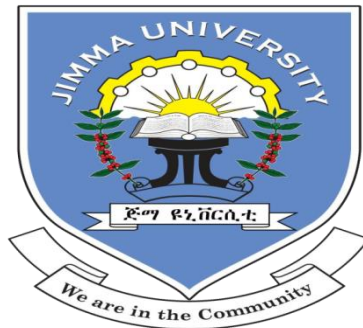


**EFFECT OF SALES PROMOTION STRATEGIES ON  
CONSUMER PURCHASE DECISION OF BEER PRODUCTS  
(A CASE STUDY OF HEINEKEN BREWERIES S.C)**

*A Thesis Submitted To The School of Graduate Studies of Jimma University in  
Partial Fulfillment Of The Requirement For The Award Of The Degree Master Of  
Business Administration (MBA)*

**BY:**

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MBA PROGRAM**

**5<sup>th</sup> June, 2017**

**JIMMA - ETHIOPIA**

## **Declaration**

I hereby declare that this thesis titled “Effect of Sales Promotion Strategies on Consumer Purchase Decision of Beer Products: A Case Study of Heineken Ethiopia”, has been carried out by me under the guidance and supervision of Dr. Shimelis Zewdie and Ato Seid Hussen.

The thesis is original and has not been submitted for the award of any degree or diploma to any university or institution.

**Researcher’s Name**

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**Date**

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**Signature**

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## APPROVAL SHEET

We, the undersigned, members of the Board of Examiners of the final open defense have read and evaluated his research project entitled " Effect Of Sales Promotion Strategies On Consumer Purchase Decision Of Beer Products: A Case Study of Heineken Ethiopia." and examined the candidate. This is, therefore, to certify that the research project has been accepted as a partial fulfillment for the requirement for the award of Master's Degree in Business Administration (MBA).

_____ <b>1. Name of Main Advisor</b>	_____ <b>Signature</b>	_____ <b>Date</b>
_____ <b>2. Name of Co-Advisor</b>	_____ <b>Signature</b>	_____ <b>Date</b>
_____ <b>3. Name of External Examiner</b>	_____ <b>Signature</b>	_____ <b>Date</b>
_____ <b>4. Name of Internal Examiner</b>	_____ <b>Signature</b>	_____ <b>Date</b>

## **CERTIFICATE**

This is to certify that the thesis titled “Effect of Sales Promotion Strategies On Consumer Purchase Decision Of Beer Products: A Case Study of Heineken Ethiopia”, submitted to Jimma University for the award of the Degree of Master of Business Administration (MBA) and is a record of bonafide research work carried out by Mr. Hamenu George, under our guidance and supervision.

Therefore, we hereby declare that no part of this research has been submitted to any other university or institution for the award of any degree or diploma.

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**Main Advisor’s name**

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**Co-Advisor’s name**

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**Date**

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## ***Abstract***

Sales promotion has become an inevitably important marketing tool adopted and implemented by many organizations in attempt to boost sales particularly in the short-term. When well developed and implemented, sales promotion have the potential to turn the company's sales around particularly in the short term and this has become an essential motivating factor for most organizations and marketing practitioners who operate in highly competitive industries like that of the breweries industry. The main objective of this research is to study the effect of sales promotion strategies and how it influences consumer buying decision of beer products in Ethiopia. Furthermore, this study also seeks to highlight the prospects and importance of sales promotion to an organization with particular emphasis on Heineken Breweries S.C. The researcher employed mixed research methodology in undertaking this research.

The promotional tools considered for this research included <sup>(1)</sup>price discount which involves discounts offered consumers at reduced price from the regular price of a product, <sup>(2)</sup>premiums (Buy-one-Get-One free and under cork promotions) which also involves product or service offered free or at a relatively low price in return for the purchase of one or many products or services, <sup>(3)</sup> free sampling which also involves offering customers to try the samples of products without charging any cost and finally <sup>(4)</sup>point of sale display which also involves display of products and offerings through in store display such as menu boards, posters and brochures.

The analysis part of this research incorporated different techniques to analyze the data from this study.

Descriptive statistics (frequency and percentage) were employed to describe and analyze the demographics of the research. Secondly, descriptive statistics with particular emphasis on mean and standard deviation were used to describe the opinion of the respondents on the various variables used in this study. Next, Pearson's correlation was used to determine whether there is a relationship between the dependent and independent variables and their effect on the outcome of the study. And finally, correlation tests were conducted to test each hypothesis.

Probability and non-probability sampling methods were employed in sampling the respondents for this research and 384 respondents who were randomly selected from Addis Ababa city were sampled for this research. Both secondary and primary data were used for this research and survey questionnaires were employed to collect primary data for this research.

Some major findings of this research includes: sales promotion activities affects consumer purchase decision of beer products and this was also confirmed by brand managers' responses. According to brand managers, Heneiken Brewery S.C adopts all sales promotional tools analyzed in this research and further indicated that adoption and implementation of sales promotion strategies has proven positive and profitable to the organization.

Another major finding from this research is that, Heineken as a brand from Heineken Brewery S.C was least preferred brand among the company's beer brand according to customers' choices of beer brands. The research findings also illustrate that consumer's decision may also be influenced by other factors such as price, brand name, product quality, product variety, and purchasing convenience.

From the conclusion, the researcher indicated that, marketing tools can be interrelated, for instance, by using advertising to promote sales promotions or by using competition to enhance public relations. By understanding the impact each individual promotional tool have on consumer purchase decision, managers will achieve synergy among the methods more easily.

The researcher made some recommendations in improving the sales performance of the company's poor performing brands. The researcher suggested that, the company improve upon the communication strategy adopted in selling the Heineken beer. The researcher further suggested that, with effective marketing strategies for the Heineken brand, the company will use its current image as the market leader to relate the Heineken brand to all beer consumers by stressing how consumption of Heineken beer transforms them and catapults them into successful and enviable lifestyle.

**Keywords:** Sales promotions tools, Consumer buying behavior, Purchase decisions, Marketing, brewery industry, consumer, sales.

# Chapter One

## INTRODUCTION

A firm's performance is related to the ability of the firm to gain profit and grow in order to achieve its general strategic objectives (Neu & brown, 2005). Sales promotion is defined as a "diverse collection of incentive tools, mostly short-term, designed to stimulate quicker and/or greater purchase of particular products/services by consumers" (Kotler, 1999). However, variations occur in the effects of sales promotion based on the attractiveness of the concerned brand (Alvarez and Casielles, 2005).

According to zalocco & Kincaid (2008), promotion is the deliberate attempt on the part of the individual business or other institution to communicate the appropriate information in a manner that is persuasive enough to include the kind of acceptable response desired. That is promotion is communication by the firm to other various audiences with a view of informing them and influencing their attitude and behaviors towards the firm's product(s). (Yang, 2010) adds that, marketers today search for more cost effective methods to communicate with their target audience and are gradually shifting away from conventional above the line media advertising to a variety of below the line sales promotion.

The element in the promotional mix that is rapidly gaining recognition in most industries especially in the brewery industry in Ethiopia is the sales promotion.

### 1.1 Background of The Study

In highly competitive industries such as the Ethiopian breweries industries, consumers are faced with many beer brand options to choose from. The organization in an attempt to make sales, increase its customer base and increase its market share adopts and implements all kinds of marketing strategies all targeted at the consumer with the aim of getting them to buy and consume their products.

consumers exhibit different responds (behavior) towards marketing strategies of the firm particularly short term sales promotion campaigns and as a result it is important to understand consumers reaction towards these short term sales promotion campaigns against the firms' sales promotion budgets or money the organization spends on these campaigns as against the impact it

has on sales and overall performance of the company. First in defining and analyzing consumer behavior; the American Marketing Association (AMA); (1995), defines consumer behaviour as “the dynamic interaction of affect and cognition behaviour and the environment by which human beings conduct the exchange aspect of their lives”. The term affect here refers to feelings, responses, or emotional reaction whereas cognition means mental responses such as thinking, remembering or knowing. According to Philip and Gray (2004), consumer behaviour is “the buying behaviour of the final consumer – individual and households who buy goods and services for personal consumption”. Consumption is a concrete, physical and observable behaviour, such as a consumer purchasing a bottle of beer. Consumer behaviour includes mental operations which are not directly observable, such as the decision to consume beer or not to consume beer as promoted by the breweries companies. Behaviour may be reasoned and deliberated upon: It may be impulsive, such as an order at a bar, club, restaurant or other entertainment place. It is habitual, like buying the same brand always. It is not only actions but also motives and causes are equally taken into consideration when embarking on consumer research to find out whether sales promotion campaigns have any persuasive effect on consumer purchasing of beer products or other products or if consumers do care about the opinion of others before deciding to buy or otherwise. Consumer behaviour plays a major role in marketing of goods and services. Consumer behaviour is not restricted to only individual behaviour but also group behaviour.

There is evidence indicating that beer market in Ethiopia has been growing and the demand for it is rising and will continue to rise. Consumption of beer brands in Ethiopia are also said to be largely urban. These beer producers have made substantial publicity to step up consumption, mainly through vigorous advertisement with particular emphasis on selected sales promotion techniques. Studies of alcohol demand (Nelson, 1997, 1999; Kenkel, 1993, 1996; Manning et al., 1995) confirms that higher alcoholic beverage prices lead to reductions in alcohol consumption and as result of this there is the need to conduct further investigation to either support this finding or to refute it particularly in the context of the Ethiopian beer market. This topic was chosen because there is very limited study on this topic particularly in Ethiopia as a result there is the need to conduct research into this area of sales promotion related activities particularly within this fast growing industry in Ethiopia.

Knowledge of the effect of sales promotion strategies on consumer patronage of breweries products helps producers and marketers of beer brands both in Ethiopia and beyond to adopt the best sales promotion techniques to achieve highest sales at the least cost. Findings from this study will help justify the continuous adoption of sales promotion activities by organizations to increase sales and improve overall performance. The choice of this topic also helps to identify consumer's responds to sales promotion activities as to whether they (consumers) buy on impulse without any external influence or otherwise.

Finally this research advances knowledge in the adoption of sales promotion techniques in organization's marketing efforts and their effect on sales particularly in the purchase and consumption of beer brands in Ethiopia.

## **1.2 Statement of The Problem**

In an industry characterized by stiff competition, an effective promotion strategy is significant not only to attract customers but to create customer loyalty to the brand to ensure continues purchase of the brand over competitor's brand in the market.

Over the past year customers have significantly changed their way of buying and have become more demanding than ever before (Cummins, 2008).

According to (Gilbert & Jackaria, 2002) customers make three major purchasing decisions: 1. What to buy? 2. How much to buy? 3. What brand to buy? That is, for a consumer to make critical decision when it comes of purchase of a product either beer brand or any other product, sales promotion can have significant effect on all these purchasing decision as far as brand choice and consumption are concerned. Most studies on the beer industry in Ethiopia have little or no correlation with sales promotion and its effect on purchasing decision or patronage of beer products. For instance, (Brehanu & Shimeles, 2015) conducted research relating to beer products in Ethiopia but their research focused on impact of advertisement on brand preference of beer products. Another research by (Negussie & Yemane, 2012) focused on assessment of alcohol advertising practices in Ethiopia. Finally (Hassen, 2014) researched on assessing the marketing mix strategies of Dashen Brewery Share Company. Examples cited above indicates that there is a study gap on the effect sales promotion has on purchase decision of beer products in Ethiopia.

Another important challenge that has necessitated the need for this research is that, organizations in the beer industry spend huge sums of scarce funds on advertisement and sales promotion with the anticipation that sales will increase in the short-term to off-set production cost and make some appreciable profits as a business. For instance in the United States, marketing is a crucial part of the alcohol supply chain. Alcohol companies spent at least \$4 billion to advertise and promote their products to Americans in 2001. Of this amount, \$1.57 billion was in the traditional measured media (television, radio, print, and outdoor) (Impact Databank, 2000). According to the Federal Trade Commission (FTC) (1999), alcohol producers spend two to three times their measured media expenditures in unmeasured promotions such as sponsorships, Internet advertising, point-of-sale materials, product placement, items with brand logos, and other means. Measuring the effectiveness of sales promotion is sometimes a challenge for many organizations. As a result of this, organizations are sometimes forced to look at other measurable promotion mix tools instead of sales promotion particularly in a fiercely competitive industry such as the beer industry for which the Ethiopian beer industry is no exception.

Another major challenge that has necessitated this study is that, most companies are not able to determine what effect sales promotion has on consumers purchase decisions and how consumers regards sales promotion and which sales promotion tool is most influential on consumers' purchase decision.

Lastly, most organizations are not able to determine which sales promotion tool or techniques are most cost effective but makes the most impact on consumer choice of beer products. All these challenges could be attributed to the lack of comprehensive study in the subject area and as a result there is the need for the study into this study area.

### **1.3 Objectives of the research**

#### **General objective:**

1. To study the effect of sales promotion strategies on consumer purchase decision of beer products.

### **Specific objective:**

1. This study seeks to study the correlation between sales promotion and consumer purchase decision of beer products in Ethiopia.
2. To identify best sales promotion strategies that affects' purchase decision of beer products.
3. To examine various promotional strategies adopted by Heineken Breweries S.C.

Explaining further the objectives of this research, it is important to understand that very little is known and understood concerning beer consumers and their purchasing decision particularly with regards to how they respond to different kinds of promotional mechanics that are offered by the beer companies in Ethiopia. Again, this research helps to understand and explore the effect demographic characteristics of beer consumers such as customer's age; income level and lifestyle, employment status have on the customer's perception towards the sales promotion framework which in turn affects their purchasing decision. In this regard specific sales promotion frameworks both price based and non-price based promotions such as premium (under cock and BOGO – Buy-One-Get-One free) promotion, price discount offers, and free samples, point of purchase displays are taken into consideration to assess how customer purchasing decision is influenced by such promotions. Finally, the objective of this study is also to provide valuable information to the players in Ethiopia's brewery industry on how to better understand the need of customer particularly understanding their purchasing decision based on the sales promotion that they (beer companies) offer in the market so that they can manage their future sales promotion activities properly.

### **1.4 Research Questions & Hypothesis**

1. Does sales promotion have effect on the purchasing decision of beer consumers?
2. What best sales promotion strategies have the most effect on customers purchasing decision of beer products?

Five hypotheses are examined in this research to determine their relationship between sales promotion techniques (independent variable) and consumer purchase decision (dependent variable). These hypotheses are described below:



## **1.5 Significance of the study**

This study seeks to provide valuable marketing information to management and staff of Heineken Breweries S.C on the effect sales promotion activities have on consumer purchase decision of their brands. This study also provides valuable information to other beer companies who engage in sales promotion activities to market their brands. Marketing professionals, consultants in the industry, the government and its agencies will all benefit from this study as they will have adequate information on the effect of sales promotion strategies on consumer purchase decision and by this, they will direct policies and strategies accordingly.

## **1.6 Scope of the study**

The scope of this research is based on studying only one aspect of the promotion mix i.e. sales promotion. This research is limited to the study of certain promotion mechanisms and to explore how each promotion mechanism works and impacts consumer purchase decisions. In doing so, sales promotion methods mainly, premium, price discount, free samples, point of sale displays are examined in this research.

Geographically, this study was conducted in Addis Ababa city. Addis Ababa was chosen for this study because it has the largest population and inhabited by both nationals from all parts of the country and foreigners from different countries. Management and staff of Heineken Breweries S.C were also included in this study to gather adequate information about their promotion strategies and to understand the effect these promotion strategies have on their sales and the overall company performance.

## **1.7 Limitation of the study**

- There were limited findings on most recent literatures and theories on the topic.
- There were limited secondary data on total alcohol consumption population in Ethiopia.
- The study was limited to one Brewery Company in the Ethiopia brewery industry.

## **1.8 Ethical Concerns and Considerations**

The researcher ensured that ethical issues were well addressed before proceeding with the collection and analysis of data. Some ethical concerns that were addressed included:

Only alcohol consumers 18 years and above were sampled and administered with questions for this research.

Respondents were assured of confidentiality in the use of their responses and the researcher ensured that data collected was used only for this research work.

The researcher obtained formal approval from both beer consumers and brand managers of Heineken Brewery S.C before proceeding with administering questionnaires and the researcher ensured that data collected were used only for the purposes of this research work.

Respondents were informed of their rights and responsibilities as far as obtaining data from them is concerned. For instance, respondents were told of their right to freely participate in the research or otherwise.

# Chapter 2

## Review of Related Literatures

This chapter reviews the concepts and theories relevant to sales promotion. The context in which sales promotions are developed and the previous studies that focused on this field is briefly discussed in this section. The literature review consists of the following sections: definition and concept of sales promotions, theories related to sales promotion and their relevance to this study, empirical studies on sales promotion and conceptual framework (independent and dependent variables) relating to this study.

### 2.1 Review of Theories and Research Related to Promotions

Sales promotions are designed for different purposes and different target audiences: retailer, trade and consumer. Retailer promotions are offered to retailers to stock piling and sales. Trade promotions are offered to members of the channel distribution (called the trade) and are designed to stimulate the channel members to offer promotions to consumers (retailer promotions) or the channel member's customers. Consumer promotions are offered directly to consumers by manufacturers and are designed to stimulate the consumer to make a purchase at some point close to the time of the receipt of the consumer promotion. Because of the growth of the Internet, Internet promotions have become prevalent to both consumer and retail promotions.

#### 2.1.1 Retailer Promotions:

In this age of competition, sales promotions have become an integral part of the marketing mix. Marketers use different kinds of price-oriented promotions such as coupons, rebates, price discounts etc. to increase sales, market share, encourage trial, and encourage brand switching. Non-price promotions such as sweepstakes, frequent user clubs, and premiums add excitement and value to brands and may encourage brand loyalty (Aaker, 1991).

The key elements of a retailer promotion are price discounts which is a medium in which price discounts are offered and communicated to customers. Price discounts can take different forms ranging from straight price discounts to buy one-get-one free (BOGO's), to frequent shopper card discounts, to buy A and get a discount on B (bundled promotion). Commonly used price discounts are listed in Table 1 with brief description of each.

**Table 1**  
**Types of Retail Promotions Tools and Descriptions**

Type of Retail Promotion	Description
Price Reduction	Retailers temporarily decrease prices on product
Retailer Coupon	Retailers issue coupons for product in their advertisement or on the shelf.
Free Goods	The consumer receives free goods as the discount. It includes buy one get one free (or buy X get Y free), as well as promotions where goods in complementary categories are given away (e.g., salsa for tortilla chip purchase).
Sweepstakes	The consumer is entered into a contest where they have the chance of winning cash or other prizes.
Free Trial	Consumers are given free samples of the product to encourage purchase of a new product.
N-for	The retailer offers a discounted price for the purchase of a set number (N) of items purchased, e.g., three for birr 1.
Discount Card	Consumers sign up for a card that tracks their purchases. In return, the retailer provides discounted prices on some items in the store for only those consumers with the card.
Rebates	Consumers receive notices of a rebate at the shelf or display and then mail in proof of purchase and the rebate form.
Bundled Promotion	The retailer gives the consumer a discount for purchasing products from complementary categories (e.g., hamburgers and ketchup).

**Source:** Developed by researcher.

Different types of price discounts have different effects and results in different types of behavior. Rebates result in “breakage” which means consumers respond to the rebate but do not send in the requisite documentation to receive the rebate. Findings by Chandon, et al (2000) measures consumers’ perceptions of different types of price discounts on two dimensions: utilitarian (monetary savings, improved product quality, and shopping convenience) and hedonic (the opportunities for self-expression, entertainment, and exploration). Interestingly, the findings

indicate that non-monetary promotions work better for hedonic products, whereas monetary promotions work better for utilitarian products.

Most of the theoretical research on promotions has concentrated on aspects of price and its impact on consumer judgments. This is probably due to the fact that the bulk of the research has focused on price promotions. Studies have examined the impact of price promotions on consumers' internal reference price (Lattin and Bucklin, 1989; Kalwani and Yim, 1992) and the impact of comparative price advertising on consumer perception of savings obtained from a price promotion (Berkowitz and Walton, 1980; Urbany, et al., 1988; Bearden, Lichtenstein and Teel, 1984). The theoretical approaches, which have been used to study the price-related aspects of a promotion, include adaptation level theory and assimilation contrast theory. Apart from these, other theoretical approaches used to study consumer response to price promotions include attribution theory, transaction utility theory, the attitude model and the elaboration likelihood model. Each of these theoretical approaches is discussed in brief below.

### **2.1.2 Trade Promotions**

Trade promotions are used by manufacturers to achieve objectives such as generating a price decrease by retailers to consumers or gaining distribution for a new product. Manufacturers offer retailers trade promotions to stimulate them to offer retail price discounts and communicate the discounts to consumers. Trade promotions use various price discounting mechanisms and incentives to gain price discounts, displays, in-store communications and space in the retailers' advertisements. Trade promotions have specific objectives and forms of incentives offered to the retailer. Typical trade promotion objectives are shown below:

- Gain or maintain distribution
- Obtain temporary price discount
- Display product
- Include product in retailer's advertisements
- Gain market share from competition
- Increase sales
- Reduce inventory
- Sell off old or obsolete inventory

**Table 2: Types of Trade Promotions and Description**

Type of Trade Promotion	Description
Off-invoice	Discounts offered from the invoice price on all units sold to the retailer over a specified time period.
Accrual Funds	Funds paid by the manufacturer to the retailer based on the prior period's unit sales movement.
Scan-back	Discounts offered based on units sold through the point-of-sale register rather than on units purchased by the retailer.
Count-Recount	System used to pay retailers based only on units sold. Similar to scan back promotions except the manufacturer does the counting in the retailer's (or wholesaler's) warehouse. Used when POS data are not readily available.
Co-op Advertising	Manufacturer funds to support retailer advertising for the manufacturer's product(s).
Display Allowances	Manufacturer funds to support displays put up by the retailer.
Bill Backs	Similar to off-invoice funds except the retailer must provide proof that specific actions have taken place such as an ad was run by the retailer containing the manufacturer's products. Used to ensure compliance by the retailer.
Slotting Fees	Manufacturer funds to cover the retailer's costs of new product introductions.
Free Goods	Extra cases offered to the retailer by the manufacturer often for new products to induce the retailer to stock the items for which the free goods are offered.
Financial Terms	Terms to provide incentives to retailers to stock items and not have to carry the financial cost of inventory.

**Source:** Developed by researcher.

### 2.1.3 Consumer Promotions

According to (Blattberg & Neslin, 1990), sales promotion is a key ingredient in marketing campaigns which consist of collection of incentive tools to stimulate quicker or greater purchase of particular products by the consumers. Similarly (Brassington & Pettitt, 2000) states that sales

promotion are range of marketing technique that are designed to add value to a product or services over and above the normal offering in order to achieve specific sales or marketing objective. Shimp (2003) defines sales promotion as any incentive used by manufacturer or a retailer to encourage the sales force to aggressively sell the product and also to induce the buyer to buy the product. Sales promotion plays an important role in the marketing programs of the retailer and it can have a significant impact when customer makes their purchasing decision (Gedenk et al., 2006). From these definitions it can be said that the sales promotion adds value to the products or services and it provides an extra incentive to consumers who make purchasing decision based on the promotion. The value created by sales promotion may also vary depending upon the different types of sales promotion such as free sample, price discounts, coupons, point of sale display promotions etc. It provides direct impact on consumer behavior and accelerates the selling process by influencing consumer to make a swift purchase. Customers look for more fun from the brands they buy. Sales promotion offers novelty, excitement and humor at the point of purchase which customers respond to (Cummins, 2008). Moreover sales promotion changes temporarily consumer's perception towards the price and value of the product.

Consumer promotions are promotions from a manufacturer directly to consumers. The purpose of consumer promotions is for a manufacturer to communicate a discount directly to the consumer and avoid intermediaries (e.g., retailers) who may not provide the discount the manufacturer wants. In the design of consumer promotions, the critical decisions are medium, redemption system, restrictions and breakage. The medium used varies by type of consumer promotion. Print and the Internet are very common media used for consumer promotion because the promotion can be printed and easily accessed by the customer with easy access to the internet. Handouts, on-pack and in-pack promotions are also used, the redemption system is very important to avoid fraud.

#### **2.1.4 Internet Promotions**

Retailers and manufacturers can use the Internet as a vehicle for targeting and reaching customers with promotions. Unlike direct mail, the Internet is a virtually zero-cost communication vehicle. If a customer is willing to provide his or her e-mail address, then the firm selling the goods or services can reach the customer at a low-cost. Offering highly targeted promotions which were very expensive using mail or other distribution systems becomes almost costless when using the Internet. The other important method of the distribution of discounts

using the Internet is websites. Many manufacturers or third-party sites offer consumers discounts on purchases of products. Consumers can print coupons, use codes or other mechanisms to obtain discounts.

### 2.1.5 **Related Theories**

#### **Adaptation Level Theory**

This theory proposes that consumers carry with them an adaptation level price or 'internal reference price' for a given product (Monroe, 1979). The internal reference price represents the price a consumer expects to pay for a product and is formed on the basis of past prices paid/observed either for the same product or similar product. The internal reference price is a standard against which market prices are compared and judged as high, low or medium. The existence of internal reference prices has been confirmed in several laboratory studies (Gurumurthy and Winer, 1995).

In a study on the reference effects of price and promotion on consumer choice behavior, Lattin and Bucklin (1989) found that consumers form reference points for both price and promotional activity(s). These reference points are based on consumer's previous exposure to price and promotions and this affects subsequent patterns of brand choice. The authors stated that too much price discounting would blur the distinction between the promotional price and the regular price of the product thus lowering consumer reference price for the product. Kalwani and Yim (1992) investigated the impact of a brand's price promotion frequency and depth of price discounts on a brand's expected price and brand choice. They demonstrated that both price promotion frequency and depth of price discounts had a significant effect on price expectations. Results of an experiment showed that the larger the amount of a price reduction on a product, the lower the price people expected to pay for it on the next purchase occasion. Lattin and Bucklin, (1989) also found out that consumers form both promotion and price expectations. The authors stated that, for a frequently promoted brand, consumers may form price and promotion expectations and will purchase the brand only when it is available at a lower promotional price. An implied assumption of the price perception theory studies is that consumers notice the prices of all brands when they purchase a product. A number of studies have been carried out by (Kalwani and Yim, 1992; Mayhew and Winer, 1992; Kalwani, Yim, et al, 1990) in a laboratory setting where consumers have been presented with a series of prices and responses have been elicited from them. In other studies, the internal reference price has not been directly measured



but represented through a proxy measure of linearly lagged or exponentially smoothed past prices (Gurumurthy and Winer, 1995). Research done in real-life settings has shown that consumers have a hazy notion of price of frequently purchased products. The internal reference price concept is an extensively researched concept in pricing and promotional literature (Gurumurthy and Winer, 1995). Based on the fact that price promotions reduce consumer reference price for a product, this theoretical approach predicts a negative long-term effects of promotions. However, several studies done at the aggregate market level have found that price promotions have no long-term negative effects. It is important to note that the internal reference price concept is useful in explaining consumer reaction to promotions that lower the price of the product and hence impact reference price. However, non price promotions do not lower the price of a product and do not impact internal reference price (Diamond and Campbell, 1992).

### **Assimilation Contrast Theory**

Assimilation contrast theory examines how external reference prices influence consumers' internal reference price and subsequent promotion evaluations. An external reference price may be introduced through a price advertisement or in-store communication that features both the lower promotional price and the higher regular price and, thus, documents the savings associated with the lower promotional price. As per assimilation contrast theory, an external reference price that is moderately higher than a consumer's internal reference price is perceived as plausible and assimilated. This assimilation effect results in a shift of the internal reference price toward the higher external reference price and a corresponding increase in favorability of promotion evaluations.

However, if the external reference price vastly exceeds the highest expected regular price, it is likely to be perceived as unbelievable and hence contrasted with internal price standards. Studies based on adaptation level theory have shown that promotional advertisements that include the external reference price produce larger perception of savings than advertisements that include only the lower promotional price (Blair and Landon, 1979; Berkowitz and Walton, 1980; Urbany, Bearden and Weilbaker, 1988; Bearden, Lichtenstein and Teel, 1984). Researchers have found that although very high external reference prices are somewhat discounted, they still managed to raise consumer perceptions about the value of a price promotion (Urbany, Bearden and Weilbaker, 1988).

