



ST. MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES
THE EFFECT OF SALES PROMOTION ON THE SALES VOLUME: THE
CASE OF ANBESSA BEER IN ADDIS ABABA

BY:
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MARCH, 2023

ADDIS ABABA, ETHIOPIA

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BY:

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**A Thesis Submitted to the School Of Graduate Studies of St. Mary University in
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BY:

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Dean, Graduate studies

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Date

Statement of Declaration

I Yohannes Tadesse, hereby declare that the research work entitled “The effect of sales promotion on sales volume; in case of Anbessa beer in Addis Ababa. Requirement for the completion of Master of Degree in Business Administration is my own original work. All sources of materials used for the study have been duly acknowledged. I have produced it independently except for the guidance and suggestion of my research Advisor Temesgen Belayeneh (PhD). This study has not been submitted for the completion of any degree in this or any other University.

YohannesTadesse

Date

St Mary University Addis Ababa, March 2023

Letter of certification

This is to certify that YohannesTadesse has carried out this Research work on the topic the effect of Sales Promotion on Sales volume in the case of Anbessa Beer in Addis Ababa under my supervision. This work is original and suitable for the submission in partial fulfilment of the award of Master of degree in Business Administration.

Temesgen Belayeneh (PhD)

Date

Research Advisor

St Mary University Addis Ababa, March, 2023

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LIST OF Acronyms

BOGOF: Buy one Get one

PD: price discount

POSM: point of sales materials

PR: premium

SPSS: statistical package for social science

ABSTRACT

The purpose of this study is to examine the effect of sales promotion on the sales volume: in case of Anbessa Beer in Addis Ababa by using explanatory research design. Quantitative research approach was utilized for data analysis by collecting primary data from the sample respondents by using structured questionnaire. The study used both the probability and non-probability sampling technique. The study used descriptive statistics, correlation analysis and multiple regression analysis to by using SPSS version 20 present and analyse the collected data. The findings of the study revealed that price discount, point of sales materials and premium had the significant effect on sales volume in Anbessa Beer in Addis Ababa. But, buy one get one free was found to have statistically insignificant effect on the sales volume. Therefore, Anbesa Beer Sales tame should pay due attention to price discount, point of sales materials and premium which can enhance the sales volume of Anbessa Beer.

Keywords: Sales promotion, Sales volume, Price discount, premium, point of sales materials, buy one get one

CHAPTER ONE:

1.1. Background of the Study

Many businesses in the world today are faced with fierce competition. Most have resorted to engaging in marketing activities that can boost sales and increase business revenue and profitability (Shiras&Ramu,2003). Businesses exist with the aim of maximizing profits and minimizing loss. Many businesses intend to become leaders in their market share and maximize profits. Customers, however, are key in businesses achieving their goal of profit maximization and larger share of the market. Businesses have turned towards marketing activities that have an impact on the major customer's marketing activities that have a direct impact on the behavior due to sales promotion; will lead to increase sales volume, revenue, and profitability (Ansari,20110).

In recent years, Customer Competition has been increasing among Companies in various industrial sectors (Gaspar, 2014). Scenario in the Purpose the of the today's organizations are competitive brand awareness, product loyalty and the company image.If the product is not sold on the market, the Company will not survive. Thus, all marketing activities are undertaken to increase sales. Producers can spend more with other promotions. Still the product may not sell. There for, it is necessary to provide Sales promotion to attract customers and to buy the product consequently. Thus, sales promotion is important to increase the sale of any product since every company wishes to increase the volume of sales (Huff et al., 2008).

Promotion mix includes tools such as advertising, public relations, sales promotion, direct marketing and personal selling (Chunnawala&Sethia, 1994). Therefore, sales promotion is an important factor in the promotional mix. It consists of a v several of incentive tools, mostly short term, that are used to stimulate consumers and distributors and accelerate the purchasing process and increase sales (Kolter&Armstrong, 2010).

Sales promotion has become an effective marketing tool that helps organizations more powerful in global competitive environments. (Oyedapo et al,2012) identify sales promotion as an important factor in marketing campaigns that can helps organization achieve its goals.

The dimensions of sales promotion which are identified by (Blatt Berg&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 steps that are taken for the purpose of obtaining increased sales by (Nadeemet 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).

Sales promotion functions as a fast stimulant device to stimulate, trade consumer and buy special product. Sales promotion can promote the efficiency of the organization thanks to the highest profitability of sales (Okoli2011) .explains that the essence of the establishment of a business organization is to benefit. If the there is no profit, the company will certainly fail. (Loudon and Bitta 2002) said they had a significant impact on decisions that will help in sales to promote.

The purpose of a sale promotion is to attract new customers, maintain existing customers who are contemplating switching brands and give incentives to customers who are about to use competing products. Sales promotions vary depending on the situation and need, and they have an immediate effect on product Purchases (Kwokand Uncles,2005).

There are many forms of sales promotion but the problem associated with sales promotion is that is difficult to evaluate which sales promotion framework would be most effective and would effect on the sales volume. The purpose of this research to help sales Team understand, Examine and explore what kind of sales promotion method be chosen from pool of various promotional techniques when they plan and implement a sales promotion activity. Therefore, this study is aimed to evaluate the effect of sales promotion strategies on the sales volume the case of Anbessa Beer in Addis Ababa

1.2. Background of the company

United Beverages Share Company is a subsidiary of United Africa Beverages located in Ethiopia. United Beverages was founded in 2016.

United Beverages, a newly formed joint venture between local family-owned Kangaroo Industrial Group and United Africa Beverages Company, has launched the Anbessa Beer in the country's beverage market.

The company opened the latest beer manufacturing plant in Modjo, Ethiopia. The company plant features modern technology whose whole production system is fully integrated with SAP

technology featuring modern waste management and treatment plant that seeks to enhance highly efficient operation in the plant.

United Beverages beer manufacturing plant has a brewing production capacity of 1.6 million hectolitres and a packaging capacity of 800,000 hectoliters. The beer manufacturing plant, which is located in Modjo, currently employs over 500 people.

1.3. Statement of problem

The purpose of sales promotion is to motivate the customers to immediately purchase a particular product thus enhancing its sales volume (Sadia ,Syeda, 2012). Marketing strategy is a collection of specific ideas and actions that outline and guide decisions about the best way to create, distribute, and promote a company's products and services. If a company does not promote and announce its products and services, it will lose market share. As a result, sales promotion is the backbone of many local and international organizations' success in today's market. Anbessa beer is a for-profit organization that manufactures beer products. Increasing sales volume plays an important role in increasing profits. In fact, running a business can make it difficult to complete tasks.

Marketing success is essential to the survival of any business. Everyone understands that a sales promotion has an impact on a company's ability to generate profits or stay in business. Superior quality goods or services do not always translate into increased sales volume. Some businesses fail due to poor sales promotion strategy. Similarly, Anbessa beer may encounter difficulties while practicing/implementing the sales promotion tools. This paper examines the effects of sales promotion tools on effectiveness and their role in increasing sales volume. The study attempted to determine the extent to which Anbessa beer uses sales promotional tools, as well as the effect of these elements on sales volume.

Many previous studies have been conducted on the effect of sales promotion on sales volume of firms (Baldauf, Cravens, & Wagner, 2000; Cooper & Kleinschmidt, 1985; Lages & Lages, 2004; Leonidou, Katsikeas, & Samiee, 2002; Mavrogiannis, Bourlakis, Dawson, & Ness, 2008; Lee & Griffith, 2004; Slater, Hult, & Olson, 2010. These studies argued that sales promotional activities undertaken by a particular organization have greatly contributed toward the general sales volume. This is in the sense that, sales promotion has the potentials to induce a product or service action or behaviour. However, most of the studies are conducted outside Ethiopia. Additionally, these studies found different result on the effects of sales promotional activities on sales volume. Some studies are also out-dated (done many years ago) and the researcher experience no research has been conducted on the effect of sales promotion on sales volume of Anbessa beer in Addis Ababa.

