under the crown prize

Table 4.6.2 Perception towards Under the crown prize

Q	Under the crown prize	Mean	S.D
1	If a brand offers under the crown prize that could be reason for me to buy it.	3.93	0.975
2	I am more likely to make purchase if I know that there is under the crown prize.	3.89	0.977
3	Under the crown prize has allowed me to buy a brand which I have never tried before.	3.69	1.155
4	I am willing to switch brands if Under the crown prizes are offered by the competing brands.	3.76	1.020
5	I am willing to spend more on purchase of a product to win under the crown prize.	3.87	1.093

(source: survey result,2017)

Table 4.6.2 Shows the respondent's perception towards the relationship between under the crown prize and purchase decision. It shows that most respondents agree on that if a brand offers crown prize that could be a reason for them to buy it, with a mean score of 3.93. Similarly, respondents agree that, they most likely make purchase decision if they know there is crown prize on the product with mean score of 3.89. Furthermore, respondents agree that, they are willing to spend more on a purchase of a product to win crown prize with mean score of 3.87. In addition, respondents also agree that they are willing to switch brands if crown prize are offered by the competing brands with a mean score of 3.76 and finally respondents agree that crown prize has allowed them to buy a brand which they have never tried before with a mean score of 3.69.

Price discount

Table 4.6.3 Perception towards Price discount

Q	Price discount	Mean	S.D
6	When I buy a brand that has a discounted price, I feel I am getting a good buy.	4.05	.805
7	Price discount has allowed me to buy another brand which I do not regularly buy.	3.80	1.085
8	I tend to buy more than usual when offered price discounts.	4.24	.771
9	Price discounts influences me to make unplanned purchase.	3.98	.956

(source: survey result, 2017)

Table 4.6.3 Shows the respondent's perception towards the relationship between price discount and purchase decision. It shows that most respondents strongly agree on that they tend to buy more than usual when offered price discounts, with mean score of 4.24. In addition, respondents agree that, when they buy a brand that has a discounted price, they feel that they are getting a good buy with mean score of 4.05. Furthermore, respondents agree that, Price discounts influences them to make unplanned purchase with mean score of 3.98. and finally respondents agree that Price discount has allowed them to buy another brand which they do not regularly buy with a mean score of 3.80.

Point of sale materials

Table 4.6.4 Perception towards Point of sale materials.

Q	Points of sale materials	Mean	S.D
10	Attractive and clear point of display influences my purchasing decision.	4.11	.864
11	Point of sale materials remind me the brand and compel me to purchase the product.	3.97	.877
12	Point of sale materials drives me to make impulse purchase.	4.11	1.018
13	If I am exposed to point of sale materials often I tend to buy the product.	3.82	1.036

(source: survey result, 2017)

Table 4.6.4 Shows the respondent's perception towards the relationship between point of sale materials and purchase decision. Most respondents agree that the Attractive and clear point of purchase has a big influence on their purchasing decision with a mean score of 4.11. Respondents also agree that Point of sale materials drives them to make impulse purchase with mean score of 4.11. In addition, respondents agree that point of sale materials remind me the brand and compel them to purchase the product with a mean score of 3.97 and Finally Respondents agree that If they are exposed to point of sale materials often they tend to buy the product with a mean score of 3.82.

Buy and get one free

Table 4.6.5 Perception towards Buy and get one free

Q	Buy and get one free	Mean	S.D
14	I have favorite brands, but most of the time I buy a brand that offers buy and get one free.	4.15	.856
15	I am more likely make purchase if I know that there is buy and get one free.	3.96	.945
16	I often spend more if I can receive a buy and get one free.	3.91	1.020

(source: survey result, 2017)

Table 4.6.5 Shows the respondent's perception towards the relationship between Buy and get one free and purchase decision. Respondents agree that they have favorite brands, but most of the time they buy a brand that offers buy and get one free with mean score of 4.15. In addition, respondents agree that they most likely make purchase if they know that there is buy and get one free with a mean score of 3.96 and Finally Respondents agree that they often spend more if they can receive a buy and get one free with a mean score of 3.91.