Blair and Landon (1979) found that promotional advertisements, which included the higher regular price along with the lower promotional price, produced larger perceptions of savings than advertisements that included only the lower promotional price. The authors found that subjects were skeptical of high external reference price claims and typically believed that these price claims were about 25% higher than the true prices. The greater was the percentage difference between the promotional price and the advertised regular price, the less believable was the external reference price. Berkowitz and Walton (1980) conducted a study to assess the influence of advertised reference prices and store image on consumer perception of savings and willingness to buy. Results of their study showed that the presence of advertised reference prices generated higher perception of savings, perceived worth and willingness to buy. Results of the study also showed a store quality interaction such that higher discount levels produced relatively less positive responses with the discount store. Della Bitta et al., 1981, investigated the effect of presenting different levels of regular price and promotional price on consumer evaluations. They found that higher price discounts provided greater perceptions of value, less intent to search and greater interest in product. Significant differences in evaluation were found between the 10% and 40% discount levels and between the 20% and 50% discounts levels. Advertisements, which presented comparative price information, received better evaluations on willingness to purchase. The information format that received the highest ratings was the one that presented the regular price, the lower promotional price and the percentage off. Advertisements that presented the regular price and the dollar amount off were rated significantly higher advertisements that presented regular price and percent off.

Grewal and Marmorstein (1996) found that consumer's processing of price information depended on the size of the discount provided. It was seen that consumers increased their processing of information as the discount size increased from low to moderate. The depth of consumers' processing declined as the size of the price reduction increased further. The authors explained their findings by stating that for low discount sizes, consumers were unlikely to expend the cognitive effort to process additional information as the price promotion was deemed to be of little value. Similarly when the discount size was judged to be acceptably high but plausible, there was again little uncertainty about the perceived value of the offer and consumers were unlikely to be motivated to process additional information in detail. Consumers were expected to process additional information related to a price promotion most elaborately when

the discount size was in the moderate range because here the perceived value of the offer was uncertain.

Studies based on assimilation contrast theory have indicated the importance of external reference price in influencing consumer price judgments. Although very high external reference prices are seen to be discounted, the presence of such prices produces larger perception of consumer savings.

## **Attribution Theory**

Attribution theory describes how consumers explain the causes of events (Mizerski et al., 1979) Different types of attribution can be distinguished based on the object about which the attribution is being made. Attributions made about self (the ‘why-did-I-buy’ question) come under self perception theory while attributions made about an object/ brand (the ‘why-is-brand-X-on-promotion’) come under object perception theory. Each is analyzed in the context of promotions.

**Self perception theory:** Researchers who have applied self perception theory to price promotions have stated that a purchase in the presence of a strong promotion is expected to lead the consumer to attribute purchase to an external cause (i.e. the promotion) rather than an internal cause (i.e. liking for the product). This will lead to discounting of a favorable brand attitude and repeat purchase probability will diminish. Basically, self perception theory suggests a negative long term effect of price promotions on consumer attitudes and behavior. Dodson et al., (1978) examined different types of price promotions - media distributed coupons, cents off marked packages and on/in-package coupons – and used self perception theory to explain the results. The media distributed coupons had highest economic value and were expected to induce more switching than cents off and package coupons. They hypothesized that since media coupons had high economic value, consumers would attribute their purchase to the presence of the media coupon and this would lead to lower repeat purchase probability. Since cents off deal and package coupon offered lower economic value, purchase here was likely to be attributed to internal factors and this would lead to higher repeat purchase probability. Attribution to internal (liking for the brand) versus external (presence of a promotion) factors would determine the repeat purchase probability for the brand. The results of the study were in accordance with the hypotheses. Media distributed coupons undermined repeat purchasing to the greatest extent followed by cents off deals. Package coupons had the highest repeat purchase rate. Although Dodson et. al (1978) applied self perception theory to interpret the results of their study, the

panel data used did not match requirements for causality to infer the conclusions. An alternative explanation for lower repeat rates after a price promotion was offered by Neslin and Shoemaker (1989). They stated that lower repeat rates could be found after a price promotion even when individual purchase probabilities remain the same before and after a price promotion. This is because a price promotion temporarily attracts a disproportionate number of households who under non-promotion circumstances have a very low probability of buying the brand. Thus after a price promotion, the low purchase probabilities of these ‘new consumers’ brings down the average repurchase rate. The authors stated that consumers have a low level of involvement in everyday buying situations. In such low involvement situations, consumers are not motivated enough to make the kind of attributions suggested by self-perception theory.

**Object Perception Theory:** Researchers who have applied object perception theory to price promotions have stated that the presence of a promotion will lead consumer to attribute lower quality to the brand owing to the fact that it is on promotion. However, attributions of lower quality to the promoted brand are expected to depend on factors such as the consistency (‘is the brand always on promotion?’) and the distinctiveness of the price promotion (‘is it the only brand on promotion?’). Kahn and Louie (1990) investigated the after-effects of in store price promotions on market shares in the face of two contingencies – (i) whether one or many brands were being promoted at the same time and (ii) whether consumers naturally switched among brands or were primarily loyal to the last brand purchased. They suggested that if many brands were on promotion (i.e. the promotional event was not distinctive), the effect of promotions on brand quality would be lower than if only one or two brands were on promotion. They also stated that promotions would not decrease post promotion purchase for switchers who were familiar with a larger array of brands and were less likely to use promotion as a quality cue. On the other hand, loyal consumers were less likely to be familiar with a large array of brands and were more likely to use promotion as a quality cue.

Results of the study showed that for last purchase loyal subjects, a promotion’s brand share decreased in the post promotion period when it was the only brand being promoted. On the other hand, the promoted brand’s share did not decline on post promotion choice occasions when subjects tended to switch among brands or when all brands were promoted equally. Davis, Inman and McAlister (1992) directly measured brand evaluations in a field experiment to examine if presence of a price promotion led to an inference of lower equality for the promoted product.

They found that evaluations of the brand in the post promotional period were not lower than the pre-promotional period. Their results showed that price promotions had a strong influence at the point of choice but no memory of promotion lingered to drive down brand evaluations. Consumers in their study remembered information about promotions very poorly and many consumers could not retrospectively remember the extent of promotional price-cuts.

The authors concluded that the effect of promotions on brand evaluations at the individual level did not lead to attributions of lower quality. Although early researchers had suggested that the mere presence of a promotion would lead to perceptions of lower quality (Dodson et al., 1978), results of later studies showed that a promotion's information value is context specific (Raghubir and Corfman, 1999; Kahn and Louie, 1990). In today's purchase environment where most brands promotion is done, it is unlikely that consumers will make negative attributions about a brand just because it is on promotion.

### **Transaction Utility Theory**

The concept of transaction utility theory was proposed by Thaler (1985) who stated that the total utility is derived from a purchase comprised of **acquisition utility** and **transaction utility**.

Acquisition utility was the expected utility gained from acquiring the product (i.e. benefits of the product) compared to the cost of paying for it (i.e. the price of the product). On the other hand, transaction utility was the difference between the internal reference price and purchase price of the product that is derived from the feeling of psychological pleasure or satisfaction experienced on receiving a good bargain or deal.

Buyers were thought to experience satisfaction from the fact that they bought the product at a price less than the regular price. The conceptualization of acquisition and transaction utility was confirmed empirically by Lichtenstein et al., (1990) and Grewal and Monroe (1988).

Lichtenstein et al., (1990) examined the impact of a coupon on consumer's perceptions of acquisition utility and transaction utility. They found that beyond affecting both acquisition and transaction utility via a lower purchase price, a coupon had greater impact on transaction utility than acquisition utility. This happened because the lower price offered by the coupon was contrasted against the internal reference price (the component unique to transaction utility). Buyers compared the price at which they were getting the product to an internal reference price that led to the associated pleasure with the financial terms of the deal. Grewal and Monroe (1988) examined the impact of price comparison advertising (where a higher advertised

comparison price is compared to a lower advertised selling price) on buyers' perception of acquisition utility, transaction utility and behavioral intentions. They proposed that comparing a lower selling price to a higher advertised reference price (e.g. "Was birr 200, Now birr 150") would enhance buyer's psychological satisfaction or transaction utility obtained from the deal. The results of the research indicated that comparing a lower selling price to a higher external reference price enhanced perceived transaction utility which, in turn enhanced buyer's perception of acquisition utility and willingness to buy the promoted product.

### **Prospect Theory**

This theory proposes that people perceive outcomes of a choice as perceived 'losses' and 'gains' relative to a subjective reference point (Kahneman and Tversky, 1984). Researchers who have applied this theory to promotions (Diamond and Sanyal, 1990; Diamond and Campbell, 1990) have stated that consumer's perception of promotion as a 'loss' or 'gain' is a function of the type of the promotion. They proposed that non price promotions such as premium offers which segregate the promotional gain from the purchase price will be viewed as gains. On the other hand, price promotions such as price off, which integrate the promotional gain with the purchase price will be viewed as reduced losses.

Diamond and Campbell (1989) examined the impact of price versus non price promotions on a consumer's reference price. The authors reasoned that price promotions would be integrated with the purchase price of the product and lead to a reduction of internal reference price while non price promotions would be segregated from the purchase price of a product and not lead to a reduction of internal reference price. Results of the study showed that price promotions led to a lower internal reference price while non price promotions did not affect internal reference price.

Diamond and Sanyal (1990) used prospect theory to predict that price promotions would be viewed as reduced losses and chosen less often than non price promotion which would be viewed as gains. However results of their research showed that an almost equal number of subjects chose the non price promotion (a premium offer) as compared to the price promotion (a price discount). The reasoning that price promotions would be viewed as reduced losses and preferred less as compared to non price promotions which would be viewed as gains was not supported by the results of the study. The authors concluded that the desirability of a specific premium could affect evaluation of a promotion as much as the type of promotion. Prospect theory based prediction that consumers will perceive non-price promotions as 'gains' and price promotions as

‘reduced losses’ is not based on a precise application of the theory. Contrary predictions can be derived from the theory. It can be argued that consumers will perceive a price promotion as a gain as the price reduction offered reduces the ‘loss’ experienced by the purchase price.

### **Attitude Model**

A Multi attribute model of attitude (Fishbein and Ajzen, 1975) depicts the consumer’s decision to perform a specific behavior as the logical consequence of beliefs, attitudes and intentions with regard to the behavior. As per this model, a consumer’s intention to buy a brand may be based on positive/negative attitudes towards a promotion. Babakus, et al., (1988) examined the impact of three attitudinal dimensions – price consciousness, time value and satisfaction/pride – on consumers’ decision to use coupons. Results of their study showed that there was a positive relationship between coupon usage and consumer price consciousness. There was a significant negative relationship between coupon usage and perceived value of time indicating that the more a consumer valued his or her time, the lesser was the tendency to use coupons. The authors found that coupon usage increased when the consumer perceived higher satisfaction and pride with the use of the coupon(s).

Shimp and Kavas (1984) applied the theory of reasoned action to understand consumer’s decision to use coupons. As per the model, behavior towards coupons would be influenced by consumer intentions to use coupons. Consumers’ intention to use coupons would be determined by their attitudes and subjective norms. Consumers’ attitudes would be formed through their beliefs in the rewards and costs of using coupons while subjective norms would be formed through consumers’ perception of whether there is importance to expend effort to clip, save and use coupons. Results of the study showed that beliefs in the rewards of using coupons had high positive correlation with attitude while inconveniences and encumbrances had weak negative correlation with attitude. The authors found that both attitudes and subjective norms exerted an important influence on intention to use coupons. The results showed a clear link between consumer’s intentions to use coupons and their self-reported behavior in actually doing so. Although attitude models provide important insights into the consumer decision-making process, researchers have found discrepancies between stated attitudes and actual behavior in several studies (Perry and Gillespie, 1976; Keesling and Kaynama, 2003). Studies in different contexts have shown that attitudes are actually poor predictors of behavior.

## **Elaboration Likelihood Model**

Inman et al., (1990), used the Elaboration Likelihood Model (ELM) to provide a behavioral explanation for the effect of promotional signals and promotional price cuts on consumer brand choice. As per the ELM model, there is a continuum of ways by which choice may be affected as a result of exposure to a stimulus. At one end of the continuum is the central route to persuasion where a consumer actively and cognitively evaluates information central to a particular evaluation. At the other end of the continuum is the peripheral route to persuasion where simple inferences or cues in the persuasion context are given more weight than consideration of actual product attributes.

Inman et al., (1990) proposed that a consumer traveling the ELM's central route to persuasion would consider the promoted brand's relative price and other information about the promoted brand before making a choice. On the other hand, a consumer traveling the ELM's peripheral route would consider only the promotional signal and react to a promotion. The authors further stated that need for cognition would moderate the route to persuasion such that high need for cognition individuals would be more likely to take the central route to persuasion while low need for cognition individuals would be more likely to take the peripheral route. Inman et al., (1990) tested the interaction of subjects' need for cognition and their reactions to a posted 'special' price that signaled a promotion but offered no discount at all and a promotional price accompanied by a regular price. They found that low need for cognition individuals needed only promotional signal to increase purchase likelihood while high need for cognition individuals needed the external reference price and regular price to calculate the size of the price cut.

Inman et al., (1990) explained consumer response to promotion in terms of an individual difference variable, namely need for cognition. However the link between need for cognition and other managerially actionable demographic variables is not known. Moreover, attempts to identify the promotion sensitive consumer in terms of demographic characteristics have not been very successful. Most research has indicated a very modest relationship between demographic/ socioeconomic variables and response to promotion (Mittal, 1994).

## **2.2 Empirical Review**

Over the years sales promotion has become an indispensable element of consumer marketing. In the past, advertising used to be one of the most effective marketing tools to reach the target



customers to influence their purchasing decision. However, today marketers put more emphasis on sales promotion and are gradually shifting away from traditional method of advertising towards sales promotion. There are number of factors that have resulted in this shift, from traditional method of advertising to the extensive growth of sales promotion. Firstly, companies all over the globe are facing declining experience between the products that they have to offer and customers' needs and desires. Secondly, companies today face a pressure to achieve short term result amid intense competition in the marketplace. Furthermore, with the advent of Internet technology, customers today are more informed about the product offerings, and as a result have influenced companies to fight harder and faster for every sale (Cummins, 2008). Many studies regarding behavioral and economic theory has provided supporting evidence that consumption for some product categories responds to promotion. (Wansink & Despande, 1994) showed that when the product is perceived as widely substitutable, consumer will consume more of it in place of its close substitute and finally (P. Chandon, Brian Wansink, & Laurent, 2000) showed that stockpiling increases consumption of high convenience products more than low convenience product. In another analytical study, (Assunção & Meyer, 1993) shows that consumption is an indigenous decision variable driven by promotion and promotion induced stockpiling resulting from forward looking behavior. A greater understanding of the different types of consumer responses to promotions can help managers to develop effective promotional programs and also provide new insights for consumer behavior cues on brand marketing. (Lieberman et al., 1981), and (Wilson et al., 1979) found evidence that promotions are associated with purchase acceleration in terms of an increase in quantity purchased and, to a lesser extent, decreased inter purchase timing. Researchers studying the brand choice decision-for example, (Guadagni & Little, 1983) and (Gupta, 1988) have found promotions to be associated with brand switching. (Montgomery, 1971), (Schneider & Currim, 1991), and Webster (Webster, 1965) found that promotion-prone households were associated with lower levels of brand loyalty. (Blattberg et al., 1976) describes 16 purchasing strategy segments based on three purchase dimensions: brand loyalty (single brand, single brand shifting, many brands), type of brand preferred (national, both national and private label), and price sensitivity (purchase at regular price, purchase at deal price). There are other variables that may be used to describe purchase strategies, examples include whether the household purchases a major or minor brand, store brand, or generic, or whether it is store-loyal or not. McAlister (1983) and (Neslin& Shoemaker, 1989) use certain

segments derived from those of (Blattberg et al., 1976) but add a purchase acceleration variable to study the profitability of product promotions.

### Summary of Promotion Tools examined in this study

Table 3: Summary of Promotion Tools Examined in this Study

Promotional Tools	Details
Price discount	Discounts offered consumers at reduced price from regular price of a product.
Point of Sales Display (POS)	Display of product and offerings through in store display such as menu boards, posters and brochures.
Premium (under cock & BOGO)	A premium is a product or service offered free or at a relatively low price in return for the purchase of one or many products or services (d'Astous & Jacob)
Free samples	Offering customers to try the samples of products without charging any cost in the hope that customers will buy the Product

**Source:** Developed by researcher.

#### 2.2.1 Price Discounts and Sales Promotion

Price is one of the key elements of marketing mix as it produces revenue and fixing the price is one of the most important yet most sensitive aspects of marketing. In almost every market around the globe price still remains the point at which buyer and seller are finally in agreement. Marketers in present day business often create non-price points of difference such as product quality, brand image, packaging and service against their competitors. However intense competition in the marketplace and with growing ability of competitors to compete each aspect on non-price points as discussed has made it difficult for marketers to win the confidence of customers. Studies of alcohol demand (Nelson, 1997, 1999; Kenkel, 1993, 1996; Manning et al, 1995) confirms that higher alcoholic beverage prices lead to reductions in alcohol consumption. However, as with earlier studies, the range of estimates of the price elasticity of demand produced by these studies is relatively wide (Nelson 1997).

In addition, several studies have attempted to estimate the cross-price elasticity of alcoholic beverages, which provide an indication of the substitutability of one beverage for another. However, this has been quite difficult given the relatively high correlation between alcoholic

beverage prices and taxes, which makes it difficult to sort out the impact of a change in the price of one beverage from changes in the prices of others. As a result, many businesses, retailers and manufactures today use price based discount to influence the purchasing behavior of the customers. Price discount offers consumers products at reduced price from regular price of a product. Price-offs means that, the manufacturer marks the merchandise that the customer could accurately see that the price is lowered (Fill, 2002). A price discount promotion typically reduces the price for a given quantity or increases the quantity available at the same price, thereby enhancing value and creating an economic incentive to purchase. However, if consumers associate promotions with inferior brand quality, then, to the extent that quality is important, a price promotion might not achieve the extent of sales increase as expected. Price discounting is a common practice used by organizations to induce product trial and repeat purchases by new and current customers. Consumer product companies spend almost a quarter of their marketing budget on consumer promotions (Raghubir, 1998) and (Inman et al, 2009). According to (Schindler, 1998) price promotion that is designed to evoke attributions of responsibility could be expected to appeal to consumers more than one that does not evoke such attributions, and thus have a greater ability to create product trial among consumers.

There is a large body of research which is aimed at identifying impact of price promotion like discount on consumer buying behavior. (Fill, 2002) stated that discount is the simplest technique to offer a direct reduction in the purchase price with the offer clearly labeled on the package or point of purchase display.

(Ndubisi& M, 2005) reported that price discount play significant role in influencing consumer product trial behavior. Price discount plays significant role in brand switching, purchase acceleration, stock piling, product trial and spending more in the store (Farrag, 2010).Also, (Shi & Prendergast, 2004), reports that price discount induces purchase acceleration, spending more and stockpiling among customers. (Osman et al., 2011), asserted that price discounts play significant role in influencing consumers purchase or trial behavior and increases short term sale. According to (Manish et al 2011) price discounts are found to be more effective in inducing stock piling, and purchase acceleration, moderate in brand switching, and new product trial in that order, but are not effective enough to induce people to spend more. Price promotions are used to encourage trial among non users of products and services. Therefore, it is important to understand the effects of promotions on valuations made by consumers who do not have any

prior experience with the promoted brand. Such promotions are directed towards completely new customers with intention to introduce the brand. Much research has been done to highlight the positive effects of price discount on purchasing decision of a customer. For instance; (Blair & London, 1981), finds that the major reason for marketers to use the price discounts is that this type of deal usually presents a readily apparent value to buyers, especially when they have a reference price point for the brand, therefore they can recognize the value of the discount.

(Alvarez & Cavanagh, 2005) maintain that price-off or money-off are very common promotion techniques as they are effective when attracting customers. In addition, (Yeshin, 1998) explains that the new price is frequently highlighted on the package itself, entirely or as a percentage to the previous price. Nevertheless, the author speculates there are drawbacks linked to this method – all the consumers will be exposed to that price reduction, not the faithful ones only. (Peattie & Peattie, 1994) warns of the possibility of price wars when exaggerating price-off techniques among competitors. For instance, Buy One Get One scheme is one type of popular product volume discount non-monetary sales promotions schemes in which the consumer gets two or more products of the same type for the price of one, or receiving a free product by purchasing some other product. Promotions such as —buy one get one free, buy two get one for free and so on are frequently used to generate unplanned purchases (Inman et al., 2009).

According to (Dawes, 2004) price discount increases the volume of sales during the promotion period. (Shimp, 2003) and (Fill, 2002) have also documented a link between price promotion and product trial. Price promotions usually provide consumers with monetary savings on specific products. If consumers are in a store intentionally searching for these specific products, then it is expected that they would find promotions on such products more attractive compared to those consumers who are in the store but do not have a prior purchase goal for a promoted product.

Therefore, the purchase likelihood is higher. In addition to this main effect, consumers may react to different promotion characteristics in different ways given the existence or absence of a pre-purchase goal. According to (Blair & London, 1981), the major reason for marketers to use the price-off reductions is that this type of deal usually presents a readily apparent value to buyers, especially when they have a reference price point for the brand, therefore they can recognize the value of the discount.

(Percy et al., 2001) reported that consumers pay attention to price-off promotions. Many researchers have found an association between sales promotion and product trial (Wayne, 2002).

Some researchers specified that sales promotion would be lucrative to promotion prone customers for many other reasons, rather than just price saving (Chandon et al., 2000). Such promotion prone customers are likely to change brands to obtain extraordinary deals that support their smart buying perception. Researchers have concluded that these promotion prone customers may even try a new product when offered a new promotion.

### **2.2.2 Point Of Sale Display and Sales Promotion**

Points of Sale (POS) displays are specially designed materials intended for placement in retail stores. These displays allow products to be prominently presented, often in high traffic areas, and thereby increase the probability the product will stand out. POS displays come in many styles, though the most popular are ones allowing a product to stand alone, such as in the middle of a store aisle or sit at the end of an aisle (i.e. end-cap) where it will be exposed to heavy customer traffic. For channel partners, POS displays can result in significant sales increases compared to sales levels in a normal shelf position. Also, many marketers will lower the per-unit cost of products in the POP display as an incentive for retailers to agree to include the display in their stores.

As the alcohol industry has become increasingly competitive, POS is increasingly being used as a marketing tool for alcohol products, and there is a growing body of evidence suggesting that these POS materials are positively associated with drinking and contribute to creating a pro-alcohol environment (e.g. Howard et al. 2004).

Point of sale display is a way of showing product and offerings through in store display such as menu boards, POP's, branded cooling systems, posters, hangers, openers, table mats, and brochures. (Gedenk et al., 2006) argue that retailer promotions address customers at point of sale; meaning that communication regarding the product or services is best conveyed to the customers at the place and time where most of the purchasing decision is done. Retailers' sales promotions communicates most to consumers at the point of sale therefore, communication regarding promotion best reaches consumers at place and time where most purchasing decision is made. Increase of promotions at the point of sale drives customer to make decision there at the point of sale (Narasimhan et al., 1996). Point of sale display promotions are designed to build traffic, advertise a product, or induce impulse purchases and include display racks, counter pieces, in store promotions and self cartons. (Ferrell & Hartline, 2008) and (Dawes, 2004) pointed out that volume gains arising from price promotion are larger if price promotion is

advertised in point of sale or advertising. Similarly (IB & A, 2011) also mentioned that sales promotion tends to work best when it is applied to impulse items whose features can be judged at the point of purchase, rather than more complex, expensive items that might require hands on learning. Point-of-sales promotions, however, stimulate compulsive buying behaviour among the customer, which dominates the buying decision despite comparative differences in the prices of alternate channels. By making the attractive products accessible to customers at a point-of-sales promotion, customers would be driven by the 'me too' feeling and preferential prices. The concept of the point-of-sales promotion to create compulsive buying behaviour is based on a brilliant understanding of the human mind and a smart way of increasing the volume of store sales. Because point-of-sales promotion has emerged as a competitive strategy for retail firms, despite the apparent risks, managers are exploring the scope of acquiring and retaining customers. This strategy of point-of-sales promotions has helped many beer companies to slash costs on advertising and publicity, increase volume of sales and sharpen their focus on core competencies.

The in-store environment variables driving impulsive buying behaviour include the display of point-of-sales posters, exhibiting promotional discounts and cheaper prices, while the atmosphere engagement, referring to enjoyment, elegance and attractiveness, is conveyed by in-store point-of-sales posters. Such behavioural drivers may also be referred to as the in-store promotional effect and the atmospheric effect. It has been observed in some studies that consumers, who intend to shop on short notice, generally lean towards impulsive or compulsive buying behaviour, driven by the arousal effect in the retail stores.

Gifts and free samples are used to increase sales, enhance brand, create awareness, and increase customer loyalty. Similarly, previous studies supports the idea that in-store display sharpness has the greatest effect on product trial when compared to other sales promotional tools (Kendrick, 1998). Eye-catching in-store displays are essential to achieve maximum sales from product trial. Promotion tools such as bonus pack, free sample, and price discount have a noteworthy effect on product trial, although the influence of bonus pack could be the lowest amongst other promotional tools.

Therefore, one of the key ways to perk up the influence of bonus pack is by keeping a standard pack alongside with a bonus pack on the shelves, in order to allow consumers to make comparison. Such prospect for a relative inspection will help to augment the reliability of the tool

and consumer's self-assurance in it. In regards to free samples and price discount, retailers should carry on using these tools as these tools have a huge influence on product trial and subsequent purchase. According to the trade press in the USA, approximately 60% of people in bars make their decision about what to drink after they arrive (Brabbs 2002) and the role of POS is to 'grab their attention and make them aware that a particular brand is just what they want' (Solley 2000, p. 41). It is well known by alcohol retailers themselves that POS promotions can play a significant part in alcohol purchasing behaviours. For example, the British Beer and Pub Association's Good Practice Guide for Pub Owners and Licensees (British Beer and Pub Association, 2002) advises publicans that POS promotions 'can be a valuable marketing tool for enhancing product awareness among customers, but they can also be fun, giving customers the opportunity to win competition prizes or buy a new or favourite drink at a reduced price. They also give a list of reasons for holding POS promotions (including to boost trade during quiet periods and to showcase a new brand). Interestingly, they also caution that while 'promotions can give a pub a competitive edge, if badly managed or directed can also sometimes be perceived as encouraging customers to drink too much, and therefore as a contributory factor to public order problems. This research therefore seeks to find out the significance of POS promotions, and the importance of understanding more about how they work, so that appropriate recommendations for their regulation can be made. If factors other than price are known to influence purchasing decisions, then it is important to understand how these may affect young people. In a study of alcohol POS advertising and promotions in 10 urban communities in California, Howard et al., (2004) examined exterior advertising and promotions at 523 on premise outlets (restaurants and bars) and interior and exterior advertising and promotion at 1142 off- premise outlets (convenience stores, supermarkets, liquor stores and drug stores). They found that liquor stores had the highest number of exterior and interior advertisements, with the majority being for beer; independently owned outlets had the most advertising and, specifically, significantly more advertising below three feet from the floor where it was likely to be clearly visible to all types of customers and some evidence of ethnic targeting of alcohol advertisements, by using cultural icons and models of specific ethnic groups, particularly for exterior alcohol advertisements. Significantly, several studies have examined the association between ownership of alcohol promotional items (i.e. the types of branded products that are frequently offered as premiums in alcohol POS promotions) and drinking behaviours. These studies have consistently

reported an association between ownership of promotional items and alcohol consumption in both cross-sectional (Hurtz et al. 2007) and longitudinal studies, with the latter finding that ownership of alcohol merchandise by non drinkers at baseline is associated with initiation and consumption at follow-up (McClure et al. 2006, Henriksen et al. 2008).

### **2.2.3 Premium and Sales Promotion**

Though the majority of promotions involve financial saving, some promotions could be non-financial. One kind of non-financial promotion frequently used by retailers these days is offering customers a free gift as an alternative of a price discount. Though researchers argue that non-price promotions such as free gifts are perceived as a little achievement when compared to price discounts, retailers continue to use this promotion tool to attract the customers (Diamond & Johnson, 1990). As suggested by previous studies, price discounts 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 (Diamond & Johnson, 1990). A premium is a product or service offered at a relatively low price in return for the purchase of one or many products or services (d'Astous & Jacob, 2000). For instance, premium promotions are free T-shirt with a purchase of bottle of beer, free beer opener with a purchase of certain quantity of beer products or free glasses with a purchase of certain quantity of beer products etc. (Darkea & Chungb, 2005) indicate that free gift promotion is effective in maintaining quality perception because consumers make quality inferences based on the original price rather than the price corrected for the value of the free gift. This implies that devising an offer as a separate free gift is a good tool to communicate value to customers. (Jha-Dang & Banerjee, 2005) also support this reasoning. Similarly, (Neha & Manoj, 2013) also indicated that premium promotion is one of the most influencing variables for consumer purchase decision. This means that free gifts or premium promotion differentiates a promotional benefit in form of a tangible, separate product which is often complimentary product offered to the customers. These free gifts and premium often create value to the customers and induce them to purchase a product.

