THE EFFECT OF PROMOTION MIX ON SALES PERFORMANCE OF LARGE LEATHER FOOTWEAR MANUFACTURING FACTORIES IN ETHIOPIA

A Thesis Submitted to the School of Graduate Studies of Jimma University in Partial Fulfillment of the Requirements for the Award of the Degree of Master of Business Administration (MBA)

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DECLARATION

I declare that this thesis (The Effect of Promotion Mix on Sales Performance of Large Leather Footwear Manufacturing Factories in Ethiopia) is my original work. It has not been submitted for a degree in any other universities and all the materials used in this study have been duly acknowledged.

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STATEMENT OF CERTIFICATION

This is to certify that Sisay Fanta has carried out his research work entitled õThe Effect of Promotion Mix on Sales Performance of Large Leather Footwear Manufacturing Factories in Ethiopiaö for the partial fulfillment of Masters of Arts in Business Administration at Jimma University, College of Business and Economics Department of Management. This study is original, not submitted for any degree in this university or any other universities, and is suitable for submission of Masters of Arts in Business Administration.

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ACKNOWLEDGEMENTS

List of Acronyms

LLP   Ethiopian Leather and Leather Product Industry

CSA   Central Statistics Agency

MoI   Ministry of Industry

FDI   Foreign Direct Investment

MSE   Micro, Small and Medium-sized Enterprises

UN Comtrade United Nations Commercial Trade

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Abstract

The objective of the study was to explain the effect of promotion mix on sales performance of large leather footwear manufacturers in Ethiopia. The research followed quantitative research approach. The research used both explanatory and descriptive research designs. The study also used cross-sectional survey design. The target population of the study was large leather footwear manufacturers in Ethiopia having high market share and experience of using different elements of promotion mix. The identified large leather footwear manufacturers were Anbessa Shoe S.C., Jamaica Shoe Factory, Kangaroo Shoe Factory PLC, Peacock Shoe Factory, Sheba Leather Industry PLC & Tikur Abay Shoe S.C. The study used purposive sampling technique and the targeted population was the staffs of marketing and finance departments found in the head offices of these factories. The researcher adopted census survey method over the staffs of marketing and finance departments found in the head offices of the factories. Both primary and secondary sources of data were utilized. Structured questionnaire were utilized as an instrument for primary data collection. Descriptive analytic tools such as frequencies, percentage, mean, and standard deviation were used for summarizing and presenting the data. With regard to inferential statistics, Pearson correlation coefficient was used to show the inter dependence between independent and dependent variables and multiple linear regression analysis was used to test the significance contribution of each independent variable to the dependent variable sales performance. The finding of the study shows that all the promotion mix elements have significant effect on sales performance of large leather footwear manufacturers in Ethiopia. The result of the findings revealed that promotional mix elements influences the sales performance with 89.7% while other variable not included in the variable tested takes the remaining 10.3%. The researcher therefore recommended that, management of the aforementioned factories should embark on more strategic promotion mix elements in general, and public relations and sales promotion in particular in order to increase their sales performance.

Keywords: Promotion Mix, Sales Performance, Large Leather Footwear Manufacturers

CHAPTER ONE: INTRODUCTION

1.1 Introduction
1.1 background of the study

The major objective of any organization is to make sufficient profit in order to satisfy stakeholders needs/shareholdersø wealth maximization (value added) as pointed out by Pandey (2000). Whatever the objective might be, the higher the sales volume the better organization will be in terms of objective realization and sales performance. In todayøs world where there is intensity in competition, due to this reason itøs not enough for an organization to have only good products sold at catchy prices. To generate sales and profits, the benefits of products have to be communicated to consumers. Communication is one of the ways to reach consumers. In addition, it is one of the tools to fulfill organization goals (Fill & Jamieson, 2011; as cited in Khanfar, 2016). In marketing, this is commonly known as õpromotionö (Sunday & Bayode, 2008).

Promotional elements usually are used by various organizations. Marketers use numerous tools to elicit responses from target markets. These tools are known as the marketing mix that is defined as the set of tools that a firm uses to pursue its marketing objectives in the target market (Kotler, 2000). Marketing mix decision must be made with the objective of influencing the trade channels as well as the final consumer and in return the sales. Promotion is one of the elements of marketing mix (Mc Carthy, 1996; as cited in Afande & Main, 2015) among other elements like Product, Price, and Place, which are the 4ps of marketing. Promotion has its variables that are known as promotional mix.

Promotion mix is a blend of communications tools used by an organization to carry out the promotion process to communicate directly with target markets (Khanfar, 2016). Cole (1996) defines promotional mix as õthe means use in bringing customers from a state of relative unawareness to a state of actively adopting the productö. Ross (2001) sees promotional mix as õthe total marketing communication programme of a particular productö. Adebisi (2006) defined promotional mix as õany marketing effort whose function is to inform or persuades actual or potential consumers about the merit a product possess for the purpose of inducing a consumer to either start buying or continue to purchases the firmøs product.ö

As stated by Khanfar (2016), these blend of communications are advertising, personal selling, sales promotion, public relations tools and direct marketing. Anyanwu (2010) defined

advertising as a process of communication i.e. persuasive information about a product to the markets by means of the written and spoken word. DePelsmacker, *et al.,* (2001) defined personal selling as a face-to-face communications tool used to inform and maintain to establish a long-term relationship with prospective customers. Kotler and Kerina (2006) defined sales promotion as short-term incentives to encourage the purchase or sale of a product. According to Fiske and Hartley (1980), public relations are defined as a form of communication management that seeks to influence the image of an organization and its products and services. Kotler (2000) defined direct marketing as an interactive marketing system that uses one or more advertising media to affect a measurable response and/or a transaction at any location. The study used these promotion mix elements.

Sales performance describes the trend of collections in terms of revenue when comparing different periods (McCathy *et al*, 1994; as cited in Conepta, 2011). The sales may be in the form of offering products or services to consumers. Sales volume is the core interest of every organization and is based on sales and profit. When volume goes up profits rises and management in organizations is made easier. Sales performance also refers to the total amount of firmøs output sold to the market especially on monthly or annually basis .this is affected by many factors including customer relationship, marketing management of the firm and sales force skills and motivation and even the pricing of the goods and services (Amanda, 2002; as cited in Conepta, 2011). Sales performance refers to consistent and satisfactory turnover of goods and services produced and put on the market by an organization or company (Conepta, 2011). It is the sole economic goal of companies to have as much goods sold on the market. This facilitates the rate of goods turn over and consequently revenue and increased production.

Promotion mix brings an interactive dialogue between an organization and its customers and it takes place during the pre- selling, selling, consuming and post- consuming stage (Afande & Maina, 2015). If an organization cannot measure its effectiveness in terms of promotion, it cannot say precisely if the activities had been successful (Sunday & Bayode, 2008). For an organization to measure the effectiveness of it promotional activities, this can be done in either of the following ways; direct sales result, indirect evaluation, returns method and direct response method (Sunday & Bayode, 2008).

Many people have carried out researches to find out if promotional elements have influence on sales. For instance, Ndambuki (2000) did a research and found out that indeed

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promotional elements have effect on sales. Ndambuki's finding was also the same as (Kivuva, 2003) that, those products that are on promotion tend to have more demand than those, which do not.

However, on leather footwear sub-sector, there are few researches conducted on analyzing the effect of promotion mix in general and a single promotion among the elements of promotion in particular on different organizations in Ethiopia. For instance, Junda (2012) found that sales promotion has positive effect on the sales volume in Aqua Dire spring water. Another study which conducted by Adamu (2017) on St. Gorge Brewery, revealed that one of the elements of promotion mix i.e. advertising helped St. Gorge Brewery to create awareness, appeal, create standards through competition, conviction; minimized hindrances between the organization and customers. Hence, enhanced the purchase of organizational products by the consumer, increased volume of sales, increased the profits of the organization and enhanced the organization relationship with its customers.

As of the knowledge of the researcher, there is no specific research conducted on the effect of promotion mix on large-scale leather footwear sub-sector in Ethiopia. However, few researches have made on specific leather footwear producers. Due to different findings, which may have been caused by use of different organizations and geographical differences, the researcher needs to find out if promotional mix elements can have influence on sales performance on large leather footwear manufacturers in Ethiopia. Therefore, the essence of this research is to fill this gap and tests the effect of promotion mix on sales performance in large leather footwear factories in Ethiopia.

1.2 Background of the organization

1.2.1 Overview of Leather Industry in Ethiopia

The LLP industry in Ethiopia was established in order to capitalize on the country's comparative advantage in livestock resources. According to CSA 2014/15 report, the country is endowed with a cattle population of around 56.7 million, ranking it first in Africa and sixth in the world. In addition, the sheep populations is estimated at 29.3 million, placing it third in Africa and tenth in the world, while its goat population of 29.1 million ranks third in the continent and eighth in the world.

As per 2015 statistics, the leather industry was estimated to have 72 large and formal enterprises: 33 tanneries, 17 shoe manufactures, 3 gloves makers, and 19 leather and leather goods industries. There are however several hundreds of MSMEs operating in markets and backyards manufacturing an assortment of footwear, leather goods and garments (MoI, 2016).

The leather sector provides significant employment opportunities. The employment has increased over time, from 6,989 workers in 2000 to 10,707 workers in 2010, representing an annual growth rate of almost 5% (Mbate, 2016). With this average annual growth rate, at the end of 2019 it is estimated to reach more than 16,600. In addition to creating job opportunities, the LLP industry acts as a source of earning and livelihood, contributing positively to poverty reduction (Mbate, 2016).

The Ethiopian LLP value chain can be roughly divided into five key segments (Grumiller & Raza, 2019). These are the livestock sector which is dominated by small-scale farmers; Collectors and local traders that link farmers with tanneries; tanneries, which produce wet blue, crust and finally coated or finished leather then tanneries export either directly with further manufacturing taking place abroad or supply; local leather manufacturers (e.g. footwear, gloves, bags, and jackets) and finally they may export to global buyers or supply the domestic market. Leather product manufacturers need inputs besides hides, e.g. soles from sole producers and different types of, in the case of Ethiopia mostly imported accessories in the footwear sector.

1.2.2 Leather Footwear Industry in Ethiopia

The footwear segment is one of the fastest growing industry segments in terms of trade globally (Grumiller & Raza, 2019). The footwear sector in Ethiopia has experienced significant growth and an increasing export orientation in the context of FDI and local investments since the mid-2000s. By mid-2018, the footwear sector consisted of a few thousand artisanal footwear manufacturers and 19 to 22 formal firms (Grumiller & Raza, 2019). As Sonobe *et al.,* (2018) revealed in his study, as per Ethiopian tanners, Footwear and Leather garments manufacturing association there are 14 locally owned shoemakers, which considered as large scale. The formalized footwear sector employed 11,145 people and produced roughly 5 million pairs of leather shoe in 2017/18 (LIDI, 2018; as cited in Grumiller & Raza, 2019). The capacity utilization rate is only around 47%, with locally owned companies generally having lower utilization rates.

1.3 Statement of the Problem

The footwear sector in Ethiopia has experienced significant growth and an increasing export orientation in the context of FDI and local investments since the mid-2000s. Sonobe *et al.,* (2018) in their study also found that leather shoe industry in Ethiopia has been growing not only because of a number of new entrants but also because of the growth of enterprise that have been improving product quality and developing new marketing systems. The local market continuous to be the most important sales channel, in particular for locally owned footwear companies, since foreign-owned companies are not allowed to sell their products in the local market and are geared towards global key consumption markets (LIDI, 2018; as cited in Grumiller & Raza, 2019).

However, competition in the local market increased in recent years due to increasing production capacities of local firms and imports (UN Comtrade, 2018). Grumiller & Raza (2019) in their study also revealed that the main challenge for Ethiopian leather manufacturers, in particular footwear, is the increasing competition due to increasing production capacities of locally owned firms and imports. Ethiopian leather footwear imports increased in the last decade from an average of USD 1.4 million between 2006 and 2010 to USD 9.6 million between 2012 and 2016, most of which is imported from China (56% in 2016), India (32%) and Turkey (14%) (UN Comtrade, 2018). In 2016, leather footwear accounted for 5% (USD 6 million) of total footwear imports (USD 120 million; 83% of which was imported from China).

On the top of intense competition from cheap imports from Far East, despite of other problems (such as shortage of raw materials; mainly processed leather & long procurement lead time for imported materials) lack of demand for locally produced leather footwear has made the local manufacturers to look for continuous promotion mix (Cherkos, 2011). Grumiller and Raza (2019) also depicted on their study that in order to sustain in the market, large leather footwear manufacturing companies in Ethiopia are using frequent promotion mix to promote their products with the objective of increasing their sales performance and sustaining in the market. This triggered the researcher to conduct a study to know the effect of promotion mix on the sales performance on large leather footwear manufacturers in Ethiopia.

Despite its effort of promoting regularly, according to the preliminary interview with the marketing staff of the identified large leather shoe manufacturing companies, they had no formal assessment of the effect of promotion mix on their sales performance. This was the second reason to conduct the study on the effect of promotion mix on sales performance in large leather shoe factories in Ethiopia.

Many people have carried out researches to find out if promotional elements have influence on sales. For instance, Ndambuki (2000) did a research and found out that indeed promotional elements have effect on sales. Ndambuki's finding was also the same as (Kivuva, 2003) that, those products, which are on promotion, tend to have more demand than those, which do not. As Grumiller and Raza (2019) indicated in their study, in order to sustain in the market large leather footwear manufacturing companies in Ethiopia are using frequent promotion mix to promote their products with the objective of increasing their sales performance and sustaining in the market.

However, as Grumiller and Raza (2019) indicated in their study, in order to sustain in the market large leather footwear manufacturing companies in Ethiopia are using frequent promotion mix to promote their products with the objective of increasing their sales performance and sustaining in the market. However, the extent of promotion and their effect on sales performance of large local leather footwear manufacturers as the knowledge of the researcher is not yet studied. Hence, this study attempts to fill this gap and test the effect of promotion mix on sales performance of large leather footwear manufacturers in Ethiopia. While doing so, the researcher used advertising, personal selling, sales promotion, public relations tools and direct marketing as independent variables.

1.4 Research Question

The research questions of the study are as follows;

1. What is the effect of advertising on the sales performance of large leather shoe manufacturers in Ethiopia?
2. How sales promotion affects sales performance of large leather shoe manufacturers in Ethiopia?
3. What is the effect of personal selling affect sales performance of large leather shoe manufacturers in Ethiopia?
4. How direct marketing affects sales performance of large leather shoe manufacturers in Ethiopia?
5. How is public relation affect sales performance of large leather shoe manufacturers in Ethiopia?

1.5 Objectives of the Study

1.5.1 General Objective

The general objective of the study is to examine the effect of promotion mix on sales performance of large leather footwear manufacturers in Ethiopia.