Purchase Decision

Table 4.6.6 Perception towards Purchase Decision

Q	Consumer Purchasing Decision	Mean	S.D
17	I buy Walia only during sales promotion.	3.88	1.076
18	I tend to buy Walia with the expectation of sudden promotion.	3.65	0.998
19	I instantly make purchase decision if there is any form of sales promotion.	3.79	1.073
20	My purchase decision is based on sales promotion offered by the brand.	3.97	0.977

(source: survey result, 2017)

Table 4.6.6 Shows the respondent's perception towards the relationship between sales promotion and purchase decision. Respondents agree that their purchase decision is based on sales promotion offered by the brand with a mean score of 3.97. Respondents also agree that they buy Walia only during sales promotion with a mean score of 3.88. In addition, respondents agree that they instantly make purchase decision if there is any form of sales promotion with a mean score of 3.79. Finally, respondents agree that they tend to buy Walia with the expectation of sudden promotion with a mean score of 3.65.

Table 4.6.7 Descriptive Statistics of variables

Variables	Mean	Standard deviation
Under the crown prize	3.8300	0.64587
Price discount	4.0159	0.57516
Point of sale materials	3.987	0.63471
Buy and get one free	4.0075	0.73913
Purchase decision	3.8212	0.76032

(source: survey result, 2017)

Based on table 4.6.7 above, Price discount has the highest mean score of 4.0159 with a standard deviation of 0.57516 followed by Buy and get one free with a mean score of 4.0075 with a standard deviation of 0.73913. Point of sale materials stood at third level with a mean value of 3.987 with a standard deviation of 0.63471 which was also followed by under the crown prize at mean score of 3.83 with a standard deviation of 0.64587. Purchase decision was the least variable with mean score of 3.8212 with a standard deviation of 0.76032. On the other hand, the standard deviation shown on each variable was relatively low. Low standard deviation means that the data are narrow spread, which tells that customers gave close opinion on each variable.

4.7 Correlation Analysis

A correlation coefficient is a very useful means to summarize the relationship between two variables with a single number that falls between -1 and +1 (Field 2005). A correlation analysis with Pearson's correlation coefficient was conducted on all the independent and dependent variables in this study to explore the relationship between variables. According to guidelines suggested by Field (2005) to interpret the strength of relationship between variables, the correlation coefficient(r) is as follows: if the correlation coefficient falls between 0.1 to 0.29, it is weak; 0.3 to 0.49 is moderate; and > 0.5 is strong relationship between variables.

Table 4.7 Correlation between independent and dependent variables

		Correlations				
		Crown prize	Price discount	Point of sale	Buy and get one free	Purchase decision
Crown prize	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	267				
Price discount	Pearson Correlation	.324**	1			
	Sig. (2-tailed)	.000				
	N	267	267			
Point of sale materials	Pearson Correlation	-.023	.439**	1		
	Sig. (2-tailed)	.707	.000			
	N	267	267	267		
Buy and get one free	Pearson Correlation	.208**	.431**	.344**	1	
	Sig. (2-tailed)	.001	.000	.000		
	N	267	267	267	267	
Purchase decision	Pearson Correlation	.172**	.544**	.560**	.413**	1
	Sig. (2-tailed)	.005	.000	.000	.000	
	N	267	267	267	267	267

** . Correlation is significant at the 0.01 level (2-tailed).

(source: survey result, 2017)

From the results shown in table 4.7 above, each variable correlated perfectly with itself with coefficients value of +1.00. The correlation matrix shows that there is a strong, positive and significant relationship between point of sale materials and purchase decision with a value of an $r=0.560$. The results of Pearson correlation matrix also show that there is a strong positive relationship between price discount and purchase decision with a value of $r=0.544$ and there is a significant positive and moderate relationship between buy and get one free and purchase decision with a value of $r=0.413$. There is also a significant positive but weak relationship between under the crown prize and purchase decision with a value of $r=0.172$. The correlation between all the independent variables and dependent variable is proved to be positive and

significant, which means the improvement in any or all of the independent variables results in improvement in purchase decision.