### **2.2.4 Free Samples and Sales Promotion**

Enticing members of a target market to try a product is often easy when the trial comes at little or no cost to the customer. The use of samples and free trials may be the oldest of all sales



promotion techniques dating back to when society advanced from a culture of self-subsistence to a culture of trade. Sampling and free trials give customers the opportunity to experience products, often in small quantities or for a short duration, without purchasing the product. Today, these methods are used in almost all industries and are especially useful for getting customers to try a product for the first time.

Free samples refer to offering of products or service customers without charging any cost in anticipation that customers will buy the product. A free sample offers the customer a chance to use the product by providing a free small portion of the product to test. Shimp (2003) defined sampling as —any activity which includes any method used to deliver an actual-or trial sized products to consumers. The purpose of a free sample is to acquaint the consumer with a new product, and is similar to the concept of a test drive, in that, a customer is able to try out a product before purchasing it. Although an expensive method of targeting customers, conversions to sales can be as high as 90% making it one of the main marketing strategies for certain markets and products. With effective sampling, marketers can create brand loyalty and assist in the launch of a product through the word of mouth.

Free sample is being widely popular among marketers and retailers as one of the most effective promotional tool as it directly enhances product trial amongst customers. On the other hand, (Gilbert & Jackaria, 2002) argue that a free sample as a promotion tool had little or no significance on consumer's buying behavior, however, other studies have shown a significant impact of free samples on consumer's purchase decision (Fill, 2002) and (Shimp, 2003). (Fill, 2002) presumes that sampling has the most impact on consumers. It could be provided as presentation in front of customers, small amounts designed for trial or usage free of charge. (Shimp, 2003) believes that sampling in spite of its high costs has been observed as an integral part of department stores more and more. Product trial engages a consumer to actually try or use a product (Kardes, 1999). Similarly; (Peter & Olson, 1996) suggests that trial refers to the level to which a product can be tried by a consumer on a limited basis. (Banks, 2003) suggested that with sales promotion being offered, retailers have rapidly increased their possibility to influence their consumer's behavior by offering added value on products through bonus packs, encouraging product trial via free samples and coupons.

### **2.2.5 Why Above Mentioned Sales Promotion Techniques Against Others?**

These promotion tools are proven highly effective in sales campaigns and it is adopted and implemented by top beer brands such as Heineken which have proven useful and profitable to the organization as below sales records from Heineken confirms. Many marketing researchers have also proven the effectiveness of these chosen promotional strategies. Documented research on sales promotion techniques has proven that temporary retail price reduction substantially increases sales. Literatures has found that temporary retail price reduction cause a significant short-term sales spike. This can be contrasted to consumer advertising (not retail feature advertising), where it is difficult to see a sales spike corresponding to increases in advertising spending. Sales increases due to temporary retail price promotions were documented by Woodside and Waddle (1975), Moriarty (1985) and Blattberg and Wisniowski (1987) and this is fundamental to virtually all research done in the area of promotion.

Display and feature advertising have strong effects on item sales. Most practitioners already know this result – it is somewhat obvious. However an important related issue is the interaction between feature advertising and display and synergistic effect that is created. The effect of display and feature advertising was found by Woodside and Waddle (1975), Blattberg and Wisniowski (1987) and Kumar and Leone (1988), Bemmanor and Mouchoux (1991) and Bolton (1987) also confirmed this effect.

Sampling is a smart way to present fewer amounts of products to the customers at no cost to the customer so they can be able to test or try the product rather than just hear about it, which it can affect their behavior to purchase it in the near future (Kardes, 1999; Pramataris, 2001; Pride and Ferrel, 2008). Lammers (1991) indicated that sampling method can have effect on consumer buying behavior and it has a positive relationship to a fast selling procedure. Other researchers agreed that free sampling method has a positive effect on consumer buying behavior (Parmataris, 2001; Fill, 2002; Shimp, 2003). However, Jackaria and Gilbert (2002) did not agree with this positive relationship between free samples and consumer buying behavior, which according to them can be varied from product to another and from specific time to another. But Ndubisi and Chiew (2006) admitted that free sample technique has a significant relationship on consumer buying behavior.

Premiums in the form of buy one get one free according to Sinha & Smith (2000) is one of the commonly used promotion tools of sales promotion, in a sense that if you buy one product, you

get another one at no cost, by using this technique the customer can be easily attracted to buy the product because there is no additional cost and it should be more valued from the customer's perspective. The bonus packages and extra products at no extra cost inspire and influence the customer buying behavior to purchase the product; because customers are getting good feeling towards such offer especially if it is in large size packages and properly advertised. According to Li et al., (2007) Buy-One-Get-One free type of promotions is a very helpful tool especially to marketers and manufactures who want to clear their stock more quickly.

The following information was extracted from the annual report (OneSource Global Business Browser, 2012). All numbers are in USD (mil).

	2010	2009	2008	2007	2006
<b>Sales</b>	21,365,998.10	20,445,122.50	20,944,032.70	15,390,670.80	14,842,291.80
<b>Operating Income</b>	3,023,527.80	2,266,890.00	1,728,881.00	1,866,863.00	2,264,801.50
<b>Net Income</b>	1,901,789.70	1,415,763.20	305,698.90	1,104,515.00	1,519,487.30

Web source: <https://eavesian.files.wordpress.com/2012/12/heineken-campaign-book-2012.pdf>

The data above shows the sales trends for Heineken from 2006 to 2010. The demand for Heineken is strong as it has a large market share in many countries in exception of Ethiopian market. The demand for Heineken also appears to be increasing because sales, operating income, and net income have increased from 2009 to 2010. These high sales records are as a result of aggressive advertising strategies adopted by Heineken for which sales promotion tools mentioned above played significant role.

Below data also suggests that Heineken allocates some substantial amount of corporate budget for sales promotion even though it is insignificant as far as budget allocation to other advertising items are concerned, it can still be considered significant as it takes away some funds from the company's overall advertising budget.

	<b>2012 Spending</b>	<b>Percentage of Budget</b>
Network TV	\$7,279,876	14.97%
Cable TV	\$22,200,000	45.67%
Magazines	\$8,313,555	17.1%
Internet – Social Media	\$4,375,000	9%
Sales Promotions	\$1,097,089	2.26%
Public Relations	\$5,347,000	11%

Web source: <https://eavesian.files.wordpress.com/2012/12/heineken-campaign-book-2012.pdf>

## **2.2.6 Sales Promotions Effectiveness**

Sales promotions can be divided into monetary and non-monetary sales promotions. Monetary sales promotions are also called price promotions. Price promotions can be communicated in different ways. They can be shown as percentage-off or as cents-off. Next to that, a reference price or original price can be shown next to the promoted price. Researchers thought for a long period of time that monetary savings were the only benefit consumers could get from a sales promotion (Chandon et al., 2000). In their multi benefit framework, Chandon et al., (2000) found six different benefits of sales promotions which can be divided into two groups; utilitarian benefits (saving, quality improvement, and convenience) and hedonic benefits (value expression, exploration, and entertainment). The central premise that these researchers have is that “the value that sales promotions have for brands is related to the value, or benefits that sales promotions have for consumers”. Non-monetary and monetary promotions give certain benefits for the consumer. For example a price promotion of 30 percent gives the consumer a saving benefit and a possible quality improvement, because the consumer can purchase the product at a lower price where he or she is normally not able to buy that particular product. Sales promotions could also be fun, for example sweepstakes or contests. In these cases there is no monetary saving, but the entertainment benefit is more important for the consumer. Products can also be divided into having a utilitarian (bought for their practical use) or a hedonic (bought because of the pleasure, fun or enjoyment they can give) benefit. To develop an effective sales promotion, it is important to know what kind of benefit the consumer is looking for. The benefits from the sales promotion should be congruent with the benefits that the product gives to the consumer (both utilitarian and hedonic), which is known as the Benefit Congruence Framework (Chandon et al., 2000).

According to the framework, sales promotions are more effective in influencing brand choice when the benefits sought in the product are coherent with the benefits of the sales promotion. Thus, a utilitarian sales promotion is more effective when it is used for a product with utilitarian features. Therefore a sweepstake on Facebook will probably not be used to promote a store brand toilet paper. The utilitarian feature of the toilet paper (cost-saving benefit) is not coherent with the hedonic benefit of the promotion (entertainment benefit). There are different variables that affect consumers' evaluation of sales promotions (Chen et al. 1998; Del Vecchio et al., 2007; Krishna et al., 2002; Montaner & Pina, 2008). First of all situational factors influence this perception. Krishna et al., (2002) found that the type of store or brand has an influence on the evaluation of the deal, where for example larger deals were more effective at specialty stores compared to discount stores, because of the higher deal frequency at discount stores. The offer is less special at a discount store; the deal is therefore less effective. Furthermore, the way the promotion is communicated, which is known as price framing, influences consumers' perception. Research from Del Vecchio et al., (2007) showed that people choose a promotion they can easily calculate above ones they cannot easily figure out. This is caused by the fact that people have to put effort in calculating the price. When they think this effort will not exceed the benefit, they will use heuristics to estimate the price (Morwitz et al., 1998; Neslin, 2002). This heuristic way of thinking can be influenced via price promotions, for example via changing the anchor-point, which is known as the anchoring and adjustment theory. When the original price is mentioned next to the promoted price, consumers tend to use the original price as an anchor-point to evaluate the attractiveness of the deal. Sales promotion's effectiveness is also influenced by the characteristics of the deal. One example is the depth of the promotion. If the depth of the promotion is outside the latitude of price acceptance, consumers will see the price reduction as untrustworthy (Morwitz et al., 1998). Del Vecchio et al., (2006) conducted a meta-analysis of studies in which they concluded that price promotions of more than 20 percent of the original value of the product have a negative effect on the post-promotion brand preference. The reason for this effect is that the purchase is attributed to the promotion instead of the product itself. When the promotion stops, the consumer has no reason to buy the product anymore. The negative effect on the post-promotion preference indicates that a deep promotion is viewed with suspicion and seen as less trustworthy compared to a smaller discount (under 20 percent). Jany

(2009) elaborated on this result, finding that a 40 percent discount for hot wings at a Kentucky Fried Chicken restaurant was perceived as untrustworthy.

### **2.2.7 Effects of Sales Promotion**

Sales promotions have short, but also long-term consequences for the brand that is promoted. Sales promotions could increase sales in the short-term, because of the lower price consumers have to pay for the product. In the long run, sales promotions could negatively influence the perceived brand quality because lower priced products are associated with having less quality. In other literatures there is no consensus about whether sales promotions are only positive for a brand in the short-term, and affect the brand negatively in the long run. In different situations, different outcomes are found. Short term effects occur during the time of promotion and long term effects, which involve behavior after the promotion has taken place (Gedenk et al., 2006). The indication of a short-term consequence appears to be well recognized in literature. It is suggested that sales promotion can build brand awareness and persuade trial, influence sales, expand target market and provide opportunity to be a market leader (Pham et al., 2001). Sales promotions are usually unbeaten in encouraging customers to make a prompt purchase while it is offered. Nevertheless, the strength of promotion also lies in its flexibility to promptly respond to competitor attacks (Luxton, 2001). Sales may increase during promotion as it can attract customers from other stores and it may induce them to switch brands and influence them to buy from the promoted category rather than another category, it can also induce customer who do not use the product to buy the product because of the promotion. There have been numerous studies in the past that measured the effectiveness of sales promotion. For instance, (Ndubisi & M, 2005) claimed that sales promotion not only increases brand awareness but also encourage customer to buy new product. (Shimp, 2003) and (Fill, 2002) documented a link between price promotion and product trial. Despite these benefits, the question remains whether these effects are made at the expense of the long term effect that sales promotion may have on companies.

Depending on the product and sales promotion, the promotion can either negatively or positively affect the post-promotion brand preference (Del Vecchio et al., 2006). Del Vecchio et al., (2006) further found that the effect of sales promotion on post-promotion brand preference for unfamiliar brands was more harmful than it was for familiar brands. Furthermore, promotions by durables and services were associated with more negative effects on post-promotion brand preference compared to packaged goods. Next to that, the type of promotion influenced the effect

on post-promotion brand preference. Unannounced price cuts had a negative effect on the brand preference, whereas coupons and premiums had a positive effect on brand preference. According to Montaner and Pina (2008), consumers will search for explanations for the promotion, which is known as the attribution theory as discussed above. This theory states that people search for causes to explain surrounding events. This can be based on internal (based on the person itself) or external (based on the situation) attributions. In case of sales promotions people can make attributions about the product, but also about their own behavior. Attributions about the product could be based on a price-quality inference. Consumers could attribute a lower price (because of a discount) to the low quality of the product, when the only information about the product is the price. A consumer could also question his or her own behavior which influences their future behavior (Dodson et al., 1978). When the consumer purchases a product based on the promotion, instead of the product itself, he or she will not buy the product unless it is promoted again. The purchase is attributed to the promotion and therefore the consumer will only buy the product when promoted.

(Sawyer & Dickson, 1984) and (Simonson & Carmon, 1994) proved that there is evidence pointing towards sales promotion having a negative effect on brands, especially in relation to advertising. It is argued that sales promotion does not have any brand-building effect and could lead to diminishing effects for the brand, particularly well-established ones. Next to that, people could create a buying behavior in which they wait for promotions and will not buy the product at premium price anymore. Consumers adapt their purchase frequency to the promotional pattern, buying a lot of a particular product when it is on sale and then wait until the same product is promoted again. The lower price also affects the price expectations and increases the price sensitivity (Montaner & Pina, 2008), which is caused by an adjustment of the anchor-point of the consumer (Del Vecchio et al., 2007). The anchoring and adjustment theory can be used to explain how people adapt their price expectations. The anchor-point of consumers adapts when they buy a product for a lower price (e.g. a discount). Especially in the case of a deep promotion, the anchor-point could be changed radically, because of the great difference between the normal price and the price when the product is promoted. The anchor-point of the consumer is changed based on the promoted price. This could make consumers price sensitive because they perceive the normal price as too expensive. The lower anchor-point could also affect the perceived brand quality, because lower prices are associated with lower quality.

According to other literatures, sales promotions do not only have positive consequences for a brand in the long run but they are also used to develop brand awareness and brand image both in the short term and in the long term. Montaner and Pina (2008) found that non-monetary promotions do not affect the reference price and can positively influence the brand image and brand differentiation, because of the attractiveness (e.g. it is fun to participate) of these promotions. Sales promotions can also develop meaningful points of differences and unique associations. As a result of sales promotions consumers could name a greater number and more favorable associations (Palazón-Vidal & Delgado-Ballester, 2005). People could name considerably more associations when non-monetary promotions were used. That is because monetary promotions only focus on one aspect of the brand, which is the price. The positive effects of sales promotions in the long run are mainly found for non-monetary promotions (Montaner and Pina, 2008; Palazón-Vidal & Delgado-Ballester, 2005). This research will reveal the linkages among various promotional tools and product trial, and thereby help to better understand how Ethiopian beer consumers respond to various promotional tools offered by beer product marketers in Ethiopia.

### **2.2.8 Benefits of Sales Promotion**

There are numerous benefits of sales promotion to the consumers. (Chandon et al., 2000), provides six major benefits to the consumer mainly monetary savings, quality, convenience, value expression, exploration and entertainment. Sales promotions can provide perceptions of monetary savings by lowering the unit price of the promoted product, by offering more of the same product for free, or by providing refunds or rebates on subsequent purchases of the same or other products. Both the size of the price reduction and the deviation from a reference price can create perceptions of monetary savings and can reduce the pain of paying more for a product (Blattberg and Neslin 1990). Sales promotion can be considered as a great tool for growing the sales in short period of time (Alvarez & Cavanagh, 2005).

Sales promotions can improve shopping efficiency and experience by reducing search related costs. This is done by helping consumers find the product they want or by reminding them of a product that they need to buy or availability of a particular on the market. This “advertising” effect is documented in field experiments (Inman, McAlister, and Hoyer 1990; Bawa and Shoemaker 1989) and in-store surveys (Dickson and Sawyer 1990; Inman and Winer 1998). Sales promotions can also improve shopping efficiency by reducing decision related costs. This



is done by providing consumers with an easy decision heuristics for purchase incidence or purchase quantity (Wansink et al., 1998), and by signaling product price and quality (Hoyer 1984; Simonson, Carmon, and O'Curry 1994; Raghurir 1998; Raghurir and Corfman 1999).

Some consumers respond to sales promotions to meet personal or moral values such as being a "responsible buyer" (Mittal 1994). The value expression benefit can thus be linked to the "morality" value defined by Holbrook (1994). This type of customer value encompasses the gratification earned from fulfilling one's duty. Other consumers respond to sales promotions to express and enhance a sense of themselves as smart shoppers, and earn social recognition or affiliation (Bagozzi et al., 1992; Feick and Price 1987; Shimp and Kavas 1984; Schindler 1992). This dimension of the value-expression benefit can be linked to Holbrook's (1994) utilitarian "politics" and "esteem" values since it describes how consumers respond to sales promotions to earn status and control over others. Many sales promotions such as sweepstakes, contests, and free gifts are intrinsically fun to watch and to participate in. The entertainment benefit encompasses both the active "play" and reactive "aesthetics" values of Holbrook's (1994) typology. It is distinct from the overall enjoyment resulting from buying a promoted product often used to measure "deal-proneness", which is part of the affective response to a promotion rather than one of its antecedents (e.g. Lichtenstein et al., 1990).

Because sales promotions are constantly changing, and because they attract consumers' attention, they can fulfill intrinsic needs for exploration, variety and information (Baumgartner and Steenkamp 1996; Kahn and Louie 1990; Kahn and Raju 1991). The exploration benefit has been documented in the context of shopping (Babin et al. 1994), variety seeking (Kahn 1995) and exploratory behavior (Baumgartner and Steenkamp 1996).

By reducing the price of the product, or by offering a smaller package size, sales promotions can relax budget constraints and enable consumers to upgrade to a better product experience. Like the savings benefit, the quality benefit boils down to increasing value for money but, unlike the former, it usually involves spending more money. It can therefore be linked to the "excellence" type of customer value discussed by Holbrook (1994). This benefit can explain cross-promotional asymmetries. This benefit is a critical component of the price discrimination theory of coupons (Narasimhan 1984; Blattberg and Wisniewski 1989).

These six benefits can be more economically classified and categorized. Most classifications of the different types of consumer benefits and of customer value start with the distinction between

utilitarian (extrinsic) and hedonic (intrinsic) benefits (Furse and Stewart 1986; Holbrook 1994). Utilitarian benefits are primarily instrumental, functional, and cognitive; they provide customer value by being a means to an end. Hedonic benefits are non-instrumental, experiential, and affective; they are appreciated for their own sake, without further regards to their practical purposes (Hirschman and Holbrook 1982, p. 100). Babin et al., (1994) showed that this distinction applies to shopping since this activity provides utilitarian benefits (by helping consumers find and buy the best products efficiently) as well as hedonic benefits (by creating entertainment and raising self-esteem). Similarly, the benefits of sales promotions can be classified as utilitarian when they help consumers maximize the utility, efficiency, and economy of their shopping and buying, and as hedonic when they provide intrinsic stimulation, fun, and self-esteem. Using these definitions, the savings, quality, and convenience benefits of sales promotions can be classified as utilitarian since they help consumers increase the acquisition utility of their purchase and enhance the efficiency of the shopping experience. On the other hand, the entertainment and exploration benefits of sales promotions can be classified as hedonic since they are intrinsically rewarding and related to experiential emotions, pleasure, and self-esteem.

Other related articles, suggests that sales promotion can build brand awareness and motivate trial, provide more specific evaluation, as they are more immediate and operate in a specific time frame (Pham et al., 2001), influence sales, expand the target market and achieve competitive advantage (Rothschild & Gaidis, 1981). According to their purpose, sales promotion are often successful in inducing action, as they encourage consumers to act on a promotion while it is still available. Also, the strength of sales promotion lies in its flexibility to quickly respond to competitor attacks (Luxton, 2001). Sales promotion in fast moving consumer goods industries is used to create a temporary stimulus on the sales of a brand by making consumers a special offer. This promotional stimulus is part of the marketing offer which is made up of factors such as product features and benefits, price, availability, customer service and quality.

Consumers are expected to act on this offer, which, in turn, has an immediate effect on the sales rate of an organization. Market-based assets, such as brand equity, are part of the benefits accruing to the organization as a result of trading. These benefits include the development over time of positive brand awareness, image, secured distribution, brand franchise, brand equity and also positive relationships with customers and intermediaries. Techniques falling under the

banner of sales promotion are both diverse and complex, and offer management the opportunity to address a range of different marketing situations. Its purpose may be to stimulate quick response in the market place, as a retaliatory device, or to reward and retain existing customers (Totten & Block, 1994). When techniques are considered individually, several of them could be, and indeed are, used as retaliators. Price-related promotions (such as cents-off the regular price, and refund offers for coupon redemption) form a large share of consumer promotional activity. They also represent the greatest concern in terms of potential damage or otherwise to brand equity because price plays an important role in the evaluation of a brand. It is, therefore, relevant in terms of potential equity outcomes to consider the effect of using price-based promotions (Aaker, 1992). It is widely accepted that, in the short term, sales promotion can have a positive effect on trading by creating a short-term sales spike (Neslin & Shoemaker, 1989). However, there is some conflict in past research findings regarding the long term effect of sales promotion on how consumers value a brand. The two schools of thought can best be summarized as:

<sup>(1)</sup>A belief that the overuse of certain forms of sales promotion, in particular, price based promotions, may result in a brand being devalued in the consumer's mind, for instance when a temporary promotion is removed (Lattin & Bucklin, 1989). <sup>(2)</sup> That there is no negative impact likely to result from the increasing use of sales promotion because (for instance) the consumer quickly forgets the offer (Neslin & Shoemaker, 1989). Sales promotion was predominantly seen as a tool to attract customers, improve brand awareness and stimulate sales, and the most commonly used techniques included product sampling, point of purchase displays, free product and cut prices or price discounts.

Managers claim to use sales promotion as a tool to enhance brand and market position, but in reality, use it more to pursue competitive goals such as retaliation. Furthermore, the protection of brand equity is seen as important and price-based promotions, whilst considered most likely to damage brand equity, were not used excessively. There is little evidence that attention is given to measuring the effect of sales promotion on brand equity (Luxton, 2001). There are many complex issues to address when endeavoring to understand how and why promotional strategy has developed to this point in time. Research has traditionally cited that sales promotions erode brand equity. However, in current management practices, one may observe that companies design promotional programs to differentiate and modernize their brand image and build brand awareness. This divergence between practice in the industry and the general academic view must

inevitably lead to a rethink about the goals assigned to sales promotions. Consequently, the important question is whether sales promotions can contribute to building brand equity.

Adopting a consumer-based brand knowledge perspective of brand equity, it has been added that monetary and non-monetary promotions are useful to create brand equity because of their positive effect on brand knowledge structures. The findings by (Palazón -Vidal & Delgado-Ballester, 2005) suggested that non-monetary promotions are more appropriate as a brand-building activity and that the product type exerts a moderate effect on the relationship between sales promotions and brand knowledge.

To build a strong brand in the market is the main objective and goal of many organizations. This is due to the fact that brand equity can help company boost higher prices and gain greater market share (Park & Srinivasan, 1994), create more responsive advertising and promotion and more efficient product line extensions (Aaker, 1992). From these submissions there is clear evidence why brand equity has emerged as a central concept in marketing over the past 20 years. Much has been learned during the past two decades about brand valuation, the leverage of brand equity through brand extensions (Broniarczyk & Alba, 1994), the impact of such extensions on the core brand (Loken & John, 1993) and its many benefits for a firm and its customers. However, researchers have not devoted the same considerable attention to addressing how brand equity may be built through marketing activities. Specifically, building brand equity appears to be worthy of investigation in the context of sales promotions and its benefits to the organization and the consumer.

Indeed, the most recent practices in the industry as opposed has provided different view from the general academic view that sales promotions destroys brand equity (Yoo et al., 2000).

Thus, it would appear that, apart from the traditional goals assigned to sales promotions (e.g. increase trial, price-discriminate), they are also used in the industry as a brand-building activity. This brings to the question of whether sales promotion as a communication tool is appropriate for building brand equity or otherwise. Aaker (1992) defines brand equity as the differential effect that brand knowledge has on consumer response to the marketing of that brand. Based on this definition, and from a cognitive psychology perspective, brand equity is based on brand knowledge that consists of a variety of associations linked to a brand node in memory. These associations represent the personal meaning about a brand; that is, all descriptive and evaluative brands related. Earlier, it was cited that brand knowledge is the source of brand equity.

Therefore any potential encounter with a brand may affect brand equity as far as it changes the mental representation of the brand and the kinds of information that can appear in the consumer's memory. Some of these potential encounters may be marketing initiated, for example through marketing communications tools. Among these tools, sales promotions, and in particular price promotions, are believed to erode brand equity because they enhance only short-term performance by encouraging sales and brand-switching (Gupta, 1988) and may convey a low-quality brand image (Yoo et al., 2000). These findings are in line with the approach that has inspired most of the research conducted on sales promotions.

That approach is characterized by the fact that <sup>(i)</sup> most studies have examined the convenience of using promotions instead of examining their benefits to the consumer, <sup>(ii)</sup> sales promotions are seen as a sales tool having effects only on behaviors, and <sup>(iii)</sup> it is assumed that monetary savings are the only benefit that motivates consumers to respond to sales promotions. However, (Palazón-Vidal & Delgado-Ballester, 2005) adopted a consumer based approach (Chandon et al., 2002) to consider that sales promotions, as a part of marketing communications, also have an effect at a cognitive and emotional level, and provide the consumer with multiple hedonic and utilitarian benefits.

Taking into account that brand knowledge includes different kinds of information linked to a brand such as attributes, benefits, thoughts, feelings, experiences, and so on (Aaker, 1992). It follows that brand knowledge may be potentially affected and changed by the sales promotions experience. Firstly, this experience can change the number of associations with a brand because sales promotions have brand association that enhances consumer purchasing power. Secondly, they can also generate favorable associations if the associations are desirable to consumers and successfully conveyed by the supporting promotional campaign for the brand. In other words, the value that sales promotions have for brands is related to the value or benefits they have for consumers (Chandon et al., 2000). Finally, sales promotions can develop meaningful points of difference to the brand being advertised and promoted, unique associations of the promotional campaign is not attributed to another brand or is not seen as a generic promotion of the product category, (Palazón-Vidal & Delgado-Ballester, 2005).

### **2.2.9 Sales Promotion Planning**

The main stages which are involved in sales promotion planning are:

1. Establishment of objectives,

2. Selection of promotional tools,
3. Planning the sales-promotion programme,
4. Pre-testing,
5. Implementation and 6. Evaluation

As in the case of advertising, effective sales promotion involves an on-going process, and these processes have been outlined and explained below:

**1. Establishment of objectives:**

Sales-promotion objectives vary according to the target market. If the target is the customer, objectives could include the encouragement of increased patronage and usage or the building of trial among non-users or other brand users. For intermediaries, objectives could be to encourage off-season sales or offsetting competitive promotions.

**2. Selection of promotional tools:**

Promotional objectives form the basis for selecting the most appropriate sales-promotion tools. The cost and effectiveness of each tool must be assessed with regards to achieving these objectives in respect of each target market. The tools available to the marketer are described in more detail in the next section.

**3. Planning the sales-promotion program:**

The major decisions that need to be made when designing the sales-promotion programme relate to the timing of the promotion and how long this tool is to be used. Also important are the size of incentive, rules for eligibility and, of course, the overall budget for the promotion.

**4. Pre-testing:**

This needs to be undertaken to ensure that potentially expensive problems are discovered before the full launch of the promotion. Testing in selected market segments can highlight problems of ambiguity, response rates and give an indication of cost effectiveness.