1.5.2 Specific Objectives

Despite the aforementioned general objective of the study, the study specifically seeks:

1. To determine the effect of advertising affect sales performance of large leather shoe manufacturers in Ethiopia.
2. To examine the effect of sales promotion affect sales performance of large leather shoe manufacturers in Ethiopia.
3. To investigate the extent to which personal selling affect sales performance of large leather shoe manufacturers in Ethiopia.
4. To identify the effect of direct marketing affects sales performance of large leather shoe manufacturers in Ethiopia.
5. To examine the effect of public relation affects sales performance of large leather shoe manufacturers in Ethiopia.

1.6 Significance of the Study

It is believed that the study have significance for the organizations that the study was carried out, for the leather industry in general and leather footwear sub-sector in particular, for other researchers and policy makers of the concerned government bodies directly or indirectly.

Since this research is conclusive, the targeted organizations can use the findings to draw important inferences and information that the marketing team can use to improve sales performance. The inferences drawn from the research can be used to conduct the overall analysis of the company's strengths, how to improve them against their competitors and as well as improve on their weaknesses. Through this research, the company will be able to identify the best promotion strategies to use. Hence, this study will offer perspectives for the companies in planning for more promotion that is effective strategies to promote its product to enhance their sales performance.

For the industry, the leather footwear sub-sector marketers who are facing increasing competition will identify the right promotion mix for managing their sales in order to improve their profit.

As of the knowledge of the researcher, there is scarcity of literature on the effect of promotion mix on the sales performance of leather footwear sub-sector in Ethiopia. Hence, this research will fill this knowledge gap. Future researchers who will be researching on a similar or related topic will benefit from the findings by borrowing a leaf in form of related literatures. The study will also help build on the researcher's knowledge and understanding of the variables and gain more skills of conducting research. Other researchers will gain from this study by extending it to either the entire leather industry (small, medium and large-scale industries) or extending to other sectors to find the consistency of the findings.

The study will also have a significant contribution for government policy makers by providing information about the market nature of the sub-sector so that they will assist the industry in regulating the local market.

1.7 Scope of the study

In Ethiopia, countrywide definition of the size of enterprise is on the bases of three criteria. These are level of paid-up capital/fixed asset, using high tech establishment and consultancy services. As Sonobe *et al.,* (2018) revealed in his study that, as per Ethiopian tanners, Footwear and Leather garments manufacturing association there are 14 locally owned shoemakers that considered as large scale. According to the National MSE (Micro, Small and Medium-sized enterprises) development strategy and the Development bank of Ethiopia, number of employees and net worth defines enterprises. It is also important to note that MSMEs are defined differently depending on whether they operate in the service/trade sector or the industrial/manufacturing sector. Based on these criteria, a large enterprise in the manufacturing sector is defined as enterprises having an employee of above 100 and a capital of above 7.5 million ETB (ADA, 2017). Among large scale footwear manufacturers, due to their high market share and experience of using promotion mix, Anbessa Shoe Share Company, Jamaica Shoe Factory, Kangaroo Shoe Factory PLC, Peacock Shoe Factory, Sheba Leather Industry PLC and Tikur Abay Shoe S.C are selected for this study purpose.

According to Salleh and Kamaruddin (2011) sales performance can be evaluated using a sales volume analysis, marketing cost analysis and profitability analysis whereby a sales volume investigation is conducted by a careful study of an organization's records of its profits and loss statement on the product lines, territories and key accounts of the customers. This implies that marketing department (which is believed to have information related with marketing cost & sales volume of the company) and finance department (which is believed to have information related with profitability, marketing cost & sales volume) are the most concerned departments within the organization. Therefore, in order to know the sales performance of the aforementioned factories, the study focuses on the staff of finance department & marketing department in the head office in the aforementioned manufacturers. Conceptually, the promotion mix elements comprise of advertising, sales promotion, personal selling, direct marketing and public relations. Besides this, since FDIs are not allowed to sell their products, only local leather shoe manufacturers are considered in this study.

1.8 Operational Definition of Key Terms

Table 1.1: Definition of Key Terms

Key Terms	Definition	Authors
Effect	According to the Oxford Advanced Learnerøs Dictionary effect mean a change that somebody or something causes into something or somebody	Oxford Advanced Learnerøs Dictionary
Promotion Mix	A blend of communications tools used by an organization to carry out the promotion process to communicate directly with target markets. These blend of communications are advertising, personal selling, sales promotion, public relations tools and direct marketing.	Khanfar (2016)
Sales Performance	The total amount of firmøs output sold to the market especially on monthly or annually basis.	Amanda (2002); as cited in Concepta (2011)
Large scale enterprise	Large enterprises in the manufacturing sector are defined as enterprises having an employee of above 100 and a capital of above 7.5million ETB.	(ADA, 2017)

Source: Authors computation

1.9 Organization of the Paper

The study is structured in 5 chapters. The first chapter presents a brief overview of the research gap and introduces the research question and objectives, as well as, the scope and limitations of the research. The next chapter i.e. Related literature review, provides the reader both empirical and theoretical background about the study area. Theoretical Background provides insight in to the concepts related to the study area. Empirical Background provides the findings of different studies conducted in related study areas. The third chapter i.e. Research Methodology, indicates the entire research process including its philosophy, strategy, approach, as well as, its data collection methods. The sampling procedure in addition to the ethical considerations is also discussed within this chapter as well. The fourth chapter i.e. Findings and Discussion presents the analysis and discussion of findings generated from data collection techniques. The last chapter i.e. Conclusion & recommendation, presents a conclusion and recommendations. It also proposes areas for further study.

CHAPTER TWO: RELATED LITERATURE REVIEW

The purpose of this chapter is to review the literature in the area of the concepts of promotion mix and sales performance and its measurement. The review has three major sections. The first section presents a review of the theoretical aspects related to the study. The second section presents the empirical reviews related with the study. The third section presents the conceptual framework that this study will follow to answer the aforementioned research questions.

2.1 Theoretical Literature Review
2.1.1 The Concept of Promotion Mix

Cole (1996) defines promotional mix as õthe means use in bringing customers from a state of relative unawareness to a state of actively adopting the productö. It means of communicating with individuals, groups, or organizations to directly or indirectly facilitate exchange of informing and persuading one or more audience to accept an organizationøs product. According to Ross (2001), promotion mix is defined as total marketing communication program of a particular product. Adebisi (2006) also defined promotion mix as õany marketing effort whose function is to inform present or potential consumers about the benefits of product possess for the purpose of inducing a consumer to either start buying or continue to buy the company product or serviceö. Promotion mix refers to the set of tools that an organization can be adopted to communicate in effective way the benefits of its products to its consumers.

2.1.1.1 Elements of Promotion Mix

Promotion has its variables that are known as promotional mix. Promotion mix is a blend of communications tools used by an organization to carry out the promotion process to communicate directly with target markets (Khanfar, 2016). These blend of communications are advertising, personal selling, sales promotion, public relations tools and direct marketing.

A. Sales Promotion

Sales promotion is defined as a special offer or a part of marketing communication activities (Alvarez & Casielles, 2005; as cited in Afande & Maina, 2015). Other studies defined sales promotion as an offer or incentive that induces manufacturers, and retailers, desired sales result (Gilbert & Jackaria, 2002; as cited in Afande & Maina, 2015). Sales promotion can

also be referred to as any incentive used by manufacturers or retailers to provoke trade with other retailers or with other channel members, or with consumers to buy brands apart from encouraging the sales force to aggressively sell the items (Maringe, 2004). According to Kotler and Kerina (2006), sales promotion is short-term incentives to encourage the purchase or sale of a product. Its objective vary that it seller may use consumer promotion to increase short-term sales. Sales promotion boosts sales during promotion. It is often used to provide a short sharp shock to sales. Media and non-media marketing communication are employed for a pre-determined, limited time to increase consumer demand, stimulate market demand or improve product availability. Examples: coupons, sweepstakes, contests, free product samples, rebates, self-liquidating premiums, trade shows, temporary price reduction, special discount bonus and exhibitions.

The purpose of sales promotion is to attract new customers, introduce new products. Sales promotion advantages include: ability to provide quick feedback, add excitement to a service or product, additional ways to communicate with customers, flexible timing and efficiency. The demerits include high Cost per contact, inability to reach some customers as effectively (Kotler, 2006). Cuizon (2009) stated that sales promotion method used by the seller are not only effective in succeed in achieving short-term sales but are also more cost effective than advertisement. Nema *et al*., (2012) classify sales promotions as Consumer Sales promotion and Trade Sales promotion.

B. Personal Selling

Armstrong (2000) defines it as the process by which the seller sells to the consumer face to face. The personal selling consists of a selling process that is the most expensive form of promotion. Company that use more of personal selling are said to be adopting push strategy while that of advertising are using pull strategy. Kotler (2000) noted that personal selling is a useful tool to communicate with present and prospective buyers. Personal selling involves two ways flow of communication between a buyer and seller designed to influence consumers buying decisions. According to De Pelsmacker *et al.,* (2001), personal selling can be defined as face-to-face communications tool used to inform and maintain to establish a long-term relationship with prospective customers. Weitz *et al.,* (2004) noted that the crucial role of sales people are to engage and gather information related to a potential customer, adapt a sales strategy based on that information, carry a message that implement organization strategy evaluate the effect of these messages and make adjustments upon this evaluation.

Furthermore according to Fill (2006), the main feature of personal selling is the effect it has, it mean that a salespeople is more likely to break through, get consumers attention and even be remembered later on. The salespeople have the chance of adjust the message to the type of customer dealing with. Since the communication is two-way, there is less danger of misunderstandings because salespeople can get feedback immediately and in the spot.

C. Direct Marketing

Kotler (2000) defined direct marketing as an interactive marketing system that uses one or more advertising media to affect a measurable response and/or a transaction at any location. Today many direct marketers see direct marketing as playing a major role that of building a long-term relationship with the customers. Direct marketers can use a number of channels for reaching prospects and customers. These include face-to-face selling, direct mail, catalog, telemarketing, TV and other direct-response media, kiosk marketing and online channels (Kotler, 2000).

According to Brassington and Pettit (2000), direct marketing is an interactive system of marketing, using one or more advertising media to achieve measurable response anywhere, forming a basis for creating and further developing an on-going direct relationship between an organization and its customers, to be able to create and sustain quality relationship with sometimes hundreds or even thousands of individual customers, an organization needs to have as much information as possible about each one, and needs to be able to access, manipulate and analyze that information, thus, the database is crucial to the process of building the relationship.

D. Advertising

Advertising is promotion via a recognizable advertisement placed in a definable advertising medium, guaranteeing exposure to a target audience in return for a published rate for the space or time used (Baker, 1994). Advertising is thought by some to help buyers to learn and remember brands and their benefits by repeating the message and building associations between brands, logos, images, and benefits ó a form of classical conditioning (Smith, 1998).

Brassington and Pettit (2000) define advertising strategy as any paid form of non-personal communication directed towards target audiences and transmitted through various mass media in order to promote and present a product, services or idea. The key difference

between advertising and other promotional tools is that it is impersonal and communicates with large numbers of people through paid media channels.

According to Wang (2009), advertising is one of the most primary communication links with customers, hence customers' desired image and language along with culture, economy and commercial changes must be kept in mind, and hence advertising helps in building brand awareness and image by repetitive exposure to intended message.

Anyanwu (2010) defines Advertising as a process of communication, persuasive information about a product to the markets by means of the written and spoken word. There are five principal media of advertising as follows; the press, commercial television, direct mail, commercial radio and outdoor. Objective of Advertising is to introduce a new product or service; here advertisement attempts to present to the prospective buyers a new product or service and this usually near a costly and dramatic launching of a new product or service.

E. Public Relations

Fiske and Hartley (1980) defined public relations as a form of communication management that seeks to influence the image of an organization and its products and services. Public relations usually focus on communicating positive aspect of the business. This involves a company to use publicity tools like news release whereby the company informs a newspaper, radio station or other media of an idea for a story. Kotler (2000) noted that non-profit organizations rely heavily on Public Service Announcements (PSAs), which are free space or time donated by the media. The publicity efforts are coordinated with news releases, conferences, advertising, donations to charities, volunteer activities endorsements and any other activities that may have impact on public perceptions.

According to Brassington and Pettit (2000), the essence of public relations (PR) is to look after the nature and quality of the relationship between the organization and its different publics, and to create a mutual understanding. Moreover, an organization can attend trade exhibitions to create stronger relationships with key suppliers and customers as well as enhancing the organization's presence and reputation within the market (Brassington & Pettit, 2000). According to Lovelock and Wirtz, (2004) public relations include all activities used by the organization to improve its image in the community such as supporting and participating positively in social, environmental, health activities, and public issues.

2.1.1.2 Objectives of Promotion Mix

According to Armstrong (2002), the objectives of promotional strategy/mix vary among organizations. Some use promotion to expand their markets, others to hold their current positions, still others to present a corporate viewpoint on a public issue. Promotional strategies can also be used to reach selected markets. Most sources identify the specific promotional objectives or goals of providing information, differentiating the product, increasing sales, stabilizing sales, and accentuating the product's value. An organization can have multiple promotional objectives.

Providing Information: In the early days of promotional campaigns, when there was often a short supply of many items, most advertisements were designed to inform the public of a product's availability.

Differentiating the Product: Marketers often develop a promotional strategy to differentiate their goods or services from those of competitors. To accomplish this, they attempt to occupy a "position" in the market that appeals to their target customers. Promotions that apply the concept of positioning communicate to consumers meaningful distinctions about the attributes, price, quality, or usage of a good or service.

Increasing Sales: Increasing sales volume is the most common objective of a promotional strategy. Some strategies concentrate on primary demand, others on selective demand. Sometimes specific audiences are targeted.

Stabilizing Sales: Sales stabilization is another goal of promotional strategy. Sales contests are often held during slack periods. Such contests offer prizes (such as vacation trips, color televisions, and scholarships) to sales personnel who meet certain goals. A stable sales pattern allows the firm to improve financial, purchasing, and market planning, to even out the production cycle and to reduce some management and production costs.

Despite the fact that the correct use of promotional strategy can be a valuable tool in accomplishing these objectives, for the purpose of this study the effect of promotion mix on increasing sales/sales performance was considered.

2.1.1.3 Measuring the Effectiveness of Promotion Mix

If an organization cannot measure its effectiveness in terms of promotion, it cannot say precisely if the activities had been successful. According to Sunday and Bayode (2008), for an organization to measure the effectiveness of it promotional activities, this can be done in either of the following ways;

Direct sales result: - this method reveals the sales revenue for each amount input into promotion. That is, it measures the rate of sales to the expense on promotion.

Indirect evaluation: - this method focuses on quantitative indicators of effectiveness. For instance, the effectiveness is measured based on the organization study of the number of audience that actually heard about the product during the promotional activities.

Returns method: - this method is the work of Professor Don Schutz. He said promotional effectiveness should be measured based on the returns of the period of promotion. What is the profit like during promotion and when there is no promotion?

Direct response method: - this method is concentrating on having a way of getting response from the targeted audience and this response should be used to measure the effectiveness of promotion.

