



ST.MARY'S UNIVERSITY  
SCHOOL OF GRADUATE STUDIES

PROMOTION MANAGEMENT PRACTICE OF MOHA SOFT  
DRINKS S.C

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Addis Ababa, Ethiopia

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## **ENDORSEMENT**

### **DECLARATION**

I, the undersigned graduate student, hereby declare that this thesis is my original work, and that all sources of the materials used for this thesis have been duly acknowledged.

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## **LIST OF ACRONYMS**

**AMA: - American Marketing Association**

**SPSS: - Statistical Package for Social Science**

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## **ABSTRACT**

*The study was conducted to evaluate the promotional practice MOHA soft drinks S.C A descriptive case study was employed to achieve the goal of this research. Two management officials and 144 customers who are total of 146 participants were involved in the study. In the selection of the sample population purposive and random sampling were used. In order to get data from the target populations both questionnaire and interview were used. The questionnaire was administered to the customers, and the interviews were conducted with the management officials of the company. The data collected through questionnaire were analyzed using percentage value and the qualitative data were analyzed using textual explanation. The findings generally indicate promotional efforts of the company are not achieve the intended objective. The result of the study also shows that there are problems in designing the messages and measuring results. As a result, the study presented some recommendations so as to alleviate the problems.*

**Key words:** Consumer behavior, Promotional mix, Direct marketing, Publicity, Sales Promotion.

# **CHAPTER ONE**

## **INTRODUCTION**

The focus of this section is mainly addresses the background of the study, statements of the problem, Objectives of the study, Methodology, Significance of the study, delimitation of the study Scope, limitation of the study and Organization of the Paper

### **1.1. Background of the study**

In our globalizing world, where economic crisis deepened and competition gets fiercer, consumers are becoming more and more important. Every individual is a consumer. There are rapid changes in demands and desires of the consumers who are considered to be center of the modern marketing. Companies need to increase the rate of their research and development activities in order to be able to learn these changes and improvements. The idea of Modern Marketing which improved after 1950s and gained speed after 1980s, gives priority to make profit by satisfying the demands and needs of Consumers so as to fulfill business targets. Consumer satisfaction, which is widely accepted by developed countries and gaining importance day by day, can only, be achieved by perceiving the consumers and consumer behaviors (Durmaz & Sebastian, 2012).

The central point in today's marketing is to fully satisfy consumers' needs and prosperity (Kotler, 2010). As cited in Wondimagegn mammo's research paper on "impacts of substitute products on carbonated soft drink demand,2013" The current market is composed of highly competitive organisations which are all competing for consumer's loyalty.

Businesses are challenged to become more competitive in order to survive in a stiff competition in business area. The overall business strategies should be carefully planned and well-executed to reach their ultimate goal i.e. company growth. In accordance to changing world of business, customers buying behaviour also change, they tend to become more knowledgeable and demanding as compared to the past. Because of this, more and more company had altered their focus on customer needs in order to maintain their competitive edge on this regard promotion plays the highest role in giving information about companies products and services (Kotler, 2008).

Basically, these changes have completely reformulated the usual business aim and rationale from being process-focused to customer-centred. Therefore, in order to offer an exceptional customer services within business operations, organisations should employ fine-tuned organisational reform.

The aim of marketing is to meet and satisfy target customers' needs and wants. The field of consumer behaviour studies how individuals, groups, and organizations select, buy, use, and dispose of goods, services, ideas, or experiences to satisfy their needs and desires. Understanding consumer behaviour is never simple, because customers may say one thing but do another. They may not be in touch with their deeper motivations, and they may respond to influences and change their minds at the last minute (kotler, 2010).

Companies are resulting to various strategies and tactics in order to be on top of the markets in which they operate. Over the years, the prominent tool that businesses have relied on to compete has been the marketing communication tools, of which promotion stands tall. Promotion is probably the first option that comes to mind when businesses need to communicate to the market. Promotion is so pervasive in our business environment that, one begins to wonder whether businesses that use it are achieving their objectives (Gilbert, 1999).

As Belch and Belch (1990) point out that it is the coordination of all seller initiated efforts to set up channels of information and persuasion to sell goods and service or promote an idea. In short Promotion is best viewed as communications function of marketing.

Promotion is a tool that is used by the retailers or manufacturer to invite consumers to purchase more. The results which we get by the sales promotion is the use of high amount of reserve, investing a lot of new customers and additional increase in sales.

Promotion is the direct way an organisation tries to reach its publics. This is performed through the five elements of the promotional mix namely advertising, sales promotion, personal selling, public relation and direct marketing (Anna, Carolina, & Person, 2004).

Consumer buying behavior refers to the buying behavior of final consumers –individuals and households who buy goods and services for personal consumption. It is the behavior displayed by consumers in searching for, purchasing, using, evaluating, and disposing of products and

services that they expect will satisfy their needs. All of final customers combined make-up of the consumers market. (Kotler, 2008).

Nowadays, promotion clutter has increased tremendously and it is more intense than ever; it is vital that Organizations in both public and private sectors have learned that the ability to communicate effectively and efficiently with their target audiences is important to their success. Companies differentiate themselves from competitors by creating even more powerful, entertaining, and innovative promotion. However, this has proven to be very costly, especially within highly competitive product markets, such as the soft-drink industry, which requires higher promotional budgets just to stay even with competitors. Such companies that spend billions of dollars on promotion in order to stay key players in their industry are the Pepsi cola and the coca cola companies'. And some of their most visible marketing campaigns have been conducted over the internet and television (DeGroot 2005).

In Ethiopia, soft drinks have become essential part in lifestyle of the people in the society. There are number of soft drink brands are available in the market. In those brands, some brands are very famous not only in Ethiopia but also globally. A soft drink is a cold beverage, usually sweet drink, which does not contain alcohol. In Ethiopia, soft drinks are known by the Amharic word "leslassa", meaning literally "smooth" (Aregawi , 2006).

Soft Drinks Industry is one of the processing industries that play an important role in the economic development, especially for developing countries like Ethiopia. Even if industry constitutes a very few number of companies, There is stiff competition in the industry. Therefore, to get acceptance in the market and to increase sales volume promotion is prominent tool that affect consumer-buying behavior positively. In contrast to this, in-effective operation of promotion can waste millions of Birr and actually damage the image of company and its products (Aregawi, 2006).

A Company's Promotion mix consists of advertising, personal selling, sales promotion, public relation, and direct marketing (Kotler 2006).

In addition to providing information, promotion has the role of increasing demand, differentiation a product, improve brand recognition, improve market share, inform and educate the market etc. One should note that benefits from Promotional strategy get only when it operates

properly. To be effective, the strategy must consistent with the needs of consumers and integrated with other marketing mix elements (product, price, and place).

In contrast, in effective operation of promotion can waste millions of dollars and actually damage the image of company and its products.

Thus, this study attempts to assess the promotion management practice of MOHA soft drinks s.c.

### **When did Pepsi started in Ethiopia?**

Nefas Silk Pepsi Cola is the first Pepsi cola plant in Ethiopia and it was established in 1966; as a share company with an initial capital of 1 Million Birr. The capacity of the bottling line at that time was 20,000 bottles per hour (bph). In 1986, the plant was renovated and expanded to a capacity of 50,000 bph with twin fillers. Total renovation and expansion investment cost was Birr 6,647,944.00 (Aregawi, 2006).

MOHA soft Drinks Industry S.C was formed and registered under the commercial code of Ethiopia on May 15, 1996. This company was formed after the acquisition of four Pepsi cola plants located at Addis Ababa (Nefas Silk and Teklehaimanot), Gondar and Dessie, which were purchased by Sheik Mohammed Hussien Al-Amoudi in 18 January 1996, through BID, which was tendered by Ethiopian privatization Agency. It was initially obsolete, inefficient and poorly managed. The initial purchase price was US \$17.5 million and the overall attainable volumes at the time were not exceeding five million cases. Since then, additional investment birr 382 million for refurbishment and construction of new plants; birr 458 million for marketing infrastructure excluding advertisement and sponsorship expenses were made (MOHA employee handbook Asfaw 2006).

### **The Organizational structure**

The Division Heads at the Head office mainly deal with conceptual activities to support the CEO. The plant general managers are delegate with autonomous right to direct, organize, plan, control and administer the overall operation of their respective plants within the limit of their approved budget (MOHA Employ Handbook 2004).

## 1.2. Statement of the Problem

The study of customers help firms and organisations in improving their marketing strategy and focus on target markets by understanding their behaviour. Many methods of marketing can and employed by businesses to gain a stronger hold of their respective markets. One official definition of consumer behaviour is :” the study of individuals, groups or organizations and the process they use to select, secure, use and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society”( Hawkins, Best, and Coney, 2001)

There are numerous promotions in different medias, different events in many ways including at the customers destination (personal selling) but, the important question for a marketer is **“do all these promotions positively influence the consumers’ brand preference?”** If promotion is not creating any positive change in consumers’ brand preference, all the resources such as money, time and efforts spent on promotion will go in vain. Therefore, it is essential for a marketer to find out the extent to which the promotion creates positive change in preferring the brand of the comp xf any plus increasing in volume of the sales (Vithya, 2008).

Consumers of soft drink products have a great assortment of flavors from which to choose. Soft drink firms have also expanded their line of beverages outside of the soft drink segment like juices and bottled water. This is all done to attract the customer and to be a better competent (Wondimagegn, 2013).

In today’s competitive world, it is difficult to survive in the market and be competitive without making a promotion. Promoter’s primary objective is to reach prospective consumers and influence their awareness, attitudes and buying behavior. They spend a lot of money in placing promotion to keep individuals (markets) interest in their products and differentiate their products from their competitor’s product. However, if promotion misses its primary objective, all the resources such as money, time, and efforts spent on it will be worthless (Bezuneh, 2013). Therefore, it is essential for a marketer to find out the extent to which the promotion creates positive change in preferring the brand of the company.

Marketers undertake promotion in order to inform, persuade, remind and reinforce their potential and existing consumers about company’s product through different promotional media such as the promotion mixes. If promotion does not create positive change in consumers mind, all the efforts of the marketers will go unwanted direction and this leads to low acceptance of the

product and loss of market share. Moreover it is difficult to survive in the market for the company. Many companies spend much on promotion to attract more consumers. However, most of them fail to measure their effectiveness in the market (Kotler, 2003).

Similarly, in Ethiopia, many business firms spend millions of Birr in promoting their goods and services every year. However, most of them do not evaluate the effectiveness of their promotion whether it attracts consumers or not (Bezuneh, 2013). In fact, it is very difficult to evaluate the effectiveness of promotion, because it may be influenced by other factors. Despite of this fact, firms can evaluate their promotion effort before it is presented, while it is being presented or after it has completed.

MOHA soft drink Company plant spends millions of Birr every year on promotion, since it started its operation (Annual report 2006. However, the researcher has observed that the company did not evaluate/assess its promotional impact on attracting consumers or not. Because of absence of evaluating the effectiveness of promotion, communication gap occurred between consumers and the organization. Consequently, some of the consumers started to shift their brand choice to competitor's brand. The researcher intention here is that, do the company promotional activities achieve the intended objective, or not.

Therefore, the intention of this research is to identify whether the promotion of the company affects the consumer buying behavior or not by considering different promotional elements.

To create this positive value in the minds of consumers, companies must know the elements to be included in their promotion. In line with the above study of the problem, the following research questions are formulated to be answered.

### **1.3 Research questions**

The basic question to be answered in the research is the following

1. What is the relationship between promotional mix variables and consumer buying behavior?
2. What kinds of promotion mix are applicable and found effective in the company?
3. How effective is the present promotional practice for the performance of the company?



4. How do the customers perceive the message transmitted by the company?

## **1.4 Objectives of the Study**

The general objective of the study is to assess promotion management practice of MOHA Soft drinks s.c . Having this general objective the specific objectives are

- 1) To examine the relationship between promotional mix variables and consumer buying behavior.
- 2) To identify the promotion mix which are applying in the company
- 3) To evaluate the promotional effort of the company
- 4) To show how effective the promotional practice of the company is

## **1.5 Delimitation of the Study**

The researcher believes that there are many problems that need research or investigation in marketing mix areas. However, the study is particularly interested to evaluate the promotional practice of company. It is concerned in areas of promotion and its elements but does not include other areas of marketing mix, even though they have power in influencing promotional activities. Hence, the study was confined to Addis Ababa.