Anbessa Beer being a large scale business has paid less attention on sales promotion activities; buy one and get free, premium, price discount and point of sales display promotion. These activities contribute a great deal in sales volume.

As a result, the researcher was compelled to conduct a study on the effect of sales promotion on sales volume, the results of which will benefit sales Tame.

1.4. Research questions

- How dose buy and get free affect sales volume of Anbessa beer?
- How dose point of sales material affect sales volume of Anbessa beer?
- How dose price discount affect sales volume of Anbessa beer
- How dose premium affect sales volume of Anbessa beer?
- Which sales promotion tools mostly affect the sales volume of Anbessa beer?

1.5. Objectives of the Study

1.5.1. General objective

The general objective of the study was to examine the effects of sales promotion on sales volume: in case of Anbessa beer Share Company.

1.5.2. Specific objectives

- ❖ To examine the effect of price discount on sales volume of Anbessa Beer.
- ❖ To identify the effect of buy and get free on sales volume of Anbessa Beer.
- ❖ To examine effect of point of sales materials on sales volume of Anbessa beer.
- ❖ To identify the effect of premium on sales volume of Anbessa Beer.
- ❖ To find sales promotion tools mostly affecting the sales volume of Anbessa Beer.

1.6. Scope and Limitation of the study

1.6.1. Scope of the study

The study examines the effect of sales promotion on sales Volume in Anbessa beer. From the various sales promotion tools the researcher took only four of them which, the company is current using widely. Buy one get one free, price discount, point of sales material and premium. The study for reasons of limited resources and time constraints, the data collection will be carried out based in Addis Ababa. And also the study will not go into the administrative and financial aspect of the company but only limited to finding out the impact of sales promotion tools on the sales volume.

1.6.2. Limitations of the Study

Various limitations and challenges encountered during the study. Among these factors lack of support from respondents in filling out and returning the questionnaire which resulted in a significant delay in finalizing the study.

Not only this one, the study was focused only on Anbessa beer in Addis Ababa city among other Brewery companies that customer and Agents in the city and the results from this case might not be generalized to other beer.

1.7. Significance of the study

The study was find out the effect of sales promotion dimensions on sales volume in the context of Anbessa Beer. It will be also significant to understand the influence of the sales promotions on the company sales volume. The study will also identify the relevant short-term sales promotion that would have greater effect on increasing sales volume. The outcome of this study will be relevant to different similar companies to determine the various factors that influence the sales volume and adjust their sale promotion strategies accordingly.

It will also help the firms to utilize their resources in optimum way and increase sales volume.

Furthermore, the study investigates the effects of four sales promotional instruments on sales volume. Regardless for a number of researches previously done on the issue, it was contribute its own part for reference for those who are interested to study in depth. The result of this study will also help the company to analyze its sales promotion in order to meet the planned sales volume by creating a better understanding on the sales promotion.

1.8. Operational definition of terms

Sales promotions: are short-term incentives to encourage trial or usage of a product or service (Lane.K, and Keller, 2013).

Promotion: the coordination of all seller-initiated efforts to set up channels of information and persuasion to sell goods and services or to promote an idea (Belch. G and Belch. M, 2003).

Sales Volume: This is used to measure the amount, usually in cartoons/crates, etc, of the product being sold at a given point in time.

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,).

Price discount: is defined as “a short-term price reduction of the regular price of a product” (Belch & Belch, 2012)

Point of sales material: is so located in a retail store so as to give confidence consumers to buy the product (Ricky et al, 2005).

Premium: is a product or product and service offered at a relatively low price in return for the purchase of one or many products or product and services

1.9. Organization of the paper

There were five chapters in the research paper. The first chapter contained the introduction, the second chapter contained the review of literature, the third chapter contained research design methodology, and the fourth chapter contained analysis and interpretations of data. Finally, Appendices and References are attached.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1. Theoretical literature

2.1.1 Sales Promotion

Sales promotion is a part of the promotional mix. It is a short-term customer-oriented strategy by which a business stimulates demand by making its products look more attractive and worthy. It is a short-term strategy used by businesses to stimulate the demand of a product and increase sales. (Kaser, 2012). Sales promotion consists a diverse collection of short-term incentive tools designed to trigger greater purchase of a product by the consumer. (Kotler, 2003). Sales promotion is the marketing activities that stimulate consumer purchasing and dealer effectiveness other than personal selling, publicity, and advertisement (Achumba 2002).

Sales promotion has as primary objective immediate sales. (Palmer, 2004). According to Aderemi (2003), sales promotion is that activity which firms undertake with the aim of increasing the sales of a product, its usage or trial. It involves providing incentives to customers or distribution channels with the aim of boosting sales of the given product. It is a competitive tool which can be used by firms in that it provides extra incentive which causes the target market to purchase and prefer one brand over the other.

Neilson (2011) defined sales promotion as marketing activities used by companies mainly to cause a temporary increase in sales to gain sales volume and market share. Sales promotion is known to greatly increase purchases and income. This does not occur for a long time but over a limited period or once. It is an activity meant to influence the behaviour of an identified group of customers by making special offers over a limited period. Similarly, (Kotler& Keller, 2011) define sales promotion as a direct inducement with the main objective of creating immediate sales by offering incentive or extra value for the product to distributors and the consumer. According to Shimp (2003), sales promotion is that incentive used by the producer to prompt the marketing intermediaries like wholesalers, retailers, and other channels of distribution and or consumers to buy a product or brand and to encourage aggressive sales.

2.1.2 .Objectives of sales promotion

Sales promotion has several objectives with the main objective being to increase sales and a change in the demand pattern of a product. (Kaser, 2012). Sales promotion has specific objectives explained below. Sales promotion has as objective to create a market for new products. Most companies find it difficult to establish demand for a new product in a market of similar products. Sales promotion comes in handy to motivate prospective customers to try new products and services and dealers to introduce the new product into the market. This can be achieved by promotion strategies like penetration pricing, offers, discounts, free samples, and scarcity principle. (Kaser, 2012). Another objective of sales promotion is to remain competitive. For many companies to remain in a competitive market, they undertake sales promotion activities. To compete-, competitor's company issue temporary sales short promotion techniques. (Kaser, 2012).

Another goal of sales promotion is to increase dealer stock. Wholesalers and retailers frequently deal with a diverse range of products. Their job of selling the product is made easier if the manufacturer supplements their efforts with sales promotion measures. This increases a product's sales and the intermediary's income, causing them to prefer the brand over others. Seng Kang (2012) Taking products to new markets is often a challenge for most businesses because new markets are difficult to enter. Sales promotion comprises of sub-tools or facets, which are explained in the research model. Regarding earlier related studies, many studies have been carried out on the subject. In this section, a few of the related studies carried out will be reviewed. Among many studies, a study by Nadeem Iqbal, Naveed Ahmad, Muhammad Ateeq and Komal Javaid (2013) reviewed.

2.1.3. Types of Sales of Promotion

Essentially sales promotions are categorized into three depending on the initiator and the target of the promotion. These include:

1. Consumer promotions: those efforts aimed at influencing the trial consumer (Bamidele, 2001). They are promotions offered by manufacturers directly to consumers (Blattberg and Neslin, 1990). Such promotions are designed to motivate consumers to immediate or nearly immediate action (Courtland and John, 1992). Consumer's promotion techniques can be used to draw people into a particular store, to introduce new product or to promote established products.

To accomplish this task, markets have developed quite a variety of sales promotion techniques or tools.

2. Retailer promotions: promotions offered by retailers to consumers. These include allowances and discounts, factory-sponsored in-store demonstration, trade shows, sales contests, cooperative advertising (Blattberg and Neslin, 1990).

3. Trade promotions: promotions offered by manufacturers to retailers or other trade entities (Blattberg and Neslin, 1990). Trade promotions are the aspect where the manufacturer is concerned not only with promoting the product to the consumers but also with whether the product is on the retailers' shelves when the customers go to the store to buy (Osuala, 1998). Retailer promotion and consumer promotion are directed toward the consumers by retailers and manufacturers respectively.