Price discount has positive, significant and moderate relationship with Point of sale materials, buy and get one free and crown prize respectively. Buy and get one free has positive, significant and moderate relationship with Point of sale materials. Buy and get one free has weak, positive and significant relationship with crown prize. Crown prize and point of sale materials has insignificant relationship.

4.8 Multiple Regression Analysis

In order to determine the explanatory power of the independent variables in the variance of the Dependent variable, multiple regression analysis was employed. In other words, Regression was conducted in order to see contribution of factors that consumers perceive to be important in affecting purchase decision of consumers, Purchase decision was used as the dependent variable while sales promotion dimensions were used as the independent variables.

Before the regression analysis, assumptions of variables were tested for checking errors. These are Normality, Multicollinearity, Homoscedasticity, Autocorrelation and Linearity. The result tables are presented as follows in table 4.8.1, 4.8.2 and Figure 4.8.3 and 4.8.4 respectively.

Table 4.8.1 Collinearity statistics

Model	Collinearity Statistics	
	Tolerance	VIF
Constant		
Crown prize	0.849	1.179
Price discount	0.644	1.553
Point of sale materials	0.742	1.348
Buy and get one free	0.773	1.294

(source: survey result, 2017)

Multicollinearity occurs when there are high intercorrelations among some set of the predictor variables. The rule is that when tolerance value is less than 0.2 and the VIF exceeds 10; it is a

signal of multicollinearity, which could lead to misleading and/or inaccurate results (pallanet, 2005). Refer to collinearity Statistics shown above in Table 4.8.1, the tolerance and VIF showed that there was no multicollinearity between the study predictors.

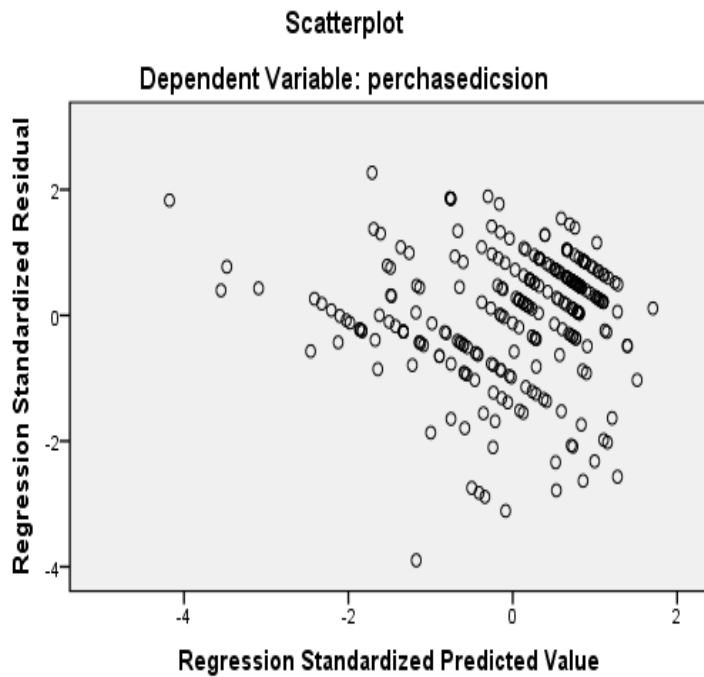
Table 4.8.2 Normality Test

	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
Crown prize	267	-.442	.149	-.262	0.297
Price discount	267	-.801	.149	.916	0.297
Point of sale	267	-.965	.149	.382	0.297
Buy and get one free	267	-1.098	.149	.870	0.297
Purchase decision	267	-.614	.149	-.388	0.297

(source: survey result, 2017)