## **1.6. Significance of the study**

As stated above, the general objective of the study is to assess or evaluate the promotion management of MOHA soft drinks S.C. The objective of the company may be demand or image oriented. It is better to make clear that no further study has been done to deal with promotion practice.

It was identifies, which promotional variable has positive influence on consumer buying behavior. Such information should help the company in formulating appropriate promotion strategies for reaching and attracting more consumers. The study would identify which

promotional mix or which combination of promotional variables has best and impact on consumers` buying behavior. Therefore, it enables the company to choose best promotional variable. Since the study was based on a practical investigation, it adds insights to the existing literatures in the area. Moreover, it helps the researcher in improving the research skill. The results of the study can also be used as the base for other researchers who are interested in conducting research in the area.

### **1.7. Scope of the study**

This study would be conducted on assessing the promotion management practice of MOHA soft drinks S.C at Addis Ababa. The researcher believes there are many problems that need research or investigation in marketing mix areas. However, this study was particularly interested to assess the promotion management of MOHA soft drinks S.C. The only consumers of products of MOHA Soft Drinks Industry Pepsi Cola Nifa Silk plant and some higher management officials of the marketing department of the company were part of this research. Data was collected from both consumers and marketers by using close-ended schedule questions and semi structured personal interviews. This study was undertaken within one academic year.

### **1.8 Limitations of the study**

In this research, the researcher has faced some limitations during his study. Among the limitations, insufficient literature materials, shortage of well-organized and recorded consumer data, and limited access of internet were some of the constraints. To manage these limitations properly, the researcher has undertaken some measures like; searching for different research journals, articles, reading different marketing management books and search for different company reports were primary focus to fill the literature gap.

### **1.9. Organization of the research**

The research thesis has five chapters. The first chapter deals with research introductions including background, statement of the problem, objectives, scope of study, significance of the study, and limitation of the study. And the second chapter was present review of related literature which is on independent variable promotion and the dependent variable customer buying behavior. Then the third chapter was deal with the methodology of the research and the fourth chapter was presentation and data analysis and interpretation. Finally the fifth chapter were summarizes the findings of the study with some recommendations

## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

In this chapter, literatures related to promotion were reviewed. It is organized into different sub topics theoretical literature review i.e. promotional mix, definitions of promotion, objectives of promotion, communication Medias, promotional message, reference group, brand preference, consumer buying behavior and empirical review of literature.

#### **2.1 Theoretical literature**

Modern marketing calls for more than producing a good product, pricing it attractively and making it accessible to target customers. Companies must also communicate with their present and potential customers. Every company is inevitably cast to role of communicator and promoter (Kotler, 1981).

The need of communication arises because of there is an information gap between producers of goods, services and ideas and potential consumers. The consumers need information to be aware of the existence of alternative products, its prices, location etc. Communicating in this area creates information utility that enable consumers to make better choice. Information between producers and consumers is communicated through one of an organization marketing mix called promotion (Kotler, 2003).

Promotion is a process that involves all communication use to inform, pursued and reminds peoples about an organization or individual goods, services, images, ideas, community involvement or impact on the society (Kotler, 2003).

In terms of public perception of the marketing mix elements that a firm employs, it is promotion which is the most high profile and prominent P in the four P's and too many people promotion is marketing. Promotion is a part of a firm's overall effort to communicate with consumers and others about its products or service offering. The company and the consumer both have needs to fulfill in that the profit making company wishes to improve or maintain profits and market share and gain a better reputation that its competitors and consumer has personal goals. The total product offering allows each party to move towards these goals offering a bundle of satisfaction

that fulfill needs in an instrumental and psychological sense. The phrase 'marketing communications' is generally preferred to the term promotion (Lancaster and Reynolds, 2004).

Promotion refers to the activities to push forward or to advance an idea, in such a way as to gain its approval and acceptance. Promotion is telling and selling. Product planning, pricing and distribution are marketing activities that are performed mainly within the company or between the company and its 'partners'. Sales are the life blood of business. Tough competition has increased the importance of sales promotion efforts on the part of producers. Thus sales promotion means all the steps that are taken for the purpose of increasing sales. Promotional activity in marketing is basically an exercise in communication. Communication is very essential (Manmohan, 2012).

### **2.1.1 Promotion mix**

The basic tools or elements that are used to accomplish an organization's communication objectives are often referred to as the promotional mix and include advertisement, personnel selling, sales promotion, publicity, public relation (Kotler, 2008).

To survive and continue to grow in competitive and dynamic environment, every business organization tries to develop a set of controllable forces (marketing mix) which it uses as an adopting strategy (Inyanga, 1998). The marketing mix is hence a set of marketing tools that a firm uses to pursue its marketing objectives in its target market (Aigbiremolen and Aigbiremolen, 2004). In a similar vein, marketing mix is viewed by Morden (1991) as a combination of detailed strategies, tactics, operational policies, programmers, techniques and activities, to which resources may be allocated such that the firms marketing objectives are achieved. Hence, moving objectives and plans into reality of implementation and achievement is the primary function or role of the marketing mix. From the above definition, promotion mix is a combination of advertisement, personal selling, sales promotion, publicity, public relation, direct marketing, sponsorship, exhibitions and trade fairs.

As cited in Kotler, 2007 promotional mix specifies how much attention to pay to each of the five subcategories, and how much money to budget for each. A promotional plan can have a wide range of objectives, including: sales increases, new product acceptance, creation of brand equity, positioning, competitive retaliations, or creation of a corporate image. Fundamentally, there are three basic objectives of promotion. They are:

1. To present information to consumers as well as others.
2. To increase demand.
3. To differentiate a product.

### **2.1.2 Advertising**

Advertising is any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor. Advertisers include not only business firms but also museums, charitable organizations, and government agencies that direct messages to target publics. Advertising are a cost-effective way to disseminate messages, whether to build brand preference or to educate people (Kotler 2000: p, 281).

Watching how fast the eyes of consumers change from a brand to another, their needs from a product to another, communication through advertising appears like an easy, simple and large way to keep the market in touch with company offers. For this purpose, for (Michael J. Phillips, 1997) advertising create a direct link between consumer needs and corporate offers. Most of the time, no one is aware about latest version or latest item on the market, even how to use a good or where to find it. (Michael J. Phillips, 1997)

It is any paid form of non-personal promotion of ideas or product by an identified sponsor. Advertising can reach masses of geographically dispersed buyers at a low price per exposure. Because of its nature, consumers tend to view advertised products as more legitimate. A disadvantage is that it is impersonal and not directly persuasive (Armstrong and Kotler, 1990).

According to Kotler (2000), advertising is any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor. Advertisers include not only business firms but also museums, charitable organizations, and government agencies that direct messages to target publics. Advertising are a cost-effective way to disseminate messages, whether to build brand preference or to educate people.

Almost every one grows up in the world which is flooded with the mass media e.g. television, advertising, films, videos, billboards, magazines, movies, music, newspapers, and internet. Of all marketing weapons, advertising is renowned for its long lasting impact on viewer's mind, as its exposure is much broader. Advertising can help companies develop consumers' awareness to an unmet need or introduce a product that consumers may see as valuable. This influence is often

present when new products enter the market. Customer awareness is often low for these items until companies promote them and attempt to drive customer demand through advertising (European Journal of Business and Management, 2008 Zain-UI-Abideen, and Salman Saleem).

Advertising is to create understanding, liking, and selection of product or services. The most influencing theory in marketing and advertising research is attitude-towards-the-ad. However, the attitude that is formed towards the ad help in influencing consumer's attitudes toward the brand until their purchase intent. (Goldsmith & Lafferty, 2002).

Advertising and other types of promotional messages are used to sell products and services as well as to promote causes, market political candidates, and deal with societal problems such as alcohol and drug abuse. Consumers are finding it increasingly difficult to avoid the efforts of marketers, who are constantly searching for new ways to communicate with them. (Belch 2003). Advertising provides a major tool in creating product awareness and conditions the mind of a potential consumer to take final purchase decision. As advertiser's primary mission is to reach potential customers and influence their awareness, attitudes and buying behavior (Ayanwale et al., 2005 and Adelaar et al., 2003).

A recent advertising innovation is "guerrilla marketing", which involves unusual approaches such as staged encounters in public places, giveaways of products such as cars that are covered with brand messages, and interactive advertising where the viewer can respond to become part of the advertising message. Guerrilla advertising is becoming increasingly more popular with a lot of companies. This type of advertising is unpredictable and innovative, which causes consumers to buy the product or idea. This reflects an increasing trend of interactive and "embedded" ads, such as via product placement, having consumers vote through text messages, and various innovations utilizing social network services such as Face book or Twitter.( GeetaSonkusare, 2013).From the above definitions, one can observe the following points:

Advertising is a paid form and hence commercial in nature thus any sponsored communication designed to influence buyer's behavior is advertising because advertisers pay for it.

Advertising is non-personal unlike personal selling. Advertising is done in a non-personal manner through intermediary or media.

Advertisement complements or many substitute for personal selling. It supplements the voice and personality of the individual sales man.

Advertising promotes; ideas, goods and services it is being used increasing to further public interest goals.

Advertiser is identifiable with its sponsoring authority or advertiser it discloses or identified the source of opinions and idea it presents (Kotler, 2008).

### **Advantages of promotion**

By using promotion, company can enjoy the following advantages:-

Promotion reaches' geographical disperse consumers.

Promotion is cost effective way to disseminating the message per exposure.

Promotion informs the consumer about qualities and price of goods and this makes purchasing easy for the consumers.

As the prices are already promotion, the consumers cannot be over charged.

By regular promotion, the manufacturer can sell the goods directly to the consumers without depending on intermediaries this eliminates the Middleman's charges and profit. It means higher profit to the manufacturer and lower prices to the consumers.

It helps in improvement of the quality of the goods.

The consumers are attracted by the quality of the products that are promote. If the consumers are convinced that the quality is the same that is advertised, they continue buying.

It helps the consumer to save time. As the consumer has already been, the consumer is not required to spend time in getting the products.

It raises the living standard of consumers (Kotler, 2008).

It provides knowledge about the new designs of the commodities to consumers and thus consumers consume those commodities and increase their living standard (Kotler, 2008).

### **2.1.3. Objectives of Advertisement**

An Advertising goal (objective) is a specific communication task and achievement level to be accomplished with a specific audience in a specific period of time (Kotler, 2003). Advertising objectives can be classified according to whether their aim is to inform, persuade, remind, or reinforce:

- **Informative advertising** figures heavily in the pioneering stage of a product category, where the objective is to build primary demand. Makers initially had to inform consumers of the benefits of their product. It aims to create awareness and knowledge of new products or new features of existing product (Kotler, 2003).
- **Persuasive advertising** becomes important in the competitive stage, where the objective is to build selective demand for a particular brand. Some persuasive advertising is comparative advertising, which explicitly compares two or more brands. It aims to create linkage, preference, conviction, and purchase of a product or services (Kotler, 2003).
- **Reminder advertising** is important with mature products. It aims to stimulate repeat purchase of products and services (Kotler, 2003).
- **Reinforcement advertising** it is also important with mature products and aims to convince current purchases that they made the right choice (Kotler, 2003).

Each advertisement is a specific communication that must be effective, not just for one customer, but for many target buyers. This means that specific objectives should be set for each particular advertisement campaign. Advertising is a form of promotion and like a promotion; the objectives of advertising should be specific. This requires that the target consumers should be specifically identified and that the effect which advertising is intended to have upon the consumer should be clearly indicated (Armstrong and Kotler, 1990).

#### **2.1.4 Functions of advertising**

Which type of advertisements is successful? Moreover, what features does a successful advertisement possess? Palmer A. (2001), points out that an advertisement should have four functions: AIDA, which represents four, words—Attention, Interest, Desire, and Action.

**Attention**—a good advertisement should attract the consumer to direct their attention to the product being advertised.

**Interest**—the introduction and publicity of an advertisement should arouse consumers' great interest.



**Desire**—the advertisement should stimulate consumers' desire to buy the product, and make them realize that this product is just what they want.

