

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background to the Study

Sales promotion entails diverse gathering together of incentive instruments, mostly short-term, designed to stimulate quicker of a particular products or services by consumers or the trade (Kotler 1988, p.645).

According to America Marketing Association, (2010) is described sales promotion as media and non-media marketing pressure applied for a predetermined, limited period of time in order to stimulate trial, increase consumer demand and improve quality. The main component in marketing campaign is sales promotion, because the ultimate objective of every business is to increase the sale of goods and service in the business dealing. Therefore, the need to promote product or service, create awareness or impression cannot be overemphasized. Several methods can be adopted for the achievement of this goal; some required taking direct steps, while others required indirect steps. Thus, sales promotion is one of them.

It is a vital element that determines the effectiveness of organisation marketing process, public relation process, advertising process, personal selling process and how to implement the variable to achieve desired result in line with organisational objectives. Sale promotion acts as an aggressive arm or weapon provided by an organisation to create extra incentive for the target audience in the market in order to sensitise of purchasing or supporting one brand at the expense of another.

Promotional elements usually are used by various organisations. The one basic tool of the promotional mix is that, it consists of short-term incentives to encourage the purchase or sale of a product or service. Promotion brings an interactive dialogue between an organization and its customers and it takes place during the pre- selling, selling, and consuming and post-consumption stage.

The global market environment is highly complete and complex, therefore organisations must be determined and ensure satisfaction of customer needs and wants more efficiently and effectively than other competitors (Kotler, 1988). The rate at which telecommunication industries are growing in this present generation cannot be overemphasized because the usage patronage by the people due to crucial need is, therefore telecommunication organisation in Nigeria must embrace sales promotion with high speed in order to attract subscribers. However,

these subscribers include: other organisations, individuals and group of people, they depend solely on telecom organisation to fast tract business on a daily basis

The network providers operating on the 900/1800 MHZ spectrum are Globacom, MTN Nigeria, Airtel, and 9Mobile. Just like many other African countries the use of cell-phone have soared and have mostly replaced the unreliable services provided by the Nigeria Telecommunication Limited (NITEL). With the tight nature of competition in the telecom sector as a result of growth of technology and information, consumers' preference keeps changing, because of the low switching cost in the market. (Koller 2003), opined that, due to large demands of consumers in the market, management of business organizations have to increase their resources with attention focused more drawing and retaining its customers.

To ensure this is done, major telecommunication sectors have employed the use of sales promotion to the point that consumers keeps switching from one network to the other as a result of the incentives or extra value they get. It is also used to stimulate sales product trial. Thus, stimulating consumers, subscribers or customers attitudes towards a positive world of selecting the messages and acting suit.

In agreement with the above this study intends to look into how Globacom Communications Nigeria Limited uses her sales promotion strategies and how these sales promotion strategies influence the target audience, the intended customers, the subscribers, the investor, the shareholders and the organisation's performance.

## **1.2 Statement of the Problem**

Organisational performance involves using available resources wisely in order to attain maximum output without any declining change in the quality of goods produced or work done. It may reflect in sale volume, profit margin, market share and output of the organization. However, sales promotion strategies are contributory factors to the performance of any organization; other factors such as quality of work force, leadership style, availability of adequate resources, organisational culture are also crucial.

Frances and Stephen, (2006), opined that, there has been continuing researches in both the developed and developing countries with respect to the impact of promotional strategies that will inform, persuade, rebuild and restore confidence in customer buying pattern.

Many organisations, including those in telecommunication industries do some time experience sales drop/economic recession/low demand for their services. Invariably, their profit margin

dropped drastically thereby leading to retrenchment of workers, loss of market share, closing of some branches or even liquidation or rebranding such as Celtel to Zain later to Airtel, likewise Etisalat to 9Mobile as a result rebranding.

Evidence abounds in respect of workers laid-off in the past by some of these telecommunications companies.

For instance, 100 Nigerian Engineers were sacked in Etisalat Crisis on July 20, 2017 (Blue Print Report, 2017). To lend credence to this, “Comrade Koledade Owa, Chairman of Private Telecommunications and Communications Senior Staff Association of Nigeria (PTECSSAN), who addressed the employees, alleged that, while our members of employees were busy doing their job, they received a phone call that they have been sacked and were asked to leave the premises of the organisation. This is an absolute anti-labour practice.

