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"THE EFFECTS OF SALES PROMOTION ON CONSUMER BEHAVIOR:

A survey on the soft drink industry of Ethiopia"

A project Report Offered in Partial
Fulfillment Of the Requirement for the Degree
of Masters of Business Administration

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Research Guide

Ziauddin Khairoowala
(Dr.)

Researcher

Binyam Mesfin

ADDIS ABABA UNIVERSITY
FACULTY OF BUSINESS AND ECONOMICS
MBA PROGRAM

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BIN

Dr. Ziauddin Khairoowala
Associate Professor of Management
Faculty of Business and Economics
Department of Management and Public Administration
Addis Ababa University
Ethiopia

CERTIFICATE

This is to certify that Ato Binyam Mesfin has carried out his research work on the topic entitled "**The Effects of Sales Promotion on Consumer Behavior: A survey on the soft drinks industry of Ethiopia**" under my supervision.

This work is original in nature and is suitable for submission for the award of the degree of Masters of Business Administration.


Dr. Ziauddin Khairoowala
(Research supervisor)

DECLARATION

I Binyam Mesfin declare that this study entitled "**The Effects of Sales Promotion on Consumer Behavior: A survey on the soft drinks industry of Ethiopia**" is my own effort and study. It has been carried out by me independently except for the guidance and suggestions of the research supervisor. This study has not been submitted for any degree/diploma in this, or any other, university. It is offered here in partial fulfillment of the requirement for the degree of Masters of Business Administration


Binyam Mesfin
Researcher

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ABSTRACT

The two largest Ethiopian soft drinks manufactures have recently introduced a new way of promoting their brands in the market. They attached prizes with products. This study was undertaken to evaluate the effects that are manifested by these promotional efforts on consumers buying behavior. The upshots were evaluated from three conceptual angles: brand switching, repeat purchase and purchase acceleration.

In the survey 500 soft drink consumers were covered through questionnaires, of which 451 responses were employed for analyses. After providing a theoretical ground, the study evaluated the responses in total, by sex category, by age group and income class separately.

Consequently, soft drink consumers in general seem to react positively towards the prizes offered by the producers. The responses revealed that consumers tendency to switch from those brands without a prize to brands with prizes is high. The only exceptions here are the "above 41" year of age category and the "above 3000" income class. However, once the extra benefits attached are withdrawn, consumers seem to revert back to their original choices. This can be an indicator that the effect of the prizes may only be confide to the period during which they are active. This notion is further strengthened by the fact that responses reviled that, though consumers purchase quantity seems to increase during the period when the offers are active, the acceleration will slow down once the prizes are detached.

CHAPTER ONE

INTRODUCTION

In today's business world the word "multinationals" has come to be a common utterance understood by all rather than a jargon used only by business people. The main reason behind this seems to be the fact that the globe is gradually turning to be a single market place for many. Each day billions of dollars are traded between nations. Considering export market as a potential source of sales has been taken as an option for decades. In fact, realization of such revenues is seen as an integral part of company's business. As well, the opening of subsidiary offices through out the world has not been any different. The existence of companies such as "SIMIENS", "Asia Brown Bovri (ABB)", "The Sheraton Collection", Honda Motors co., Mobil company, Coca-Cola company and many others can be cited as empirical verifications.

As a result of the above, the nations of the world are linked by a multidimensional network of economic, social, and political ties. As these become more important and complex, with all the benefits it might bring for competent companies, such globalization also poses, among many, the most serious and toughest challenge to the business world: "increased competition." This boosting up of rivalry between companies, principally, makes the customer to be at the heart of most managerial decisions: from human resource selection to financial ones to organization systems development and others. But above all, the marketing function has been given the larger share of the pie, as it is the major bridge between the company's products and the customer through the 4Ps: price, promotion, product and place. This is why it is said that a good marketing strategy can simply determine a successful company from one going down the drain.

⇒ Operational Definitions

To pave the way for a smooth understanding of the issues in this section the basic concepts involved in the study are defined here. A full theoretical background is given in chapter two. Consequently, the first concept to operationalize is sales promotion. Of the many definition one can be:

“Sales promotion represents those marketing efforts that are supplementary in nature, are conducted for a limited periods of time, and seek to induce buying.”¹

The buying behaviors induced by such marketing tools are expected to be three in type.² Primarily, once such behavior is consumers switching from the brand that they bought in the previous buying occasion to a brand to which a sales promotion tool is attached. This behavior is known as *brand switching*. The second effect is what is known as *repeat purchase*. Repeat purchase is said to occur when a given consumer who has switched to the brand in promotion also continuous to use the brand after the sales promotional offer attached is introverted.

The last expected manifestation of extra offers in forms of sales promotion is consumers' increasing their purchasing quantity, which is called *purchase acceleration*. The purchase acceleration effect can be seen from two time frameworks. They can simply be existent as long as the extra offers attached with the product are active; which is considered as the short run. More effectively, the acceleration in purchasing can extend even after the sales promotional tools is fully withdrawn, i.e., to the long run.

⇒ Review of Literature

A review of the empirical studies conducted on this and related topics give interesting perspectives on the matter. The first introduction step towards sales promotion was taken by a London haberdasher named Johnston Holder in 1967. He offered customers spending a guinea (i.e., the then twenty-one shillings) in his shop a free stock and price list. At the time newspapers condemned the act of offering "something extra" and described it as:

"... a dangerous innovation and one which would be destructive to trade, if shoppers lavished so much of their capital on printing useless coupons."³

However, more than 300 years later, his pioneering and unprecedented scheme has taken a vital role in the business environment, event at a substantially greater scale. Especially in recent periods, it has managed to come out of the overshadowed cover dappled by the more glamorous world of advertising. Studies indicate that sales promotion tools are taking the long-standing supremacy over advertising. To this regard, the 1980's witnessed a major shift of expenditure in to sales promotion from advertising. As figures indicate, by the year 1988 global sales promotion expenditure has equaled with that of advertising.⁴ Even better, for example, the use of price promotion (i.e., one of the sales promotion tools) in the 1990's as a marketing and managerial tool is said to increase by twelve folds as compared to the 1980's.⁵

In addition to the above, in the early 1990's over 225 billion coupons were distributed in United States (about 2500 per household). In a typical year during this period, 85 percent of all American households used coupons, half of which on a regular bases. Further, during the same period, each year \$400 million worth of trade in stamps

were given out; and also United States trade show attendance exceeded 35 million people per year.⁶

As such shifts are contemplated to be result of the ever-rising cost of advertising medias, which reduces its efficiency, between 1983 and 1987 the revenue producing ability of advertising is said to decline by 20 percent.⁷ On the contrary, evidence towards sales promotion indicates a positive effect. This can be exemplified by HEINZ, which in 1992 cut their advertising budget and transferred \$ 100 million in to sales promotion to extract an immediate 7.3 percent increase in market share, reversing a six months sales decline.⁸

Nevertheless, this does not mean that the two ingredients of the promotional mix (i.e., advertising and sales promotion) cannot be implemented complementarily. Probably the strategic mix of the two, among others, can result in more accomplishment than the two achieve separately. For that matter, Philip Kotler⁹ said there is a danger in letting advertising take a back seat to sales promotion. The basic rational for this is the notion that excessive sales promotion may hurt product's image, causing consumers to necessarily attach purchases and consumption with special offers, hence shifting the focus away from the products attributes to the extra benefits (incentives) it is offering.¹⁰

In line with this, as managers use of sales promotion tools escalates, academic research has become more interested in how promotion works – in inspection the theory in the empirical framework. With this increase research interest also has come conflicting empirical results as to the effects of sales promotion on sales and consumer behavior.¹¹

Accordingly, studies undertaken by Ingene and Levy (1982), and by Bettinger, Dawson and Wales generally concluded that sales promotion indeed provokes a change in consumers' behaviors. More specifically, a study made by Kumard Leone (1988) on three competing brands and by Blattberg and Wisiniewski (1986) on four brand categories provided substantial evidence to that sales promotion indeed induce brand switching.¹² Hilariouly further, studies made by Shoemaker and Shoaf (1977), Dodson (1978), Johnson and Zufyden (1981) and Guadegin and Little (1983) concluded

individually, but agreeably, that there is a negative relationship between promotion and repeat purchase.¹³ They claim that if a purchase is induced by an external cause (such as price promotion) rather than an internal cause (e.g., preference of the brand), repeat purchase probability of the brand will be reduced when the external cause is removed.¹⁴ Therefore, even if sales promotion tools has the ability to result in brand switching, - particularly aggressive ones - the probability that the consumer will form a sustained (i.e., long term) habit towards the brand is low if previous purchases are done as a result of an urge from the sales promotion schemes.

A survey that was done by Bawa and Shoemaker (1987) supports a contrary view. The study argues that there is a positive relationship between sales promotion and their effect on repeat purchases (i.e., a "purchase effect").¹⁵ The existence of such contradictions on the relationship direction of the two concepts, understandably, makes the issue unresolved and necessitates further researching and analyses.

Coming to empirical reviews on purchase acceleration, scholars such as Wilson (1979), Shoemaker (1979), Grover and Rao (1985) have shown that sales promotion tools can result in purchase acceleration, particularly an increase in frequency of purchase.¹⁶ Guadagni and Little (1983), and Nelison, Hederson and Quelch (1985) also demonstrated on their study on in-store promotion that purchase acceleration does result from sales promotion tools.¹⁷ However, most of the studies revealed this accelerated is usually confined to the short-term, diminishing as the promotional benefit is detached from the brand.

⇒ Problem Statement and Scope

From the forgoing review of literature, it can be seen that no research work has been done on this topic so far in Ethiopia. Hence, it was felt necessary to make the effort to study the effects of prizes on consumer behavior in Ethiopia. This study propose to address the degree to which the three promotional effects on consumer behavior (i.e., brand switching, repeat purchase, and purchase acceleration) are imputed on the consumer of the soft drinks industry in Ethiopia as induced by the promotional scheme (i.e., the scratch and win prizes) provided by the manufactures as its problem.

Hence, the work is confined on the soft drink industry and the results address the behavioral responses of soft drink users. Further, it is confined to the effects of prizes recently introduced by soft drink producers, putting other promotional efforts such as television advertisement away. As it will be seen in the next chapter such marketing efforts does not fall in the sales promotion category.

⇒ Objectives of the Study

More specifically, the study has the following objectives:

- To review the concept of sales promotion.
- To evaluate if the scratch and win prizes used by the soft drink industry in Ethiopia induce aggressive brand switching during the sales promotion periods (i.e., the short run).
- To evaluate if the scratch and win prizes used by the soft drink industry in Ethiopia induce a “purchase effect” or “promotional effect” as to repeat purchase after the promotion tool is withdrawn (i.e., the long run).