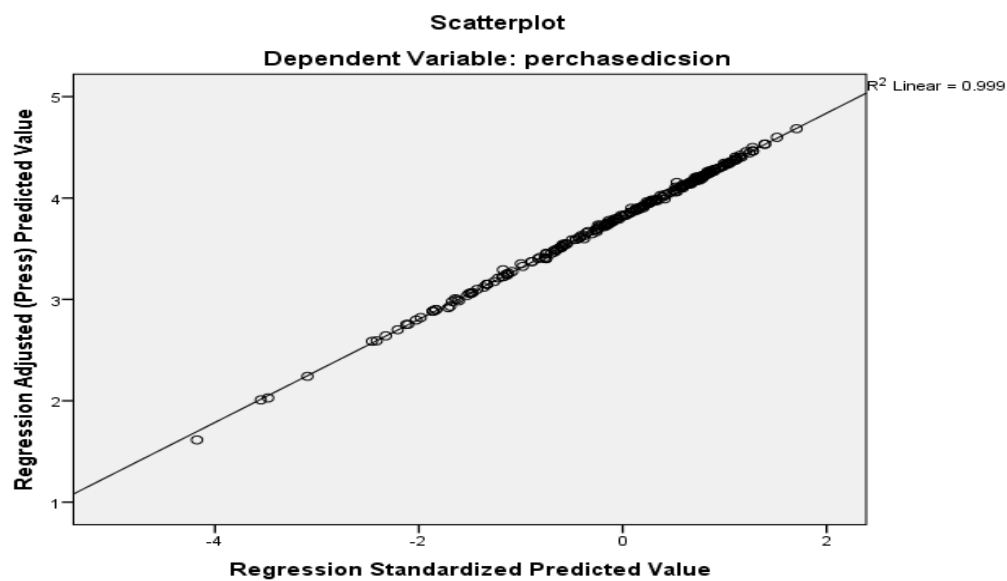
According to Kim (2013), for large sample size, the absolute values of skewness and kurtosis are used for interpretations of normality. And either an absolute skew value larger than or an absolute kurtosis larger than 7 used as reference values for determining substantial non normality. Thus, based on the above normality table, the distribution confirmed to be normal and the data were qualified for the regression analysis.

4.8.3 Assumption of Homoscedasticity



Homoscedasticity refers to the assumption that the dependent variable exhibits similar amounts of variance across the range of values for an independent variable. In the above plot the Assumption of Homoscedasticity is satisfied.

4.8.4 Assumption of linearity



Looking at the above plot, we can simply notice that the assumption of the linearity is satisfied. The statistics that we will study now generally assume that the relationship between variables is linear, or they perform better if the relationships are linear. If a relationship is nonlinear, the statistics which assume it is linear will underestimate the strength of the relationship, or fail to detect the existence of a relationship.

The regression model presents how much of the variance in the measure of purchase decision is explained by the underlying dimensions of sales promotion. Adjusted R square was used to measure the percentage of variance in the purchase decision explained by under the crown prize, price discount, point of sale materials and buy and get one free

Table. 4.8.5 Regression Analysis between Independent and Dependent Variables

Model	R	R square	Adjusted Rsquare	Std. Error of the Estimate
	.666 ^a	.444	.436	.57124

a. Predictors constant, buy and get one free, crown prize, purchase discount and point of sale materials

b. b. Dependent Variable: purchase decision

(source: survey result, 2017)

Based on table 4.8.3 above, the model or the predictor variables have accounted for 0.444 (adjusted R square of 44.0% with estimated standard deviation 0.57124) of the variance in the criterion variable (purchase decision). The other variables that were not considered in this study contribute about 66% of the variability of purchase decision.

Table 4.8.6: Regression for Purchase Decision

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	-.419	.326		-1.285	.200
	Crown prize	.066	.059	.056	1.115	.266
	Price discount	.392	.076	.296	5.163	.000
	Point of sale	.458	.064	.383	7.152	.000
	Buy and get one free	.146	.054	.142	2.716	.007

(source: survey result, 2017)

According to table 4.8.4 above, the regression standardized coefficient for the four independent variables i.e. point of sale materials, purchase discount, buy and get one free and under the crown prize are 0.383, 0.296, 0.142 and 0.056. The sig. levels of point of sale materials, purchase discount and buy and get one free are 0.000, 0.000 and 0.007 respectively, which are less than 0.05. This indicates significant relationship between them and the dependent variable (purchase decision). Since coefficient of the variables are statistically significant at less than 5 percent, Under the crown prize is not statistically significant because significance level is 0.266.