2.1.2   Sales Performance

Sales in business terms are the actual sales in money values, a company receives after necessary collections are made from different sales channels of the original total production put on the market (Jefkins, 1990). A sale is the quantity of goods sold in number or amount of units during the normal operating times of a company (Moghareh *et al.*, 2009; as cited in Seukindo, 2012). It is a total amount of aspects comprising gross sales, credit memos, income, delayed billings and delayed shipments (Smith & Rupp, 2003; as cited in Seukindo, 2012).

It is sales that stimulate production in a company and consequently profits that are affected by various factors some of which are controllable like quality and others are uncontrollable like competition and general price changes. Sales performance employs unprocessed information concerning the number of consumersø sales representative talks to compare with the quantity of actual sales. However it can signify the rate of customer loyalty to the

business hence enhancing sales performance can automatically improve the number of loyal customers (McLelland, 2014).

Sales performance is an integrated frame work that enables organizations to plan and model sales strategies and ensure timely execution of sales initiatives while ensuring both front line sales people and decisions-markers have visibility into performance. Sales performance represents the next generation of best practices for sales (Michael, 2006 as cited in Concepta, 2011). Sales performance also refers to the total amount of firms output sold to the market especially on monthly or annually basis, this affected by many factors including customer relationship, marketing management of the firm and sales force skills and motivation and even the pricing of the goods and services (Amanda, 2002; as cited Concepta, 2011). Anyanwu (2010) stated that sales performance refers to consistent and satisfactory turnover of goods and services produced and put on the market by an organization or company. It is the sole economic goal of companies to have as much goods sold on the market.

This facilitates the rate of goods turn over and consequently revenue and increased production. According to Salleh and Kamaruddin (2011) sales performance can be evaluated using a sales volume analysis, marketing cost analysis and profitability analysis whereby a sales volume investigation is conducted by a careful study of an organization's records of its profits and loss statement on the product lines, territories and key accounts of the customers. This implies that marketing department (which is believed to have information related with marketing cost & sales volume of the company) and finance department (which is believed to have information related with profitability, marketing cost & sales volume) are the most concerned departments within the organization.

Therefore, in order to know the sales performance of the aforementioned factories, the study focused on the staff of finance department & marketing department in the head office in the aforementioned manufacturers.

2.1.3 Leather Footwear Manufacturers in Ethiopia

2.1.3.1 Anbessa Shoe Share Company

Anbessa Shoe Share Company is the oldest shoe manufacturing enterprise in Ethiopia. An Italian expatriate established the company in the 1930s. It obtained a measure of goodwill by the 1950s when it was known by the name DARMAR. It introduced industrial machinery and availed shoes for men, women and children. In the mid-1970s, the manufacturing facilities were nationalized by the Derg regime. The company was privatized again in 2012 and purchased by the current owner, Ato TedlaYizengaw. At the time of privatization, the company had 800 employees and was making significant losses. Now the company is profitable, has expanded its workforce to 1,140 and increased production as a result of restructuring, machinery upgrades and improvement in systems and production layout. Anbessaøs manufacturing facility is located in Addis Ababa and has about 33 outlets locally.

The factory has an installed production capacity of 3,500 pairs per day. Its main products are leather shoes (casual, military and safety shoes), leather articles (bags, wallets, and belts) and outsole. Upper materials are used are locally sources hides and skins tanned in Ethiopia. It serves both the domestic and the export market. Anbessa is a market leader, commanding approximately 65% to 70% of the local shoe retail business.

2.1.3.2 Jamaica Shoe Factory

Jamaica Shoe Factory is established in 1969. The factory is a company located in Addis Ababa, Ethiopia. The company is mainly working in Shoes and Accessories business sectors. Main product categories are childrenøs shoes, sports footwear, menøs shoes, sandals and womenøs shoes with a production capacity of 9,000 pairs/year, 27,000 pairs/year, 90,000 pairs/year, 9,000 pairs/year & 45,000 pairs/year respectively. With its new plant equipped with the-state-of-the-art-technology & skilled/trained workers, the company has now the capacity to produce 800 pairs of shoes in a single shift. OK Jamaica Shoes Factory has its roots back to the nineteen sixties when it was established as a sole proprietorship with an initial capital of Eth. Birr 50,000. The then JAMAICA SHOE FACTORY has started on with limited Employees by producing various types of men's, womenøs, as well as children's shoes using old-fashioned machine for exclusive domestic market consumption. The persuasive efforts & dedication of the workers together with the wisdom & visionary leadership of the owner have led the enterprise expand its customer base & notably increase its market

share. The enterprise has been reorganized into a high profile Company with an initial capital of Eth. Birr 30 Million since 2009. The company has now its own new plant equipped with advanced technology that lay on the 2,500 m² of land located in the southern part of the capital.

2.1.3.3 Kanagroo Shoe Factory PLC

Kangaroo shoe factory is one of the largest and leading shoe manufacturer and retailer in Ethiopia. The factory was founded in 1990 GC by Mr. Yirga Hile in Addis Ababa, Ethiopia with a capital of birr 370,000ETB. When it started its operation, there are around 65 employees. The production capacity was 200 pairs per day with an average production rate of 120 pairs of shoe per day. The company had gradually improved its production performance qualitatively and quantitatively getting domestic consumers and reached production capacity of 1,600 paired of shoe per day. The company has a total worker of 310 and share of export sales is about 10% The company had diversified its products mix by making Clark shoe, sender shoe, lasted shoe, moccasin shoe, sport shoe, lady shoe, safety shoe and children shoe. The company proceed further to improve its capacity of production by adding equipment and machineries in order to produce more qualitative products and to offer to national and international markets. Currently, the company is applying for ISO 9001:2015 certified quality management system, Ethiopian Quality Award (EQA) and Kaizen principles.

2.1.3.4 Peacock Shoe Factory

As a manufacturer of genuine leather footwear and leather articles, Peacock Footwear Company was established in 2001, specializing in menøs and womenøs shoes. The factory has a daily stitching capacity of 1,600 pairs and daily lasting and finishing capacity of 2,000 pairs. Currently the factory has 300 employees. The factory imports most of raw materials i.e. accessories and packaging from Italy. The factory exports authentic leather products to various countries, such as the US, Europe and other African countries. Their international clients include Barhuber (Baylon shoes) from Spain, TD from the Netherlands and Ethio-Leather from Uganda.

2.1.3.5 Sheba Leather Industry PLC

Sheba Leather Industry P.L.C is legally registered entity established in 1993 G.C. in accordance with the commercial code of Ethiopia with paid-up capital of 118 million Birr. The company, one of the subsidiaries of the Endowment Fund for the Rehabilitation of

Tigray (EFFORT). The company has started its operations in 2004. Currently, the company has created job opportunities for more than 947 employees. The factory is located in the northern part of Ethiopia, Tigray Regional State, Wukro town (45 Kilometers from the regional capital Mekelle). Sheba Leather Industry is involved in processing and selling goat and sheep hides. It has two production units, the shoe factory and the tannery. The shoe factory has the capacity to produce 1,000 pairs of shoes in one shift and the tannery is able to process more than 40,000 ft of finished leather. The factory exports its fine leather products to China (including Hong Kong), USA, Italy and Indonesia.

2.1.3.6 Tikur Abbay Shoe Factory

Tikur Abbay is one of the oldest and largest footwear factories in Ethiopia, operating since 1948. Tikur Abbay produces a number of quality leather products, including military and civilian footwear. The factory produces a wide variety of dress shoes, safety shoes and casual footwear, including sports shoes and sandals, using genuine leather for men, women and children. The factory has a daily stitching capacity of 3,515 pairs and daily lasting and finishing capacity of 3,000 pairs. Currently the factory has 835 employees. The factory is exporting its products to different markets such as Europe, USA and Africa, with international clients such as Harbor footwear, East Pack and Exenasri.

2.2 Empirical Literature Review

In the course of documentation, researchers came with different reports on the effect of promotion mix on sales performance in general. Ivory *et al.* (2001) defined promotion as a means of communication between the seller and buyer. To communicate with consumers, a company can use one or more of the promotional alternatives that is personal selling, advertising, sales promotion and public relation. Kivuva (2003) noted that three of these elements, which include advertising, sales promotion and public relation, are often said to use mass selling because they are used with groups of prospective buyers. In contrast, personal selling uses person-to-person interaction between a seller and a prospective buyer. Personal selling activities include face-to-face, telephone and interactive electronic communication.

Boorom *et al.* (2008) as stated in Ngari (2015) have made a study on relational promotion mix traits and their effect on addictiveness and sales performance; found that promotion mixøs apprehension strongly influences interaction involvement, which is supposed to be an integral part of addictiveness and sales performance. The study revealed that as promotion

mixøs apprehension increases salespersons effectiveness is lessened, ultimately effecting the growth of the organization. Sukhmani *et al.,* (2012) studied the role of elements of promotion mix which can help the companies in increasing their sales. They found that the significance of various elements of promotion mix in increasing the sales of the company where in public relations have been considered as the most important element, followed by Sales Promotion, Direct Marketing, Advertising and Personal Selling. Observations clearly depict the role of various elements of promotion mix in increasing sales of the companies.

A study conducted by Sunday and Bayode (2008) on strategic influence of promotional mix on organization sale turnover in the face of strong competitors revealed that strategic promotional mix influences the sale turnover with little 25% while other variable not included in the variable tested takes the larger 75% that will rapidly lead to organization growth. Since promotional mix constitute few % of variable that can push an organization to the highest level, therefore other factors of marketing mix such as product development, effective pricing, distribution of right quality and quantity to the consumers should be appropriately considered. A study by Ngari (2015) also concluded that there was a positive relationship between independent variables (advertising, personal selling, sales promotion, public relations and direct marketing) and dependent variable (Sales Performance of Commercial Banks in Kenya).

Afande and Maina (2015) conducted a study on the effect of promotional mix elements on sales volume of financial institutions in Kenya. Their study depicted that sales promotion was the highest ranked promotional mix element with regards to its effect on sales volume, personal selling was ranked second, advertising was ranked third, and public relations was ranked fourth while direct marketing was the least ranked. Findings from the regressions analysis indicate that sales promotion was the highest ranked promotional mix element with regards to its effect on sales volume, personal selling was ranked second, advertising was ranked third, public relations was ranked fourth while direct marketing was the least ranked.

Okyere *et al.* (2011) studied the effect of marketing communication/promotion mix on the sales performance of Ghana Telecom. The results indicated strong relationships between sales promotion, advertising budgets and total sales. There was however an inverse relationship between TV advertisements and sales. On the other hand, a study by Alphonce *et al.* (2012) on the effect of promotional strategies on performance revealed a positive correlation between promotional strategies and sales performance. It was reported that at 5%

level of significance, there was positive relationship between the promotional strategies and profits because as the costs on the promotional strategies increased so did the profits.

Adamu (2017) conducted a study on St. Gorge Grewery in order to evaluate the effect of advertising on sales performance of the company and found that advertisement helps the companies create awareness among customers for their products and services but also serves as a useful vehicle in promoting brand image of products and services offered at the target market. The study established that advertising in the case of St. Gorge brewery enables it to create good image and promote the reiterate purchase of its products create large market segment which leads to the development of larger market share, maintain superior stand in the industry, establish good relationship with potential customers and reduce consumer dissonance. In the same manner, Junda (2012) made a study on the effect of advertisement and sales promotion; among the elements of promotion mix on sales volume of Aqua-Dire Spring water plc and found that sales promotion efforts of the company have more effect on sales volume than advertisement of the company.

2.3 Conceptual Framework

The conceptual framework shows the crucial process, which is useful to show the direction of the study. Based on the overall review of the related literatures, the following conceptual framework for this study is developed. In this research, the effect of promotion mix on sales performance of large leather shoe manufacturers in Ethiopia is assessed.

According to Salleh and Kamaruddin (2011) sales performance can be evaluated using a sales volume analysis, marketing cost analysis and profitability analysis. This implies that marketing department (which is believed to have information related with marketing cost & sales volume of the company) and finance department (which is believed to have information related with profitability, marketing cost & sales volume) are the most concerned departments within the organization. Therefore, in order to know the sales performance of the aforementioned factories, the study focuses on the staff of finance department & marketing department in the head office in the aforementioned manufacturers. The effect of each elements of promotion mix is assessed. All of the elements of promotion mix are considered. These are advertising, personal selling, sales promotion, direct marketing and public relations. Figure 2.1 below depicts the conceptual framework for the study.

Independent Variables   **Dependent Variable**

| Advertising |

| Sales Promotion |

| Personal Selling | → | Sales Performance |

| Direct Marketing |

| **Public Relations** |
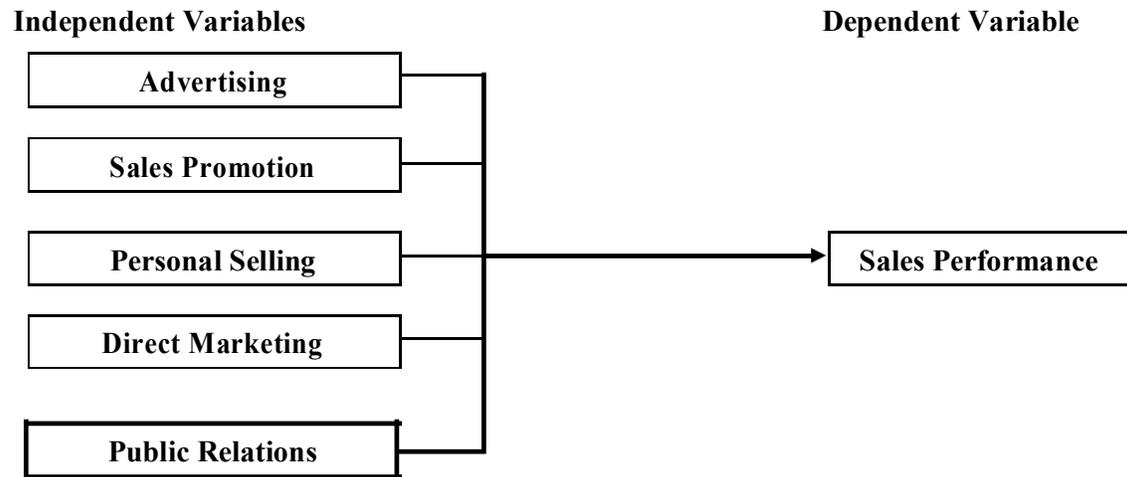
Figure 2.1: Conceptual Framework

Source: Khanfar (2016)

CHAPTER THREE: RESEARCH METHODOLOGY

This chapter describes the practical methods used in order to answer the research questions and fulfill the purpose of the research are presented. This includes describing the research design and methodology, target population, sample size determination, method of data collection, ethical consideration, validity, reliability and method of data analysis. The study aims is to evaluate the effect of promotion mix on sales performance of large leather footwear manufacturing in Ethiopia based on the opinion of large leather footwear manufacturing company's marketing and finance department staffs. The following sections provide a detailed description of the research methodology used in the study.