In a same vein, Airtel is alleged of retrenched at least 3000 staff among whom 1000 are resident in Lagos state. Some of them had their salaries cut from N100, 000 to between N27, 000 and N30, 000 as against the amount that is being paid the expatriates that were used to replace them. By the same token, 280 MTN Nigeria employees have been dismissed. It has been verified that Nigeria’s biggest telecom provider MTN Nigeria has sacked some of its workers. 280 MTN Nigeria employees were let off at the end of April 2017. MTN claims it has 19,989 workers across 24 countries. And here in Nigeria, about 1800 workers. This means that about 16% of MTN Nigeria employees were dismissed.

All these retrenched workers have families they cater for. With their retrenchment, their respective families face the problem of feeding, financial crisis, accommodation crisis, failure to meet the required living standard. They may even constitute social problems to the society such as human trafficking, prostitution, armed robbery, et cetera because an idle hand is the devil’s workshop.

The questions, therefore, that give serious concern to the academic and business world are: to what extent does the use of discount contribute to high sales volume? How are samples/gifting facilitating the profit margin of the organization? Is the use of rebates relevant to large market share? How has the use of coupon and price off deals promoted the output of the organisation? These questions are critical because they are germane to in-depth understanding of how well sale

promotion strategies have been employed successfully or otherwise in the telecommunication industries mostly especially Globacom Nigeria Limited.

The research is meant to put an end to sudden closure of telecommunication companies in Nigeria due to financial incapacity; to increase the low market share and low sales volume facing the mobile operators in Nigeria; to increase profit margin that will enable the organisation to meet up with the regulatory agencies and government levies on GSM operators in Nigeria; also to reduce customer shortage due to low or no product or service awareness, and motivate all the inactive customers to action, thereby increasing large subscribers and increase organisation performance via demand increase for the service. Past studies on organisational performance have focused on the use of leadership styles (Robert, 2004), training and development (Engetou, 2017), human resource management practice, (Nancy, 2013) leadership (Obikwu, 2011), human resources management (Cathrine, 2013), motivation (Whits, 2004) etc, however, as impressive as these works are, little or nothing has been done on the use of sales promotion strategies to enhance organisational performance. It is this created gap that the study hopes to fill through empirical investigation. On this basis, the study hopes to examine the effects of sales promotion strategies on organization performance in Globacom Nigeria Limited.

### **1.3 Research Objectives**

The general objectives of this research work are to examine the effects of sales promotion strategies on organisation in Globacom Communication Nigeria Limited. From these general objectives, the following specific objectives are put forward:

- To verify how the use of discounts has enhanced organisation performance through sales volume.
- To examine how sample and gifting have facilitated organisation performance in sales margin.
- To examine how the use of rebates can enhance organisation performance through large market share of the organisation.
- To investigate how the use of coupon and price off deals have contributed to the organisation performance through output of the organisation.

## 1.4 Research Questions

The research work is designed to answer the following research questions:

- To what extent does the organisation use discounts to enhance organisation performance?
- How has the samples and gifting facilitated organisation performance?
- Of what relevance is the use of rebates to attain quality organisation performance?
- Have the use of coupon and price off deals promoted the organisation performance?

## 1.5 Research Hypotheses

Three cogent hypotheses have been constructed in this research to determine the relationship between sales promotion strategies (independent variable) and organization performance (dependent variable).

The hypotheses are listed as below:

### Hypothesis One

**H<sub>0</sub>:** There is no significant relationship between the use of discounts on organization performance.

**H<sub>1</sub>:** There is significant relationship between the use of discounts on organization performance.

### Hypothesis Two

**H<sub>0</sub>:** There is no significant relationship between samples and gifting on organization performance.

**H<sub>1</sub>:** There is significant relationship between samples and gifting on organization performance.

### Hypothesis Three

**H<sub>0</sub>:** There is significant relationship between the use of rebates on organization performance.

**H<sub>1</sub>:** There is significant relationship between the use of rebates on organization performance.

## **Hypothesis Four**

**H<sub>0</sub>:** There is no significant relationship between the use of coupon and price off deals on organization performance.

**H<sub>1</sub>:** There is significant relationship between the use of coupon and price off on organization performance.

## **1.6 Scope of the Study**

The research will focus on the Telecommunication Industry (Globacom Nigeria LTD). The study will examine the sales promotional practices of the organization selected from the period of her inception to date.

