

**St. Mary's University
School of Graduate Studies
College of Business Administration
Department of Marketing Management**



**THE EFFECT OF SALES PROMOTION ON CUSTOMERS
LOYALTY: THE CASE OF EAST AFRICA BOTTLING S.C**

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DECLARATION

I, Behailu Mihret, declare that this thesis entitled “Effect of Sales Promotion on Loyalty of Customers the Case of East Africa Bottling S.C” is my own original work. I have carried out it independently with the guidance and suggestions of the research advisor and it has not been presented in Saint Mary’s University or any other University and that all sources of materials used for the study have been duly acknowledged.

Declared by:- Behailu Mihret

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LIST OF ACRONYMS

4-Ps	Product, Price, Promotion and Place
BMP	Behavior Modification Perspective
BPM	Behavioral Perspective Model
EABSC	East Africa bottling Share Company
IRB	Institutional Review Board
SPSS	Statistical Package for Social Science

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Abstract

This study is aimed to assess the effect of sales promotion on loyalty of customers in East Africa Bottling Company in Addis Ababa. The study focuses on how tools of sales promotion, frequency of sales promotion and quality of sales promotion influence the loyalty of consumers. Sales promotion is an important component of any organization's overall marketing strategy. The study is significant because, it contributes to new knowledge by filling and reducing the gap that exist in the understanding of sales promotion by management and other stakeholders of East Africa Bottling. A descriptive research design was applied to describe the sales promotion activities of the organization. The sample size employed 310 respondents from East Africa Bottling Company customers. Questionnaires were self-administered and close ended type. The study used simple random sampling techniques to collect primary data sources. The result of the study indicated that respondents are disagree with discount related issues, they have neutral attitude toward company's coupons related issues, and agreed with free samples related issues of East Africa Bottling Company. Moreover, the majority of the respondents are strongly agreed with the frequency and quality of sales promotion of the company. The customers are agree and satisfied with the sales promotion of the company and they will be loyal and continue consuming the products of East Africa Bottling company products like Coca Cola, Sprite and Fanta. The correlation matrix result revealed that loyalty of customer significantly correlated with tools of sales promotion, frequency of sales promotion and quality of sales promotion of the company. The regression analysis result shows 74.9% variance in loyalty of customers is due to tools of sales promotion, frequency of sales promotion and quality of sales promotion of the company. Based on the study recommended to the company to continue and intensify the sales promotion elements to maintain the existing customers and attract new customers. It was also concluded that management should continue modifying or updating its sales promotion activities according to the taste and preferences of its customers and the public at large.

Key words: Sales promotion, Loyalty of customers, East Africa Bottling Company

CHAPTER ONE: INTRODUCTION

This chapter introduces the research proposal of this study which includes the background of the study, statement of problem, research objectives, research questions, scope of research, significance of research, and limitation of research.

1.1 Background of the study

Nowadays due to globalization and technological advancement selling a product or service among business companies is highly competitive, national borders disappear, consumers' demand is increasing on a daily basis, facts that create enormous amounts of pressure on manufacturers to live up to the consumer's expectations in an effective and efficient way (Jana, 2015). Marketers are often fueled by the constant change in the taste of customers, intense market competition, influx of new entrants in the market, and availability of substitute products face immense challenges to communicate their marketing objectives (Kabu & Soniya, 2017). The bargaining power of consumers has forced business companies to ensure that their products are unique and of high quality to give customers a reason to purchase their products and remain loyal to them (Ajan, 2015).

Furthermore, the change in certain social, economic, and environmental factors has also influenced the way customers change their needs and preferences. People change their needs and their perception of stimuli according to the context that surrounds them, and it comes directly from here the evident necessity of concreteness and short-term orientation that characterize sales promotion rather than advertising (Ajan, 2015). This is why marketing strategies have been adapted to this new trend and switched from advertising towards sales promotion. In addition, with limited marketing budgets, the marketer today often faces immense pressure and challenges to maximize their profit and satisfy the needs of their loyal customers (Yang, 2010).

Due to the fact that every business organization's success depends on the satisfaction of the customers. Whenever a business is about to start, customers always come "first" and then the

profit. Those companies that are succeeding to satisfy the customers fully was remain in the top position in a market. Today's business company has known that customer satisfaction is the key component for the success of the business and at the same time it plays a vital role to expand the market value. In general, customers are those people who buy goods and services from the market or business that meet their needs and wants. Customers purchase products to meet their expectations in terms of money. Therefore, companies should determine their sales promotion strategies with the quality of the product that attracts the customer and maintains the long-term affiliation (Yang, 2010).

Sales promotion has become an effective marketing tool that assists organizations to wax stronger in a global competitive environment. Oyedapo et al (2012) identify sales promotion as a key ingredient in marketing campaigns which assist organization to achieve its objectives. Dimensions of sales promotion which are identified by Blattberg & Neslin, (1990) are following: Bonus packs, coupons, free samples, price promotion and premium. According to various authors sales promotion can be defined as: -“Sales promotion means any step that are taken for the purpose of obtaining an increased sales” by (Nadeem et al, 2013). “Sales promotion as a tool of market promotion gives rise to increase in production usage as well as expansion of market for a product or introduction of a new product” (Kotler and Armstrong, 2010).

To retain consumers in face of keen competition service providers must develop effective marketing strategies that was not only win customer but help to retain them. Sales promotion plays an important role in retaining old consumers and attracting new ones. Parts of the essence of a business existence are to produce goods and services that was be required by customers and to make profit from such activity. Enough sales must be generated for profit to be made. Sales estimate is the foundation in budgeting or profit planning process (Ayanwale, Alimi and Ayanbimpe, 2005). This is where sales promotion and customer loyalty are relevant. Therefore, this study is aimed to assess the effect of sales promotion strategies on the customer's loyalty the case of coca Coola Company in Addis Ababa.

1.2 Company introduction

East Africa Bottling Share Company (EABSC), formerly known as Ethiopian Bottling SC was established in 1959 in Addis Ababa and opened a second branch in Dire Dawa in 1965. The plants were nationalized in 1975 and operated as public companies until 1996, when the company was acquired by Ethiopian entrepreneurs. In 1995, Coca-Cola SABC bought shares and in 1999, Coca-Cola signed a joint venture agreement with EABSC. In 2001, Coca-Cola SABC increased its shares to 61% and the company changed its name to the East Africa Bottling Share Company. EABSC focuses on bottling and distributing Coca-Cola products. The company continues to run the two plants in Addis Ababa and Dire Dawa. Currently the company is expanding its capacity by establishing new PET plant in Addis Ababa and RGB plant in Bahirdar. The company has 5 depots which are located in areas of Nazareth, Hawassa, Awash, Dessie, and Bahirdar.

East Africa Bottling SC is one of the highly operating companies in the beverage industry of Ethiopia and it's the leading carbonated soft drink bottler in the country.

1.3 Statement of the problem

Organizations continually seek new ways to acquire, retain and increase customers, because the cost of losing customers is rising. Delivering quality product and service is an important factor in retaining loyal customers. The role of quality product or service at this competitive price is more important than ever, and is expected to become even more critical with this dynamic business environment. Business companies that have the ability to attract, satisfy and thus retain loyal customers are more likely to have good performance than those that do not do so (Petit (1994)). Successful customer retention allows the business companies to build long term relationships with their customers.

Marketing problems often have far reaching effects on any company and if neglected can cause a great threat to the continued existence of the company, especially in the area of sales promotion as an aspect of customer loyalty (Syeda and Sadia, 2011). The market is also characterized by sales promotion. However, even if sales promotion has a great effect on customer loyalty it has some common problems like continuity of the promotion, quality of the product, frequency of the service, accessibility of the product, attractiveness of the sales promotion, etc. cause less

customer satisfaction. In the light of the above statement, examining the effect of sales promotion on the customer loyalty in the case of East Africa Bottling S.C. is an important issue to be profitable and retain loyal customers of the company.

One of the important aspects to ensure the attention of the customers is to provide the best and the most favorable products and service at this competing market. If a customer's satisfaction is earned, then it is sure that customer loyalty was also come along with it. Moreover, in the absence of the customer, a business organization would not exist. In order to increase the number of the customers, development of customer's satisfaction is very important. In terms of achieving business goals, these two terms are very important. Hence, assessing the effect of sales promotion and attracting and retaining loyal customer is the most important study area. The modern business company objective is to have high market share and profitability through customer satisfaction who was become repeat clients and also build customer loyalty ensuring that the company can charge a premium for their products because of the trust and perceived quality (Schramm-Klein & Morschett, 2007).

What constitutes firm performance and how it is to be measured continues to create contradictions. This is mainly due to the different approaches to aspects such as time frame, duration and even performance indicators mix (Brito & Santos, 2012). While a wrong approach was cost a company loss of customer, capital, time and human resources. This research was contribute to this discussion by selecting sales promotion and customer loyalty as the Performance indicators when examining the East Africa Bottling S.C based on marketing strategies. This was include the following criteria: mix of products and services, number of complaints, re-purchase rate, new customer retention, general customers' satisfaction, and number of new products or services launched (Brito & Santos, 2012). These findings were contribute to the body of knowledge on marketing strategies based on customer loyalty.

Therefore, the main objective of this study is to explore the relationship between sales promotion and customer loyalty and analyze how these elements lead business to be success in a long term. This thesis also emphasizes assessing the sale promotion strategies used by the company and to analyze the factors that influences customer loyalty in order to bring the improvement in the business organizations. Based on the above statements, this study was intended to assess the

effect of sales promotion strategies on loyal customer the case of East Africa Bottling in Addis Ababa.

1.4 Research questions

1. Does sales promotion tools affect consumer loyalty in East Africa Bottling S.C?
2. Does the frequency of relationship between sales promotion & consumer loyalty?
3. Does quality of sales promotion affect consumer loyalty?

1.5 Objective of the study

1.5.1 General Objective

The general objective of this study was to assess the effect of sales promotion on customer loyalty the case of East African Bottling Share Company in Addis Ababa.

1.5.2 Specific objective

1. To evaluate the effect of sales promotion on consumer loyalty in East Africa Bottling S.C
2. To assess the frequency of relationship between sales promotion & consumer loyalty.
3. To examine the effect of sales promotion quality on customer loyalty.

1.6 Significance of the study

The aim of the business establishment is to continue in business by generating profit through production and sale of products or services. Without optimal profit, a business firm cannot survive. One of the core activities in a business company is having a well-developed marketing strategy. The ultimate success or failure of a company depends on its marketing strategies. As per my related review literature there is no related information in the study area, so the study was be, intended to help the company management to redirect their attention to this highly essential function. Also the study focused on how sales promotion used in order to enhance, maintain and attract customers and to identify how those tools should affect loyal customers and under taking such study is very crucial for any business entity so as to shape its marketing mix strategy. The study is worth doing because it can help the company to look at its problems, to take in to the alternative consideration, and to give basic knowledge about sales promotion and their significance in the soft drink industry. The study can also contribute towards the advancement of theoretical knowledge and served as a reference material for similar studies in future.