- To evaluate if the scratch and win prizes used by the soft drink industry in Ethiopia results in purchase acceleration during the sales promotional period (i.e., the short-run).
- To evaluate if the scratch and win prizes used by the soft drink industry in Ethiopia result in continued purchase acceleration after the promotional tools is withdrawn (i.e., long run).

The above being the primary areas of concern for the study, it also evaluated the status of the above statements via sex category, age groups, and income groups.

⇒ Hypotheses of the Study

Hypothesis 1 – “The scratch and win prizes given by the soft drink industry in Ethiopia results in an aggressive brand switching in the short run.”

Hypothesis 2 – “The scratch and win prizes given by the soft drink industry in Ethiopia do not induce brand loyalty (i.e., purchase effect) in the long run. Rather a promotional usage effect results.”

Hypothesis 3 – “The scratch and win prizes given by the soft drink industry in Ethiopia results in purchase acceleration in the short run.”

Hypothesis 4 – “The scratch and win prizes given by the soft drink industry in Ethiopia do not result in purchase acceleration in the long run.”

⇒ Significance of the Study

Ethiopia is a country where research does not stand at its best. The lack of sufficient and well-developed research centers seems to contribute greatly to the problem largely. For that matter, the effort shown by practitioners, as opposed to academicians, both in terms of conduction research and funding those done by others is at its very minimal stage.

Therefore, in light of the aforementioned problems, this study is believed to benefit both academicians and practitioners, as a documented study in this area is not present. For people of academia, the study can give insight into consumer behaviors in Ethiopia in general and the promotion induced consumers' behavior in particular. The road that can be paved by the output of the study for future can also be esteemed. Simultaneously, promoters in the soft drink industry may profit from the study in that it can give an inward look on the behavior that are result of the promotional schemes offered. This can be very helpful in planning future promotional strategies as well as assess the results of the currently active ones.

⇒ Methodology

◆ Method

In testing the hypotheses of this study primary data was used. In the endeavor, questionnaires were administered to consumers of soft drinks, who are selected on a probabilistic sampling base.

◆ Sample Size

Considering the inaccessible nature of soft drink users residing out side of Addis Ababa, the study is confined to those located in the capital city. According to "The Population and Household Census of Ethiopia" (April 1999), Addis Ababa has total projected residents for 2001 of 2, 570, 000, of which a total sample size of 500 is taken to representative. Out of these 18 survey questionnaires were returned incomplete and another 31 were not returned at all. Hence, in total 451 usable responses were received for a response rate of 90.2%. The sample composition based on the various groupings taken to be pertinent to this study are given below:

Table 1: sample composition by various sex, age and income groups.

Item	In numbers	In percentage
BY SEX		
- Male	229	50.8%
- Female	222	49.2%
Total	451	100.0%
BY AGE		
- 13-19 Age Group	112	24.8%
- 20-25-19 Age Group	107	23.7%
- 26-30 Age Group	116	25.7%
- 31-40 Age Group	65	14.4%
- Above 41 Age Group	51	11.3%
Total	451	100.0%
BY INCOME		
- Below 250 Income Group	67	14.9%
- 251-600 Income Group	86	19.1%
- 601-1200 Income Group	102	22.6%
- 1201-3000 Income Group	99	22.0%
- Above 3000 Income Group	97	21.5%
Total	451	100.0%

Source: Questionnaire analysis

BY edu. LEVEL

◆ Analyses

The testing of the first two hypotheses of this study was done by applying the Z-score test for the population mean, where the population standard deviation is unknown. On the other hand, the data pertinent to the third and fourth hypotheses of the study were analyzed through the Z-score for two samples means, where the population standard deviation is unknown. Further, these test were administered at a confidence level of 95% (i.e., 5% level of significance). As a result the rejection rule for the null hypotheses were:

Hypothesis 1--- **Reject the null hypothesis if $Z > 1.645$ (a right tail test)**

Hypothesis 2--- **Reject the null hypothesis if $Z < -1.645$ (a left tail test)**

Hypothesis 3--- **Reject the null hypothesis if $Z < -1.645$ (a left tail test)**

Hypothesis 4--- **Reject the null hypothesis if $Z > 1.645$ (a right tail test)**

As a cut of point is necessary for the test, in nominal terms, populations mean of 3 on the 5 – point scale was taken. In addition, p-values* were calculated for the indices using the Z-distribution and it was used in pondering up on the degree of ground the collected data provided in making concluding remarks.

* The p-value is the value of level of significance at which the hypothesis test procedure changes conclusion on a given set of data. Hence, it is the largest level of significance on which the data fails to reject the null hypothesis.

⇒ Limitations of the Study

It is important that the outcome of this study be understood within the framework of the following limitations:

- Due to the inaccessible nature of consumers of the soft drink industry residing outside the region of Addis Ababa, the study population is confined to those that are located in the capital city.
- Due to difficulty of questionnaire distribution outlets, the sample is not distributed evenly across groups that were evaluated. However, in most of the cases, as it can be seen from table 1, the smaller share went to those groups that are not primary targets of soft drinks, such as “above 41” years of age class. This is expected to neutralize the problems posed by the uneven distribution.

⇒ Scheme of Chapterisation

The first chapter of this study dealt with introductory issues and results of empirical studies conducted in other countries. It also has presented the scope, objectives, hypotheses, and limitation that are pertinent to this study. Chapter two has been devoted for the discussion of the theoretical background pertinent to sales promotion. Then after, the third chapter discusses the general history of soft drinks both with an international focus and the experience of Ethiopian in brief.

The fourth chapter is dedicated to the presentation and analyses of the empirical data collected through the questionnaires administered. Various statistical tools are used in evaluating the data purely in statistical terms. The last section, chapter five, concludes.

the study to a close by presenting conclusions that are deduced light of the statistical analysis given in chapter four and the theoretical back ground laid in chapter three. This chapter also attempts to disclose some of the implications that the conclusions given thereto might have on the soft drinks industry in Ethiopia, and also tries to define potential and fertile grounds for future research.

To sum up, this chapter of the study has examined researches undertaken in other countries (primarily in the United States) in the area of effects of sales promotion tools on consumers buying behavior. Further, it stated the objectives to be met and the hypothesis to be tested in the endeavor. In light of this, the next chapter presents the theoretical background needed to understand and conceptualize the themes of the study.

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CHAPTER TWO

SALES PROMOTION:

A Conceptual Framework

⇒ General Notion

Over the years promotion has been given many meanings, though the original connotation in Latin was “to move forward.”¹ More recently the connotation has narrowed so that it refers to communication undertaken to elicit a certain behavior from a particular group.² Promotion is a controlled and integrated program of communication that has been designed to present an organization and its products to prospective customers; to communicate the need satisfying attributes of products to facilitate sales and thus contribute to long-run profit performance. The need for such communication arises from the fact that information gap exists between producers of goods and services and the ultimate consumer. Consumers need information to be aware of the existence, as well as characteristics of alternative products; as much the producer relies upon the knowledge of the consumers about its products for profitability. This information creates the utility that the consumer can make a better choice, as well providing producers access to markets that would otherwise be unavailable owing to substantial imperfection of information. This, obviously, requires promotional activities to be consistent with the needs of the consumer, also integrated with the other organizational elements of the marketing mix and non-marketing functional areas of the company.

⇒ Promotional Mix

Being an integral and pervasive part of the marketing system, promotion is usually considered as a deployable and controllable mix within the marketing mix.³ Promotion is a wide and maneuverable concept entailing several ingredients, called the promotion mix, which has the ability to capture the multiplicity of marketing activities. These constituents are^{†,4}:

→ Advertising: paid, non-personal communication through various media by businesses, non-profit organizations, and individuals who are in some way identified in the advertising message and who hope to inform and/or persuade members of a particular audience to behave in a certain way.

→ Personal selling: the process of persuading prospective customers to buy a good or service, or even to act on an idea for that matter, through the use of person-to-person communication.

→ Publicity: Non-paid form of communication about the company or product, generally in some media form.

→ Sales promotion: the marketing activities, other than those included in the above three, that stimulate consumers purchasing behavior, such as displays, shows, exhibitions, prizes attached with purchases and various non-recurrent selling efforts.

[†] However, one should note that different authors give different classifications as to the promotional mix.

⇒ Concept of Sales Promotion

Sales promotion is part of the promotional mix that has been defined by different authors in different ways:

“Sales promotion is an action focused marketing event whose purpose is to have a direct impact on the behavior of the target customer.”⁵

“Sales promotion consists of a diverse collection of incentive tools, mostly short term, designed to stimulate quicker and/or greater purchase of a particular product by consumer or the trade.”⁶

“Sales promotion is any short-term offer or incentive directed towards ultimate consumers, retailers, wholesalers that is designed to achieve a specific, and usually immediate, response.”⁷

From the above noted definitions it can be concluded that sales promotion contains three major themes. Primarily it is action oriented in that the emphasis is on getting the customer to take action. In sales promotion the realization of the extra benefit offered requires and follows the performance of a certain action such as purchasing. Secondly, spanning the spectrum from price discounts to creative tie-ins and premiums, sales promotion is usually seen as a distinctive event. In most cases it is even treated as a standalone campaign. Finally, sales promotion is also designed to have a direct impact on behavior of consumers. It often tries to offer an incentive for the customer to buy the product, usually creating immediate sales, although the conception as to inducing the consumer to stay loyal is also an aspiration. This is why the main value of promotion tools is said to lie in their effectiveness in stimulating desired consumer behavioral responses.⁸

Consequently, sales promotion tools can induce any combination of the following effects:⁹

- ★ They are useful in securing trials for new products and also in defending shelf space against new or existing competitors.
- ★ They can reduce the retailers' and wholesalers' risk in stocking new items as it can result in high turnover, yet usually for a short period of time.
- ★ They can add excitement to the in-store merchandizing of matured or mundane products.
- ★ They allow small, regionally confide firms to recoup their limited marketing expenditures more quickly than advertising would.
- ★ They allow manufacturers to tackle short-term increase in ideal capacity or excess inventory with out introducing price reductions.
- ★ They allow manufacturers to reach segments with different degree of price sensitivity.
- ★ and others.

⇒ Types of Sales Promotion

Basically there are three types of sales promotion: consumer promotion, retailer promotion and trade promotion. When a manufacturer directly offers a sales promotion scheme to the consumers it is called "consumer promotion." However, when retailers provide such promotional tools to consumers it is termed as "retailer promotion."