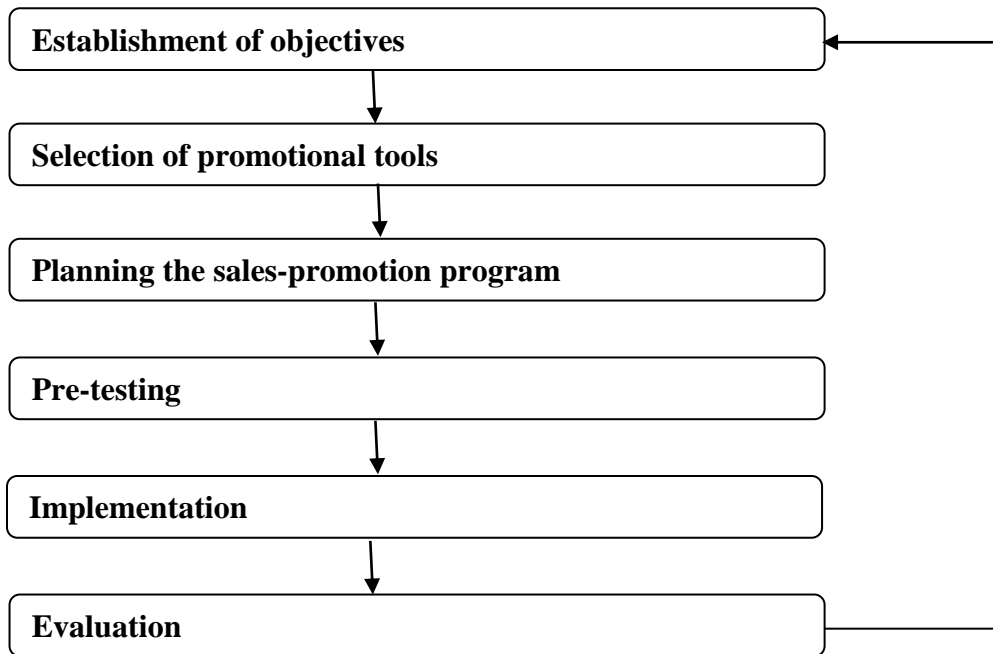
**5. Implementation:**

The program for implementation must include two important time factors. First, it must indicate the 'lead time'- the time necessary to bring the program up to the point where the incentive is made available to the public. Second, the 'sell in time' which is the period of time from the date of release to when approximately 90-95 per cent, of incentive material has been received by potential customers.

**6. Evaluation:**

The performance of the promotion needs to be assessed against the objectives set. If objectives are specific and quantifiable, measurement would seem to be easy. However, extraneous factors could account for the apparent success of many sales-promotion activities.

For example, competitive actions or seasonal variations may have influenced customers' decision making. It can also be extremely difficult to separate out the effects of sales-promotion activity from other promotional activity-or indeed from other marketing-mix changes.



**Fig.1** Source:<http://www.yourarticlelibrary.com/sales-management/6-stages-involved-in-sales-promotion-planning/40530/>

### 2.2.10 Consumer Behavior and Decision Making

Knowledge of consumer behavior is an indispensable input to developing any promotional mix. Consumer behavior is defined as the behavior that consumers display in seeking, purchasing, using, evaluating and disposing of products and services that they expect will satisfy their personal needs. Solomon et al., (2010) defines consumer behavior as the study of the processes involved when individual or groups select, purchase, use or dispose products, services, ideas or experiences to satisfy need and desires.

Consumer behavior is the study of how individuals make decisions to spend their available resources (money, time and effort) on products and services (Shiffman et al., 2001). Moreover, it is the study of several influencing factors such as what, why, how, when and where does a

consumer make a purchase decision. The above mentioned definitions of consumer behavior reveal, the exchange process, which begins with the acquisition phase, then moves to the consumption phase and ends with the disposition phase. This research aims to study the factors that influence consumer decision making as far as sales promotion is and consumption of beer products are concerned. It is very vital for the businesses to understand the consumer behavior as it is a key factor that affects consumers 'purchasing decision. According to Bill McDermott (SAP America, Inc), starting with what your customers need and want, rather than what you have to sell, is the key to sales success. Today's businesses place greatest importance on processing and understanding consumer behavior as it provides numerous benefits. The importance of understanding the consumer is found in the definition of marketing as a human activity directed at satisfying needs and wants through human exchange process (Michael, 2000).

To understand the consumer behavior, several researchers have examined the classes of a variable that influences the consumer behavior; they focused on understanding the nature of each variable. Some of the variables that influence the consumer behavior are the stimulus variables such as advertisement, sales promotion, products, that exist in both the individual's external and internal environment (Loudon & AJ, 1993). These variables generate sensory inputs to consumers. Response variables are the resulting mental/physical reactions of individuals who are influenced by stimulus variables.

Moreover, there is a third variable called intervening variables which literally intervenes between stimulus variable and response variables. These variables act to influence or magnify the effect of stimulus variables on response variables (Loudon & AJ, 1993). The scope of this research is limited to the study of consumer behavior with regards to the stimulus variables such as sales promotion.

### **2.2.11 Why do Consumers Respond to Sales Promotions?**

Behavioral research on sales promotions has tended to focus on the demographics of deal-prone consumers (Bawa and Shoemaker 1987; Blattberg et al. 1978; Narasimhan 1984) and on the identification of personal traits such as "coupon proneness," "value-consciousness," or "market mavenism" (Feick and Price 1987; Lichtenstein et al., 1990 and 1995; Mittal 1994). These studies offer a coherent portrait of the demographic and psychographic characteristics of deal prone consumers (for a review, see Blattberg and Neslin 1990, pp. 65-82).

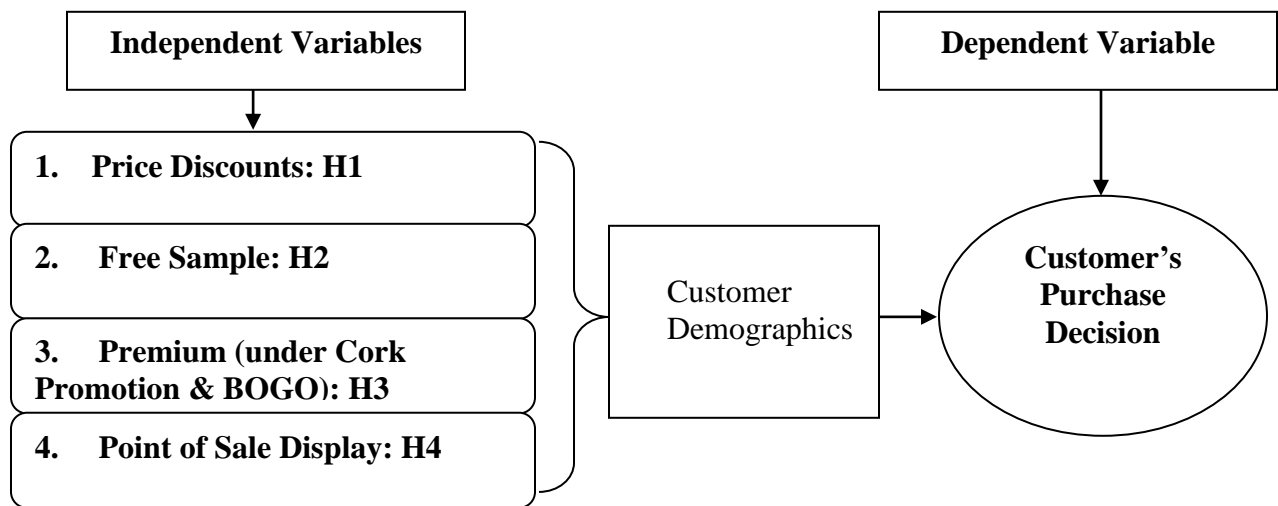


However, because of their focus on individual variables, these studies do not examine the nature, and the number, of the specific consumer benefits of sales promotions. As a result, most analytical and econometric models of sales promotions simply assume that monetary savings are the only benefit motivating consumers to respond to sales promotions (Blattberg and Neslin 1993). Yet, some robust empirical results suggest that monetary savings cannot fully explain why and how consumers respond to sales promotions. For instance, why do consumers respond more to a non-shelf coupon than to a similarly advertised temporary price reduction offering the same monetary incentive (Dhar and Hoch 1996; Schindler 1992)? Why do consumers respond to insignificant price reductions (Hoch et al., 1994; Inman, McAlister, and Hoyer 1990), and why do consumers switch brands because of a coupon or a rebate, but then do not redeem it (Bawa and Shoemaker 1989; Dhar and Hoch 1996; Soman 1998)? To account for these findings, researchers have advanced explanations related to achievement motives (Darke and Freedman 1995), self-perception (Schindler 1992), and fairness perception (Thaler 1985) or to price and quality inferences in low-involvement processing (Inman et al., 1990; Raghuram 1998; Raghuram and Corfman 1999).

However, the extent of support for some of these explanations is somewhat partial. For instance, the achievement and self-perception arguments are contradicted by the finding that “lucky” bargains are enjoyed as much as those acquired skillfully (Darke and Freedman 1995), and that some consumers may feel embarrassed to buy a promoted brand (Simonson et al., 1994). The fact that consumers enjoy paying prices that are lower than the reference price, and which are therefore not fair to the seller, indicates that fairness perceptions cannot alone explain the puzzles mentioned earlier. Finally, most existing studies examine only the consequences of these non-monetary benefits without directly measuring them.

When non-monetary benefits are directly studied (e.g., Shimp and Kavas 1984), the use of single-item measures precludes the study of their construct validity. In summary, the contributions of the personality studies, the parsimony of the economic perspective, and the existing work on the non-monetary benefits of sales promotions have greatly contributed to our understanding of consumer response to sales promotion.

## 2.3 Conceptual Framework



**Fig.2 Developed by researcher**

The conceptual framework above, explains the relationship between the independent and dependent variables. From the diagram, the independent variables are analyzed in relation with the dependent variable with the help of a third variable which is the customer demographics like age, gender, educational level, employment status, salary level and lifestyle. The third variable is necessary to determine its relationship with the independent and dependent variables and how they either affect consumer purchase decision or otherwise.

## 2.4 Hypothesis Description

A H : Sales promotion affects consumer purchase decision.

0 H : Sales promotion does not affect consumer purchase decision.

A H : Price discount has effect on consumer purchase decision

0 H : Price discount has no effect on consumer purchase decision.

A H : Premium has significant effect on consumer purchase decision.

0 H : Premium has no impact on consumer purchase decision.

A H : Sampling has effect on consumer purchase decision.

0 H : Sampling has no effect on consumer purchase decision.

A H: Point of sale display has effects on consumer purchase decision.

0 H: Point of sale display has effect impact on consumer purchase decision.

## Chapter 3

### RESEARCH METHODOLOGY

Research methods may be understood as all those methods/techniques that are used for conducting a research. Research methods or techniques, thus, refer to the methods the researcher uses in performing research activities. The researcher focused on the “depth” of an issue rather than the “breadth” of the issue. In this research, the researcher attempted to study the relationship between the variables or to identify the cause and effect relationship of an activity and related variables. The cause is defined as an “independent” variable and the consequence or the effect is defined as the “dependent” variable (Flick, 2009).

What is more, the student research seeks to understand and make conclusive remarks regarding when and why the behavior occurred. The researcher paid a great deal of attention to the research in order to eliminate the possibility of the alternative explanations by predetermining the possible dependent and independent variables. “An alternative explanation is the idea that it is possible some other uncontrolled variable may be responsible for the observed relationship” (Jackson, 2008).

Therefore, the researcher determined that the most appropriate method for this research is a mixed methodology. This is because the quantitative approach will allow the researcher to establish the strong relationship between variables and the qualitative research will allow the researcher to explore the reasons for those relationships. “Mixed methodology is a research approach with philosophical assumptions as well as methods of inquiry.

#### **3.1 Mixed methodology (Qualitative & Quantitative)**

The mixed research method includes the use of more than one method of data collection or research in a research study or set of related studies. Mixed methods research is more specific in that it includes the mixing of qualitative and quantitative data, methods, methodologies, and/or paradigms in a research study or set of related studies. One could argue that mixed methods research is a special case of multi method research. The use of multiple quality criteria is seen in the concept of multiple validities legitimation (Onwuegbuzie & Johnson, 2006; Johnson & Christensen, 2014). Successfully addressing the pertinent validity issues will help researchers produce the kinds of inferences and meta-inferences that should be made in mixed research" (Johnson & Christensen, 2014; page 311).

Creswell (2009) points out that in a quantitative study the researcher starts with a problem statement, moving on to the alternate hypothesis and null hypothesis, through the instrumentation into a discussion of data collection, population, and data analysis. Creswell proposes that for a qualitative study, the flow of logic begins with the purpose for the study, moves through the research questions discussed as data collected from a smaller group and then voices how they will be analyzed.

Mixed method, focuses on collecting, analyzing, and mixing both quantitative and qualitative data in a single study. This research involves both collecting and analyzing quantitative and qualitative data. Quantitative data includes closed-ended information such as that found on attitude, behavior, or performance instruments. The collection of this kind of data is used to analyze the behavior of the subject of the study. The analysis consists of statistically analyzing scores collected on research instruments used. Such statistical scores are interpreted to analyze research questions and to test hypothesis.

In contrast, qualitative data collected in this study consists of open-ended information that was gathered through use of questionnaires to participants. The survey questionnaire which constituted both open-ended and close-ended questions helped enable the respondents to provide relevant and detailed answers to the questions asked. The general open ended questions asked during the study allowed the participants to supply answers in their own words. This allowed the researcher to delve deeper into the research problem and gain insider perspective on the behavior of the participants. Moreover, it allowed the researcher to make a comparison of the findings obtained from one approach to the findings obtained from another approach.

### 3.2 Sources of data

#### **Primary data sources:**

#### **Questionnaires:**

Questionnaires are comparatively inexpensive and easy even when gathering data from large numbers of people spread over wide geographic area. It reduces chance of evaluator bias because the same questions are asked of all respondents. Many people (respondents) are familiar with surveys and as a result will feel more comfortable responding to a survey than participating in an interview. Finally tabulation of closed-ended responses is an easy and straightforward process.

For the purposes of this research study survey questionnaires were administered to both consumers and key informants in the industry particularly management of Heineken Breweries S.C.

### **Key Informant**

A key informant is a person (or group of persons) who has unique skills or professional background related to the issue/intervention being evaluated, is knowledgeable about the project participants (consumers), or has access to other information of interest to the evaluator (researcher). A key informant can also be someone who has a way of communicating an idea that represents or captures the essence of what the participants say and do. Key informants can help the researcher better understand the issue being evaluated, as well as what the project participants say and do. Key informants in this research were given questionnaires to fill individually and findings of this research were analyzed in-line with responses of key informants.

### **Customers:**

Beer consumers from age 18 years and above were randomly selected during this research exercise. This is in line with Ethiopian government policy against sale of alcohol to minors or teenagers who are not of age 18 years and above.

### **Secondary Data Sources (Desk Research):**

Secondary data is data collected by someone other than the user of the data. Common sources of secondary data for marketing related research include surveys, organizational records and data collected through qualitative methodologies or qualitative research.

Secondary data analysis saves time that would otherwise be spent collecting data and, particularly in the case of quantitative data, provides larger and higher-quality databases that would be unfeasible for any individual researcher to collect on their own.

As is the case in primary research, secondary data can be obtained from two different research strands:

A clear benefit of using secondary data is that much of the background work needed has been already been carried out, for example: literature reviews, case studies might have been carried out, published texts and statistic could have been already used elsewhere, media promotion and personal contacts have also been utilized.

This wealth of background work means that secondary data generally have a pre-established degree of validity and reliability which need not be re-examined by the researcher who is re-using such data. Furthermore, secondary data can also be helpful in the research design of subsequent primary research and can provide a baseline with which the collected primary data results can be compared to.

Some sources of secondary data to be considered in this research have been briefly explained below:

**Previous research work (Historical Data):** Published articles and research of other researchers on related topic will be considered for the study. Previous related works may be from published journals and articles that have rich and useful data on the subject matter or related subject matter.

**Government Official Reports (Official Statistics):** Data from Ethiopian statistical services on related subjects including, alcohol consumption pattern in Ethiopia, population of beer consumers in Ethiopia and their demographics.

**Print Media Reports:** Reports from Ethiopian and other foreign business magazines and print media with concrete and relevant information on the topic will be considered for this study.

**Web Information:** The internet will be one major source for secondary data for this research. Information from beer companies through their websites and other sources will be of immense relevance for this study.

### 3.3 **Methods of data collection**

Data was collected using survey questionnaires (structures and unstructured for primary data and desk research for secondary data as explained in detail above.

### 3.4 **Sampling and Sample size**

Researchers commonly examine traits or characteristics (parameters) of populations in their studies. A population is a group of individual units with some commonality. Population is defined as the entire collection of individual from which we may collect data. It is the entire group that we are interested in, which we wish to describe or draw conclusions about. In other words it is all the people about whom the study meant to be generalized (Jackson, 2008).

The group from which the data was drawn is a representative sample of the population which means findings from the study can be generalized to the population as a whole. The groups of units or individuals who have a legitimate chance of being selected are referred to as the sampling frame.

This research investigates the purchasing decision of customers in relation to the promotional activities of the organization. Heineken Breweries S.C is used as a case study in this research to investigate the behavior of beer consumers as far as sales promotion is concerned.

### 3.4.1 Quantitative Sampling

In statistics, sampling is defined as the process of selecting a subset of individuals from a given statistical population to estimate the characteristics of the entire population (Yates, Moore, & Starnes, 2008). There are two advantages of sampling. First, the cost is lower for the data collection and secondly it is time efficient.

There are two types of sampling methods i.e. probability based sampling method and non-probability based sampling method (Babbie, 2010).

Both probability and non-probability sampling method were used in this research. The probability sampling technique used is convenience sampling technique and the non-probability sampling technique used is judgmental sample technique. Convenience sampling and judgmental sampling were used to ensure accuracy and to avoid any form of biasness.

Samples are defined as the group of people who participate in a study (Jackson, 2008). Online sample size calculating software developed by (RaosoftInc, 2004) was used to determine the sample size of this research. Statistical formula for determining the population sample is given and explained below:

$$n = \frac{N \times x}{(N-1)E^2 + x}$$

Where:

N = Total population = 3,384,569 (according to Population and housing census)

$$x = Z \left[ \frac{C}{100} \right]^2 r \left[ 100-r \right]$$

$Z_{\left(=100-r\right)}$  the critical value for confidence level  $c$ . This research used a standard of 95% confidence interval; therefore, critical value of  $z$  is 1.96 at 95% confidence interval

$r$  = response distribution which is fixed at 50% based on conservative assumption.

$E$  = Error level. This research uses 95% confidence interval therefore level of random error is allowed at 5%.

Now, computing:

$$x = Z \left[ \frac{C}{100} \right]^2 r (100-r)$$

$$X = (1.96)^2 \times 50\% (100-50)\%$$

$$X = (1.96)^2 \times 0.5 \times 0.5$$

$$X = 0.96$$

As such:

$$n = \frac{N \times x}{((N-1)E^2 + x)}$$

$$n = \frac{1000,000 \times 0.96}{((1000000-1)0.05^2 + 0.96}$$

$$n = \frac{960000}{(2499.9975) + 0.96}$$

$$n = \frac{960000}{2501}$$

$$n = 384$$

Therefore the total sample for this research is **384**



## CHAPTER 4 DATA ANALYSIS

To ensure effective and thorough analysis of the findings of this research study, the researcher used different data analysis tools to analyze the findings of this research, and some tools adopted or used by the researcher include:

1. Descriptive statistics (frequency and percentage): this statistical tool helped to describe and analyze the demographic responses of the research findings.
2. Descriptive statistics (mean and standard deviation) to describe the opinion of the respondents on different variables captured in the questionnaire.
3. Next, the researcher used Pearson's Correlation to determine whether there is a relationship between the dependent and independent variables.
4. Finally, the researcher conducts a correlation test to test each hypothesis.

### 4.4.1 Analysis of Customer Demographic Responses

Table 4.1

Demographic Variable	Description	Frequency	Percentage (%)
<b>Age</b>	18 - 25 years	69	18.0
	26-30 years	80	20.8
	31-39 years	144	37.5
	40-49 years	85	22.1
	50+ years	6	1.6
	<b>Total</b>	<b>384</b>	<b>100.0</b>
<b>Gender</b>	Male	287	74.7
	Female	97	25.3
	<b>Total</b>	<b>384</b>	<b>100.0</b>
<b>Marital Status</b>	Yes	268	69.8
	No	105	27.3
	Divorced	11	2.9
	<b>Total</b>	<b>384</b>	<b>100.0</b>
<b>Salary</b>	Below 1000	23	6.0
	1000 – 3000	78	20.3
	3000 – 6000	66	17.2
	6000 – 10,000	109	28.4
	10000+	66	17.2
	No Salary	42	10.9
	<b>Total</b>	<b>384</b>	<b>100.0</b>
<b>Educational Level</b>	No Formal Education	33	8.6
	High School Diploma	67	17.4
	Bachelor or Higher	280	72.9
	Vocational training	4	1.0
	<b>Total</b>	<b>384</b>	<b>100.0</b>

**Source:** Developed by researcher

Table 4.1 illustrates the frequency and percentage distribution of demographic responses of respondents of this research. For the purposes of this research, the age group distribution was categorized into 5 groups. Findings from this research study suggest that, the largest group of respondents were between the age group 31-39 years with 144 respondents representing 37.5% of total sampled respondents of this research. Next largest age group is between 40-49 years with 85 respondents which represented 22.1% of the total sample of this research. Age group 26-30 years was third with 80 respondents representing 20.8% of the total sampled respondents. With 69 respondents aged between 18-25 years old represented 18% of the total sampled respondents for this research and finally with 6 respondents aged 50 years and above represented 1.6% of the total sampled respondents for this research.

The table further illustrates the frequency and percentage distribution of gender of the respondents sampled for the purposes of this research. From the table above, out of a total of 384 sampled respondents, 287 were males representing 74.7% of total sampled respondents and 97 female sampled respondents representing 25.3% of the total sampled respondents for this research. From the findings of this research as indicated in the table above, 268 respondents confirmed being married representing 69.8%, 105 respondents representing 27.3% of total sampled respondents indicated they are not married and a total of 11 respondents also confirmed divorced representing 2.9% of total sampled respondents.

Again, from table 4.1 above, 342 respondents confirmed being employed representing 89.1% and 42 respondents also confirmed not employed representing 10.9% of total sampled respondents.

Analysis of salary of respondents from table 4.1 illustrates that, 109 sampled respondents received income ranging from 6000 – 1000 Birr which represents 28.4% of the total population sample of this research. The second largest respondent's receive salary ranging between 1000-3000 Birr with 78 respondents representing 20.3% of the sampled population. 66 respondents responded to belonging to 3000-6000 Birr salary range and that represents 17.2 % of the total sampled population for this research study. Furthermore, 23 respondents also responded to receiving below 1000 birr monthly and this represented 6.0% of the total sampled population. 66 respondents responded to receiving over 10,000 birr at the end of the month and this represented 17.2% of the total sampled respondents for this study. 42 respondents responded not receiving monthly salary due to unemployment and this number represented 10.9% of the total responses sampled for this research.

And finally the educational levels of respondents are categorized into 4 groups namely, no formal education, high school diploma, bachelors degree or higher, vocational training. From the analysis above, 280 respondents responded to obtaining a bachelor’s degree or higher representing 72.9%. 33 respondents also responded to not having any formal education and that represented 8.6%. 67 of the sampled respondents responded to having obtained high school diploma which represented 17.4% of the total sampled population and finally 4 respondents responded to obtaining vocational training which represented 1.0% of the total sampled respondents.

#### 4.1.1 Analysis of Respondent’s Social Context of Drinking

**Table 4.1.1**

Variable	Description	Frequency	Percentages (%)
<b>Brand of beer respondent consumes</b>	Bedele	63	16.4
	Castel	11	2.9
	Dashen	64	16.7
	Habesha	12	3.1
	Heinekens	25	6.5
	Meta	5	1.3
	St. Georges	75	19.5
	Walia	129	33.6
	<b>Total</b>	<b>384</b>	<b>100.0</b>
<b>How often respondent drinks choice of beer brand</b>	Everyday	12	3.1
	Once a week	138	35.9
	2-3 times a week	207	53.9
	Once a month	27	7.0
	<b>Total</b>	<b>384</b>	<b>100.0</b>
<b>How respondent prefers to drink the beer brand</b>	alone	80	20.8
	Friends	288	75.0
	Family	16	4.2
	<b>Total</b>	<b>384</b>	<b>100.0</b>
<b>Does style of consumption influence respondent's beer consumption</b>	Yes	204	53.1
	No	180	46.9
	<b>Total</b>	<b>384</b>	<b>100.0</b>
<b>Place respondent prefers to consume</b>	Home	25	6.5
	Bar	327	85.2
	Club	32	8.3

<b>beer brand</b>	<b>Total</b>	<b>384</b>	<b>100.0</b>
<b>When respondent prefers to consume beer brand</b>	During football match	6	1.6
	Occasion	7	1.8
	After work	105	27.3
	Weekends	206	53.6
	Anytime	60	15.6
	<b>Total</b>	<b>384</b>	<b>100.0</b>
<b>What determines respondent's choice of beer brand</b>	Brand name	111	28.9
	Product Quality	57	14.8
	Product Variety	21	5.5
	Store Ambiance	3	.8
	Price	189	49.2
	Purchasing Convenience	3	.8
	<b>Total</b>	<b>384</b>	<b>100.0</b>

**Source:** Developed by researcher

Table 4.1.1 illustrates the frequency and percentage distribution of respondent's social context of drinking. Majority of the respondents of this research prefer to consume Walia beer from Heineken Breweries S.C, from the analysis 129 respondents responded to drinking Walia beer which represented 33.6% of the total sampled responses followed by 73 respondents responding to preferring St. Georges beer representing 19.5% of total sampled respondents. Further analysis of choice of consumer's beer brand, 63 respondents said they prefer to drink Bedele beer representing 16.4% of total sampled respondents. 64 respondents out of 384 prefer to drink Dashen beer representing 16.7% of the total responses received, 11 respondents prefer to drink Castel beer as against 12 and 25 respondents with preference for Habesha and Heinekens beers representing 2.9%, 3.1% and 6.5% respectively. Finally 5 respondents prefer to drink Meta beer which represents 1.3% of the totals responses received.

Further analysis of table 4.1.1 indicated that, 138 respondents prefer to drink beer once a week representing 35.9% of the 384 responses received. 207 respondents also indicated they prefer to drink beer 2-3 times a week and this number represented 53.9% of the total responses received for this research study. 12 respondents also indicated they prefer to drink beer everyday of the week and this represented 3.1% of responses received. And finally 27 respondents indicated they prefer to drink their beer brand once in a month and this represented 7.0% of the total responses received.

Table 4.1.1 again illustrates how respondents prefer to drink their beer, that is whether lone, with friends, family or other means. From the analysis above, 288 responses indicating 75% of the respondents of this research prefer to drink beer with their friends and majority of respondents explained they enjoy drinking beer with their friends rather than alone or with family. 80 responses representing 20.8% of the respondents prefer to drink beer alone. Finally 16 responses representing 4.2% of the respondents prefer to drink beer with their family.

The table again illustrates the frequency and percentages distribution of whether, how respondent prefers to drink their beer brand affects their beer consumption, and from the responses received 204 representing 53.1% of respondents indicated yes and 180 representing 46.9% of respondents indicated whom they drink beer with does not affect their beer consumption. Responses from place respondent prefers to drink their beer brand indicated that, 25 respondents representing 6.5% prefer to drink at home, 32 respondents representing 8.3% prefer to drink in the club with 327 respondents representing 85.2% indicated they prefer to drink their beer in the bar.

Furthermore, the tabular analysis above indicates that 206 respondents representing 53.6% prefer to drink their beer during weekends, 105 respondents representing 27.3% prefer to drink their beer brand after work, 60 respondents representing 15.6% prefer to drink their beer anytime they feel like drinking beer, and 6 respondents representing 1.6% and 7 respondents representing 1.8% of respondents prefer to drink their beer during football matches and during occasions respectively.

And finally, Table 4.1.1 illustrates that 189 respondents representing 49.2% of respondents indicated price determines what beer brand they consume, 111 respondents representing 28.9% also indicated brand name influences their choice of beer brand. 57 respondents representing 14.8% indicated they are influenced by product quality with 21 respondents representing 5.5% of respondents indicating their choice of beer brand is influenced by product variety. 3 respondents each representing 0.8% each indicated their choice of beer brand is influenced by store ambiance and purchase convenience respectively.