1.7 Limitation of the study

The major limitations of this study were difficult to get customers and some customers are not interested to fill the questionnaires, there is short-age of time to cover all areas of the study. Some respondents negligent to fill questionnaires and they fill haphazardly and the researcher removed it from the analysis part.

All these limitations imposed lots of work on the researcher in organizing different sorts of data to get consistent and relevant information and the researcher used different mechanisms to achieve the formulated research objectives.

1.8 Definitions of key terms

Sales: This is a process of selling something such as a product, ideas or services. It also covers the number of goods or services sold at a given point in time. (Arowomole, 2001)

Customer is a stakeholder of an organization who provides payment in exchange for the offer provided to him by the organization with the aim of fulfilling a need and to maximize satisfaction.

Customer satisfaction is customer's overall evaluation of his or her purchase and consumption experience of a good or service.

Customer loyalty broadly refers to customer behaviors that indicate a desire to better an ongoing relationship with a company (Palmatier et al., 2006).

Customer's perception is consumer's judgment about the performance of product or service.

1.9 Organization of the Study

The study is organized in to five chapters. Accordingly the chapter commences with the introduction part which consists of background of the study, statement of the problem, research objectives, scope of the study, significance of the study and limitation of the study ; the second chapter was discuss both theoretical related literatures, empirical studies and conceptual

framework of the study ,the third chapter was focus on research methodology and the fourth chapter was discuss data analysis and discussion and finally chapter five was presents summary of key findings, conclusions and possible recommendation.

CHAPTER TWO

REVIEW OF RELATED LITERATURES

This chapter was present and discusses the concept of sale promotion and customer loyalty and its relation. It was presented both empirical study and conceptual framework of the study. The study was also assessed behavioral learning and different models to understand about the study area.

2.1 Theoretical review of literatures

2.1.1 Sales promotion models

This section presents with a description of behavioral learning theory, followed by a review of the literature pertaining to sales promotions and customer loyalty.

i. Behavioral Learning Theory

The term *behaviorism* is explained in several disciplines such as psychology, philosophy, and biology. According to Huitt & Hummel (2006) learning can be defined as a relatively permanent change in human behavior brought about as a result of experience and practice; thus learning is the result of the application of consequences. Behaviorism offers a comprehensive view of learning, and thus, an explanation for behavior. “One of the central ideas of behaviorism is that, people are naturally biological organisms. Like other biological organisms people inherently capable of responding to their environment in which they live” (Slife & Williams, 1995, p. 25).

Behaviorism consists primarily of three elements: stimuli, responses, and reinforcements. The stimulus is a quality that influences an action or response. The reinforcement is a way of making the connection between the stimuli and the response conditioned. When the conditioned behavior is no longer reinforced, extinction occurs instead (Pavlov, 1927). Behavioral learning theory mainly associated with reward.

Marketers can use sales promotions to stimulate the purchase of the product or to provide additional benefits of purchasing the product. On the other hand, the consumer might take

advantage of the promotion and move on, or the consumer can believe the promotion is sort of a reward for purchasing the product. “The goal is to use promotions to build up purchase frequency, but to this in a way so as to mitigate the extinction effect. When the promotion is gone, the behavior to continue” (Teunter, 2002, p. 29). Therefore, the ideal is to establish a relationship with the consumer, so that the behavior of purchasing the products remains even when there are no promotions.

ii. Behavior Modification Perspective (BMP)

Behavior Modification Perspective (BMP) focuses on the manipulation of environmental factors that influence behavior. Thus, a primary benefit of BMP is that it motivates a systematic analysis of purchase and purchase-related behaviors. BMP also shows a specific techniques for modifying and controlling these behaviors based on the manipulation of the external factors. For example, a marketer can enhance the utility of a product through appropriate manipulation of price, distribution, and promotional variables (Rothschild & Gaidis, 1981).

Behavioral learning can be used as a behavior modification technique. “If the product is pleasing the probability of repurchasing behavior will increase” (Rothschild & Gaidis, 1981, p. 70). The concept is behaviors that are positively reinforced are more likely to reappear than non reinforced behavior. “Since the key to successful marketing is closely tied to repeat purchase behavior, the notion of providing positive reinforcement for desired behavior is crucial, therefore, positive reinforcement must be the main goal of the seller” (Rothschild & Gaidis, 1981).

iii. Behavioral Perspective Model (BPM)

Behavioral perspective model theory is focused on the philosophy of economic psychology, specifically the explanation of consumer choice, which led to the formulation of the behavioral perspective model of consumer choice. The purpose of the BPM is to explore the possibility of a behavior analytical approach to consumer behavior and to determine the nature and status of the account it provides (Foxall, 1990).

The behavioral perspective model of purchase and consumption describes a neo-Skinnerian explanation of consumer behavior, in terms of the scope of the setting in which it occurs; meaning, it predicts behavior from the reinforcing consequences it has previously produced in the context of a setting (Foxall & Freenley, 2000). BPM retains the fundamental assumptions of operant behaviorism (a) that the frequency with which behavior is performed is a function of the consequences of such behavior in the past, and (b) that determinants of behavior must be required in the environment (Foxall,1993).

Generally, behavioral perspective model is presented as a contemporary paradigm for a behavior analysis of consumer psychology. Like Skinner's operant conditioning, it specifies behaviorally antecedent stimulus but explains the simpler concepts of discriminative stimuli (Foxall & Schrezenmaier, 2003).

iv. Behavioral Learning and Marketing

Behavioral learning and marketing theory hypothesized that rewarded behavior is more likely to persist; however, it depends on how it is reinforced. The greatest values of behavioral learning is in the development of promotional strategies. Promotions can serve as such rewards and enhance subsequent purchasing. Therefore, the relationship between the behavioral learning paradigm and marketing can be explained through three basic components: shaping, extinction, and reinforcement schedule (Rothschild and Gaidis, 1981).

Shaping occurs when an incentive (stimulus) is used to induce (shape) the desired behavior. Extinction generally occurs when the reward is removed, leading to the extinction of the desired behavior, and reinforcement schedules refer to the timing (immediate vs. delayed) and continuation (continuous or intermittent) of the reinforcement. For marketers, shaping represents the highest potential in deriving new behaviors, as behaviors cannot be rewarded unless they first occur.

According to Rothschild and Gaidis (1981) investigation indicated that on how sales promotions can be used as shaping stimulus. In the example, potential customers are given a free sample of a product. Inside the product sample is a coupon offering a large discount, to be used in a future purchase. The shaping continues at the point of purchase (store). Products at retail stores will

also carry coupons for future purchases, inside the package of the product. Generally the sales promotion strategies are to shape the behavior of the consumer through various stages.

Behavioral learning theory suggests that reinforcements should be immediate after the behavior. Shaping takes a lot of strategic reasoning. If reinforcement happens too slowly, the delay will inhibit learning. If the fadeout of the reinforcement is not done properly, the removal of the incentive may lead to extinction of the purchase behavior. For behavioral learning to work effectively, the marketer must be in control of the situation. In a later study about behavioral learning and the promotions effect on brand loyalty, Rothschild (1987) stated that consumers become loyal to brands that are reinforcing to them. Also in the same study, he explained how monetary sales promotions are ruining brand loyalty and used behavioral learning to explain.

v. Modern Sales Promotions

Most early research studies on sales promotions concentrated on the effects of sales promotions on sales and profits the effects of promotions on purchase behavior and View of during the promotional period, and the effects of a promotional purchase on subsequent choice behavior.

The new research had more emphasis on the role of reference price and the long term effects of monetary promotions; unfortunately the vast majority shares the same limitation. Research was devoted almost in its entirety to the utilization of coupons and price reductions (monetary promotions) exclusively. About the latter, Liao (2006) stated, “most of the past sales promotion research has focused on monetary promotion and its sales impact, the differential role of sales promotion entailed in nonmonetary promotions to assist long-term brand-related effects has been unfortunately ignored” (p. 196).

Reference Price

One of the first studies about reference price and sales promotions is Diamond and Campbell's (1989) study suggested that not all sale promotions will behave in the same way with regards to their long-term influence to reference price. “We hypothesize that some types of promotions affect reference price more than others. By choosing the right promotion tools one might offer short-term purchase incentives without destroying the positive feelings toward the product over

time” (Diamond & Campbell, 1989, p. 241). Being temporary, sales promotions induce consumers to think about future prices, not only past or current price (Chandon, 1995).

Perceived Value of Nonmonetary and Monetary Promotions

Diamond and Johnson (1990) and Campbell and Diamond (1990) related reference price to sales promotions through the terms *gains* and *reduced loss*. According to the researchers, some promotions add value to the product (such as premiums, bonus packs, samples, and sweepstakes), while others (such as discounts) merely reduce the cost. Therefore, attitudes such as *perceived gain* or *reduced loss* experienced by the consumer as result of engaging in sales promotion activities might also have an effect on reference price.

2.1.2 Marketing Mix

According to Doyle (2002), the “marketing mix” is the central task of marketing professionals. The set of marketing tools -product, price, promotion and place- is used by companies to achieve their objectives. The marketing mix is the only way to maximize customer’s satisfaction and retain loyal customers and its result also in higher sales and market share (Baker, 2003).

To understand marketing mix is necessary to understand its tools. “These 4-Ps –Product, Price, Promotion and Place-, are the four key decisions areas that they satisfy or exceed customer needs better than the competition” (Jobber, 2001, p.13). According to Lauterborn (1990), each element of the marketing mix is designed to meet a customer’s need and retain loyal customers.

i. Product

According to Jobber (2001), the product decision involves what goods or services should be offered to different groups of customers. The product policy is undoubtedly the most important element of the marketing mix. The product is the vehicle used by companies to satisfy consumers’ needs and it should be always to orientated consumer (Fifield, 2007).

ii. B. Price

The price is a key element of marketing mix because it represents on a unit basis what the company receives for the product or service which is being marketed (Jobber, 2001). In other words, price represents revenue while the other elements are cost. Often an organization is wasing to spend a hundred thousand dollars on researching its new product concepts, but it is loathed to spend one per cent of that on researching the different customer perceptions to various price levels (Fifield, 1998).

iii. C. Place (or Distribution)

In accordance with Jobber (2001), “place” involves decisions concerning the distribution channels to be used and their management, the location of outlets, methods of transportation and inventory levels to be held. Manufactures are concerned with how to distribute and deliver product to customers, and service providers are concerned with the location of service points and customer accessibility (Meidan, 1996).

2.1.3 Sales Promotions

Blattberg and Neslin (1990) define a sales promotion as “an action---focused marketing event Whose purpose is to have a direct impact on the behavior of the firm’s customer.” According to Brassington and Pettit (2000) sales promotion is tactical marketing techniques with mostly short-term incentives, which are to add value to the product or service, in order to achieve specific sales or marketing objectives. Furthermore, Meidan (1996) states that it has two distinctive qualities. Firstly, it provides a “bargain chance” since many sales promotion tools have an attention gaining quality that communicates an offer that although they appeal to a wide range of buyers, many customers tend to be less brand loyal in the long run. Secondly, if sales promotions are used too frequently and carelessly, it could lead to insecure customers, wondering whether the services are reliable or reasonably priced (Fifield, 1998).