Manufactures also provide sales promotion schemes to their retail distributors as a means of incentives. These are known as “trade promotion.” Further, taking this classification as a broad perceptive, the following table lists some specific sales promotion tools arranged categorically:

Table 2. Specific sales promotion tools by type

Retail promotion	Trade promotion	Consumer promotion
Price cuts	Case allowances	Coupons
Displays	Advertising allowances	Sampling
Feature advertising	Display allowances	Scratch-and-wins
Free goods	Trade coupons	Price packs
Retailer coupons	Financial incentives	Refunds
Contest/premium	etc	Continuity packs
etc		Special events
		Tie-ins, etc

Source: (Blattberg and Neslin, 1990)

⇒ Sales Promotion and Consumer Behavior

It is true that each year companies spend billions of dollars on sales promotion to induce retailers to offer strong merchandize support to their brand.¹⁰ In most cases such offers will be in force for a limited (short) period of time. Nonetheless, this by no means can be an indicator that the results envisaged from them are short term oriented, i.e., sales boost up during the promotional period; rather the expected effects extends to the long-term[‡]. To this effect, the literature pursues a position that sales promotion have, at least, three major predictable outcomes; namely, brand switching, repeat purchase and purchase acceleration.¹¹

[‡] The short term being the period during which the sales promotion scheme is active, whereas the long term is assumed to comprise the period after the promotion tool is withdrawn.

① BRAND SWITCHING

Of all its effects, one expected short-term result of sales promotion is brand switching, where it can be defined as:

“... is the probability that the consumer is induced to purchase a different brand from that which would have been purchased had the promotional offering not been available.”¹²

Theoretically brand switching occurs for the reason that when a manufacturer offers a sales promotion scheme, it increases the consumers' over all attitude towards buying the product by giving him/her an extra benefit, and usually for free. However, brand switching does not necessarily indicate a person has to buy a brand other than that he/she otherwise used to as a result of the promotional offering. This is more clarified by probing in to the concepts of aggressive and defensive types of brand switching effects. An aggressive brand switching effect occurs when the sales promotion tool implemented induces the consumer to buy a different brand on the current purchase occasion than the brand he/she bought on the previous occasion. This is to say that for an aggressive brand switching to occur a consumer has to be persuaded by a sales promotion tool to purchase brand “B” instead of brand “A”, which he/she otherwise would have chosen.

On the other hand, a defensive type of brand switching effect occurs when a consumer is won over to buy the same brand as that of the one bought on the previous occasion. Hence, the sales promotion tool in force persuades a consumer who purchased brand “A” on the previous occasion to buy the same brand (brand “A”) on the current occasion, rather than purchasing a different brand. In reality, however, it will be natural to assume both of the effects can be triggered, even if aggressive brand switching presumably becomes a primary target of the promoter in order to expand the products market share base.

② REPEAT PURCHASE

Once a consumer has switched a brand, either aggressively or defensively, a promoter naturally desires a long lasting impact on the consumers test. This is usually a concern to arise after the sales promotion tool offer has been withdrawn, since once a brand switching occurs due to a promotional scheme it is safe to assume that the consumer will stay loyal until the sales promotion period is over, i.e. pending the loss of the extra benefit tied with the purchasing of the brand. It is the opinion of many that when consumers are exposed to promotion activities frequently they develop expectations that are used as points of reference in evaluating future brand choices.¹³ If this outlook is true, the repeat purchases after the end of the promotion period helps the manufacturer to sustain the market share that was built up as a result of the provision of the sales promotion tool. Repeat purchases can have the following meaning:

“... is the consumer probability of buying the brand again in the future is influenced by the purchasing of the brand on sales promotion.”¹⁴

Consequently, one can identify two types of repeat purchase effects connected with sales promotion that are expected to occur in the long run. The first is a result of the assumption that the consumer, after using a brand on promotion (i.e., forms a habit of purchasing the brand) he/she sustains this habit as a result of his learning about the brands performance. This is called the “purchase effect.”¹⁵ To this end, some researchers proposed and found empirically that if consumers have been satisfied with the promoted brand, their satisfaction is reinforcing and leads to an increase in the probability of choosing the brand again after the promotional offer is withdrawn.¹⁶ The second effect, which is called “promotional usage” effect, involves a decline in purchase probability of a brand after the promotion period is over as a result of the buyer getting used to buying the product only on promotion.¹⁷ In other words, when a person buys a product on promotion, his/her attitude towards the product without the promotional benefits attached to it might weaken, resulting in declining chance of repeat purchase. Sales promotional

scheme producing short-term sales boost, it is the assumption of many scholars that consumers will revert to their pre-promotion choice behavior after their redemption purchases.¹⁸

The negative relationship view, (i.e., the promotional usage effect) is also supported by the famous classical condition theory of Pavlov. This is in a way that by frequently buying a brand on sales promotion, the brand becomes a conditioned stimulus, which is to be elicited by the sales promotion tool; i.e., the an unconditioned stimulus. Hence, the consumer will be induced to develop a positive feeling towards the conditioned stimulus (i.e., the brand) by associating this stimulus with the unconditioned one (i.e., the sales promotion scheme) that supplies the positive reinforcement. Eventually, when the unconditioned stimuli (i.e., sales promotion tools) are absent the conditioned one (i.e., the brand) will remain suppressed from lack of a triggering spur, causing a reduced probability of the occurrence of the expected behavioral response to the conditioning; i.e., purchasing by the consumer.

③ PURCHASE ACCELERATION

Another effect that is triggered by sales promotion is the acceleration of purchase, where it can be stated as:

”...is a change in consumer purchase timing and/or purchase quantities as a result of a sales promotion tool.”¹⁹

This effect often takes place in the form of larger purchases and/or increased frequency of purchases. For example, if a manufacturer introduces a new instant lottery or ‘scratch and win’ type of sales promotion tool, it might induce consumer to increase the purchase quantity and/or the frequency of their purchases in the hope that they might become the providential winners of the lottery, in effect resulting in acceleration of purchases.

To conclude, sales promotion can basically have three distinguished, but related, effects on the consumers' buying behavior. These are brand switching, repeat purchase, and purchase acceleration. This chapter has dealt with these issues in detail. To give a complete picture of the competition and the use of marketing tools prevalent in the soft drinks industry, the next chapter will take up a brief history of soft drinks as a whole and the experience of Ethiopia in particular.

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CHAPTER THREE
A BRIEF HISTORY OF
SOFT DRINKS AND ETHIOPIA'S
EXPERIENCE §

Ethiopians are a thirsty people: the year round demand for ice-cold beverages that are either sweet or alcoholic (or both) seems to be incredible. Drinks are often used like medicines. People consume them to perk up or calm down, when they are busy and tired, when they are relaxing, or even to suppress their anger and agony. At one time, long in the past, this need for refreshment was satisfied through home (traditional) brews: "Tella" and "Teje" being the famous ones. This is probably still the case in most parts of the country. But the emergence of packed (bottled) beverage industries, for certain, changed the drinking habit of the people greatly.

The soft drinks business, which basically emanated from the United States, originated from the tonic and elixirs that druggists used to prepare for consumers in order to cure a variety of ailments. One popular formula combining coca leaves and the kola nut was invented in 1886, which was named Coca-Cola, by Atlanta druggist John Styth Pemberton. The right of producing the product was then acquired by Asa Griggs Candler from the originator, who proceeded to market in its syrup form to soda foundations around America. Presently, this syrup is distributed throughout the world with patent arrangements. This establishment was later, in 1919 transferred to a person called Ernest Woodruff.

Thanks to aggressive marketing, coca cola started to assume a prominent place in Americans' life. As it was introduced around the world, coke became a leading symbol of

§ The international facts given in this section were compiled from Katz and Levering (1980), Mattera (1992), and Mattera (1994),

the United States, and the company worked to a great length to cultivate this status. Incidentally, the company resisted the nickname "coke" for many years because of its association with cocaine. The small trace of the drug found in the original coca cola formula was eliminated in 1903.

While coke, dominated the soft drink market up to and through 1940s, a serious competitor was slowly gaining ground. Pepsi cola was invented by North Carolina pharmacists Cabel Bradham in the 1890s. The Pepsi Company grew rapidly around the turn of the century, but later run in to serious financial difficulties, falling in to bankruptcy a number of times, and passing through a number of owners. The company, for the better, got a boost in sales during the great depression (in 1930s), when it started selling Pepsi in 12-ounce bottle for the same price as coca's 6-ounce service.

However, still Pepsi remained second distant until 1950, when the company turned to what would later be called 'lifestyle advertising' associating drinks with young "sociable." The company scored a major crop in 1954 when Khrushchev (Prime Minister of Russia at the time) was photographed drinking Pepsi at an exposition of America products in Moscow. After that Pepsi was a true contender. Donald Kemdeller's, the executive who arranged Khrushchev to drink Pepsi, friendship with Richard Nixon (president of the U.S., 1969-1974) is said to help the company to get the first foothold in Soviet market. Coke later used its connections with James Carter (president of the U.S., 1977-1981) to get the first shot at the Chinese market. This probably marked the first real competition between the contenders. Afterwards, especially in the 1960s, Coke and Pepsi escalated their rivalry with a succession of advertisements aimed at tapping into the change in the Americans psyche and getting people to associate one or the other cola in ones personal identity. In the places of traditional slogan such as coke's "*the pause that refreshes*" and "*Pepsi cola hits the spot*," the companies spent millions on prompting notions such as "*you have got a lot to live, and Pepsi has a lot to give*" and "*coke is the real thing*."

Until early 1960s the two leading companies had only one soft drink brand apiece. A much smaller competitor, Royal Crown, paved the way to a giant new market by

bringing out the first sugar free soft drink. The Coca Cola Company and PepsiCo soon followed with their own low-calorie brands in 1963. These companies also launched assaults on their much smaller competitor, the seven-up (which was later acquired by Pepsi), by pushing their own lemon-lime drinks: coke's sprite and Pepsi's mountain dew. However, this was challenged by the seven-up company on the issue of caffeine. Unlike the colas, seven-up contains no caffeine, but for many years this distinction seemed to make little difference to consumers. However later, the two colas reacted to the caffeine issue by introducing the diet-coke and diet pepsi brands.

In the intensified battle for supermarket shelf space (the marketing jargon being *facings*) Pepsi began to give Coke the most serious competition ever. In the late 1970s Pepsi began challenging Coke on taste rather than the traditional price basis, using a series of taste-test ads. By the 1980's this challenge from Pepsi was paying off as coke's market share slipped, as McDonald's and other leading restaurant chains abandoned (if not totally) coke. As the colas straggle for market supremacy, their small competitors such as Royal Crown often suffered as a result of ensuing price war. The two also stepped up pedal to pressure on their bottlers to carry and promote their brands extensively. At the time one of the fastest growing areas was that of soft drinks containing fruit juice, which eventually lead to today's Fanta and Mirinda, among others.