Finally, the model fit regression equation of purchase decision became: -

$$Y = -0.419 + 0.383x_1 + 0.296x_2 + 0.142x_3 + 0.056x_4 + e$$

Where: x_1 = Point of sale materials

x_2 = Price discount

x_3 = Buy and get one free

x_4 = Under the crown prize

e = sampling error

4.9 Hypothesis results summary

Hypothesis	Analysis used	Sig	Result
H1: Under the crown prize is very effective in inducing purchase decision of beer	Multiple regression	0.266	Not supported
H2: Price discount is very effective in inducing purchase decision of beer	Multiple regression	0.000	Supported
H3: Point of sale materials promotion is very effective in inducing purchase decision of beer.	Multiple regression	0.000	Supported
H4: Buy and get one free is very effective in inducing purchase decision of beer	Multiple regression	0.007	Supported

(source: survey result, 2017)

Since, Coefficient of the predictor variables are statistically significant at less than five percent, alternative hypothesis related with point of sales materials, price discount and buy and get one free are supported and remaining one alternative hypothesis (which is related to under the crown prize) is not supported.

Therefore, this particular finding confirms the Hypothesis H3, H2, & H4 that point of sale materials, price discount and buy and get one free has a positive & significant effect on purchase decision is accepted hence the p-value < 0.05 i.e. sig=.000. the null hypothesis is rejected.

Hypothesis H1: crown prize is very effective in inducing purchase decision was rejected hence the pvalue > 0.05 i.e. sig.=0.270.

According to table 4.9 above the hypotheses testing are summarized. The result also indicated that point of sale materials is the most effective factor in inducing purchase decision of Walia beer brand followed by price discount and buy and get one free.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1. Introduction

The purpose of the study was to examine the effectiveness of sales promotion tools on purchase decision of consumers in case of Walia beer brand. In this chapter of the study, summary of findings, conclusion drawn, and recommendations of the study are stated. Limitation and direction for future researches is also included at the end of this chapter.

5.2 Summary of major findings

The general objective of this study is to examine the effectiveness of sales promotion tools on purchase decisions of consumers of Walia beer brand.

From the demographic characteristics of respondents, Majority of the respondents were male. Besides, Majority of respondents participated in the survey were age group of 31-45. Regarding income, the largest group of respondents have income level of 3501 -10,000 birr.

The descriptive statistics shows that the mean score values of the independent variables (i.e. Under the crown prize, Point of sale materials, price discount, and buy and get one free) ranges from 3.83 to 4.02.

The Pearson correlation coefficient reveals that under the crown prize ($r=0.172$); price discount ($r=0.544$); point of sale materials ($r=0.560$.) and buy and get one free ($r=0.413$) are all positively correlated with purchase decision. The strength of correlation is highest for point of sale materials followed by price discount; buy and get one free; and under the crown promotion.

Finally, the multiple regression result, estimate of regression weight shows that the three independent variables price discount ($\beta=0.296$), point of sale materials ($\beta=0.383$) and buy and get one free ($\beta=0.142$) significantly predict and explain purchase decision. supporting H2, H3 and H4. Whereas the remaining one independent variable i.e. under the crown promotion ($\beta=0.056$) is not very effective in inducing purchase decision, not supporting H1. point of sale

materials and price discount with company are the most sales promotion dimensions influencing purchase decision of Walia beer brand.

Similarly, previous studies support that point of sale materials has the greatest effect on product purchase decision when compared to other sales promotional tools. Eye-catching in-store displays are essential to achieve maximum sales from product trial (Kendrick, 1998).

According to Blackwell, Miniard and Engel (2001), price discounts played significant roles in influencing consumer product trial behavior by which indirectly attract new consumer. Ndubisi (2005) reported that price discount plays significant roles in influencing consumer product trial behavior. Price Discount plays significant role in brand switching, purchase acceleration, stock piling, product trial and spending more in the store (Farrag, 2010).

5.3 Conclusion

The general objective of this study is to examine the effectiveness of sales promotion tools on purchase decisions of consumers of Walia beer brand. Accordingly, the study tried to test the relationship that exists between sales promotion dimensions and consumer purchase decision.