2.1.4. Sales Promotion Tools

Price Discount

Price discount is defined as “a short-term price reduction of the regular price of a product” (Belch & Belch, 2012). Price discount has numerous synonyms noted by the previous researchers, namely “price-off vouchers” (Shimp, 2010), “money-off vouchers” (Pickton & Broderick, 2005), “cents-off vouchers” (Semenik, 2002).

Price discount is an estimation approach where goods or products are offered in a good discounted buying price and it seems to be a reduced cost to the consumers, frequently applied in hypermarkets and point of purchase displays (Fill, 2002). Similarly, price discount is “cut the price for a given quantity or enhance the quantity available at the same price, in this manner enhancing value and create an economic incentive to purchase” (Raghubir & Corfman, 1999).

Point of Sale Display Promotion

In order to get attention of many customers to a particular product's many business organizations employ the use of “point-of-purchase” (POP) technique. This is a form of sales promotion in which a “product display” is so located in a retail store so as to give confidence consumers to buy the product (Ricky et al, 2005). Point of sale display is a way of showing product and offerings through in store and out store display such as menu boards, point of purchases,

billboard and brochures. Point of sales promotion referred to promotional materials at the point where a purchase would be made. According to Gedenk et al. (2006) retailer promotions deal with customers at point of sale; this implication is that message about the brand is best conveyed to the customers at the place and time where most of the purchasing decision is made.

Buy one Get Free

According to Sinha & Smith (2000) buy and get free defined as one of the common used promotion tools of sales promotion, in a common sense that if you buy a product, you get another product for no cost, by means of this method the consumer can be easily attracted to buy the product for the reason that there is no additional cost and it should be more valued by the consumer perspective, as a result consumer do not take into account such great deal. The bonus packages and additional products with no cost motivate the consumer buying behavior to purchase the product; for the reason that consumers are getting larger size of package and good marketing of the product help to make the promotion more attractive. 2.1.5. Impact of sales promotion on sales volume

Sales promotion is a marketing communication activity other than advertising, personal selling, and public relations, in which a short term incentive motivate consumers or members of the distribution channel to purchase a good or a service immediately, either by lowering price or by adding value (Lamb, Hair, Mc Daniel 2004). Sales promotion stimulates interest, trial, and purchase by final consumer or others in the channel. For example sales promotion at the of purchase can be much targeted at potential customers and increase the likelihood of prompting action (William D Perrault, Jr McCarthy). Much of the sales promotion aimed at final consumer or users tries to increase demand — perhaps temporarily — or speed up the time of purchase. Such promotion might involve developing material to be displayed in retailer's store- include banners, sample packages, calendars and various point of purchase materials.

Increase consumption of an established brand; Sales promotion generate interest in an established brand to help increase sales or defend share against competitors. For example attracting non users of a product category can be very difficult, as consumers may not see a need for a product (George E Belch, Michael A Belch 2001). Sales promotion can appeal non uses by

providing them with extra incentive to try new product, but a more common strategy for increasing sales of an established brand is to attract consumers who use a competing brand.

Defending current customer; with more new brands entering the market every day and competitors attempting to take away their customers through aggressive advertising and sales promotion efforts, many companies are turning to sales promotion programs to hold present customers and defend the market share.

Premium

Though the majority of promotion involves financial saving, some promotions could be non-financial. One kind of non-financial promotion frequently used by retailers nowadays is offering customers a free gift as an alternative of a price discount (Astous & Jacob, 2014). Though researchers argue that non-price promotions such as free gifts are perceived as a little achievement when compared to price discounts, retailers continue to use this promotion tool to attract the customers. As suggested by the previous studies, price off directly reduces the price that consumers would have paid for the product. But in a free gift promotion, the value of the promotion (free gift) could be equivalent to a discount; yet, it does not reduce the price of the product itself at the focal product purchase and therefore is perceived as a little gain by the customers.

A premium is a product or product and service offered at a relatively low price in return for the purchase of one or many products or product and services. For instance, premium promotion are free tooth brush with a purchase of toothpaste, free containers with a purchase of food products or free glasses with a purchase of soft drinks etc. gift promotion is effective in maintaining quality perception because consumers make quality inferences based on the original price rather than the price corrected for the value of the free gift. This implies that devising an offer as a separate free gift is a good tool to communicate value to customers. (Jha-Dang & Banerjee, 2005) also support this reasoning

2.1.5. Sales promotion strategies

Sales promotion strategies are increasingly becoming important. To succeed in the market, companies must understand their audience and put in place appropriate sales promotion strategies. Promoting the company's products for of sale it is daily the most active important ties.

Consumer operating society functions by sales promotion and sale promotion strategies (Ahmed, Farooq& Mir, 2012). There are three types of sales promotion strategies, push, pull and a combination of the push and pull strategy.

The push strategy is a strategy which the manufacturer attempts to push the products towards the consumer. This strategy uses a company's sales consumer's demand his strategy for entails its convincing products trade intermediary. channel members to push the product through the distribution channels to the ultimate consumer through promotions and personal selling efforts. This implies, the producer promotes the product to wholesalers, the wholesalers promote it to retailers, and the retailer promotes it to consumers. (Smriti 2012.)

In the Push sales strategy, the producer pushes the products from supply chain to the customers. This is done by giving incentives to the middlemen to increase the motivation so that they recommend or convince the final customer to buy the product. The push promotion strategy uses the following incentive: sales premiums, discount to whole sellers, buy back guaranty, stock on credit, bonus to sale team, referral system, allowances, free trials, and contests.

The pull sales promotion strategy is that which the company focuses its promotional efforts on the end user of the product to increase the products market demand. Pull strategy requires a high amount of investment funds on promotion activities to create brand awareness. This strategy is the best when distributors are not willing to promote or recommend a product.

The company pulls the customers from the marketing channels by adverting the products to attract large number of consumers and bring the consumers to the sale point of the products.

2.1.6. Effect of Sales Promotion on Sales 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.** A trial among non-users of a product is 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. (Shira,2003) Conclusively, sales promotion has been seen to focus on customer relationship management, free gifts, free sample, price discount, etc. If an organization effectively implements sales promotion techniques, it will not only encourage large purchase but it will also increase the sales performance of an organization, invariably leading to the achievement of the stated objectives.

2.2. Empirical literature

2.2.1. Research Done on the Subject Abroad and Locally

As it was mentioned before, promotional tools for this research study is sales promotion. GezahegnYilma (2020) examined the effect of sales promotion on sales volume in case of sport betting companies in Addis Ababa by using primary data collected through questionnaire. The close-ended five point Likert scale questionnaire was distributed with non-probability convenience sampling technique to 212 respondents result was get analysed with 90.56% response rate. The data were analysed with both descriptive and inferential statistics. The result indicates that all independent variable are significant and had positive effect on dependent variable (sales volume). This study concludes that offering bonus, rebate and jackpot as sales promotion are the most important influencing factors of sales volume than the other variable included. The findings prove that sales promotion explains better sales volume of sport betting companies.

Adamu, Fudamu&Pembi(2017) have conducted a study to examine the impact of sales promotional strategies on organizational performance with reference to Flour Mills Maiduguri, Borno State Nigeria. The study employed both the primary and secondary sources of data collection. Questionnaires were administered to twenty (20) staff using random sampling techniques. The data collected were analysed using descriptive statistics and regression analysis. The result signifies that sales promotional strategies have positive and significant effects on organizational performance. The study recommend that company should at all-time have to planned, organized, directed and controlled their sales promotion programme in place as this will help them to make such promotional strategies effective and efficient.

According to Ghafran and Ashraf (2014) in their study confirmed that consumers buying behaviour and sales promotion can be motivated through various kinds of elements, including promotion techniques such as free samples, price discounts, social surroundings and physical surrounding.