Nagar (2009) stated that only company with repeat purchased was be profitable. It is not every repeat purchase that is connected to consumer’s commitment of a brand. However, consumer’s commitment is important for a repeat purchase. Therefore, business companies need to develop marketing programs that was not only reinforce customer’s commitment but also motivate them

to reputedly purchases goods and services. A part of the functions of sales promotion is not only to reinforce commitment of consumers but to encourage repeat purchases. Effects of sales promotion on consumer purchase behavior have been widely studied in literature (Nagar, 2009). Sales promotion has effects on various aspects on consumer's purchase decisions such as brand choice, purchase time, quantity and brand switching (Nijs, et al., 2001); consumers ' sensitivity to price (Bridges, Briesch and Yim, 2006).

However, whether the effect of consumer loyalty and purchasing behavior could be moderated by sales promotions has not yet been examined extensively. Regardless of a widespread interest in the relationship between sales promotion and consumers loyalty, most studies of this kind focus on the effect of sales promotions on choice at the time they are offered (Delvecchio, Henard and Freling, 2006). Only a few have investigated the lag effect of sales promotions on brand preference and the resultant buying behavior once the promotion campaign is rescinded.

Sales promotions can be in form of monetary and non-monetary ones. These types provide both utilitarian and hedonic benefits to the consumers. Utilitarian benefits refer to such benefits such as quality, convenience in shopping, saving in time efforts and cost (Luk and Yip, 2008). Hedonic benefits on the other hand refer to value expression, exploration, entertainment, intrinsic stimulation and self esteem (Chandon, Wansink and Laurent. 2000). According to Luk and Yip (2008) monetary promotions are incentive-based and transactional in nature and provide immediate rewards and utilitarian benefits to the customers. However, non-monetary promotions provide hedonic benefits but weaker utilitarian benefits (Kwok and Uncles, 2005).

2.1.4 Tools of Sales promotion:

i. Bonus packs:

Factory bonus pack according to (Lee, 1963) is used to increase consumer trial of the brand. Although pro-motions tend to be preferred to regular offerings, consumers react differently to price discounts than to bonus packs. Specifically, in general, people prefer a bonus pack to a price discount (Diamond & Sanyal 1990). From Bonus packs people get something "free" at same price (Chan- dran & Morwitz 2006).

ii. Premium (Free Gifts):

Premiums: are promotional items—toys, collectables, souvenirs and household products—that are link to a product, and often require box tops, tokens or proofs of purchase to acquire(Lamb, Hair & McDaniel 2008, pp. 540). The consumer generally has to pay at least the shipping and handling costs to receive the premium. Premiums are sometimes refers to as prizes, although historically the word "prize" has been used to denote (as opposed to a premium) an item that is packaged with the product (or available from the retailer at the time of purchase) and requires no additional payment over the cost of the product (Kotler& Armstrong 2010,pp. 504). This technique therefore offers a product for free or at a lower price to induce the customers to buy. Mostly, the effective premiums are closely tied to the product or brand being sold (Blanchard et al., 1999).

In some instances, free samples of the product are offered free to customers in order to enable them try the product. They may be given out at local retail outlets (Ricky et al, 2005).

iii. Coupon

In most cases, one method of sales promotion featuring a certificate that entitles the bearer to stated savings off a product's regular price is called in promotional mix as "couponing". It is argued that, this may be utilized to motivate customers to try new product, to attract customers away from competitors, or to induce current customers to buy more of a product (Ricky et al., 2005). This implies that, with the utilization of promotional mix's effort of couponing, product and service offering companies can better be enabled to provide customers with certificates entitling them to a price reduction or a cash refund (Blanchard et al., 1999).

In essence, the sales promotional technique of "couponing" ensures development of brand loyalty. In that, as a technique, it ingeniously attracts customers from brand competitors. By so doing it induces current customers to buy more. This invariably develops customers' recognition of, preference for and insistence on buying the product with same brand name.

2.1.5 Consumer Loyalty

Oliver (1999) defines loyalty as "a deeply held commitment to rebuild and re-patronize a preferred product or service in the future despite situational influences and marketing efforts having the potential to cause switching behaviors. "Customer loyalty is viewed as the strength of the relationship between an individual's relative attitude and re-patronage. Although customer satisfaction is a crucial part of a business, satisfaction alone cannot take a business to a top level. Customer satisfaction produces a positive financial result, especially in regular purchases. Today's unforgiving market where creating and maintaining customer loyalty is more complex than it used to be in the past years. This is because of technological breakthrough and widespread of the internet uses. Loyalty building requires the company to focus the value of its product and services and to show that it is interested to fulfill the desire or build the relationship with customers (Griffin 2002).

Thomas and Tobe (2013) emphasize that "loyalty is more profitable." The expenses to gain a new customer is much more than retaining existing one. Loyal customers was encourage others to buy from you and think more than twice before changing their mind to buy other services. Customer loyalty is not gained by an accident, they are constructed through the sourcing and design decisions. Designing for customer loyalty requires customer-centered approaches that recognize the want and interest of service receiver. Customer loyalty is built over time across multiple transactions.

A relationship with a customer is equally important in customer loyalty and this requires that company work in a broader context that extends beyond itself, as no company can be world class at everything (McDonlad & Keen, 2000). Gremler and Brown (1999) divided customer loyalty into three different categories that include behavior loyalty, intentional loyalty, and emotional loyalty. Behavior loyalty is repeating purchasing behavior while intentional loyalty is the possible buying intention. Emotional loyalty, however, is achieved when a customer feels that a brand corresponds with their value, ideas, and passion.

Customer loyalty broadly refers to customer behaviors that indicate a desire to better an ongoing relationship with a company (Palmatier et al., 2006). The customer's willingness to purchase again from the company, having a preference for the company, or recommending the company to others could be indications to customers' desire to remain in a relationship with a company that demonstrate how much a customer is related to a company. Loyal customers are often worth the marketing effort, owing to their willingness to buy additional products and spread positive word of mouth as well as their reliability as a source of continuous revenues (Zeithaml, Berry, & Parasuraman 1996). The programs of customer retention could lead to a higher rate in buyer loyalty.

Customer loyalty focuses on understanding the customer's needs, wants. The company must pay attention to price, promotion, service and products in order to gain the customer loyalty. At the same time, it creates comfort environment between the customer and the company. Investment to loyal customers brings advantages to the business such as growing effectiveness and profit of the business.

Although that marketing manager's primary concern is maintaining and increasing brand loyalty, there is no guarantee for loyal buyers, because today's buyer might not be so in the future since loyalty is considered so transient. "Loyalty is developed over a period of time from a consistent record of meeting, and sometimes even exceeding customer expectations "(Teich, 1997). Kotler et al. (1999)claims that the cost of attracting a new customer may be five times the cost of keeping a current customer happy. Customer loyalty is very difficult to be achieved. More and more unique ways are adopted to meet the ever changing nature of the service industry. Additionally, time constraints are most often a barrier to customer satisfaction. Every organization in the market competes to develop advanced methods to keep on track. Technology, for example affects the service industry, since constantly meeting customer satisfaction over a period of time is the only way to achieve customer loyalty (Teich, 1997).

Jones and Sasser (1995) indentified three parts of consumer loyalty: re-buy intention, primary behavior and secondary level behavior. According to Jones and Sasser (1995) re-buy intention refers to future intention of the consumer to re-purchase the product or service; primary behavior

means the practical re-visiting behavior of a consumer; while secondary-level behavior indicates the willingness of a customer to recommend the product to others and enhances customer loyalty through human relationship (Chen, Chen and Hsieh, 2007). Oliver (1999) further stated that loyalty is a deeply held commitment to re-buy or patronize a preferred product or service consistently in the future, thereby causing repetitive same-brand or same-brand set purchasing.

Chen and Ching, (2007) suggested that loyalty comprises of two dimensions: behavior and attitude. The behavior dimension is characterized by consequential actions resulting from loyalty, while attitudinal dimension refers to formative behavior as commitment i.e. a desire to maintain a valued relationship. More importantly, the consumer's attitude toward a product/service including attitudinal preference and commitment has a greater impact on forming loyalty. Loyalty therefore, is desirable by all business managers as it has established that it is cheaper to retain a customer than to win a new one (Rust and Zahorik, 1993).

2.1.6 Effects of Sales Promotions on Loyalty

Oliver (1977) defined brand loyalty as a “deeply held commitment to re-buy or re-patronize a preferred product or service consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behavior” (p. 392). According to Dick and Basu (1994), brand loyalty consists of a consumer's commitment to repurchase or otherwise continue using the brand and can be demonstrated by repeated buying of a product or service or other positive behaviors, such as word of mouth advocacy. Oliver (1999) posits that three conditions must exist for true loyalty: The brand information held by the consumer (i.e. the consumer's beliefs) must point to the focal brand as being superior to what is known of competitive offerings; the consumer's degree of liking must be higher than that for other offerings, so that a clear affective preference exists for the focal brand; and the consumer must intend to buy the focal brand, as opposed to the alternative brands, when a purchase decision arises. (p. 30)

Delgado-Ballester and Munuera-Alemán (2005) support Oliver's (1999) brand loyalty definition by recognizing that brand loyalty does not exclusively focus on repeated purchases but on the internal dispositions or attitudes towards the brand. Palazón-Vidal and Delgado-Ballester (2005)

confirmed a positive relationship between sales promotions and brand loyalty. The results showed that nonmonetary promotions are more customer franchise building (brand loyalty) as far as they enhance a greater number and more favorable associations than monetary promotions. “Based on the results obtained, sales promotions can be used to build brand knowledge because the individuals exposed to promotion stimuli evoked a greater number and more favorable associations” (Palazón-Vidal & Delgado-Ballester, 2005, p. 198).

Basically there are two types of consumer loyalty: hardcore loyal consumers and brand switchers. A hardcore loyal consumer is one who makes repeat purchases of a particular product irrespective of the premium price of the brand. In other words, hardcore loyal consumers are less price sensitive (Evan, Moutinho and Ranji, 1996). In contrast, a brand switcher refers to consumers who use two or more brands when a single brand does not satisfy all their needs (Evan, et al. 1996). Decision to be loyal to a brand or switch to other brands is affected by a number of factors: brand name (Aaker, 1996); product quality (Garvin, 1988); price (Cadogan and Foster, 2000); service quality (Mittal and Lasser, 1996) and promotion (Evan, et. al. 1996).

Closely related to brand loyalty is brand equity. “Brand loyalty makes consumers purchase a brand routinely and resist switching to another brand. Hence, to the extent that consumers are loyal to the brand, brand equity will increase” (Yoo et al., 2000, p. 197). These associations represent the personal meaning about a brand. Krishnan (1996) showed brands with high equity are characterized by having a great number of associations and more positive and unique associations. According to Palazón-Vidal and Delgado Ballester (2005), nonmonetary promotions, such as premiums, take the focus away from the price. “When promotion experience is linked to enjoyment kind of feelings, thoughts, and benefits, more favorable and positive brand associations are linked to the brand” (Palazón-Vidal & Delgado Ballester, 2005, p. 184). This idea is consistent with Yoo et al.’s (2000) findings about brand associations being positively related to brand loyalty.

