# ST. MARY'S UNIVERSITY COLLEGE FACULTY OF BUSINESS <br> <br> DEPARTMENT OF MARKETING MANAGEMENT 

 <br> <br> DEPARTMENT OF MARKETING MANAGEMENT}

An Assessment of Sales Promotion Challenges and Practices in the Case of Brother's Biscuit Factory

## By

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# AN ASSESSMENT OF SALES PROMOTION CHALLENGES AND PRACTICES IN THE CASE OF BROTHER'S BISCUIT FACTORY 

# A SENIOR ESSAY SUBMITTED TO THE DEPARTMENT OF MARKETING MANAGEMENT 

## BUSINESS FACULTY

## ST. MARY'S UNIVERSITY COLLEGE

# IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF BACHELOR OF ARTS IN MARKETING MANAGEMENT 

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## DECLARATION

## Candidate's Declaration

I, undersigned, declare that this senior essay is my original work, prepared under the guidance of Ato Aschalew Tamiru all sources of materials used for the manuscript have been duly acknowledged.

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## ADVISOR'S DECLARATION

This paper has been submitted for examination with my approval as the university college advisor

Name: Aschalew Tamiru
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## Acknowledgement

First of all I would like to forward my heartfelt gratitude for Almighty Lord Jesus Christ that uplifted me to my current status. Next I want to mention my indebtedness to my advisor, Aschalew Tamiru without his timely, constrictive and invaluable advice this research proposal would not have been possible. I can never also forget to express my gratitude to my family and best friends for their continuous support. Finally I like to thank Yalew Gorfu for devoting his valuable time, courage and gratitude.

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## CHAPTER ONE

## INTRODUCTION

### 1.1. Background of the Study

Nowadays there are different ways through which companies can promote their products which include; advertisement, personal selling, public relation and sales promotion are a few from the many. For the purpose of this study the student researcher will be focusing on sales promotion.

Belch and Belch (2003:16) pointed out that promotion has been defined as the coordination of all seller-initiated efforts to set up channels of information and persuasion in order to sell goods and services or promote an idea.

Making profit is the ultimate goal in many business organizations, to meet this goal different companies produce quality product, use attractive pricing \& distribute products to targeted customers. Besides this one of the basic marketing mists which play an important role for the business to reach their customers \& increasing their sales is promotion. More than any other marketing mix it deals with customers, creating an important image of the product \& positioning the product in the customers mind is the basic issue of different business organization, related to this sales promotion is the better one in creating a better image(Belch and Belch2003:19).

Sales promotion is an action which increases the volume of sales. However, the meaning of sales promotion has been technically defined to include display, demonstration, contests and trading stamps. (Mishra, 1995:4)

In addition, Sales promotion, which is generally defined as those marketing activities that provide extra value or incentives to the sales force, the distributors, or the ultimate consumer and can stimulate immediate sales. (Belch and Belch,( 2003:21)

Furthermore, Kotler (2002:597) states Sales promotion consists of a diverse collection of incentive tools, mostly short term, designed to stimulate quicker or greater purchase of particular products or services by consumers or the trade.

The objectives for retailers may be to carry new items, encourage off-season buying, and offset competitive promotions, build brand loyalty, and so on. For the sales force may be to encourage a new product or model, stimulate off-season sales, and persuade more prospective buyers, and so on. The objectives for consumers $m$ ay be to encourage more usage and purchases of a larger number of units and attract competitors' brand users. Sales promotion alters the market share permanently. It persuades the buyers of the competitors' " product to shift to the product of the company. It helps develop brand loyalty. (Mishra, ( 1995:5-6)

The brother flour and biscuit factory was established in 1992 A.E.C in Oromia National Regional State located in Adama town. It produces biscuit and flour products. The trade name of the organization was called Brother Four and Biscuit Factory the name of the promoter Ato Mohamed Saied has already obtained an investment certificate and under operation for the past seven years by producing different type of biscuit and flour products . Some of the products of are biscuit namely hard variety soft variety biscuit and cream variety of biscuit.

The Company provides this all provides to the market. of the product as well as job opportunity to the environment people. Now a time the company now has 500 permanent and temporary employees.

### 1.2 Statement of the Problem

Sales promotions are the 'activities that stimulate consumer purchases and improve retailer or middlemen effectiveness and co-operation' (Cateora and Graham, (1999: 480-517).

Sales promotion consists of a diverse collection of incentive tools, mostly short term, designed to stimulate quicker or greater purchase of particular products or services by consumers or the trade. (Kotler and Armstrong (2002:597)

As it is stated in the above paragraphs sales promotion is an effective way of getting more loyal customers. So if the company, in this context brother biscuit and flour factory, doesn't apply it correctly, a lot of potential customers may not come to their company Instead the customer turn to competitors other company who produce the same product.

The company practices mainly trade sales promotion type. Off which discount buy back guarantees. It gives discounts for distributers based on their capability of caring the product; this
means that whoever gets higher number of order will get a higher discount. The company provides with buy back guarantees whenever the product is not sold buy the retailer or wholesaler.

For example when use sing the buyback guarantees even if the product is not sold blc of the wholesaler and retailers problem the company retailers the money for the product buy which it will affect the company negatively .In addition to this the discount amount is not proportional which may cause unbalanced (unfair) completion between the wholesaler and retailer.

Especially brother flour and biscuit factory have encountered many problems regarding in the application of sales promotion in to practice. The problem is mainly that brother flour and biscuit factory target and their achievement is not proportional. These could be due to improper implementation of sales promotional tools. The other problem which is related to the stated problem is the lack of assigning proper budget for the sales promotion.

In addition to the above stated problems, the sales promotion of brother flour and biscuit factory has a problem in applying the principles properly. Sales promotion marketing managers neglect the importance and the fruit that they can get at the end.

### 1.3 Research Questions

The following questions are the bases for the study
$\checkmark$ What are the main problems the company encountered in using sales promotion as a promotional tool?
$\checkmark$ How does the company chose sales promotional tools in influence the customer?
$\checkmark$ How does the company measure the effectiveness of the sales promotion?
$\checkmark$ What are the criteria's that the company uses in assigning budget for sales promotion tool?

### 1.4 Objectives of the study

### 1.4.1 General Objective

The general objective of the study is to an assessment of sales promotion challenges and practices in the case of Brother's Biscuits Factory.

### 1.4.2 Specific Objectives

The following are specific objectives that the student researcher will try to achieve by undertaking the research paper:
$\checkmark$ To identify the main problems that the company encounters while promoting its product using sales promotion.
$\checkmark$ To point out consumer trade sales promotional tools which are selected by the company?
$\checkmark$ To see what ways the company uses to measures its effectiveness.
$\checkmark$ To identify criteria's on assigning budgets.

### 1.5 Delimitation of the Study

This study delimits on the trade sales promotion practice of 2BF Company. The company produces different kind of products that need sales promotion activities. Due to the shorter distance that the head office is located in Adama (Nasserite),the research student focused the study on the company's sales force, and marketing manager which are located in Adama, and on the customers which are found in Addis Ababa. And its time frame was from 2010 to 2012.

### 1.6 Significance of the Study

The research paper has the following contribution to the company and other members who would like to have an insight about sales promotion.
> It helps the company to solve the problems and achieve maximum efficiency
$>$ Creating awareness among the employees about sales promotion.
$>$ It improves the method of sales promotion practice in the company.
> The paper will serve as a base line for other researchers who would like to integrate themselves in the study of sales promotion for further investigation.