Price can be accompanied by a “discount,” which increases the perceived value of the product for the purchaser. The value is based on the consumer’s perception of the benefits of the product. Furthermore, price discount is well-known tool for offering a good discount in buying price, which is openly mentioned on the merchandise or point of purchase display. In Ethiopia beer industry context, there is no research yet conducted that measured factors affecting sales promotion and level of sales volume at the same time. Thus, this research has practical and empirical importance to the practitioners as well as the academics.

AbubekerYimer (2017) in a research study titled “Effect of sales Promotion on consumer trial purchasing in the case of Unilever Ethiopia studied about the effects of sales promotional tools of price discounts, coupons, sampling and point of sale display a key role in influencing the consumers purchase decision. Findings of this research showed that all understudy sales promotional tools were effective on reaction of customers.

Tavakoli-Zadeh and Amir-shahi (2005) in research “The Impact of Sales Promotion Tools on Consumer’s Purchase Decision towards White Good (Refrigerator) at Drug and Bhilai Region of CG, India”. The results of the research revealed that sales promotion tools played significant role in consumer purchase decision. The respondents were most influenced by discount offer followed by premium and contest while price pack and rebate have been found to be

insignificant. The marketers should focus on reframing of the above tools for stimulating purchase.

A study by W. Amusat, et.al, (2013) on a research work examined the effect of sales promotion dimensions on sales volume. The result showed that all sales promotion dimensions are independently and jointly predict sales volume. This implies that buy one get one, premiums, bonus, free samples and price discount have significant effect on sales volume.

A study by Olorunleke, Kola Gabriel (2017) on Sales Promotion and Purchasing Decision of Fast Moving Consumer Goods in Olorunleke investigated the effect of sales promotion dimensions on sales volume. The result of the research proved that sales promotion tools such as price discounts, sampling and point of sale display play a key role in influencing the consumer's purchase decision of fast moving consumer goods. This work has proved that sales promotions stimulate interest in consumers and consumers are bound to make purchase decision provided that they are offered with price discount, sampling and point of sale displays.

2.3. Conceptual Framework of the Study

The researcher designed this frame work based on the theories in the literature review.

Sales promotion has been defined as ‘a direct inducement that offers an extra value for the product to the sales force, distributors or the final consumer with the primary objective of creating an immediate sale’ (Haugh, 1983).

The independent variables in this research are promotional tools of sales promotions. As it was explained, each one of these tools includes facets which are used depending on the nature of the firm. In this research, promotion tools mainly used are buy one get one, price discount, point of sale materials and premiums.

The dependent variable in this research is the sales volume, which this research study intends to examine effectiveness of each of the promotional tools and their facets on the sales volume.

From the literature reviewed, the conceptual framework is presented below.

The framework is established on the relationship among sales promotional tools and sales volume.

In the light of the research question and study objectives, following theoretical model has been developed. This model shows the impact of sales promotion tools; buy one get one, price discount, point of sale materials and premiums on sales volume.

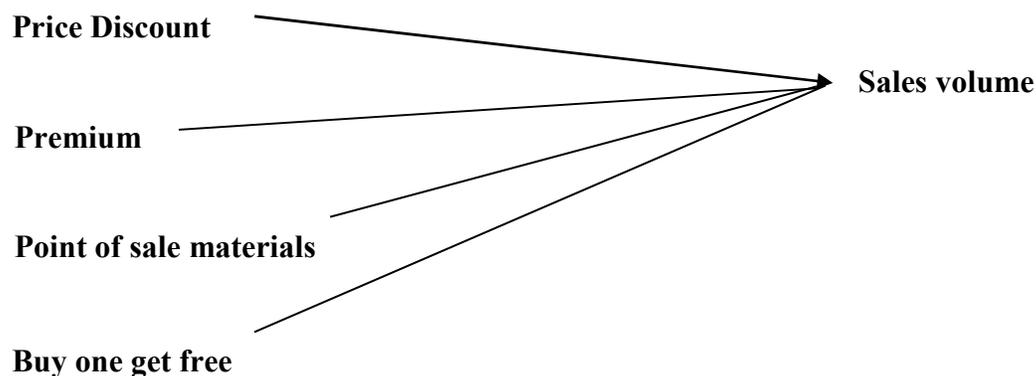


Figure 1 Conceptual Framework of the independent and dependent variables.

Source: modified and adapted from (wansink, chandon& Laurent,2000)

CHAPTER THREE

RESEARCH METHODOLOGY

.3.1. RESEARCH APPROACH

To achieve the purpose of this study, quantitative research approach was adopted. Saunders, Lewis, and Thornhill (2003) asserted that the quantitative research approach is used for testing objective theories by examining the relationships between variables. The objectives of quantitative research are to answer the proposed pre-determined research questions/hypotheses and to produce general results about a given population in a given academic research area. A cross-sectional survey was used in order to gather information. According to (Opoku, Ahmed, & Akotia, 2016), this survey method allows for the collection of quantitative data from a large population, which can be used to suggest possible reasons for specific relationships between variables of interest.

3.2. Research Design

For this study the researcher adopted explanatory research design. Research design is a plan for the collection, measurement and analysis of data. Kothari (2004) defines a research design as the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. Therefore; explanatory research design was used to examine the effect of sales promotion tools on sales volume. Saunders, Lewis, & Thornhill (2009) describes that studies that establish causal relationships between variables may be termed as explanatory research and the emphasis here is on studying a situation or a problem in order to explain the relationships between variables.

3.3. SAMPLING AND SAMPLING TECHNIQUES

3.1.1. Target Population

A population is a complete set of items that share at least one property in common that is the subject of statistical analysis (Vaux, 2001). It can also be called a ‘study population’ which refers to the aggregation of elements from which a sample is actually selected (Churchill, 2001). In line with the current study, the population comprised from Anbessa Beer employees, Anbessa Beer

Distributors and retailers. According to united Beverages (Anbessa Beer), there are more than 7000,Outlets or retailers found in Addis Ababa. Nifas silk sub cities shared 1000 outlets (data from united beverage Route to Market Department) Sales and marketing department30 Distributors 7,which are the target population of the study respectively which were selected for sampling for the study. The researcher selected only these firms who participated in the sales transaction of Anbessa Beer.

3.1.2. Sampling Technique

The two broad categories of sampling techniques are probability or representative sampling and non-probability or judgmental sampling (Saunders.M, et.al, 2009). For this study, both the probability and non- probability sampling method were chosen because they gave the most reliable representation of the whole population. Probability sampling is a sampling process that utilizes some form of random selection (Salant&Dillman, 1996). In probability sampling, each unit is drawn with known probability (Yamane, 2001) or has a nonzero chance of being selected in the sample. Examples of probability sampling include stratified sampling, cluster sampling, simple random sampling and multi-stage sampling. Non probability sampling or judgment sampling depends on subjective judgment (Salant, 2001). Dividing the population into series of relevant strata means that the sample is more likely to be representative as it ensures each stratum is representative (Mark, Philip & Adrian 2009).

The selection of the sample from Anbessa Beer Marketing staff was done by using purposive or Judgemental sampling and stratified sampling technique for each distributors and retailers of the company brand since it was appropriate to have enough cases from each group to make meaningful conclusion

3.4. Sample Size

The sample size for this study is determined by using confidence interval approach. Furthermore, 5%level of significant is applied. After determining a suitable sampling method, the remaining problem was to determine the sample size. Samples are defined as the group of people who participate in a study (Jackson,2008). There are four strategies to decide the sample size; census for small population, imitating the sample size of similar studies, applying formulas to calculate the sample size, and using published (AblesHanan2017). Since, the population of this research

was known and finite, the sample size determined based on the following simplified formula proposed by Yamane (1967). Based on the formula identified, the sample size estimated based on Taro Yamane's formula will be 289.