Supported by their super expansion, in the late 1980s the cola war reached new level of intensity. Coca Cola and Pepsi engaged in frequent price cuts and aggressive ad campaigns in the quest for market share. The arrival of the 1990s saw the two competitors extending their struggle to a new arena: Europe. In the face of evidence that more consumers on the continent were prepared to abandon wine and mineral waters in favor of soft dinks, Coca-Cola and PepsiCo each launched ambitious marketing assaults. Since Coca Cola has always been stronger abroad, PepsiCo has worked hard to keep up. Moreover, the foreign contest became more important as domestic sales (i.e., in the US), especially of colas, being to go flat. Both Coca-Coal and PepsiCo sought to stimulate new consumer interest. At the turn of the new millennium, the competition has stiffened

further. The contention between the Ethiopian country representatives of the colas has not been different from this through the years.

Ethiopia has been a country where few multinational company subsidiaries reside by far despite all the economic and other regulatory reform taken by the government lately. The lack of adequate road networks, communication and other infrastructures, added up to the deficiency in labor competence, among others, might be cited as obvious reasons. From these few, the soft drinks industry has been accounting for two for a long period of time: the Coca Cola and Pepsi producers, including their time as state owned entities during the Derg regime.

Soft drink manufacturing in Ethiopia has first laid foot in the 1920's, the initial products being "Chinto" and "Aranchata," which are basically home brewed. However, the commissioning of bottling factories was done in the 1960s, which lead to the distribution of bottled soft drinks through out Ethiopia.⁴ At present there are three registered soft drink producers in the country, (excluding bottled orange juice syrups). These are

- The East Africa Bottling :- a patent holder to produce Coca Cola, Fanta, Sprite and Fanta Tonic.
- Moha Soft Drinks Industry :- a patent holder to produce Pepsi, Mirinda, 7up, and Mirinda Tonic.
- Summit PLC :- a local institution producing Sport Cola, Schweppes, Schweppes Tonic, Crash and Canada Dry.

Despite the limited number of soft drink producers in Ethiopia, competition has been fierce for many years, following the footsteps of their licensors. Particularly, the rivalry has been tense between the first two above for the fact that they are heavily backed up by their respective head offices in matters of promotion. Through their promotional schemes they have demonstrated to be true business rivals, which is presumably one reason for their continuous effort to improve their service and capture the

test of the market place. Summit, of course, as a new comer has not been an active player in this so far, holding a few share of the market place.

Until recently, the competition between East Africa Bottling and Moha Soft Drinks Industry has been basically based up on extensive television advertising, distribution of calendars, sponsoring of various events, newspaper and magazine advertisings, and billboards. However, interestingly enough they took a sudden shift in their promotional tools and started offering schemes surrounded by various scratch and win prizes. Coca Cola taking the first step to be followed by the Pepsi producer, this new way of competition has been the tittle-tattle of the city for a while now and the core issue of this study.

The entities offered their sales promotion tools in forms of prizes encrypted on the inside of the caps of each soft drink bottle. Once a consumer buys a soft drink he/she removes the inside cover of the bottle cap to uncover the encrypted symbols. If he/she is lucky enough to retrieve any of the signs that makes him/her a winner, he/she might receives prize starting from free drinks to birr 100,000.00 in cases of Coca Cola related products and free drinks to automobiles in the case of Pepsi products depending on the symbol on the cap. It is apparent that these companies invested millions in these promotional schemes with the goal of expanding the market base of their respective brands. Summit, once again, remains to be a mere bystander to these actions of its competitors.

Hence, one can see from the historical episode that the soft drinks industry has been very much filled with competition. The participants have been employing various kinds of tools to toss down each other, as well as new entrants. Of these, one is the use of sales promotional tools. Recently, such Ethiopian manufactures have engaged in providing some thing extra for their consumers to induce certain needed behaviors. With this notion, the next chapter will present the statistical analyses that was undertaken to examine the behavioral effects such tools on the Ethiopian soft drinks consumer population.

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CHAPTER FOUR

DATA PRESENTATION AND ANALYSES

⇒ Testable Hypotheses of The Study

Sales promotion tools can influence consumer behavior via three effects; namely, brand switching, repeat purchase and purchase acceleration. The objectives, and hypotheses developed, in respect to these were given in the first section. These factors being indices for the evaluation of consumers' response to the prizes offered by the Ethiopian soft drinks industry, the null hypotheses to be subjugated to empirical test and the corresponding alternative (research) hypotheses (once again) are presented below:

◆ Brand Switching

As it was pressed in previous sections one critical embarkation of sales promotional offers on consumers is the provoking of brand switching behaviors: aggressive or defensive. Thus, in testing the effects of the scratch-and-win prizes provided by the soft drink manufactures in Ethiopia as to this index, the alternative (research) hypothesis was:

“The scratch and win prizes given by the soft drinks industry in Ethiopia results in an aggressive brand switching in the short run.”

And hence the null hypothesis to be rejected or not rejected by the empirical observation was:

“The scratch and win prizes given by the soft drinks industry in Ethiopia does not result in an aggressive brand switching in the short run.”

◆ **Repeat Purchase**

The second manifestation of sales promotion on consumer behavior is the concept of continued purchase of a brand after the promotional offers are withdrawn, hence inducing brand loyalty. As one objective of this study, the concept was picked to be empirically verified for pondering up on the effect of prizes offered with soft drinks in Ethiopia on the behavior of the consumer. To this end the alternative hypothesis and the associated null-hypothesis that were tested are given by:

Alternative Hypothesis

“The scratch and win prizes given by the soft drinks industry in Ethiopia do not induce brand loyalty (i.e., purchase effect) in the long run.”

Null-Hypothesis

“The scratch and win prizes given by the soft drinks industry in Ethiopia induce brand loyalty (i.e., purchase effect) in the long run.”

◆ **Purchase Acceleration**

As previously mentioned, a third effect that can be stimulated by sales promotion is the acceleration of purchase; i.e., increase in purchase quantity (hence, rise on money spent on the brand and decrease in inter-purchase time). This speeding up of consuming a product on promotion might last only for the period when the promotional scheme is in

force (i.e., in the short run) or it might extend to timeframe after the promotional offer has been withdrawn (i.e., the long run), or even for worse it might not result in any momentum. Consequently, the purchase acceleration effect of prizes offered by the soft drink manufacturers was examined from these two timeframe perspectives. Therefore, the pertinent alternative (research) hypotheses were:

“The scratch and win prizes given by the soft drinks industry in Ethiopia results in purchase acceleration in the short run.”

“The scratch and win prizes given by the soft drinks industry in Ethiopia do not result in purchase acceleration in the long run.”

Eventually, the associated null-hypotheses were respectively given by:

“The scratch and win prizes given by the soft drinks industry in Ethiopia do not result in purchase acceleration in the short run.”

“The scratch and win prizes given by the soft drinks industry in Ethiopia result in purchase acceleration in the long run.”

⇒ **Findings and Interpretations**

In the endeavor of empirical testing, a self-administered questionnaire was undertaken that result in 451 usable responses from soft drink consumers in Addis Ababa (as specified in chapter one). The descriptive statistics based on such data collected, the calculated *Z-scores* and *P-values*, and the appropriate interpretations are presented below for each sales promotion effect on consumer behavior (i.e., brand switching, repeat purchase, and purchase acceleration). Further, for these effects, the analyses of the data via sex groups, age groups and income groups are also presented.

◆ Brand Switching

The descriptive statistics pertinent to the first type of behavioral manifestation by consumers due to sales promotional effects (i.e., brand switching) is given in table 3 below.

Table 3: Descriptive statistics on brand switching for all consumer responses and by various groups.

Item	Mean	S.D.
Brand switching *	3.12	0.839
Brand switching – Male Group	3.15	0.937
– Female Group	3.09	0.941
Brand switching – 13-19 Age Group	3.14	0.939
– 20-25 Age Group	3.16	0.794
– 26-30 Age Group	3.22	1.005
– 31-40 Age Group	3.09	1.011
– Above 41 Age Group	3.01	0.880
Brand switching – Below 250 Income Group	3.19	0.821
– 251-600 Income Group	3.15	0.931
– 601-1200 Income Group	3.15	1.082
– 1201-3000 Income Group	3.11	0.937
– Above 3000 Income Group	2.98	1.044

Source: Questionnaire analysis

* This denotes the mean, standard deviation, Z-score and p-value for the entire sample data, unlike others given in the tables that are of a specific consumer group.

The Z test associated with each factor of measurement in table 3 is presented below in table 4 (see appendix A for details).

Table 4 – Z test and associated statistics on brand switching for all consumer responses and by various groups.

Item	Z-value	P-value[†]
Brand switching ⁵	3.037	0.12%
Brand switching – Male Group	3.401	0.03%
– Female group	2.030	2.12%
Brand switching – 13-19 Age Group	3.166	0.08%
– 20-25 Age Group	4.279	INS [*]
– 26-30 Age Group	4.649	INS
– 31-40 Age Group	1.891	2.94%
– Above 41 Age Group	0.241	NA ^{**}
Brand switching – Below 250 Income Group	4.915	INS
– 251-600 Income Group	3.422	0.03%
– 601-1200 Income Group	2.944	0.16%
– 1201-3000 Income Group	2.493	0.64%
– Above 3000 Income Group	-0.407	NA

Source: Questionnaire analysis

^{*} The P-value is insignificantly low; i.e., below 0.000003 ‡

^{**} Not Applicable: given that the empirical evidence is not strong enough to reject the null hypothesis.

[†] P-values are calculated after rounding the Z-values into two decimal places. For example 3.037 was rounded to 3.04.

[‡] The lower the p-value the higher the ground incorporated in the empirical data to reject the hypothesis, and the larger the comfort to accept the alternative hypothesis.

Based on the z-test presented above and the use of the rejection rule for the brand switching hypothesis (i.e., hypothesis one)- *Reject the null-hypothesis if $Z > 1.645$ (a right tail test)* – the following results have occurred. The interpretation are given according to the above table data arrangement:

- The null hypothesis with the notion that the prizes given by the soft drink industry in Ethiopia does not result in an aggressive brand switching in the short run has been rejected. This upshot on the entire sample data follows the verity that the Z-score for the empirical data collected is '3.037', which falls in the rejection region (greater than 1.645). Hence, the evidence supports the alternative hypothesis to this respect, which runs in the opposite direction to the null hypothesis.