## **4.2 ANALYSIS OF MANAGEMENT RESPONSES**

Analyzing management responses, brand managers of Heinekens Company indicated the organization embarks on sales promotion activities as and when situation demands. According to the brand managers the organization directs its sales promotional activities mainly towards customers, dealers and sales force; this is to ensure that customers are well targeted with the right

message and also to get dealers to participate in the promotional activities to win more customers since they are closer to the customers. Furthermore, brand managers indicated that the company embarks upon sales promotion activities with the aim of increasing brand awareness, maximizing profit, maintaining a suitable market share, increasing sales volume and to counter competitor actions.

Mention of sales promotion tools the company often adopts in its sales promotional campaigns, all respondents indicated the company adopts premium offers, coupons, prices discounts, free sample and point of sales display in its campaign activities. Respondents indicated the company uses these sales promotion tools because it helps attract new customers, retain old ones and to increase brand awareness. According to the brand managers sales has increased since the company introduced sales promotion activities into its marketing operations and the company embarks mainly on dealer and customer sales promotion activities.

According to the respondents, Heineken Breweries S.C is the market leader in the Ethiopian breweries industry and sales promotion has improved the buying behaviour of consumers of the company's beer brands over the years. But the brand managers denied the notion that some middlemen or distributors of beer brands in Ethiopia do not cooperate with beer companies in their sales promotion drive. Thus, brand managers indicated that middlemen or distributors supports the company's sales promotion drive to win new customers, maintain existing ones and also to create more brand awareness for the brand and through this the company's sales has increased over time. Furthermore, the brand managers indicated sales promotion outcomes have always been very profitable to the company as sales have increased over time, during and after the sales promotion campaign.

And finally, the brand managers indicated that they will recommend sales promotion to other companies in the industry as it is proven to be very profitable. All brand managers who responded to management questionnaires indicated that, the company adopts all the four sales promotion tools discussed in this research in its sales promotion efforts, and this has over the years improved the sales records and customer base of the organization as compared to its competition in the market.

Furthermore sales promotion organized by the company influences consumer purchase decision of its brands, and this has over the years improved the sales records and customer base of the organization as compared to its competition in the market.

### 4.3 Analyses of Independent Variables

This section of the analysis looks at the various independent variables against their mean and standard deviation values.

Table 4.3.1

<b>Analysis of Price Discount Variable</b>						
	<b>Does respondent make price comparison when buying beer?</b>	<b>Does respondent make purchases only when there is price discount on the brand?</b>	<b>Does respondent buy and consume more than usual when offered price discounts?</b>	<b>Is respondent willing to switch brands if price discount is offered by other competing brands?</b>	<b>Does price discounts influence respondent to make unplanned buying decision for a beer brand?</b>	<b>Is respondent willing to increase purchase of beer brand when there is a price discount?</b>
<b>Responds</b>	<b>Frequency</b>	<b>Frequency</b>	<b>Frequency</b>	<b>Frequency</b>	<b>Frequency</b>	<b>Frequency</b>
Strongly Agree	83	36	17	15	7	23
Agree	268	12	262	288	265	280
Neutral	23	55	41	26	29	35
Disagree	7	230	48	23	63	30
Strongly Disagree	3	51	16	32	20	16
<b>Total</b>	384	384	384	384	384	384
<b>Mean (M)</b>	1.90	3.65	2.44	2.40	2.54	2.31
<b>Standard Deviation (SD)</b>	.641	1.059	.915	.970	.963	.862

**Source:** Developed by researcher

### **Does respondent make price comparison when buying beer?**

This variable seeks to find out whether respondents makes price comparison when buying beer and from the data analyzed in table 4.3.1, 83 (21.6%) of total sampled respondents indicated they strongly agree they make price comparison when buying beer, 268 (69.8%) of respondents indicated they also agree they make price comparison when buying beer, 23 (6.0%) respondents also indicated they are neutral to the question, 7 (1.8%) respondents also indicated they disagree they make price comparison when buying beer, and finally 3 (.8%) respondents indicated they strongly disagree they make price comparison when buying beer. The descriptive analysis indicated a mean value of 1.90 and standard deviation value of 0.641

### **Does respondent make purchases only when there is price discount on the brand?**

This variable seeks to find out whether respondent make purchases only when there is price discount on the brand and from the data analyzed in table 4.3.1, 36 (9.4%) respondents out of total sampled respondents indicated they strongly agree they make purchases when there is price discount offered on the brand, 12 (3.1%) of respondents indicated they agree they make purchases when there is price discount offered on the brand, 55 (14.3%) respondents indicated they are neutral to the question with 230 (59.9%) respondents indicating they disagree they make purchases when there is price discount offered on the brand, 51 (13.3%) respondents indicated they strongly disagree they make purchases only when there is price discount offered on the brand and finally the descriptive analysis indicated a mean value of 3.65 and standard deviation value of 1.059

### **Does respondent buy and consume more than usual when offered price discounts?**

This variable seeks to find out whether respondent buys and consumes more than usual when offered prices discount, and from the analysis in table 4.3.1, with a 2.44 mean and a .915 standard deviation values, 17 (4.4%) respondents indicated their strong agreement, 262 (68.2%) respondents indicated they agree, 41 (10.7%) respondents indicated they are neutral, 48 (12.5%) respondents indicated their disagreement and finally 16 (4.2%) respondents indicated their strong disagreement to the research question.

### **Is respondent willing to switch brands if price discount is offered by other competing brands?**

This variable seeks to find out whether respondent is willing to switch brands if price discount is offered by other competing brands and from the above tabular analysis in table 4.3.1, 15 (3.9%)



respondents indicated they strongly agree they will switch to other brands if price discount is offered by those brands, 288 (75.0%) respondents indicated they agree, 26 (6.8%) respondents indicated they are neutral to the question, 23 (6.0%) respondents indicated they disagree and finally 32 (8.3%) respondents indicated they strongly disagree. Standard deviation and mean values for the variable are 0.970 and 2.40 respectively.

**Does price discounts influence respondent to make unplanned buying decision for a beer brand?**

This variable seeks to find out whether price discounts influence respondent to makes unplanned buying decision for a beer brand and from the tabular analysis above in table 4.3.1, 7 (1.8%) respondents indicated they strongly agree, 265 (69.0%) respondents indicated they agree, 29 (7.6%) respondents indicated they are neutral, 63 (16.4%) respondents indicated they disagree, 20 (5.2%) respondents indicated they strongly disagree. Standard deviation and mean values for the variable are 0.963 and 2.54 respectively.

**Is respondent willing to increase purchase of beer brand when there is a price discount?**

This variable seeks to find out whether the consumer (respondent) will be willing to increase purchases of beer brand when there is a price discount offered by the beer brand, and from the analysis in table 4.3.1, 23 (6%) respondents indicated they strongly agree, 280 (72.9%) respondents indicated they agree, 35 (9.1%) respondents indicated they are neutral to the question, 30 (7.8%) respondents indicated they disagree, and 16 (4.2%) indicated they strongly disagree. Standard deviation and mean values for the variable are 0.862 and 2.31 respectively

Table 4.3.2

<b>Analysis of Premium Variable</b>				
	<b>Does premium (Under Cork offers &amp; Buy-One-Get-One Free) promotion encourage respondent to try new products far more easily?</b>	<b>Does respondent buy more beer when the value of the premium is higher?</b>	<b>Does respondent make instant purchase decision when premium offers are distributed at point of sale?</b>	<b>Will respondent buy more beer if he/she has the premium offering as a promotion?</b>
<b>Responds</b>	<b>Frequency</b>	<b>Frequency</b>	<b>Frequency</b>	<b>Frequency</b>
Strongly Agree	15	3	3	7
Agree	283	46	353	287
Neutral	53	30	17	80
Disagree	30	297	10	8
Strongly Disagree	3	8	1	2
<b>Total</b>	<b>384</b>	<b>384</b>	<b>384</b>	<b>384</b>
<b>Mean(M)</b>	<b>2.28</b>	<b>3.68</b>	<b>2.10</b>	<b>2.25</b>
<b>Standard Deviation (SD)</b>	<b>.695</b>	<b>.740</b>	<b>.821</b>	<b>.544</b>

**Source:** Developed by researcher

**Does premium (Under Cork offers & Buy-One-Get-One Free) promotion encourage respondent to try new products far more easily?**

This variable seeks to find out whether premium offers by beer brands encourage consumers of beer to try new beer brands or not and from the analysis above in table 4.3.2, 15 (3.9%) respondents indicated they strongly agree, 283 (73.7%) respondents indicated they agree, 53 (13.8%) respondents indicated they are neutral, 30 (7.8%) respondents indicated they disagree, 3

(0.8%) respondents indicated they strongly disagree. Standard deviation and mean values for the variable are 0.695 and 2.28 respectively.

**Does respondent buy more beer when the value of the premium is higher?**

This variable seeks to find out whether the consumer (respondent) buys more beer when the value of the premium is higher. And from the responses received, 3 (0.8%) respondents indicated they strongly agree, 46 (12%) respondents indicated they agree, 30 (7.8%) respondents indicated they are neutral, 297 (77.3%) respondents indicated they disagree, 8 (2.1%) respondents indicated they strongly disagree. Standard deviation and mean values for the variable are 0.740 and 3.68 respectively.

**Does respondent make instant purchase decision when premium offers are distributed at point of sale?**

This variable seeks to find out whether the consumer makes instant purchase decision when premium offers are distributed at point of sale and from table 4.3.2, 3 (0.8%) respondents indicated they strongly agree, 353 (91.9%) respondents indicated they agree, 17 (4.4%) respondents indicated they are neutral, 10 (2.6%) respondents indicated they disagree, 1 (0.3%) respondent indicated they strongly disagree. Standard deviation and mean values for the variable are 0.821 and 2.10 respectively.

**Will respondent buy more beer if he/she has the premium offering as a promotion?**

This variable seeks to find out whether the consumer will buy more beer brand if the premium is offered as a promotion and 7 (1.8%) respondents indicated they strongly agree, 287 (74.7%) respondents indicated they agree, 80 (20.8%) respondents indicated they are neutral, 8 (2.1%) respondents indicated they disagree, 2 (0.5%) respondents indicated they strongly disagree. Standard deviation and mean values for the variable are 0.544 and 2.25 respectively.

Table 4.3.3

<b>Analysis of Premium Variable.....continued</b>				
	<b>Is respondent willing to buy more beer if he knows he/she can win a free gift?</b>	<b>Will respondent spend more on a beer in order to get a premium offer?</b>	<b>If a premium promotion requires buying more than one beer is respondent still willing to participate in the promotion?</b>	<b>Does respondent often spend more on beer if he/she can receive a bounce back offer? e.g. Buy-One-Get-One Free</b>
<b>Responds</b>	<b>Frequency</b>	<b>Frequency</b>	<b>Frequency</b>	<b>Frequency</b>
<b>Strongly Agree</b>	5	6	8	10
<b>Agree</b>	52	316	269	317
<b>Neutral</b>	39	31	77	22
<b>Disagree</b>	285	28	27	32
<b>Strongly Disagree</b>	3	3	3	3
<b>Total</b>	384	384	384	384
<b>Mean(M)</b>	3.60	2.23	2.34	2.22
<b>Standard Deviation (SD)</b>	.779	.636	.675	<b>.663</b>

**Source:** Developed by researcher

### **Is respondent willing to buy more beer if he/she knows he can win a free gift?**

This variable seeks to find out whether respondents are willing to buy more beer if they know they can win a free gift. From the data analyzed in table 4.3.3, 5 (1.3%) respondents indicated they strongly agree, 52(13.5%) respondents indicated they agree, 39 (10.2%) respondents indicated they are neutral, 285 (74.2%) respondents indicated they disagree, 3 (0.8%) respondents indicated they strongly disagree. Mean and standard deviation values for the variable are 3.60 and 0.779 respectively.

**Will respondent spend more on a beer in order to get a premium offer?**

This variable seeks to find out whether respondents are willing to spend more on a beer in order to get a premium offer. From the data analyzed above in table 4.3.3, 6 (1.6%) respondents indicated they strongly agree, 316 (82.3%) respondents indicated they agree, 31 (8.1%) respondents indicated they are neutral, 28 (7.3%) respondents indicated they disagree, 3 (0.8%) respondents indicated they strongly disagree. Mean and standard deviation values for the variable are 2.23 and 0.636 respectively.

**If a premium promotion requires buying more than one beer is responding still willing to participate in the promotion?**

This variable seeks to find out if a premium promotion requires buying more than one beer are respondents still willing to participate in the promotion. From the data analyzed above in table 4.3.3, 8 (2.1%) respondents indicated they strongly agree, 269 (70.1%) respondents indicated they agree, 77 (20.1%) respondents indicated they are neutral, 27 (7%) respondents indicated they disagree, 3 (0.8%) respondents indicated they strongly disagree. Mean and standard deviation values for the variable are 2.34 and 0.675 respectively.

**Does respondent often spend more on beer if he/she can receive a bounce back offer? e.g. Buy-One-Get-One Free**

This variable seeks to find out whether the consumer will spend more on beer if he/she can receive a bounce back offer like Buy-One-Get-One Free or other forms of premium offered on the brand and from the analysis above in table 4.3.3, 10 (2.6%) respondents indicated they strongly agree, 317 (82.6%) respondents indicated they agree, 22 (5.7%) respondents indicated they are neutral, 32 (8.3%) respondents indicated they disagree, 3 (0.8%) respondents indicated they strongly disagree. Standard deviation and mean values for the variable are 0.663 and 2.22 respectively.

Table 4.3.4

<b>Analysis of Free Sample Variable</b>			
	<b>Does free sample influence respondent to try new beer brands?</b>	<b>Does free sample influence respondent to make unplanned buying decision for a beer brand?</b>	<b>Is respondent willing to buy a new beer brand when free sample is offered?</b>
<b>Responds</b>	<b>Frequency</b>	<b>Frequency</b>	<b>Frequency</b>
<b>Strongly Agree</b>	16	29	37
<b>Agree</b>	319	333	303
<b>Neutral</b>	26	18	37
<b>Disagree</b>	17	2	3
<b>Strongly Disagree</b>	6	2	4
<b>Total</b>	384	384	384
<b>Mean(M)</b>	2.16	2.00	2.05
<b>Standard Deviation (SD)</b>	.563	.437	.562

**Source:** Developed by researcher

#### **Does free sample influence respondent to try new beer brands?**

This variable seeks to find out whether free sample influences respondents to try new brands and from the tabular analysis in table 4.3.5, 16 (4.2%) respondents indicated they strongly agree, 319 (82.3%) respondents indicated they agree, 26 (6.8%) respondents indicated they are neutral, 17 (4.4%) respondents indicated they disagree, 6 (1.6%) respondents indicated they strongly disagree. Standard deviation and mean values for the variable are 0.563 and 2.16 respectively.

#### **Does free sample influence respondent to make unplanned buying decision for a beer brand?**

This variable seeks to find out whether free sample influences respondents to make unplanned buying decision for a beer brand and from the data analyzed, 29 (7.6%) respondents indicated

they strongly agree, 333 (86.7%) respondents indicated they agree, 18 (4.7%) respondents indicated they are neutral, 2 (0.5%) respondents indicated they disagree, 2 (0.5%) respondents indicated they strongly disagree. Standard deviation and mean values for the variable are 0.437 and 2.0 respectively.

**Is respondent willing to buy a new beer brand when free sample is offered?**

This variable seeks to find out whether respondents are willing to buy a new beer brand when free sample is offered and from the data analyzed, 37 (9.6%) respondents indicated they strongly agree, 303 (78.9%) respondents indicated they agree, 37 (9.6%) respondents indicated they are neutral, 3 (0.8%) respondents indicated they disagree, 4 (1%) respondents indicated they strongly disagree. Mean and standard deviation values for the variable are 2.05 and 0.562 respectively.

Table 4.3.5

<b>Analysis of Point of Sale Display Variables</b>			
	<b>Does displays and promotional offers in the bar attract respondent to buy beer?</b>	<b>Does attractive and clear point of sale display influence respondent's buying decision for a beer brand?</b>	<b>Does respondent often purchase products displayed in the store / bar</b>
<b>Responds</b>	<b>Frequency</b>	<b>Frequency</b>	<b>Frequency</b>
Strongly Agree	15	20	42
Agree	260	282	282
Neutral	89	68	50
Disagree	17	8	7
Strongly Disagree	3	6	3
Total	384	384	384
Mean(M)	2.30	2.21	2.08
Standard Deviation (SD)	.653	.639	.614

**Source:** Developed by researcher

### **Does displays and promotional offers in the bar attract respondent to buy beer?**

This variable seeks to find out if displays and promotional offers in the bar attract respondents to buy beer. From the data analyzed above in table 4.3.5, 15 (3.9%) respondents indicated they strongly agree, 260 (67.7%) respondents indicated they agree, 89 (23.2%) respondents indicated they are neutral, 17 (4.4%) respondents indicated they disagree, 3 (0.8%) respondents indicated they strongly disagree. Mean and standard deviation values for the variable are 2.30 and 0.653 respectively.

### **Does attractive and clear point of sale display influence respondent's buying decision for a beer brand?**

This variable seeks to find out attractive and clear point of sale display influences respondent's buying decision for a beer brand and from the data analyzed above in table 4.3.5, 20 (5.2%) respondents indicated they strongly agree, 282 (73.4%) respondents indicated they agree, 68 (17.7%) respondents indicated they are neutral, 8 (2.1%) respondents indicated they disagree, 6 (1.6%) respondents indicated they strongly disagree. Mean and standard deviation values for the variable are 2.21 and 0.639 respectively.

### **Does respondent often purchase products displayed in the store / bar?**

This variable seeks to find out whether respondents often purchase products displayed in the store / bar and from the data analyzed above, 42 (10.9%) respondents indicated they strongly agree, 282 (73.4%) respondents indicated they agree, 50 (13%) respondents indicated they are neutral, 7 (1.8%) respondents indicated they disagree, 3 (0.8%) respondents indicated they strongly disagree. Mean and standard deviation values for the variable are 2.08 and 0.614 respectively.



#### 4.4 Descriptive Analysis of the Level of Agreement of Respondent's Perception towards Dependent and Independent

The researcher uses itemized rating scale to construct a range and analyzed the responses received. This range will be used to measure the perception level of the respondents towards each variable. The researcher uses the following formula to construct the range.

$$\begin{aligned} \text{Itemized rating scale: } & \frac{\text{Max} - \text{Min}}{N1} \\ & \frac{5-1}{5} \\ & = 0.80 \end{aligned}$$

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

Interval of Mean Perception

1.00 – 1.80	Strongly Agree
1.81 – 2.60	Agree
2.61 – 3.40	Neutral
3.41 – 4.20	Disagree
4.21 – 5.00	Strongly Disagree

##### 4.4.1 Analysis of Respondent's Perception towards the Relationship between Sales Promotion and Purchase Decision

Table 4.4.1

Q	Sales Promotion and Purchase Decision	Mean	Standard deviation	Perception
16	Is respondent's purchase decision based on sales promotion offered by the brand?	2.10	.488	Agree

**Source:** Developed by researcher

Table 4.4.1 shows the analysis of the respondent's perception towards the relationship between sales promotion and purchase decision. Most respondents agree that their purchase decision is based on the sales promotion offered by the brand with a total mean score of 2.10 and a standard

deviation of 0.488. This data shows that majority of respondents take sales promotion into consideration while making their purchase decision offered by the respective beer brands.

#### 4.4.2 Analysis of Respondent’s Perception Towards The Relationship Between Price Discounts And Purchase Decision

Table 4.4.2

Q	Price Discounts and Purchase Decision	Mean	Standard deviation	Perception
17	Does respondent make price comparison when buying beer?	1.90	.641	Agree
18	Does respondent make purchases only when there is price discount on the brand?	3.65	1.059	Disagree
19	Does respondent buy and consume more than usual when offered price discounts?	2.44	.915	Agree
20	Is respondent willing to switch brands if price discount is offered by other competing brands?	2.40	.970	Agree
21	Does price discounts influence respondent to make unplanned buying decision for a beer brand?	2.54	.963	Agree
22	Is respondent willing to increase purchase of beer brand when there is a price discount?	<b>2.31</b>	.862	Agree
	<b>Total Mean</b>	<b>15.24</b>		

**Source:** Developed by researcher

Table 4.4.2 shows respondents perception towards the relationship between price and purchase decision while buying beer. And from table 4.4.2, most respondents agree on making price comparison when buying beer brands with a mean score of 1.90 and a standard deviation value of .641. The analysis also show that respondents buy and consume more beer when there is price discounts on the brand and this has a mean value of 2.44 and a standard deviation value of .915 and this goes to further explain that majority of respondents are willing to increase their beer purchases when there is price discounts offered by the brand and this has a mean value of 2.31 and a standard deviation value of .862. Majority of respondents also agreed that price discounts offered by beer brands makes them to make unplanned purchase decision of beer brands with a

mean value of 2.54 and a standard deviation value of .963. And with a mean value of 2.40 and standard deviation value of .970, majority of respondents are willing to switch to other brands that will offer them price discounts. On the other hand with mean value of 3.65 and a standard deviation value of 1.059 some respondents disagreed they will make purchases only when price discounts are offered on the beer brand. With a total mean value of 15.24, it could be concluded that majority of respondents indicated their agreement to the fact that price discounts influence their purchase decision and this also goes to confirm responses from brands managers of Heineken Breweries S.C indicating the company uses price discounts as one of its sales promotional tools to reach new customers, maintain old ones and to increase brand awareness. A Study of alcohol demand according to (Nelson, 1997, 1999; Kenkel, 1993, 1996; Manning et al, 1995) confirms that higher alcoholic beverage prices lead to reductions in alcohol consumption. But according to (Dawes, 2004) price discount increases the volume of sales during the promotion period. (Shimp, 2003) and (Fill, 2002) has also documented a link between price promotion and product trial. Price promotions usually provide consumers with monetary savings on specific products. (Percy et al., 2001) reported that consumers pay attention to price-off promotions and furthermore some researchers specified that sales promotion would be lucrative to promotion prone customers for many other reasons, rather than just price saving (Chandon et al., 2000). Such promotion prone customers are likely to change brands to obtain extraordinary deals that support their smart buying perception.

(Ndubisi & M, 2005) also reported that price discounts play significant role in influencing consumer product trial behavior. Price Discount plays significant role in brand switching, purchase acceleration, stock piling, product trial and spending more in the store (Farrag, 2010). Also, (Shi & Prendergast, 2004), reports that price discount induces purchase acceleration, spending more and stockpiling among customers. This further concludes and confirms respondent's agreement to the fact that price discounts influences their purchase decision and this is further confirmed by Heineken Breweries S.C's price discount approach in its sales promotion drives and campaigns.

#### 4.4.3 Analysis of Respondent's Perception towards the Relationship between Premium and Purchase Decision

Table 4.4.3

Q	Premium and Purchase Decision	Mean	Standard deviation	Perception
23	Does premium (Under Cork offers & Buy-One-Get-One Free) promotion encourage respondent to try new products far more easily?	2.28	.695	Agree
24	Does respondent buy more beer when the value of the premium is higher?	3.68	.740	Disagree
25	Does respondent make instant purchase decision when premium offers are distributed at point of sale?	2.10	.821	Agree
26	Will respondent buy more beer if he/she has the premium offering as a promotion?	2.25	.544	Agree
27	Does respondent often spend more on beer if he can receive a bounce back offer? e.g. Buy-One-Get-One Free	2.22	.663	Agree
28	Is respondent willing to buy more beer if he knows he can win a free gift?	3.60	.779	Disagree
29	Will respondent spend more on a beer in order to get a premium offer?	2.23	0.636	Agree
30	If a premium promotion requires buying more than one beer is respondent still willing to participate in the promotion?	2.34	.675	Agree
	<b>Total Mean</b>	<b>20.7</b>		

**Source:** Developed by researcher

According to the data illustrated above in table 4.4.3, respondents agree that they are encouraged to try new products when there is premium offers with mean score of 2.28 and standard deviation value of .695. Respondents on the other hand disagreed to making more purchases of beer brand when the value of the premium offered by the brand is higher with a mean score of 3.68 and a standard deviation value of .740. Respondents agreed they make instant purchase decision when premium offers are distributed at point of sale with a mean score of 2.10 and a standard deviation value of .821. Again respondents agree that they will buy more if the premium is offered as a promotion with a mean value of 2.25 and a standard deviation value of .544. Respondents further agreed that they will spend more on beer brand when they can receive a bounce back

offer like buy-one-get-one free with a mean value of 2.22 and a standard deviation value of .663. Respondents further agreed they are willing to participate in a premium promotion if it requires them buying more than one beer in order to participate in the premium promotion with a mean value of 2.34 and a standard deviation value of .675. However, some respondents disagreed on willing to buy more beer if they know they can win a free gift with a mean value of 3.60 and a standard deviation value of .779 and finally respondents are willing to spend more on a beer brand in order to get a premium offer with a mean value of 2.23 and a standard deviation value of .636. In conclusion, with a total mean score of 20.7, majority of respondents agree that premium offers influences their purchase decision and this also confirms responses from brand managers of Heineken Breweries S.C indicating the company uses premiums as one of its sales promotional tools to reach new customers, maintain old ones and to increase brand awareness. Other literatures reviewed on this variable indicated that many marketing researches have come up with conclusive evidence to confirm the influence premium promotions have on consumer purchase decision. (Darkea & Chungb, 2005) indicated that free gift promotion is effective in maintaining quality perception because consumers make quality inferences based on the original price rather than the price corrected for the value of the free gift. Furthermore, (Neha & Manoj, 2013) also indicated that premium promotion is one of the most influencing variables for consumer purchase decision.

This implies that devising an offer as a separate free gift is a good tool to communicate value to customers. This means that free gifts or premium promotion differentiates a promotional benefit in the form of a tangible and separate product which is often complimentary product offered to the customers. These free gifts and premiums often create value to the customers and induce them to purchase a product.

#### 4.4.4 Analysis of Respondent's Perception towards the Relationship between Free Sample and Purchase Decision

Table 4.4.4

Q	Free Sample and Purchase Decision	Mean	Standard deviation	Perception
31	Does free sample influence respondent to try new beer brands?	2.16	.563	Agree
32	Does free sample influence respondent to make unplanned buying decision for a beer brand?	2.00	.437	Agree
33	Is respondent willing to buy a new beer brand when free sample is offered you?	2.05	.562	Agree
	<b>Total Mean</b>	<b>6.21</b>		

**Source:** Developed by researcher

According to the illustrated data in table 4.4.4 regarding the perception of respondents towards free sample and their purchase decision, respondents agreed that free samples influences them to try new products and also influences them to make unplanned purchase with mean score of 2.16 and 2.0 and a standard deviation value of .563 and .437 respectively. Respondents also agreed that free beer samples influences them to buy new beer brands with mean score of 2.05 and a standard deviation value of .562. And with a total mean score of 6.21, majority of respondents indicated their agreement to the fact that free samples influences their purchase decision or new product trials and this goes to confirm responses from brands managers of Heineken Breweries S.C indicating the company uses free sample as one of its sales promotional tools to reach new customers, maintain old ones and to increase brand awareness as indicated in the management analysis part of this research work. To confirm consumer's agreement to free sample influencing their purchase decision, (Fill, 2002) presumes that sampling has the most impact on consumers. Free sample is being widely popular among marketers and retailers as one of the most effective promotional tool as it directly enhances product trial amongst customers. On the other hand, (Gilbert & Jackaria, 2002) argue that a free sample as a promotion tool had little or no significance on consumer's buying behavior, however, other studies have shown a significant impact of free samples on consumer's purchase decision (Fill, 2002) and (Shimp, 2003). Furthermore, (Banks, 2003) suggested that with sales promotion being offered, retailers have

rapidly increased their possibility to influence their consumer's behavior by offering added value on products through bonus packs, encouraging product trial via free samples and coupons.