Retailer= 1000

Agent =7

Marketing department employs

$$n = \frac{N}{1+N(e)^2}$$
$$n = \frac{1037}{1 + 1037(0.05)^2} = 289$$

Where, n is sample size,

N is the population size and

e is the level of precision. A 95% confidence level and $e = 0.05$ are assumed for the purpose of determining sample size for this study.

3.5. Data source

Primary and Secondary data (collected from texts, journals and magazines) data was used for this study. Fin(1995). In this research, primary data was collected from the response of the sample population.

3.6. Data Collection method

The data collection structured questionnaires was used. In this regard, questionnaires were adopted and developed with some modification from previous similar studies and Closed ended questionnaires were presented on in the form of five Likert-Scale. The Likert types scales, commonly used in business research was applied because it allows respondent to provide their perception and opinions both in terms of direction degree of agreement or disagreement. The ratings were on a scale of 1 (last of agreement) to 5 (highest agreement). Where; Strongly Agree [SA] = 5; Agree [A] = 4; Neutral [N] = 3; Disagree [D] = 2; and Strongly Disagree [SD] = 1. The use of Likert scale is to make it easier for understanding, reduce confusion in reading and answering the questionnaire by respondents. The research employed survey method of data collection.

3.7. Data Analysis Method

Data collected through the instrument was structured, organized and framed to suit for analysis. The data was analysed using descriptive and inferential statistics with the help of statistical package for social scientists (SPSS) version 20 software. In descriptive statistics, the gathered data was summarized using a descriptive statistic method through tables, frequency distributions, percentages, and charts to analyze demographic characteristics of the respondents. To test the gap between perceived and expected on sales volume, a mean score, standard deviation were used to offer a condensed data. Inferential statistics consists of generalizing from samples to populations, performing estimations and hypothesis tests, determining the effect variables on other variables, and making predictions. In addition, inferential analyses like Pearson correlation analysis was use to explore the relationship between sales promotion dimension and sales volume, whereas, a multiple linear regression analysis was undertake to find out the influence of independent variables on the dependent variable The reason for this choice of analysis method was because data was collected quantitatively and the objective of the study was to examine the effect of sales promotions on sales volume on the structured questionnaires.

3.8. Validity and Reliability

Reliability is a measurement that can be used to test the stability, consistency, or dependability of items of the questionnaires. It was tested by calculating a Cronbach's alpha. As stated by the closer the reliability coefficient to 1.00 is the better. In order for a scale to be reliable, the Cronbach's alpha value should be above 0.60 (Daba, 2017 & Msasdia, 2009). Before the main study started, a pilot study was carried out with randomly selected 20 sample respondents to check the reliability of the questioners. In light of information, questions were changed to improve clarity.

Table 3.1: Cronbach’s Alpha Coefficients for the Pilot Test

Variables	Cronbach’s Alpha	No. of items
Price discount	0.8814	5
Buy one get one free	0.8705	5
Point of sales materials	0.8743	4
Premium	0.8667	5
Sales volume	0.8708	5

Source: Field survey and own computation Using SPSS (2021)

The above table shows the reliability test for the dependent variable (sales volume) and independent variables (price discount, buy one get one free, point of sales materials, and premium). The Reliability Test for the variables is above 0.60. This result is considered high according to the Alpha Coefficient Range and thus the researcher concludes that the questions are accepted.

Validity refers to the extent to which a measure adequately represents the underlying construct that it is supposed to measure. The questionnaire was also assessed for its validity by my advisor and two other lectures who are currently working in St. Marry University.

3.9. Ethical consideration

There are certain ethical protocols that have been followed by the researcher throughout the study process. The first was to ask consent of the firms for the study; employees, Agent and outlets owner who completed the questionnaire have been informed about the purpose of data collection analysis. The researcher ensured that the respondents were made aware of the objectives of the study and their contribution to its completion. The other ethical measure that exercised by researcher was treating the respondents with respect and courtesy to make them fill at ease and to give frank responses to the questionnaire.

Letter of invitation was sent to respondent firm to check their willingness to participate in the research on voluntary basis. The questionnaires were clear about the voluntary participation. The research was purely for academic purpose and as a result of this, the researcher not revealed or used any of the confidential information or the business secretes of the company for another purpose.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPERATI

This chapter presents the data analysis and discussion of the research finding of the effect of sales promotion on sales volume. The main objective of this study is to examine the effect of sales promotion on sales volume in the case of Anbessa Beer Company in Addis Ababa. The survey structured questionnaires were distributed to the sample participants. For these, 289 questionnaires were distributed to the respondents and from which 260 questionnaires were filled and returned. This made the return rate around 90%, which indicates a good response rate. The data collected were presented, analyzed and interpreted using Statistical Package for Social Science (SPSS) software given that the objectives of investigation and testing is the effects of independent variables on dependent variable of the study. In order to analyse the data both descriptive and statistical analysis were used.

4.1. Respondents Profile and Descriptive Statistics

4.2. Respondents Profile

The following outputs processed by SPSS software is provided to show the demographic profile of the respondents in terms of gender, age, level of educations, marital status and category of respondents which is depicted as follows.

Gender of Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	152	58.5	58.5	58.5
Female	108	41.5	41.5	100.0
Total	260	100.0	100.0	

Table 4.1: Gender of respondents

Sources: Survey result (2022)

According to table 4.1 above, from the research participants out of 260 those who were responded, 152(58.5%) were

Male and 108(41.5%) were female respondents. Therefore, from the table it is understood that most of the sample respondents are males.

Age Category of Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Under 30	44	16.9	16.9	16.9
31-40	97	37.3	37.3	54.2
41-50	88	33.8	33.8	88
Above 50	31	12.0	12.0	100.0
Total	260	100.0	100.0	

Table 4.1: Age of Respondents

Sources: Survey result (2022)

The above table shows the age of respondents. According to this table, out of those respondents, 16.9% are under the age of 30, 37.3% are between 31-40 years, 33.8% are between 40-50 age brackets. Respondents above 50 years of age are 12%. From this result most of the respondents were generally 31-40 years of age.

Educational Level of the Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Secondary school	126	48.5	48.5	80.0
Diploma	67	25.8	25.8	31.6
First degree	52	20.0	20.0	80.0
Second degree & above	15	5.8	5.8	5.8
Total	260	100.0	100.0	

Table 4.2: Education status of the respondents

Sources: Survey result (2022)

The above table shows the educational level of the respondents. According to the table, out of the total number of the respondents (260), 48.8% of the respondents completed general secondary school, 25.8% are Diploma holders, 20.0% are first degree holders and the remaining 5.8% are

Second degree and above holders. The study indicates that majority of respondents were secondary school completed

Marital status of the respondents

The sample respondents provided the following responses regarding their marital status.

Table 4 displays this data.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Single	109	41.9	41.9	97.3
Married	144	55.4	55.4	55.4
Divorced	7	2.7	2.7	100.0
Total	260	100.0	100.0	

Table 4.4: marital status of respondents

Sources: Survey result (2022)

Table 4.4 above summarized the marital status of respondents. As per the outcomes of the survey, about 41.9%of the respondents were single, 55.4% were married, and the remaining 2.7% of the respondents were divorced. The survey result indicated that majority of the respondents were Married.

Category of respondents

The study also requested respondents to indicate the position/work they are currently working.

Table 4.5 below indicates category of respondents.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Staff	29	11.2	11.2	11.2
Agent	5	1.9	1.9	13.1
Retailer	226	86.9	86.9	100.0
Total	260	100.0	100.0	

Table 4.5: Category of respondents

Sources: Survey result (2022)

Concerning category of respondents, the above table shows that about 11.2% were staff members, 1.9% were agents and 86.9% were retailers. Thus, most of the respondents were retailers.

4.3. Descriptive Analysis of study variables

Price Discount Issues

The respondents were requested to provide their response on the influence of price discount on sales volume. The respondents provided the following responses.