- As a student researcher it helps me to translate what I have learned in to practices.


### 1.7 Research Design and Methodology

### 1.7.1 Research Design

In order to study the sales promotion practice of the company, the researcher was use descriptive method which was help to describe the practice of the Sales promotion of the company. The researcher was use both the quantitative and qualitative measurement methods of data collection. The qualitative measurement helped to interpret ideas which are going to be gathered through interview and open ended questions while the quantitative measurement method will helped to interpret ideas which are going to be gathered through closed ended questions.

### 1.7.2 Population and Sampling Techniques

For the purpose of this study the student researcher has use convenience non probability sampling technique for the reason that the exact number and list of the population is not known. The population that was included in the study was marketing manager, employees and customers. From the whole population for the reason that the exact number of employees and managers is know, and which are 10 in number the student researcher used censes analysis. And because the exact number of the customer is not know the student researcher used convince ;non probability sampling techniques this was done based on the customers convinces in terms of time and space, Based on the recommendation of Malthora $(2006,339)$ a total number of 200 samples was taken as a reliable sample size.

### 1.7.3 Types of Data collected

The study is going to use both primary and secondary data. The primary data has been collected from managers, employees and customers of the company. The secondary data to be collected from the literature review, publication obtained from the company data base, journals, and relevant books.

### 1.7.4 Methods of Data Collection

The primary data was collected through questionnaires the company's customers and employees while interview was conducted with the company's marketing manager and sales manager.

### 1.7.5 Method of Data Analysis

The data that was collected through close ended questions was analyzed using frequency, percentage and presented using tables. Data that was obtained through open ended questions and interview was used to support the analysis.

### 1.8 Limitation of the study

During conducting this research various hindering factors were encountered and among them financial resources and time limitation affected the research project in that it was not possible to frequently contact the respondents and other concerned organization in the study area that were assumed the data source of the study. In addition, there were difficulties to find customers who are willing to give necessary information and spent their time, and it was difficult to meet the marketing manager and sales peoples even though they were willing to give the necessary information with limited time.

### 1.9 Organization of the Study

The research paper contains four chapters, chapter one contains the over view of the study focusing on its background and the statement of the problem, objective of the study, significance of the study and design and methodology, chapter two contains literature review, chapter three deals about data presentation, interpretation and analysis, the final chapter of this research summary, conclusion, and recommendation will be presented.

## CHAPTER TWO

## REVIEW OF LITERATURE

### 2.1 Overview

In this part detailed about sales promotion will be discussed after promotion and related issues.

### 2.2 Promotion

Before going to any issues it is appropriate to say something about promotion and promotional mix's.

Dunn, (1995:1) argued that, you may have the finest product and the most attractive prices, but if potential customers don't know about your business, your chances of success are limited.

Promotion may be described as the collective activities, materials, and media used by a marketer to inform or remind prospective customers about a particular product offering and to attempt to persuade them to purchase or use it. Promotion or marketing communication is not something markets 'do to consumers '. It's what occurs when markets are sensitive to consumers needs and wants and communicate with them in a responsible, respectful and relevant way.

### 2.2.1 Promotional management

In developing an integrated marketing communications strategy, a company combines the promotional mix elements, balancing the strengths and weakness of each to produce an effective promotional campaign, promotional management involves coordinating the promotional-mix elements to develop a controlled, integrated program of effective marketing communication (Belch \& Belch, 2003)

### 2.2.2 Advantages of Promotion

According to Koteler, (1999) the present marketing situation enforce marketers to focus on immediate awareness images of preference problem in the target market.

The major advantages of promotion can be

- Creating awareness of new products
- Keeping existing products
- Establishing company product or service image
- Providing after sale service


### 2.3 Promotional Mix

As Kotler and Armstrong, (2012:408) discussed, a company's total promotion mix—also called its marketing communications mix-consists of the specific blend of advertising, public relations, personal selling, sales promotion, and direct-marketing tools that the company uses to persuasively communicate customer value and build customer relationships. The five major promotion tools are defined as follows:

- Advertising: Any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor.
- Sales promotion: Short-term incentives to encourage the purchase or sale of a product or service.
- Personal selling: Personal presentation by the firm's sales force for the purpose of making sales and building customer relationships.
- Public relations: Building good relations with the company's various publics by obtaining favorable publicity, building up a good corporate image, and handling or heading off unfavorable rumors, stories, and events.
- Direct marketing: Direct connections with carefully targeted individual consumers to both obtain an immediate response and cultivate lasting customer relationships.

Each category involves specific promotional tools used to communicate with customers.

### 2.4 Integrated Marketing Communication

Marketing communications is the collective terms for all communication function used in marketing a product. The purpose of marketing communication is to add persuasive value to a product for customers. (Kitchen and Pelsmacker, 2004:20)

Kotler and Keller, (2012:476) elaborate the idea saying, marketing communications are the means by which firms attempt to inform, persuade, and remind consumers-directly or indirectly-about the products and brands they sell. In a sense, marketing communications represent the voice of the company and its brands; they are a means by which the firm can establish a dialogue and build relationships with consumers. By strengthening customer loyalty, marketing communications can contribute to customer equity.

All companies use marketing communications in some form or another-it is a critical component of effective marketing. The first step in understanding the nature and importance of integrated marketing communication (IMC) is to examine the different elements of marketing communication mix, followed by an examination of the features and benefits of IMC. It is important that all the elements of the marketing communication mix-advertising, sales promotions, direct marketing, personal selling, product packaging, point-of-purchase materials, outdoor displays, marketing public relations and sponsorships-are integrated to achieve an organization's marketing communication objectives and to enhance the equity of its brands. The results of that integration is synergy-all the elements of marketing communication working together to achieve effective integrated marketing communications. (Chitty et.al, 2011:3)

### 2.5 Definition of Sales Promotion

Sales promotion is any activity that offers incentives for a limited time period to induce a desired response; such as trial or purchase; from those who are targeted. Sales promotion is frequently misinterpreted and thought to mean literally anything that is done to 'promoter sales'. This is not the case in professional marketing terms. (Koekemoer and Bird, 2004:13)

Furthermore Mishra, (2009:9) in his book titled "Sales Management: Keys to Effective Sales" point out, sales promotions can be directed at the customer, sales staff or distribution channel members (such as retailers). Sales promotions targeted at the customer are called consumer sales promotions. Sales promotions targeted at retailers and wholesalers are called trade sale promotion. Some sale promotions particularly ones with unusual methods are considered gimmick by many.

### 2.6 The Growth of Sales Promotion

While sales promotion has been part of marketing process for long time its role and importance in company's integrated marketing communication program have increase dramatically over the past decade.

### 2.7 Importance of Sales Promotion

Sales promotion stems from the premise that any brand or service has an established perceived price or value the 'regular' price or some other reference value. Sales promotion is believed to change this accepted price-value relationship by increasing the value and/or lowering the price. Familiar eg. of consumer sales promotion tools include contests and sweepstakes, branded give a way merchandise, bonus size packaging. Limited time discounts, rebates, coupons, free trials, demonstrations and point-accumulation systems.