Sales promotion technique is an important tool in creating loyalty, this is so because sales promotion does not only bring the product to the attention of the buyers but provide incentives to encourage purchase. The impact of sales promotion on consumer behavior reveals mixed results.

For example, Lau, Chang, Moon and Liu (2006) study showed that sales promotion is an important factor to differentiate hardcore loyal consumers from brand switchers and that sales promotion was the most important factor to attract brand switchers..However, a gap that is yet to be fully explored is the comparison of the effects of promotion on loyal consumer and non-loyal consumers. That is the use of sales promotion as a factor that influence loyalty among consumers and switcher had not been fully explored and more importantly in an emerging economy.

2.2 Empirical review

Effect of sales promotion on customers loyalty in Nigeria telecommunication

A study conducted by Omotayo, Abiodun and Osibanjo, (2011) in Nigerian telecommunication investigated the relationships between sales promotion and customer royalty. The results show that sales promotion has positive relationship with customer royalty. According to Das and Kumar (2009) study the use of telecommunication industry helps to verify the relative importance of sales promotion to customer loyalty. This is because of the high level of competition in the industry and the high level of promotional activities in the industry. The results show high level correlation among the tested variables. For example, price promotion is positively related to switching ($r = 0.158$, $p < 0.01$) and loyalty ($r = 0.360$, $p < 0.01$). The effect of sales promotion on customer loyalty is measured using multiple regression analysis. Price promotion for both sampled networks showed positive effect on customer loyalty. This shows that customer loyalty can be won by sales promotion.

This research investigates the relationship and effect of sales promotion and customer loyalty. This was confirmed that there are positive relationships between sales promotion and customer loyalty. From the summary of the result it can be concluded that as sales promotion expenditure increases so does the customer loyalty. Hypotheses one to three were confirmed from the data of this study. The study is more relevant as most previous study dealt with the impact of sales promotion in retail outlet while this study studied the impact of sales promotion in telecommunication sector. The results of the study enable us to make a number of conclusions. Most respondents are reluctant to provide personal information as such their evaluation of sales promotion is negative (Omotayo, Abiodun and Osibanjo, 2011).

Age and income are discovered to have separate impact on consumers' evaluation of sales promotion. Consumers of different age categories are influenced by sales promotions while different levels of income are equally affected. This is consistent with conclusions' from prior literature.

A major reason for the heavy influence of sales promotion on loyalty can be explained with the dwindling consumer income of an average Nigerian. The Nigerian economy has been going through series of economic reforms including Structural Adjustment Programme. Part of the cumulative effect of these reforms is the devaluation of currency with it attendance effect on inflation and consumer purchasing power. The implication of this to Telecom companies is the development of sales promotion programmes to regularly attract and retain customers.

In practical terms consumers switch from one network to another or in most case make use of two or more SIM (telecom contract) so as to switch between networks during promotion and take advantage of reduced or discounted tariffs. However, the high tendency to switch or being loyal does not account for quality of service during promotion.

Previous studies on the effect of sales promotion dimensions on customer loyalty are inconclusive. Most researchers agreed that sales promotion tools have significant effect on customer loyalty (Davis et al. 1992). Research believed that sales promotion tools have positive effect on sales volume (Oyedapo et al, 2012). The findings of Bamiduro (2001) confirmed that there is positive significant relationship between sales promotion and customer loyalty of the beverage industry. Oyedapo et al, (2012) conducted a research on the impact of sales promotion on organization effectiveness in Nigerian manufacturing industry and their findings revealed that the adoption of sales promotion dimensions significantly influence the effectiveness of beverage drink industry. According to Ailawadi (2001), sales promotions have a positive long-term effect on sales because promotions persuade consumers to change brands and to buy in larger quantity.

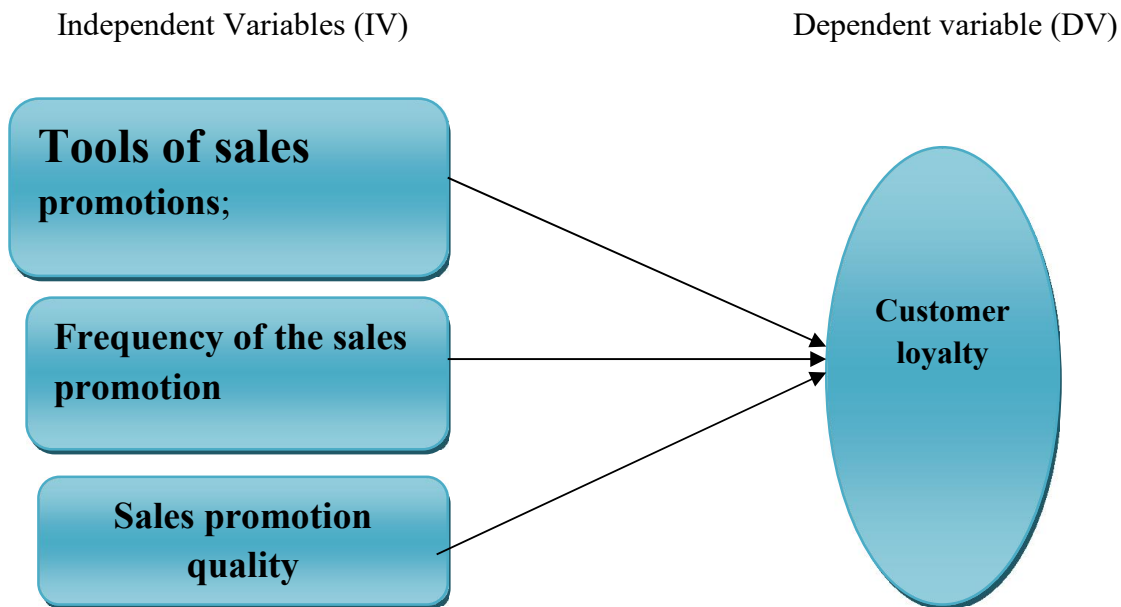
Odunlami and Ogunsiji (2011) researched on the effect of sales promotion as a tool on organizational performance. They concluded that the effective implementation of sales promotion dimensions lead to increase in sales volume. Moreover, Wayne (2002) found a link between sales promotion dimensions and product trial which eventually lead to increase in sales

volume. Pauwels et al (2012) also discovered that sales promotion dimensions have permanent effect on sales volume. However, long-term effects are under an academic debate and different research shows opposing results. Some of the research shows that after a promotional purchase probability for a repeat purchase is lower than after a non-promotional purchase. Totten and Block (1994) found that sales promotion dimensions have no long term effect on sales volume. Dekimpe, et al (1999) and Srinivasan et al. (2000) their findings proved that sales promotion dimensions do not change the structure of sales volume over the long run. Sales promotion dimensions are considered to be an external stimulus and after when it is gone consumers are less likely to re-purchase (Dodson et al. 1978).

2.3 Conceptual framework of the study

The figure below shows the relationship between dependent and independent variables of this research. It shows that consumer's loyalty is a dependent variable as it depends upon the various sales promotion frameworks. On the other hand tools of sales promotion (such as price discount, coupons and free sample related issues), frequency of promotion and the quality of sales promotion are as independent variables.

Sales promotions influencing the consumer loyalty are:



Source: Modified and adapted from (Chandon, Wansink, & Laurent, 2000)

CHAPTER THREE

RESEARCH METHODOLOGY

In this chapter, the researcher was made discussions about the research design, sample source and sampling technique, sample size, data collection instrument, procedure of data collection and method of data analysis.

3.1 Research Design and Approach

Descriptive explanatory research was be employed as a main research design for this study and used to describe the existing sales promotion and customer loyalty. As described by **Suryabrata**, (2003) descriptive method is a method that describes the study systematically, factually and accurately utilizing facts, behaviours and relationship between the phenomenons's being studied.

Thus, descriptive study was undertaken in order to ascertain and describe the characteristics of the variables of the sale promotion applied by East Africa Bottling Company and retaining loyal customers. This study was use also quantitative research approach to achieve stated objective.

Thus, this study used descriptive explanatory research designs and applies quantitative research approach to measure and analyze the effect of sales promotion and customer loyalty in East Africa Bottling S.C in Addis Ababa.

3.2 Source of data and research approach

The researcher was use mainly primary data source. Primary data were collected using structured and closed ended questionnaires. Questionnaires were distributed to the customers of those consuming East Africa Bottling S.C. products in Addis Ababa. In addition, to customers published and unpublished thesis works, Books, websites and research articles from journals was be used for better understanding the literature part and to develop conceptual framework.

3.3 Population, sample size and sampling techniques

3.3.1 Population of the study

The target populations of this study are mainly customer's of East Africa Bottling S.C of Ethiopia those consuming Coca Cola, Sprite and Fanta soft drinks in Addis Ababa. Due to the large number and mobility nature of customers the researcher was consider all customers found in Addis Ababa as a target population of this study.

3.3.2 Sample size

To determine the sample size of the study, the total populations is under taken as unknown population with the confidence level of 95% determined using Cochran (1963, 1975) sample size determination formula and developed the equation to yield a representative sample for proportions of large sample.

$$n_0 = Z^2 p q / e^2$$

Which is valid where n_0 is the sample size, Z^2 is the abscissa of the normal curve that cuts off an area α at the tails ($1 - \alpha$ equals the desired confidence level is 95%), e is the desired level of precision, p is the estimated proportion of an attribute that is present in the population, and q is $1 - p$. The value for Z is found in statistical tables which contain the area under the normal curve.

Assume there is a large population but that we do not know the variability in the proportion that was adopt the practice; therefore, assume $p=.5$ (maximum variability). Furthermore, suppose we desire a 95% confidence level and $\pm 5\%$ precision. The resulting sample size is

$$n_0 = \frac{Z^2 p * q}{e^2}$$

$$n_0 = (1.96)^2 * .5 * .5 / .05^2$$

$$= 3.8416 * .5 * .5 / .0025 = 0.9604 / .0025 = 384$$

Based on the above formula the sample size for this study was be 384 customers of East Africa Bottling S.C. Therefore, the researcher were distribute for 384 customers of the company in Addis Ababa.

3.3.3 Sampling techniques

The sample size for this study was made up of 384 customers of East Africa Bottling S.C. The questionnaires were distributed to 384 customers of the company to get a good response rate. To select these 384 respondents out of the total population the researcher was deployed simple random sampling technique in Addis Ababa.

According to Cohen (1988) in simple random sampling, each member of the population under study has an equal chance of being selected and the probability of a member of the population being selected is unaffected by the selection of other members of the population, i.e. each selection is entirely independent of the next. The method involves selecting at random from a list of the population (a sampling frame) the required number of subjects for the sample. Because of probability and chance, the sample should contain subjects with characteristics similar to the population as a whole; some old, some young, some tall, some short, some fit, some unfit, some rich, some poor etc.

Therefore, the researcher intended to give equal chance to each member of population and assuming that the populations under study are homogenous and the samples are representative to the target population the researcher applied simple random sampling techniques to select the required sample sizes above.