**Action**—advertising is supposed to make consumers respond to the advertised information and evoke them to take the action of purchasing (Palmer, 2001)

### **2.1.5. Sales promotion**

Sales promotion is a short term incentives to encourage the purchase or sale of product or service (Kotler, 2010)

Kotler (2001) describes sales promotion as adverse collection of incentive tools, mostly short-term, designed to stimulate quicker and/or greater purchase of particular brand, products, or service by consumers or the traders. He added that sales promotion had more impact at mature stage of a product and that product managers might try to stimulate sales by modifying one or more marketing mix elements.

The American Marketing Association (AMA, 1994) defined sales promotion as those marketing activities other than personal selling, advertising, publicity that stimulate consumer purchasing and dealer effectiveness such as display, shows and exhibitions, demonstrations and various non-recurrent selling efforts not in the ordinary routine.

Sales promotions are another way to advertise. Sales promotions are double purposed because they are used to gather information about what type of customers one draws in and where they are, and to jumpstart sales. Sales promotions include things like contests and games, sweepstakes, product giveaways, samples coupons, loyalty programs, and discounts. The ultimate goal of sales promotions is to stimulate potential customers to action (Kotler, 2003).

### **2.1.6. Types of Sales of Promotion**

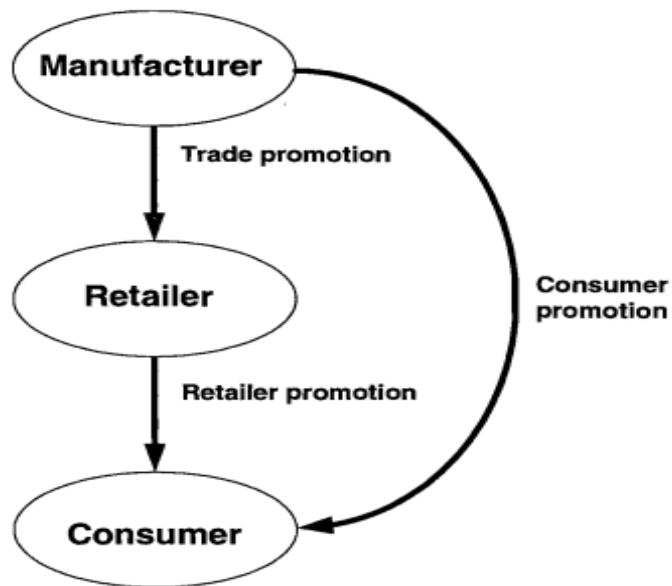
Essentially, sales promotions are categorized into three depending on the initiator and the target of the promotion. These include:

**Consumer promotions:** are those efforts aimed at influencing the trial consumer. They are promotions offered by manufacturers directly to consumers. Such promotions are designed to motivate consumers to immediate (or nearly immediate) action. Consumer's promotion techniques can be used to draw people into a particular store, to induce new product or to promote established products. To accomplish this task, markets have developed quite a variety of sales promotion techniques or tools (Kotler, 2003).

**Retailer promotions:** are promotions offered by retailers to consumers. These include allowances and discounts, factory-sponsored in-store demonstration, trade shows, sales contests, cooperative advertising, etc (kotler, 2003).

**Trade promotions:** are promotions offered by manufacturers to retailers or other trade entities. They are the aspect where the manufacturer is concerned not only with promoting the product to the consumers but also with whether the product is on the retailers' shelves when the customers go to the store to buy. Retailer promotion and consumer promotion are directed toward the consumers by retailers and manufacturers, respectively. The manufacturers direct trade promotion to the retailers (kotler, 2003).

**Fig.2.1. Types of sales promotion**



**Source:** [www.learnmarketing.net](http://www.learnmarketing.net)

Sales promotion includes several communications activities that attempt to provide added value or incentives to consumers, wholesalers, retailers, or other organizational customers to stimulate immediate sales. These efforts can attempt to stimulate product interest, trial, or purchase. Examples of devices used in sales promotion include coupons, samples, premiums, point-of-purchase (POP) displays, contests, rebates, and sweepstakes (Kotler, 2003).

Sales promotion is needed to attract new customers, to hold present customers, to counteract competition, and to take advantage of opportunities that are revealed by market research. It is made up of activities, both outside and inside activities, to enhance company sales. Outside sales promotion activities include advertising, publicity, public relations activities, and special sales events. Inside sales promotion activities includes window displays, product and promotional material display and promotional programs such as premium awards and contests (Kotler, 2007).

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, product samples, rebates, tie-ins, self-liquidating premiums, trade shows, trade-ins, and exhibitions (Kotler, 2003).

### **2.1.7. Public relation\publicity**

Public relation building good relations with the company's various publics by obtaining favorable publicity, building up a good corporate image, and handling or heading off unfavorable rumors, stories and events (Kotler, 2007)

Public relations (PR) or publicity they both used interchangeably is the practice of managing the spread of information between an individual or an organization and the public. Public relations may include an organization or individual gaining exposure to their audiences using topics of public interest and news items that do not require direct payment. The aim of public relations by a company often is to persuade the public, investors, partners, employees, and other stakeholders to maintain a certain point of view about it, its leadership, products, or of political decisions. Common activities include speaking at conferences, winning industry awards, working with the press, and employee communication (Kotler, 2010).

Paid intimate stimulation of supply for a product, service, or business unit by planting significant news about it or a favorable presentation of it in the media. Examples: Newspaper and magazine articles/reports, TVs and radio presentations, charitable contributions, speeches, issue advertising, and seminars (Kotler, 2003).

### **2.1.8. Personal selling**

Personal presentation by the firm's sales force for the purpose of making sales and building customer relationships (kotler, 2007).

It is a process of helping and persuading one or more prospects to purchase a good or service or to act on any idea through the use of an oral presentation. Examples: Sales presentations, sales meetings, sales training and incentive programs for intermediary salespeople, samples, and telemarketing. Can be face-to-face selling or via telephone (Kotler, 2007).

### 2.1.9. Direct marketing

Direct marketing is direct connections with carefully targeted individual consumers to both obtain an immediate response and cultivate lasting customer relationships (Kotler, 2007)

**Corporate image:** Corporate image may also be considered as the sixth aspect of promotion mix. The image of an organization is a crucial point in marketing. If the reputation of a company is bad, consumers are less willing to buy a product or use a service from this company as they would have been, if the company had a good image. (Ang 2014).

**Sponsorship** is sometimes added as an seventh aspect. Sponsorship is a cash and/or in-kind fee paid to a property (typically in sports, arts, entertainment or causes) in return for access to the exploitable commercial potential associated with that property. cornwell and drennan 2008).

### 2.1.10. Consumer Buying Behavior

If you want to sell more, you need to understand how people buy things. Buyer behavior is quiet complex. We will not be always the same way for everything. **Consumer buying behavior** determines how our consumers decide to buy our product and what are the various factors responsible for this decision?

Consumer makes many buying decision every day. Many large companies do some research about consumer buying decision in great detail to answer questions what will customer buy, where they buy, how much they, when they buy and why they will buy those product. According to Principles of Marketing, Kotler (2008) Consumer Buyer Behavior refers to the buying behavior of final consumer which are individuals and households who buy goods and services for personal consumptions. The entire final consumer combines to make a consumer market.

The central focus of marketing is the consumer. To devise good marketing plans, it is necessary to examine consumer behavioral attributes and needs, lifestyles, and purchase processes and then make proper marketing-mix decisions. The study of Consumer behavior includes the study of what they buy, why they buy, how they buy, when they buy, from where they buy, and how

often they buy. An open-minded consumer-oriented approach is imperative in today's diverse global marketplace so a firm can identify and serve its target market, minimize dissatisfaction, and stay ahead of competitors. Final consumers purchase for personal, family, or household use (Kotler, 2008).

According to Kotler (2003), consumers buying behavior has to do with the attitude, intention, preference and strength to commitment and the consumer's ways of identification. Consumers buying behavior can also be referred to as the buying behavior of the final consumer. Consumer buying behavior is a complicated issue because many internal and external factors have effect on The impact of sales promotion on consumer buying behavior has been widely stated in many researches and studies, they have shown that there are a lot of factors can effect consumer buying behavior, either to buy or not (Nagar, 2009; Smelser and Baltes, 2001). According to Nijs, Dekimpe, Steenkamps and Hanssens (2001) sales promotions have a huge impact on consumers buying behavior such as purchase time, product brand, quantity and brand switching. Moreover, consumer purchase decisions sometimes based on the price sensitivity, individuals are more attracted to promoted products (Bridges, Briesch and Yim, 2006). According to Schiffman and Kanuk (2004) there are four views for explaining consumer decision and behavior such as, economic view which it has the more impact followed by passive view, emotional view and cognitive view, they also stated that consumer buying behavior concerned on how customers decide what product they want and how that evaluation is going to be and its impact on future purchases.

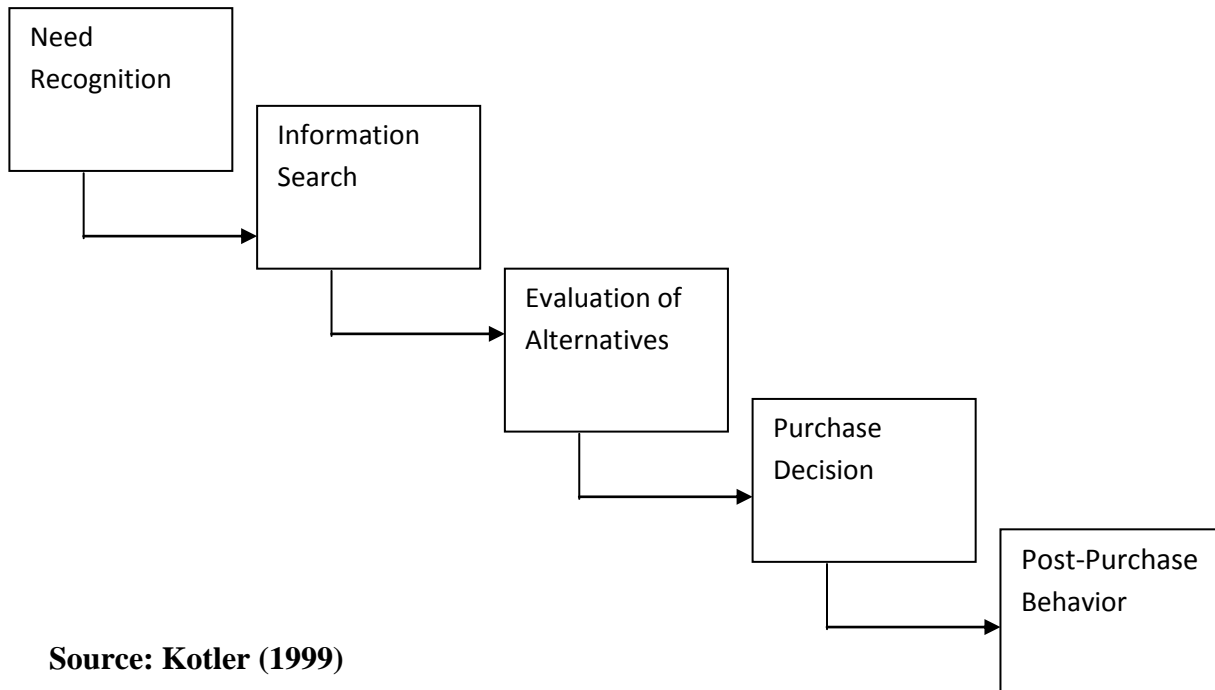
According to Naimah and Tan (1999) some factors affect consumer to buy a specific product such as high purchasing power and other sales physical surroundings.

### **Buyer decision process**

Marketing needs to study the customer's buying process to answer the questions what, where, how, how much, when, why he/she buys. In fact, the marketer details and examines the different steps to understand how the customer thinks and acts. (Kotler *et al.*, 2008)

According to Kotler *et al* (1999), there are five stages of consumers buying behavior. This can be seen in the Figure below.

**Figure 2.2: buying decision process**



From the figure above, it can be seen that consumers pass through five stages in their buying process. According to Kotler (1999), Consumers do not pass through all the stages in their everyday purchase. For example in everyday commodity purchase, information search and evaluation are omitted. In other words, consumers faced with complex purchase situation pass through all these stages.