Three issues clarify sales promotion.
$1^{\text {st }}$ sales promotion-ranks in importance with advertising and requires similar care in planning and strategy development.
$2^{\text {nd }}$ three audiences can be targeted by sales promotion; consumers, resellers and the sales force.
$3^{\text {rd }}$ sales promotion as a competitive weapon provides an extra incentive for the target audience to purchase or support one brand over another. The last factor distinguishes sales promotion from other promotional mix tactics. For example unplanned purchases may be directly related to one or more sale promotion offers. (Mishera, 2009:11)

## 2.8 the increasing importance of sales promotion

The importance of sales promotion has increased significantly over the years. Some time ago, advertising accounted for about $60 \%$ of the adverting and sales promotion budget. However, over the last year's sales promotion has continuously increased its share.

According to Fill, (2002); kotler, (2003); depelsmacker etal. 2004) factor leading to the increased use of sales promotion include:

- Short-term orientation of marketing managers
- Measurability and accountability
- Perceived lack of effectiveness of advertising
- Brand expansion and proliferation and lack of brand differentiation
- Declining brand locality and increasing price-orientation of consumers
- Increasing in store-decision making
- Distribution channel power \& the competition for shelf space

Companies are becoming increasing short-term oriented. Marketing executives are often judged on the basis of the short-term sales evolution of the products and brands for which they are responsible. However, the impact of many communications tools, such as advertising, sponsorship and marketing public relations, only become apparent in the long run. Further more, their impact is often only cognitive (e.g., a better increased brand awareness)or attitudinal(eg,a better brand image)

The inherent characteristic of sales promotion is that its results are immediately visible. Since the objectives of sales (per customer) in the short run, the results of a sales promotion campaign are immediately and exactly measurable. Since marketing managers are increasingly accountable for their communications budgets, they are easily tempted to deploy campaigns that will produce sales results in the short run .the perception of many marketing managers is that it is increasingly difficult to reach customers by means of traditional advertising because of rising costs, legal constraints ,and increasing media clutter.(kitchen and Patrick, 2004)

### 2.9 Types and Tools of Sales Promotion

Sales promotion is an important component of a company's marketing communication strategy along with advertising, public relations and personal selling. At its core sales promotion is a marketing activity that adds to the basic value proposition behind a product (i.e. getting more for less) for a limited time in order to simulate consumer purchasing, selling effectiveness or the effort of the sales force. As this definition indicates, sales promotion may be directed either at end consumer or at selling intermediaries such as retailers or sales crews. (Mishera, 2009:9)

Kotler and Armstrong, (2012:483-487) classified sales promotional tools in to three Consumer, trade, and business

Consumer promotions include a wide range of tools-from samples, coupons, refunds, premiums, and point-of-purchase displays to contests, sweepstakes, and event sponsorships.

Samples: are offers of a trial amount of a product. Sampling is the most effective-but most expensive-way to introduce a new product or create new excitement for an existing one. Some samples are free; for others, the company charges a small amount to offset its cost. The sample might be sent by mail, handed out in a store or at a kiosk, attached to another product, or featured in an ad or an e-mail. Sometimes, samples are combined into sample packs, which can then be used to promote other products and services. Sampling can be a powerful promotional tool.

Coupons: are certificates that give buyers a saving when they purchase specified products. Most consumers love coupons. Coupons can promote early trial of a new brand or stimulate sales of a mature brand. However, as a result of coupon clutter, redemption rates have been declining in recent years. Thus, most major consumer goods companies are issuing fewer coupons and targeting them more carefully.

Cash refunds (or rebates): are like coupons except that the price reduction occurs after the purchase rather than at the retail outlet. The customer sends a "proof of purchase" to the manufacturer, which then refunds part of the purchase price by mail. For example, Toro ran a clever preseason promotion on some of its snow blower models, offering a rebate if the snowfall in the buyer's market area turned out to be below average. Competitors were not able to match this offer on such short notice, and the promotion was very successful.

Price packs (also called cents-off deals): offer consumers savings off the regular price of a product. The producer marks the reduced prices directly on the label or package. Price packs can be single packages sold at a reduced price (such as two for the price of one) or two related products banded together (such as a toothbrush and toothpaste). Price packs are very effectiveeven more so than coupons-in stimulating short-term sales.

Premiums: are goods offered either free or at low cost as an incentive to buy a product, ranging from toys included with kids' products to phone cards and DVDs. A premium may come inside
the package (in-pack), outside the package (on-pack), or through the mail. For example, over the years, McDonald's has offered a variety of premiums in its Happy Meals—from Avatar characters to My Little Pony and How to Train Your Dragon toy figures. Customers can visit www.happymeal.com and play games and watch commercials associated with the current Happy Meal sponsor.

Advertising specialties: also called promotional products, are useful articles imprinted with an advertiser's name, logo, or message that are given as gifts to consumers. Typical items include T-shirts and other apparel, pens, coffee mugs, calendars, key rings, mouse pads, matches, tote bags, coolers, golf balls, and caps. Such items can be very effective. The "best of them stick around for months, subtly burning a brand name into a user's brain," notes a promotional products expert.

Point-of-purchase (POP) promotions: include displays and demonstrations that take place at the point of sale. Think of your last visit to the local Safeway, Costco, CVS, or Bed Bath \& Beyond. Chances are good that you were tripping over aisle displays, promotional signs, "shelf talkers," or demonstrators offering free tastes of featured food products. Unfortunately, many retailers do not like to handle the hundreds of displays, signs, and posters they receive from manufacturers each year. Manufacturers have responded by offering better POP materials, offering to set them up, and tying them in with television, print, or online messages.

Contests, sweepstakes, and games: give consumers the chance to win something, such as cash, trips, or goods, by luck or through extra effort. A contest calls for consumers to submit an entry-a jingle, guess, suggestion-to be judged by a panel that will select the best entries. A sweepstakes calls for consumers to submit their names for a drawing. A game presents consumers with something-bingo numbers, missing letters-every time they buy, which may or may not help them win a prize. Such promotions can create considerable brand attention and consumer involvement.

## Trade Promotions

Manufacturers direct more sales promotion dollars toward retailers and wholesalers than to final consumers. Trade promotions can persuade resellers to carry a brand, give it shelf space, promote it in advertising, and push it to consumers. Shelf space is so scarce these days that
manufacturers often have to offer price-offs, allowances, buy-back guarantees, or free goods to retailers and wholesalers to get products on the shelf and, once there, to keep them on it.

Manufacturers use several trade promotion tools. Many of the tools used for consumer promotions-contests, premiums, displays-can also be used as trade promotions. Or the manufacturer may offer a straight discount off the list price on each case purchased during a stated period of time (also called a price-off, off-invoice, or off-list). Manufacturers also may offer an allowance (usually so much off per case) in return for the retailer's agreement to feature the manufacturer's products in some way. An advertising allowance compensates retailers for advertising the product. A display allowance compensates them for using special displays.

Manufacturers may offer free goods, which are extra cases of merchandise, to resellers who buy a certain quantity or who feature a certain flavor or size. They may offer push money-cash or gifts to dealers or their sales forces to "push" the manufacturer's goods. Manufacturers may give retailers free specialty advertising items that carry the company's name, such as pens, pencils, calendars, paperweights, matchbooks, memo pads, and yardsticks.

## Business Promotions

Companies spend billions of dollars each year on promotion to industrial customers. Business promotions are used to generate business leads, stimulate purchases, reward customers, and motivate salespeople. Business promotions include many of the same tools used for consumer or trade promotions. Here, we focus on two additional major business promotion tools: conventions and trade shows and sales contests.