The purpose of this study is to ascertain the effects of sales promotion on the performance telecommunication organization, and using Globacom Communications Nigeria Limited as research case study. This research work will be restricted to sales promotion activities of Globacom Nigeria Limited, its influence in the market, its value to potential customers; and this research work will be constrained to Lagos. The reasons for this are: the Globacom head quarters Nigeria is situated here in Lagos as the commercial nerve centre of the country; Globacom has the largest number of subscribers in Lagos compared to the other states in Nigeria. That is the largest market of the Globacom company is located in Lagos and that is where customers have largest number of regular awareness about sales promotion strategies; Lagos has the largest population in the country and that is where many telecommunication companies and industries are located, thereby giving room for more competition and difference sale promotion strategies adopted by telecommunication organizations; Lagos people are the first to know, and the first to response to any sales promotion brand before any other states follow. Lagos has one of the majorly used telecommunications network with adequate coverage both in the urban and rural areas of the country like their major counterpart, they draw more subscribers and have greater patronage. Globacom is also one of the long existing telecommunications companies in Nigeria. For over a decade, the organization has been known for adopting different promotional strategies to outmaneuver its competitors.

## 1.7 Significance of the Study

Sales promotion has over the years helped telecommunications organisation in increase their selling procedure and take full advantage of the market trend in telecom services to increase sales volume amongst users. Therefore, this research work will be of great significance to the telecommunication companies, government, regulatory bodies, students, and researchers, as they will be informed people, group and individuals on the types of sales promotion, the diverse strategies of sales promotion and how these strategies can be utilized to attain organizational performance as it pertains to the organization's mission, objectives and goals.

It will also enlighten them on the need to ensure the appropriate use of a particular strategy for a particular product. This study will assist the company to judiciously manage and control its resources, maximize its profit value and growth.

## 1.8 Limitation of the Study

The possibility that the research study will cover every issue of this Telecommunication industry in Nigeria, even Lagos alone cannot be fully ascertained. The researcher is bound by time in completing this research therefore he cannot research extensively. Collection of questionnaire is also a limiting factor since some of the respondents will not meet the collection time of the researcher.

### 1.8.1 Operational Definition of Terms

**Sales Promotion:** This is the key elements or tool in marketing campaigns which comprises of a gathering together of incentives ingredients mostly short term, designed to stimulate quicker or greater purchase of particular products or service by consumers or the trade.

**Strategy:** Strategy is the theory of the firm on how to compete successfully. It also considers performance as a factor influenced by strategy, as it can be considered that to compete successfully means having a satisfactory performance.

**Performance:** This is the outcome and results of the telecomm companies as it regards their organizational objectives and goals.

**Effect:** This can be an influence of the feedback the target audience on the sales promotion strategy used as it and the results on the organisation goals. How do people response to the strategies and its impact on the company will be determined by the consumer's awareness of the

telecommunication services, with regards to service deliveries, quality of product and ultimately their loyalty to a specific telecommunication service provider based on the sales promotion strategy used to draw their attention.

**Brand Awareness:** It is the ability of the telecommunication subscribers' to recognise and differentiate between a telecommunication service provider and the others.

**Brand Loyalty:** This refers to subscribers' adherence to buying practice from a specific telecommunication service provider in spite of the value or benefit that other service providers are giving.

**Telecommunication:** These are communication service providers licenced or commissioned by the government to provide constant twenty-four seven telecommunication access to data services and telephony for subscribers. It is the wireless network system that enables communication within a stipulated range of coverage.

**Telecommunication Operators:** These are GSM service operative companies authorised by Nigerian Communications Commission (NCC) to provide telecommunication access to data services and telephony for subscribers in Nigeria.

**Brand:** This is a term that is used to identify product or service, and identity can in form of name, sign, symbol, design or integration of both recognize the producer or seller of the product or services.

**Subscribers:** Subscribers are the individuals or people who have signed-up to collect identification module of any of the telecommunication services companies such as Globacom, Airtel, MTN and 9mobile.

**Organisation:** This is an establishment set up by an individual, group of people and manages by the people to achieve goals and objective having efficiently and effectively utilise available resources like machines, labour, capital and materials.

**Performance:** This is the outcome of organisation production, marketing, selling activities, which may produce desired results or otherwise.



## **1.9 Brief History of the Globacom Nigeria Limited**

Telecommunication services have been recognized in the world generally over some decades as an important tool for socio-economic development of a nation. It is one of the prime support services needed for rapid growth and modernization of various sectors of the economy. Dr. Mike Adenuga Jnr, Globacom Chief Executive Officer said, “We set out to from the onset, to build a network that is not only as good as our competitors but the best. We are unwavering to be world class, uncontaminated and trouble-free. Our vision is to erect the largest and topmost network in Africa”. Globacom Nigeria limited is a one fast growing multinational telecommunications companies with it home country in Lagos, Nigeria.