Point of sale materials appeared to be the most correlated construct with purchase decision with correlation coefficient of 0.560. It is also the most dominant factor in predicting purchase decision with a beta coefficient of 0.383. Therefore, Point of sale materials are the most effective tools in inducing purchase decision. This implies that when Heineken company prepared point of sales materials for its Walia beer brand such as light box, branded refrigerator, Outside signage on bars and restaurants, consumers tend to purchase the product. Thus, improving point of sales materials brings about improved purchase decision.

Price discount is the second most correlated construct with purchase decision with a correlation coefficient of 0.5444. It is also the second most dominant factor in predicting purchase decision with a beta coefficient of 0.296. Therefore, price discount is the second most effective technique in inducing purchase decision.

The implication is that as price of Walia beer is discounted, consumers incline to make purchase decision. So increasing price discount offer will increase purchase decision.

The third most correlated construct with purchase decision with a correlation coefficient of 0.413 is buy one get one free. It is also the third most dominant factor in predicting purchase decision with a beta coefficient of 0.142. Therefore, buy and get one free is placed third in its effectiveness in inducing purchase decision. This implies that as buy and get one free offer presented consumers tend to purchase the beer. Thus, increased buy one get one free offer leads increased consumer's purchase decision.

According to the findings, under the crown promotion were found to be less considered in the purchase decision of consumers, there is a significant positive but weak relationship between under the crown prize and purchase decision with a correlation coefficient of 0.172 and a beta coefficient of 0.056. This shows that consumers give less attention for crown prize (e.g. prizes like free drinks, trip to Seychelles to support the national team, car) in their purchasing decision of Walia beer. Therefore, crown prizes are the least effective technique in inducing purchase decision.

5.4 Recommendations

This study investigated the influential dimensions of sales promotion that makes consumers purchase Walia beer. Depending on the findings of the study and conclusions made, the following recommendation was developed to increase purchase decision.

Based on this result, it is well acknowledged that point of sale promotion materials are the most effective tools in inducing consumers 'purchase decision, improving these tools is essential for the success of Heineken company and to get sustainable competitive advantages by increasing purchase decision, since point of sale materials has a significant positive impact on the purchase decision, Managers of the company have to put more effort to improve its point of sale materials. The Marketing managers should work on many aspects of point of sale promotion materials.

Marketing managers should;

- Install good quality light boxes in Bus/train stations,
- Prepare branded refrigerator in more quantities and give to shops, kiosks, Lounges and etc.,
- Prepare outside signage on bars and restaurants,
- Give out Walia's imprinted brand color (blue with white) bottle openers,
- Make and give out Walia's imprinted brand color (blue with white) T-shirts, Mugs, Capes...

The second most effective sales promotion technique is price discount so marketing managers should increase the offer of price discount. The third effective is buy and get one free, the marketing managers should also increase the offer of buy and get one free.

The least effective is under the crown prize promotion, Therefore, they should give less emphasis to this tool because the research has proved that crown prize offer is the least technique to stimulate interest in consumer's purchase decisions .

In conclusion, Point of sale materials, price discount, and buy and get one free presented appeared to be antecedents of purchase decision. Therefore, Heineken company should note the three dimensions of sales promotion that are found to predict purchase decision and emphasize them in their marketing strategy.

5.5. Limitations and Direction for Future Research

There is limitation with regard to scope of the study; the place in which this research has been conducted was Addis Ababa. Future researches should attempt to include customers located outside Addis Ababa to have a complete picture about the subject matter in Ethiopian context.

Moreover, the research is limited to Walia beer brand, Therefore the findings cannot be generalized to other beer brands. Thus, the researcher suggests future researchers to undertake further studies on different companies or industries.

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Annex-1

Addis Ababa University

School of Commerce

Marketing Management Department

Survey on Evaluation of the effectiveness of sales promotion tools on consumers' purchase decision.

Dear Respondent,

I am conducting a research in partial fulfillment of the requirements for Masters Degree in Marketing Management. This questionnaire is designed to gather data on the effectiveness of sales promotion on consumer's purchase decision in the case of Walia beer brand. Your response is highly valuable and will be used for the academic purpose only. Thank you for your kind cooperation.