Many companies and trade associations organize conventions and trade shows to promote their products. Firms selling to the industry show their products at the trade show. Vendors receive many benefits, such as opportunities to find new sales leads, contact customers, introduce new products, meet new customers, sell more to present customers, and educate customers with publications and audiovisual materials. Trade shows also help companies reach many prospects not reached through their sales forces.

### 2.10 The Nature of Sales Promotion Tools

According kottler each sales promotion tool has unique characteristic and costs. Marketers must understand these characteristics in selecting their mix of goals.

- Attracts consumer attention offers strong incentive to purchase and can used to advertize product offers and to boost steepness sales.
- Invites and reward of quick response where as adverting says "buy the product" sales promotion says "buy it now"

Sales promotion affects are often liked, however and often are not as effective as advertising or personal selling in building long run brand preference.

### 2.11 Sales Promotion Objectives

In using sales promotion, a company must establish its objectives, select the tools, develop the program, pre test the program, implement, control it and evaluate.(Kotler 2002)

The most basic objective to any sale promotion in to provide extra value that encourages purchase when it is targeted at consumers purchase when the trade is targeted the objective is to induce distributors to push the product.

Generally the objective includes

- Encourage trail
- encourage repeat purchase
- encourage distribution channel members to stock more
- To encourage consumer to stock more in anticipation of competitive launches(Arun Kumer and others 2006)

Sales promotions tools vary in their specific objective. A free sample stimulates consumer's trial. Where as a free management advisory service aims at cementing a long-tem relationship with a retailer. Sellers use incentive type promotions to new tries, to reward loyal customers and to increase the repurchase rates of occasional users. Sales promotions often attract brand switchers
who are primarily looking for low price, good value, or premiums. Sales promotions generally are unlikely to turn them in to loyal users. Although they may be induced to make some subsequent purchase. Sales promotions used in markets of high brand similarity can produce a high sales response in the short run but little permanent gain in market share. In markets of high brand dissimilarity, sales promotions may be able to alter market shares permanently. In addition to brand switching, consumers may engage in stockpiling-purchasing earlier than usual (purchase acceleration)or purchasing extra quantities. But sales may than hit post-promotion dip. a number of sales promotion benefits flow to manufacturers to adjust to short-term variations in supply and demand .they induce consumers to try new products instead of never straying from current. They lead to more varied retail formats, such as the everyday-low-price store and the promotionalpricing store. For retailers, promotions may increase sales of complementary categories as well as induce some store-switching by consumers. They promote greater consumer awareness of price. They permit manufacturers to sell more than they would normally sell at the list price. They help the manufacturer adapt programs to different consumer segments. Consumers themselves enjoy some satisfaction from being smart shoppers when they take advantage of price specials (kotler and Kevin, 2006)

### 2.12 types of Sales Promotion Objectives

There are three which are fundamental, viz., informing, persuading and reminding. These objectives are attained through effective communication. Informing is to educate the consumers about the product. They must have some knowledge about the product offered by the producer. They should, therefore, be informed of the new product and told that the new product is works better than all similar existing products. Persuading: sales persons persuade consumers to buy the products. They develop or reinforce a favorable set of attitudes and influence their buying behavior, and Reminding: reminding leads the firms to reinforce the previously satisfactory behavior of the customer. Reminding the consumer of their past satisfaction will persuade them to stay with the product and prevent them from shifting to competitors. (Mishra, 2004)

### 2.13 Planning the Sales Promotion Strategy

Because it is a technique which help the company to attract customers and make profit the company has to develop a sales promotion in systematic way.

To do so Bose, $(2010: 106)$ discussed how to develop a sales promotion as:

Size of incentive: some incentive should be offered for the immediate attraction of the customers to the company's product. However, the size of the incentive should be neither too small nor too high. But it must always be reasonable. If the incentive is too small, it will not create a good demand for the product. On the other hand, if it is to o high, it will produce more sales but at a diminishing rate.

Duration of promotion: it means that the incentives are offered to the public if they purchase the company's product within a stipulated period. Such a period may be either short like a week or long like a few months. In case the period I too short, many prospective buyers may not be able to buy the product. On the contrary, a very long period will eliminate the "ACT NOW" force

Timing of promotion: usually, the promotional activities are implemented during certain select periods when the salaried-class people have some extra money.

Sales promotion budget: before the commencement of the campaign, the sales promotion budget should be prepared. It reveals the total administrative cost of promotion and the total incentive cost. Such a budget can be developed by dividing the total expenses among the various products, through percentages.

Koekemoer and Bird, (2004:291-293) complemented the above idea saying;
> Define the target audience: the sale s promotion target audience is the group at whom a particular sales promotion is directed. Sales promotion can be directed to the marketer's own sales people to the intermediaries and their sales force to consumers.
$>$ Define the objectives: the sales promotion objectives and derived from the marketing communication overall objectives.
$>$ Set the budget: the sales promotion budget is part of the overall marketing communication budget. However, since the overall budget is an aggregation of the budges for the individual marketing communication mix elements it stands to reason that we would act least start with each component. In practice, it is inevitable that adjustments will be made before he final budget is established. The objective and task method of
budgeting will result in a much rare realistic budgeting essence. This simply means determining the tasks required to achieve each objective and then "costing out" each task.
> Develop the strategy: a number of decisions are necessary to develop an effective sales promotion strategy. Basically, however, they all fill under the following headings; what to offer or the incentive, the size of the incentive to be offered, the means of distributing the incentive, the criteria for participation in the promotion and the duration of the sales promotion programme.
> Implement the programmes: in order to implement any marketing programme effectively a detailed plan of action is necessary. In brief it will specify who will do what, when and how it will be done. The "who" of course refers to the assigned responsibility for the achievement of the specific sales promotion objectives. The "what" refers to the details of the sales promotion campaign itself. "when" refers to the timing of the sales promotion campaign. The "how" refers to the tactical implementation specific of the campaign.

- Evaluate the effectiveness: the approach most used in evaluating sales promotion effectiveness involves measuring sales before, during and after the sales promotion event or programme. If the programme is successful sales should increase during the campaign.


### 2.14 Evaluating the Sales Promotion Results

The marketer can use the following three methods to measure the effectiveness of the sales promotion activities;

Sales data: the effectiveness of sales promotion can be measured by examining the sales data, before, during, and after a promotion

Consumer surveys: consumer surveys help to know how many recall the promotion, what they thought of it, how many took advantage of it, and how the promotion affected the subsequent brand choice behavior

Experiments: sales promotions can also be conducted through experiments that vary attributes such as incentive value, duration and distribution media (Bose, 2010:107)

### 2.15 Effective Sales Promotion

Sales promotions are to be effective when it meets the desired objective. To do so company's need to design appropriate sales promotion strategy and follow up regularly weather it goes accordingly or not.

Kotler, (2003:161) enlighten that; because of the variety of sales promotion tools, marketers need experience in knowing which to use. Some large companies have a sales promotion specialist who can advise brand managers. Or the company can engage the services of a specialist sales promotion agency. The main need is to not only use promotions but to review and record results so that the company can improve its sales promotion efficiency over time.

As Koekemoer and Bird, (2004:13) articulated; it is essential to understand that sales promotion should be directed at three groups to be effective. The first group to be targeted is internal; i.e.; within the marketing organization .In most instances this would mean the sales force. The next group would be the members of the channels of distribution, such as whole sellers and retailers, and finally consumers would be targeted.