**Need recognition:** this is when the consumer defines their problem or need. A need could arise either because of internal or external stimulus. Example of an internal stimulus is when you need to eat something because of hunger. External stimulus arises from commercial on television after which the consumer thinks that the brand/product is needed. Therefore, it is of importance that marketers find out what stimulus attracts interest in their brand.

**Information search:** this is when consumers start to search for information through commercial source, personal source, public source, and experiential source. This information enhances the consumer's knowledge and awareness of the available brand.

**Alternative evaluation:** this is the stage whereby the consumer evaluates and ranks alternative brands based on the information they have. Such information can be price or quality etc.

**Purchase decision:** this is when consumers purchase the product. Consumer's perception of a brand can be influenced by unforeseen situational factors and attitude of others.

**Post-purchase decision:** this is when the consumers compare their expectation and perceived performance. Kotler et al (1999) stated that they get satisfied when their expectations are the same with the product performance.

Differences in consumers behavior depends on the type of product the consumer is buying. Kotler et al (1999) designed a buying behavior model, which consisted of four different buyer behaviors.

**Table 2.1: Four type of buyer's behavior**

	High involvement	Low involvement
Significant differences between brands	Complex buying behavior	Variety-seeking behavior
Few differences between brands	Dissonance-reducing behavior	Habitual buying behavior

**Source: Kotler (1999)**

- **Complex buying behavior** is when consumers purchase a high quality brand and before making the purchase, he seeks a lot of information about it.
- **Habitual buying behavior** is when consumers purchase a product out of habit.
- **Variety seeking buying behavior** is when consumers go around shopping and experiment with a variety of product.
- **Dissonance reducing buying behavior** is when a buyer is so highly involved with buying a product because of the fact that it is expensive or rare Kotler et al (1999).



**Cultural factors affecting consumer buying behavior:** Cultural factors have a significant impact on customer behavior. Culture is the most basic cause of a person's wants and behavior. Growing up, children learn basic values, perception and wants from the family and other important groups. Marketers are always trying to spot "cultural shifts" which might point to new products that might be wanted by customers or to increased demand (Aneeza B and Najima ,2009).

Culture is the set of basic values perceptions, wants, and behaviors learned by a member of society from family and other important institutions. Culture is the most basic cause of a person's wants and behavior. Every group or society has a culture, and cultural influences on buying behavior may vary greatly from country to country (Aneeza B and Najima ,2009).

**Social factors affecting consumer buying behavior:** A customer's buying behavior is also influenced by social factors, such as the groups to which the customer belongs and social status. Social Class Almost every society has some form of social structure, social classes are society's relatively permanent and ordered divisions whose members share similar values, interests and behavior. Social class did not determined by a single factors such as incomes, but it measured as a combination of occupation, income, education, wealth, and other variables. Marketers are interested in social class because people within given social class tend to exhibit similar buying behavior ((Aneeza B and Najima ,2009).

A consumer's behavior also is influenced by social factors, such as the Groups, Family, Roles and status. Groups are two or more people who interact to accomplish individual or mutual goals. A person's behaviors are influenced by many small groups. Groups that have a direct influence and to which a person belongs are called membership groups. Some are primary groups includes family, friends, neighbors and coworkers. Some are secondary groups, which are more formal and have less regular interaction (Kotler, 2007)

These include organizations like religious groups, professional association and trade unions. For groups, it is much easier for Pepsi to attract them to buy their products. Because a single member of the groups can influences almost all the group member to follow them. For example, a leader in one group can influenced the members to buy Pepsi as part of the group activities (Kotler,

2007). Family members can strongly influence buyer behavior. The family is the most important consumer buying organization society and it has been researched extensively. Marketers are interested in the roles, and influence of the husband, wife and children on the purchase of different products and services. In this social class, Pepsi need to target the children because they are the people who will consume more Pepsi. But of cause they will ask their parents to buy the products. So Parents is the customer and Children is the consumer. Roles and Status is a person belongs to many groups, family, clubs, organizations. The person's position in each group can be defined in terms of both role and status. A Role consists of the activities people are expected to perform according to the persons around them (McCracken, G. (1989).

**Each culture contains “sub-cultures”** – groups of people with share values. Sub-cultures can include nationalities, religions, racial groups, or groups of people sharing the same geographical location. Sometimes a sub-culture will create a substantial and distinctive market segment of its own. For example, the “youth culture” or “club culture” has quite distinct values and buying characteristics from the much older “gray generation”. Similarly, differences in social class can create customer groups (Frank, 2013).

Sub Culture is a group of people with shared value systems based on common life experiences and situations. Each culture contains smaller sub cultures a group of people with shared value system based on common life experiences and situations. Sub culture includes nationalities, religions, racial group and geographic regions. Many sub culture make up important market segments and marketers often design products. According to Kotler (2008), many subcultures make up important market segments, and marketers often design products and marketing programs tailored to their needs.

Occupation is a person's occupation affects the goods and services bought. Blue collar workers tend to buy more rugged work clothes, whereas white-collar workers buy more business suits. A Company can even specialize in making products needed by a given occupational group.(Palmer, R., Pels, J. 2003).

**Psychological Factors:** consist of Motivation, Perception, Learning, Beliefs and attitudes  
Motivation. Motive drives a need that is sufficiently pressing to direct the person to seek

satisfaction of the need. Perception, The process by which people select, Organize, and interpret information to form a meaningful picture of the world. Learning is Changes in an individual's behavior arising from experience. Beliefs and attitudes. Belief is a descriptive thought that a person holds about something Attitude, a Person's consistently favorable or unfavorable evaluations, feelings, and tendencies towards an object or idea. (Kotler, 2008, 2010).

## **2.2 Empirical Review**

To formulate the problem scientifically, it is essential to present a brief review of Researches undertaken in this area. Although the review involved a large number of studies, only a few studies that have a direct and indirect bearing in the present study have been reviewed.

### **2.2.1 Promotion and consumer behavior**

Promotion primary objective is to reach Prospective customers and influence their awareness, attitudes and buying behavior. They spend a lot of money to keep individuals (markets) Interest in their products. To succeed, they need to understand what makes potential customers behave the way they do. The promotion Goals is to get enough relevant market data to Develop accurate profiles of buyers-to-find the common group (and symbols) for communications This involves the study of consumers behavior: The mental and emotional processes and the Physical activities of people who purchase and Use goods and services to satisfy particular needs And wants (vithya, 2008). adeolu (2011), examined the impact of brand image and promotion on consumer buying behavior at Gujranwala city. Their finding shows that brand image and promotion have strong positive influence and significant relationship with Consumer buying behavior. As per their finding, People perceive the brand image with positive attitude. Study depicted that teenagers in Gujranwala are more conscious about their social status so they prefer branded products and promotion affects their Consumer Buying Behavior positively.

Zain-ul-Abideensaleem,(n.d), Investigated the relationship between promotion with attitudinal and behavioral aspect of consumer buying behavior. Their finding shows promotion has strong association with the consumer buying behavior. Eva-Lena et al., (2006), analyzed influence of promotion on consumer buying intention. To explore the effect, well-recognized advertising campaigns have on consumer buying process. They conclude that consumers associate a brand with promotion as well as having actual knowledge about the brand's advertisement and their choice of product is to a large degree influenced by promotion. Similarly Niazi et al., (2012),

analyzed Influence of promotion on Consumer Buying Behavior. Findings of this study show the moderate relationship between variables.

### **2.2.2 Advertisement and brand preference**

Wondimagegn (2013), examined the effectiveness of advertisement concerning customers brand preference. The findings of the study shows attractiveness of advertisement message has positive influence on brand preference and using celebrity has high influence on customers brand preference than other reference groups. The result shows customers prefer mother tongue language in advertisement. The findings also shows that advertising media has positive relationship with customer's brand preference and television is easily accessible media for customers. The result of study summarizes customers brand preference are influenced by advertisement. vithya (2008), Analyzed advertisement factors which affecting consumer preference from one product to another product; In the case of Aerated drinks in India. The findings, there is an impact of advertisements on the consumers regarding their brand; i.e. there is significant relationship between advertisements and the choice of the brand. This recall helps them in decision making while making purchase.

The most liked medium of advertisements is television followed by internet and outdoor media and newspapers and radio has the low rating as compared to other mediums, because they are still used by aged people and finding shows celebrity endorsement has a positive effect on the perception of the respondents. Adeolu, (2005), examine the influence of advertising on customers brand preferences and determining the influence of age on advertising. According to their findings, advertising and quality are the major factors responsible to influence brand preference very few subjects cited other reasons such as price, packaging, and availability for their choice of the brand.

The implication of this study is that price and other variables seem not to count much to the consumers as long as the quality of a product is maintained and the brand is supported by heavy advertising reminding and persuading consumers to continue to buy. Aregawi, (2006),examined the role played by advertising in influencing Consumer's preference for Bourn vita, food drinks. Results revealed that both male and female were equally influenced by advertising in their preference for the brand.Vithya, (2008), examined the influence of advertisement on the

consumers brand preference. The finding of this study was advertisement has positive influence on the consumers brand preferences.

### **2.2.3. Sales Promotions and Consumer buying behavior**

Sale promotion plays a vital role for the dealers and retailers in the marketing programs. Sales Promotion generates large revenues and by using promotional tools sales can be increased. Various promotional techniques are used by the marketers in order to offer customers an additional incentive to purchase their products and then promotion in typical means. sales promotions are not only effective in attaining short-term sales as they are also more cost-effective compared to other integrated marketing communications tools such as advertising. The overall conclusion of the research was to find positive customers attitude towards diverse promotion tools on buying behavior. The study confirmed that consumers buying behavior can be motivated through various kinds of elements, including promotion techniques such as free samples, price discounts, coupons, buy-one-get-one-free and physical surrounding. Furthermore, the structure offers new visions to understand that how different consumers respond to numerous promotion tools offered by marketers and their impacts on consumers buying behavior, which may be vital for marketers in order to use perfect promoting strategies and promotional tools to promote products.( Erdogan, B.Z. (1999)

Sales promotion is normally used to boost sales thereby increasing the profit. The most significant sales promotion techniques that contributed to higher performance in the company are special sales, price off and coupons. The low significant techniques are sweepstake and gifts. In the course of any sales promotion exercise, management should strategically facilitate the exercise so that customers do not doubt the reality of the program by using credible techniques. In addition, the study finds out that organization promotion strategies enhance consumer

buying pattern. According to the result, majority of the respondents accepted the facts that organization promotion strategies enhance consumer buying pattern. (*Williams et al.*, 2012). The findings of both researchers show that promotion and sales promotion itself has a positive impact on consumer buying behavior.

#### **2.2.4. Reference group and consumer buying behavior**

Vithya (2008), analyzed the role of reference group influence in consumer behavior, in the case of youths 14-25 years old in Hungary. As the finding shows; consumer behavior of young people whose age ranges between 14-25 years old were highly influenced by friends than that of parents, regarding both normative and informational influences. In the case of women, only the influence of parents as reference group is strong.

As for the influence of friends, there are no significant gender differences. (Adeolu, 2011), analyze the persuasiveness of celebrity endorsements on the purchase decision of Rowan University students whose age ranges between 18–24; with specific regard to digital media players. The results of the study shows that an over whelming majority of the respondents said that a celebrity endorsement would have no effect on their decision to buy a digital media player. (Iosh 2006), analyzed the impact of consumer perception based advertisement and celebrity advertisement on brand acceptance: A case study of the Peshawar market. The finding of study shows that Celebrities are a valid source that influences consumer-buying behavior.