- The second objective of this study under this manifestation was to test whether the effects of prizes given by the soft drink industry in Ethiopia is resulting (or not-resulting) in an aggressive brand switching varies among sex categories. The Z-value has come to be '3.401' for the male sample population and '2.030' for the female's part, which forces the rejection of the null hypothesis for both classes, though the male consumers scored higher than the females (more on this latter). This provides enough ground to support brand switching alternative (research) hypothesis, regardless of consumers' sex.

- The empirical evidence collected on sample bases was also used to test the brand switching null hypothesis of this study, as stated above, for specific age groups. As a result, the null hypothesis was rejected for all age groups, but to that of "above 41" age category. This is because the calculated value for the class is '0.241', which is by far less than the critical value (1.645). But for the other age classes (i.e., 13-19, 20-25, 26-30, and 31-40) the calculated Z-scores are above the benchmarking value, hence falling in the rejection area. Consequently, the empirical data forces the study to accept the research hypothesis that alleges prizes given by the soft drink industry in Ethiopia results in an aggressive brand

switching in the short run for all except the “above 41” age group. Further, one can also note that as age increase the Z-scores declines.

● Similarly, the empirical data managed to reject the null hypothesis associated with brand switching or in its own terms “*the prizes given by the soft drink industry in Ethiopia does not result in an aggressive brand switching in the short run*” for all income groups with the exception of the last class (i.e., above 3000). This follows the fact that the calculated Z value (-0.407) for the “above 3000” income category is less than the critical value (1.645). Hence, the empirical evidence runs in support of the research hypothesis for all income groups except for the “above 3000” category. Also as income increase Z-score associated with the groups declined as indicated by table 4 above.

However, at this point it would be proper to look profoundly into the empirical data analysis as to how much power it exhibited in resulting in abandoned null hypotheses. The chosen measure, as described in previous sections, is the p-value. This refers to at what level of significance (as compared to the 0.05 level of significance for the analyses) the empirical evidence may change the verdicts given regarding the hypotheses, incorporating the group wise interpretations given above. Hence, with this measure one can comfortably assess whether the rejections produced from the empirical scrutiny are barely significant (or insignificant) or overwhelmingly significant (or insignificant). Accordingly the p-values for the various groups as well as the entire sample data are presented in table 4 above.

Consequently, the calculated p-values indicate that the collected empirical evidence rejected many of the null hypotheses at ease. Particularly, as signified by the diminutive P-values, “20-25” and “26-30” age groups, and “below 250” income group endowed substantially higher ground to reject the brand switching null hypothesis (hence,

the acceptance of the alternative hypothesis thereto). § The P-values for the other groups, including the one calculated for the entire sample data, indicates a contented ground of rejecting the respective null-hypotheses.

Further, the continuous decline in Z-scores, hence swelling in P-values, as one descends from the least income group (i.e., below 250) to the highest (i.e., above 3001), which the strength of the empirically data weakens as income increases, should be noted at this point. More on the connotation of this is given in the next section.

◆ Repeat Purchase

Table 5 was developed to present the descriptive statistics for the repeat purchase effect based on the data collected.

Table 5: Descriptive statistics on repeat purchase for all consumer responses and by various groups.

Item	Mean	S.D.
Repeat Purchase	2.85	0.934
Repeat Purchase – Male Group	2.82	0.838
– Female Group	2.89	0.799
Repeat Purchase – 13-19 Age Group	2.74	0.982
– 20-25 Age Group	2.81	0.923
– 26-30 Age Group	2.89	0.641
– 31-40 Age Group	2.89	1.041
– Above 41 Age Group	2.99	0.838

§ However, the p-value in relation to the hypotheses embarked up on the “above 41” age category and the “above 3000” income group were not pertinent following the fact that the empirical data failed to reject the null hypotheses thereto.

Repeat Purchase – Below 250 Income Group	2.79	0.893
– 251-600 Income Group	2.83	0.935
– 601-1200 Income Group	2.84	0.905
– 1201-3000 Income Group	2.87	0.759
– Above 3000 Income Group	2.93	0.912

Source: Questionnaire analysis

The Z test associated with each factor of measurement in table 5 is presented below, in table 6.

Table 6- Z test and associated statistics on repeat purchase for all consumer responses and by various groups.

Item	Z-value	P-value
Repeat Purchase	-3.411	0.03%
Repeat Purchase – Male Group	-4.560	INS
– Female group	-2.925	0.18%
Repeat Purchase – 13-19 Age Group	-5.623	INS *
– 20-25 Age Group	-4.372	INS
– 26-30 Age Group	-3.644	0.02%
– 31-40 Age Group	-2.244	1.25%
– Above 41 Age Group	-0.253	NA **
Repeat Purchase – Below 250 Income Group	-4.994	INS
– 251-600 Income Group	-3.861	0.02%
– 601-1200 Income Group	-3.755	0.02%
– 1201-3000 Income Group	-3.637	0.02%
– Above 3000 Income Group	-1.629	NA

Source: Questionnaire analysis

* The P-value is insignificantly low; i.e., below 0.0003%

** Not Applicable: given that the empirical evidence is not strong enough to reject the null hypothesis.

● Taking the rejection rule for this prize stimulated outcome - *Reject the null-hypothesis if $Z < -1.645$ (a left tail test)* - the repeat purchase null hypothesis with the conception that the scratch and win prizes given by the soft drink industry in Ethiopia induce brand loyalty (i.e., purchase effect) in the long run has been rejected. This is validated by the fact that the Z-score for the data collected was '-3.411', which falls in the rejection region (less than -1.645). For this reason, the data analysis corroborated the alternative hypothesis, which asserts that the prizes do not bring consumer fidelity to the sponsored brand in the long run.

● Assessing the brand loyalty (i.e., purchase) effects of prizes given out with soft drinks on different sex groups, the null hypotheses were rejected for both. As dictated by the empirical data, the calculated Z-value for the male category is '-4.560' while '-2.925' for the female's branch, both of which are less than the critical value (-1.645). Accordingly, this grants the needed argumentative floor to support the repeat purchase alternative (research) hypothesis (i.e., hypothesis 2) for both consumers' sex groups.

● The sample data also granted enough ground to reject the repeat purchase null hypothesis of this study for all age groups, with exception of the "above 41" age class. The calculated Z-value for the "above 41" age category is '-0.253', which is greater than the critical value of the study (-1.645). But for the other age classes (see table 6 above) the calculated Z-score falls in the rejection area (i.e., below -1.645). For that reason, the empirical data compels the study to accept the research hypothesis that contends prizes given by the soft drinks industry in Ethiopia do not induce brand loyalty (i.e., purchase effect) in the long run. Once again, as age increase, associated Z-score increase.

● Correspondingly, another objective of this study was to test the effects of prizes given by the soft drink industry in Ethiopia in ensuing (or not- ensuing) long-term brand loyalty differs among income groups. The calculated Z values indicate that the repeat purchase null hypothesis can be rejected for all income groups except for that of the “above 3000” category. The Z-value, as can be seen from the above table, which is -1.629 is slightly greater than the critical value (-1.645); eventually, allowing the repeat purchase research (alternative) hypothesis to stand for all income groups except for the “above 3000” category. Here also, as income increase Z-scores tends to decline.

The p-values for the various groups as well as the entire sample data are presented in table 6. The values point out the collected empirical evidence rejected many of the null hypotheses assuring. This can be evidenced by the fact that many of the p-values are by far less than the level of significance of this study; i.e., 0.05. Nonetheless, the male sex group, the “13-19” and “20-25” age groups, and “below 250” income group null hypotheses were rejected with a high degree of assertion as compared to the other classes. In retrospect the research hypotheses thereto were accepted with less degree of contention.

◆ Purchase Acceleration

The descriptive statistics for purchase acceleration is given in table 7 below.

Table 7: Descriptive statistics on purchase acceleration for all consumer responses and by various groups.

Item	\bar{X}_1	S.D. ₁	\bar{X}_2	S.D. ₂	\bar{X}_3	S.D. ₃
Purchase Acceleration	2.99	1.301	3.54	1.806	3.07	1.309
Purchase Acceleration – Male Group	3.03	1.357	3.70	1.878	3.19	1.364
– Female Group	2.94	1.235	3.37	1.731	2.94	1.246
Purchase Acceleration – 13-19 Age Group	3.40	1.095	4.12	1.719	3.54	1.138
– 20-25 Age Group	3.24	1.373	3.81	1.577	3.25	1.361
– 26-30 Age Group	3.31	1.243	3.87	1.782	3.29	1.226
– 31-40 Age Group	2.95	1.622	3.54	1.836	3.35	1.654
– Above 41 Age Group	1.99	1.197	2.08	1.185	2.01	1.197
Purchase Acceleration – Below 250 Income Group	3.08	1.092	3.72	1.402	3.25	1.130
– 251-600 Income Group	3.01	1.091	3.81	1.879	3.22	1.166
– 601-1200 Income Group	2.95	1.097	3.56	1.599	3.24	1.096
– 1201-3000 Income Group	2.97	1.436	3.35	1.707	3.05	1.489
– Above 3000 Income Group	2.93	1.580	3.04	2.234	2.79	1.507

Source: Questionnaire analysis

Based on the above data presentation the following Z-score table was compiled:

Table 8 - Z tests on purchase acceleration (measure through quantity purchased) for all consumer responses and by various groups.

Item	Z-value₁	Z-value₂
Purchase Acceleration	-5.248	4.474
Purchase Acceleration – Male Group	-6.141	4.667
– Female group	-4.295	4.282
Purchase Acceleration – 13-19 Age Group	-7.502	5.975
– 20-25 Age Group	-5.789	5.710
– 26-30 Age Group	-5.475	5.695
– 31-40 Age Group	-5.114	1.633
– Above 41 Age Group	-1.135	0.883
Purchase Acceleration – Below 250 Income Group	-7.651	5.544
– 251-600 Income Group	-7.821	5.667
– 601-1200 Income Group	-6.644	3.506
– 1201-3000 Income Group	-3.621	2.813
– Above 3000 Income Group	-0.852	1.965

Source: Questionnaire analysis

The third effect of promotional tools is the acceleration of purchases or the increase in purchase quantity of the brand on promotion. To this effect, this study has tried to evaluate as to whether such an effect is induced on the soft drinks consumers from two time perspectives. The first is during the period when the promotional offers are active; i.e., the short run, and secondly the long run or the period after the offers has been withdrawn. The descriptive statistics and the inferential statistics of this index are given in table 7 and table 8 respectively. In table 7 (i.e., the descriptive statistics table) the first two columns present the data pertinent to the period before the promotional tool is

introduced, the third and fourth columns present those that are relevant during the promotional tool is active (i.e., short-run), and finally the last two contain those applicable to the period after the offers are withdrawn (i.e., long-run)

In table 8 above the first Z-score (i.e., Z-value z_1) was calculated using the first two statistics means (X_1 and X_2) and standard deviations (S.D. $_1$ and S.D. $_2$) given in table 7. Thus, this Z-value helps to examine the increase (or decrease) in purchase quantities with the promotional offer introduced. On the other hand the second score (i.e., Z-value z_2), which was calculated using X_2 and X_3 , and S.D. $_2$ and S.D. $_3$, evaluated whether the prizes given can induce a purchase acceleration effect that is sustained after the promotional offer is withdrawn.