#### 4.4.5 Analysis of Respondent's Perception towards the Relationship between Point of Sale Display and Purchase Decision

Table 4.4.5

Q	Point of Sale Display and Purchase Decision	Mean	Standard deviation	Perception
34	Does displays and promotional offers in the bar attract respondent to buy beer?	2.30	.653	Agree
35	Does attractive and clear point of sale display influence respondent's buying decision for a beer brand?	2.21	.639	Agree
36	Does respondent often purchase products displayed in the store / bar	2.08	.614	Agree
	<b>Total Mean</b>	<b>6.59</b>		

**Source:** Developed by researcher

According to the illustrated data in table 4.4.5 regarding the perception of respondents towards the relationship between point of sale display and purchase decision, respondents agreed that displays and promotional offers in the bar attract them to buy beer brands with a mean value of 2.30 and a standard deviation value of .653. further analysis reveal that attractive and clear point of sale display influences respondent's buying decision for a beer brand with a mean value of 2.21 and a standard deviation value of .639 and finally majority of respondents sampled for the purposes of this research agreed they often purchase beer brands displayed in the bar or store with a mean value of 2.08 and a standard deviation value of .614. With a total mean score of 6.59, majority of respondents indicated they agree point of sale display influences their purchase decision and this is further confirmed by responses from brands managers of Heineken Breweries S.C indicating the company uses point of sale display as one of its sales promotional tools to reach new customers, maintain old ones and to increase brand awareness. From other literatures reviewed to support respondents agreement to Point of Sales Display influencing their purchase decision, according to the trade press in the USA, approximately 60% of people in bars make their decision about what to drink after they arrive (Brabbs 2002) and the role of Point of Sale Display is to 'grab their attention and make them aware that a particular brand is just what

they want’ (Solley 2000, p. 41). As the alcohol industry has become increasingly competitive, Point of Sale Display is increasingly being used as a marketing tool for alcohol products, and there is a growing body of evidence suggesting that these Point of Sale Display materials are positively associated with drinking and contributes to creating a pro-alcohol environment (Howard et al. 2004). (Gedenk et al., 2006) argue that retailer promotions address customers at point of sale; meaning that communication regarding the product or services is best conveyed to the customers at the place and time where most of the purchasing decision is made. Retailers’ sales promotions communicates most to consumers at the point of sale therefore, communication regarding promotion best reaches consumers at place and time where most purchasing decision is made. And according to (Narasimhan et al., 1996) increase of promotions at the point of sale drives customer to make decision there at the point of sale.

#### 4.5 Analysis of Cross Tabulations : Cross Tabulation between Demographics and Brand Preference

##### 4.5.1 Age of respondent & Brand of beer respondent consumes

Age of respondent & Brand of beer respondent prefers to consume										
		Brand of beer respondent consumes								Total
		Bedele	Castel	Dashen	Habesha	Heinekens	Meta	Georges St.	Walia	
Age of respondent	18 - 25 years	0	2	5	3	1	0	5	63	69
	26-30 years	20	1	1	2	12	3	16	25	80
	31-39 years	40	4	5	4	12	1	48	30	144
	40-49 years	2	4	52	3	0	1	6	17	85
	50+ years	1	0	1	0	0	0	0	4	6
Total		63	11	64	12	25	5	75	129	384

Source: Developed by researcher

Table 4.5.1 summarizes the result of different beer brand preferred by the respondents based on their age groups using cross tabulation model. Results reveal that 63 of respondents representing 16.4% from total sampled population prefer to drink Bedele beer brand, 11 respondents representing 2.9% of total sampled respondents prefers to drink Castel beer brand, 64 respondents representing 16.7% of total sampled respondents prefers to drink Dashen beer brand, 12 respondents representing 3.1% of total sampled respondents prefers to drink Habesha beer with 25 respondents representing 6.5% of total sampled respondents preferring Heinekens beer.



Further results reveal that, 5 respondents representing 1.3% of total sampled respondents prefer to drink Meta beer with 75 respondents representing preferring 19.5% of total sampled respondents prefers to drink St. Georges beer brand and finally 129 respondents representing 33.6% of total sampled respondents prefers to drink Walia beer brand. From the analysis, it could be concluded that, most respondents across all the age groupings indicated that they prefer to drink Walia beer brand with a 33.6% responses indicating the highest preferred brand amongst all the beer brands followed by St. Georges beer brand, Dashen beer brand and finally Bedele beer brand. Several studies shows that the percentage of individuals that drink increases with age particularly from 18 – 25 years to 31 – 39 years as indicated by figures in table 4.5.1, thus consumption rate increases from 69 to 144 within these age brackets but the age and consumption pattern drops from age 40 – 49 years to 50 years and above with health concerns within the much older age groups. It would appear that as individuals move away from parental control they move closer to and interact more frequently with peer groups and this might contribute to increase in beer consumption from age 18 years to 39 years. Alternatively, it could be that they are now more independent socially and financially and therefore can afford to consume more as the records from the table indicates. It may also be a continuation of the traditional patterns of drinking, whereby drinking was seen as something that elders or people high in the social hierarchy of the society had access to and control over.

#### 4.5.2 Cross Tabulation between Income of respondent & Brand of beer respondent consumes

Table 4.5.2

Salary range of respondent & Brand of beer respondent consumes										
Birr		Brand of beer respondent consumes								Total
		Bedele	Castel	Dashen	Habesha	Heinekens	Meta	Georges St.	Walia	
Salary range of respondent	Below 1000	4	1	0	0	0	0	5	13	23
	1000 – 3000	26	2	3	2	2	3	18	22	78
	3000 – 6000	15	3	4	5	4	2	9	24	66
	6000 – 10,000	6	3	51	3	9	0	16	21	109
	10000+	5	1	3	2	10	0	15	30	66
	No Salary	7	1	3	0	0	0	12	19	42
Total		63	11	64	12	25	5	75	129	384

Source: Developed by researcher

From the above table 4.5.2 summary analysis, out of a total of 23 respondents with salary below 1000, 4 prefer to drink Bedele, 1 prefer to drink Castel, 5 prefers to drink St. Georges beer, 13 prefers to drink Walia beer brand. No respondent with salary below 1000 prefers to drink Dashen, Habesha, Heinekens and Meta beer brands. Analysis from respondents with salary between 1000-6000 indicates that out of a total of 78 respondents, 26 prefers to drink Bedele beer, 2 respondents each prefers to drink Castel, Habesha, Heinekens beer brands respectively, 3 respondents each prefer to drink Dashen and Meta beer brands respectively, and finally 18 respondents and 22 respondents prefers to drink St. Georges and Walia beer brands respectively. Further analysis of salary age from 3000-6000 reveals that, out of a total of 66 respondents within this salary grouping, 15 prefers Bedele, 3 prefers Castel, 4 prefers Dashen, 5 prefers Habesha, 4 prefers Heinekens, 2 prefers Meta, 9 prefers St. Georges and finally 24 prefers Walia beer brands. Analysis of 6000-10,000 salary groupings reveals that, out of a total of 109 respondents, 21 prefer Walia, 16 prefer St. Georges, 9 prefers to drink Heinekens, 3 respondents each prefers Habesha and castel, 51 prefers Dashen, and 6 prefers Bedele beer brands. Again, analyzing responds from respondents that earn salary 1000 and above, out of 66 responses within this category, 30 and 15 respondents prefers Walia and St. Georges respectively, 10 prefers Heinekens, 2 prefer habesha, 3 prefer Dashen with 1 preferring Castel, 5 respondents prefers Bedele with no respondents drinking Meta beer bran from this salary grouping. Finally some respondents with no salary because of lack of employment as indicated from their responses reveal that, 19 and 12 respondents with no salary prefers to drink Walia and St. Georges beer brands respectively. 7 respondents prefer Bedele beer, 1 respondent prefers Caastel and 3 prefers dashen with no respondent preferring Habesha, Heinekens and Meta beer brands. Results further reveals that 63 of respondents representing 16.4% from total sampled population prefer to drink Bedele beer brand, 11 respondents representing 2.9% of total sampled respondents prefers to drink Castel beer brand, 64 respondents representing 16.7% of total sampled respondents prefers to drink Dashen beer brand, 12 respondents representing 3.1% of total sampled respondents prefers to drink Habesha beer with 25 respondents representing 6.5% of total sampled respondents preferring Heinekens beer. Further results reveal that, 5 respondents representing 1.3% of total sampled respondents prefer to drink Meta beer with 75 respondents representing 19.5% of total sampled respondents prefers to drink St. Georges beer brand and finally 129 respondents representing 33.6% of total sampled respondents prefers to drink Walia beer brand

### 4.5.3 Cross Tabulation between how respondent prefers to drink beer brand and place they prefer to drink the beer brand

Table 4.5.3

How respondent prefers to drink the beer brand & Place respondent prefers to consume beer brand					
		Place respondent prefers to consume beer brand			Total
		Home	Bar	Club	
How respondent prefers to drink the beer brand	alone	12	59	9	80
	Friends	11	256	21	288
	Family	2	12	2	16
Total		25	327	32	384

**Source:** Developed by researcher

Summary analysis of cross tabulation between how respondent prefers to drink beer brand and place they prefer to drink the beer brand reveals that out of a total of 80 respondents, 12 prefers to drink their beer brand alone at home, 59 prefers to drink alone in the bar and finally 9 prefers to drink alone in the club. Further analysis reveals that, out of 288 respondents, 11 prefers to drink with friends at home, 256 prefers to drink in the bar with friends and 21 prefers to drink in the club with friends. Finally, out of 16 respondents, 2 prefer to drink with family at home, 12 prefer to drink with family in the bar, and 2 prefer to drink in the club with family. In conclusion, 25 respondents representing 7% of total respondents indicated they prefers to drink at home, 327 respondents representing 85% of total respondents indicated they prefers to drink in the bar and 32 respondents representing 8% of total respondents indicated they prefers to drink in the club.

### 4.5.4 Cross Tabulation between when respondent prefers to drink beer and the place they prefer to drink the beer

Table 4.5.4

		Place respondent prefers to consume beer brand			Total
		Home	Bar	Club	
When respondent prefers to consume beer brand	During football match	2	4	0	6
	Occasion	1	6	0	7
	After work	1	102	4	105
	Weekends	12	169	25	206
	Anytime	11	46	3	60
Total		25	327	32	384

**Source:** Developed by researcher

This table analyzes the relationship between when respondents prefer to drink beer and the place where they prefer to drink the beer brand. And from table 4.5.4 above, 6 respondents in total prefer to drink beer during football matches with 4 indicating they prefer to drink and watch football matches in the bar, 2 indicated they prefer the home and none indicated they prefers to drink and watch football in the club. 7 respondents chooses to drink during occasion with 1 indicating they prefer to drink at home, 6 indicated they prefer to drink occasionally at the bar with non indicating they drink occasionally on the club, 105 respondents indicated they prefer to drink after work with 1 indicating they prefer to drink after work but at home, 102 prefers to drink after work but at the bar, 4 prefers to drink after work but at the club. 206 indicated they prefer to drink during the weekends with 12 indicating they prefers to drink during the weekend but at home, 169 indicated they prefer the weekend but in the bar, 25 indicated they prefer drinking during the weekend but in the club. 60 respondents in all indicated they prefers to drink anytime with 11 among these respondents indicating they prefer to drink anytime at home, 46 prefers to drink anytime but in the bar and 3 prefers anytime but in the club. In conclusion, 25 respondents representing 7% of total respondents indicated they prefers to drink at home, 327 respondents representing 85% of total respondents indicated they prefers to drink at the bar, and a total of 32 respondents representing 8% of total respondents indicated they prefers to drink at the club.

#### 4.5.5 Cross Tabulation between Salary range of respondent and whether sales promotion affects consumer purchase decision

Table 4.5.5

		Does sales promotion affect consumer purchase decision		Total
		Yes	No	
<b>Salary range of respondent</b>	Below 1000	11	12	23
	1000 – 3000	62	16	78
	3000 – 6000	52	14	66
	6000 – 10,000	69	40	109
	10000+	53	13	66
	No Salary	22	20	42
<b>Total</b>		269	115	384

**Source:** Developed by researcher

This table analyzes the relationship between respondents' salary and whether sales promotions affect their purchase decision. And from table 4.5.5 above, out of 23 respondents below 1000

salary level, 11 indicated yes sales promotion affects their purchase decision whereas 12 indicated that sales promotion does not affect their purchase decision. Out of 78 respondents in with salary between 1000 and 3000, 62 indicated yes sales promotion affects their purchase decision whereas 16 indicated sales promotion does not affect their purchase decision. Out of a total of 66 respondents with salary ranging 3000 - 6000, 52 indicated yes sales promotion affects their purchase decision whereas 14 indicated sales promotion does not affect their purchase decision. Out of 109 respondents with salary ranging between 6000 – 10,000, 69 indicated yes sales promotion affects their purchase decision whereas 40 indicated sales promotion does not affect their purchase decision. Out of 66 respondents with salary above 10,000, 53 indicated yes sales promotion affects their purchase decision whereas 13 indicated sales promotion does not affect their purchase decision. And finally out of 42 respondents with no salary 22 indicated yes sales promotions affects their purchase decision whereas 20 indicated sales promotion does not affect their purchase decision. In conclusion, 269 respondents representing 70% of total respondents indicated sales promotion affects their purchase decision whereas, 115 respondents representing 30% of total respondents indicated sales promotion affects their purchase decision.

**4.5.6 Cross Tabulation between Salary range of respondent and whether respondents will buy and consume more when offered price discount**

Table 4.5.6

		Does respondent buy and consume more than usual when offered price discounts?					Total
		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	
<b>Salary range of respondent</b>	Below 1000	1	17	1	4	0	23
	1000 – 3000	5	52	5	11	5	78
	3000 – 6000	4	43	12	6	1	66
	6000 – 10,000	4	72	12	16	5	109
	10000+	0	44	8	10	4	66
	No Salary	3	34	3	1	1	42
<b>Total</b>		17	262	41	48	16	384

**Source:** Developed by researcher

This table analyzes the relationship between respondents’ salary and whether they will buy more when offered price discount. And from table 4.5.6 above, out of 23 respondents below 1000 salary level, 17 respondents agreed they will buy more when offered price discount whereas 4 respondents indicated that they disagree to buy more when offered price discount. Out of 78

respondents in with salary between 1000 and 3000, 52 agreed to buy more when offered price discount whereas 11 respondents indicated that they disagree to buy more when offered price discount. Out of a total of 66 respondents with salary ranging 3000 - 6000, 43 agreed to buy more when offered price discount whereas 6 respondents indicated that they disagree to buy more when offered price discount. Out of 109 respondents with salary ranging from 6000 – 10,000, 72 agreed to buy more when offered price discount whereas 16 respondents indicated that they disagree to buy more when offered price discount. Out of 66 respondents with salary above 10,000, 44 agreed to buy more when offered price discount whereas 10 respondents indicated that they disagree to buy more when offered price discount. And finally out of 42 respondents with no salary, 34 agreed to buy more when offered price discount whereas 1 respondent indicated that he/she disagrees to buy more when offered price discount. In conclusion, 17 respondents in total representing 4.4% of the total sampled population indicated they strongly agree, 262 respondents in total representing 68.2% of the total sampled population indicated they agree, 41 respondents in total representing 10.7% of the total sampled population indicated they are neutral, 48 respondents in total representing 12.5% of the total sampled population indicated they disagree, and finally 16 respondents in total representing 4.2% of the total sampled population indicated they strongly agree.

**4.5.7 Cross Tabulation between Salary range of respondent and whether premium promotion encourages respondent to try new products far more easily?**

Table 4.5.7

		Does premium (Under Cork offers & Buy-One-Get-One Free) promotion encourage respondent to try new products far more easily?					Total
		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	
Salary range of respondent	Below 1000	0	16	5	2	0	23
	1000 – 3000	7	47	9	15	0	78
	3000 – 6000	1	45	14	4	2	66
	6000 – 10,000	4	87	13	4	1	109
	10000+	2	54	6	4	0	66
	No Salary	1	34	6	1	0	42
Total		15	283	53	30	3	384

Source: Developed by researcher

This table analyzes the relationship between respondents' salary and whether premium promotion encourages respondent to try new products far more easily. And from table 4.5.8 above, out of 23 respondents below 1000 salary level, 16 agreed premium promotion encourages them to try new products far more easily whereas 2 respondents indicated that they disagree premium promotion encourages them to try new products far more easily. Out of 78 respondents in with salary between 1000 and 3000, 47 agreed premium promotion encourages them to try new products far more easily whereas 5 respondents indicated that they disagree premium promotion encourages them to try new products far more easily. Out of a total of 66 respondents with salary ranging 3000 - 6000, 45 agreed premium promotion encourages them to try new products far more easily whereas 4 respondents indicated that they disagree premium promotion encourages them to try new products far more easily. Out of 109 respondents with salary ranging from 6000 – 10,000, 87 agreed premium promotion encourages them to try new products far more easily whereas 4 respondents indicated that they disagree premium promotion encourages them to try new products far more easily. Out of 66 respondents with salary above 10,000, 54 agreed premium promotion encourages them to try new products far more easily whereas 4 respondents indicated that they disagree premium promotion encourages them to try new products far more easily. And finally out of 42 respondents with no salary, 34 agreed premium promotion encourages them to try new products far more easily whereas 1 respondents indicated that he/she disagrees premium promotion encourages them to try new products far more easily. In conclusion, 15 respondents in total representing 3.9% of the total sampled population indicated they strongly agree, 283 respondents in total representing 73.7% of the total sampled population indicated they agree, 53 respondents in total representing 13.8% of the total sampled population indicated they are neutral, 30 respondents in total representing 7.8% of the total sampled population indicated they disagree and finally, 3 respondents in total representing .8% of the total sampled population indicated they strongly disagree.

**4.5.8 Cross Tabulation between Salary range of respondent and whether free sample influence respondent to try new brands?**

Table 4.5.8

		Does free sample influence respondent to try new beer brands?					Total
		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	
Salary range of respondent	Below 1000	0	18	1	4	0	23
	1000 – 3000	3	62	6	7	0	78
	3000 – 6000	3	51	9	1	2	66
	6000 – 10,000	4	98	3	1	3	109
	10000+	3	59	1	2	1	66
	No Salary	3	31	6	2	0	42
Total		16	319	26	17	6	384

**Source:** Developed by researcher

From table 4.5.8, a total of 319 respondents representing 83% of the total sampled population indicated they agree free sample influences them to try new beer brands. 16 respondents in total representing 4.2% of the total sampled population indicated they strongly agree free sample influences them to try new beer brands. 17 respondents of the total sampled population representing 4.4% indicated they disagree free sample influences them to try new beer brands. 26 respondents representing 6.8% of the total sampled population indicated they are neutral as to whether free sample influences them to try new beer brands and finally 6 respondents of the total sampled population representing 1.6% indicated they strongly disagree free sample influences them to try new beer brands



4.5.9 **Cross Tabulation between Salary range of respondent and whether display and promotional offers attract respondent to buy beer?**

Table 4.5.9

		Does displays and promotional offers in the bar attract respondent to buy beer?					Total
		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	
Salary range of respondent	Below 1000	0	15	6	2	0	23
	1000 – 3000	4	58	12	4	0	78
	3000 – 6000	3	43	14	5	1	66
	6000 – 10,000	6	73	28	1	1	109
	10000+	2	43	19	1	1	66
	No Salary	0	28	10	4	0	42
Total		15	260	89	17	3	384

**Source:** Developed by researcher

From table 4.5.9, a total of 260 respondents out of 384 respondents sampled for this study representing 67.7% indicated they agree display and promotional offers attract respondent to buy beer, 15 respondents representing 3.9% indicated they strongly agree display and promotional offers attract respondent to buy beer, 89 respondents representing 23.2% indicated their neutrality with 17 respondents representing 4.4% indicating their disagreement and finally 3 out of the total 384 respondents sampled for this research study representing .8% indicated they strongly disagree display and promotional offers attract respondent to buy beer.

4.5.10 **Cross Tabulation between salary range of respondent and whether their purchase decision is based on sales promotion offered by the brand?**

Table 4.5.10

		Is respondent's purchase decision based on sales promotion offered by the brand?					Total
		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	
Salary range of respondent	Below 1000	2	20	0	1	0	23
	1000 – 3000	1	70	3	3	1	78
	3000 – 6000	2	61	1	2	0	66
	6000 – 10,000	3	100	3	3	0	109
	10000+	0	57	6	2	1	66
	No Salary	0	39	0	3	0	42
Total		8	347	13	14	2	384

**Source:** Developed by researcher

This table analyzes the relationship between respondents' salary and their purchase decision is based on sales promotion offered by the brand. And from table 4.5.10 above, out of 23 respondents below 1000 salary level, 20 agreed their purchase decision is based on sales promotion offered by the brand whereas 2 respondents indicated that they disagree their purchase decision is based on sales promotion offered by the brand. Out of 78 respondents in with salary between 1000 and 3000, 70 agreed their purchase decision is based on sales promotion offered by the brand whereas 3 respondents indicated that they disagree their purchase decision is based on sales promotion offered by the brand. Out of a total of 66 respondents with salary ranging 3000 - 6000, 61 agreed their purchase decision is based on sales promotion offered by the brand whereas 2 respondents indicated that they disagree their purchase decision is based on sales promotion offered by the brand. Out of 109 respondents with salary ranging from 6000 – 10,000, 100 agreed their purchase decision is based on sales promotion offered by the brand whereas 3 respondents indicated that they disagree their purchase decision is based on sales promotion offered by the brand. Out of 66 respondents with salary above 10,000, 57 agreed their purchase decision is based on sales promotion offered by the brand whereas 2 respondents indicated that they disagree their purchase decision is based on sales promotion offered by the brand. And finally out of 42 respondents with no salary, 39 agreed premium promotion encourages them to

try new products far more easily whereas 3 respondents indicated that he/she disagrees premium promotion encourages them to try new products far more easily. In conclusion, 347 respondents across the 6 salary ranges representing 90.4% of total respondents indicated they agree their purchase decision is based on sales promotion offered by the brand, 8 respondents across the 6 salary ranges representing 2.1% of total respondents indicated they strongly agree their purchase decision is based on sales promotion offered by the brand, 13 respondents across the 6 salary ranges representing 3.4% of total respondents indicated they are neutral as to whether their purchase decision is based on sales promotion offered by the brand, 14 respondents across the 6 salary ranges representing 3.6% of total respondents indicated they disagree their purchase decision is based on sales promotion offered by the brand and finally 2 respondents across the 6 salary ranges representing 0.5% of total respondents indicated they agree their purchase decision is based on sales promotion offered by the brand.

#### 4.5.11 **Cross Tabulation between brands of beer respondent consumes and whether sales promotion affects consumer purchase decision?**

Table 4.5.11

		Does sales promotion affect consumer purchase decision		Total
		Yes	No	
<b>Brand of beer respondent consumes</b>	Bedele	52	11	63
	Castel	8	3	11
	Dashen	46	18	64
	Habesha	10	2	12
	Heinekens	23	2	25
	Meta	4	1	5
	St. Georges	52	23	75
	Walia	74	55	129
Total		269	115	384

**Source:** Developed by researcher

Table 4.5.11 analyzes the relationship between brands of beer respondent consumes and whether sales promotion affects their purchase decision and from the analysis above, 52 consumers of Bedele brand responded yes sales promotion affects their purchase decision with 11 respondents no sales promotion affects their purchase decision of beadle brand. 8 respondents indicated their purchase decision is affected by Castel beer whereas 3 respondents indicated their purchase

decision is not affected by sales promotion offered by Castel brand. Furthermore, 46 respondents confirmed sales promotion offered by Dashen beer affects their purchase and consumption of Dashen beer brand but 18 respondents indicated otherwise. 10 respondents indicated sales promotion offered by Habesha beer affects their purchase and consumption of beer brand whereas 2 respondents indicated otherwise.

The tabular analysis further indicates that sales promotions by Heinekens beer influences 23 consumers of Heineken beer but 2 respondents indicated sales promotion offered by the brand does not affect their purchase decision of Heinekens beer. 4 and 52 respondents indicated sales promotion offered by Meta beer and St. Georges beer affects their purchase decision respectively whereas 1 respondent and 23 respondents indicated their purchase and consumption of Meta beer and St. Georges is not affected by the promotional campaigns offered by the brands respectively. And finally, 74 Walia consumers indicated yes their purchase decision of Walia brand is based on promotional campaigns offered by the Walia brand where as 55 respondents indicated otherwise. In conclusion, from the tabular analysis, 74 respondents indicated their choice of Walia brand is based on sales promotional campaigns offered by Heineken Breweries S.C producers and marketers of Walia brand. 269 respondents representing 70% of total responses indicated YES sales promotion offered by the beer brand affects their choice of beer brand and 115 respondents representing 30% of total responses indicated NO sales promotion offered by the beer brand affects their choice of beer brand. And this goes to confirm responses by brand managers of Heineken Breweries S.C in their responds to management questionnaire. Brand managers in their responds indicated that sales promotion offered by the company has improved purchase behavior of its beer consumers and this has also improved sales of the company and the profitability of the company both in the short term and long term.

4.5.12

### Cross Tabulation between educational level of respondent and respondent's choice of beer brand

**Table 4.5.12**

		Brand of beer respondent consumes								Total
		Bedele	Castel	Dashen	Habesha	Heinekens	Meta	Georges St.	Walia	
Educational level of respondent	No Formal Education	7	0	0	0	0	0	9	17	33
	High School Diploma	8	3	6	0	2	0	25	23	67
	Bachelor or Higher	47	8	57	12	23	5	40	88	280
	Vocational training	1	0	1	0	0	0	1	1	4
Total		63	11	64	12	25	5	75	129	384

**Source:** Developed by researcher

Table 4.5.12 analyzes the relationship between brands of beer respondent consumes and respondents educational level and from the analysis above, 7 and 17 respondents with no formal education indicated their preference for Bedele and Walia beers respectively which are produced by the same company, Heineken Breweries S.C. 8, 2 and 23 high school diploma holders also indicated their preferences for Bedele, Heineken and Walia respectively all produced by the same company, Heineken Breweries S.C whereas remaining respondents indicated their interest for other brands including Castel beer, Dashen beer, Habesha beer, Meta beer and St. Georges beer. Further analysis of table 4.5.13 indicates that highest responses are from respondents with Bachelor degree or higher and Walia beer receiving 88 responses from the total sampled population within this category followed by Dashen beer with 57 responses. 40 respondents from this category indicated their preferences for St. Georges beer, 47 respondents said they prefer to drink Bedele beer from this category. 23, respondents also said they also prefer to drink Heineken beer with 12, 8 and 5 respondents also indicating their interest for Habesha beer, castel beer and Meta beer respectively.

There was a very low response from the vocational training category with majority of them indicating 1 each for Bedele, Dashen, St. Georges and Walia brands. From the above table 4.5.13, it could be concluded that majority beer consumers sampled for this research hold either a bachelors degree or a much higher degree and from this category majority said they prefer to

drink Walia beer followed by Dashen, Bedele and St. Georg brands. Results further reveals that 63 of respondents representing 16.4% from total sampled population prefer to drink Bedele beer brand, 11 respondents representing 2.9% of total sampled respondents prefers to drink Castel beer brand, 64 respondents representing 16.7% of total sampled respondents prefers to drink Dashen beer brand, 12 respondents representing 3.1% of total sampled respondents prefers to drink Habesha beer with 25 respondents representing 6.5% of total sampled respondents preferring Heinekens beer.

Further results reveal that, 5 respondents representing 1.3% of total sampled respondents prefer to drink Meta beer with 75 respondents representing preferring 19.5% of total sampled respondents prefers to drink St. Georges beer brand and finally 129 respondents representing 33.6% of total sampled respondents prefers to drink Walia beer brand.

#### 4.5.13 Cross Tabulation between what determines respondent's choice of beer brand and the brand of beer consumer prefers to drink?

Table 4.5.13

		Brand of beer respondent consumes								Total
		Bedele	Castel	Dashen	Habesha	Heinekens	Meta	Georges St.	Walia	
<b>What determines respondent's choice of beer brand</b>	Brand name	8	3	54	4	8	3	6	25	111
	Product Quality	0	1	0	1	8	1	5	41	57
	Product Variety	2	2	1	1	6	0	0	9	21
	Store Ambiance	0	0	0	0	0	0	0	3	3
	Price	53	5	9	6	3	1	64	48	189
	Purchasing Convenience	0	0	0	0	0	0	0	3	3
<b>Total</b>		63	11	64	12	25	5	75	129	384

**Source:** Developed by researcher

Table 4.5.13 above analyzes the relationship between brand of beer consumer prefers to drink and what influence them to consume a beer brand and from the analysis, Majority of respondents indicated price influences or determines their choice of beer brand with 189 responses representing 49.2% from the total sampled population for this research. Some 111 respondents representing 28.9% from the total sampled population said their choice of beer brand is

determined or influenced by brand name. 57 respondents representing 14.8% from the total sampled population further indicated that product quality influences their choice of beer brand, 21 respondents representing 5.5% from the total sampled population indicated product variety influences their choice of beer brand and finally 3 respondents representing 0.8% from the total sampled population respondents each indicated purchase convenience and store ambience influences their purchase decision respectively.

From the analysis above it can be concluded that price influences consumer purchase decision of beer products followed by brand name. And this goes to confirm why Heineken Breweries S.C undertakes price discount promotions targeted at dealers and consumers of its brands to increase sales. Furthermore, the company ensures its beer brands are competitively priced on the market and this has increased sales over the years and made the company the market leader in the beer industry in Ethiopia.