Sales promotion is most effective written they comply with the following unwritten rules:
> Care and taste: to avoid damage to the company's corporate image or the product's position. Sales promotion should be conducted with great care and taste. In general all sales promotions should clearly fit in with the company's positioning and corporate image strategies so as to avoid confusing company publics.
> Have a good reason for doing: there should be a good reason for doing a sales promotion, and this reasons be communicated clearly to prospects and customers. Good reasons might include: inventory clearance, seasonal clearance holiday special, seminar special, trade show special, new product introduction, old product clearance, end-of-year or end-of-quarter special (meet sales quotes or lower inventory taxes). Without a clearly communicated and believable reason the market place might assure that the company is desperate for business.
> Assign a time limit: most sales promotions should have a definite time limit associated with them. If not the discounted price will become the new defect price and the company
will never be able to go back to the original suggested list price. If sales promotion provides to be very successful they can always be extended. The reason for the extension should be clearly communicated to prospects and customers. (Kalb, 1996:96-97)

### 2.16 Effect of Sales Promotion on Organizational Performance

The effect that sales promotions have on the organizational performance are:

1. Encouraging purchase of large size unit. Sales promotion consists of diverse collection of incentive tools, mostly short term designed to stimulate quicker or greater purchase of products or service by consumer e.g. the use of premiums, product warranties etc. stimulate consumer purchase in larger quantities. Rotimosho, (2003)
2. Generating trials among non-users. Trials among non-users of a product are generated through invitation of prospective purchasers to try the product without cost or little cost with the hope that they will buy the product.
3. Persuading retailers to carry new items and higher level of inventory. Sales promotion encourages retailers to give shelf space to new products. Manufacturers provide retailers with financial incentives to stock new products.
4. Encouraging off season buying. Sales promotion has also encouraged off season buying especially during the festive periods, people tend to buy more of a particular product because of the added value, compared to normal season.
5. Building brand loyalty. Sales promotion helps to build brand loyalty by giving the seller the opportunity to attract a loyal and profitable set of customers which provides sellers some protections from competition and greater control in planning their Marketing mix. (MShira, 2003)

## CHAPTER THREE

## DATA PRESENTATION, ANALYSIS AND INTERPRETATION

This part of the research paper deals with presenting, analyzing and interpreting of the collected data through questionnaires and interviews.

The questionnaire was distributed to 200 members of the company of which $165(82.5 \%)$ questionnaires were filled and returned, while interview was conducted with the five shop owners.

The quantitative data was analyzed and presented in tables, while the qualitative data is used to support the finding with quantitative once.

### 3.1 Analyses of general characteristics

Table 1 General Characteristics of Respondents

| Item NO. | Item | Description | NO. of Respondents | Percentage (\%) |
| :---: | :---: | :---: | :---: | :---: |
| 1. | Sex | Male | 124 | 75 |
|  |  | Female | 41 | 25 |
|  |  | Total | 165 | 100 |
| 2. | Age | 15-20 | 21 | 13 |
|  |  | 21-26 | 103 | 62 |
|  |  | 27-32 | 10 | 6 |
|  |  | 33-38 | 21 | 13 |
|  |  | 39-44 | 10 | 6 |
|  |  | >44 | 0 | 0 |
|  |  | Total | 165 | 100 |
| 3. | Education | $10^{\mathrm{th}} / 12^{\mathrm{th}}$ complete | 83 | 50 |
|  |  | Certificate | 41 | 25 |
|  |  | Diploma | 41 | 25 |
|  |  | $1{ }^{\text {std }}$ degree | 0 | 0 |
|  |  | Master and above | 0 | 0 |
|  |  | Total | 165 | 100 |
| 4. | Occupation | Student | 0 | 0 |
|  |  | Employee | 0 | 0 |
|  |  | Retired | 0 | 0 |
|  |  | Merchant | 165 | 100 |
|  |  | Total | 165 | 100 |
| 5. | Customer | <1yr | 0 | 0 |
|  |  | $1-2 \mathrm{yr}$ | 83 | 50 |
|  |  | $3-4 \mathrm{yr}$ | 41 | 25 |
|  |  | $>4 \mathrm{yr}$ | 41 | 25 |
|  |  | Total | 165 | 100 |

In the above table item no. one $124(75 \%)$ of the respondents are male while the rest 41 ( $25 \%$ ) are found to be female from the total of 165 respondents. This means that the company's customers are males. This opposes the country policy that initiates the female's participation in self support program.

In the above table item no. two, respondents that are found in the age 15-20 are 21 (13 $\%), 103(62 \%)$ are in the age between $21-26,10(6 \%)$ are found in the age $27-32$, while the rest $21(13 \%)$ and $10(6 \%)$ are in the age of 33-38 and 39-44 respectively. This shows that from the total distribution the market participants were young and fresh population that can create the business easily and know the influences of sales promotion for the mass selling in the market.

In the same table item no. three which deals with the educational background, 83 (50 \%) completed grade 10 or 12, 41 ( $25 \%$ ) have certificate, 41 ( $25 \%$ ) are diploma holders. This indicating that it is very difficult for BBF in promoting its sales to their customers, because those merchants know and can balance the quality of their products with the advertising they got from different Medias.

From the above table item no. four $165(100 \%)$ are merchants.
In the last item of the above table, $83(50 \%)$ out of the 165 respondents are customers for 1-2 year, $41(25 \%)$ have been customers of the bank for 3-4 years, the rest $41(25 \%)$ and $41(25 \%)$ have been customers of the company for 3-4 years and above 4 years respectively. This indicate that customer go customer come even though their number is increasing gradually because the government and NGO where supporting countries product.

### 3.2 Analysis of major finings

Table 2 Companies sales Promotion

| Item NO. | Item | Scale | NO. of Respondents | Percentage (\%) |
| :---: | :---: | :---: | :---: | :---: |
| 1. | The company's sales promotion has encouraged me to buy its products. | Strongly Agree | 10 | 6 |
|  |  | Agree | 41 | 24 |
|  |  | Neutral | 72 | 45 |
|  |  | Disagree | 42 | 25 |
|  |  | Strongly Disagree | 0 | 0 |
|  |  | Total | 165 | 100 |

In the above table 3.2 from the total of 165 respondents, 10 ( $6 \%$ ) responded strongly agree, $41(24 \%)$ responded agree, $42(25 \%)$ replied disagree while the rest $72(45 \%)$ were neutral. This shows that the company had not using the different promotional activity to reach its customer.

Table 3 The influence of sales promotion on sales volume

| $\begin{aligned} & \text { Item } \\ & \text { NO. } \end{aligned}$ | Item | Scale | NO. of Respondents | Percentage |
| :---: | :---: | :---: | :---: | :---: |
| 2. | The company's sales promotion is satisfying. | Strongly Agree | 10 | 6 |
|  |  | Agree | 41 | 24 |
|  |  | Neutral | 52 | 32 |
|  |  | Disagree | 52 | 32 |
|  |  | Strongly Disagree | 10 | 6 |
|  |  | Total | 165 | 100 |

$10(6 \%)$ of respondents strongly agree that the company's sales promotion influences customers, while 41 ( $24 \%$ ) agree and 52 ( $32 \%$ ) disagree that the company's sales promotion influences customers and $52(32 \%)$ of the 165 respondents are neutral while the rest $10(6 \%)$ replied strongly disagree. This indicates that the countries wide area was influencing the impeachment to make influence on the customer need analysis in general.