Table 4.6: Summary of Price Discount Issues

Statements	Strongly disagree (1)	Dis Agree (2)	Neutral (3)	Agree (4)	Strongly agree (5)	Mean
Price discount during off-seasons boosted sales activity	11(4.2%)	26(10%)	19(7.3%)	153(58.8%)	51(19.6%)	3.8
Price discount let a continues sale of the brand	0	3(1.1%)	9(3.5%)	189(72.7%)	59(22.7%)	3.14
Customers tend to buy more quantities than usual when offered price discount	15(5.8%)	8(3.1%)	15(5.8%)	134(51.5%)	88(33.8%)	3.39
Price discount could be a reason to sell more quantities than the usual	13(5%)	11(4.2%)	25(9.6%)	147(56.6%)	64(24.6%)	3.58
Price discount increases sales volume	0	4(1.5%)	18(6.9%)	167(64.3%)	71(27.3%)	3.42

Sources: Survey result (2022)

The above table shows that 1.5%, 6.9%, 64.3%, and 27.3% of the respondents were, disagreed, neutral, agreed and strongly agreed on price discount increases sales volume respectively. Most of the respondents (85.3%) believed that customers tend to buy more quantities than usual when offered price discount. This indicates that price discount has a significant influence on sales volume.

Table 4.7 : Summary of Buy one get one free

Statements	Strongly disagree (1)	Dis Agree (2)	Neutral (3)	Agree (4)	Strongly agree (5)	Mean
While the company is undertaking the buy one get one promotion customers easily be influenced to purchase the product	15(5.8%)	21(8%)	33(12.7%)	146(56.2%)	45(17.3%)	3.63
The company's buy one get one promotion attract new customers and results switching	12(4.6%)	5(1.9%)	20(7.7%)	132(50.8%)	91(35%)	3.69
Buy one get one promotion helps the company to generate more cash	0	6(2.3%)	8(3.1%)	179(68.8%)	67(25.8%)	4.14
The company's buy one get one promotion is strong compared to competitors in the industry	68(26.2%)	83(31.9%)	41(15.8%)	47(18%)	21(8.1%)	4.13
The company's buy one get one promotion has an effect on sales volume	0	0	35(13.5%)	129(49.6%)	96(36.9%)	4.12

Sources: Survey result (2022)

According to the above table, majority of the respondents (73.5%) believed that while the company is undertaking the buy one get one free sales promotion, customers easily be influenced to purchase the product. Similarly, most of the sample respondents (86.5%) replied that the company's buy one get one promotion has an effect on sales volume whereas around 13.5% of the respondents were neutral on the effect of buy one get one free promotion on sales volume. On the other hand, 58.1% of the respondents believed that the company's buy one get one free promotion is not strong as compared to competitors in the industry

Table 4.8: Summary of Point of Sales Materials

Statements	Strongly disagree (1)	Dis Agree (2)	Neutral (3)	Agree (4)	Strongly agree (5)	Mean
Attractive and clear point of display enhances sale during off-seasons	4(1.5%)	7(2.7%)	28(10.8%)	155(59.6%)	66(25.4%)	4.15
Point of sale materials remind the brand and compel the customers to purchase the product	17(6.5%)	13(5%)	39(15%)	118(45.4%)	73(28.1%)	4.15
Point of sale materials encourages customers to buy the brand	0	2(0.8%)	22(8.5%)	124(47.7%)	112(43.1%)	4.14
Point of sale displays and materials increased sales volume	0	0	23(8.8%)	159(61.2%)	78(30%)	4.13

Sources: Survey result (2022)

Table 4.8 above shows 1.5% and 2.7% of the respondents strongly disagreed and disagreed whereas 59.6% and 25.4% of the respondents agreed and strongly agreed on attractive and clear point of display enhances sale during off seasons respectively. The remaining 10.8% of the respondents were neutral on this issue. Additionally, majority of the respondents (73.5%) replied that point of sale materials remind the brand and compel the customers to purchase the product. On the other hand, most of the respondents (91.2%), believed that point of sale displays and materials increased sales volume. This implies that point of sales highly affects sales volume.

Table 4.9: Summary of Premium

Statements	Strongly disagree (1)	Dis Agree (2)	Neutral (3)	Agree (4)	Strongly agree (5)	Mean
Premium enhances sales volume	4(1.5%)	2(0.8%)	18(6.9%)	181(69.6%)	55(21.2%)	4.13
Premium encourages sale of more quantities of the same brand	2(0.8%)	2(0.8%)	15(5.8%)	178(68.5%)	63(24.1%)	4.13
Premium lets frequent sale of the brand	6(2.3%)	4(1.5%)	27(10.4%)	192(73.8%)	31(11.9%)	4.15
Premium encourages sale of more quantities earlier than the planned	16(6.2%)	12(4.6%)	44(16.9%)	137(52.7%)	51(19.6%)	4.15
Premium leads customers to feel affection for the brand	10(3.8%)	7(2.7%)	19(7.3%)	162(62.3%)	62(23.9%)	4.13

Sources: Survey result (2022)

From the above table, it can be noted that most of the respondents (90.8%) believed that premium enhances sales volume whereas 2.3% of them did not believe on premium enhances sales volume. On the other hand, most of the respondents believed that premium encourages sale of more quantities of the same brand, premium lets frequent sale of the brand, premium encourages sale of more quantities earlier than the planned and premium leads customers to feel affection for the brand.

Table 4.10: Summary of Sale Volume

Statements	Strongly disagree (1)	Dis Agree (2)	Neutral (3)	Agree (4)	Strongly agree (5)	Mean
Premium is a significance source of sales volume	15(5.8%)	21(8%)	33(12.7%)	146(56.2%)	45(17.3%)	4.11
Price discount has differential effects on sales volume	12(4.6%)	5(1.9%)	20(7.7%)	132(50.8%)	91(35%)	4.15
Buy one get free has sound effects on sales volume	0	6(2.3%)	8(3.1%)	179(68.8%)	67(25.8%)	4.12
Points of sales materials have greater effects on sales volume	68(26.2%)	83(31.9%)	41(15.8%)	47(18%)	21(8.1%)	4.14
Sales promotions have dramatic immediate effects on sales volume	0	0	35(13.5%)	129(49.6%)	96(36.9%)	4.14

Sources: Survey result (2022)

According to table 4.10, majority of the respondents (73.5%) believed that premium is a significance source of sales volume and 13.8% of them did not believe that premium is a significance source of sales volume whereas the remaining 12.7% were neutral on the issue. In addition, most of the respondents (88.8%) believed price discount has differential effects on sales. Around 94.6% of the respondents believed that buy one get free has sound effects on sales volume and 86.5% of the respondents replied sales promotions have dramatic immediate effects on sales volume.

4.4. Correlation Analysis Matrix for Dependent and Independent Variables analysis

The purpose of correlation matrix in this particular study was to show the linear association between the dependent and independent variables. As noted in Brooks (2008), correlation between two variables measures the degree of linear association between them. Values of the correlation coefficient are always between positive one and negative one. A correlation coefficient of positive one indicates a perfect positive association between the two variables; while a correlation coefficient of negative one indicates a perfect negative association between the two variables. A correlation coefficient of zero, on the other hand, indicates that there is no linear relationship between the two variables. The following table shows the result or correlation analysis between the dependent and independent variables.

Table 4.11 Correlations Analysis

		SV	PD	BOG	POS	PR
SV	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	260				
PD	Pearson Correlation	.553	1			
	Sig. (2-tailed)	.003				
	N	260	260			
BOGF	Pearson Correlation	.427**	.154*	1		
	Sig. (2-tailed)	.000	.013			
	N	260	260	260		
POSM	Pearson Correlation	.415**	-.003	.353**	1	
	Sig. (2-tailed)	.000	.966	.000		
	N	260	260	260	260	
PR	Pearson Correlation	.582**	-.025	.458**	.569**	1
	Sig. (2-tailed)	.000	.685	.000	.000	
	N	260	260	260	260	260

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

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

Sources: SPSS Output (2022)

Table 4.11 above revealed the Pearson correlation matrix for dependent and independent variables. Based on Table 4.11, almost all the independent variables were correlated with sales volume. The correlation result shows that all independent variables had a positive relationship with sales volume. This means that sales volume moves in the same direction with these variables.