#### 4.5.14 Cross Tabulation between gender and place consumer prefers to drink their beer brand

Table 4.5.14

		Place respondent prefers to consume beer brand			Total
		Home	Bar	Club	
Gender of respondent	Male	16	249	22	287
	Female	9	78	10	97
Total		25	327	32	384

**Source:** Developed by researcher

Table 4.5.14 analysis the relationship between respondent’s gender and places they prefer to drink their beer brand. And from the tabular analysis, majority of both male and female respondents prefers to drink beer in the bar as against drinking at home and in the club. 16 male and 9 female prefers to drink beer at home whereas 22 male and 10 female prefers to drink beer in the club. The choice of bar by majority of respondents may be argued that predictions of context of drinking from demographic groups (e.g., by gender, religion or age) may relate more to seeking locations that promote greater alcohol intake.

Furthermore, it could be that demographic group membership affects the frequency with which one will desire to visit or avoid visiting locations where drinking occurs. The social atmosphere at these various drinking places also deserves some attention, as it may also contribute to the person’s consumption: certain environments may actually be more permissive of impulsive behaviours than others, thus affecting the drinking pattern in that context. Frequency of

consumption varies with the drinking context, implying that people are to some degree affected by their drinking environment. Thus contextualizing the individual’s usual consumption in various locations may provide valuable information for evolving better strategies for targeted preventive actions.

Cultural norms and beliefs with regards to drinking in certain locations affect alcohol consumption patterns. In conclusion 25 respondents representing 7% of total respondents indicated they prefers to drink at home, 327 respondents representing 85% of total respondents indicated they prefers to drink in the bar and 32 respondents representing 8% of total respondents indicated they prefers to drink in the club. It is important that future related research work examine the effect of cultural variables and the diversity of alcohol consumption patterns and contexts.

#### 4.5.15 Cross Tabulation between age and place consumer prefers to drink their beer brand

Table 4.5.15

		Place respondent prefers to consume beer brand			Total
		Home	Bar	Club	
Age of respondent	18 - 25 years	1	63	5	69
	26-30 years	6	65	9	80
	31-39 years	11	119	14	144
	40-49 years	1	80	4	85
	50+ years	6	0	0	6
Total		25	327	32	384

**Source:** Developed by researcher

Table 4.5.15 analysis consumer’s age and place they prefer to drink their beer brand and from the analysis, majority of respondents aged 18-25 years prefers to drink in the bar with 63 responses from the total sampled respondents. 1 and 5 respondents within this age category indicated they prefer to drink at home and club respectively. 65 respondents from the age 26 – 30 years indicated they also prefer to drink in the bar as against 6 and 9 preferring to drink in the home or at the club. 119 respondents within the 31 – 39 age group prefers to drink in the bar instead of home or the club. 11 and 14 respondents within this same age group responded to preferring to drink at home and in the bar. 80 respondents indicated preferring to drink in the bar whereas 1 and 4 indicated their preferences to drink at home and the club respectively.



And finally no respondent aged 50 years and above indicated they prefer to drink their beer brand at home. And the high choice of bar as place most respondents prefer to drink their beer brand could be as a result of the social atmosphere at these various drinking places. This needs to be given critical attention and included in sales promotion planning activities as it also contributes to the person's consumption pattern.

Certain environments may actually be more permissive of impulsive behaviours than others, thus affecting the drinking pattern in that context. Frequency of consumption varies with the drinking context, implying that people are to some degree affected by their drinking environment. In conclusion, 25 respondents representing 7% of total respondents indicated they prefer to drink at home, 327 respondents representing 85% of total respondents indicated they prefer to drink in the bar and 32 respondents representing 8% of total respondents indicated they prefer to drink in the club.

#### 4.5.16 Cross Tabulation between gender and choice of beer brand

Table 4.5.16

		Gender of respondent		Total
		Male	Female	
Brand of beer respondent consumes	Bedele	55	8	63
	Castel	8	3	11
	Dashen	60	4	64
	Habesha	3	9	12
	Heinekens	10	15	25
	Meta	5	0	5
	St. Georges	59	16	75
	Walia	87	42	129
Total		287	97	384

**Source:** Developed by researcher

Table 4.5.16 analysis the relationship between gender and choice of beer consumption and the analysis suggests that men drink alcohol more than women. From the analysis, 55 men prefer bedele beer brand as against 8 women drinking same brand. 8 men prefer to drink castle brand as compared to 3 women preferring same brand of beer. 4 women prefer to drink Dashen as against 60 men drinking the same brand. 10 men prefer to drink Habesha beer as against 9 women preferring same brand. 10 men prefer to drink Heinekens beer as compared to 15 women preferring to drink same brand. Meta beer brand received 5 responses from men with no response

from the opposite sex for same brand. 59 male respondents responded to preferring St. Georges beer as against 16 respondents from the opposite sex for the same beer brand and finally 87 male respondents indicated their interest for Walia beer as against 42 female respondents indicating their interest for the same brand. Results further reveals that 63 respondents representing 16.4% from total sampled population prefer to drink Bedele beer brand, 11 respondents representing 2.9% of total sampled respondents prefers to drink Castel beer brand, 64 respondents representing 16.7% of total sampled respondents prefers to drink Dashen beer brand, 12 respondents representing 3.1% of total sampled respondents prefers to drink Habesha beer with 25 respondents representing 6.5% of total sampled respondents preferring Heinekens beer. Further analysis reveals that, 5 respondents representing 1.3% of total sampled respondents prefer to drink Meta beer with 75 respondents representing preferring 19.5% of total sampled respondents prefers to drink St. Georges beer brand and finally 129 respondents representing 33.6% of total sampled respondents prefers to drink Walia beer brand.

This trend of high responses from men generally could be confirmed by review of 16 general population surveys from 10 countries (Wilsnack et al., 2000) which found that while there was little difference between women and men in the probability of current drinking versus abstaining, men always exceeded women in drinking frequency and quantity and in rates of heavy drinking episodes. The authors concluded that gender differences in drinking might be biologically influenced. However, substantial variations between countries in the magnitude of these differences could suggest that socio cultural factors have a strong influence. Research on drinking patterns among women generally shows that women drink less than men (Wilsnack, 1996), across the developing (Assanang kornchai et al., 2003, Wei et al., 1999) and the developed world (Kraus et al., 2000).

#### **4.6 Summary On Cross Tabular Analysis**

From the data analyzed in the various cross tables above, a total of 129 responded representing 33.6% of total sampled population for the research indicated their preference for Walia beer brand with majority of responses from ages 18 -25 years and 31 – 39 years recording 63 and 30 responses respectively. St. Georges beer came second in choice with a total of 75 respondents representing 19.5% of sampled total respondents but with majority of respondents within age 31 – 39 years recording 48 responses but same cannot be said of respondents aged 18 – 25 years who were second largest to prefer Walia brand. Dashen beer brand came third with a total of 64 respondents representing 16.7% out of the total respondents sampled for this research with

majority of respondents from age 40 - 49 years recording 52 responses. Bedele which is a sister brand of Walia came fourth in ranking as far as age and choice of beer brand is concerned with a total of 63 responses representing 16.4% of total sampled population with majority of respondents from age 31 – 39 years group recording 40 responses and 20 responses from respondents aged 26-30 years. Heineken beer which is also a sister brand of Walia and Bedele beer ranked fifth recording 12 responses each from both 26-30 years and 31-39 years age groups. This shows the lack of publicity and promotions for this brand.

The same analysis can be concluded for income of respondents and their choice of beer brand, Walia continues to remain a top choice brand for most respondents with majority receiving above 10,000 birr monthly followed by St. Georges with majority of respondents receiving from 3000 – 6000 birr monthly with majority drinking 2 – 3 times weekly. Dashen ranked third with majority of its respondents receiving between 6000 – 10,000 birr monthly with majority drinking 2 – 3 times weekly. Bedele ranked fourth with majority of its consumers receiving between 1000 – 3000 birr with majority of these respondents drinking 2 – 3 times weekly and Heineken ranking fifth with majority of its consumers receiving 10,000 birr and above monthly with majority drinking 2 – 3 times weekly. On the analysis of how respondents prefer to drink their beer brand and place they prefer to drink, majority of respondents indicated they prefer to drink with friends in the bar.

Choice of place and whom respondents drink beer with may be argued that predictions of context of drinking from demographic groups (e.g., by gender, religion or age) may relate more to seeking locations that promote greater alcohol intake. Furthermore it could be that demographic group membership affects the frequency with which one will desire to visit or avoid visiting locations where drinking occurs. Majority of respondents within the entire salary bracket indicated sales promotion affects their purchase decision with 269 respondents representing 70% of total sampled respondents but 115 respondents representing 30% of total sampled respondents indicated their purchase decision does not affect their purchase decision. Similar number of respondents also indicating they agree sales promotion offered by the beer brand affects their purchase decision.

A total of 262 respondents representing 68.2% of total sampled responses from the various salary ranges indicated their agreement to buying and consuming more when offered price discount and this goes to confirm the importance of price discount as a sales promotion tool in driving sales increase. Similarly, a total of 319 respondents representing 83% of total sampled respondents

indicated free sample affects their purchase decision with 6 respondents indicating their strong disagreement. Furthermore, 283 respondents representing 73.7% of total sampled respondents also said they agree premium offers influences their purchase decision with 260 respondents representing 68.1% of total sampled respondents also confirming they agree point of sale displays also influences their purchase decision.

Analyzing respondents education and alcohol consumption, a total of 280 respondents representing 72.9% of total sampled population were found to have a bachelors degree or higher and this is indicative of the correlation between level of education and alcohol consumption. As people achieve more in their academic careers they tend to earn more as they progress in their academic pursuits because, the higher they achieve the higher their salary and the higher their chances of spending more on alcohol.

Researchers at the London School of Economics examined data on thousands of British adults in their 30s and found a positive correlation between educational attainment and daily drinking. According to the U.S. Department of Health, rates of alcohol consumption rise with education level, with 68.4 percent of college graduates describing themselves as drinkers, compared with 35.2 percent for adults without high school diplomas—perhaps reflecting people bringing the binge-drinking habits they learn on campus into adulthood.

**Source** - (<https://newrepublic.com/article/115802/intelligence-and-drinking-studies-say-theres-correlation>)

Further analysis indicates that 347 respondents representing 90.4% indicated they agree sales promotion offered by various beer brands affects their purchase and consumption of their choice of beer brands whereas only 2 respondents representing .5% of total sampled respondents indicated their strong disagreement to same. Interestingly, table 4.5.14 reveals that it is not only sales promotions offered by the brand that affects purchase and consumption of beer brand but other important factors or variables also affects consumer purchase decision of beer brands.

One of such indicated by respondents is price with 189 respondents representing 49.2% of total sampled responses indicating they consider price of the brand also before making a purchase decision followed by brand name with 111 respondents representing 28.9% of total sampled respondents confirmed being influenced by brand name when making purchase decision for a beer brand. Majority of respondents said they prefer to drink in the bar with 249 male respondents and 78 female respondents. Similarly, 327 respondents from the age variable indicated they prefer to drink in the bar with the least responses for home. This therefore

indicates that both male and female from ages 18- 49 years old prefer to drink in the bar with a marginal number 6 from age 50 years and above indicating they prefer at home.

#### 4.7 Hypothesis Tests

The hypotheses tests of this research are conducted within the following two sets of tests:

1. Use Pearson’s correlation test to test the relationship between the independent (X) and dependent (Y) variable of the research.
2. Conduct t – test to test the significance of the relationship. The researcher uses a standard of 95% confidence interval to test all the hypotheses.

Hypothesis 1.Sales promotion has effect on consumer purchase decision.

$H_A$  : Sales promotion has effect on consumer purchase decision.

$H_0$  : Sales promotion has no effect on consumer purchase decision.

Table 4.6.1

Correlations			
		Sales Promotion	Purchase Decision
Sales Promotion	Pearson Correlation	1	.160**
	Sig. (2-tailed)		.002
	N	384	384
Purchase Decision	Pearson Correlation	.160**	1
	Sig. (2-tailed)	.002	
	N	384	384

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

**Source:** Developed by researcher

Step 1: From the table above it can be summarized that there is a positive relationship between sales promotion and purchase decision. The strength of the relationship is determined by Pearson’s correlation as  $r = 0.160$  with a correlation significant at 0.01 level using the 2-tailed test of significance.

Step 2: The researcher further conducts the test of the significance of the correlation using the t – test. This research uses a standard of 95% confidence interval; therefore, the significance level is defined as 0.95. In order for the claimed relationship to be significant,  $t_{obs} > t_{0.95}$ , the test statistic is given as:

$$t_r = \frac{r\sqrt{n-2}}{\sqrt{1-r^2}}$$

$$t_r = \frac{0.160\sqrt{384-2}}{\sqrt{1-0.160^2}} = 3.19$$

From the above calculation, therefore, the researcher concludes that the relationship between sales promotion and purchase decision is statistically significant at 95% confidence interval.

Hypothesis 2: Price discount has effect on consumer purchase decision

$H_1$ : Price discount has effect on consumer purchase decision

$H_0$ : Price discount has no effect on consumer purchase decision

Table 4.6.2

Correlations			
		Price Discount	Purchase Decision
<b>Price Discount</b>	Pearson Correlation	1	.157**
	Sig. (2-tailed)		.002
	N	384	384
<b>Purchase Decision</b>	Pearson Correlation	.157**	1
	Sig. (2-tailed)	.002	
	N	384	384

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

**Source:** Developed by researcher

Step 1: From the table above it can be summarized that there is a positive relationship between price discount and purchase decision. The strength of the relationship is determined by Pearson's correlation as  $r = 0.157$  with a correlation significant at 0.01 level using the 2-tailed test of significance.

Step 2: The researcher further conducts the test of the significance of the correlation using the t – test. This research uses a standard of 95% confidence interval; therefore, the significance level is defined as 0.95. In order for the claimed relationship to be significant,  $t_{obs} > t_{0.95}$ , the test statistic is given as:

$$t_r = \frac{r\sqrt{n-2}}{\sqrt{1-r^2}}$$

$$t_r = \frac{0.157\sqrt{384-2}}{\sqrt{1-0.157^2}} = 3.13$$

From the above calculation, therefore, the researcher concludes that the relationship between price discount and purchase decision is statistically significant at 95% confidence interval.

Hypothesis 3: Premium has effect on consumer purchase decision

$H_1$ : Premium has effect on consumer purchase decision

$H_0$ : Premium has no effect on consumer purchase decision

Table 4.6.3

Correlations			
		Premium	Purchase Decision
Premium	Pearson Correlation	1	.133**
	Sig. (2-tailed)		.009
	N	384	384
Purchase Decision	Pearson Correlation	.133**	1
	Sig. (2-tailed)	.009	
	N	384	384

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

**Source:** Developed by researcher

Step 1: From the table above it can be summarized that there is a positive relationship between premium and purchase decision. The strength of the relationship is determined by Pearson's correlation as  $r = 0.133$  with a correlation significant at 0.01 level using the 2-tailed test of significance.

Step 2: The researcher further conducts the test of the significance of the correlation using the t – test. This research uses a standard of 95% confidence interval; therefore, the significance level is defined as 0.95. In order for the claimed relationship to be significant,  $t_{obs} > t_{0.95}$ , the test statistic is given as:

$$t_r = \frac{r\sqrt{n-2}}{\sqrt{1-r^2}} = \frac{0.133\sqrt{384-2}}{\sqrt{1-0.133^2}} = 2.65$$

From the above calculation therefore, the researcher concludes that the relationship between premium and purchase decision is statistically significant at 95% confidence interval.

Hypothesis 4: Free sample has effect on consumer purchase decision

$H_1$ : Free sample has effect on consumer purchase decision

$H_0$ : Free sample has no effect on consumer purchase decision

Table 4.6.4

<b>Correlations</b>			
		<b>Free Sample</b>	<b>Purchase Decision</b>
<b>Free Sample</b>	Pearson Correlation	1	.192**
	Sig. (2-tailed)		.000
	N	384	384
<b>Purchase Decision</b>	Pearson Correlation	.192**	1
	Sig. (2-tailed)	.000	
	N	384	384

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

**Source:** Developed by researcher

Step 1: From the table above it can be summarized that there is a positive relationship between free sample and purchase decision. The strength of the relationship is determined by Pearson's correlation as  $r = 0.192$  with a correlation significant at 0.01 level using the 2-tailed test of significance.

Step 2: The researcher further conducts the test of the significance of the correlation using the t – test. This research uses a standard of 95% confidence interval; therefore, the significance level is defined as 0.95. In order for the claimed relationship to be significant,  $t_{obs} > t_{0.95}$ , the test statistic is given as:

$$t_r = \frac{r\sqrt{n-2}}{\sqrt{1-r^2}}$$

$$t_r = \frac{0.192\sqrt{384-2}}{\sqrt{1-0.192^2}}$$

$$= 3.91$$

From the above calculation therefore, the researcher concludes that the relationship between free sample and purchase decision is statistically significant at 95% confidence interval.



Hypothesis 5: Point of sale display has effect on consumer purchase decision

$H_1$ : Point of sale display has effect on consumer purchase decision

$H_0$ : Point of sale display has no effect on consumer purchase decision

Table 4.6.5

Correlations			
		Point of Sale Display (POS)	Purchase Decision
Point of Sale Display (POS)	Pearson Correlation	1	.148**
	Sig. (2-tailed)		.004
	N	384	384
Purchase Decision	Pearson Correlation	.148**	1
	Sig. (2-tailed)	.004	
	N	384	384

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

**Source:** Developed by researcher

Step 1: From the table above it can be summarized that there is a positive relationship between Point of Sale Display and purchase decision. The strength of the relationship is determined by Pearson's correlation as  $r = 0.148$  with a correlation significant at 0.01 level using the 2-tailed test of significance.

Step 2: The researcher further conducts the test of the significance of the correlation using the  $t$  – test. This research uses a standard of 95% confidence interval; therefore, the significance level is defined as 0.05. In order for the claimed relationship to be significant,  $t_{obs} > t_{0.05}$ , the test statistic is given as:

$$t_r = \frac{r\sqrt{n-2}}{\sqrt{1-r^2}}$$

$$t_r = \frac{0.148\sqrt{384-2}}{\sqrt{1-0.148^2}}$$

$$= 2.95$$

From the above calculation, therefore, the researcher concludes that the relationship between Point of Sale Display and purchase decision is statistically significant at 95% confidence interval.

#### 4.8 Hypothesis Tests Discussed

The main objective of this research is to examine the effect of sales promotion on the purchasing decision of the beer consumer with particular emphasis on Heineken Breweries S.C. As such the researcher studied various promotional tools like price discounts, free sampling, premium and point of purchase display that affects the consumer purchasing decision of beer products. The result of this research provides important information to various stake holders described in the scope of the research about the effect of sales promotion on consumer purchasing decision and also leads towards understanding the most effective sales promotion tool that customers are inclined towards in recent times of fierce competition.

According to Quelch (1989) use of promotional tools, materials and techniques have dramatically increased in the recent years by marketers. Blattberg and Neslin in (1990) admitted that sales promotion has an impact on consumer buying behavior by focusing on promoting occasion. Schneider and Currim (1991) argued that customer's promotion acceptance is based on the out and in store sales promotion. Later on Schultz (1998) indicated that sales promotion has a direct effect on customers' behaviors. Chandon, Wansink, and Laurent (2000) also pointed out that there are other factors that can influence consumer buying behavior rather than reasons beyond price saving. Pramataris (2001) argued about sampling which is a good technique and it has less cost and an effective tool to attract customers. Fill (2002) indicated that promotion tools have a huge impact on consumer buying behavior during any competition; therefore discounted price is one of these tools which effect customers' decisions. Others also agreed that sales promotions' is aiming to influence consumer buying behavior by introducing new brand product which is going to be targeted at customers who have no previous experience with it (Solomon et al., 2008; Kotler and Armstrong, 2004).

The first hypothesis of the study states that there is a relationship between sales promotion and consumer's purchasing decision. The results show that there is a positive correlation between sales promotion and consumer's purchasing decision with  $r = 0.160$  and  $t_r = 3.19$  significant at 95% confidence interval. Therefore the researcher rejects the Null hypothesis and rather accepts the Alternate hypothesis. The result of this research is consistent with previous studies that support the statement that consumer's purchase decision is influenced by sales promotion. Studies regarding behavioral and economic theory have provided supporting evidence that sale

promotion has direct impact on consumer behavior and it accelerates the selling process by influencing consumer to make a swift purchase and this is supported by (Wansink & Despande, 1994).

Similarly, other studies highlights that customer's purchase decision is highly influenced by sales promotion on products of high convenience compared to that of low convenience. The researcher delved deeper to understand other factors that may affect consumer's purchase decision. As such, the researcher conducted a cross tabulation between economic status and purchase decision and the results indicates that income status of the consumer has no significant correlation with consumer's purchase decision.

In this research, income status has been divided into six categories namely, below 1000, 1000-3000, 3000-6000, 6000-10,000, 10,000 plus and No salary earners. The researcher runs a cross tabulation test to analyze the effect of salary of consumer and whether sales promotion affects their purchase decision. The results show that 269 representing 70% of total respondents indicated yes sales promotion affects their purchase decision whereas 115 representing 30% of total respondents indicated sales promotion does not affect their purchase decision. This means majority of respondents indicated sales promotion affects their purchase decision despite their economic status but marginal respondents from the total respondents on the other hand indicated their purchases are not dependent on sales promotion and as such they buy as and when they want to buy the product.

Based on the result of this research and the analysis of previous studies it is therefore evident that sales promotion has a significant impact on consumer's purchasing decision. Also, 347 respondents out of the total respondents indicated their agreement that their purchase decision is influenced by sales promotion offered by the brand. These findings are in line with Heineken Breweries S.C's management responds to this study. From brand manager's responses, the organization embarks on sales promotion as and when situation demands and it is directed generally at dealers, customers and the sales team. Furthermore according to brand manager's responses, the company embarks on sales promotion activities to increase brand awareness, maximize profit, maintain suitable market share, increase sales volume and to counter competitor moves. Furthermore, according to brand manager's responses, sales promotion has over the year's improved buying behaviour of consumers. They indicated further that sales promotion has been very profitable because it has increased sales level of the company.

The second hypothesis states that price discounts influences the consumer's purchase decision. The results show that there is a positive correlation between price discounts and purchase decision with  $r = 0.157$  and  $t_r = 3.13$  significant at 95% confidence interval which is consistent with the findings of the previous studies. Therefore the researcher rejects the Null hypothesis and rather accepts the Alternate hypothesis. (Assunção & Meyer, 1993) show that consumption is an indigenous decision variable driven by price discounts. Similarly, in another analytical study, (Chandon et al., 2002) stated that stockpiling is often observed when there is a heavy price discount on convenience goods. The researcher delved deeper to understand whether the relationship between price discount and stockpiling varies among the customers of different economic status. The researcher conducts cross tabulation test between economic status of the customers and their behavior of buying more in response to price discounts.

The results show out of 109 respondents with salary ranging from 6000 – 10,000, 72 respondents agreed to buy more when offered price discount whereas 16 respondents indicated that they disagree to buy more when offered price discount. Out of 78 respondents in with salary between 1000 and 3000, 52 agreed to buy more when offered price discount whereas 11 respondents indicated that they disagree to buy more when offered price discount. Out of 66 respondents with salary above 10,000, 44 agreed to buy more when offered price discount whereas 10 respondents indicated that they disagree to buy more when offered price discount.

However, out of 23 respondents below 1000 salary level, 17 agreed to buy more when offered price discount whereas 4 respondents indicated that they disagree to buy more when offered price discount and out of 42 respondents with no salary, 34 agreed to buy more when offered price discount whereas 1 respondents indicated that he/she disagrees to buy more when offered price discount. This is shows that despite respondents various salary levels, their purchase and consumption patterns are largely influenced by price discounts. This is further confirmed by a number of researchers, (Percy et al., 2001) indicated in his research that, the customer is more attracted to price-off promotions. Ndubisi and Chiew (2006) also stated that product trial can be increased through offering great price discount. Price promotions do influence new product trial according to (Brand week, 1994).

In a different study, Ehrenberg et al., (1994) found that the short-term peaks in sales were due primarily to purchases made by occasional users of a brand rather than by new customers. The reduction in product prices play major parts in persuading customer's product trial behavior and through this new customer can be attracted (Blackwell, Miniard and Engel, 2001).

Based on the results of this research and previous studies, it has been proven that price discounts affects consumer's purchase decision. In conclusion, the results of this study reaffirms findings of previous study by, Blackwell, Miniard and Engel (2001) which states that price discounts plays positive role in influencing consumers' purchase decision and trial behavior, and Smith and Sinha (2000), also indicated that price promotions can induce consumers' buying behavior and results in a short term increases in sales.

The third hypothesis states that premium influences consumer's purchase decision. The hypothesis result revealed that there is a positive correlation between premium offer and consumer's purchase decision with  $r = 0.133$  and  $t_r = 2.6$  significant at 95% confidence interval. Therefore the researcher rejects the Null hypothesis and rather accepts the Alternate hypothesis. The result of this study is consistent with the findings of previous studies. (Neha & Manoj, 2013) indicated that premium promotion is one of the most influential variables for consumer purchase decision, (Jha-Dang & Banerjee, 2005) also support this reasoning. (Darkea & Chungb, 2005) indicates that free gift promotion is effective in maintaining quality perception because consumers make quality inferences based on the original price rather than the price corrected for the value of the free gift. This implies that devising an offer as a separate free gift is a good tool to communicate value to customers.

The researcher delved deeper to understand how customers belonging to different economic status groups react to premium and new product trial. The researcher conducts cross tabulation analysis to study the effect of economic status of the customer and his respond to new product trial via premium offers. The results showed that out of 23 respondents below 1000 salary level, 16 agreed premium promotion encourages them to try new products far more easily whereas 2 respondents indicated that they disagree premium promotion encourages them to try new products far more easily. Out of 78 respondents in with salary between 1000 and 3000, 47 agreed premium promotion encourages them to try new products far more easily whereas 5 respondents indicated that they disagree premium promotion encourages them to try new products far more easily.

Out of a total of 66 respondents with salary ranging 3000 - 6000, 45 agreed premium promotion encourages them to try new products far more easily whereas 4 respondents indicated that they disagree premium promotion encourages them to try new products far more easily. Out of 109 respondents with salary ranging from 6000 – 10,000, 87 agreed premium promotion encourages

them to try new products far more easily whereas 4 respondents indicated that they disagree premium promotion encourages them to try new products far more easily. Out of 66 respondents with salary above 10,000, 54 agreed premium promotion encourages them to try new products far more easily whereas 4 respondents indicated that they disagree premium promotion encourages them to try new products far more easily.

And finally out of 42 respondents with no salary, 34 agreed premium promotion encourages them to try new products far more easily whereas 1 respondents indicated that he/she disagree premium. Based on the results of this research and previous studies, it has been proven that premium offers affects consumer's purchase decision. To conclude, majority of respondents with 283 responses representing 73.7% of total respondents indicated they agree premium promotion encourages them to try new products despite their salary levels.

The fourth hypothesis of the study states that there is a relationship between free samples and consumer purchasing decision of beer brand. The results show that there is a positive correlation between free samples and consumer's purchasing decision with  $r= 0.192$  and  $t_r= 3.91$  significant at 95% confidence interval. Therefore the researcher rejects the Null hypothesis and rather accepts the Alternate hypothesis.

The result of this research is consistent with the previous studies that support the statement that consumer's purchase decision is influenced by free samples. (Fill, 2002) stated that free sample has a great impact on consumers purchase decision as it provides a product presentation in front of customers at free of charge. The researcher delved deeper to understand other factors that may affect free samples and consumer's product trial decision. The researcher conducts cross tabulation test to analyze how customers belonging to different social economic status react to free sample and product trial.

The results showed that a total of 319 representing 83% of total respondents out of 384 respondents sampled for this study, indicated they agree free sample influences them to try new beer brands, 16 respondents representing 4.2% of total respondents indicated they strongly agree, 26 representing 6.8% of total respondents indicated their neutrality with 17 respondents representing 4.4% indicating their disagreement and finally 6 representing 1.6% out of the total 384 respondents sampled for this research study indicated they strongly disagree.