3.4 Data collection instrument

Primary data was collected from the customers of East Africa Bottling S.C using structured and closed ended questionnaires. Questionnaires were distributed to the customers of East Africa Bottling S.C. The variables were attitudinal and measured using Likert scales with five response categories (1=strongly disagree, 2=disagree, 3=neutral, 4=agree and 5=strongly agree). The Likert scale method was preferred to make questions interesting to respondents and thereby enhance their cooperation, ultimately to ensure maximum response rate (Robinson, 2002).

3.5 Data Analysis and Presentation

In this research, the data collected from the respondents was be analyzed using both descriptive- and inferential statistics using Statistical Package for Social Science (SPSS version 22). Data collected from respondents was be analyzed using descriptive statistical indexes like frequency distribution, percentage, mean and standard deviation was be calculated. Inferential statistics like correlation and multiple regression analysis was be analyzed and assess the correlation and effect of independent variables (such as tools of sales promotions, frequency of the sales promotion and quality of the sales promotion) and dependent variable (loyal customer) within the company.

3.5.1 Pearson's correlation coefficient

In this study Pearson's correlation coefficient was be used to determine the relationships between sales promotion and customer loyalty.

3.5.2. Regression Functions

In this study the equation of multiple regressions is generally built around two sets of variable, the dependent variables (customer loyalty) and independent variables the sales promotion in East Africa Bottling in Addis Ababa.

Therefore in this study the researcher was use to analyze the effect of sales promotion and customer loyalty by using the following model .

The model of multiple linear regressions is presented below:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + + e_i$$

Where:

Y = Customer loyalty (dependent variables to be predicted).

α = The constant

β = Coefficient of the factors

X_1, X_2, X_3, X_4, X_5 =Sales promotion (independent variables)

X_1 = Tools of sales promotions

X_2 = Frequency of the sales promotion

X_3 = Quality of the sales promotion

e_i = error factor

Therefore the model of this study is:

Customers loyalty=

$+ \beta_1$ tools of sales promotions + β_2 frequency of the sales promotion +
 β_3 quality of the sales promotion + e_i

3.6 Validity and Reliability Test

3.6.1 Validity

Ensuring validity in behavioral research is very important but it is a complicated and challenging exercise. Measuring and evaluating the questionnaire consider some specifications for measuring tools, such as the validity of questionnaire. The validity of a measuring tool means that it can measure the relevant specification not any other variable. Content validity was used for measuring the validity of the questionnaires of this research. For this purpose, the content of the questionnaire was prepared by referring to scientific texts, theories and the model relevant to the subject and the questions of the research. After doing amendments by advisor the content validity and face validity of the questionnaire was approved.

3.6.2 Reliability Test

Reliability refers to a condition in which similar results was achieved when an instrument designed for measuring variable is used in different places or at different time under similar conditions (Kline, 2005). The reliability of the questionnaires was statistically calculated using Cronbach's Alpha. The result obtained from SPSS ranges between .727-.840 for each independent and dependent variable.

The Chronbach's Alpha result depicted that for the whole questionnaire is a good reliability. If Chronbach's Alpha result is below than 0.7 the questionnaire showed be rejected (Cohen, 1988). Thereby, it can be said that it is proved that the questionnaire is valid, reliable, and ready for distribution for the population sample.

Table 3.1 the Cronbach's Alpha test result from SPSS

Variables	Cronbach's Alpha	N of Items
Discount related issues	.835	4
Coupons related issues	.766	4
Free samples related issues	.719	3
Frequency of sales promotion	.840	5
Quality of sales promotion	.838	4
Loyalty of customer	.727	6

Source: SPSS result, 2018

3.7 Ethical Consideration

Ethical clearance was be obtained from Institutional Review Board (IRB) of Saint Marry University. Support letter was be issued from the university to the company. In addition, informed consent was be obtained from study participants to confirm their wasingness for participation after explaining the objective of the study. Respondents was be strongly assured that, their name was not be mentioned and information provided by each respondent was be kept confidential. Moreover, to maintain privacy, participants was be interviewed alone

CHAPTER FOUR:

DATA ANALYSIS AND DISCUSSION

This part of the research deals with the analysis and discussion of the data gathered from the questionnaire survey. It measures and analyzed the effect of sales promotion strategies on customer's loyalty the case of East African Bottling S.C in Addis Ababa.

The researcher uses descriptive statistics (frequency and percentage) to describe and analyze the demographics of the research

2. Secondly, the researcher uses descriptive statistics (mean and standard deviation) to describe the opinion of the respondents on different variables.

3. Next, the researcher used Pearson's correlation to determine whether there is a relationship between the dependent and independent variables.

4.1 Response rate of respondent

To make the analysis a total of 384 questionnaires were distributed to customers of East African Bottling S.C, out of these 310 questionnaires were properly filled and returned back to the researcher which means 80.7% response rate. This represents 80.7% response rate is significant value to give reliable findings for this study. McBurney (2001) stated that above 70% response rate is acceptable for the study (as cited by Dr. Rashid et al, 2013).

4.2 Demographic information of the respondents

Table 4.1 Frequency and percent of demographic information of the respondent

Sex of respondents	Frequency	Percent
Male	174	56.1
Female	136	43.9
Total	310	100.0

Age of respondents	Frequency	Percent
Between 15-20 years	78	25.2
Between 20-30 years	134	43.2
Between 30-40 years	71	22.9
Between 40- 50 years	22	7.1
Over 50 years	5	1.6
Total	310	100.00
Type of organization you are working	Frequency	Percent
Non –employed	62	20.0
Self-employed	102	32.9
Government	81	26.1
NGOs	65	21.0
Total	310	100.0
Your highest educational level	Frequency	Percent
Under grade 12 complete	59	19.0
TVET certificate	73	23.5
College diploma	112	36.1
University degree	54	17.4
Master’s Degree and above	12	3.9
Total	310	100.0
How much do you earn ETB per month?	Frequency	Percent
Less than 2,000	73	23.5
Between 2,000-5,000	140	45.2
Between 5,000-10,000	79	25.5
Over 10,000	18	5.8
Total	310	100.0

Source: Survey result, 2018

Table 4.1 above shows that out of the total respondents 174 (56.1%) of respondents were females and 136(43.9%) respondents were males. The result shows that the numbers of female respondents were greater than male respondents; related to respondent's age out of the total 78(25.2%) of respondent's age were between 15- 20 years, 134(43.2%) of the respondents age were between 20-30 years, 71(22.9%) of respondent's age were between 30- 40 years, 22(7.1%) of the respondents age were between 40-5 years and the remaining only 5(1.6%) of respondent's age were above 50 years. The result shows that out of the total, above 90%) participants ages were less than 40 years. This implies that majority of respondents participated in this study are young customers and this may lead to consume more Coca Cola products than older consumers.

Related to working condition out of the total respondents, 62(20%) of respondents were non-employed, 102(32.9%) of the respondents were self employed, 81(26.1%) of the respondents were working in government organizations and the reaming 65(21%) of the respondents were working in non-governmental organizations. The result depicted around one third of participants are working their own jobs, around one fourth of the participants are working in government companies and around one fifth proportion of participants are working in NGOs and the reaming one fifth are currently do not have jobs. As the consumers are get employed and get money the consumption of Coca Cola will increase.

Related to educational qualification of the respondents, out of the total 59(19%) of respondents educational background were less than or equal to grade 12 complete, 73(23.5%) of the respondents educational level were technical and vocational education training (TEVT), 112(36.1%) of respondents were college diploma, 54 (17.4%) of respondents educational background were first degree and the remaining 12(3.9%) respondent's educational background were master's degree and above. The result showed that one third of participants are diploma holders, the next respondents are TVET educational level. Only a few participants are master degree holders and above. This implies the majority of respondents relatively educated. As the consumer's education level is increased they earn additional income and can buy easily if they need Coca Cola products.

Related to income of the respondents, 73(23.5%) of the respondents were earning a monthly income of less than 2000 ETB, 140(45.2%) of the respondents were earning a monthly income of between 2000-5000 ETB, 79(25.5%) of the respondents were earning a monthly income of between 5000-10,000 and the remaining 18(5.8%) of the respondents were earning a monthly income of over 10,000 ETB. The result indicated that the majority of the participants are earning a monthly income of between birr 2000-5000. This implies that as the consumers earn money they can buy the Coca Cola product and consume it regularly as they needed.

4.3 Descriptive Analysis

Descriptive analyses of the level of agreement of the respondent's perception towards different variables of the research were shown in the table 4.2 up to 4.6. To calculate the mean value of the respondent's opinion, the study used itemized rating scale to construct a range. This range was used to measure the perception level of the respondents towards each variable. Therefore, the study used (Ajan, 2015) formula to construct the ranges.

Itemized rating scale: $\frac{Max-Min}{n} = \frac{5-1}{5} = 0.80$

The mean of each individual item ranging from 1- 5 falls within the following interval:

Interval of Means	Perception
1.00 – 1.80	Strongly Disagree
1.81 – 2.60	Disagree
2.61 – 3.40	Neutral
3.41 – 4.20	Agree
4.21 – 5.00	Strongly Agree

The following tables below gives a breakdown of the descriptive measures of the different sales promotion on customer's loyalty were answered by respondents.

Table 4.2: Analysis of respondent’s perception towards related to price discount

Discount related issues	Mean	Std. Deviation	Perception
The discount of Coca-Cola products on occasions such as events, holidays are fair & reasonable.	3.71	.947	Agree
Discount encourages me to take more coke.	2.14	.795	Disagree
If competitive brand had a better discount compared to coca cola related product I would switch to the competitive brand.	2.63	.892	Neutral
For me discount has played as important part in purchasing coca cola products than other incentives.	1.59	.825	Strongly Disagree
Mean of discount related issues	2.52	.865	Disagree

Source: Field survey, 2018

Table 4.2 shows the descriptive analysis result of the respondent’s perception towards the effect of sales promotion related to discount issues. Most respondents agree that the discount of Coca-Cola products on occasions such as events, holidays are fair & reasonable with mean score of 3.71 and standard deviation value .947. This result shows that majority of respondents take sales promotion into consideration while making their purchase decision offered by Coca-Cola products. The majority of respondents were disagreed about the discount encourage to take more coke with mean score value 2.14 and standard deviation value .947. They have neutral attitude about related to customer’s switches, if competitors brand had a better discount as compared to coca cola product scored a mean value 2.63 and standard deviation value .892. contrary to the above the majority of respondents are strongly disagree toward the importance of discount in purchasing coca cola products than other incentives scored a mean value 2.55 and standard deviation .825. This shows customers may not be sensitive to price of the coca cola products and they may have strong trust on the product quality than the price discount.

Respondents are neutral to the overall sales of promotion related to discount issues with mean value 2.84 and standard deviation value .865. This implies respondents are neither disagree nor

agree related to discount related issues of sales promotion related to coca cola product. This may be usually people prefer generally a free gift or bonus than a price discount (Diamond & Sanyal 1990).