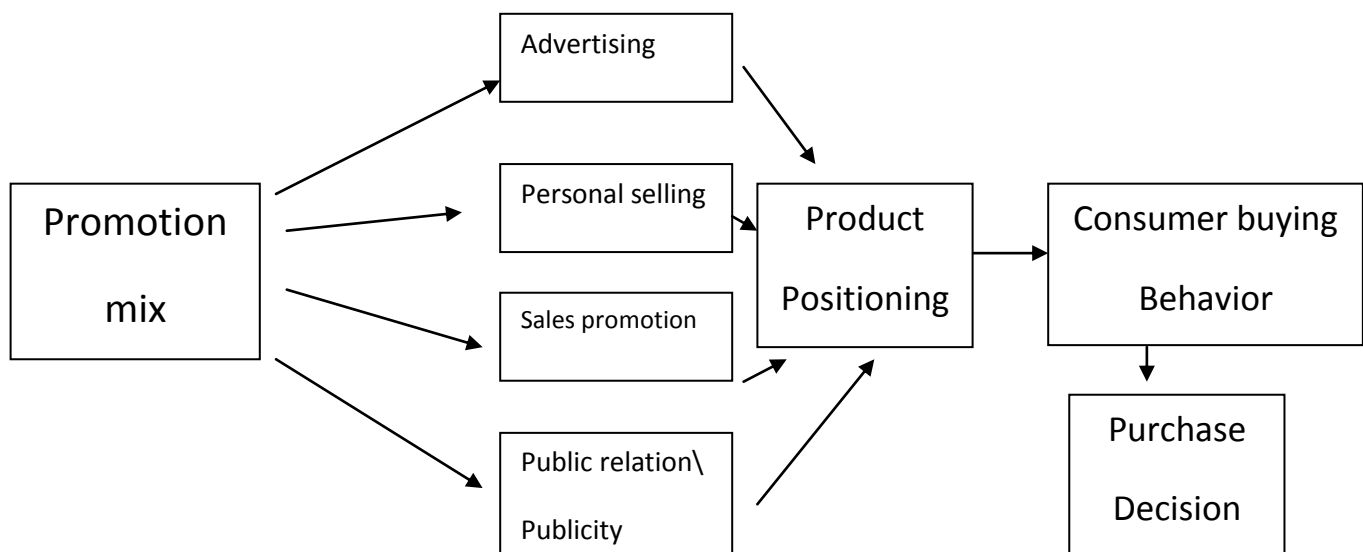
Furthermore, it is founded that consumer-buying behavior are strongly influenced because some of the consumers have strong preferences with the celebrities, they purchase only the product that supply to the market through their desired celebrities. Somehow, it is founded that a celebrity has great impact not only on brand acceptance and on consumer buying behavior but it can also affect the revenue and profit margin of the desired firm. Advertiser disburses millions of dollars to celebrities, on tenterhooks that the stars will fetch their magic to the products and services they sanction and make them more likable and successful. (Anderson and Vince, (2000). Dix S, Pougnet S (2009), in their research have found that Athlete role model endorsers have a Positive influence on young adults' product switching behavior, complaint behavior, positive Word-of-mouth behavior and brand loyalty. This confirms the assumption that sports celebrities are important socialization agents and can have significant impact on purchase intentions and Behaviors. This research provides useful insight into the influence of athlete endorsers on young Adults and suggests athletes have a positive influence on young adults' behavioral intentions in Switching products, generating word-of-mouth and establishing brand loyalty.

Geetasonkusare (2013), analyzed the impact of television advertising on buying behavior of women consumers in chadrapur city, India with special reference to FMCG products. The findings of the study showed most of the consumers are satisfied with TV advertisement; TV advertising has impact on women customers buying behavior.

### 2.3. Conceptual framework

The following conceptual framework was developed for this study. It shows the independent variables (advertising, sales promotion, personal selling, public relation and publicity) and consumer buying behavior as dependent variable; the concept driven from the different literature review. The concept about advertisement language was taken from Eskinder,( 2012 ). Advertisement media was taken from GeetaSonkusare, (2013), Bakshi and Gupta, (2013) and Vitya, (n.d). GeetaSonkusare, classified advertisement media as television, radio, internet, print media and other media. The concept about reference group was taken from Eskinder, (2012), Adeolu et al, (2005), kumar,(2010),TarkanyiEszter(2008. Eskinder classified reference group as common man,celebrity, family and friend; Concept of advertisement message was taken from Eskinder, (2012), Adeolu et al, (2005) and Vithya, (n.d).

**Figure 2.3 Conceptual framework**



**Source: Kotler, 2003**

## **2.4. Impact of promotion**

Role of promotion is to carry message to the far distances. It is also use to target the scatter mass audience. The role of promotion on sales volume is very important. It is proved to be very essential tool in enhancing the sales of brand. Promotion is directly linked with the sales of the products (Abiodun, 2011).

Through advertisement customer behavior shaped and they motivate to buy such products. Researchers found that repetition in the advertisement hit the mind of the customers which also help them to remember that product and purchase repeatedly (Pope, 2009).



## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

The main purpose of this study is to assess the impact of Promotion on consumer`s buying behavior in the case of MOHA soft drink industry Pepsi cola plant products. This topic mainly describes the research design and methods that has been employed to achieve the main objective of the study. It, therefore, discusses description of the study area, research design, source of data and sampling techniques, the data collection instruments and methods of data analysis.

#### **3.1 Research Methodology and Design**

A descriptive research design was used to conduct the study. Descriptive study is helpful when a researcher wants to look into a phenomenon or a process in its natural contexts in order to get its overall picture instead of taking one or some of its aspects and manipulating it in a simulated or an artificial setting. Descriptive research design is typically concerned with determining the frequency with which an event occurs or the relationship between two variables (Malhotra, 2004 p.38) Thus, descriptive study was favored to evaluate promotional practice of organizations. This method also used for the reason that it describes the existing facts and practice of different organizations, as well as, it is economically efficient (Abiy, etal: 2009, p, 30). Moreover, in order to achieve the intended objective, both quantitative and qualitative methods were chosen.

#### **3.2 Study Population**

The study aim to examine the general approach of the impact of promotional mix on customer buying behavior on Moha products. Moha had 8 branches and 6200 employees throughout the country. Out of these the targets respondents for this study are employees working in Addis Abeba city. Addis Ababa city had three branches and 3800 employees as of January 10,2016. Based on this The target populations that would be involved in this study are general public; who are consumers` of different products of MOHA brands and some selected management members of the company from marketing and sales department which have direct relationship with promotional activities.

### **3.3 Sampling Technique and Sample size**

Sampling is the process or technique of selecting a suitable sample for determining parameters or characteristics of the whole population. Sampling methods are classified into probability and non- probability techniques. In probability sampling, units of the population are selected by chance and every unit has a fixed probabilistic opportunity of being selected. Probability sampling requires a precisely defined population and a sampling frame. Non-probability sampling is based on the personal judgment of the researcher in selecting the sample units. (Malhotra, 2004). Determining the sample size is a difficult task. In general, the more precise the required information has to be the bigger the sample size should be. Statistical approaches based on confidence intervals can also be used in setting the appropriate sample size. In the literature, a rough range of 200-2500 is suggested for a typical sample size (Malhotra & Birks, 2000).

There are ten sub-cities in the Addis Ababa city. Because of time and budget constraints, the researcher couldn't include the whole sub-cities in the city. Among the sub-cities, the researcher chosen Nifasilk sub-city as a study area by applying convenient sampling method and simple random sampling would be used. The reason behind choosing Nifasilk sub-city is researcher's familiarity and interest in the area and also most of the MOHA industry consumers are found in these areas.

In those sub cities, there are so many hotels and restaurant that retail MOHA soft drink company products. To give equal chance for consumers at different hotels and restaurants; 20 hotels and 8 restaurants would be selected using simple random sampling technique. From each hotels and restaurants totally 160 consumers would be selected to fill schedule questions. Totally 160 sample consumers would be selected from target population by applying non-probability convenient sampling technique. To conduct this study, 160 consumers of MOHA Industry and some selected management members of the company would be selected as a respondent and the total population size is 160. Sample determination would be used for this study could be based on the method developed by Carvalho (1984). The total sample size would be comprised of 160 customers. Convenient sampling technique was applied. This is because of an unavailability of sampling frame of soft drink consumers or infinite nature of consumers. The sample size would be selected by taking time shortage and the cost of data collection into consideration. A convenient sampling technique, which is a non-probabilistic sampling technique, would be used to select the respondents for three reasons. First the customers are scattered across the City,

which makes it very difficult to contact each of them individually. Again, it is difficult getting the exact number of customers, third, the researchers are working within the demands of an academic schedule so very limited time and resources to conduct the study.

### **3.4 Source and Method of data collection**

Both primary and secondary data sources would be considered for this study. Typically primary data are those data that would be collected through questionnaire, interview; and observation. The secondary sources of data both published and unpublished documents which include books, journals, reports, government policies and strategies and web sites.

#### **Collection of Data through Schedules**

Four enumerators would be selected and trained to handle the case properly. The enumerators along with schedules would be go to respondents, put to them the questions from the schedule in the order the questions are listed and record the replies in the space meant for the same in the schedule.

### **3.5 Data Collection Instruments**

Two data collection instruments were used to gather relevant information for the purpose of the study. These were questionnaire and interview.

#### **3.5.1 Questionnaire:**

As written in the free encyclopedia Wikipedia, the [http://en.wikipedia.org/wiki/ Questionnaire](http://en.wikipedia.org/wiki/Questionnaire) that a questionnaire is a research instrument consisting of a series of questions and other prompts for the purpose of gathering information from respondents. Questionnaires have advantages over some other types of surveys in that they are cheap, do not require as much effort from the respondent and often have standardized answers that make it simple to compile data. As result, the researcher was prepared and administered set questionnaires for the customer of the company

#### **3.5.2 Interview: -**

The other type of data collection instrument was interview as it is useful instrument there by helps the researchers to take in to account how the target population feel and think about the problem. The interview was prepared to the management bodies of the comany and it was conducted by the researcher.

### **3.6 Method of Data Analysis**

As repeatedly stated, questionnaire and interview were instruments used for collecting relevant data from the consumer and management officials. Based on the nature of data, analysis and interpretation were made. The responses obtained from 140 customer through the questionnaire were tallied, organized and demonstrated in tables, pie charts and bar charts. The collected data were analysis using descriptive statistics (percentages). The interview was conducted with two management officials of the company. The responses of the interviewee were analysis and interpret qualitatively.

## **CHAPTER FOUR**

### **DATA ANALYSIS AND INTERPRETATION**

This study was aimed to assess the promotion management practice MOHA soft drinks industry Pepsi Cola plant products. To reach at necessary conclusion, both primary and secondary data sources were analyzed in relation to research questions and objectives. This chapter is organized into three major parts; Part one deal with analysis and interpretations of the demographic characteristics of the respondents' and to check the accessibility of promotion. In the second part, analysis and interpretations was concerned with promotional variables. In the third part, interview analysis and interpretations was presented.

Generally, both descriptive statistics and inferential statistics were used to analyze the collected data. SPSS version 20 was used to process quantitative data to come up with dependable conclusions and implications. In order to make the collected data suitable for the analysis, all questionnaires were screened for completeness. All returned incomplete questionnaires were considered as errors and removed from the survey data. Out of the 160 distributed questionnaires, 140 were collected 12 were not returned. During data editing, the collected questionnaires were checked for errors and 8 incomplete questionnaires were identified and discarded. Therefore 140 questionnaires were found to be valid and used for the final analysis.

#### **4.1 Demographic Characteristics of Respondents**

The first part of the schedule questionnaire was comprised demographic information of the respondents. Demographic characteristics of the respondents included were; gender, age, level of Education, marital status, and average monthly income. In the following section, demographic data of the respondents were summarized by using table and simple descriptive statistics: like frequency and percentage.

**Table 4.1:** Demographic statistics of Respondents (gender, age, education, marital status, and average monthly income).