3.1 Research Design

Saunders, Lewis and Thornhill (2009) defines a research design as the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. Research designs are plans and the procedures for research that span the decision from broad assumption to detailed method of data collection and analysis (Cresswell, 2003). In other words, the research design articulates what data is required, what methods are used to collect and analyze this data, and how all of this is going to answer our research question. It specifies the sources from which the researcher intends to collect data, measurement and analysis of data (Saunders, Lewis, & Thornhill, 2009). Various authors recommend the use of descriptive design (Orodho, 2004) contends that, to produce information that is of interest to policy makers even in business descriptive design is helpful.

This study used both explanatory and descriptive research designs in order to address the aforementioned objectives of the study to obtain information regarding the present status of the phenomena to clarify what exists with respect to variables or circumstances in a situation. Descriptive research attempts to define or describe a subject often by creating a profile of a group of problems, people or events through the collection of data the tabulation of the frequencies on research variables or their interaction: the study reveals who, what, where, when and how much (Cooper & Schindler, 2006). With descriptive research design, the researcher has got an opportunity to have a clear view of the problem from other related sources and narrow the research around these important items.

Explanatory research design aimed at linking ideas in order to realize the associations of variables in terms of cause and result relationship (Cooper & Schinder, 2003). For investigating the causal relationship between dependent variable (i.e. sales performance) and independent variables (promotion mix), the researcher followed explanatory design. Explanatory design is applicable in a research to show causal relationships among dependent and independent variables (Fasil, 2018).

The researcher used cross-sectional survey design since data was collected at one point in time from sample selected to represent a larger population by a single questionnaire. Cross sectional research design involves carrying out of a study just once and the information is therefore used to represent a specific time, since the research is limited in time, as the research is being undertaken for an academic course limited to 3 months (Saunders & Thornhill, 2003). Cooper and Schindler (2006) defined a survey as an instrument process used to collect information during a highly structured interview using structured questionnaires. Therefore, the data collection instrument used in the study is a questionnaire.

Data was collected from large leather footwear manufacturers in Ethiopia. These are; Anbessa Shoe S.C., Jamaica Shoe Factory, Kangaroo Shoe Factory PLC, Peacock Shoe Factory, Sheba Leather Industry PLC and Tikur Abay Shoe S.C. Correlation & regression analysis was undertaken to determine the relationship & causal relationship between the dependent (sales performance) and independent variables (promotion mix) respectively.

3.2 Research Approach

The purpose of this study is to assess the effect of promotion mix on sales performance of large leather shoe manufacturers in Ethiopia. On the bases of this, the researcher uses quantitative approach because this approach enables to identify any causal link between factors or variables, and it allows examining the effect of promotion mix on sales performance of large leather shoe manufacturers in Ethiopia.

A quantitative approach is one in which the investigator primarily use post positivist claim for developing knowledge (i.e. cause and effect thinking), reduction of specific variables and question (Cresswell, 2003). Quantitative approach enables the researcher to gain better knowledge and understanding of the results. Quantitative research relies on deductive reasoning or deduction (Sekaran & Bougie, 2010).

3.3 Sampling Design

3.3.1   Target Population

According to Hair *et al.* (2010), target population is said to be a specified group of people or object for which questions can be asked or observed made to develop required data structures and information. As Sonobe *et al.,* (2018) revealed in his study that, as per Ethiopian tanners, Footwear and Leather garments manufacturing association there are 14 locally owned shoemakers that considered as large scale. Among which due to their high market share and experience of using different elements of promotion mix, Anbessa Shoe S.C., Jamaica Shoe Factory, Kangaroo Shoe Factory PLC, Peacock Shoe Factory, Sheba Leather Industry PLC and Tikur Abay Shoe S.C were selected for this study purpose.

Hence, the target population or universe of the study was the aforementioned six local large leather shoe-manufacturing companies. By assuming that marketing and finance departments have more access to know and measure the sales performance trends of each factory than other departments, the study focuses on the perceptions of these departments found in head-offices of each factory. Based on the number of staffs in marketing & finance departments of the aforementioned factories, the targeted numbers of respondents were 105.

3.3.2   Sample Size

According to Polit (2001), a sample size is a proportion of a population. Tustin, Ligthelm and Van (2005), state that sample size is a smaller set of the larger population. Use of a sample enables a researcher to save time and money hence get more detained information for its respondents. Due to time and resource constraints, it would be difficult to study all the population of the study (i.e. all leather shoe manufacturers) and selecting a sample is necessary. In this study, the target population (i.e. the aforementioned six local large leather footwear manufacturers) and the sample size is the same. This is because the target population of the study was staff of marketing & finance departments found in the head offices of the aforementioned companies; and hence it was not difficult to enrich all the respondents. Therefore, number of respondents to whom the questionnaire was distributed were the staff of finance & marketing departments found in the head-offices of Anbessa Shoe S.C., Jamaica Shoe Factory, Kangaroo Shoe Factory PLC, Peacock Shoe Factory, Sheba Leather Industry PLC and Tikur Abay Shoe S.C. The total targeted number of respondents across these factories was 105 as indicated in the following table;

Table 3.1: Targeted Number of Respondents

No.	List of Companies	Targeted Number of Respondents
1	Anbessa Shoe S.C.	23
2	Jamaica Shoe Factory	13
3	Kangaroo Shoe Factory PLC	19
4	Peacock Shoe Factory	17
5	Sheba Leather Industry PLC	12
6	Tikur Abay Shoe S.C	21
	Total	**105**

3.3.3 Sampling Techniques

The researcher followed two stages to identify and select respondents. The first stage involved purposive identification of respondents from the aforementioned six local large leather footwear-manufacturing companies. The researcher purposely identified the head offices of each factories and specifically staffs of marketing & finance departments found in head-offices of each companies were identified. This was decided based on two main reasons; the first reason was the head-offices of each companies are the most responsible body for decision making about the promotion mixǿs; and the second reason was marketing & finance departments are assumed to have more access to know and measure the sales performance trends of each companies than other departments.

Secondly, the researcher adopted census survey method over staffs of marketing and finance departments found in head offices of the aforementioned companies. This is because the target populations of the study are of manageable size.

3.4 Sources of Data and Data Collection Techniques

3.4.1 Data Type and Source

The study aims to assess the effect of promotion mix on sales performance of large local leather footwear manufacturers in Ethiopia. In order to achieve the general & specific objectives, both primary and secondary sources of data were utilized. As Malhotra (2005) stated, even if obtaining them can be expensive and time consuming, the researcher originates primary data for the specific purpose of addressing the problem at hand, the primary data were collected through structured questionnaires.

Primary sources of data were staff of marketing and finance departments found in the head offices of Anbessa Shoe S.C., Jamaica Shoe Factory, Kangaroo Shoe Factory PLC, Peacock Shoe Factory, Sheba Leather Industry PLC and Tikur Abay Shoe S.C.

The secondary data was collected from reviewing marketing journals, books, research papers and other related publications. As a general rule stated by Malhotra (2005), examination of available secondary data is a pre requisite to the collection of the primary data.

3.4.2 Data Collection Methods

According to Cooper and Schindler (2008), data collection is the systematic and calculated gathering of information based on research variables. For collecting the primary data from the staff of marketing and finance departments found in the head offices of the aforementioned companies, the researcher utilized survey data collection method. Cooper and Schindler (2006) defined a survey as an instrument process used to collect information during a highly structured interview through use of structured closed-ended questionnaires. In survey method structured questionnaire was used in order to collect the data. Secondary data was collected through reviewing the selected written materials from the aforementioned sources.

3.4.3 Data Collecting Instruments

For collecting the primary data, structured closed-ended questionnaires were used as the main instruments for data gathering from large leather shoe manufacturers in Ethiopia; namely Anbessa Shoe Share Company, Jamaica Shoe Factory, Kangaroo Shoe Factory PLC, Peacock Shoe Factory, Sheba Leather Industry PLC and Tikur Abay Shoe S.C. According to Sansoni (2014), a questionnaire is a data collection tool designed to collect structured and unique data from respondents.

The questionnaire used in this research is adopted from the previous studies of Ngar (2015), Khanfar (2016) and Seukindo (2012). The researcher modified the questionnaire in order to relate it with the general & specific objectives of the research. The questionnaire is closed ended questions on Likert scale i.e. a scale developed by Davis (1967) with a Likert scale scoring format ranging from õStrongly agree/great extent = 5ö to õStrongly disagree/not at all = 1ö. The Likert type scale, commonly used in business research allows participants to provide their perceptions and opinions both in terms of direction (positive or negative) and intensity (degree of agreement or disagreement). The ratings were on a scale of 1 (strongly disagree) to 5 (strongly agree). The questionnaire is composed of three main parts to

accomplish the aim of the research. The first section is about the demography of the respondents, the second section is composed of promotional mix‹s such as advertising, public relationship, personal selling, direct marketing & sales promotion; and the third section of the questionnaire is sales performance measuring questions. A total of (39) question was prepared. The name of sections, sub-sections & number of questions is presented as below;

Table 3.2: Questionnaire Structure of the Study

S.No.	Statements	No. of Questions	Total No. of Questions
1	Demographic Information	Question No. 1 ó 5	5
2	Promotional mix elements	Question No. 6 ó 32	27
2.1	*Sales promotion*	*Question No. 6 ó 12*	*7*
2.2	*Public relationship*	*Question No. 13 ó 18*	*6*
2.3	*Advertising*	*Question No. 19 ó 23*	*5*
2.4	*Personal selling*	*Question No. 24 ó 27*	*4*
2.5	*Direct marketing*	*Question No. 28 ó 32*	*5*
3	Sales performance	Question No. 33 ó 39	7
	Total Questions		**39**

The questionnaire was prepared by English language as indicated in appendix A herewith this document. Regarding the collection of secondary data, the researcher referred several literatures, reports, journals, academic magazines, published papers, books, essays, researches, dissertations, websites, reports and documents related to the research topics.

3.5 Methods of Data Analysis

According to Cooper and Schindler (2008:93), data analysis is the process where collected data is reduced to a more controllable and convenient size, and a researcher can start to identify trends or patterns, apply statistical techniques and give a summary of the data.

Once the period allocated for the questionnaires to fill lapsed and the questionnaires that has been filled were returned, the data cleaning activity such as detection of errors and omissions were conducted through careful scrutiny of the completed questionnaires and were examined for completeness and accuracy. Thereafter, the data was sorted and coded. Statistical Package for Social Sciences (SPSS V.25) was to analyze data. SPSS is preferred because of its ability to cover a wide range of the most common statistical and graphical data analysis.

This study used both descriptive and explanatory designs to reach at the aforementioned objectives. Descriptive statistics such as frequencies, percentage, mean, and standard deviation were used for summarizing and presenting the data. With regard to inferential statistics, correlation & regression analysis were held. Pearson correlation were used to show the inter-dependence & the strength/degree as well as direction of associations between

independent (i.e. promotion mix elements) and dependent variables (sales performance). The other inferential statistics utilized was multiple linear regression analysis, which is used to test the significance contribution of each independent variable to the dependent variable; as well as to evaluate the causal relationship between the independent and dependent variables. Specifically, multiple linear regression analysis was used to determine the joint relationship between independent and dependent variables. The regression model is elaborated in the proceeding section.

3.6 Empirical Model

The study used multiple linear regression analysis models for measuring the relationship between the independent variables i.e. promotion mix elements and dependent variables i.e. sales performance as it is indicated in the conceptual framework. Coakes and Steed (2007) stated that the result of multiple linear regression is an equation that represents the best prediction of a dependent variable from several independent variables.

This study used multiple linear regression analysis model after testing relevance of structural equation model. Multiple linear regression model was preferred since the study has more than one independent variables and multiple regression analysis is more appropriate to clearly identify the correlation levels of each of the variables. The relevant test for conducting linear regression model according to Almaquist *et al*. (2016) are the absence of outliers, linearity, normality, the absence of multicollinearity.

The multiple linear regression analysis model for this study expressed as,

$$SPR= \beta_0 + \beta_1 AD + \beta_2 SP + \beta_3 PR + \beta_4 DM + \beta_5 PS + e$$

Where: SPR= Sales Performance, AD= Advertising, SP= Sales promotion, PR= Public relationship, DM= Direct marketing, PS= Personal selling, e= error term, β_0= Constant term & $\beta_{1,2,3,4,5}$= Coefficient terms of advertising, sales promotion, public relationship, direct marketing and personal selling respectively.

3.7 Variable Description

Based on the theoretical and empirical analysis of the literature review, for assessing the effect of promotion mix on sales performance of large leather shoe manufacturers in Ethiopia, the researcher adopted a model used by different authors. So the dependent variable is the sales performance of large local leather footwear manufacturers in Ethiopia, namely Anbessa Shoe S.C., Jamaica Shoe Factory, Kangaroo Shoe Factory PLC, Peacock Shoe Factory, Sheba Leather Industry PLC and Tikur Abay Shoe S.C. The independent variables are the elements of promotion mix; namely sales promotion, advertising, directs marketing, public relations and personal selling.

3.8 Validity of Questionnaire

Validity refers to the degree to which an instrument measures what it is supposed to be measuring. Validity is a general term denoting ÷correctness of measureø (Yaremko, 1982 as cited in Reddy & Abay, 2018). Validity refers to the degree to which an instrument measures what it is supposed to be measuring. Validity has a number of different aspects and assessment approaches. Statistical validity is used to evaluate instrument validity, which includes internal validity and structure validity (Shehadah, 2017). Bryman and Bell (2007) as cited in Muhe (2018) also defined validity as how much any measuring instrument measures what it is intended to measure. They also suggest that the important issue of measurement validity relates to whether measures of concepts really measure the concept or not. There are several ways of establishing validity such as content validity; convergent validity concurrent; predictive validity; construct validity; and convergent validity.

The validity of this research paper, as it was stated in the literature review part, all the variables are adopted from previous research works. Besides this, the questionnaire used in this research is adopted from the previous studies of Ngar (2015), Khanfar (2016) and Seukindo (2012). Therefore, this study addressed content validity. According to Almaquist *et al.* (2016), content validity examines weather the test measures the concept that it is intended to measure or not. Since the researcher covered all promotion mix elements as stated by Khanfar (2016) i.e. representative of all aspects of the construct, content validity is addressed.

3.9 Reliability

Reliability is the extent to which a study's operations can be repeated with the same results and it involves the accuracy of the chosen research (Wiedersheim-Paul & Eriksson as cited on Hailegebriel, 2016). According to Nachmias and Nachmias (2004), reliability refers to the degree to which a measuring instrument includes variable errors that appear variably from observation to observation during any one-measurement attempt or at the same measuring instrument.

The researcher made sure there is an accurate coding and numbering to the subjects also a reliability computation was used to compute mean reliability coefficient estimates for Cronbach Alpha with a significance level of $p \leq 0.05$. Cronbach's alpha is an index of reliability associated with the variation accounted for the true score of the underlying construct and it can only be measured for variables which have more than one measurement question. 0.5 is a sufficient value, while 0.7 and above is a more reasonable value. According to Mugenda and Mugenda (2003), reliability is the ability of a research instrument to produce consistent results after repeated trials. The research instrument had an overall Cronbach Alpha coefficient of 0.970. The table 3.2 below summarizes the reliability test of research instrument.