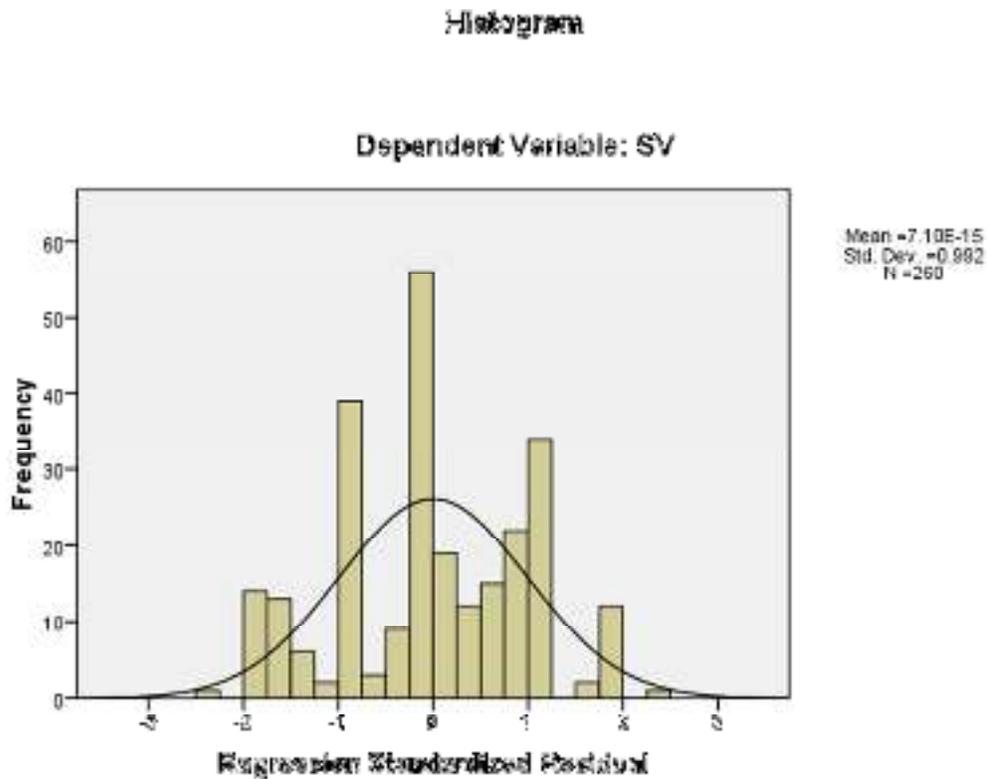
4.5. Test of Ordinary Least Square Assumptions

The study conducted the regression analysis to show the relationship between sales volume and price discounts, buy one get one free, point of sales materials and premium. Before using the regression analysis the data was subjected to assumptions of regression analysis with no violation observed. Then, the followings were done to assess the assumptions of ordinary least square (OLS).

4.5.1. Normality Test

Secondly, the linear regression analysis requires all variables to be multivariate normal. This assumption can best be checked with a histogram and a fitted normal curve or a Q-Q-Plot. As per the Classical Linear Regression Models assumptions, the error term should be normally distributed or expected value of the errors terms should be zero ($E(u_t) = 0$).

Figure 4.1 : Normality Test



Source: Field survey and own computation using SPSS (2022)

4.5.2. Multi Collinearity Test

Multi-collinearity is a statistical problem which occurs when the independent variables are much correlated with each other. It means when the strong correlation among predictors and the existence of correlation value greater than 0.80, tolerance value less than 0.10 and Variance Inflation Factor (VIF) greater than 10 in the correlation matrix (Field, 2009). In this study, multi collinearity was tested using variance inflation factor and tolerance level. Tolerance in this case defined as a statistical tool which is used to indicate the variability of the specified independent variables from other independent variables in the model. Based on Table 4.12 below, the tolerance levels for all variables were greater than 0.10 and the Variance Inflation Factor (VIF) value for all variables were less than 10. Therefore, correlation value, tolerance level, and VIF value indicates that there were no multi collinearity problem in this study.

Table 4.12: Multi collinearity Test

Independent Variables	Collinearity Statistics	
	VIF	Tolerance
PD	.126	4.014
BOGF	.142	3.172
POSM	.161	6.022
PR	.139	2.917

Dependent Variable: SV

Source: Field survey and own computation using SPSS (2022)

4.5.3. Auto Correlation Test

Linear regression analysis requires that there is little or no autocorrelation in the data. Autocorrelation occurs when the residuals are not independent from each other. While a scatter plot allows checking for autocorrelations, we can test the linear regression model for autocorrelation with the Durbin-Watson test. The value of Durbin Watson assume to be between 0 and 4, values around 2 indicate no autocorrelation. From our test, the value of Durbin Watson is about 1.814. Thus it lies between $0 < 1.814 < 4$. The value of Durbin Watson is close to 2 indicates there is no violation of Autocorrelation. Therefore, there is no evidence of autocorrelation among error terms in this study.

Table 4.13: Durbin Watson Test Model Summary

Model	R Square	Adjusted R Square	Durbin-Watson
1	0.792	0.783	1.814

Predictors: (Constant), PD, BOGF, POSM, PR

Source: Field survey and own computation using SPSS (2022)

4.5.4. Heteroscedasticity Test

It has been assumed that the variance of the error is constant and this is known as the assumption of homoscedasticity. If the errors do not have a constant variance, they are said to be heteroscedasticity (Brooks, 2008). All statistical packages have tests to assess homoscedasticity and P – value > 0.05 is acceptable (Joseph et al, 2014). Breusch Pagan test in SPSS software for Homogeneity was conducted and the results mentioned in below table shows P-value greater than 0.05 which shows there is no evidence for the presence of heteroscedasticity.

Table 4.14: Breusch Pagan Test Statistics

	LM	sig
BP	0.785	0.655

Source: own computation using SPSS (2022)

4.6. Multiple Regression Result

Regression analysis was done to examine the statistical relationship between the dependent variable (sales volume) and the independent variables (price discount, buy one get one free, point of sales materials and premium). The regression analysis results were presented using model summary and beta coefficient tables. The analysis applied SPSS software and the result of the analysis is presented as follows:

The coefficient determination also known as model summary was carried out to measure how well the statistical model was likely to predict future outcomes. In the course of model estimation, it is common practice to evaluate the appropriateness of a single descriptive model for the study with the help of coefficient determination, R-squared.

In empirical studies, the most important benefit of R-squared is that it serves as a measure for the goodness of fit of the estimated model.

Table 4.15: Model Summary

Model	R Square	Adjusted R Square	Durbin-Watson
1	0.792	0.783	1.814

Predictors: (Constant), PD, BOGF, POSM, PR

Table 4.16: ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	129.328	4	47.047	76.613	.000 ^b
	Residual	8.916	250	.028		
	Total	138.244	237			

a. Dependent Variable: SV

b. Predictors: (Constant), PD, BOGF, POSM, PR

Source: Field survey and own computation using SPSS (2022)

The result on Table 4.16 shows that the model a coefficient of determination(R-squared) had a value of 0.792. The value of R-squared (0.792) implies that about 79 percent of the changes in the dependent variable (sales volume) is explained by the selected explanatory variables namely price discount, buy one get one free, point of sales materials and premium. While around 21percent of the changes in sales volume could be explained by other exogenous factors. The Durbin-Watson (DW) statistics value is 1.814 which is close to 2. This implies that there is no evidence of autocorrelation among error terms in this study. Regarding the adequacy of the model, the F-test which measures the existence of linear relationship between the dependent and independent variables, also indicates that a highly significant relationship exist between the variables.