Measures	Items	Frequencies	Percentages
Gender	Male	88	62.9
	Female	52	37.1
Age	18-25	45	32.1
	26-35	64	45.7
	36-45	23	16.4
	>45	8	5.7
Education level	Certificate	28	20
	Diploma	31	22.1
	Degree	55	39.3
	Masters and above	18	12.9
	Others	8	5.7
Marital status	Single	82	58.6
	Married	47	33.6
	Widowed	1	.7
	Divorced	10	7.1
Monthly income	1000-3000	22	15.7
	3001-5000	55	39.3
	5001-7000	43	30.7
	>70000	20	17.3

**Source: Survey Data, 2017**

As depicted in the Table 4.1 above, the majority of respondents 88 (62.9 percent) were male and the rest 52 (37.1 percent) were female. Majority of the respondents 64 (45.7 percent) were laid in the age range between 26 and 35years. Next to that, 45 (32.1 percent) were laid in the age range of 18 and 25 years; 23(16.4 percent) were laid in the age range between 36 and 45years. And only 8(5.7percent) were laid in the age range above 45 years. With respect to the educational level of the respondents, most of the respondents 55(39.3percent) were Degree. Followed by diploma holders 31(22.1 percent) of respondents, 28(20 percent) of respondents were certificate

holders, 18(12.9 percent) of respondents were masters degree holders or above and only 8 (5.7percent) of the respondents was others. Almost half of the respondents 82 (58.6percent) were single. Followed by 47 (33.6 percent) of the respondents were married. 10 (7.1 percent) of the respondents were Divorced and 1 (.7 percent) of the respondents were Widows. Majority of the respondents` 55 (39.3 percent) income level fall in the income range of 3001-5000 Ethiopian birr. Followed by 43(30.7 percent) of the respondents income level fall in the income range of 5001-7000 birr. Next to that, 22 (15.7 percent) of the respondents` income fall in the income range of 1000-3000 birr, 20 (14.3percent) of the respondents income fall in the income range of greater than 7000 birr.

The above analysis shows that most of the respondents are male, their age range is between 26-35 and they are young people's plus their education level is Degree and below degree level, most of them are also single and their income level is between 3001-5000. This shows that MOHA soft drinks industry should give focus to those youngsters and with the medium educational level this can help the company to target those customers.

**Table 4.2: How do you rate the promotional quality of MOHA soft drinks?**

	Frequency	Percent
Bad	16	11.4
Excellent	45	32.1
Valid Good	60	42.9
Very Good	19	13.6
Total	140	100.0

**Source: Survey Data, 2017**

Table 4.2 Reveals that 32.1%of the respondents said that the service quality of the MOHA soft drinks s.c is excellent, 13.6% of the respondents said very good, 42.9% said that Good, 11.4% of respondents said that the quality of the promotion is Bad while no one responded that the quality of the MOHA promotion is very bad. The result implies that the quality of the MOHA promotion is above average. Promotion only cannot do anything, so having quality service and setting appropriate price can attract customers.

**Table 4.3: Do you rely on promotion to make your purchase decision?**

**Decision**

	Frequency	Percent
No	13	9.3
Sometime	50	35.7
Yes	77	55.0
Total	140	100.0

**Source: Survey Data, 2017**

As table 4.3 above illustrates the responses of respondents about whether they take promotion into consideration or not during their purchase decision. Majority of the respondents 77(55 percent) agreed on that they consider promotion during their purchase decision; 50(35.7 percent) of the respondents answered that they consider promotion sometimes but not always and the remaining 13(9.3percent) of the respondents answered that they would not rely on promotion during their purchase decision.

This implies that most of the consumers` rely on promotion during their purchase decision regarding soft drink products. As a result of this results depicted on the table managers need to focus highly on the promotion of MOHAS products. In the mean while promotion that could be done by those management of the MOHA soft drink s.c company might bring new customers and it may forecast those existing customers to buy MOHAS products more frequently.



**Table 4.4: Among the promotional mix which is used by the company, which one is persuasive to you?**

**Persuade**

	Frequency	Percent
Advertising	61	43.6
Direct marketing	11	7.9
Personal selling	43	30.7
Publicity	9	6.4
Sales promotion	16	11.4
Total	140	100.0

**Source: Survey Data, 2017**

Table 4.4 above depicted that consumers` access to promotional variables. Majority of the respondents 61(43.6 percent) have access for advertisement, followed by 43(30.7percent) of the respondents have access for personal selling, 16(11.4 percent) have access for sales promotion, 11(7.9percent) have access for Direct marketing, 9(6.4 percent) have access for publicity. The above response implies that marketers should make their promotion through Advertising by using different Medias.

This enables marketers to reach mass audiences and influence them with its characteristic features such as sound, sight and motion.

**Tabele 4.5: The extent to which communication coverage by the company to reach an identifiable target customer can be rated as**

**Coverage**

	Frequency	Percent
Excellent	39	27.9
Good	23	16.4
Poor	10	7.1
Valid Very Good	55	39.3
Very poor	13	9.3
Total	140	100.0

**Source: Survey Data, 2017**

Table 4.5 depicts that 27.9% of the respondent said that the extent of communication coverage to reach identifiable target customer is excellent, 39.3% said very good, 16.4% said good, 7.1% said poor and 9.3% respondent said the extent of communication is very poor.

This implies that the MOHA communication coverage to reach identifiable target customer is good (medium). The target audience is critical influence on the communicator's decision about what to say, how to say, when to say, where to say it, and to whom to say it (Kotler, 2000). But the MOHA has some problems in identified the target audience

**Table 4.6 Does the MOHA promotional practice and actual offer are the same?**

**Offer**

	Frequency	Percent
No	57	40.7
Valid Yes	83	59.3
Total	140	100.0

**Source: Survey Data, 2017**

The above table shows that, 59.3% of the Customer of MOHA said the promotional practice and actual offering are the same, where as 40.7% of the Customer said the company promotional practice and actual offering have difference.

**Table 4.7: How do you rate the acceptance of the promotional practice of the MOHA soft drinkis?**

**Acceptance**

	Frequency	Percent
Extremely high	41	29.3
High	42	30.0
Low	21	15.0
Valid Very high	26	18.6
Very low	10	7.1
Total	140	100.0

**Source: Survey Data, 2017**

As shown in the above table, 29.3% of the respondent said acceptability of the promotion is Extremely high, 30%High, 18.6% very high, 15% low and 10% of respondents said very low. So, from the above result one can understand that the acceptability of promotional practice of the MOHA Company is above an average.

**Table 4.8:Do you observe promotional problems in the MOHA soft drink?**

**Problems**

	Frequency	Percent
No	45	32.1
Valid Yes	95	67.9
Total	140	100.0

**Source: Survey Data, 2017**

Table 4.7 shows about the promotional problems of the MOHA soft drink s.c. Accordingly, 67.9% of the respondent responded that the company promotional practice have a problem and the remaining, 32.1% said the company have not any problems in their promotional practice.

This shows that, the companies have problems in their promotion activity. We can associate the reason from the interview result; the companies have not any formal promotion plan as well as it have a problem in assessing the implemented promotion plan.

## **4.2 Analysis of mean and standard deviation for variables**

Schedules were analyzed by using descriptive statistics like mean and standard deviation. All the items were measured by using five point liker scales starting from 1=strongly disagree 2=disagree 3=neutral 4=agree and 5= strongly agree. This is to illustrate the level of agreement of the respondents. However, while making interpretation of the results of the means and standard deviations, the scales were reassigned as follow to make the interpretation easy (best, 1995). 1-1.8= strongly disagree, 1.8-2.6=disagree, 2.61-3.4=neutral, 3.41-4.2=agree, 4.21-5=strongly agree. Standard deviations were calculated for all variables in order to reflect the pattern of scatter diagram. Standard deviation is also imperative as it illustrates a clue of the average distance from the mean. Low standard deviation shows that most observations lay around the mean and vice versa.

### **4.2.1 Promotion**

Promotion has a powerful influence over people and their behavior. The choice of promotional media to convey specific messages with the intention of influencing people is vitally important. Language, visual content and design in promotion have a very great impact on the consumers` purchase decision, since it helps people to identify a product and remember it. The medium through which promotion takes place is a very important factor for promotion. While choosing a media for promotion few things must be kept in mind, out of which the most important factors are:

- The media should be easily accessible to the public.
- It should be made sure that medium chosen is popular among the masses.

If the media chosen for advertisement is popular amongst the masses then the chances of more people getting to know about the product will increase. Hence, popularity of the medium is very

important. Perhaps the most important factor for promotion is advertising media. To know the influence of advertisement media, promotional activities and preferences of MOHA soft drink products consumers` were also asked some questions and results were displayed on the following table.

**Table 4.9: summary of consumers' response about promotion**

<b>Variables</b>	<b>No.</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>p-value</b>
Promotional language has significant influence on your purchase decision	140	3.98	1.019	.000
Promotional media has significant influence on your purchase decision.	140	2.37	.987	.000
Television Advertisement has high degree of influence on your purchase decision	140	3.82	1.199	.000
Radio Advertisement has high degree of influence on your purchase decision	140	3.69	1.171	.000
Newspaper Advertisement has high degree of influence on your purchase decision	140	3.28	1.094	.000
Brochures advertisement has a high degree of influence on your purchase decision	140			
Billboard advertisement has a high degree of influence on your purchase decision.	140	2.37	.987	.000
Promotion has powerful influence over people and their behavior	140	3.28	1.094	.000

**Source: Survey Data, 2017**

Table 4.8 above summarizes the influence of promotion and it also shows, which promotional media consumers may prefer in promotion. Firstly, participants were asked if the promotional language has influence on their purchase decision. The result of this study shows mean score 3.98 with standard deviation of 1.019; it is within the range of 3.41-4.2. This implies that most of the respondents were agreed on promotional language has significant influence on their purchase decision. The promotion may use different languages in their promotion. In line

with this, the consumers were asked about the promotional media that they prefer in promoting a product. The respondents rate TV advertisement as the first preferred medium with mean score 3.82 and standard deviation 1.199; followed by Radio advertisement with mean score 3.69 and standard deviation 1.171; this falls in the range of 3.41-4.2. This shows that most of the respondents agreed on the questions and from which it is possible to conclude consumers prefer to hear promotion through TV. The others newspaper advertisement and billboard advertisements have similar rates with a mean score 3.28 and standard deviation 1.094. Lastly, brochure advertisement has mean score 2.37 and standard deviation 0.987. From this, it is possible to conclude that consumers are neutral with TV and billboard advertisement and more over most of the consumers disagreed on the question that were asked about advertising through brochures. This implies that MOHA soft drink industry product consumers` prefer to hear their advertisement through TV; Next to this, they prefer Radio advertisements. So that MOHA should give focus to different advertisement media to get the attention of all the consumers.

#### **4.2.2 Promotional variables**

Promotional variables in other words promotional mixes are advertising, personal selling, direct marketing, publicity and sales promotion. In this part we discuss more about personal selling, and sales promotion and direct marketing.

**Personal selling** - A process of helping and persuading one or more prospects to purchase a good or service to act on any idea through the use of an oral presentation. Examples: Sales presentations, sales meetings, sales training and incentive programs for intermediary salespeople, samples, and telemarketing. Can be face-to-face selling or via telephone.

**Sales Promotion** - 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, product samples, rebates, tie-ins, self-liquidating premiums, trade shows, trade-ins, and exhibitions..

#### **4.2.3. Direct marketing**

Direct marketing is a channel-agnostic form of advertising that allows businesses and nonprofit organizations to communicate straight to the customer, with advertising techniques that can include cell phone text messaging, email, interactive consumer websites, online display ads,

database marketing, fliers, catalog distribution, promotional letters, targeted television commercials, response-generating newspaper/magazine advertisements, and outdoor advertising. Amongst its practitioners, it is also referred to as Direct Response Advertising.

Direct marketing messages emphasize a focus on the customer, data, and accountability. Hence, besides the actual communication, creation of actionable segments, pre- and post-campaign analytics, and measurement of results, are integral to any good Direct Marketing campaign. To know the influence of direct marketing activities of MOHA soft drink products consumers` were also asked some questions and results were displayed on the following table.

**Table 4.10: Summary of consumers' response about direct marketing**

<b>Variables</b>	<b>No.</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>p-value</b>
Directly communicating with carefully targeted customers has high degree of influence on purchase decision.	140	3.75	1.135	.000
Sponsoring some public events like sport festivals, has an influence on purchase decision.	140	3.51	1.252	.000

**Source: Survey Data, 2017**

As depicted in table 4.10, Consumers were first asked to rate the influence of directly communicating with carefully targeted customers towards their purchase decision. The response shows mean score of 3.75 and standard deviation of 1.135. This shows that most of the respondents agreed with direct communication with customers have significant influence on their purchase decision. To know the level of influence of sponsorship consumers were asked similar questions and they rate the influence of sponsoring public events to their purchase decision has a mean score of 3.51 and with a standard deviation of 1.252 this shows that the respondents agreed that sponsoring events have an influence over their purchase decision. This implies that consumers of MOHA soft drinks industry prefer to be directly communicated by the company and it also helps that to have a long term relationship with its customers.