Table 4 purchase decision

| Item <br> NO. | Item | Scale | NO. of <br> Respondents | Percentage |
| :--- | :--- | :--- | :---: | :---: |
| 3. | The samples or gifts encourage <br> you to buy more of the <br> company's products? | Strongly Agree | Agree | 41 |
|  |  | Neutral | 31 | 24 |
|  |  | Disagree | 10 | 6 |
|  |  | Strongly Disagree | 41 | 24 |
|  |  | Total | 165 | 100 |

In the above table out of 165 respondents 41 ( $24 \%$ ) strongly agree, 31 ( $21 \%$ ) agree, 10 (6 $\%)$ answered neutral, 42 ( $25 \%$ ) disagree and $41(24 \%)$ strongly disagree on the issue if the they have ever bought a product because of sales promotion. this indicates that the company doesn't touch its objectives towards increasing the number of customer by promotion .the company reach small amount of clients in promoting its products to its clients.

Table 5 customer handling

| Item <br> NO. | Item | Scale | NO. of <br> Respondents | Percentage |
| :--- | :--- | :--- | :---: | :---: |
|  | If brothers biscuits company's <br> stops offering any gifts samples <br> of its products, I will stop being <br> the company's customer. | Strongly Agree | Agree | 0 |
|  | Neutral | 0 | 0 |  |
|  |  | Disagree | 10 | 6 |
|  |  | Strongly disagree | 72 | 44 |
|  |  | Total | 165 | 100 |

From 165 respondents as it is shown in the above table $10(6 \%)$ responded neutral, 72 $(44 \%)$ responded disagree and the rest $83(50 \%)$ strongly disagreed that the company handles its customer nicely. This indicates that sales promotion is very good mechanisms to increase sales volume; even though the perfection of individual were different.

Table 6 sales persons capacity

| $\begin{aligned} & \text { Item } \\ & \text { NO. } \end{aligned}$ | Item | Scale | NO. of Respondents | Percentage |
| :---: | :---: | :---: | :---: | :---: |
| 5. | I have gain advantage from the company's discounts | Strongly Agree | 72 | 44 |
|  |  | Agree | 21 | 13 |
|  |  | Neutral | 31 | 19 |
|  |  | Disagree | 0 | 0 |
|  |  | Strongly Disagree | 41 | 24 |
|  |  | Total | 165 | 100 |

Regarding the sales person capability, out of a total of 165 respondents 72 ( $44 \%$ ) strongly agreed and 21 ( $13 \%$ ) agreed that the sales persons are capable and $41(24 \%)$ strongly disagreed on the issue while 31 (19 \%) are neutral. This indicates that the company doesn't concern during they were selling their products to treat or promote their products rather than selling their boss what they have done or the amount of cases or cartons they sold. Here they were not concerning whether this customer will came tomorrow or not rather them concerning their selling volume.

Table 7 customers satisfaction

| Item <br> NO. | Item | Scale | NO. of <br> Respondents | Percentage |
| :--- | :--- | :--- | :---: | :---: |
| 6. | The coupons offered by the <br> company's are available or <br> enough for all customers. | Strongly Agree | Agree | 42 |
|  |  | Neutral | 10 | 6 |
|  |  | Disagree | 10 | 6 |
|  |  | Strongly Disagree | 31 | 19 |
|  |  | Total | 165 | 100 |

In the above table from the total of 165 respondents, $42(25 \%)$ responded strongly agree, $10(6 \%)$ agreed, $10(6 \%)$ responded neutral, 72 ( $44 \%)$ replied disagree while the rest $31(19 \%)$ replied strongly disagree. this indicates that the company's sales promoter should have to get very good training on the promotion of the company's products while they are selling the product and further on reducing its quality.

Table 8 customers influence of others

| Item NO. | Item | Scale | NO. of Respondents | Percentage |
| :--- | :--- | :--- | :---: | :---: |
| 7. | The premiums offered by <br> the company's are <br> available of enough for <br> all customer. | Strongly Agree | Agree | 10 |
|  |  | Neutral | 31 | 19 |
|  |  | Disagree | 20 | 11 |
|  |  | Strongly Disagree | 52 | 32 |
|  |  | Total | 52 | 32 |

In table 3.8 above, $10(6 \%)$ strongly agreed, 31 (19 \%) replied agree, $20(11 \%)$ were neutral, and $52(32 \%)$ disagreed, $52(32 \%)$ strongly disagreed that customers influence other about the product. This shows that most customers were not satisfied by the sales promotion of the company.

Table 9 customers product usage

| $\begin{aligned} & \text { Item } \\ & \text { NO. } \end{aligned}$ | Item | Scale | NO. of Respondents | Percentage |
| :---: | :---: | :---: | :---: | :---: |
| 8. | The company's sales promotion has convinced the customers. | Strongly Agree | 31 | 18 |
|  |  | Agree | 62 | 38 |
|  |  | Neutral | 62 | 38 |
|  |  | Disagree | 10 | 6 |
|  |  | Strongly Disagree | 0 | 0 |
|  |  | Total | 165 | 100 |

From the total of 165 respondents 31 ( 18 \%) strongly agreed, 62 ( $38 \%$ ) agreed, 10 ( $6 \%$ ) disagreed, and $62(38 \%)$ answered neutral for the issue if customers use only the company's product as it is shown in the above table. this shows that most customer were not satisfied by promotion of the company and they were not influencing other son the behalf of 2BF Company.

Table 10 customer's product preference

| Item <br> NO. | Item | Scale | NO. of <br> Respondents | Percentage |
| :--- | :--- | :--- | :---: | :---: |
| 9. | The company's promotion has <br> encouraged me to buy more of <br> its products. | Strongly Agree | 21 | 13 |
|  |  | Agree | 62 | 38 |
|  |  | Neutral | 62 | 38 |
|  |  | Disagree | 20 | 11 |
|  |  | Strongly Disagree | 0 | 0 |
|  |  | Total | 165 | 100 |

From the total of 165 respondents asked if they prefer the company's product rather than others product $21(13 \%)$ responded strongly agree, $62(38 \%)$ of them replied agree, $62(38 \%)$ answered neutral, and $20(11 \%)$ responded disagree. This indicates that most merchants were using 2 BF is products and the least were hot using it. This is because of the packaging or cases system where the same size and design. As the interview obtained from the company is market manager.

Table 11 sales promotions motivational capacity

| Item NO. | Item | Scale | NO. of Respondents | Percentage |
| :---: | :---: | :---: | :---: | :---: |
| 10. | The company's sales promotion has to be up to date. | Strongly Agree | 72 | 44 |
|  |  | Agree | 72 | 44 |
|  |  | Neutral | 21 | 12 |
|  |  | Disagree | 0 | 0 |
|  |  | Strongly Disagree | 0 | 0 |
|  |  | Total | 165 | 100 |

In regard of the company's sales promotional motivational capacity $72(44 \%)$ and 72 (44
$\%$ ) out of the 165 respondents strongly agreed and agreed respectively while the rest 21 (12 \%) said neutral.

Table 12 understandability of sales promotion

| Item <br> NO. | Item | Scale | NO. of <br> Respondents | Percentage |
| :--- | :--- | :--- | :---: | :---: |
| 11. | I have full information about the <br> media ways of sales promotion <br> of the company. | Strongly Agree | 10 | 6 |
|  | Agree | 10 | 6 |  |
|  |  | Neutral | 83 | 50 |
|  |  | Disagree | 41 | 25 |
|  |  | Strongly Disagree | 21 | 13 |
|  |  | Total | 165 | 100 |

From the total of 165 respondents asked if they understand the sales promotion of the company 10 ( $6 \%$ ) responded strongly agree, $10(6 \%)$ of them replied agree, 83 ( $50 \%$ ) answered neutral, $41(25 \%)$ responded disagree and the rest $21(13 \%)$ replied strongly disagree.