Based on their respective behaviors, the rejection rule for the first, short term related, purchase acceleration hypothesis (i.e., hypothesis three) is *Reject the null-hypothesis if $Z < -1.645$ (a left tail test)*, while for that addressing the long term purchase acceleration effect (i.e., hypothesis four) is *Reject the null-hypothesis if $Z > 1.645$ (a right tail test)*. The interpretation of the Z-scores follows below:

● As indicated by the Z-score (i.e., -5.248) the short-run related null hypothesis that states the scratch and win prizes given by the soft drink industry in Ethiopia do not result in purchase acceleration in the short run was rejected in view of the entire data collected. This is trailing the calculated Z-score being less than the critical value (i.e., -1.645). Consequently, the research hypothesis claiming that the prizes do result in short term purchase acceleration was accepted. Likewise, the long run oriented null hypothesis that avers the promotional offers do provoke purchase acceleration in the long run was also rejected pursuant to the computed Z-score (4.474) being greater than the applicable critical value (1.645). This forces the study to accept the alternative hypothesis that alleges the prizes do not result in sustained purchase acceleration after the promotional offers are detached from the products.

● Analyzing the empirical data via consumer sex categories, the short term, purchase acceleration null hypothesis was rejected for both sex groups, as the respective Z-values (i.e., -6.141 for male consumers and -4.295 for female ones) were less than the critical value for the hypothesis (i.e., -1.645), though the Z-score of male consumers is higher than the female counter parts (more on this later). The research hypothesis that states the scratch and win prizes given by the soft drink industry in Ethiopia results in purchase acceleration in the short run, hence, was acknowledged for both sex groups.

The male and female Z-scores being 4.667 and 4.282 (above the critical value of 1.645), the empirical data also managed to reject the long run oriented null hypothesis, which reads as “*the scratch and win prizes given by the soft drink industry in Ethiopia result in purchase acceleration in the long run,*” for both sex groups.

● The sample data also granted enough ground to reject the short run purchase acceleration null hypothesis of this study for all age group, with exception of the “above 41” age class. This is for the reason that the calculated Z-value for the “above 41” age category is ‘-1.135’, which is greater than the critical value -1.645. But for the other age classes (see table 8 above) the calculated Z-scores fall in the rejection area (i.e., below -1.645). Therefore, the empirical data obliges the study to accept the research hypothesis that argues the promotional tools offered in the Ethiopian soft drink industry results in purchase acceleration in the short run all age groups with the exception of the “above 41” category.

Similarly, the long run, purchase acceleration hypothesis was also rejected for all age groups except for that of “above 41,” in view of the fact that the calculated Z-values for all age class rests in the rejection region (i.e., above 1.645) except for that of the last group, whose score is ‘0.883.’ Hence, the long run,

purchase acceleration alternative hypothesis can be acknowledged for all age groups, but the "above 41" age set.

● The study also tested whether the effects of prizes given by the soft drink industry in Ethiopia via income groups has variation in the short run and in the long run. The calculated Z-values indicate that the short run, purchase acceleration null hypothesis can be rejected for all income groups except for that of the "above 3000" category. The value, which is -0.852 , is greater than the critical value (-1.645); hence supporting the short run research (alternative) hypothesis, which argues the prizes in the Ethiopian soft drink industry results in purchase acceleration in the short run, for all income groups except for the "above 3000" category.

In relation to the long run, conversely, the null hypothesis was rejected for all income groups. Eventually, the alternative hypothesis that specified "*the scratch and win prizes given by the soft drink industry in Ethiopia do not result in purchase acceleration in the long run*" was accredited for all income categories.

As evidenced by the large Z-values in table 8, the p-values for majority groups as well as the entire sample data are very small **. The smallness of these values points out that the collected empirical evidence rejected many of the null hypotheses with high degree of assurance. This in turn can be an indicator to many of the claims of this study regarding purchase acceleration can be pursued with confidence. Further, ignoring the negative signs, the Z-score for the two periods (i.e. Z-score $_1$ and Z-score $_2$) for most groups are close to being the same (More on the indications of this in the next section).

** Since the p-values are very small (i.e., less than 0.00003) the scores were not given along with the Z-values

To sum up, analysis made on the 451 sample soft drink consumers was analyzed using the Z-test and p-values in addressing the given objectives of this study. The analysis has effected the rejection of null hypothesis stated at the beginning of this chapter for many of the groups analyzed. The only ones that the study failed to present substantiated data for the rejection their null hypothesis are the "above 41" and "above 3001" age and income groups respectively. The only exception to this is the fact that the data rejected the long run, purchase acceleration null hypothesis for the "above 41" age category. The low p-values associated with the many of the null hypotheses indicate the rejections were done with high level of assurance. But, what is the implication of these findings in terms of promotion theories? The answers to this question are what preside over the next chapter.

CHAPTER FIVE

CONCLUSIONS, IMPLICATIONS AND RECOMMENDATIONS

◆ CONCLUSIONS

Preachers of promotional theories argue that sales promotion tools have the ability to induce three effects on targeted consumer. These are brand switching, repeat purchase and purchase acceleration. This, in a nutshell, is because the tools (at least theoretically) have the ability to persuade consumers to taste the brands on promotion and eventually they will develop a habit of purchasing them. This clearly assumes that the quality of such products is as to the expectations of consumers. Brand switching is clearly a short-term manifestation, as it is the probability that consumers will follow a sales promotion tool changing brands. Such switching might be accompanied by an increase in quantity purchase of the promoted product as long as the promotional offers are on the go. However, only the successful tools can induce a long-term effect. This is in that they can result in retention of switched customers along with their increased purchase quantities in the short run.

As derived from the above, these factors were used as measurement indices of behavioral changes inculcated by promotional offers (i.e., prizes) by Ethiopian soft drink producers. As it is supported by the empirical data presented and the accompanying analyses, a number of key deductions can be noted out of this study. For example, both male and female users of soft drinks seem to respond favorably to prize introductions by switching (preferring) the brand with the extra offer (i.e., prize), either aggressively or defensively. Such switching, further, appears to be accompanied by increases in

purchased quantity (i.e., purchase acceleration) for both sex categories. Nonetheless, male consumers seem more prize prone in instigating brand switching and purchase acceleration behaviors than their female counter parts.

But sales promotional tools being short lived, as the analyses shows for both sex categories, the probability that both male and female consumers will abandon the promoted brand following the withdrawal of the extra benefits is high, as revealed by the repeat purchase analysis. This, in due course, can result in consumers returning to their original choices (i.e., choices before prizes are introduced). This in a way can be an indicator that most of brand switching will be of an aggressive nature. Nonetheless, once again, male consumers seem more in pursue of prizes than female consumers, dumping brands without prizes (which use to have) more quickly than females. Hence, prizes given with soft drinks seem to lack the necessary ability to induce brand loyalty on either of sex categories. This can also be substantiated by the fact that both male and female consumers showed a declining trend in purchase quantity (or in purchase acceleration) once the prizes are withdrawn.

✓ The effects of the sales promotion tools are much similar via age groups as that of sex categories. To this end, consumers below the age of 40 (excluding those under 12 years of age) look to react to introduction of promotional offers by dumping their original soft drink choices with prizes containing ones (i.e., switching brands); and also by increasing their consumption rate of the promoted brand as compared to their past intakes (i.e., before prizes were introduced). With in this age category, however, the "below 30" class showed more interest in prizes than the "31 to 40" age category both in terms of brand switching and speeding up of consumption. On the other hand, consumers who are above 41 years of age seems to attach no importance towards the promotional offers, hence be evidence for neither a brand switching or purchase acceleration manifestations.

However, in the long run (i.e., the period after the prizes are introverted), below 40 years of age consumers seem to show a declined interest in the brand that used to give out prizes. The analyses showed that the purchase quantity of the "below 40" age

category consumers decreases once the incentive are withdrawn. This, once again, may be an indicator that prizes are not the perfect tools to illicit a brand loyalty behavior from consumers, particularly new customers. Further, the probability of consumers abandoning of brands on promotion in the long run seems to decline as age increase (measured both through repeat purchase and purchase acceleration), teens being the most influenced ones and the "above 30" years of age last in the list. Therefore, as the segmented market composition matures in age (i.e., age of consumers) the effectiveness of sales promotion tools in meeting their targets declines. The behavior of consumers of 41 years of age and above, naturally, is not a concern here, as they exhibit no short run increase in using up of soft drinks, hence a somewhat uniform (balanced) consumption during both periods (i.e., in the short and long runs).

Coming to income wise reviews of results, with the exception of the "above 3000" set, all the others (i.e., consumers of below 3000 income) exhibited a brand switching and purchase acceleration behaviors up on the introduction of prizes with soft drinks. Particularly, the "below 600" income class seems to exhibit a higher attention to prizes. The prizes by and large being financial in nature, and this group being the low-income class, might explain the partiality. In contrast, the "above 3000" income class consumer appears to be less influenced by prizes either to switch brands or increase the consumption rate of soft drinks.

The imperative effects of prizes on basically instilling brand loyalty in the long run (i.e., after the promotional offers are detached from the products) seems not to be an outcome from prizes offered in the soft drinks industry of Ethiopia, regardless of income levels. All income levels (excluding those above 3000-as they are most likely not influenced by the offers) seem to show evidence of declining interest in the brand on promotion after the removal of the potential extra benefits attached.

Thus, after carefully evaluating the above conclusions, and the analyses conducted on all responses (i.e., eliminating the group classification), it can safely be said that the prizes offered by Ethiopian soft drink producers seem to be recognized by

consumers. By and large, users of the products respond by exhibiting short term shifting of preference to brands with prizes, and also increased purchased quantities thereto. However, once the promoter vacates such extra offers, consumers seem to lose interest in the products; and also reduce their rate of consumption. This probably will be accompanied by users reverting back to their original choices (i.e., to their choices before the introduction of prizes). Hence, even if prizes can be used to instigate short-term sales increases and/or defend declining market share, their theoretical ability to result in sustained preference towards the brand (with out prizes attached to it) seems to only be a myth in the case of the Ethiopian soft drinks industry.