Table 4.3: Analysis of respondent's perception towards related to coupon issues

Coupons related issues	Mean	Std. Deviation	Perception
Coca cola Company frequently issued coupons	2.18	.515	Disagree
The coupons offered by coca cola company are Attractive to buy the product repeatedly	2.75	.904	Neutral
I would still use coca cola product without coupons and gifts	4.42	.603	Strongly Agree
My first encounter with coca cola products was due to coupon promotion	2.67	.845	Neutral
Mean of coupons related issues	3.005	.717	Neutral

Source: Field survey, 2018

Table 4.3 shows the descriptive analysis result of the respondent's perception towards the effect of sales promotion related to coupon issues. This category comprises four items and the descriptive analysis result ranges from with a mean score value from 2.18 up to 4.32 and standard deviation value ranges from .515 up to .904. Among this category the majority of respondents are disagree with the frequently issued coupons by the Coca Cola Company with a mean score value 2.18 and standard deviation value .515 and similarly, the majority of respondents strongly agree to continue consuming coca cola products without coupons with mean value 4.32 and standard deviation value .603. However, on the remaining two items the majority of respondents have neutral attitude including the overall mean of the coupon related items.

The above result further shows the company is not frequently issuing coupons to its customers. However, still the majority of customers are loyal to the coca cola products even without the any discount and coupon issue.

Table 4.4: Analysis of respondent’s perception towards related to free samples issues

Free samples related issues	Mean	Std. Deviation	Perception
East Africa Bottling company frequently provide consumers to receive free soft drinks	4.10	.636	Agree
The free samples provided by the company always motivates me to use Coca Cola products	3.91	.584	Agree
The free soft drink samples offered by the company has no effect on my loyalty	3.94	.643	Agree
Mean of free samples related issues	3.98	.621	Agree

Source: Field survey, 2018

Table 4.4 result depicted that the descriptive analysis of respondents view related to free sample issues of sales promotion tools. Free sample related issues comprise three items with mean value ranges from 3.91 up to 4.10 and standard deviation value .584 up to .643. The result indicated that the majority of respondents were agreed with free sample related sales promotion tools. That means the East Africa Company is frequently providing free samples to consumers.

The respondents are also motivated to drink coca cola products due to free samples offered by the company. Moreover, the free soft drink samples offered by the company have no effect on being loyal to the company with mean score value 3.94 and standard deviation value .643. This implies the customers will continue being as loyal customers whether there is free sample or not. This is an opportunity for the company to have loyal customers.

Table 4.5: Analysis of respondent's perception towards related to frequency of sales promotion

Frequency of sales promotion	Mean	Std. Deviation	Perception
The frequency of sales promotion by coca cola make their product to be easily memorable & awareness about the product	4.54	.410	Strongly Agree
Repetitiveness' of the coca cola sales promotion made me a frequent consumer	4.47	.545	Strongly Agree
Sales discount has made me a frequent user of coca cola products	4.08	.643	Agree
Coupon sales promotion has made me a frequent user of coca cola products.	4.00	.591	Agree
Free sample sales promotion has made me a frequent user of coca cola products	3.85	.623	Agree
Mean of frequency of sales promotion	4.19	.562	Agree

Source: Field survey, 2018

Table 4.5 result shows that the descriptive analysis of respondents view related to frequency of sales promotion tools by East Africa Bottling Company. The result indicated that the majority of respondents show strongly agreement and agreement to each items in this category. Among this category the majority of respondents are strongly agree related to the frequency of sales promotion made by the company make easily to remembered and create awareness about the product by customers with mean score value 4.45 and standard deviation value .410. Additionally customers are the repetitive nature coca cola advertisement made customers to frequent consumes the product with mean value 4.47 and standard deviation value .545. This shows due to continues advertisement customers are intended to consume coca cola products regularly. The result further shows if the company frequently advertize its product on various channels customers will be aware of the product and intended to consume it regularly.

Likewise the majority of respondents also agree on the reaming items in this category with mean score value ranges from 3.85 and 4.08. This shows the majority of respondents are agreed on the frequency of sales promotion tools of the East Africa Bottling company. This also an advantage

for the company to maintain loyal customers and maximize its market shares in the competitive business environment. These further indicated the discount, coupons and free samples offered by the company make the customers to repurchase and make them loyal to East Africa Bottling Company.

Table 4.6: Analysis of respondent's perception towards related to quality of sales promotion tool

Quality of sales promotion	Mean	Std. Deviation	Perception
The sales promotions like coupons, free sample and discount provided by coca cola company are delivered to the customers immediately on time	3.65	.813	Agree
The sales promotions like coupons, free samples are sufficient enough than other competitive companies	3.81	.619	Agree
Coca cola company always keeps its promise to deliver coupons, discounts and free samples than other competitor companies	4.44	.436	Strongly Agree
The coupons, free sample and discounts of coca cola company are more interested and attractive than other companies	4.32	.625	Strongly Agree
Overall mean of quality of sales promotion	4.06	.623	Agree

Source: Field survey, 2018

Table 4.6 shows the descriptive analysis result of respondents view related to quality of sales promotion tools by East Africa Bottling Company. This section also consists four items with means score value ranges from 3.65-4.44 and standard deviation value ranges from .436-.813. Out of these items the majority of respondents are strongly agree the company always keeps its promise to deliver coupons, discounts and free samples than other competitor companies with mean score value 4.44 and standard deviation value .436. Similarly, the respondents are also strongly agree on the attractiveness of the coupons, free sample and discounts of coca cola company than other companies with mean value 4.32 and standard deviation value .625.

Beside these, the majority of respondents are agreed with the time delivered coupons, free samples and discount to the customers scored a mean value 3.65 and standard deviation value .813. Similarly the respondents are also agreed with the sufficiency of coupons and free samples than other competitive companies with mean score value 3.81 and standard deviation value .619. This implies that customers are happy about East Africa Bottling Company's quality of sales promotion strategies like coupon, free samples and discounts than other competitor companies. This will enable the company to attract and retain loyal customers and will increase the company's profitability than its competitors.

Table 4.7 Analysis of respondent's perception towards related to customers loyalty

Loyalty of customer	Mean	Std. Deviation	Perception
I fill discomfort when I had not get a coca cola product at shop and other places.	3.92	.618	Agree
The incentive like free sample, coupon, and discount offered by Company motivates me to consume coca cola products repetitively.	3.98	.583	Agree
I usually encouraged my friends to consume East Africa products because of its fair sales promotion strategies	4.03	.710	Agree
Due to its good quality product I usually consume East Africa products	4.49	.431	Strongly Agree
I am a loyal and continue consuming East Africa Products like Coca Cola, Sprite, Fanta even if there is no incentives	4.24	.621	Strongly Agree
Overall, I satisfied with East Africa Bottling soft drinks like Coca Cola, Sprite and Fanta	3.91	.990	Agree
Mean of customer loyalty	4.09	.661	Agree

Source: Field survey, 2018

Table 4.7 result indicated that the descriptive analysis of respondents view related to loyalty of the customers toward East Africa Bottling products. This category result revealed that to what extent customers are loyal to East Africa Bottling products like Coca Cola, Sprite and Fanta. The

respondents result score ranges from the mean value 3.91-4.49 and standard deviation value .431-.990. Due to its good quality the majority of the respondents are strongly agree to be loyal and continue consuming the products of East Africa Bottling products like Coca Cola, Sprite and Fanta with mean value 4.49 and 4.24 and standard deviation value .431 and .621 respectively. This implies the customers have strong confidence on the quality of East Africa Bottling products and will be loyal and continue consuming the products than other competitors.

Similarly, the respondents agree on the following items such as when they do not get a coca cola product at shop and other places the respondents feel discomfort with mean value 3.92 and standard deviation value .618, the incentive like free sample, coupon, and discount offered by the company motivates the respondents to consume coca cola products repetitively scored a mean value 3.98 and standard deviation value .583. The respondents usually encouraged their friends to consume East Africa products because of its fair sales promotion strategies with mean value 4.03 and standard deviation value .710. Finally the majority of respondents are satisfied on the overall East Africa Bottling soft drinks products like Coca Cola, Sprite and Fanta due to free samples, price discount, the quality of product and with overall the sales promotion strategies than other similar competitive companies. These make East Africa Bottling company more profitable and the customers are loyal to its product.

4.4 Correlation and Regression Analysis

4.4.1 Correlation

According to Dr. Moataza (2011) correlation is a statistical technique used to determine the degree to which two variables are related. It measures the nature and strength between two variables of the quantitative type.

Correlation sign is either positive or negative. If the sign is +ve this means the relation is direct (an increase in one variable is associated with an increase in the other variable and a decrease in one variable is associated with a decrease in the other variable). While if the sign is -ve this means an inverse or indirect relationship (which means an increase in one variable is associated with a decrease in the other). Based on this the researcher used Pearson correlation matrix to test

the degree of relationship between sales promotion strategies and loyalty of customers in East Africa Bottling.

Table 4.8 Pearson Correlations Matrix

		Tools of sales promotion	Frequency of sales promotion	Quality sales promotion	loyalty of customer
Tools of sales promotion	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	310			
Frequency of sales promotion	Pearson Correlation	.493**	1		
	Sig. (2-tailed)	.001			
	N	310	310		
Quality sales promotion	Pearson Correlation	.416**	.338*	1	
	Sig. (2-tailed)	.000	.015		
	N	310	310	310	
Loyalty of customer	Pearson Correlation	.565**	.788**	.763**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	310	310	310	310

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

* . Correlation is significant at the 0.05 level (2-tailed).

- If $r = \text{Zero}$ this means no association or correlation between the two variables.
- If $0 < r < 0.25$ = weak correlation.
- If $0.25 \leq r < 0.75$ = intermediate correlation.
- If $0.75 \leq r < 1$ = strong correlation.
- If $r = 1$ = perfect correlation

Source :(Dr. Moataza, 2011)

Table 4.8 shows that the correlation matrix between dependent variable (customer loyalty) and independent variables (such as tools of sales promotion, frequency of sales promotion and quality of sales promotion). According to Dr. Motaza (2011) suggestions (if $r=0.25-0.75$) there is intermediate

correlation between two variables. Therefore, loyalty of customer is positively correlated with tools of sales promotion at ($r = .565^{**}$ & $\text{Sig.} = .000$); also there is strong and positive correlation between customer loyalty and frequency of sales promotion at ($r = .788^{**}$, $\text{Sig.} = .000$) and there is also strong and positive correlation between customer loyalty and quality of sales promotion at ($r = .763^{**}$, $\text{Sig.} = .000$). This depicts that loyalty of customer in East Africa Bottling Company is highly correlated with sales promotion tools in Addis Ababa. That means if the company increases like tools of sales promotion, frequency of sales promotion and quality of sales promotion the loyalty of customer as the same time will increase.

Testing assumptions of multiple linear regression

According to Kothari (2004) before proceeding to multiple regressions analysis, first the researcher has to check the following assumptions such as sample size, normality, linearity and multicollinearity, and found they were not a problem for the researcher. Then the researcher proceeds to the regression analysis.

Test of Multicollinearity

According Kothari (2004) multicollinearity is refers to the relationship among the independent variables. Multicollinearity exists when the independent variables are highly correlated ($r = .9$ and above).