Table 3.3: Reliability of Research Instrument

S.No.	Variables	No. of Items	Cronbach's Alpha
1	Sales promotion	7	.851
2	Public relationship	6	.900
3	Advertising	5	.803
4	Personal selling	4	.773
5	Direct marketing	5	.719
6	Sales performance	7	.929
	Overall	**34**	**.970**

Source: Survey data, 2020

From the findings on the table above, the Cronbach Alpha co-efficient was used as a measurement parameter such that all the items included in the questionnaire were reliable. The use of Cronbach Coefficient to measure reliability of instrument enabled to identify the strength of items included in the questionnaire such that measure between 0.7 and 1 signifies a strong consistency of item used in questionnaire (Mugenda & Mugenda, 2003). The acceptable Alpha value that meets the statistical prerequisite for the instrument to be characterized as reliable should be 0.70 and above (Travakol & Dennick, 2011). The Alpha

score for the questionnaires fell within the given range and as a result the researcher found the instrument suitable for conducting data analysis. This implies that the assessment tool (questionnaire) used was capable of producing stable and consistent results.

3.10   Ethical Consideration

This study identified five key ethical issues which as stated by Neuman (2011) that could affect this research study, and put in place strategies to address them: informed consent; confidentiality; feedback of results; negative impact on employability and security of data. Informed consent was provided by respondents in this study through the return of their completed questionnaire to the researcher as explained in the beginning of the questionnaire. Confidentiality was maintained and upheld by the researcher. Feedback of results to respondents was made through presenting the findings to the advisor. Negative impact of employability is protected through upholding confidentiality of responses. Finally, securing of data was upheld by storing all responses in the hands of the researcher.

CHAPTER FOUR: ANALYSIS, FINDINGS AND DISCUSSION OF RESULTS

This chapter deals with the analysis, interpretation of responses from questionnaires and the findings of the study and discussion on the findings. Relevant information pertaining to the study was retrieved from purposively identified respondents from the staffs of marketing and finance departments found in the head offices of six local large leather footwear-manufacturing companies through questionnaires having 39 questions. The chapter consists of the response rate, descriptive analyses (i.e. the biographic information; mean and standard deviation of the respondentsø responses) and inferential analysis which sought to answer the study objectives.

4.1 Data Presentation & Analysis

4.1.1   Response Rate

The study conducted a survey and purposively selected staffs of marketing & finance departments found in the head offices of the aforementioned six large local footwear-manufacturing companies. The researcher distributed the questionnaires to the targeted respondents in census basis. Self-completion questionnaires, which are simple and easy to understand, were designed to collect data from the target groups. The researcher issued a total of 105 questionnaires in person to the identified respondents and only 85 were filled and returned giving a response rate of 81% as indicated in table 4.1 below. The data was collected in January 2020.

Table 4.1: Response rate of the respondents

No.	Description	Respondents
1	Questionnaire distributed	105
2	Questionnaire returned	85
3	Response rate (%)	81%
4	Usable response	85

Source: - Computed by the researcher, 2020

As it was indicated in the previous sections, the questionnaire was distributed to the six large local leather footwear companies. The response rate across these companies is presented as follow;

Table 4.2: Response Rate across the Target Population

No.	List of Companies	Questionnaire Distributed	Questionnaire Returned	Response Rate
1	Anbessa Shoe S.C.	23	19	83%
2	Jamaica Shoe Factory	13	10	77%
3	Kangaroo Shoe Factory PLC	19	15	79%
4	Peacock Shoe Factory	17	14	82%
5	Sheba Leather Industry PLC	12	10	83%
6	Tikur Abay Shoe S.C	21	17	81%
	Total	**105**	**85**	**81%**

Source: - Computed by the researcher, 2020

A pilot test involving 10 respondents group (10% of the desired respondents) were carried out to evaluate the completeness, precision, accuracy and clarity of the questions toward addressing the research objectives and the overall objective of the study. The changes and suggestions of the respondents were incorporated to the questionnaires to ensure all aspects are sufficiently covered. A letter of introduction was attached to the questionnaires explaining the purpose of the study. This was preceded by seeking permission from each company's top management and from each respondents. The whole exercise was conducted within three weeks. The questionnaire takes an average of ten-twenty minutes complete by respondents.

4.1.2 Descriptive Analysis

4.1.2.1 Demographic Information of Respondents

The questionnaire had six questions that required respondents to disclose their biographic information in terms of gender, age, education level, number of years worked in the organization and their current departments. This section gives an analysis on the results on demographic factors of the respondents who participated in this research study.

As it was indicated in the previous section, staff of marketing & finance departments found in head offices of the aforementioned factories was the target population. As it is indicated in table 4.3 below, 68.2% of the respondents were from marketing department and the rest 31.8% were from finance department. Relatively large number of respondents was from Anbessa Shoe S.C. followed by Tikur Abay Shoe S.C. and Kangaroo Shoe Factory PLC. On the other hand, relatively smallest number of respondents was from Jamica Shoe Factory and Sheba Leather Industry PLC.

Table 4.3: Cross tabulation of Company Name & Department

		Name of Company						Total
		Anbessa Shoe S.C	Jamica Shoe Factory	Kangaroo Shoe Factory PLC	Peacock Shoe Factory	Sheba Leather Industry PLC	Tikur Abay Shoe S.C	
Department	Marketing	15	8	6	11	6	12	58
	Finance	4	2	9	3	4	5	27
Total		19	10	15	14	10	17	85

Source: *Survey, 2020*

The biographic information of the respondents in terms of gender, age, education level, number of years worked in the organization and their current departments is presented in table 4.4 as below.

Table 4.4: Demographic Information of the Respondents

Variable	Category	Frequency	Percent	Cumulative Percent
Name of Company	Anbessa Shoe S.C	19	22.4	22.4
	Jamica Shoe Factory	10	11.8	34.1
	Kangaroo Shoe Factory PLC	15	17.6	51.8
	Peacock Shoe Factory	14	16.5	68.2
	Sheba Leather Industry PLC	10	11.8	80.0
	Tikur Abay Shoe S.C	17	20.0	100.0
Gender	Male	54	63.5	63.5
	Female	31	36.5	100.0
Age Group	Below 25	9	10.6	10.6
	26-30	22	25.9	36.5
	31-35	28	32.9	69.4
	36-40	15	17.6	87.1
	41-45	7	8.2	95.3
	Above 46	4	4.7	100.0
Education Level	Less/equal to 12/10	7	8.2	8.2
	Diploma	23	27.1	35.3
	Degree	48	56.5	91.8
	Masters	7	8.2	100.0
Work Experience in their Organization	Less than/equal to 1 year	12	14.1	14.1
	2 - 5 years	25	29.4	43.5
	6 - 10 years	44	51.8	95.3
	Above 11 years	4	4.7	100.0
Their respective Department	Marketing	58	68.2	68.2
	Finance	27	31.8	100.0

Source: *Survey, 2020*

A. Respondents across the Organizations

From table 4.4, majority of the respondents (22.4%) in the study were from Anbessa Shoe S.C. followed by Tikur Abay Shoe S.C. (20%) and Kangaroo Shoe Factory (17.6%) respectively. In contrary, least percentages of respondents were from Jamica Shoe Factory and Sheba Leather Industry having 11.8% share each.

B. Gender of Respondents

As indicated in table 4.4 above, 63.5 % of the respondents who participated in the study were male whereas 36.5% of the respondents were female.

C. Age Groups of Respondents

Basing on age, 32.9% of the respondents were the most frequent respondents aged between 31 and 35 years; followed by age group between 26 and 30 (25.9%) and age group between 36 and 40 (17.6%) respectively. On the other hand, 4.7% of the respondents were the least frequent respondents aged above 46 followed by age group between 41 and 45 (8.2%) and age group below 25 (10.6) respectively.

D. Respondents Level of Education

In reference to level of education, 91.8% of the respondent attended college/university therefore the most frequent respondents had an education level at least diploma. Out of 85 respondents, 56.5% of the respondents were the most frequent respondents having first degree; followed by diploma holder respondents having 27.1% share. On the other hand, least percentage of the respondents have an education level of less/equal to grade 12/10 and an education level of second degree (masters) having 8.2% share each.

E. Department of Respondents in their respective organization

As it was indicated in the previous section, staff of marketing & finance departments found in head offices of the aforementioned factories were the target populations. As it is indicated in table 4.4 above, 68.2% of the respondents were from marketing department whereas 31.8% of the respondents were from finance department.

4.1.2.2 Descriptive Analysis of Promotion Mix Elements

This section attempts to discuss the effect of promotion mix elements on sales performance in the aforementioned large local leather footwear-manufacturing companies. As it was indicated in the conceptual framework, five variables were identified for measuring the effect of promotion mix on sales performance. The questionnaire for the target population i.e. staffs of marketing & finance departments found in the aforementioned large local leather footwear-manufacturing companies had three variables on advertising, publicity and macro environment factors and that for sales personnel had five variables on promotion mix

elements i.e. sales promotion, public relation, advertising, direct marketing and personal selling. The statements in the study used the Likert scale ranged between 1 and 5 where 1= strongly disagree 2= disagree 3= neutral 4= agree 5= strongly agree. The descriptive findings of the sections of the questionnaire dealing with the variables are presented in this section.

4.1.2.2.1   Advertising

Table 4.5 presents responses on descriptive information on advertising. The respondents were required to respond the statements to a scale ranging between 1 and 5. The total number of respondents who responded to the statements on advertising was 85.

Table 4.5: Descriptive Statistics of Advertising

	N	Minimum	Maximum	Mean	Std. Deviation
My company considers cost of frequency of advertisement when marketing its products	85	1.00	5.00	3.6353	.85700
My company considers target market when scheduling the timing for advertisement	85	2.00	5.00	3.2588	.94053
My company considers level of technology of media used when advertising its products	85	2.00	5.00	3.1294	.93590
Presence of alternative media for advertisement has resulted to boost in the marketing effort of my company	85	2.00	5.00	3.1765	.97805
Media type used, method and time of broadcasting advertisement of my companyøs product enhance reach of its target audience	85	3.00	5.00	4.6000	.51640
Overall average					
Valid N (listwise)	85				

Source: *Survey, 2020*

From table 4.5, in reference to the mean, most of the respondents agreed that their companies considered media type used, method and time of broadcasting advertisement (Mean = 4.60, SD= .52) to enhance reach of its target audience. The respondents also agreed that their companies considered cost of frequency of advertisement (Mean = 3.63, SD = .86) to a high extent when marketing their products. The respondents agreed to a moderate extent (Mean = 3.26, SD = .94) that their companies considered the target market when scheduling the timing for the advertisement. However, the respondents also viewed that media type used for advertisement of their company products enhanced reach of their target audience (Mean = 3.13, SD = .94) mean= 3.2581); and the presence of alternative media for advertisement had resulted to boosting of marketing level of their company (Mean = 3.18, SD = .98) to a slightly low extent. The average mean of advertising in this study with 85 respondents is found as Mean = 3.56 and SD = .64.

4.1.2.2.2   Public Relations

Table 4.6 presents responses on descriptive information on public relations. The respondents were required to respond to the statements on a scale ranging between 1 and 5. The total number of respondents who responded to the statements on public relations was 85.

Table 4.6: Descriptive Statistics of Public Relations

	N	Minimum	Maximum	Mean	Std. Deviation
My preferred mode of publicity has resulted to positive branding of My products	85	2.00	5.00	4.2353	.85422
My organizations well-known brand name has initiated my companyøsøpublicity activities through sponsorship and charity events	85	2.00	5.00	3.3647	.89771
Effective use of my company trade name and slogans for its products improved my companyøs publicity activities	85	2.00	5.00	4.2941	.82842
My organizationsøcompetitors define its choice of mode of publicity on my companyøs products	85	2.00	5.00	3.1412	.94827
The cost of using publicity method on my companyøs products has influenced the manner of communicating of my companyøs products	85	3.00	5.00	3.9412	.72953
My organizationøs publicity activities improve my companyøs product profitability	85	1.00	5.00	3.4235	.05081
Overall average					
Valid N (listwise)	85				

Source: *Survey, 2020*

From table 4.6, in reference to the mean, most of the respondents agreed that the effect use of their companies trade name & slogan have improved their companies publicity activities (Mean = 4.29, SD = .83) to a higher extent. Most of the respondents also agreed that their preferred mode of public relations had resulted to increase in sales performance through positive branding of their company products to a higher extent (Mean = 4.24, SD = .85). In the same manner, most of the respondents agreed that the cost of using public relations in their companies have influenced the manner of communicating their companiesø products (Mean = 3.94, SD = .73) to a higher extent.

On the other hand, most of the respondents agreed that brand name of their company had initiated publicity activities through sponsorship and charity events (Mean = 3.36, SD = .89) and that publicity activities had improved their company's product profitability (Mean = 3.42, SD = .05) to a moderate extent. In contrary, most of the respondents viewed that their competitors defined its choice of mode of public relations as per their companies public relations strategy (Mean = 3.14, SD = .95) relatively slightly low extent. The average mean of public relations in this study with 85 respondents is found as Mean = 3.73 and SD = .74.

4.1.2.2.3   Sales Promotion

Table 4.7 presents responses on descriptive information on sales promotion. The respondents were required to respond the statements to a scale ranging between 1 and 5. The total number of respondents who responded to the statements on sales promotion was 85.

Table 4.7: Descriptive Statistics of Sales Promotion

	N	Minimum	Maximum	Mean	Std. Deviation
Sales personnel of my company influence sales promotion activities positively	85	2.00	5.00	3.9765	.91256
My Organizations sales promotion activities places emphasis on building customer relationship through sales contests	85	1.00	5.00	4.3294	.87815
My company considers timely placement of sales promotion activities	85	1.00	5.00	4.3294	.90486
The benefits from sales promotions outweigh the cost incurred in trade shows and exhibitions activities of my organizations products	85	1.00	5.00	4.0353	.91868
My company sales activities reach the target audience/market	85	1.00	5.00	3.7412	.91486
My company point of purchase displays enhance marketing efforts of my company	85	1.00	5.00	3.7647	.93410
Sales promotion assist in creation of customers awareness activities	85	1.00	5.00	4.1882	.80909
Overall Average					
Valid N (listwise)	85				

Source: *Survey, 2020*

From table 4.7, in reference to the mean, most of the respondents agreed that their companies emphasizes on building customer relationship while conducting sales promotion (Mean = 4.33, SD = .88) and agreed that their companies considered timely placement of sales promotion activities (Mean = 4.33, SD = .90) to the highest extent. Respondents also viewed that sales promotion assist in creation of customersø awareness activities in their organizations (Mean = 4.19, SD = .81) and the benefits from sales promotions outweigh the cost incurred in trade shows and exhibitions activities of their organizations products (Mean = 4.04, SD = .92) to the higher extent. On the other hand, respondents showed that their companies sales personnel influence sales promotion activities positively (Mean = 3.98, SD = .91) and their companies point of purchase displays enhance marketing efforts of their company (Mean = 3.76, SD = .93) to a high extent. On the other hand, respondents indicated that their companies sales activities reach the target audience/market (Mean = 3.74, SD = .91) relatively slightly lower extent as compared to others. The average mean of sales promotion in this study with 85 respondents is found as Mean = 4.05 and SD = .65. This indicates the highest mean of other promotion mix elements.