Part I: Personal Information

Please complete the following questions by ticking the appropriate box

1.Age	18-30 <input type="checkbox"/>	31-45 <input type="checkbox"/>	46-60 <input type="checkbox"/>	60+ <input type="checkbox"/>
2.Gender	Male <input type="checkbox"/>	Female <input type="checkbox"/>		
3.Monthly income	3500birr <input type="checkbox"/> Or less	3501- <input type="checkbox"/> 10,000birr	10,001- <input type="checkbox"/> 25,000birr	More than <input type="checkbox"/> 25,000 birr

4. Do you like Walia beer?

A. Yes

B. No

5. How often do you buy Walia beer?

A. Everyday

B. 3 times a week

- C. Once a week
- D. 2-3 times a month
- E. Once a month

Part II: Sales Promotion and Purchase Decision.

Kindly select the option that best describes your level of agreement or disagreement by placing a (√) mark.

	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
	Under the crown prizes					
1	If a brand offers under the crown prizes that could be a reason for me to buy it.					
2	I am more likely to make purchase if I know that there is under the crown prize					
3	Under the crown prizes has allowed me to buy a brand which I have never tried before.					
4	I am willing to switch brands if Under the crown prizes is offered by the competing brands.					
5	I am willing to spend more on purchase of a product to win under the crown prize.					
	Price Discount					
6	When I buy a brand that has a discounted price, I feel I am getting a good buy.					
7	Price discount has allowed me to buy another brand which I do not regularly buy.					

8	I tend to buy more than usual when offered price discounts.					
9	Price discounts influences me to make unplanned purchase.					
	Point of sales Materials					
10	Attractive and clear point of display influences my purchasing decision.					
11	Point of sale materials remind me the brand and compel me to purchase the product.					
12	Point of sale materials drives me to make impulse purchase.					
13	If I am exposed to point of sale materials often I tend to buy the product.					
	Buy and get one free					
14	I have favorite brands, but most of the time I buy a brand that offers buy and get one free.					
15	I am more likely make purchase if I know that there is Buy and get one free.					
16	I often spend more if I can receive a buy and get one free.					
	Consumer purchasing Decision					
17	I buy Walia only during sales promotion.					
18	I tend to buy Walia with the expectation of sudden promotion.					
19	I instantly make purchase decision if there is any form of sales promotion.					
20	My purchase decision is based on sales promotion offered by the brand.					

Annex-2

አዲስ አበባ ዩኒቨርሲቲ ንግድ ስራ ኮሌጅ የድህረምረቃ ጥናት የማርኬቲንግ ማኔጅመንት
ፕሮግራም በደንበኞች የሚሞላ መጠይቅ

ውድ ምላሽ ሰጪ

በማርኬቲንግ ማኔጅመንት

እኔ ለማስተር ዲግሪ የሚያስፈልገውን ምርመራ በማድረግ ላይ እገኛለሁ። ከዚህ በመቀጠል የተዘጋጁት ጥያቄዎች የአጭር ጊዜ የሽያጭ ማስታወቂያ ውጤታማነት በዋሊያ ቢራ ሽማግሌ ላይ የሚያመጣውን የመግዛት ውሳኔን ይመለከታል።

ስለዚህ የእርሶም አስተያየት በጣም ጠቃሚና የምንጠቀምበትም ለትምህርት ብቻ ነው።

ስለትብብራችሁ ከልብ አመሠግናለሁ።

የግል መረጃ ክፍል አንድ

1. እድሜ	18-30	31-45	46-60	60+
2. ፆታ	ወንድ <input type="checkbox"/> ሴት <input type="checkbox"/>			
3. የወር ገቢ	>3500	3501-10000	10001-25000	25000+

4. ዋሊያ ቢራ ትወዳለህ/ሽ?

- A. አዎ እወዳለሁ
- B. አይ አልወድም

5. በምን ያህል የጊዜ ልዩነት የዋሊያ ቢራን ይገዛሉ?