#### 4.2.4. Consumer response about factor affecting buying behavior and their brand preference

Reference groups act as a frame of reference to which people always refer to evaluate their achievements, their role performance, aspirations and ambitions. This may include family, culture, religion and the like. Reference group are any person or group of people who significantly influences an individual's behavior. Individuals may be involved in many different types of groups. In this research, the researcher examines the influences of some types of reference groups and the results were displayed in the following table.

**Table 4.11: Summary of consumers' response about Reference groups, general buyer behaviour and their brand preference**

<b>Variables</b>	<b>No.</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>p-value</b>
Due to its promotional activities you prefer MOHA products.	140	4.01	.983	.000
Your culture has an influence on purchasing MOHA products.	140	4.04	1.077	.000
Your family has high degree of influence on your purchase decision.	140	3.75	1.135	.000
Your role and status have an influence on purchasing MOHA products.	140	3.28	1.132	.000
Your age have an influence on purchasing MOHA products.	140	3.64	1.202	.000
Your income has an influence on purchasing MOHA products.	140	3.74	1.191	.000
Your religion has an influence on purchasing MOHA products	140	4.07	.937	.000

**Source: Survey Data, 2017**

Table 4.11. Above summarizes consumers' general buying behavior, reference groups and their brand preference. Firstly consumers were asked about if the promotional activities of MOHA



soft drinks have an influence on them. The result shows that positive experience for this question with a mean score of 4.01 and a standard deviation of 0.983, most of the respondents agreed that the promotional activities have a positive influence over them in buying MOHA brands. Respondents were also asked about unforeseen influences on purchasing MOHA products, the respondents gave a mean score of 3.51 with a standard deviation of 1.252 which shows that unforeseen influences have less impact on purchasing MOHA products. The result of this study also shows that culture has a significant influence on purchasing MOHA products with a mean score of 4.04 and standard deviation of 1.077. Next to this, family has a mean score of 3.75 with standard deviation of 1.135.

To examine how well reference group influenced consumers'. The respondents were asked if reference group influenced their purchase decision, the result of this study shows high influence level with mean score 3.93 and standard deviation of 0.944. From this, one can possibly conclude that most of the respondents agreed on that reference group have high influence on consumers' buying decision.

Regarding the role and status of the respondents and its influence on buying decision. They rate a mean score of 3.28 and standard deviation of 1.132. From this, one can conclude that role and status have less influence on consumers purchase decision when compared to other buying behavior variables. When looking at the age variable consumers respond it has a significant influence over their purchasing decision of MOHA products with a mean score of 3.64 and standard deviation of 1.202. Regarding the income and religion their influence showed a mean score of 3.74 and 4.07 with standard deviation of 1.191 and 0.937 respectively. In both cases they are significantly influential on purchasing MOHA products. which shows religion is the most influential one.

### **4.3 Presentation and Analysis of the Interview Data**

This section presents the replies found from the interview on promotional mix and its impact on consumers' buying behavior. The interview started with the personal details of the respondents' sex, experience years in beverage industry, qualification and position. With respect to the respondents' gender, one was male and two were female. The least experience of respondents was one year and the maximum one was fifteen years. All of the respondents have business education backgrounds. The interview was presented to Marketing and sales manager, Territory

development manager area and signage event representative and. The interview was constituted ten semi structured questions and their responses are presented as follow.

**1. The first question was which media does MOHA soft drinks industry used to promotes its products?**

The manger answered most of time MOHA uses billboard promotion this because most of the customers knows our products plus billboard advertisement contact many customers.

**2. promotional trend of the company**

For this question, the interviewees have common view. All of interviewees responded that company uses promotion mix to promote its products. As they agreed, the reasons for selecting different promotional mix variables are:

- Reaching geographical disperse consumers.
- Cost effective way to disseminating the message per exposure.
- Informing the consumer about qualities and price of goods and this makes purchasing easy for the consumers.
- The consumers are attracted by the quality of the products that are promoted. If the consumers are convinced that the quality is the same that is advertised, they continue buying.
- Helping the consumer to save time. As the consumer has already been the consumer is not required to spend time in getting the products.
- Providing knowledge about the new designs of the commodities to consumers and thus consumers consume those commodities and increase their living standard.

From this one can conclude that MOHA soft drink industry Nifasilk Pepsi cola plant uses promotional variables to promote its products.

**3. In which time does MOHA soft drinks promotion highly?**

The company highly advertises when MOHA adds a new products and when competitors are promote more than this the company don't advertises much.

#### **4. Objectives of promotion**

As stated earlier in the literature review part, promotional objective of the business organization can be informing, persuading, reminding and reinforcing the audiences towards their product or services (Kotler, 2003). In line with this all of the respondents were answered for this question that, primary objectives for company promotion are: to inform (providing information about their products), to persuade (increase demand, differentiate their service, to build good image and to attract a competitor's product users), remind and reinforce consumers about different features of the company products. From this it is possible to conclude that company's promotion has stated objective to achieve.

#### **5. Promotional plan**

The company has promotional plan and it undertook promotion according to the plan. The company included some points into consideration during its planning these were target audience, communication objectives, promotional budget, promotional variable to use and which media of communication to use.

As all of them said, company has its promotional plan and they undertake promotional according to the plan. Most of them told me that their annual plan sub divided as quarterly and monthly plan. All of the interviewees explained that they include some points into consideration during their promotional planning. These points are target audience, communication objective, promotional budget, and promotional variable plus media to use. In addition to the above points, review of related literature, as Kotler (2000) points out, there are eight steps to be followed in developing an effective marketing communication program as follows:

#### **Eight Steps developed for effective marketing communication:**

- Identify the target audience
- Determine the communication objective
- Design the message
- Select the communication channel
- Establishing communication budget
- Decide on the media mix
- Measure the results

- Managing the integrated marketing communication

## **6. Chosen promotional variable**

In response to this question, the interviewees replied that the company uses almost all type of promotional variables i.e. advertisement, personal selling, public relation, sales promotion and direct marketing. As all of interviewees said, among the promotional variables the company focuses more on advertisement, personal selling and public relation.

## **7. Setting promotional Budget**

One of the most difficult tasks that may face advertisers and advertising agencies is the decision on the optimum money to be spent on promotion. Advertisers want to minimize expenditure and maximize the returns. Though promotion expenditure is considered to be an investment, its utilization has to be intelligent and profitable (Belch and Belch, 1998). There are several accepted methods of arriving at the budget; the individual brand budget will depend up on several factors such as profitability, marketing objective and competitors' position. As William et al. (2002) in the literature review part, there are various methods, which are used for setting promotional budgets, these are past sales method, estimated future sales method, past sales and estimated future sales method, unit of sales method and objective task method. Each of these methods has certain advantages and disadvantages. In line with this the respondents answered for this question that the company develops it's promotional budget using unit of sales method. In this approach, a percentage of the price of each unit of the item sold is allocated to promotion. As all of the interviewees agreed on it, this approach is useful as it links the price of a product with its promotion expenditure and it is simple to plan and execute. From this point of view, the company is using unit of sales approach. The selected strategy of the company was not effective, because in an extreme situation if sales go down, a firm following this method will also reduce promotional expenditure. This will be disastrous for the company as it may lose its market rapidly to competitors.

## **8. The consumers reaction towards the organization's promotional activities**

The interviewees replied that it is difficult to distinguish whether consumers are attracted by the promotion or not. Even though, it is difficult to conclude the consumers' reaction towards the company promotion is good or bad, it is somewhat good. For the reason that sales volume of the company and market share of the company's products increases following to the promotion.

Therefore, from the above response one can conclude that the respondents could not be sure about the consumers' reaction towards the company promotion but they were sure about the sales volume and market share of the company products increases following to the promotion.

#### **9. Constraints (problems) associated to promotion activities**

In reply to this question, the interviewees agreed, as there are some problems like; Cost related problems. The promotion cost is high especial advertising using TV medium. Another problem was related to promotional language. The respondents feel that Sometimes the company promotion may not achieve its aimed objective because some consumers especially, in rural area may not understand the language used on the promotion. It is difficult to alleviate those problems but they can reduce for cost related problems, by using other alternative advertising Medias like FM Radio, brochures and planning to use local language advertisement using local area F.M radios.

To see the impact of promotion on the MOHA soft drinks industry Nifaslk Pepsi cola pant sales volume; the percentage change on promotional budget and the percentage change on the company's sales volume for each year was taken. The company's promotional budget has increased by 26.5 percent for the year 2013 and this causes 31 percent increment on company sales volume for the same year. In the same pattern promotional budget has increased by 16.8 percent for the year 2014 and this causes 17.6 percent rise on the company's sales volume. For the year 2011, promotional budget increased by 11.8 percent and causes 5 percent on company sales volume. For the year, 2015 promotional budget increased by 7.4 percent and this causes 23.8 percent increment on the sales volume. Promotional budget has shown slight increment for the year 2016; but company sales volume increased by 11 percent. This is because as company's marketing and sales higher officials explained that the company allocates more of promotion budget for other promotional mixes rather than advertisement. From this, one can possibly conclude that increment of promotional budget for each year causes increment in company's sales volume. This implies that promotional mixes have positive impact on MOHA soft drink Nifaslk Pepsi cola plant's sales volume.

## **CHAPTER FIVE**

### **FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

This chapter deals with summary, conclusion and recommendations. In this chapter first, a summary of the study was presented. Second, conclusions of the major findings are drawn. Lastly, some possible recommendations are forwarded on the basis of the major findings of the study.

#### **5.1 Summary of Findings**

The purpose of this study was to examine the impact of promotion on consumer buying behavior with special reference to MOHA soft drinks industry Nifasilk Pepsi cola plant products. The data were gathered mainly through schedule questionnaires and interview from the respondents of the study. The data obtained from schedules were analyzed by descriptive statistics. In this section, major findings of the study summarized as follows:

- The result of the findings indicates that the highest percentage (32.1%) of the respondent, the reason to choose the company were the quality of product they provide and followed by proximity to their residence.
- The result of the findings has shown that promotion has significant influence on consumers` buying behavior with mean score 3.98 and standard deviation of 1.019. The findings has also shown that TV advertisement was highly preferred media of communication with mean score 3.82 and standard deviation 1.199 and promotional media and brochure advertisement was least preferred means of promotion with mean score 2.37 and standard deviation .987. The company uses television, radio, newspaper, and billboard to promote its products and it ignores other means of advertisement for its promotion purpose.
- As the result of the findings has shown, Personal selling have positive influence on consumers` buying behavior with mean score 4.05 and standard deviation 1.017; most of the consumers were influenced by good corporate images of companies.
- With respect to general and buyer behavior, the findings of the study has shown culture have significant influence on consumers` buying behavior with mean score 4.04 and standard deviation 1.077; Showing that culture has high influence on consumers` buying

behavior. However, sometimes MOHA soft drinks industry Nifas silk Pepsi cola plant uses some cultural events and festivals to promote its products.

- In addition, respondents` ranked religion the most influencing factor with mean score 4.07 and standard deviation 0.937. Showing that religion was most important factor that makes consumers` prefers MOHA soft drink industry products. The lowest important factor was role and status with mean score 3.28 and standard deviation 1.132.
- As the result of the finding has shown, majority of the respondents 77(55 percent) rely on promotion and 50(35.7 percent) consider promotion some times during their purchase decision; showing that most of MOHA soft drink industry products consumers` consider promotion during their purchase decision.
- Concerning promotional trend of the company, most of the time company uses promotional variables to promote its products and its objectives were informing, persuading, reminding and reinforcing.
- The company has promotional plan and it undertook promotion according to the plan. The company included some points into consideration during its planning these were target audience, communication objectives, promotional budget, promotional variable to use and which media of communication to use.
- Concerning promotional budget approach, the company has used unit of sales method. This method is disastrous because if Sales go down; a firm following this method will also reduce promotional expenditure. This may lead the company lose its market rapidly to its competitors.
- With respect to consumers` reaction, the company was evaluating consumers` reaction by sales volume and market share increment. They face problem like hesitation in choosing Media hence the Media to use may be very costly.
- The findings of the study has shown that company`s sales volume increase for each year as the company promotional budget increases. This indicates that, promotion has positive impact on the company`s sales volume.
- The MOHA promotional activities, communication coverage to reach an identifiable target audience (customers) were good. On the other hand the Company do not promote their service frequently, rather on the seasonable base.