4.1.2.2.4 Direct Marketing

Table 4.8 presents responses on descriptive information on direct marketing. The respondents were required to respond the statements to a scale ranging between 1 and 5. The total number of respondents who responded to the statements on direct marketing was 85.

Table 4.8: Descriptive Statistics of Direct Marketing

	N	Minimum	Maximum	Mean	Std. Deviation
My company's customer service activities has led to customer relations and retention	85	2.00	5.00	3.8353	.78448
Improved customer loyalty of my company is the result of effective direct marketing activities	85	2.00	5.00	4.2118	.95237
My company's direct response marketing activities are more efficient in improving customers' intentions to purchase its products	85	1.00	5.00	3.9529	.87159
My company's direct marketing activity creates customer awareness and reminds its customers on its products through mail and emails.	85	1.00	5.00	3.7647	.97623
Advancement of technology has make possible to improve my company's direct marketing activities	85	1.00	5.00	3.2588	.92623
Valid N (listwise)	85				

Source: *Survey, 2020*

From table 4.8, in reference to the mean, most of the respondents agreed that improved customer loyalty of their company is the result of effective direct marketing activities (Mean = 4.21, SD = .95) to the highest extent. Respondents also indicated that direct marketing activities in their companies are more efficient in improving customers' intentions to purchase their products (Mean = 3.95, SD = .87) and viewed that their companies customer service activities has led to customer relations and retention (Mean = 3.84, SD = .78) to a high extent. In addition to this, respondents revealed that their company's direct marketing activity creates customer awareness and reminds its customers on its products through mail and email (Mean = 3.76, SD = .98) to a slightly high extent.

Besides this, most of the respondents thought that use of advanced technology to improve on their company's' direct marketing activities (Mean = 3.26, SD = .93) was to a moderate extent. The average mean of direct marketing in this study with 85 respondents is found as Mean = 3.80 and SD = .68. This indicates the second highest mean as compared to other promotion mix elements.

4.1.2.2.5 Personal Selling

Table 4.9 presents responses on descriptive information on personal selling. The respondents were required to respond the statements to a scale ranging between 1 and 5. The total number of respondents who responded to the statements on personal selling was 85.

Table 4.9: Descriptive Statistics of Personal Selling

	N	Minimum	Maximum	Mean	Std. Deviation
My companyøs sales person relationship/contact with customers has a great contribution for the companyøs sales performance improvement.	85	1.00	5.00	3.9529	.87159
My companyøs sales growth and profits maximization of its products is the outcome of customer care activities of sales persons.	85	1.00	5.00	3.2000	1.07792
Personal selling (such as salespeople, telemarketing etc.) of the organization has positively affected the organizations sales performance to increase.	85	2.00	5.00	2.9765	.78644
Positive word of mouth used by my companyøs sales persons has positive effect on the sales performance of the company.	85	3.00	5.00	3.6941	.75630
Valid N (listwise)	85				

Source: *Survey, 2020*

From table 4.9, in reference to the mean, most of the respondents agreed that their companies sales person relationship/contact with customers has a great contribution for the companyøs sales performance improvement (Mean = 3.95, SD = .87) to the highest extent. Respondents also indicated that positive word of mouth used by their companyøs sales persons has positive effect on the sales performance of their company (Mean = 3.69, SD = .76) to a high extent. In addition to this, respondents revealed that their companyøs sales growth and profits maximization of its products is the outcome of customer care activities of sales persons (Mean = 3.20, SD = 1.08) to a moderate extent. Besides this, most of the respondents thought that personal selling of their organization has positively affected the organizations sales performance to increase (Mean = 2.98, SD = .79) to a lower extent. The average mean of personal selling in this study with 85 respondents is found as Mean = 3.46 and SD = .68. This indicates the least mean as compared to other promotion mix elements.

Table 4.10 presents the summary of descriptive information on promotion mix elements. The respondents were required to respond the statements to a scale ranging between 1 and 5. The total number of respondents who responded to the statements on each elements of promotion mix was 85.

Table 4.10: Descriptive Statistics Summary of Promotion Mix Elements

	N	Minimum	Maximum	Mean	Std. Deviation
Sales Promotion	85	2.71	5.00	4.0521	.65199
Public Relations	85	2.17	4.83	3.7333	.74189
Advertising	85	2.20	4.80	3.5600	.64498
Personal Selling	85	2.25	4.75	3.4559	.68049
Direct Marketing	85	2.20	5.00	3.8047	.68242
Valid N (listwise)	85				

Source: *Survey, 2020*

As indicated in the above table 4.10, the result of descriptive analysis of the promotion mix elements indicates that respondents showed the highest agreement (Mean = 4.05, SD = 0.65) for questions stating sales promotion, followed by direct marketing (Mean = 3.80, SD = 0.68) and public relations (Mean = 3.73, SD = 0.74) respectively. On the other hand, respondents showed the highest disagreement/least agreement (Mean = 3.46, SD = 0.68) for personal selling and advertising (Mean = 3.56, SD = 0.64).

This descriptive result implies that sales promotion is perceived as the most influencing promotion mix on sales performance on large local leather footwear manufacturing companies in Ethiopia, followed by direct marketing and public relations respectively. On the other hand, personal selling is perceived as the least influencing promotion mix on sales performance of large local leather footwear manufacturing companies in Ethiopia, followed by advertising.

4.1.2.3 Descriptive Analysis of Sales Performance

Table 4.11 presents responses on descriptive information on sales performance. The respondents were required to respond the statements to a scale ranging between 1 and 5. The total number of respondents who responded to the statements on sales performance was 85.

Table 4.11: Descriptive Statistics of Sales Performance

	N	Minimum	Maximum	Mean	Std. Deviation
Presence of alternative media results to boost in sales performance	85	2.00	5.00	2.9765	.78644
My organization's preferred mode of publicity for its products has resulted to sales growth	85	2.00	5.00	3.3176	.97848
Sports and charity events has increased its company sales performance	85	2.00	5.00	3.6000	.90238
My company sales growth and profits maximization of its products is the outcome of customer care activities	85	3.00	5.00	3.8824	.79300
The promotion mix used by my organization has resulted in achieving the sales target of the company.	85	3.00	5.00	4.2353	.73431
My company's market promotion mix has definitely led to the increase in market share of my company's products	85	2.00	5.00	3.4471	.87974
The frequency of advertising of my company has led to increase in the attainment of sales calls per day targets	85	3.00	5.00	4.1529	.76385
Valid N (listwise)	85				

Source: *Survey, 2020*

From table 4.11, in reference to the mean, most respondents thought that the frequency of advertising in their companies has led to increase in the attainment of targeted sales per day (Mean = 4.15, SD = .76) to a highest extent. In the same manner most respondents indicated that the promotion mix used by their organization has resulted in achieving the sales target of the company (Mean = 4.24, SD = .73) to a highest extent.

On the other hand, most respondents overviewed that sales growth and profit maximization in their organization is the outcome of customer care activities in their organization (Mean = 3.88, SD = .79) and believed that sports and charity events has increased its company sales performance (Mean = 3.60, SD = .90) to a higher extent.

Besides this, most of the respondents revealed that the preferred mode of publicity in their organization has resulted to sales growth (Mean = 3.32, SD = .98) and market promotion mix in their organization led to the increase in market share of their company's products (Mean = 3.45, SD = .88) to a moderate extent. In contrary, most of the respondents stated that presence of alternative media results to boost in sales performance (Mean = 2.98, SD = .79) to a lower extent.

4.1.3 Correlation Analysis

This section sought to determine the relationship between independent variables (promotion mix elements) and dependent variable (sales performance). This study used both descriptive and explanatory designs to reach at the aforementioned objectives. Correlation analysis is one of explanatory design that is intended to identify the relationship between independent variables i.e. promotion mix elements and dependent variable i.e. sales performance of large local leather footwear manufacturing companies in Ethiopia.

Correlation analysis helps to gain insight in to the direction and strength of correlation between variables (Almaquist *et al.*, 2016). Correlation coefficients take value between -1 and 1 ranging from being negatively correlated (-1) to uncorrelated (0) to positively correlated (+). Pearson correlation analysis was used to provide evidence of convergent validity. Pearson correlation coefficient reveal magnitude and direction of relationship (either positive or negative) and the intensity of the relationship (1.0 to +1.0) correlation are perhaps the most basic and most useful measure of association between two or more variables (Marczyk, Dematteo, and Festinger, 2005). As per Marczyk, Dematteo and Festinger (2005), general guide lines correlation of .01 to .30 are considered small, correlation of .30 to .70 are considered moderate, correlation of .70 to .90 are considered large and correlation of .90 to 1.00 are considered very large. Depending on this assumption, all basic constructs were included in to the correlation analysis and bivariate tow tailed correlation analysis was done. The findings are summarized in the Table 4.12 below:

Table 4.12: Correlation between Promotion Mix & Sales Performance

		Sales Promotion	Public Relations	Advertising	Personal Selling	Direct Marketing	Sales Performance
Sales Promotion	Pearson Correlation	1					
	Sig. (2-tailed)						
Public Relations	Pearson Correlation	.844**	1				
	Sig. (2-tailed)	.000					
Advertising	Pearson Correlation	.862**	.866**	1			
	Sig. (2-tailed)	.000	.000				
Personal Selling	Pearson Correlation	.773**	.755**	.819**	1		
	Sig. (2-tailed)	.000	.000	.000			
Direct Marketing	Pearson Correlation	.736**	.777**	.778**	.767**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
	N	85	85	85	85	85	
Sales Performance	Pearson Correlation	.892**	.911**	.895**	.812**	.799**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	85	85	85	85	85	85

**. Correlation is significant at the 0.01 level (2-tailed).
Source: *Authors' Computation* (*Survey, 2020), N=85*

The above correlation table presents the relationship between dimensions of sales performance measured by promotion mix elements such as advertising, personal selling, sales promotion, public relations and direct marketing. The results show that all the dimensions relate positively. Specifically, sales promotion ($r = 0.892$, $p < 0.01$), advertising ($r = 0.895$, $p < 0.01$), personal selling ($r = 0.812$, $p < 0.01$), public relations ($r = 0.911$, $p < 0.01$) and direct marketing ($r = 0.799$, $p < 0.01$) relates positively with sales performance of large local leather footwear manufacturing factories in Ethiopia respectively. These suggest that the independent variables (promotion mix elements such as; sales promotion, advertising, personal selling, public relations and direct marketing) relate positively with sales performance which is statistically significant.

From this, we can conclude that there is a significant and positive correlation between promotion mix elements and sales performance of large local leather manufacturing factories in Ethiopia at 1% significance level. This means, the more promotion mix elements exercised by large local leather manufacturing factories in Ethiopia, the higher the sales performance of large local leather manufacturing factories in Ethiopia.

As it is stated in Marczyk, Dematteo and Festinger (2005) about the category of correlation coefficients, if the correlation coefficient ranging from absolute value of 0.70 ó 0.90, it means that there is large & from .90 ó 1.00 it means very large. Based on these criteria, as it is shown in the above table 4.12, there is statistical significant positive and strong correlation between sales promotion & sales performance, advertising & sales performance, personal selling & sales performance; and between direct marketing and sales performance. Besides this, there positive and very strong correlation relation between public relations and sales performance which is statistically significant.

4.1.4   Regression Analysis

Regression analysis is one of the most frequently used tools in market research. Regression analysis can provide insights that few other techniques can. The key benefits of using regression analysis are that it can indicate if independent variables have a significant relationship with a dependent variable, indicate the relative strength of different independent variablesøeffects on a dependent variable & make predictions (Almquist *et al*., 2015).

In this study, multivariate linear regression method was used to run the regression analysis. Multiple linear regressions, allows the researcher to compare the effects of each independent variable (promotion mix elements) on dependent variable (sales performance); while taking into account all independent variables effects on dependent variable. Before running the regression analysis, the following classical model assumptions were tested;

4.1.4.1 Diagnostic Test of Assumptions

To test multiple linear regression first necessary to test the classical assumption includes linearity, normality test and multicollinearity test. The result of each assumption is presented as follow;

A. Linearity Test

Linearity test aims to determine the relationship between independent variables and the dependent variable is linear or not. The linearity test is a requirement in the correlation and linear regression analysis (Almquist *et al*., 2015). If the value of sig. deviation from linearity in the ANOVA test is greater than 0.05, then the relationship between the independent variables are linearly dependent; and if the value is less than 0.05, then the relationship between independent variables with the dependent is not linear.

Keeping this in mind, linearity test between the independent variables i.e. promotion mix elements with sales performance were computed by SPSS version 25 and the result of the test is presented as follow;

Table 4.13: Linearity Test (ANOVA Table)

			Sum of Squares	df	Mean Square	F	Sig.
Sales Performance * Sales Promotion	Between Groups	(Combined)	34.355	15	2.290	22.591	.000
		Linearity	32.921	1	32.921	324.720	.000
		Deviation from Linearity	1.434	14	.102	1.010	.454
	Within Groups		6.996	69	.101		
	Total		41.351	84			
Sales Performance * Public Relations	Between Groups	(Combined)	34.939	16	2.184	23.160	.000
		Linearity	34.327	1	34.327	364.079	.000
		Deviation from Linearity	.612	15	.041	.433	.964
	Within Groups		6.411	68	.094		
	Total		41.351	84			
Sales Performance * Advertising	Between Groups	(Combined)	34.256	13	2.635	26.369	.000
		Linearity	33.104	1	33.104	331.269	.000
		Deviation from Linearity	1.152	12	.096	.961	.494
	Within Groups		7.095	71	.100		
	Total		41.351	84			
Sales Performance * Personal Selling	Between Groups	(Combined)	29.245	10	2.924	17.876	.000
		Linearity	27.285	1	27.285	166.783	.000
		Deviation from Linearity	1.960	9	.218	1.331	.236
	Within Groups		12.106	74	.164		
	Total		41.351	84			
Sales Performance * Direct Marketing	Between Groups	(Combined)	27.615	13	2.124	10.980	.000
		Linearity	26.401	1	26.401	136.462	.000
		Deviation from Linearity	1.214	12	.101	.523	.893
	Within Groups		13.736	71	.193		
	Total		41.351	84			

Source: Computed from survey, 2020

Based on the ANOVA Output Table as indicated above, value sig. Deviation from Linearity of all independent variables is found greater than 0.05. The value of Sig. Deviation from Linearity of sales performance & sales promotion is 0.454 > 0.05, public relations .964 > 0.05, advertising .494 > .05, personal selling .236 > .05 & direct marketing 0.893 > 0.05. This implies that there is a linear relationship between promotion mix elements and sales performance of large leather footwear manufacturers.