◆ IMPLICATIONS

The above conclusions, for one, can have a number of implications on the decisions of promoters or soft drink manufacturers. The major ones could be:

☑ *All things considered, logically, the effects of sales promotional tools (particularly prizes) can result in increase of sales of the promoted brand; hence in the promoter's total sales. However, this seems to last only as long as the prizes/tools attached with it are in force. This makes the boosting up in sales a temporary phenomenon. All in all, one can safely deduce that the promoter might experience increase in sales, which however, will simply be a short lived one, running until the sales promotion period (i.e., short run) ends.*

☑ *The effect of prizes in increasing sales being short term in nature, the costs incurred, with the planned profit increase, by promoters to activate the schemes may have to be recouped in the short run (i.e.,*

before the withdrawal of the prizes). This follows the inferred notion of this study that, for considerably larger slice of the target market, the extra sales generated by prizes offered will decline, most probably significantly, after the prizes are pulled out. In other words, a sales promotion plan has to be viewed as an idiosyncratic project, with its own expected short-term positive effects on sales (and also market share), which might not necessarily induce sustained (long run) effects on consumers' behavior, hence on sales and market share.

☑ It was said that males are more prone for aggressively switching brands following prize introduction, as well abounding brands after the end of the promotional periods than females. Therefore, promoters might benefit from the promotional schemes by concentrating more on male user needs. To this end, development of advertisements in a way more appealing to males can be an example. However, promoters should not be carried out to the farthest by this notion, as females also seem to respond positively towards prizes, at least in the short run, only not as strongly as their counter sex.

☑ The probability of attracting members of "above 41" age class and/or "above 3000" income groups through prizes in a profitable manner is said to be less likely. Consequently, though they may make up a considerably recognizable market size, promoters seem to be better off keeping their promotional efforts on such class to the minimal, principally in stipulating the introduction of prizes. The producers might profit by focusing the larger share of their efforts on the "13 to 30" age class consumers and "below 600" income groups to squeeze short term boosting up of sales.

☑ *Some times, as it is the case in the Ethiopian soft drinks industry, one competitor might follow the foot of the other in introducing promotional tools as a kind of defense mechanism. This, for all practical reasons, might work. Nonetheless, the defending promoter has to evaluate the costs and benefits of such strategy initially. For example, it seems to be the case that in the long run consumers of soft drinks in Ethiopian will eventually return to their original choices (i.e., choices before the introduction of prizes). This means that in order to defend ones shelf space from a competitors sales promotional campaigns through the introduction of the same, the cost of losing sales from switching consumers to the competing brand temporarily must be greater than the cost of introducing a sales promotion scheme.*

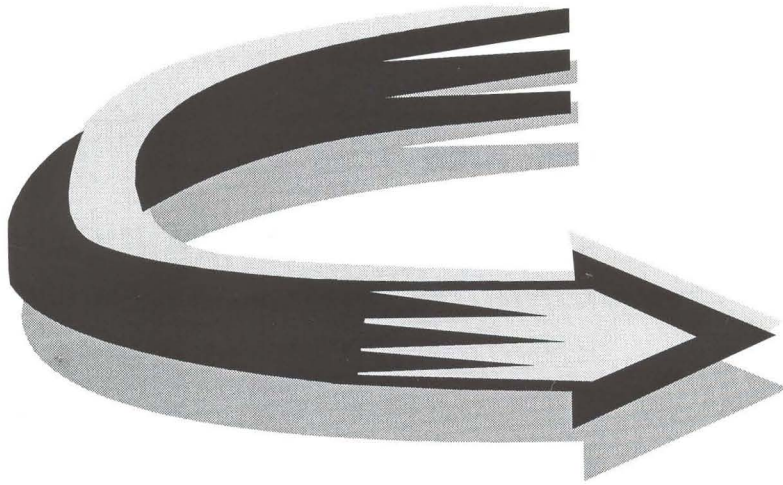
◆ AVENUE FOR FUTURE RESEARCH

The results of this study also offer interesting avenues for future research. For example, to what degree the behavioral changes induced by prizes (or sales promotional tools in general) are associated with the actual sales increases of the companies (i.e., a correlation analysis). Particularly, whether proportional (proportional to the sales promotional budget) and temporary price decreases can result more effects on sales than the scratch and win prizes being executed. A further issue can be a comparison between the effectiveness of prizes with that of advertising through the various medias in resulting the needed outcomes. Also whether the later, or any other component of the promotion mix, has a better influence on consumers to exhibit brand loyalty behaviors than the former can be a fertile ground for research.

An industry wise analysis of these factors is also a topic for future research, since this study has considered the soft drinks industry, which might have different set of consumers with peculiar consumption characteristics. More specifically, for example, breweries have been implementing sales promotional schemes for long, whose major consumers are more matured than the targeted population of soft drinks; and this study at one point presumed that the general effects of prizes decline as age (hence maturity) increases. This can help, in conjunction with this study, to see whether maturity level of the majority of consumption of products have implication on development and executions of sales promotional tools. Finally, however, one should note that these are merely complex questions that require further deductions and crystallization to result in fruitful and workable hypotheses.

APPENDIX A

STATISTICAL FORMULAS USED



$$1 \text{ --- mean } (\bar{x}) = \frac{\sum X_i}{n}$$

Where - X_i denotes scores obtained by each consumer in the sample on each measurement dimension

n is the number of consumers covered by the study (i.e., 451)

$$2 \text{ --- S.D. (s)} = \sqrt{\frac{\sum (X_i - \bar{x})^2}{n-1}}$$

Where - \bar{x} denotes mean score obtained for each measurement dimension

$$3 \text{ --- } Z = \frac{x - \bar{x}}{\text{S.D.}}$$

Where - \bar{x} represents the standard set to consider a consumer scoring above average on each index (i.e., a 3 average points - see analysis part in methodology for details)

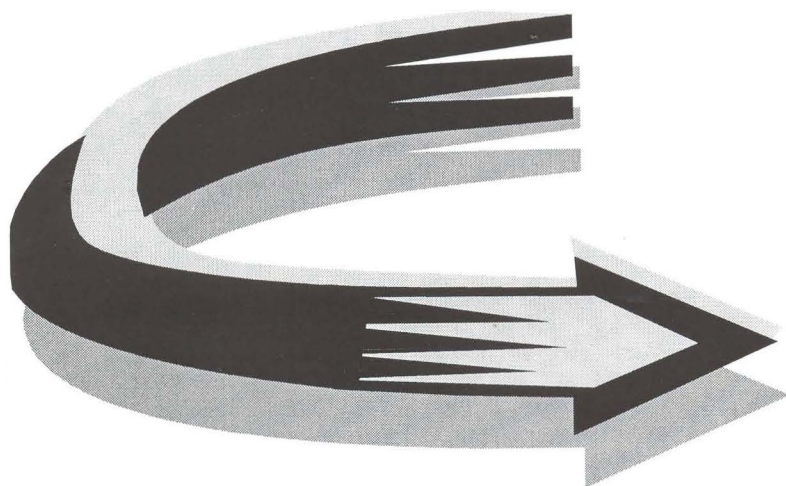
4----- p-value calculated using the Z-distribution

APPENDIX B

QUESTIONNAIRE

➤ IN ENGLISH

➤ IN AMHARIC



This questionnaire is to be used in a research being conducted to evaluate the effects of prizes offered with soft drinks on consumer purchasing behavior. With this goal, the kind responses you give are valued greatly. We sincerely thank you for your earnest cooperation in advance. Please use a (✓) sign for your responses

1. Sex: Male Female

2. Age: 20 and below 21-25 26-30 31-40 above 41

3. Monthly income in birr (if you are a student or without a job, your parents or guardians income)

Below 250	251 -600	601-1200	1201-3000	Above 5000
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

No.	Statements	Strongly agree	Mostly agree	Can't say	Seldomly agree	Strongly disagree
4.	Most people enjoy clipping soft drink caps being desperate to become prizewinners.					
5.	Prizes offered with soft drinks make people, including me, feel good.					
6.	Even if most people have a favorite soft drink brand, they usually prefer brands with prizes.					
7.	When I buy a brand with prizes, I feel that I am getting a good deal.					
8.	When a soft drink brand offers a prize, that gives consumers a reason to buy it.					

9. Before prizes were offered, how many soft drinks on the average do you used to consume in any given week?

Answer: _____

10. When you buy a soft drink, which one of the following do you do?

___ a) I scratch the cap cover before I drink.

___ b) I drink or start drinking before I scratch the cap cover.

___ c) I do not scratch the cap cover at all because I am not interested in the prizes.

No.	Statements	Strongly agree	Mostly agree	Can't say	Seldomly agree	Strongly disagree
11.	A person should always try to buy a soft drink brand that offers prizes, even if it is not his favorite choice.					
12.	Most people remain loyal to the brand that offers them a prize, even after the prizes are withdrawn.					
13.	A prize can only make a person change his favorite choice as long as the offer is active.					
14.	After the prizes offered by a soft drink brand are terminated, the interest shown by the consumer will decline.					

15. During the period when prizes are offered, how many soft drinks do you consume on the average in any week?

Answer: _____

16. As a soft drink user, do you prefer mostly to buy a brand of soft drink that offers prizes, even if it is not your favorite brand?

___ Yes

___ No

No.	Statements	Strongly agree	Mostly agree	Can't say	Seldomly agree	Strongly disagree
17.	Most peoples' consumption of a soft drink brand will decline when the prizes offered by the brand are terminated.					
✓ 18.	Most people enjoy telling their friends "how attractive and interesting prizes given by soft drinks are."					
✓ 19.	Consumption of the same soft drink brand constantly for a certain time will make a person develop a positive attitude towards buying the brand.					

✓ 20. After the prizes offered by soft drinks are terminated, how many soft drinks do you consume, or expect to consume, in any given week?

Answer: _____

✓ 21. If a person starts consuming a certain soft drink brand persuaded by the prize offered by it, he will stay loyal to the brand even after the prizes offered are withdrawn, because he will be attracted by the performance of the brand.

Strongly agree	
----------------	--

Mostly agree	
--------------	--

Can't say	
-----------	--

Mostly disagree	
-----------------	--

Strongly disagree	
-------------------	--

22. For example, if a person's favorite choice is Pepsi, and he/she starts consuming coca cola when coal cola begins giving prizes, the probability that the person will return back to Pepsi when the prizes offered by coca cola ends is high.