## 5.2 Conclusions

Based on the analysis conducted in this study, the following important conclusions are drawn:

- Researcher has used a convenient sampling and simple random sampling methods. The sample respondents comprise 48-business person, 60 employees, 18 owners of different occupations and 14 students in the city. Descriptive analysis has revealed that, most of respondents fall in the age range 26-35 years. Concerning their education about 39.3 percent of the sample respondents have Degree holder. With regard to the respondents' average monthly income, majority of the respondents 39.3 percent get monthly income range 3001-5000 Ethiopian birr.
- Among the other promotional Medias Television promotion was most preferred media in promotion. However, company focuses on radio promotion.
- Reference group has high influence on the consumers' buying behavior. Among the reference group's, religion was first ranked one and followed by culture. Role and status was least chosen reference group. This indicates that religion have high influence on MOHA soft drink industry products consumers.
- Consumers' satisfaction depends up on their perception and brand preferences of the particular product. There are different factors that shape consumers' brand preference. As this study has indicated, promotion is the most important factor that influence consumers brand preferences. Sales promotion and direct marketing were the least important factors.
- Majority of MOHA soft drink industry Nifas silk Pepsi cola plant products consumers' rely on promotion during their purchase decision. The company's promotion trend has also shown that most of the time it uses promotional variables to promote its products.
- The company has promotional plan and it undertook promotion according to the plan. Concerning promotional budget, it develops its promotional budget using unit of sales method.
- The company sales volume and promotional budget has shown increment trend for six consecutive years. This indicated that the increment of promotional budget impacted on company's sales volume increment.
- The company has a big competitor which is identical products. This shows that the promotion of the company needs to have more air time for promotion.



- The promotion of the company is less attractive. This shows that the company is not using different promotional mix to transmit its message to its customers.
- Most of the time the company uses Radio advertisement to promote its products and it has also less attractive promotion comparing with its competitors this shows that the company doesn't use traditional medias like TV and magazine. Most of the time the company uses an advertisement which doesn't fits to our socio culture. This shows that the company doesn't go with the society or Ethiopians real life situation.

### **5.3 Recommendations**

Based on the major findings of the study and the conclusions drawn above, the following recommendations are made:

- From the findings, it was observed that the majority of the consumers prefer TV promotion as a media of communication. However, company focuses only on radio promotion and it ignores other means of communication like TV, newspaper and billboard promotions. This implies that the company's promotion miss match the consumers preferences. Therefore, it is important to recommend that the company should focus the Medias to attract more consumers.
- From the finding it was observed that the reasons for majority of the students to choose those colleges were found to be the quality of the service and proximity to their residence. This implies that the promotion activity of the colleges did not attend its objective. Therefore, it is important to recommend that the colleges should reduce their promotion cost to compromise the quality and price of the service so as to attract the students.
- The result of the study shows that there was a difference between the promotion activity and actual service offering. Hence, the company must promote the product what they have (must avoid exaggeration) besides the company should keep their promise in the actual product offering and the company must provide some incentives for their customers, because sales promotion has direct relation with word of mouth.
- Furthermore the company should conduct Marketing research to identify promotional activity related problems and other things that have direct or indirect influence on their marketing activities.

- The result of the study has shown that, most of the consumers were influenced by promotion. Hence, the company should promote its products by different medium and using direct marketing and sales promotion is not that much recommendable since its influence is small when compared to other promotional mixes.
- To make promotion well suited to the culture of the society the company has to make suitable promotion for MOHA and our culture.
- As the finding has shown, consumers are influenced by their culture. Therefore, it is recommendable that company should focus on sponsoring cultural events and promoting through them.
- As the finding has shown, company has promotion plan and they consider some points during their planning. However, it did not included measure results in its plan. This implies that the company was not clear with the direction that it was going on and it could not identify its strength and weakness. Therefore, company should include measuring results step in its plan.
- The company develops its promotional budget using unit of sales method, which is disastrous because if sales go down a company following this method will also reduce promotional expenditure. This may lead to the company lose its market share rapidly to its competitors. Therefore, it is important to recommend that the company should use objective task method. This method is most accurate and best accomplishes what all budgets should. In addition to this, it establishes what you must do in order to meet your objective.
- The company should continue promotion in order to get more demand. To get more demand the company should increase customer awareness by increasing it promotion.
- The company should keep on promotion more because the company has identical competitors on the market shear.
- As the findings has shown that the sales volume of MOHA soft drink industry Nifas Silk Pepsi cola plant increase as the result of company promotional budget increase. Therefore, it is important to recommend that the company should allocate sufficient budget on promotion.

- Furthermore, the company should conduct marketing research to identify promotional activity related problems and other things that have direct or indirect impact on their marketing activities.
- This research is done from the consumers point of view and marketer`s point of view only, so for further research it will be better to include the promoter`s point of view also. So further research is recommended.
- Regarding to the message, it is necessary to remark the company to work aggressively to maintain positively the identified quality of promotion message, which refers to clarity, artistic and ethical on the other hand, to solve problems in relation to the attractiveness, convincing, appealing, and flexibility, updating the message, credibility and imposing variables of the message. Therefore, the company must evaluate the designed message before implementing and the company also prepare promotional plan and hire marketing personnel to solve the problems.

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# APPENDIX

St Mary's University

School of Graduate Studies

MA Program

Questionnaires to be filled by customer

Dear Sir/Madam, I am student of prospective Master of Marketing Management (MA) at St Mary's University. Currently, I am conducting a study entitled "The impact of promotion on consumer buying behavior in the case of MOHA soft drinks industry S.C. With this questionnaire. I intend to assess the impact of promotion on consumer buying behavior in the case of MOHA soft drinks. Hence, knowing that your responses will be used only for research purpose, will be kept confidential. You are kindly requested to fill out this questionnaire. For genuinely doing so by devoting your time and effort, I really remain very grateful to you, meanwhile, I wish to bring in to your attention that the outcomes of this study will highly depend up on your responsible, sincere and timely response.

Thank you in advance for your cooperation.

For further enquiry please contact me at: E-mail:yayele90@gmail.com

General Information:

1. No need of writing your name.
2. Please fill the information carefully by putting tick mark (✓) in the box provided.
3. Please give more attention and return the completed questionnaire on time.

## **Section A**

Personal Information

1. Sex:      Male ☐      Female ☐

2. Educational level



Certificate ☐ Diploma ☐ Degree ☐ Master degree and above ☐ others ☐

3. Age: From 18-25 ☐ 26-35 ☐ 36-45 ☐ above 45 ☐

4. Marital status? Single ☐ married ☐ widows ☐ divorced ☐

5. Monthly Income? 1000-3000 ☐ 3001-5000 ☐ 5001-7000 ☐ >7000 ☐

## Section B

5. What is your reason for choosing MOHA soft drinks ?

Reasonable price ☐ Proximity to your residence ☐

Good image ☐ Promotional practice ☐

If there are others, please specify \_\_\_\_\_

6. How do you rate the promotional quality of MOHA soft drinks?

Excellent ☐ Very Good ☐ Good ☐

Bad ☐ Very Bad ☐

7. How do you get the information to buy the product?

From friends ☐ suddenly by the company promotion ☐ Family ☐

If other specify \_\_\_\_\_

If your answer for question no, 7 is suddenly by the company promotion activities, how was it? -

8. Among the promotion mix which is used by the company, which one is persuasive to you?

Personal Selling ☐ Advertising ☐ Publicity ☐

Sales Promotion ☐ Direct Marketing ☐

9. Do the company promotional activities and actual product offered are the same?

Yes ☐ No ☐

10. If your answer for question no 9 is “No”, to what extent they differ?

Very high ☐      High ☐      Medium ☐      Low ☐      Very low ☐

11. How do you rate the acceptance of the promotional practice of MOHA soft drink?

Extremely high ☐      Very high ☐      High ☐

Low ☐      Very low ☐

12. Have you ever seen or heard the MOHA products being promoted on any medium?

Yes ☐      No ☐

13. If your answer for question no, 12 is “Yes”, on which medium of communication (promotion) about the factory products?

TV ☐      Radio ☐      Newspaper ☐      Magazine ☐      billboard ☐

If any specif ? -----

14 . Have you ever been initiated towards purchase of MOHAS products by the promotions made by the factory?

Yes ☐      No ☐

15. If your answer for item no 14 is “Yes”, the reason may be: -----

-----  
-----  
-----

16. How would you evaluate the promotions made for the factory with its quality?

Very compatible ☐      Compatible ☐      Less compatible ☐      Incompatible ☐

17. Does the company promote the product frequently?

Yes ☐      No ☐

18. As far as the transmission of chosen message using the various promotional tools is concerned, the extent to which communication coverage by the company to reach an identifiable target customer can be rated as

Excellent ☐      Very good ☐      Good ☐      Poor ☐      Very poor ☐

19. Have you ever compared the promotional campaign of other firms in the same industry?

Yes ☐      No ☐

20. Do you observe promotional problems in the MOHA?

Yes ☐      No ☐

21. Do you rely on promotion to make your purchase decision?

yes ☐      No ☐      sometimes ☐

23. Which promotional variable is easily accessible for you?

Advertising ☐      Public relation ☐

Personal Selling ☐      Sales Promotion ☐

Direct Marketing ☐

Part Two:- Please fill in rate your level of agreement for the following the information given 1 for strongly disagree and 5 for strongly agree.

No.	Variables					
	<b>Response about promotion</b>	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	Promotional language has significant influence on your purchase decision					
2	Promotional media has significant influence on your purchase decision.					
3	Television Advertisement has high degree of influence on your purchase decision					
4	Radio Advertisement has high degree of influence on your purchase decision					
5	Newspaper Advertisement has high degree of influence on your purchase decision					
6	Brochures advertisement has a high degree of influence on your purchase decision.					
7	Billboard advertisement has a high degree of influence on your purchase decision.					
8	Promotion has powerful influence over people and their behavior					
	<b>Consumers' response about public relation and sales promotion</b>					
9	Doing sales promotion have a high degree of influence on your					
10	Doing trade promotions on bazaars have high degree of influence on your purchase decision					
	<b>consumers' response about direct marketing</b>					
11	Directly communicating with carefully targeted customers has high degree of influence on purchase decision					

12	Sponsoring some public events like sport festivals, has an influence on purchase decision					
	<b>Consumers' response about Reference groups, general buyer behavior and their brand preference</b>					
13	Due to its promotional activities you prefer MOHA products					
14	Your age have an influence on purchasing MOHA products					
15	Your religion has an influence on purchasing MOHA					
16	Your culture has an influence on purchasing MOHA products.					
17	Your family has high degree of influence on your purchase					
18	Your role and status have an influence on purchasing MOHA products					
19	Your income has an influence on purchasing MOHA products.					

**Thank you**

## Interview Questions

This is an interview designed to gather information on the promotional practice of MOHA soft drinks in the case of Nifasilk plant. The management bodies of the company are the interviewees. Genuine and complete responses by each interviewee are highly helpful to make the findings of the study reliable.

### Part one: Personal information

Sex\_\_\_\_\_

Name of the company\_\_\_\_\_

Position\_\_\_\_\_

Qualification \_\_\_\_\_

Year of service \_\_\_\_\_

### Part two: The interview

1. Which media does MOHA soft drinks industry used to promote its products? \_\_\_\_\_

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2. What is the promotional trend of the company?\_\_\_\_\_

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3. In which time does MOHA soft drinks advertise highly? \_\_\_\_\_

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4. Are there any stated promotional objectives? Or why do you undertake promotional activities?\_\_\_\_\_

---

5. Do you have formal promotional plan? If yes what does it incorporate? \_\_\_\_\_

\_\_\_\_\_

6. What types of promotional mix elements are used to promote your service? \_\_\_\_\_

\_\_\_\_\_

7. How can set its promotional budget MOHA soft drinks s.c? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

8. What is the customers 'reaction to the company promotional activities? \_\_\_\_\_

\_\_\_\_\_

9. Are there any constraints (problems/associated with your promotional practice? If yes, how did you overcome (alleviate) them? \_\_\_\_\_

\_\_\_\_\_

**Thank you**