B. Multicollinearity Test

Collinearity is a data issue that arises if two independent variables are highly correlated. Multicollinearity occurs if more than two independent variables are highly correlated. Similarity between the independent variables will result in a very strong correlation. In addition, multicollinearity test done to avoid habits in the decision making process regarding the partial effect of independent variables on the dependent variable. Good regression model should not happen correlation between the independent variables or not happen

multicollinearity (Almquist *et al*., 2015). Gujarati (2004) states that multicollinearity problem arises when there is a linear relationship among explanatory variables that the result could not obtain estimates of all parameters. This causes large variance and standard error with a very low t- ratio and wide confidence interval.

Fortunately, collinearity is relatively easy to detect by calculating the tolerance or VIF (Variance Inflation Factor). A tolerance of below 0.10 indicates that (multi) collinearity is a problem. The VIF is just the reciprocal value of the tolerance. Thus, VIF values above ten indicate collinearity issues. As stated by Almquist *et al*. (2015), the decision-making criteria is if the VIF value lies between 1 - 10, then there is no multicolinearity and if the VIF value < 1 or > 10, then there is multicolinearity. Based on these criteria, the tests were conducted on the independent variables and the result is shown as below;

Table 4.14: Multicollinearity Test

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Sales Promotion	.211	4.732
	Public Relations	.197	5.083
	Advertising	.158	6.340
	Personal Selling	.278	3.596
	Direct Marketing	.313	3.191
a. Dependent Variable: Sales Performance			

Source: Computed from Survey Questionnaires 2020, using SPSS V 25

Based on the coefficients output ó collinearity statistics, obtained VIF value of promotion mix elements i.e. sales promotion, public relations, advertising, personal selling & direct marketing is 3.191 to 6.340. Hence, it can be concluded that there is no multicollinearity symptoms. Therefore, the results and conclusions of the model reported in this study are not biased by the influence of multicollinearity.

C. Autocorrelation Test

The other assumption is that the regression model errors are independent; that is, the error terms are uncorrelated for any two observations (there has to be no autocorrelation). This issue is called autocorrelation and means that regression errors are correlated positively, or negatively, over time. Fortunately, we can identify this issue using the DurbinóWatson test. The Durbinó Watson test assesses whether there is autocorrelation by testing a null hypothesis of no autocorrelation, which is tested against a lower and upper bound for

negative autocorrelation and against a lower and upper bound for positive autocorrelation. These. As stated by Almquist *et al.* (2015), if DurbinóWatson values lie between 0 and 4, we can say that there is no autocorrelation. Keeping this in mind, the result of Durbin-Watson test is presented as follow;

Table 4.15: Durbin-Watson Test

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.950[a]	.903	.897	.22535	1.648
a. Predictors: (Constant), Direct Marketing, Selling Promotion, Personal Selling, Public Relations, Advertising					
b. Dependent Variable: Sales Performance					

Source: Computed from Survey Questionnaires 2020, using SPSS V 25

From the above table, we can see that the value of Durbin-Watson of a model with 5 independent variables and 95 observation is 1.648. from this we can conclude that there is no autocorrelation and we can proceed with the regression model.

D. Normality Test

In order to test the normality, the researcher used a normal probability plot test by using SPSS version 25. As stated by Almquist *et al.* (2015), the decision making criteria is if the points follow the diagonal line, it can be concluded that the value is normally distributed. Conversely, if the points do not follow the diagonal line, it can be concluded that the residual value is abnormally distributed. The normal probability plot of the SPSS output is presented as below;
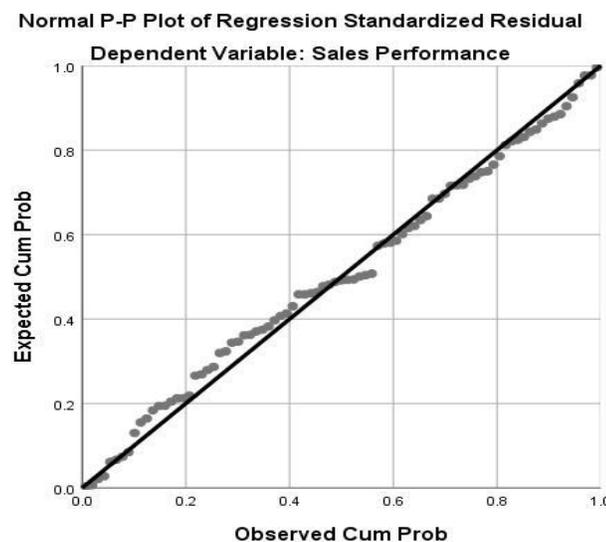
Figure 4.1: Normal P-P Plot
Source: Own computations, 2020

50

Based on normal chart probability plot as indicated above, we can see that the existing points always follow and approach the diagonal line. Thus, it can be concluded that the residual value is normally distributed so that the regression analysis procedure has been fulfilled.

E. Residual Normality Test

One of the classical linear regression models assumptions is the error term should be normally distributed or expected value of the error term should be normally distributed or expected value of the errors terms should be zero (E (UT))=0). The researcher used histogram to test the normal distribution of residuals and the result is presented as follow;
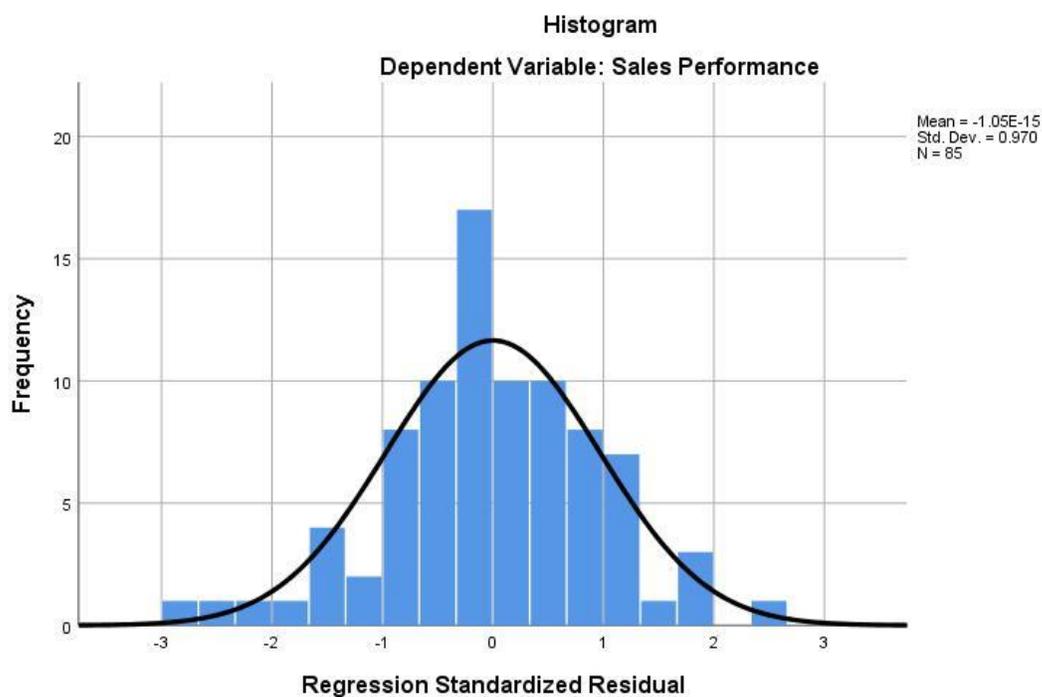
Figure 4.2: Regression Standardized Residual
Source: Own computations, 2020

The above figure 4.2 indicates that the standard residuals are closer to the curve and the histogram is bell shaped. This implies that the majority of scores lie around the center of the distribution, so the largest bars on the histogram are all around the central value. Therefore, this indicates that the residuals are normally distributed or the figure suggests that the errors produced by the estimated regression model are almost normally distributed.

4.1.4.2 Results of Regression Analysis

Regression analysis was conducted to examine the effect of the independent variables (i.e. promotion mix elements such as direct marketing, public relations, sales promotion, personal selling and advertising) on sales performance on large local leather footwear producers. Regression analysis was used to test the significance contribution of each independent variable to the dependent variable. The study addressed all the five objectives using multiple linear regression analysis, and the results interpreted according to the values of t, R^2 and F values at the 95% level of significance. The results of multiple linear regression analysis are presented as follows;

Table 4.16: Regression Model Summary Table

Model Summary[b]					
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**	**Durbin-Watson**
1	.950[a]	.903	.897	.22535	1.648
a. Predictors: (Constant), Direct Marketing, Selling Promotion, Personal Selling, Public Relations, Advertising					
b. Dependent Variable: Sales Performance					

Source: Computed from Survey Questionnaires 2020, using SPSS V 25

The above model summary table provides the R value and the adjusted R square values. The R value represents the simple correlation and is (0.950) which indicates very strong degree of correlation between independent variables (i.e. promotion mix elements) and dependent variable (i.e. sales performance). The adjusted R square value is indicated how much of the total variation in the dependent variable (i.e. sales performance) could be explained by the independent variables (promotion mix elements such as advertising, direct marketing, public relations, sales promotion and personal selling) and it is (0.897) which is 89.7%. Hence, the regression model justify that 89.7% of the promotion mix elements explained the variation in sales performance by (adjusted R^2=0.897). This means that 89.7% variation in sales performance of large local leather footwear manufacturers is explained by the promotion mix elements.

The second result of regression i.e. ANOVA table as indicated in table 4.17 below gives a p value = .000 which shows that the fitted regression model is appropriate. So that the independent variables (i.e. promotion mix elements) significantly predict the dependent variable (i.e. sales performance), hence the regression model is a good fit of the data.

Table 4.17: ANOVA result of Multiple Linear Regression Model

	Model	Sum of Squares	df	Mean Square	F	Sig.
			ANOVA[a]			
1	Regression	37.339	5	7.468	147.053	.000[b]
	Residual	4.012	79	.051		
	Total	41.351	84			
a. Dependent Variable: Sales Performance						
b. Predictors: (Constant), Direct Marketing, Selling Promotion, Personal Selling, Public Relations, Advertising						

Source: Computed from Survey Questionnaires 2020, using SPSS V 25

As indicated in table 4.17 above, F-statistic is significant at 0.000 indicating that the model used (multiple linear regression) is appropriate to explain effect of promotion mix elements on sales performance. This indicates the statistically significance of the regression model that was run here $p<0.005$, which is less than 0.05, indicates significantly predicts sales performance.

The main important result of multiple linear regression models i.e. Beta-coefficient has given much emphasis. Beta-coefficient measures the variance of dependent variable caused by independent variable in the model i.e. the effect of each major determinant variable on sales performance (Almquist *et al.,* 2015). The p value shows the significance level of models. The result is presented as below;

Table 4.18: Multiple Linear Regression-Beta Coefficients of Major Independent Variables

	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
			Coefficients[a]			
1	(Constant)	-.271	.162		-1.679	.097
	Sales Promotion	.301	.082	.279	3.664	.000
	Public Relations	.365	.075	.386	4.880	.000
	Advertising	.184	.096	.174	1.974	.042
	Personal Selling	.103	.069	.100	1.509	.003
	Direct Marketing	.042	.064	.082	1.302	.007
a. Dependent Variable: PME_Mean						

Source: Computed from Survey Questionnaires 2020, using SPSS V 25

As it is shown in the above table, there is a positive association between all independent variables (promotion mix elements) and sales performance. Besides this, the column called sig. shows the p-values of all major determinant variable is below 0.05, which means that the association between all promotion mix elements and sales performance is statistically significant. This implies that, there is a significant positive association between all promotion mix elements and sales performance of large local leather footwear manufacturers in Ethiopia.

The researcher used unstandardized coefficients and their sign to analyze the effect of each independent variables (i.e. promotion mix elements) on dependent variable (i.e. sales performance). The unstandardized coefficients column gives us an indication of what would happen if we were to increase one of the independent variables by exactly one unit. The result of unstandardized coefficients as indicated in the above table implies that if sales promotion were to increase by one unit, we would expect sales performance to increase by 0.301 units. In the same manner, if public relations were to increase by one unit, we would expect sales performance to increase by 0.365 units and if advertising were to increase by one unit, we would expect sales performance to increase by 0.184 units. If personal selling were to increase by one unit, we would expect sales performance to increase by 0.103 units and if direct marketing were to increase by one unit, we would expect sales performance to increase by 0.042 units.

The result as indicated in table 4.18 above indicates that among the promotion mix elements, public relations have the highest B coefficient value i.e. 0.365 followed by sales promotion by having B coefficient value of 0.301. In addition, advertising with B coefficient value of 0.184, personal selling with B coefficient value of 0.108 and direct marketing with B coefficient value of 0.042 respectively. This implies that, among the promotion mix elements, public relation highly predicts (36.5%) the variation in sales performance of large local leather footwear manufacturers; followed by sales promotion (30.1%), advertising (18.4%), personal selling (10.8%) and direct marketing (4.2%) respectively.

Multiple regression analysis was conducted to determine the relationship between sales performance of large local leather footwear manufacturing factories in Ethiopia and the promotion mix elements. As per the SPSS generated table above, the equation becomes:

Sales Performance = -0.271 + 0.301 * Sales Promotion + 0.365 * Public Relations + 0.184 * Advertising + 0.103 * Personal Selling + 0.042 * Direct Marketing + e

According to the regression equation established, taking all factors into account (Advertising, Sales Promotion, Public Relations, Personal Selling and Direct marketing) constant at zero, sales performance will be sustainable competitiveness will be -0.271.

The data findings analyzed also shows that taking all other independent variables at zero, a unit increase in public relations will lead to a 0.365 sales performance. A unit increase in sales promotion will lead to a 0.301 sales performance & a unit increase in advertising will

lead to a 0.184 sales performance. A unit increase in personal selling will lead to a 0.108 sales performance, a unit increase in direct marketing will lead to a 0.042 sales performance of large local leather footwear manufacturing factories in Ethiopia respectively.

This infers that public relations contribute most to effective Sales Performance of large local leather footwear manufacturing factories in Ethiopia; followed by sales promotion, advertising, personal selling and direct marketing at 5% level of significance and 95% level of confidence respectively.

4.2 Findings & Discussion of Results

This study sought to assess the effect of promotion mix on sales performance of large local leather footwear manufacturing factories in Ethiopia. The study had five objectives that responded to the problem of the study. Since the study was measuring the effect of promotion mix on sales performance, the population of the study included both marketing and finance departments found in the head office of the target manufacturers as respondents since they were the relevant source of promotion mix and sales performance information. Questionnaires were administered to the staffs of marketing & finance departments found in the head offices of the identified factories in a census base. The primary data was collected using survey method through questionnaires as a tool of data collection. The researcher issued a total of 105 questionnaires in person to the identified respondents and only 85 were filled and returned giving a response rate of 81%.