Strongly agree	
----------------	--

Mostly agree	
--------------	--

Can't say	
-----------	--

Mostly disagree	
-----------------	--

Strongly disagree	
-------------------	--

ይህ መጠይቅ የለስላሳ መጠጥ አምራቾች የሚያቀርቡባቸው ሽልማቶች በደንበኛው የአገዛዝ ባህሪ ላይ ያስከተሉትን ለውጥ ለማየት የሚደረግ ጥናት አካል ነው። ከዚህ በታች እርሶ የሚሰጡባቸው መልሶች ለዚህ ጥናት መሳካት ከፍተኛ አስተዋፅኦ ይኖራቸዋል። ላደረጉልን ቀና ትብብር በቅድሚያ እናመሰግናለን። እባክን ለመልሶቻችን በሳጥን ውስጥ (✓) ምልክት ይጠቀሙ።

1. የታዎ: ወንድ ሴት
2. እድሜዎ: 13-19 20-25 26-30 31-40 ከ 41 በላይ
3. የወር ገቢዎ በብር (ተማሪ ከሆኑ የወላጅ ወይም ያሳዳጊዎ ገቢ)

ከ 250 በታች	251-600	601-1200	1201-3000	3001-5000	ከ 5000 በላይ
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

ተ.ቁ	ሃሳቦች	በጣም እስማማለሁ	እስማማ ለሁ	እርግጠኛ አይደለሁም	እልስማማም	በጣም እልስማማም
4.	ብዙ የለስላሳ መጠጥ ተጠቃሚዎች የእጣ አሸናፊ ለመሆን ካላቸው ፍላጎት የተነሳ ቆርኪዎችን ሲልጡ በደስታ ነው ።					
5.	የለስላሳ መጠጥ እጣዎች እኔን ጨምሮ ለብዙ ሰዎች ጥሩ ስሜት ይፈጥራሉ ።					
6.	ምንም እንኳን ብዙ ሰዎች የሚወዱትና የሚያዘውትሩት የለስላሳ መጠጥ ዓይነት ቢኖርም እጣ ያለውን መግዛት ይመርጣለሁ።					
7.	ሽልማቶችን ሊያስገኝልኝ የሚችል የለስላሳ መጠጥ በምገዛበት ጊዜ ጥሩ ምርጫ መምረጫ ይሰማኛል።					
8.	አንድ የለስላሳ መጠጥ ፋብሪካ እጣዎችን በሚያቀርብበት ጊዜ ሽልማቶቼ ብዙ ሰዎችን እንዲህን የለስላሳ መጠጥ አይነቶች እንዲገዙ ያደርጋቸዋል።					

9. የለስላሳ መጠጥ ፋብሪካዎች ሽልማቶችን ከማቅረባቸው በፊት በአማካይ በአንድ ሳምንት ውስጥ ስንት የለስላሳ መጠጦችን ይጠቀሙ ነበር?

መልስ: _____

10. የለስላሳ መጠጥ ሲገዙ ከሚከተሉትን የትኛውን ያደርጋሉ?

- ___ : ሀ. ከመጣጣቴ በፊት ቆርኪውን እልጣለሁ ።
- ___ : ለ. ቆርኪውን የምልጠው ከጠጣሁ ወይም መጣጣት ከጀመርኩ በኋላ ነው ።
- ___ : ሐ. እጣዎች ስለማይስሱኝ ቆርኪውን የመላጥ ፍላጎት የለኝም ።

ተ.ቁ	ሃሳቦች	በጣም እስማማለሁ	እስማማ ለሁ	እርግጠኛ አደለሁም	እልስማማም	በጣም እልስማማም
11.	ሰዎች የሚወዱትና የሁል ጊዜ ምርጫቸው ባይሆንም ሽልማት ሊያስገኝላቸው የሚችለውን የለስላሳ መጠጥ ዓይነት ቢገዙ ይሻላቸዋል።					
12.	በአብዛኛው ሰዎች እጣዎች ካለቀ በኋላ እንኳን ሽልማት ያስገኙ የነበሩትን የለስላሳ መጠጥ ዓይነቶች ይመርጣሉ።					
13.	እጣዎች የምናዘወትረውን የለስላሳ መጠጥ ዓይነት ሊያስለውጡን የሚችሉት ዕጣዎች ከማለቃቸው በፊት ብቻ ነው። ዕጣዎቹ እንዳለቁ ሁል ጊዜ ወደምንመርጠው ወይም ወደምናዘወትረው የለስላሳ መጠጥ ዓይነት እንመለሳለን።					
14.	በአንድ የለስላሳ መጠጥ ዓይነት የሚሰጡ ሽልማቶች ሲያልቁ ሰዎች የዚህን ለስላሳ መጠጥ አይነት የመግዛት ፍላጎታቸው ይቀንሳል።					

15. ዕጣዎች እየተሰጡ ባሉበት ጊዜ በአማካይ ባንድ ሳምንት ምን ያህል የለስላሳ መጠጥ ይጠቀማሉ ?

መልስ: _____

16. እርስዎ ባብዛኛው ጊዜ ሽልማት ያላቸውን መጠጦች መግዛት ይመርጣሉን ?

___ እመርጣለሁ

___ አልመርጥም

ተ.ቁ	ሃሳቦች	በጣም እስማማለሁ	እስማማ ለሁ	እርግጠኛ አደለሁም	እልስማማም	በጣም እልስማማም
17.	በአንድ የለስላሳ መጠጥ አይነት የሚሰጡ ሽልማቶች ሲያልቁ ብዙ ሰዎች ይህን የለስላሳ መጠጥ አይነት መግዛታቸውን ይቀንሳሉ ?					
18.	ብዙ ሰዎች እኔን ጨምሮ ከለስላሳ መጠጦች ሊገኙ ስለሚችሉ ሽልማቶች ለንደኞቻቸው ማውራት ያስደስታቸዋል።					
19.	አንዱን የለስላሳ መጠጥ አይነት ለብዙ ጊዜ ደጋግሞ መጠቀም ይህንን የለስላሳ መጠጥ አይነት እንድንወደው ያደርገናል።					

20. በለስላሳ መጠጥ አምራቾች የሚሰጡ ሽልማቶች ሲያልቁ በአማካኝ በአንድ ሳምንት ምን ያህል ለስላሳ መጠጦችን ይጠቀማሉ ወይም የሚጠቀሙ ይመስልዎታል ?

መልስ: _____

21. አንድ ግለሰብ የአንድ የለስላሳ መጠጥ አይነት በሚሰጣቸው ሽልማቶች ተስቦ የለስላሳ መጠጥ ተጠቃሚ መሆን ቢጀምርና ይህ ግለሰብ የሚሰጡት ሽልማቶች ቢያልቁ እንኳን የዚህ የለስላሳ መጠጥ አይነት ደንበኛ መሆኑ ለረጅም ጊዜ ይቀጥላል ብለን ማሰብ እንችላለን ::

በጣም እስማማለሁ	
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እስማማ ለሁ	
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እርግጠኛ አደለሁም	
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እልስማማም	
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በጣም እልስማማም	
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22. ለምሳሌ አንድ የለስላሳ መጠጥ ተጠቃሚ ግለሰብ የሚወደው የለስላሳ መጠጥ አይነት "ፔፕሊ" ቢሆን እና የ"ኮካኮላ" አምራች የሆነው ድርጅት ባቀረባቸው እጣዎች ተስቦ የ"ኮካኮላ" ተጠቃሚ መሆን ቢጀምር ፣ እጣዎቹ በሚያልቁበት ጊዜ ይህ ግለሰብ ተመልሶ የ"ፔፕሊ" ተጠቃሚ የመሆን አጋጣሚው በጣም ከፍተኛ ነው::

በጣም እስማማለሁ	
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እስማማ ለሁ	
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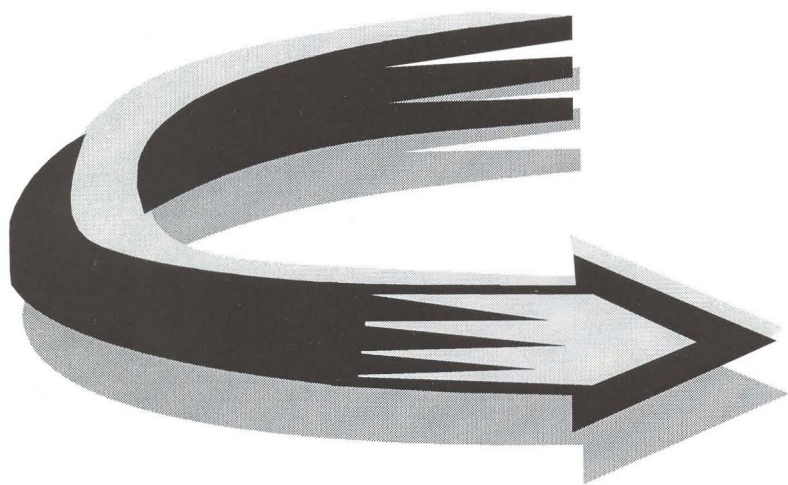
እርግጠኛ አደለሁም	
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እልስማማም	
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በጣም እልስማማም	
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APPENDIX C

CODE BOOK



QUESTION NUMBER	INDEX MEASURED	CODING PATTERN
1	Personal data	Not to be coded
2	Personal data	Not to be coded
3	Personal data	Not to be coded
4	Brand Switching	5,4,3,2,1
5	Brand Switching	5,4,3,2,1
6	Brand Switching	5,4,3,2,1
7	Brand Switching	5,4,3,2,1
8	Brand Switching	5,4,3,2,1
9	Purchase Acceleration*	Not to be coded
10	Brand Switching	5,3,1
11	Brand Switching	5,4,3,2,1
12	Repeat Purchase	1,2,3,4,5
13	Repeat Purchase	5,4,3,2,1
14	Repeat Purchase	5,4,3,2,1
15	Purchase Acceleration*	Not to be coded
16	Brand Switching	5,4,3,2,1
17	Repeat Purchase	5,4,3,2,1
18	Brand Switching	5,4,3,2,1
19	Repeat Purchase	1,2,3,4,5
20	Purchase Acceleration*	Not to be coded
21	Repeat Purchase	1,2,3,4,5
22	Repeat Purchase	5,4,3,2,1

* The purchase acceleration data do not need coding, since it given the number of soft drinks used by a consumer on the average (i.e., measured in bottles) unlike the others that try to capture consumers' attitude.

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