- A. በየቀኑ
- B. በሳምንት 3 ቀን
- C. በሳምንት አንዴ
- D. በወር 2-3 ጊዜ
- E. በወር አንዴ

ክፍል 2

የአጭር ጊዜ የምርት ቅናሽ እና የመግዛት ውሳኔዎች

እባክዎን የእርስዎ ምርጫ የሆነውን የሚስማሙበትን ወይም የማይስማሙበትን ምልክት በማድረግ ሃሳብዎትን ይግለጹ

NO.	ጥያቄዎች	መመዘኛ				
		በፍፁም አልስማማም	አልስማማም	ገለልተኛ	እስማማለሁ	በጣም እስማማለሁ
	<u>የቆርኪ ስር ሽልማቶች</u>					
1.	የዋሊያ ቢራ የቆርኪ ሽልማቶች ምርቱን እንድንገዛ ምክንያት ይሆነኛል።					
2.	የቆርኪ ስር ሽልማት እንዳለ ካወኩኝ ግዢ አደርጋለሁ።					
3.	የቆርኪ ሽልማት መኖሩ ከዚህ በፊት ገዝቼው ማላውቀውን የተወዳሪዎችን ምርቶች እንድንገዛ ያደርገኛል።					
4.	የሌሎች ተፎካካሪ ምርት ቆርኪ ስር ሽልማት መኖር ከለመድኩት ምርት እንድቀይር ያደርገኛል።					
5.	የቆርኪ ሽልማቶች ያለቸውን ምርቶች ለመጠቀም ተጨማሪ ወጪ ለማውጣት ፍቃደኛ ነኝ።					
	የዋጋ ቅናሽ					
6.	ቅናሽ ዋጋ ያለውን ምርት ስገዛ ጥሩ የገብያ ይሰማኛል					
7.	በተደጋጋሚ ተጠቅሜ					

	የማላውቀውን ምርት የዋጋ ቅናሽ ካለው እንድገዛው ያደርገኛል።					
8.	የዋጋ ቅናሽ ካገኘው ከወትሮ በተለየ መልኩ ተጨማሪ እገዛለሁ።					
9.	የዋጋ ቅናሽ ያልታሰበ ግዢ እንድፈፅ ተፅኖ ያደርግብኛል።					
	የሚስብና ንፅህ የመሸጫ ስፍራዎች					
10.	የሚስብና ንፅህ የመሸጫ ስፍራዎች የመግዛት ውሳኔዬ ላይ ተፅኖ ያሳድራሉ።					
11.	በመሸጫ ስፍራዎች ያሉ የምርት ማስታወቂያዎች ቁሶች ምርቱን እንዳስታውሰውና እንድገዛው ያሳምኑኛል።					
12.	በመሸጫ ስፍራዎች ያሉ የምርት ማስታወቂያዎች ቁሶች ያልታሰበ ግዢ እንድፈፅም ያደርገኛል።					
13.	በመሸጫ ስፍራዎች ያሉ የምርት ማስታወቂያዎች ቁሶች በተደጋጋሚ ሳይ ምርቱን እንድገዛ እገፋፋለሁ።					
	ምርቱን ሲገዛ አንድ ነጻ ለሚሰጡ					
14.	የራሴ የምርት ምርጫ አለኝ ግን በአብዛኛው ለገዛ አንድ ነፃ የሚያቀርቡልኝ ምርቶችን እገዛለሁ።					

15.	ምርቱን ከገዛ አንድ ነጻ ለሚሰጡ ምርታቸውን የመግዛት ፍላጎት ይጨምራል።					
16.	ምርቱን ለገዛ አንድ ነፃ የሚገኝ ከሆነ ብዙ ለመግዛት ያነሳሳኛል።					
	የመግዛት ውሳኔ					
17.	ዋሊያ ቢራ የምገዛው የአጭር ጊዜ የሽያጭ ማስታወቂያ በሚኖር ጊዜ ብቻ ነው።					
18.	የዋሊያን ቢራ የመግዛት አዝማሚያዬ የሚወሰነው በአጭር ጊዜ የሽያጭ ማስታወቂያ ነው።					
19.	በተደጋጋሚ የመግዛት ውሳኔ የሚወሰነው የአጭር ጊዜ የሽያጭ ማስታወቂያ ሲኖር ብቻ ነው					
20.	የመግዛት ውሳኔዬ የሚወሰነው በአጭር ጊዜ የሽያጭ ማስታወቂያ ይሆናል።					