The study sought to answer the five objectives that are to evaluate the extent to which advertising affect sales performance of large leather shoe manufacturers in Ethiopia and to assess the extent to which sales promotion affect sales performance of large leather shoe manufacturers in Ethiopia. In addition to this, to investigate the extent to which personal selling affect sales performance of large leather shoe manufacturers in Ethiopia, to investigate the extent to which direct marketing affects sales performance of large leather shoe manufacturers in Ethiopia and to investigate the extent to which public relation affects sales performance of large leather shoe manufacturers in Ethiopia.

The first objective sought to assess the effect of advertising on the sales performance of large leather shoe manufacturers in Ethiopia. The results from the descriptive analysis indicate that the aggregate mean score of advertising rated at the level of a good extent (3.56). In support of these findings, a study conducted by Seukindo (2012) on soft drink companies in

Daresalaam (Tanzania) revealed that most companies considered cost of frequency of advertisement when marketing their products. In the same manner, in support of these findings, Onditi *et al.*, (2014) findings illustrated that most companies consider media type used, method and time of broadcasting advertisement to enhance reach of its target audience. This is similar to the findings of Nzuve (2012) that explained that companies consider the cost and the target market when scheduling the timing for the advertisement. Besides this, the finding from correlation analysis indicates that there is statistical significant positive and strong correlation between advertising and sales performance of large local leather manufacturing factories in Ethiopia. The result of regression analysis indicates that there is a statistically significant positive association between advertising and sales performance of large local leather manufacturing factories in Ethiopia. The result of unstandardized coefficients also implies that if advertising were to increase by one unit, we would expect sales performance to increase by 0.184 units.

The second objective sought to assess the effect of public relations on the sales performance of large local leather footwear manufacturers in Ethiopia. The results from the descriptive analysis indicate that the aggregate mean score of public relations rated at the level of a good extent (3.73). These findings are supported by Zhou and Whitla (2012). Their study revealed a critical role of the assessment of moral reputation in shaping consumersø reaction to the poorly behaving celebrity and authorized brands. In the same manner Seukindo (2012) in his study indicated that trade name & slogan improves companyøsø public relations activities. Adebisi and Babatunde (2011) concluded that publicity as part of the promotion mix has significance influence on sales turnover and boost the good image of the company hence this result support the findings of the study. Besides this, the finding from correlation analysis indicates that there is statistically significant positive and very strong correlation between public relations and sales performance of large local leather manufacturing factories in Ethiopia. The result of regression analysis indicates that there is a statistically significant positive association between public relations and sales performance of large local leather manufacturing factories in Ethiopia. The result of unstandardized coefficients also implies that if public relations were to increase by one unit, we would expect sales performance to increase by 0.365 units. This infers that public relations contribute most to effective Sales Performance of large local leather footwear manufacturing factories in Ethiopia than the remaining promotion mix elements.

The third objective sought to assess the effect of sales promotion on the sales performance of large local leather footwear manufacturers in Ethiopia. The results from the descriptive analysis indicate that the aggregate mean score of sales promotion rated at the level of a good extent (4.05) and this score is the highest of all variables. This part of the findings was supported by Onditi (2012), and Hossein and Navaie (2011) by stating that sales promotion is the most influential promotion factors in increasing sales of a product than other promotion mix elements. Furthermore Okyere *et al.* (2011) concluded that there is strong relationship between sales promotion and advertising on total sales. Besides this, the finding from correlation analysis indicates that there is statistically significant positive and strong correlation between sales promotion and sales performance of large local leather manufacturing factories in Ethiopia. The result of regression analysis indicates that there is a statistically significant positive association between sales promotion and sales performance of large local leather manufacturing factories in Ethiopia. The result of unstandardized coefficients also implies that if sales promotion were to increase by one unit, we would expect sales performance to increase by 0.301 units.

The fourth objective sought to assess the effect of direct marketing on the sales performance of large local leather footwear manufacturers in Ethiopia. The results from the descriptive analysis indicate that the aggregate mean score of direct marketing rated at the level of a good extent (3.80) and this indicates the second highest mean as compared to other promotion mix elements. Rhee (2010) has supported the findings of this study by concluding that direct marketing is useful for the acquisition when the customer has low perceived risk, high experience and familiarity with the purchase; but the call center channel of direct marketing is useful when a consumer has high-perceived risk, low experience and familiarity with the purchase. Hence, direct marketing activities are encouraged to help consumers to use proper channels for different problem- solving situations. Shankar *et al.* (2003) found out that loyalty to the service provider in a direct channel is higher when chosen online than offline, this finding also support the finding of the study. Yen *et al.* (2008) found out that for a company to be successful in direct marketing channel it has to consider multi-channel sale of its product whereby real store can balance the drawbacks of brand promotion by direct selling. Besides this, the finding from correlation analysis indicates that there is statistically significant positive and strong correlation between direct marketing and sales performance of large local leather manufacturing factories in Ethiopia. The result of regression analysis indicates that there is a statistically significant positive association between direct marketing

and sales performance of large local leather manufacturing factories in Ethiopia. The result of unstandardized coefficients also implies that if direct marketing were to increase by one unit, we would expect sales performance to increase by 0.042 units. This implies that direct marketing has the least effect on sales performance as compared to other promotion mix elements.

The fifth objective sought to assess the effect of personal selling on the sales performance of large local leather footwear manufacturers in Ethiopia. The results from the descriptive analysis indicate that the aggregate mean score of personal selling rated at the level of a moderate extent (3.46) and this indicates the least mean as compared to other promotion mix elements.

Besides this, the finding from correlation analysis indicates that there is statistically significant positive and strong correlation between personal selling and sales performance of large local leather manufacturing factories in Ethiopia. The result of regression analysis indicates that there is a statistically significant positive association between personal selling and sales performance of large local leather manufacturing factories in Ethiopia. The result of unstandardized coefficients also implies that if personal selling were to increase by one unit, we would expect sales performance to increase by 0.108 units.

CHAPTER FIVE: SUMMARY OF MAJOR FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

This chapter contains the conclusion, recommendations and end with areas of future research. The objective of the study was to assess the effect of promotion mix on sales performance of large leather footwear manufacturers in Ethiopia.

5.1 Summary of Major Findings

The study sought to assess the effect of promotion mix on sales performance of large leather footwear manufacturers in Ethiopia. The result of descriptive analysis of the promotion mix elements indicates that sales promotion perceived as the highest influencing element on the sales performance followed by; direct marketing and public relations respectively. On the other hand, respondents perceived personal selling as the least contributing factor for the sales performance in their organization.

The study revealed that there is very strong degree of correlation (r=0.950) between independent variables (i.e. promotion mix elements) and dependent variable (i.e. sales performance). In addition to this, the study revealed that 89.7% variation in sales performance of large local leather footwear manufacturers is explained by the promotion mix elements. Among the promotion mix elements, public relation highly predicts the variation in sales performance of large local leather footwear manufacturers; followed by sales promotion, advertising, personal selling and direct marketing respectively. This infers that public relations contribute most to effective Sales Performance of large local leather footwear manufacturing factories in Ethiopia; followed by sales promotion, advertising, personal selling and direct marketing respectively.

5.2 Conclusions

Every organization that must continue to survive in its operating environment must be able to adequately promote its product. For the organization to enhance the sales performance and achieve its aim of profit making as a manufacturing organization, it must make sure that, its promotional activities achieve its aim of making the product acceptable and bought by the targeted market. The promotion of any product must be accessible to the people that the product will be useful for and at the same time, must be able to encourage new customers to purchase and repurchase the products. As indicated in the study, promotional mix elements in

the large local leather footwear manufacturing factories influences the sales performance with 89.7% while other variable not included in the variable tested takes the remaining 10.3%. Hence, in conclusion, In conclusion, large local leather footwear manufacturing factories in Ethiopia must have a proper and well monitor promotional activities and must be able to tailor it in such a way that it will increase it sales thereby increasing the profit of their organization.

5.3 Recommendations

Based on the findings of the study and the conclusion made, the following possible recommendations are drawn:

> The manufacturers need to give much emphasis for developing a proper promotion mix strategies as per the nature of the market.
>
> Manufactures needs to strength their public relations in order to enhance their sales performance.
>
> The management of large leather footwear manufacturers in Ethiopia should carry out periodic review of personal selling and the advertising message, its effect on their sales and medias that are appropriate to increase their sales performance.
>
> As the study indicated, promotion mix elements have significant effect on the sales performance of large footwear manufacturers in Ethiopia. Hence, the concerned government body has to consider on the way to incentivize promotion mix elements when developing a strategy to support this sub-sector.

5.4 Limitations of the Study

1. The study was focused on large-scale leather footwear manufacturers but couldn't reach to all large scale leather footwear manufacturers and even on the selected manufacturers the research was limited to marketing & finance department of the head office. Hence, the findings of the research may not able to indicate the entire leather footwear industry.

2. The study collected data from respondents who were willing to participate in the marketing & finance departments found in the head office of the identified large scale leather footwear manufacturers; it was expected that some respondents (among respondents) were resistant at providing the information. Though the researcher provided required information to make respondents understood the importance of taking part in the

process, limited respondents were not willing to fill-up the questionnaire and this may affect the finding of the study.

3. The scope of the study was limited on large-scale leather footwear manufacturers by focusing on factories having top market share and experienced in using diversified promotional mixes; future studies should however consider widening the scope to all large-scale leather footwear manufacturers in Ethiopia.

5.5 Recommendation for Further Studies

The study focused on effects of promotion mix on sales performance of large local leather footwear manufacturers in Ethiopia. In order to ensure the result of the study, there is a need for similar study to be conducted on large footwear manufacturers in Ethiopia as well as in medium and small-scale leather footwear manufacturers in Ethiopia. Due to limited research, the study also recommends that a research should be done to determine the effect of marketing mixes on sales performance of large local leather footwear manufacturers in Ethiopia.

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Appendix

Appendix A: Questionnaire for Large Footwear Manufacturing Factory Employees

Dear Respondents

This questionnaire assists in data collection for academic purpose. The purpose of this study is to assess the effect of promotion mix on sales performance of large leather footwear manufacturers in Ethiopia. The study will have significance for the organizations, for the leather industry in general and leather footwear sub-sector in particular, for academicians and policy makers. Your participation in this study is valuable and greatly appreciated in order to tackle the problems identified by the study.

All information gathered will be treated with utmost confidentiality and will not be used for any other purpose. *Therefore, you all not expected to write your name*.

Thank You for Your Cooperation

Researcher:
Sisay Fanta

Write the name of your organization: - …………………………………………………

Please answer every question by using either a cross (x) or tick (√) in the option that applies.

I. Demographic Information

Please tick the most appropriate answer only.

1. Gender   A. Male ☐   B. Female ☐
2. Your age groups (years)

   A. Below 25 ☐   B. 26-30 ☐   C. 31-35 ☐ D. 36-40 ☐ E. 41-45 ☐ F. Above 46 ☐
3. Which is your highest education level?

   A. ≤ Grade 12/10 ☐   B. Diploma ☐   C. Degree ☐

   D. Masters ☐   E. Above Master ☐
4. Number of years worked in the organization

   A. Less than/equal to 1 year ☐   B. 2 ó 5 years ☐   C. 6 ó 10 years ☐
   D. Above 11 years ☐

5. Which department of the organization do you work in?

   A. Marketing ☐   B. Finance ☐

II. Effect of Promotion Mix on Sales Performance

In reference to your answer for the following questions about the extent to which marketing nix elements are practiced, please indicate the extent to which you agree or disagree with the statements on how each element of promotion mix affect your companyøs sales performance. Guideline; 1 = Strongly Disagree, 2=Disagree, 3 = Neutral, 4=Agree, 5=Strongly Agree.

S.N	Promotional Mix Element	1	2	3	4	5
A	**Sales Promotion**					
6	Sales personnel of my company influence sales promotion activities positively					
7	My Organizations sales promotion activities places emphasis on building customer relationship through sales contests					
8	My company considers timely placement of sales promotion activities					
9	The benefits from sales promotions outweigh the cost incurred in trade shows and exhibitions activities of my organizations products					
10	My company sales activities reach the target audience/market					
11	My company point of purchase displays enhance marketing efforts of my company					
12	Sales promotion assist in creation of customers awareness activities					
B	**Public Relationship**					
13	My preferred mode of publicity has resulted to positive branding of My products					
14	My organizations well-known brand name has initiated my companyøsø publicity activities through sponsorship and charity events					
15	Effective use of my company trade name and slogans for its products improved my companyøs publicity activities					
16	My organizationsø competitors define its choice of mode of publicity on my companyøs products					
17	The cost of using publicity method on my companyøs products has influenced the manner of communicating of my companyøs products					
18	My organizationøs publicity activities improve my companyøs product profitability					
C	**Advertising**					
19	My company considers cost of frequency of advertisement when marketing its Products					
20	My company considers target market when scheduling the timing for advertisement					
21	My company considers level of technology of media used when advertising its Products					
22	Presence of alternative media for advertisement has resulted to boost in the marketing effort of my company					
23	Media type used, method and time of broadcasting advertisement of my companyøs product enhance reach of its target audience					
D	**Personal Selling**					
24	My companyøs sales person relationship/contact with customers has a great contribution for the companyøs sales performance improvement.					
25	My companyøs sales growth and profits maximization of its products is the outcome of customer care activities of sales persons.					
26	Personal selling (such as salespeople, telemarketing etc.) of the organization has positively affected the organizations sales performance to increase.					
27	Positive word of mouth used by my companyøs sales persons has positive effect on the sales performance of the company.					
E	**Direct Marketing**					
28	My companyøs customer service activities has led to customer relations and retention					

S.N	Promotional Mix Element	1	2	3	4	5
29	Improved customer loyalty of my company is the result of effective direct marketing activities					
30	My companyøs direct response marketing activities are more efficient in improving customersøintentions to purchase its products					
31	My companyøs direct marketing activity creates customer awareness and reminds its customers on its products through mail and emails.					
32	Advancement of technology has make possible to improve my companyøs direct marketing activities					

III. Sales Performance

This section contains statements on sales performance. Please indicate the extent to which you agree or disagree with the statement on promotion mix elements towards improvement of sales performance of your company. Guideline; 1 = Strongly Disagree, 2=Disagree, 3 = Neutral, 4=Agree, 5=Strongly Agree.

S.N	Sales Performance	1	2	3	4	5
33	Presence of alternative media results to boost in sales performance					
34	My organizationøs preferred mode of publicity for its products has resulted to sales growth					
35	Sports and charity events has increased its company sales performance					
36	My company sales growth and profits maximization of its products is the outcome of customer care activities					
37	The promotion mix used by my organization has resulted in achieving the sales target of the company.					
38	My companyøs market promotion mix has definitely led to the increase in market share of my companyøs products					
39	The frequency of advertising of my company has led to increase in the attainment of sales calls per day targets					

THANK YOU FOR YOUR COOPERATION, YOUR TIME AND RESPONSE