Table 13 sales promotions status

| Item | Item | Scale | NO. of <br> Nespondents | Percentage |
| :--- | :--- | :--- | :---: | :---: |
| 12. | How do you evaluate the <br> company's sales promotion or <br> its practice of sales promotion? | Strongly Agree | Agree | 21 |
|  |  | Neutral | 21 | 13 |
|  |  | Disagree | 102 | 61 |
|  |  | Strongly Disagree | 21 | 13 |
|  |  | Total | 165 | 100 |

From the total of 165 respondents asked if the company's sales promotion needs an update 21 ( $13 \%$ ) responded strongly agree, $21(13 \%)$ of them replied agree, $102(61 \%)$ answered neutral, 21 ( $13 \%$ ) responded disagree. This type of competition were conducted by most of developing countries to win their competitors as mechanism, however this is not best mechanism to win the competitors rather studying how to touch or reach the needs of others easily and cheaply.

Table 14 the sales promotion in persuading buyers

| Item NO. | Item | Scale | NO. of Respondents | Percentage |
| :--- | :--- | :--- | :---: | :---: |
| 13. | How do you evaluate the <br> company' sales promotion <br> activity? | Very Good | 21 | 13 |
|  |  | Good | 41 | 25 |
|  |  | Neutral | 10 | 6 |
|  |  | Bad | 0 | 0 |
|  |  | Very Bad | 93 | 56 |
|  |  | Total | 165 | 100.0 |

From the 165 respondents 21 ( 13 \%) replied very good, 41 ( $25 \%$ ) said good, 10 ( $6 \%$ ) responded neutral, 93 ( $56 \%$ ) replied very bad on the question if the sales promotion persuades the buyers. This indicates that most respondents were not influencing the company to update their company promotion, this shows that most customers keeps silent in correcting others when they are purchasing products

Table 15 sales promotional tools

| Item <br> NO. | Item | Scale | NO. of <br> Respondents | Percentage |
| :--- | :--- | :--- | :--- | :---: |
| 14. | With which way of sales <br> promotion has the company's <br> address you? | coupon | 31 | 19 |
|  |  | premium | 21 | 13 |
|  | contest | 61 | 37 |  |
|  |  | discount | 52 | 31 |
|  |  | Total | 165 | 100 |

From the above table 31 ( $19 \%$ ) of the respondents said coupons, 21 ( $13 \%$ ) of the respondents responded premium, 61 ( $376 \%$ ) of the respondents replied contest while the rest $52(31 \%)$ of the respondents said discount. On this point the company was correct to reach its customer because the needs of different people were different to satisfies, therefore the company's marketing was good on this.

Table 16 sales promotion and product quality

| Item <br> NO. | Item Scale | NO. of <br> Respondents | Percentage |  |
| :--- | :--- | :--- | :---: | :---: |
| 16. | The company's sales <br> promotions have encouraged <br> me to buy its products. | yes | no | 83 |
|  |  | Total | 82 | 49 |

From the above table 83 ( $51 \%$ ) of the respondents replied yes, 82 ( $49 \%$ ) of the respondents answered no on the question if the company's sales promotion and product quality is comparable. This indicates that it is common in developing countries to attract the buyers by showing the aluminum or something that was reflecting simply without deeply reflecting the products quality.

Table 17 attractiveness of sales promotion

| Item NO. | Item | Scale | NO. of Respondents | Percentage |
| :--- | :--- | :--- | :---: | :---: |
| 18. | the company's sales <br> promotion convinced me <br> to purchase company's | yes | no | 72 |
|  | product | Total | 93 | 54 |

From the total of 165 respondents asked if the sales promotion is attractive 72 ( $44 \%$ ) responded yes, 93 ( $56 \%$ ) of them replied no. This indicated that the company should have to update their sales promotion to attract the customer need satisfaction.

Table 18 Comparison between sales promotion \& Product

| Item <br> NO. | Item | Scale | NO. of <br> Respondents | Percentage |
| :--- | :--- | :--- | :---: | :---: |
| 19. | Which of the two pushes you to <br> be customer of the company? | Sales promotion | 10 | 6 |
|  | product | 155 | 94 |  |
|  | Total | 165 | 100 |  |

With regard to customers preference 10 ( $6 \%$ ) out of the 165 respondents choose sales promotion while 155 ( $94 \%$ ) choose product in the issue. This means the company's sales promotion is not designed in accordance to attract customers while purchasing a product.

Table 19 contributions to sales volume

| Item <br> NO. | Item | Scale | NO. of <br> Respondents | Percentage |
| :--- | :--- | :--- | :---: | :---: |
| 20. | From the sales promotion view <br> what lead you to the decision of <br> buying? | price | Product quality | 144 |
|  |  | Product type | 0 |  |
|  |  | Service provision | 21 | 13 |
|  |  | Total | 0 | 0 |

From the above table in the issue of what is good to increase the sales volume 144 ( $87 \%$ ) of respondents said product quality, $21(13 \%)$ of the respondents said product type. this means that the quality of the product is majorly contribute to the increment of sales volume.

### 3.3 Analysis of Interview Questions

1. What are the main objectives of your company's sales promotion?
-The main objectives of sales promotion are to create awareness in the community that we have better and good quality biscuits convenient flavors to promote our company to change and growth the life style of our sales people and society.
2. What are the major problems that your company encountered in its sales promotion activities?
-The major problems that our company faced is the awareness and knowledge of 2BF sales promotion activities is very poor in some of our customers because of these customers don't look for product.
3. How do you describe the overall practice of sales promotion practice of your company?

- Our sales promotion brings so many customers for the company by doing by the prospecting by themselves to being with, and then they pre-approach out approach the prospects. After they present and demonstrate to the prospects our product sites, plain out everything and heavily they close sales by overcoming the prospecting objection through the cooperation of the sales force and Marketing Manager. In a month use sells from product.

4. How do you motivate your employees?
-We motivate our employees especially sales force by rewarding them, paying them their commission within the time, provide them with all the products they need for their sales, take them in vacation or refreshment, we give them various trainings.
5. How do your salesmen close sales?
-They convince the prospect and build trust firstly then they let the customer see the advantage of 2 BF products they provide all the products materials for thus and given customer to see all alternatives. After that they provide the customer an agreement sample finally they teach to the down payment.
6. How do your sales people handle objections?

- Our sales persons listen to the customers complain carefully, after wards they give answer to every and each complain in convincing manner, if the situation is beyond their control they direct it to their direct superior.

7. How do you measure your sales promotion effectiveness?

- First we collect data from different sources and we know how much of the objective is achieved, then we collect data for the second time after we launch the sales promotion.


## CHAPTER FOUR

## SUMMARY, CONCLUSION \& RECOMMENDATION

From the interpretation made in the previous chapter the following summary and conclusion and recommendation are drawn up.