Table 4.9 Collinearity Statistics

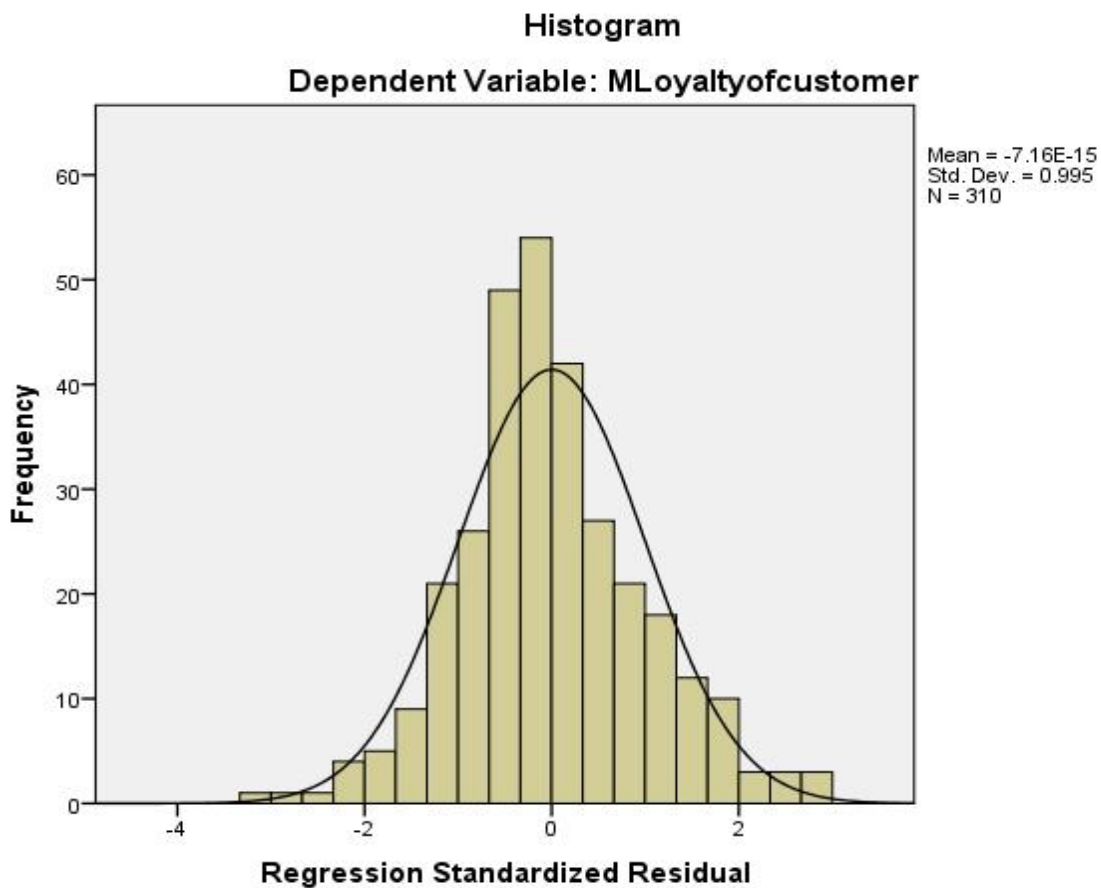
Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
Sales promotion tools	.238	4.208
Frequency of sales promotion	.307	3.254
Sales promotion quality	.253	3.959

According to Kothari (2004) to check multicollinearity effect two things should be checked Tolerance and VIF from the coefficient table. If the value of Tolerance is very small (less than .10), it indicates that the multiple correlation with other variables is high, suggesting the possibility of multicollinearity. The second value given is the VIF (Variance inflation factor), which is just the inverse of the Tolerance value (1 divided by Tolerance). If VIF values shows

above 10 would indicate multicollinearity. Therefore, the multicollinearity assumption is fulfilled.

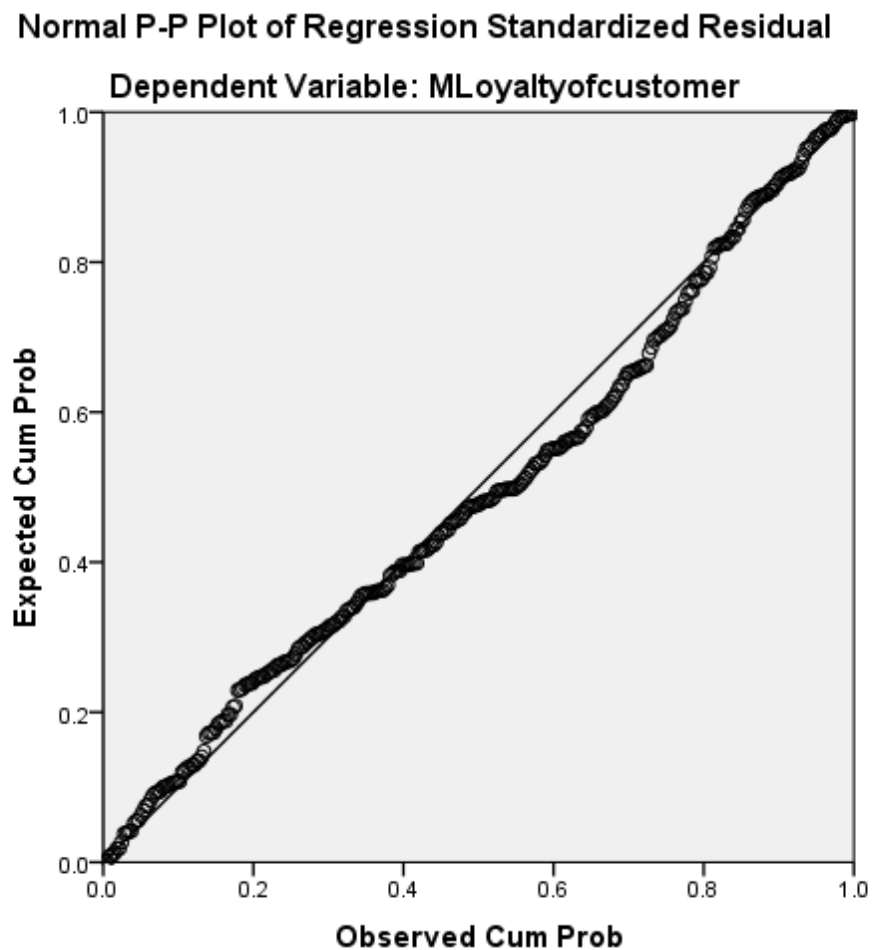
Test of Normality

The distribution of scores on the dependent variable should be 'normal' describing a symmetrical, bell-shaped curve, having the greatest frequency of scores around the mean, with smaller frequencies towards the extremes. For this research, the visualized histogram indicates that data used in the study is normally distributed and therefore it has fulfilled the assumption.



Test of linearity

Linearity assumption of multiple regressions was tested using scatter plot test (Kothari, 2004) and it was found that there is linear relationship between independent and dependent variables. According to the linearity result, the distributions of residuals are near to the mean zero.



4.4.2 Regression Analysis

The study required to establish how the independent variables like tools of sales promotion, frequency of sales promotion and quality of sales promotion predict the dependent variable (loyalty of customer) using multiple linear regression analysis in the company. The regression model was:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Whereby Y is Marketing performance=

β is regression constant,

β_1 , β_2 and β_3 regression coefficients, X_1 = tools of sales promotion, X_2 = frequency of sales promotion, X_3 = quality of sales promotion and ε error term. To carry out this the researcher used multiple regression analysis model below table 4.9.

Table 4.10 Multiple regression analysis of the model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.865 ^a	.749	.742	.60676

a. Predictors: (Constant), Quality sales promotion, Tools of sales promotion, Frequency of sales promotion

b. Dependent Variable: Loyalty of customer

Table 4.9 above indicates R, R Square, Adjusted R Square and standard error of the estimate. Further, it lists the independent variables that are entered in to the regression model. R (.865) is the correlation of independent variables with the dependent variable. The model summary, above shows the R Square is 0.749. This tells us how much of the variance in the dependent variable (customer loyalty) are explained by the independent variables (as Quality sales promotion, Tools of sales promotion and Frequency of sales promotion). This means that our model (independent variables) explains 74.9% of the variance in loyalty of customer (dependent variable). To assess the statistical significance of the result it is necessary to look in to table 4.10 ANOVA.

Table 4.11 ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	194.516	5	38.903	105.671	.000 ^b
	Residual	65.163	177	.368		
	Total	259.679	182			

a. Dependent Variable: Loyalty of customer

b. Predictors: (Constant), Constant), Quality sales promotion, Tools of sales promotion, Frequency of sales promotion

The ANOVA Table 4.10 above shows that p (Sig. =.000) value is less than .05 and significant at 0.01 level of significance. This indicates a statistically significant contribution, as indicated by the Sig. value equal to .000. Therefore, the ANOVA table indicates that the model as a whole is significant at p<0.01).

The R² result indicates that 74.9% of the variance in loyalty of customers has been significantly explained by quality sales promotion, tools of sales promotion, frequency of sales promotion. Accordingly, since the sign of ‘B’ coefficient for the independent variables is positive, therefore there is a positive relationship between the variables.

Table 4.12 Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	1.215	.301		4.035	.000		
Tools of sales promotion	.424	.065	.175	3.434	.001	.238	4.208
Frequency of sales promotion	.352	.050	.361	7.028	.000	.307	3.254
Quality sales promotion	.630	.042	.158	3.077	.002	.253	3.959

a. Dependent Variable: Loyalty of customer

From the findings in Table 4.11, the multiple linear regression equation becomes

$$\text{Loyalty of customers} = 1.215 + 0.424(\text{Tools of sales promotion}) + 0.352(\text{Frequency of sales promotion}) + 0.630(\text{Quality of sales promotion})$$

The model is used when the company needs to measure loyalty of customers based on the independent variables.

CHAPTER FIVE

KEY FINDINGS, CONCLUSION AND RECOMMENDATIONS

This chapter presents the conclusion and recommendation part of the study. The conclusion of this study is based on the findings and the recommendation part was presented based on the conclusions.

5.1 Summary and key findings

The following major issues are identified from the study:

- Respondents are disagree with the discount encourages customers to take more coke.
- Respondents are also strongly agree with the discount has played an important role in purchasing coca cola products than other incentives. This indicated the respondents are disagreeing with the discount related issues of sales promotion. That means discount related an issue does not have any effect in purchasing and consuming coca cola products.
- The Coca cola Company is not frequently issued coupons. However, the respondents will continue to use coca cola product without coupons and gifts.
- The respondents are agreed with the free sample related issues. However, the respondents will continue to use East Africa Products like Coca Cola, Sprite and Fanta without sample related issues of sales promotion.
- Due to repetitiveness and frequency of sales promotion the respondents are easily remember the products and frequently consume it.
- The respondents are strongly agree on which the company keeps its promise to deliver coupons, discounts and free samples. Moreover the respondents are strongly agree the sales promotion is more interesting and attractive than its competitors.
- Loyalty of customer has positive and significant relationship with tools of sales promotion, frequency of sales promotion and quality of sales promotion.
- In East Africa Bottling Company 74.9% of variance in loyalty of customer is due to tools of sales promotion, frequency of sales promotion and quality of sales promotion.

5.2 Conclusion

This research investigated the effectiveness of the sales promotion tools on customer's loyalty in East African Bottling Company in Addis Ababa.