In conclusion, consumers belonging to all salary groupings responded to free samples affecting their purchase decision in a positive manner. These findings were confirmed by numerous

researchers: Lammers (1991) indicated that sampling method can have effect on consumer buying behavior and it has a positive relationship to a fast selling process. Other researchers also agreed that free sampling method has a positive effect on consumer buying behavior (Parmataris, 2001; Fill, 2002; Shimp, 2003) and finally, Ndubisi and Chiew (2006) admitted that free samples technique has a significant relationship on consumer buying behavior. Based on the results of this research and previous studies, it has been proven that free sample has positive effects on consumer's purchase decision both in the short term and long term.

The fifth hypothesis of the study states that there is a relationship between point of purchase display and consumer's purchasing decision. The results show that there is a positive correlation between point of purchase display and consumer's purchasing decision with  $r = 0.148$  and  $t_r = 2.95$  significant at 95% confidence interval. Therefore the researcher rejects the Null hypothesis and rather accepts the Alternate hypothesis. The result of this research is consistent with the previous studies that support the statement that consumer's purchase decision is influenced by point of purchase display.

According to (Gedenk et al., 2006) retailer's sales promotions best addresses the customers at the point of sale; meaning that communication regarding the product or services is best conveyed to the customers at the place where most of the purchasing decision are made. Similarly, (Ferrell & Hartline, 2008) stated that point of purchase display builds store traffic, advertise a product, and induce impulse purchase. The researcher further studies how customer's belonging to different economic status reacts to point of purchase display when making a purchase decision. The researcher conducts cross tabulation test to analyze how customers belonging to different economic status react to point of purchase display and purchase decision. The results showed that a total of 260 respondents representing 67.7% out of 384 respondents sampled for this study, indicated they agree display and promotional offers attracts them to buy beer, 15 respondents representing 3.9% indicated they strongly agree display and promotional offers attracts them to buy beer, 89 respondents representing 23.2% indicated their neutrality with 17 respondents representing 4.4% indicating their disagreement and finally 3 respondents out of the total 384 respondents sampled for this research study representing .8% indicated they strongly disagree display and promotional offers attracts them to buy beer.

These findings are further confirmed by findings from other researchers. According to some marketing researchers Point of Sale (POS) marketing is seen as a key strategy for marketers, with

research showing that two-thirds of all purchases result from decisions made while in the store, and 90% of retail store managers surveyed in the USA agreed that Point of Sale (POS) materials sell products (Dibb et al. 2001). Point of Sale (POS) promotions have been shown to encourage product trial and increase purchase volume (Chipperfield 1996, Gilpin et al. 1997).

Furthermore, as the alcohol industry has become increasingly competitive, Point of Sale (POS) is increasingly being used as a marketing tool for alcohol products advertising, and there is a growing body of evidence suggesting that these Point of Sale (POS) materials are positively associated with drinking and contribute to creating a pro-alcohol environment (e.g. Howard et al. 2004).

According to the trade press in the USA, approximately 60% of people in bars make their decision about what to drink after they arrive (Brabbs 2002) and the role of POS is to 'grab their attention and make them aware that a particular brand is just what they want' (Solley 2000, p. 41). Finally, it is well known by alcohol retailers themselves that Point of Sale promotion can play a significant part in alcohol purchasing behaviours. Based on the results of this research and previous studies, it has been proven that point of purchase display is an effective sales promotion tool that affects consumer's purchase decision in a positive manner.



# CHAPTER FIVE

## CONCLUSION & RECOMMENDATION

### 5.1 Conclusion

Sales promotion plays a vital role in marketing in any business in this day and age. Researches show that a large percentage of company sales are made based on sales promotions. This situation is becoming more apparent all over the globe particularly in a time of fierce competition particularly in the 21<sup>st</sup> century. Marketers have started using different promotional tools offering consumers an extra incentive to make purchase decision. It has been observed throughout discussions in this research that the consumer's perception towards different promotional tools has remained positive.

As such, the result of this research proves that sales promotion tools such as price discounts, premiums, free sampling and point of sale display play very key roles in influencing the consumer's purchase decision. This research has proven that sales promotions stimulate interests in consumers and consumers are bound to make purchase decision provided that they are offered sales promotion in different forms including but not limited to price discounts, premiums, free sampling and point of sale displays.

The research findings also show that consumer's decision may also be influenced by other factors such as price, brand name, product quality, product variety, and purchasing convenience. Therefore for brands and companies that are vying to reach the customers, they must be careful to meet the quality expectations of these prospective customers. From the brand manager's responses, the organization (Heineken Breweries S.C) embarks on sales promotion as and when situation demands and it is directed generally at dealers, customers and the sales team. Furthermore according to management the company embarks on sales promotion activities to increase brand awareness, maximize profit, maintain suitable market share, increase sales volume and to counter competitor moves.

Furthermore, according to management responses, sales promotion has over the year's improved buying behaviour of consumers. They indicated further that sales promotion has been very profitable because it has increased sales level of the company and this affirms the effectiveness of sales promotion activities on the organization's sales performance. Brand manager's responses further indicates that the organization adopts premium offers, price discounts, free sample, and point of sale displays as its main sales promotion tools to maintain its existing customers and to

win new customers as well. This therefore confirms customer's positive responses to all the promotional tools under examination. And these responses explain majority of respondents' choice for the organizations Walia brand by all age groups, gender, with varied educational levels and income levels. From the analysis received from this research there is conclusive evidence that sales promotion by Heineken Breweries S.C played very significant roles in the brand's exceptional acceptance by majority of respondents in this research.

And this further explains the brand's dominance on the Ethiopian beer market and why the brand won gold in the 2016 Monde Selection award for quality. From management responses, the company is focused on innovation in both the product itself and in the way in which the product is marketed and by doing this, the company is able to stay ahead of competition and increase brand loyalty among consumers.

The Walia brand is currently in the mature stage of its product life cycle. This is evident from several factors, including sales trends, market competition and advertising techniques.

Market competition is intense in the beer industry in Ethiopia with many competitors already operating in the market with many more yet to come. This is evident in respondent's choice for other beer brands including Dashen and St. Georges and the decline in demand for Heineken's beer brand. This means competitors are at a juncture where they are focused on increasing the frequency of purchases per customer, promoting switching from competitor products and encouraging non-users to become customers.

To sum up, sales promotion techniques are intended to have a direct impact on buying behavior, which explains their short-term focus. However, every aspect of communication by a company has some sort of effect on the company's brand image, and therefore any company which has recognized the importance of thinking strategically knows that it must look beyond short-term effects. In terms of brand building, sales promotion has traditionally been associated with a negative long term impact due to its predominantly price-orientated nature. But, as we have seen, this view has neglected the full scope of sales promotion methods.

A strategic marketing communications plan will clearly state the elements, such as the objectives, target audience and positioning, which will all help the company decide upon the sales promotion method that is most suitable for the company and the particular campaign it should pursue. Companies positioning themselves as cost-effective may, for instance, wish to incorporate the value-increasing methods, while a premium brand might wish to look toward more brand-building techniques. When integrating sales promotion into the marketing

communications plan, messages will reinforce each other, regardless of the medium or tools used. Marketing tools can be interrelated, for instance, by using advertising to promote promotions or by using competition to enhance public relations. By understanding the impact each individual promotional tool have, managers will achieve synergy among the methods more easily.

Therefore, the challenge for managers should not be whether to allocate funds to advertising or sales promotion, but rather to find a way to connect these methods. But, at least for now, we do know that companies can rarely exclude sales promotion from their campaigns due to the factors such as increased competition and pressure from retailers in different forms. They can, however, choose to use the sales promotion elements which have proven to be more effective in enhancing the company's image, and should certainly do so if they have a premium brand positioning.

Incorporating sales promotion strategically, given all its characteristics, may turn out to be quite challenging for a company, but today's and tomorrow's marketing managers really do not have the choice whether or not to use sales promotion but the dilemma may rest on whether to use these valuable sales promotion tools poorly or skillfully to achieve their short term and long term sales objectives.

In answering the research questions above, all brand managers who responded to management questionnaires indicated that, the company adopts all the four sales promotion tools discussed in this research in its sales promotion efforts, furthermore majority of respondents that participated in this research exercise indicated they agree all four sales promotion tools when used influences their purchase decision. Stated differently, this clearly indicates that sales promotion organized by the company influences consumer purchase decision of its brands.

Furthermore, according to brand managers that participated in this research sales promotion organized by the company influences consumer purchase decision of its brands, and this has over the years improved the sales records and customer base of the organization as compared to its competition in the market.

## 5.2 Recommendation

It is apparent that each consumer has his own personal trait when selecting a product and making a purchase decision. However, it has been observed that with the increase in the sales promotion offered by every brand lately, the perception of the consumers and their buying behavior has changed drastically. This research studied several factors which included socio – demographic factors (gender, age, income, economic status) and attitude towards different promotional tools (price discount, premium, free samples, point of purchase displays).

From the results of the research, it has been observed that customers responded positively to the various promotional tools offered by the organization. It is because customers believed that the prices of all products are cheaper than normal when offered sales promotion, also they felt they are getting a good deal, and therefore, they make a purchase decision when a sales promotion is offered. Findings of this research suggests that, sales promotions has a strong effect on consumer purchase, brand switching and product trials as indicated by majority of respondents. This was also confirmed by all management respondents in their responses to the management questionnaire designed for this research.

From analysis of respondents choice of beer brand, the Heineken brand received very low responses as compared to sister brands like Wafia and Bedele brands from Heineken Breweries S.C and Dashen and St. Georges beer brands from competitor's brands. This is evidenced that Heineken Breweries S.C needs to do more to increase awareness for the Heineken brand and to increase its sales and maintain the brand's premium image. Some suggestions outlined below:

- Through effective marketing approach as done for its Wafia and Bedele brands which are receiving increasing customer attention and patronage, Heineken Breweries S.C will position its poor performing brands such as Heineken beer against competitor's brands by ensuring that the premium brand is appealing to all audience while highlighting the promise of its iconic image of a classy and professional Heineken drinker.
- Again through effective marketing approach, Heineken Breweries S.C will maintain Heineken beer brand as is known worldwide as a high-end brand by emphasizing the quality that accompanies its price. Additionally, through this the company will position itself as a cultural symbol by focusing on the experience and lifestyle that comes with drinking the brand.
- With effective marketing strategies for the Heineken brand, the company will use its current image as the market leader and relate the Heineken brand to all beer consumers

by stressing how consumption of Heineken beer transforms them and catapults them into successful and enviable lifestyle.

- By ensuring effective brand marketing, Heineken beer will be positioned as a cool yet quality brand by associating it with special occasions, such as movie premieres, after parties, social events, sports events and other major events nationwide.
- The overall communication strategies of the brand should be targeted at altering the position of the brand in the evoke set of the beer consumer, to change beer consumer's perception towards the brand, increase recognition of the beer among other beer brands and to ultimately effect sales increase for the brand.
- And finally the company should use assorted media mix approach in marketing the brand to the consumer. This is necessary in order to reach as wide of an audience as possible and also to increase the number of exposures per person.

### **5.3 Limitations**

Though this research has identified key factors that influence the consumption behavior and purchase decision of the customers, there are some limitations of this research.

The first limitation of this research is that it did not examine other sales promotional tools like coupons, event sponsorship and other relevant sales promotional tools and as a result the researcher recommends future research should be conducted to cover other relevant sales promotional tools.

Secondly, as pointed out by Hsieh and Shannon (2005) 'the conventional approach to content analysis is limited in both theory development and description of the lived experience, because both sampling and analysis procedures make the theoretical relationship between concepts difficult to infer from findings). Thus, the researcher did not seek to collect data on, or interrogate the data, for broader influences on alcohol consumption or product choice beyond the sales promotions offered by the brand. The researcher therefore recommends future research should cover factors that influence alcohol purchase and consumption beyond the sales promotions techniques analyzed in this research

Finally, the research was confined to the viewpoints of consumers and brand managers only. It did not include the viewpoints of wholesalers and distributors to get their understanding of the effect sales promotion has on their marketing efforts. The researcher therefore suggests future research should be conducted to include distributors and wholesalers to understand the effect of sales promotion on their distribution and wholesaling efforts.

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## **APPENDIX:**

### **QUESTIONNAIRE**

#### **THE EFFECT OF SALES PROMOTION STRATEGIES ON CONSUMER PURCHASE DECISION OF BEER PRODUCTS (A CASE STUDY OF HEINEKEN BREWERIES S.C)**

Dear Respondent,

Thank you for agreeing to take part in this important survey aimed gaining your opinion and thoughts on the impact sales promotion strategies have on consumer purchase decision of beer products in Ethiopia. This survey should take only 5 minutes of your precious time to complete. Please be assured that all answers you provide shall be treated with all confidentiality and used only within the context of this study.

Thank you.

Yours sincerely,

George Hamenu

Researcher

# CUSTOMER QUESTIONNAIRES

Please tick the appropriate box provided below

1. Kindly indicate your Age  
 18 - 25       26-30       31-39       40-49       50+
2. Gender  
Male       Female
3. Are you married?  
Yes       No       Divorced
4. Please indicate your monthly salary  
Below 1000       1000 – 3000   
3000 – 6000       6000 – 10,000   
10000+
5. Are you employed?  
Yes       No
6. If Yes, please indicate your profession.....
7. What is your level of education?  
No Formal Education       High School Diploma   
Bachelor or Higher       Vocational training   
Other (specify).....
8. What brand of beer do you consume?  
Please specify.....
9. How often do you drink the beer brand indicated above?  
Everyday       Once a week   
2-3 times a week       Once a month   
Other (specify).....
10. How do you prefer to drink your beer brand?  
Alone       Friends   
Family       Others   
Other (specify).....

11. Do any of the above influence your consumption of beer?  
 Yes [ ]                      No [ ]
12. If Yes, how, please specify.....
13. Where do you usually consume your beer brand  
 Home [ ]                      Bar [ ]  
 Club [ ]                      [ ] Other(specify).....
14. When do you prefer to consume your beer brand  
 During football match [ ]              [ ] Occasion (specify).....  
 After work [ ]                      Weekends [ ]                      [ ] Anytime
15. What determines your choice of beer brand?  
 Brand name [ ]                      Product Quality [ ]  
 Product Variety [ ]                      Store Ambiance [ ]  
 Price [ ]                      Purchasing Convenience [ ]  
 [ ] Other (specify).....
16. Does sales promotion affect your purchase decision?  
 Yes [ ]                      No [ ]

Q N	Questions	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
17	Is your purchase decision based on sales promotion offered by the brand?					
18	Do you make price comparison when you buy beer?					
19	Do you make your purchases only when there is price discount on the brand?					
20	Do you buy and consume more than usual when offered price discounts?					
21	Are you willing to switch brands if price discount is offered by other competing brands?					
22	Does price discounts influence you to make					



	unplanned buying decision for a beer brand?					
23	Are you willing to increase your purchase of beer brand when there is a price discount?					
24	Does premium (Under Cork offers & Buy-One-Get-One Free) promotion encourage you to try new products far more easily?					
25	Do you buy more beer when the value of the premium is higher?					
26	Do you make instant purchase decision when premium offers are distributed at point of sale?					
27	Will you buy more beer if you have the premium offering as a promotion?					
28	Do you often spend more on beer if you can receive a bounce back offer? e.g. Buy-One-Get-One Free					
29	Does free sample influence you to try new beer brands?					
30	Does free sample influence you to make unplanned buying decision for a beer brand?					
31	Are you willing to buy a new beer brand when free sample is offered you?					
32	Will you buy more beer if you know you can win a free gift?					
33	Will you spend more on a beer in order to get a premium offer?					
34	If a premium promotion requires buying more than one beer are you still willing to participate in the promotion?					
35	Do displays and promotional offers in the bar attract you to buy beer?					

36	Do attractive and clear point of sale display influences you buying decision for a beer brand?					
37	Do you often purchase products displayed in the store / bar					

## MANAGEMENT STAFF QUESTIONNAIRE

Please tick the appropriate box provided below

1. How long have you been with the company?

1-3 years [ ]      4 – 8 years [ ]      8 years and above [ ]

2. Does your company embark on sales promotion regularly?

Yes [ ]      No [ ]

3. If 'yes' how often does your company undertake sales promotion?

Monthly [ ]

Quarterly [ ]

Yearly [ ]

As situation demands [ ]

4. To whom are your sales promotion activities directed?

Dealers [ ]

Customers [ ]

Sales force [ ]

All the above [ ]

5. Why does your company embark on sales promotion?

To increase brand awareness [ ]

To maximize profit [ ]

To maintain a suitable market share [ ]

To increase sales volume [ ]

To counter competitor moves [ ]

6. Which sales promotion technique / tool does your company use often?

Premium offers [     ]

Coupons [     ]

Price discounts [     ]

Free sample [     ]

Point of sale display [     ]

7. Why do you use the above mentioned sales promotion technique / tool?

Please explain.....

8. Have you noticed any increase in sales since the introduction of sales promotion recently?

Yes [     ]     No [     ]

9. What method of sales promotion does your company embark upon?

Dealer promotion [     ]

Customer promotion [     ]

Both [     ]

10. How would you rate your company in the Brewery Industry?

Market leader [     ]

Market challenger [     ]

Market follower [     ]

Other, please specify.....

11. Has sales promotion improved buying behavior of your brand in the market?

Yes [     ]     No [     ]

12. It is believed that some middlemen / distributors of beer do not cooperate with your sales promotion activities?

True [     ]     False [     ]

Other, please specify.....

13. How would you rate the outcome of sales promotion in your company?

a) Profitable           [     ]

b) Break - Even        [     ]

c) Loss                 [     ]

14. Will you recommend sales promotion techniques for other companies in the industry? Yes [     ]                   No [     ]

15. Do you think sales promotion contributes to increase in sales volume of the company?     Yes [     ]                   No [     ]

## መጠይቅ

የሽያጭ ማስታወቂያ ስራ ዘዴዎች በምርት ተጠቃሚዎች የግዥ ውሳኔ ሁኔታ ላይ የሚያመጣው ተፅእኖ ላይ የተደረገ ጥናትና ምርምር / በሔኒክን ኢትዮጵያ ቢራ ላይ የተደረገ ጥናት/

## ውድ መላሾች

በዚህ ጠቃሚ የሆነ ጥናትና ምርምር ላይ መልስዎን እና ሀሳብዎን ለመስጠት ስለተስማሙ በጣም አመሰግናለሁ። ጥያቄዎቹ ከ5 ደቂቃ በላይ አይወስዱም ። ስለውድ ሠአትዎ ግን አመሰግናለሁ። መጠይቁ ማንነቱን ሆነ ስምዎን ስለማይጠይቅ ትክክለኛውን መረጃ ከመስጠት አይቆጠብ።

ከምስጋና ጋር

ጥናቱን የማያደርገው

ጆርጅ ሀመኑ

**ለደንበኞች የተዘጋጀ መጠይቅ**

እባክዎን በተዘጋጀው ቦታ ውስጥ ይህን ምልክት [✓] በመጠቀም መልሶን ይስጡ።

1. የእድሜ ክልል ?

- [ ] 18-25                      [ ] 26-30                      [ ] 31-39  
[ ] 40-49                      [ ] 50 በላይ

2. የታ

- ወንድ [ ]                                      ሴት [ ]

3. የጋብቻ ሁኔታ

- ያገባ [ ]                      ያላገባ [ ]                      የፈታ [ ]

4. የወር ገቢዎ በየትኛው ይመደባል ?

- ከ1,000 በታች [ ]                      1,000-3,000 [ ]  
6,000-10,000 [ ]                      ከ10,000 በላይ [ ]

5. ተቀጣሪ ነዎት ?

- አዎ [ ]                                      አይደለም [ ]

6. ተቀጣሪ ከሆኑ ሞያዎ ምንድን ነው?

.....

7. የትምህርት ደረጃዎ ?

- ያልተማረ [ ]                                      12ኛ ያጠናቀቀ [ ]

- ዲግሪና ከዛ በላይ [ ]                                      የሙያ ትምህርት [ ]

8. መጠጣት የሚመርጡት ምን ቢራ ነው?

.....

9. የሚመርጡትን ቢራ በየ ስንት ጊዜው ይጠቀሙታል ?

- ሁልጊዜ [ ]                                      በሃምንት [ ]

- በሃምንት ከ2-3 ጊዜ [ ]                      በወር አንዴ [ ]

10. የሚወዱትን ቢራ ከማን ጋር መጠጣት ያስደስትዎታል?

- ለብቻ [ ]                                      ከጓደኞች ጋር [ ]

ከቤተሠብ ጋር [ ] ሌላ ካለ ይጥቀሱ .....

11. ከላይ በምርጫ ከተጠቀሱት በቢራ ምርጫም ላይ ተፅእኖ ያደርጉበታል ?

አዎ [ ] አይደለም [ ]

12. አዎ ከሆነ እባክዎን በምን ሁኔታ እንደሆነ ይግለፁ

.....

13. የሚወዱትን ቢራ መጠጣት የሚመርጡት የት ነው?

ቤት [ ] መጠጥ ቤት [ ]

ጭፈራ ቤት [ ] ሌላ ካለ ይጥቀሱ

.....

14. ቢራውን መጠጣት የሚያዘወትሩት መቼ ነው ?

እግር ኳስ ሲመለከቱ [ ] በበአላት ከሆነ ምን በአል ላይ

.....

ከስራ በኋላ [ ] ቅዳሜና እሁድ [ ]

በማንኛውም ሰዓት [ ]

15. ቢራውን ምርጫም እንደሆነ ያደረገው ምንድን ነው ?

የቢራው ስም [ ] የምርቱ ጥራት [ ]

የምርቱ ልዩነት [ ] የመሸጫው ቦታ [ ]

ዋጋው [ ] ለግዢው ምቹ መሆኑ [ ]

ሌላ ካለ ይጥቀሱ .....

16. የሽያጭ ማስፋፊያ የ የግዢ ውሳኔ የሚነካው እንዴት ነው?

አዎ [ ] አይደለም [ ]



ተቁ	ጥያቄዎች	በጣም እስማማለሁ	እስማማለሁ	ገለልተኛ	አልስማማም	በጣም አልስማማም
17	ቢራውን የሚገዙት በሚደረገው ማስታወቂያ ነው ?					
18	ሲገዙ ቢራውን ከሌሎች ቢራዎች ዋጋ ጋር ያወዳድሩታል ?					
19	ቢራ የሚገዙት ዋጋ ሲቀነስበት ብቻ ነው ?					
20	በፊት ይገዙ ከነበረው ጨምረው የሚገዙት ዋጋ ሲቀንስ ነው ?					
21	የሌላ ቢራ ዋጋ መቀነስ የሚወዱትን ቢራ ከመጠጣት ያግድዎታል?					
22	የዋጋ መቀነስ ያላቀዱትን የቢራ አይነት እንዲገዙ ያደርጎታል ?					
23	ዋጋ ስለቀነሠ ብዙ ቢራ ይገዛሉ ወይም ይጠቀማሉ ?					
24	አዳዲስ ቢራዎች ሽልማት ስላላቸው ገዝተው ለመሞከር ያነሳሳዎታል ?					
25	ብዙ ሽልማት ያላቸውን ቢራዎች በብዛት ለመጠቀም ይመርጧቸዋል ?					
26	ቢራ ለመጠቀም ሲፈልጉ በመሸጫ ቦታው ላይ ቢራው ሽልማት እንዳለው ሲሰሙ ወዲያው ይገዛሉ ?					
27	ሽልማት እንዳለው ያወቁትን ቢራ በብዛት ያገዛሉ ?					
28	በገዙት ቢራ ፋንታ ሌላ ቢራ የሚጨመርልዎ ቢሆን ብዙ ቢራ ይገዛሉ ?					
29	ለሙከራ በነፃ የሚሠጡ ቢራዎች ቢራውን እንዲሞክሩት ያነግሳዎታል?					

30	በነፃ ለሙከራ የሚሠጡ ቢራዎች ተጨማሪ ገዝተው እንዲጠጡ ያደርጉዎታል?					
31	በነፃ ለሙከራ ሲሰጡ ብቻ ነው ቢራውን ለመጠጣት የሚፈልጉት ?					
32	ሽልማት እንዳለው ሲያውቁ ብቻ ነው ቢራውን ገዝተው የሚጠጡት?					
33	ሽልማት ለማግኘት ቢራ ላይ ብዙ ገንዘብ ያጠፋሉ?					
34	የሽልማት ማስታወቂያው ከ1 በላይ ቢራ እንዲገዙ ቢያደርግ በመግዛት ይሳተፋሉ ?					
35	ስለ ቢራው የሚደረጉ ማስታወቂያዎች እና ምስሎች ቢራውን እንዲገዙ ያደርጉዎታል ?					
36	ደስ የሚል እና የሚስብ ምስሎች ፍሪጅ እና ማስታወቂያዎች የያዘ ምርት ቢራውን ለመግዛት እንዲወስኑ ያደርግታል?					
37	በመሸጫ ቦታ ማሳያ ላይ በመደርደሩ ምርቱን ይገዙታል?					

**ለአስተዳደር ሠራተኞች የተዘጋጀ መጠይቅ**

እባክዎን በተሰጠው ክፍት ቦታ ላይ ይህን ምልክት [✓] በመጠቀም መልስዎን ይስጡ።

1. በመስሪያ ቤቱ ምን ያህል ጊዜ ቆይተዋል?
 

1-3 አመታት [ ]      4-8 አመታት [ ]      ከዚያ በላይ [ ]
2. መስሪያ ቤቱ የሽያጭ ማስታወቂያ በተገቢ ሁኔታ ያደርጋል?
 

አዎ [ ]      የለም [ ]
3. አዎ ከሆነ በየስንት ጊዜው የሽያጭ ማስታወቂያ ያደርጋል?
 

በየወሩ [ ]  
 በየ ሶስት ወሩ [ ]  
 በየ አመቱ [ ]  
 እንዳስፈላጊ ሁኔታ [ ]
4. የሽያጭ ማስታወቂያዎች የሚቀርቡት ለማን ነው?
 

ለነጋዴዎች [ ]  
 ሻጭ [ ]  
 ለደንበኞች [ ]  
 ለሁሉም [ ]
5. ድርጅትዎ ለምን የሽያጭ ማስታወቂያ ስራን ጀመረ?
 

የምርት ጥራቱን ግንዛቤ ለመስጠት [ ]  
 ትርፍ ለማግኘት [ ]  
 ደንበኞችን እንደጠበቀ ለማቆየት [ ]  
 ተጠቃሚዎቹን ለመጨመር [ ]  
 ተፎካካሪዎቹን ለመብለጥ [ ]
6. ከታች ከተዘረዘሩት ድርጅትዎ ለሽያጭ ማስታወቂያ የሚጠቀመው ዘዴ የቱን ነው?
 

ሽልማቶችን [ ]      ትኬት/ ኩፖን [ ]  
 ዋጋ መቀነስ [ ]      ለመክራ በነፃ በማደል [ ]  
 ነፃ ምስሎችንና ፍሪጅ በመስጠት [ ]
7. ይህን ዘዴ ድርጅትዎ ለምንተጠቀመ?
 

ይግለፁ.....

8. የተመረጠውስ ዘዴ ደንበኞችን በብዛት እንዲገዙ አድርጎልኛል?

አዎ [ ] የለም [ ]

9. ድርጅትዎ ለሽያጭ ሌላ የሚጠቀመው ዘዴ የቱ ነው?

ለነጋዴው በመጨመር [ ]

ለደንበኛው በመጨመር [ ]

ሁለቱንም ይጠቀማል [ ]

10. በቢራ ኢንዱስትሪ ውስጥ ድርጅትዎን በየትኛው ደረጃ ያስቀምጡታል?

በመሪነት [ ]

ተፎካካሪ [ ]

መሪዎችን የሚከተል [ ]

ሌላ ካለይግለፅ.....

11. የሚደረገው የሽያጭ ማስታወቂያ የገዢዎችን የመግዛት ባህሪ ቀይሯል?

አዎ [ ] የለም [ ]

12. የምርቱ አከፋፋዮች ቢራውን የማስተዋወቅ ድርሻ እርዳታ አያደርጉም ተብሎ

ይታመናል።

እውነት [ ] ሀሳት [ ]

13. ድርጅትዎ የምርት ማስታወቂያውን ድርሻ ውጤታማነት በየትኛው ይመደብታል?

አትራፊ [ ]

መካከለኛ [ ]

ኪሳራ [ ]

14. ሌላ ድርጅት የሽያጭ ማስታወቂያውን ወይም የማስተዋወቅ ስራን ቢሰራልን ብለው

ያስባሉ?

አዎ [ ] የለም [ ]

15. ማስታወቂያ መስራት ለድርጅቱ ምርት ሽያጭ መጨመር አስተዋፅዖ አድርጎል ብለው

ያስባሉ?

አዎ [ ] የለም [ ]