### 4.1 SUMMARY

-Generally the customer respondents are diversified in gender, age, educational, background and occupation.Thus based on the findings, the majority of them $124(75 \%)$ were male and mast of them $103(62 \%)$ were between 21-26 year old .with regards to educational level most of respondents $83(50 \%)$ were $10^{\text {th }} / 12^{\text {th }}$ grade and majority of them $105(100 \%)$ were merchant.
-Among the total respondents $72(45 \%)$ of them were those who have heard of the company's sales promotion activity neutral.
-Most of the customer $62(38 \%)$ have disagree that the sales promotion is satisfying of the company's product.
-And most of respondents (49\%) have been encouraged by the samples provided.
-almost all of the respondents $94 \%$ agreed that they will shift to competitors if the company stops giving samples
-More than half of the respondents $93(57 \%)$ argued that they get benefit from the discount.
-Most of the responses $103(63 \%)$ believe that the coupons as well as premiums are not enough for the customer.
$-93(56 \%)$ of the respondents said the company's sales promotion has not convinced the customer.
-( $51 \%$ ) of the respondents agree that the company's sales promotion encourage the customers to purchased more of its product
-Almost all of the respondents ( $88 \%$ ) agreed that the company's sales promotion has to be updated..
-Only few of respondents ( $12 \%$ ) have full information about the media ways of sales promotion company.
-from the total $13 \%$ of respondents said that the company's sales promotion practice is not sufficient to prefunded a buyer.

- $56 \%$ of respondents said that the company's sales promotion activity is not good.
- Most of the respondents (37 \%) have been addressed through contest
- More than half ( $51 \%$ ) of the respondent is encouraged by the company's sales promotion -more than half ( $56 \%$ ) of the respondents said they are not convinced to purchase the company's product because of its sales promotion
- Almost all the respondents ( $94 \%$ ) said the product pushes them to purchase rather that the sales promotion.


### 4.2 CONCLUSION

-From the summary one conclude that the company sales promotion doesn't influence the company's customers and doesn't help in pushing them to purchase the product.
-The sales people don't give enough presentation to the customers probably because they lack knowledge about their product.
-Customers don't push their family/friend to purchase the company's product.
-The company's sales promotion is not implemented in away to motivated company's customers. And the sales promotion of the company is complicated to be understood by the customer.

- The company's sales promotion doesn't satisfy its customer which may lead customers to shift to competitors.
- The com0panys coupons as well as premium is not provided in enough amount which in turn cause a customer to be dissatisfied
- The sales promotion is not designed in a way to convince customers
- The company is poor in delivering the information to its customers
-sales promotion of the company is not good enough to push the company's product.


### 4.3 RECOMMENDATION

-Based on the conclusion drown previously the under mentioned recommendation forwarded.
-The company has to be able to provide its customer with different sales promotion mechanisms should up their product knowledge's and to give proper answer for the customer question.
-2 BF company have to should give enough presentation and more training about the product and the customer handling and others related services their privation skill and ability.
-The company should have closed relation with customer through sales promotion and the company should concern to its customer so that customers will speak of company's product the others.
-The company has to study the customer's interest the purchasing power and design the sales promotion activates accordingly.

- The company need to collect information about its competitors, and customers feeling after that it has to design a sales promotion to attract its customers. As well as provide the tools (coupons and premium) in enough amount for its customers
- it will be better if the company have a department which is responsible for communication with its customers and develop a sales promotion that reflect the company's product quality


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## Appendix A

## St Mary's University College

Faculty of Business

## Department of Marketing Management

## Questionnaire to be filled by Customers

This Questionnaire is prepared by the third year student of St. Mary's University College in the field of marketing management for the partial fulfillment of a senior easy. This questionnaire is prepared to assess of the overall The Assessment of sales promotion challenges \& practices in the case of Brother's Biscuit factory and its purpose is purely academic.

The validity of your response has high contribution for success of my senior essay due to this reason I would like to ask with due respect to give the right response. All information you provide to this study will be kept strictly confidential.

Thank You for your sincerely cooperation!

## Instruction

> This questionnaire mainly focuses on The Assessment of sales promotion challenges \& practices in the case of Brother's Biscuit Factory.
$>$ Give your response by placing $\checkmark$ or $X$ sign in the box.
$>$ No need to write your name.
$>$ If you want to give additional comments with regard to The Assessment of promotion challenges \& practices in the case of Brother's Biscuit Factory use the blank spaces provided at the end.

## I. General Question

1. Personal information
1.1. Sex


Female $\square$
1.2. Age $\square$ 21-26 $\square$ 27-32 $\square$ 33-38 39-44 $\square$ Abave 44

### 1.3. Educational Background

$\square$ 12 Completed $\square$ Certificate $\square$ Piploma $\square$ ${ }^{t}$ Degree
2. Occupation
$\square$ Student $\square$ Employee $\square$ Retired $\square$ Merchant

If it is other than this please specify $\qquad$
3. For how long you have been customer of the company?
II. Questions Directly Related to the Study

## SA=Strongly Agree; A=Agree; N=neutral, DA=Disagree; SDA=Strongly Disagree

| Item <br> no. | Description | SA | A | N | DA | SDA |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- |
| 1. | The company's sales promotion has encouraged <br> me to buy its products. |  |  |  |  |  |
| 2. | The company's sales promotion is satisfying. |  |  |  |  |  |
| 3. | The samples or gifts encourage you to buy more <br> of the company's products? |  |  |  |  |  |
| 4. | If brothers biscuits company's stops offering any <br> gifts samples of its products, I will stop being the <br> company's customer. |  |  |  |  |  |
| 5. | I have gain advantage from the company's <br> discounts |  |  |  |  |  |


| 6. | The coupons offered by the company's are available or enough for all customers. |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 7. | The premiums offered by the company's are available of enough for all customer.. |  |  |  |  |  |
| 8. | The company's sales promotion has convinced the customers, |  |  |  |  |  |
| 9. | The company's promotion has encouraged me to buy more of its products. |  |  |  |  |  |
| 10. | The company's sales promotion has to be up to date. |  |  |  |  |  |
| 11. | I have full information about the madia ways of sales promotion of the company. |  |  |  |  |  |
| VG=Very Good, G=Good, N=Neutral, B=Bad, VB=Very Bad |  |  |  |  |  |  |
| Item no. | Description | VG | G | N | B | VB |
| 12 | How do you evaluate the company's sales promotion or its practice of sales promotion? |  |  |  |  |  |
| 13 | How do you evaluate the company's sales promotion activity? |  |  |  |  |  |

## III. Additional Questions

14. With which way of sales promotion has the company's address you?
A.)Coupon $\square$
B.)Premiums $\square$ C.)Contest $\square$
D.)Discount $\qquad$ E).Other $\square$
15. Which sales promotion did you like more?

16 .The company's sales promotions have encouraged me to buy its products.
A) Yes
B) No $\square$
17. If you disagree with the previous question, why?
$\qquad$
$\qquad$
$\qquad$
18. the company's sales promotion convinced me to purchase company's product

19. Which of the two pushes you to be customer of the company?
A) sales promotion
B) product

20. From the sales promotion view what lead you to the decision of buying ?
A) price $\qquad$ B.) product quality

C)product type

D)Service $\square$
21. Please write if you have any additional information or opinion about the company's practice of sales promotion.

## Appendix B

## St Mary's University College Faculty of Business <br> Department of Marketing Management

## Interview Check List

1. What are the main objectives of your company's sales promotion?
2. What are the major problems that your company encountered in its sales promotion activities?
3. How do you describe the overall practice of sales promotion practice of your company?
4. How do you motivate your employees?
5. How do your salesmen close sales?
6. How do your sales people handle objections?
7. How do you measure your sales promotion effectiveness?