Table 4.:17 Regression Results of Coefficients

Model	Coefficients (Beta)	T	Sig.
1 (Constant)	0.035	6.876	.000
PD	.125	2.351	.012
BOGF	.243	5.870	.063
POSM	.572	7.320	.000
PR	.060	1.232	.001

Dependent Variable: SV
Source: Field survey and own computation using SPSS (2022)

The Beta (β) sign includes both a positive (+) and negative (-) signs. It shows the direction of the influences of independent variables over the dependent variable. Based on table 4.17, all independent variables (price discount, buy one get one free, point of sales materials and premium) had positive influence on sales volume. The independent variable with a level of significance value less than 5% can make a significance contribution to the predicted value of the dependent variable and a variable greater than this level of significance cannot make a significance contribution to the predicted value of the dependent variable (Brooks, 2008).

The multiple regression result in table 4.17 revealed that price discount had a positive and statistically significant effect on sales volume ($\beta = 0.125$ and $p\text{-value} = 0.012$) at 5% significance level. This implies that giving price discount increases sales volume. The above table also shows that buy one get one free had 0.243 coefficient and 0.63 p-value. This means that buy one get one free had a positive and statistically insignificant influence on sales volume at 5% significance level. The finding indicates that buy one get one free is not a significant factor that affects sales volume of Anbessa Beer.

With regarding to point of sales materials, table 4.17 shows that point of sales materials had positive and statistically significant relationship with sales volume (with $\beta = 0.572$ and $p\text{-value} = 0.000$) at 5% significant level. Finally, the study found that premium (free gift) had a positive

and statistically significant effect on sales volume ($\beta = 0.60$ and $p\text{-value} = 0.001$). This result suggested that premium increases.

To conclude, this chapter discussed and presented the results of the primary data obtained from the responses of the sample respondents using the appropriate method. Accordingly, the chapter discussed the descriptive analysis, correlations between the variables and through the regressions analyses; it illustrates how the independent variables influence the dependent variable. Thus, the result the study indicates that price discount, point of sales materials and premium were statistically significant factors of sales volume of Anbessa Beer. However, discussions of the result indicate that buy one get one free was not an important factor that affects sales volume of Anbessa Beer.

CHAPTER: FIVE

SUMMARY, CONCLUSION AND RECOMENDATIONS

The preceding chapter presented and analysed he results and discussion. This chapter deals with the conclusions and possible recommendations based on the findings of the study. Accordingly, this chapter is organized into two sub-sections. Section 5.1 presents the summary,5.2 conclusions and presents the 5.3 recommendations

5.1. Summary

The main objective of this study is to examine the effect of sales promotion on the sales volume in the case of Anbessa Beer in Addis Ababa. To achieve the intended objective, the study used explanatory research design and quantitative research. The quantitative data were collected through structured questionnaires from sample respondents. The collected data were analysed by employing multiple regression analysis using SPSS. In order to conduct the empirical analysis, one dependent variable (sales volume) and four independent variables were selected from prominent previous research works; namely price discount, buy one get one free, point of sales materials and premium. Accordingly, the summary of the findings of this thesis are presented below.

5.2. Conclusions

The study has found that price discount had a positive and significant effect on sales volume. This implies that higher price discount boost sales volume. Price discount was found to be a significant factor that influences sales volume of Anbessa Beer.

The study has also found a positive and insignificant relationship between buy one get one free and the level of sales volume. This finding indicates that buy one get one free increases, sales volume also increases, but, the influence of buy one get one free is insignificant.

The effect of point of sales materials on sales volume was also examined in the study. The result of this study revealed that there is a statistically significant and positive relationship between them. The study had also examined the effect of premium. The findings show a positive and statistically significant relationship between them.

To sum up, the result the study indicates that price discount, point of sales materials and premium were statistically significant factors of sales volume of Anbessa Beer. However, discussions of the result indicate that buy one get one free was not an important factor that affects sales volume of Anbessa Beer.

5.3. Recommendations

The focus of this study was on that could provide useful insights for concerned bodies especially for the Brewery companies marketing managements, and researchers. Based on the findings of the study the recommendations that can improve the Brewery firms sales volume was stated as follows.

- From the study finding it can be understood that price discount boosts sales volume. Therefore, it is recommended to the company to provide price discounts to its customers.
- It was found that point of sales materials has a significant influence on sales volume of Anbessa Beer. Therefore, the company should use point of sales materials as an effective sales promotion tools to increase its sales volume of Anbessa Beer.
- The research finding also revealed that premium has a significant effect on sales volume of Anbessa Beer. The finding suggests that premium increases the amount of sales. Therefore, the company is recommended to use premium as one of its sales promotion tools to boosts its sale.

Further Implication for Future Study

The study was conducted only in Brewery Company in Addis Ababa. It is difficult to generalize the result to non-Brewery companies and Brewery companies outside Addis Ababa. The other unexplained factors that determine dependent variable variation in this study 21% remain hidden. Beside this the research indicates that sale promotion on Brewery companies has long-term effect which is contrast from other study and theoretical implication. Therefore, future researchers should undertake a research at country level and on non-Brewery companies and also can investigate other unexplained variation as it would be effective research.

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APPENDIX: QUESTIONNAIRES

ST. MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES MBA PROGRAM

Dear Respondent

This opinion poll is part of the research course for the master's program in MBA on "The Effect of Sales Promotion on Sales Volume: in the Case of Anbessa Beer. The survey is anonymous, and any information provided will be kept strictly confidential and will not be shared with any third party. I really appreciate your assistance in completing the survey.

Please complete the following by placing a "√" mark on the appropriate choice that best represents your level of agreement or disagreement. If you would like further information about this study, or have problem in completing this questionnaire please contact me via 0965574494.

I would like to express my deep appreciation for your generous time, honest and prompt responses.

With Regards;
Yohannes Tadesse

Section I: General Information

1. Sex
Male Female
2. Age Under 30 31-40 41-50 above 50
3. Educational level Secondary school Diploma First Degree Second degree and above
4. Marital status:
Single Married Divorced
5. Category of respondent Staff Agent Retailer

Section II: The effect of sales promotion tools on sales volume

Please indicate your level of agreement or disagreement with the following questions by placing a "√" mark on the appropriate box for the number of your choice.

1 = Strongly Disagree (SD),

3 = Neutral (N),

2 = Disagree (D),

4 = Agree (A),

5 = Strongly Agree (SA)

NO	Sales Promotion Tools	SD	D	N	A	SA
i. Price Discounts						
1	Price discount during off-seasons boosted sales activity					
2	Price discount let a continues sale of the brand					
3	Customers tend to buy more quantities than usual when offered price discount					
4	Price discount could be a reason to sell more quantities than the usual					
5	Price discount increases sales volume					
ii. Buy one get one free						
6	While the company is undertaking the buy one get one promotion customers easily be influenced to purchase the product					
7	The company's buy one get one promotion attract new customers and results switching					
8	Buy one get one promotion helps the company to generate more cash					
9	The company's buy one get one promotion is strong compared to competitors in the industry					
10	The company's buy one get one promotion has an effect on sales volume					

NO	Sales Promotion Tools	SD	D	N	A	SA
iii. Point of sale materials						
11	Attractive and clear point of display enhances sale during off-seasons					
12	Point of sale materials remind the brand and compel the customers to purchase the product					
13	Point of sale materials encourages customers to buy the brand					
14	Point of sale displays and materials increased sales volume					
iv. Premium (free gift)						
15	Premium enhances sales volume					
16	Premium encourages sale of more quantities of the same brand					

17	Premium lets frequent sale of the brand					
18	Premium encourages sale of more quantities earlier than the planned					
19	Premium leads customers to feel affection for the brand					
v. Sales Volume						
20	Premium is a significance source of sales volume.					
21	Price discount has differential effects on sales volume.					
22	Buy one get free has sound effects on sales volume.					
23	Points of sales materials have greater effects on sales volume.					
24	Sales promotions have dramatic immediate effects on sales volume.					