The study shows loyalty of customer largely depends on tools of sales promotion, frequency and quality of sales promotion. Customers are not price sensitive to coca cola products. The East Africa Bottling Company sales promotion is more interesting and attractive than other competitive soft drink companies. Thus due to its quality product and repetitiveness of the sales promotion the majority of respondents decided to be loyal and continue to consume Coca Cola, Sprite and Fanta products even without discount price, free samples.

5.3 Recommendation

Based on the research findings and conclusion the following issues are recommended to the company.

- The company should keep maintain the current sales promotion and expand in scope.
- The company should regularly keep the promises to deliver the coupons, and free samples
- To attract additional customers and win the market the company should provide price discount and free samples mainly in the form of lottery and prizes.
- East Africa should frequently issue coupons more to increase the loyalty of the customers
- Increase the repetitiveness and frequency of sales promotion to be easily remembered by its customers and to maintain the loyal customers.
- The management should continue modifying or updating its sales promotion activities according to the taste and preferences of its customers and the public at large.

These all will increase customer's satisfaction and the loyalty. If the customers are satisfied they will continue being loyal to the company products. This will lead to high market profitability and enable the company to be sustainable and win the market.

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St. Mary's University
School of Graduate Studies
College of Business Administration
In Marketing Management Department

Dear Sir/Madam

This questionnaire is designed to gather information on “the effect of sales promotion on customer’s loyalty the case of East Africa Bottling S.C in Addis Ababa”. The purpose of this study is to fulfill a thesis requirement for the Masters of Marketing Management at St. Mary’s University. Your highly esteemed responses for the questions are extremely important for successful completion of this study.

Therefore, the information that you provide will be used only for the purpose of the study and will be kept strictly confidential. You do not need to write your name or personal related issues. Finally, I would like to thank you very much for your cooperation and sparing your valuable time for my request. Please tick one box below to show how much you agree or disagree with the given questions.

Sincerely yours

Behailu Mihret

Part One: General Information: Please add (√) in the box below as appropriate:

1. Gender:

1. Female

2. Male

2. Age

1. Under 20 years

2. 20---30 years

3. 30--- 40 years

4. Over 50 years

3. Type of organization you are working:

1. Non -employed

2. Self-employed

3. Government

4. NGOs

5. Private company employee

4. Your highest educational level:

1. Under grade 12 complete 2. TVET certificate
 3. College diploma 4. University degree
 5. Master's Degree and above

5. How much do you earn ETB per month?

1. Less than 2,000 2. 2,000-5,000
 3. Between 5,000-10,000 4. Over 10,000

Part two

Based on the products/services offered by East Africa Bottling S.C, give your opinion on the following as honestly as possible. You should rank each statement as follows: SD= Strongly Disagree (1), D= Disagree (2), N= Neutral (3), A= Agree (4) and SA= Strongly Agree (5).

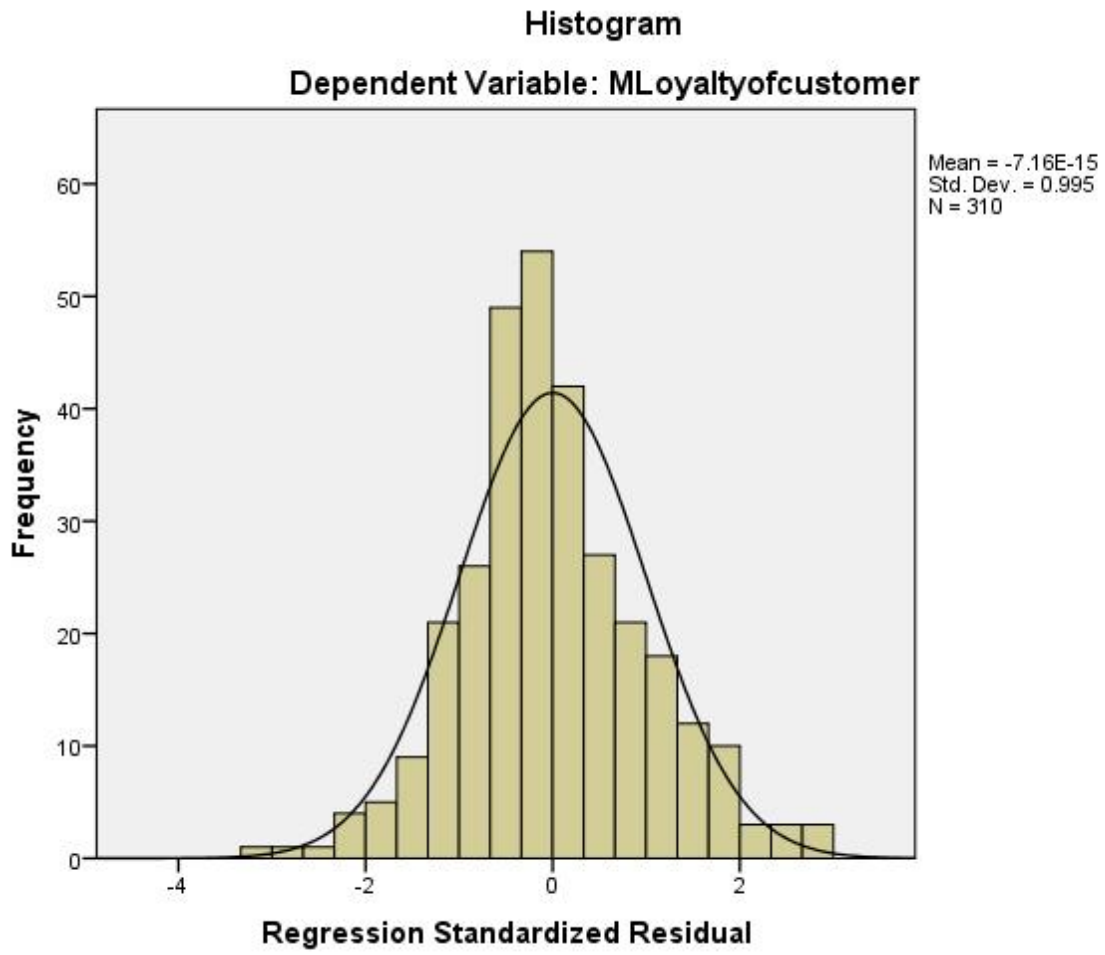
Items	1	2	3	4	5
Tools of sales promotions;					
1. Discount related issues					
1.1 The discount of cocacola products on occasions such as events, holidays are fair & reasonable.					
1.2 Discount encourages me to take more coke.					
1.3 If competitive brand had a better discount compared to coca cola related product I would switch to the competitive brand.					
1.4 For me discount has played as important part in purchasing coca cola products than other incentives.					
2. Coupons related issues					
2.1 Coca cola Company frequently issued coupons					
2.2 The coupons offered by coca cola company are attractive to buy the product repeatedly					

2.3 I would still use coca cola product without coupons and gifts					
2.4 My first encounter with coca cola products was due to coupon promotion					
3. Free samples related issues					
3.1 East Africa Bottling company frequently provide consumers to receive free soft drinks					
3.2 The free samples provided by the company always motivates me to use Coca Cola products					
3.3 The free soft drink samples offered by the company has no effect on my loyalty					

Items	1	2	3	4	5
Frequency of sales promotion					
The frequency of sales promotion by coca cola make their product to be easily memorable & awareness about the product					
Repetitiveness' of the coca cola sales promotion made me a frequent consumer					
Sales discount has made me a frequent user of coca cola products.					
Coupon sales promotion has made me a frequent user of coca cola products.					
Free sample sales promotion has made me a frequent user of coca cola products.					
Quality of sales promotion					
The sales promotions like coupons, free sample and discount provided by coca cola company are delivered to the customers immediately on time					
The sales promotions like coupons, free samples are sufficient enough than other competitive companies					
Coca cola company always keeps its promise to deliver coupons, discounts and free samples than other competitor companies					
The coupons, free sample and discounts of coca cola company are more interested and attractive than other companies					

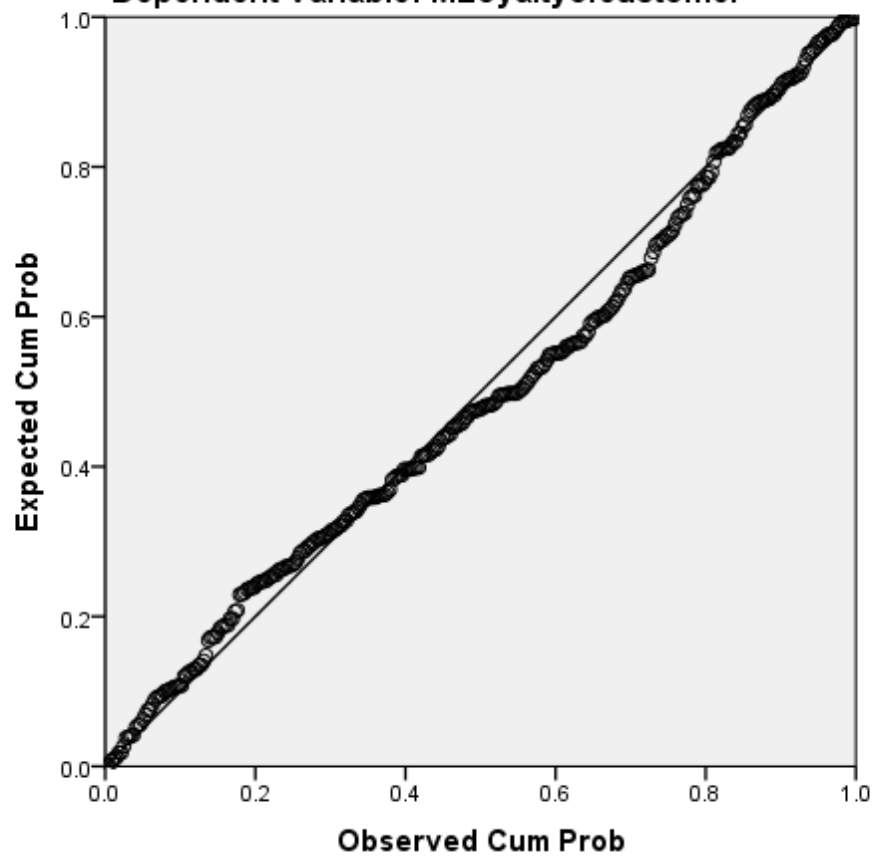
Items	1	2	3	4	5
Loyalty of customer					
1. I feel discomfort when I had not get a coca cola product at shop and other places.					
2. The incentives like free sample, coupon, and discount offered by coca cola Company always motivating me to consume coca cola products repetitively.					
3. I usually encouraged my friends to consume East Africa products because of its fair sales promotion strategies					
4. Due to its good quality product I usually consume East Africa products					
5. I am a loyal and continue consuming East Africa Products like Coca Cola, Sprite, Fanta even if there is no incentives					
6. Overall, I satisfied with East Africa Bottling soft drinks like Coca Cola, Sprite and Fanta					

Thank you



Normal P-P Plot of Regression Standardized Residual

Dependent Variable: MLoyaltyofcustomer



Scatterplot

Dependent Variable: MLoyaltyofcustomer