GLO is a privately owned GSM that commenced its function on 29th of August 2003. Globacom had expanded its operations to reach four countries in West Africa namely all over Nigeria which is her home country, Republic of Benin, Ghana and Ivory Coast. As of June 2009, the company has provided employment opportunities to more than 3,000 people worldwide. Also, Globacom is Africa’s fastest growing telecommunications company. It has a reputation as one of the fastest growing mobile service providers in the world ([www.gloworld.com](http://www.gloworld.com)).

As a company, Globacom recently made history as the first single company to build an \$800 million high capacity fiber-optic cable, known as Glo-1. It is the foremost flourished submarine cable from the United Kingdom to Nigeria; and it will decrease telecom process and provide excess bandwidth to all the cities connected to the cable. This historical initiative will also improve teleconferencing, distance learning, disaster recovery and telemedicine among several other benefits ([www.gloworld.com](http://www.gloworld.com)). GLO entered the Nigerian telecoms industry as the first indigenous telecom operator, and ever since its launch in 2003, it has soared high in its desire to build Africa’s largest and best telecommunications network. It has an estimate of over 34 million subscribers (April 2016) of which 26 million are internet subscribers. Before partnering with Webcouppers, Globacom’s marketing strategy was dominantly based on offline media platforms. Our goal was to expand Glo’s reach by optimizing online media channels in reaching out to an internet savvy audience, and increasing its data subscribers.

As part of giving back to the communities in which it operates, Globacom Nigeria sponsors the national football teams and the premier leagues in Nigeria and Ghana ([www.gloworld.com](http://www.gloworld.com)).

In 2010, Globacom sponsored the African Handball tournament in Benin Republic as well as the biggest cultural festival (FITHEB) held in the Benin republic. Globacom has also sponsored the annual Confederation of African Football (CAF) Awards since 2005.

The telecommunications industry report for the first quarter of 2016 shows that Globacom has strengthened its position as Nigeria's preferred network for new data subscribers. In the report covering the first three months of the year just released by industry regulator, Globacom recorded an addition of over 1 million new internet subscribers on its network during this period representing 80% of the total number of new customers who subscribed to internet services out of the four major telecom operators in the first quarter of this year. - Established leadership in online advertising by securing 60% share of Google impressions in the Google display network. For two consecutive quarters in 2015, Glo recorded the highest growth rate of new internet subscribers out of the four major telecoms operators in Nigeria.

In 2016, Glo maintained a clear lead by securing 80% of the total number of new internet subscribers in the first quarter of 2016 200% increase in site visits. 507% increase in Alexa global ranking placing it as the top telecoms site in Nigeria.

The privatization policy of Nigeria has caused break-out in number of investors in the telecommunication industry. "The banking and finance sector is reaping the benefits of deregulation as the telecom sector is creating more opportunities for investment". Nnama( 1999, p.1) The deregulation of mobile phone market led to the introduction of global system for mobile communication: (GSM).

Effective sales promotion increases the basic value of a product for a limited time and directly stimulates consumers purchasing, selling effectiveness in time with the efforts of sales team. The level of brand competition today requires a very high use of sales promotion activities in the society. Activities of sales promotion is best described as a specific usually short term promotion that is over and above what one would normally provide to the customers. When used effectively it can help to move old stock, counter act competitor activity, merchandise new products encourage repeat buying and motivate the company's staff.

Globacom also held the position as the second largest network provider by market share for six consecutive months this year. According to the NCC subscriber data, the months are March, April, May, June, July and November. Analysts said the two telecoms operators were competing to retain their existing subscribers and attract new ones to their networks by coming up with

different tariff plans and promo offers. In July this year, Airtel Nigeria introduced a 100 per cent bonus to new customers on any data bundle purchased and eight times the value of any recharge. In the following month, Globacom also launched 'Oga SIM' targeted at new subscribers and offering 125 per cent bonus to new data subscribers and existing subscribers, who have not used their data services in the last three months on the Glo network. Also in the same month, Globacom offered tariff reduction on international calls to over 200 countries for subscribers on its network by 85 per cent. 30/12/2018 Glo overtakes Airtel, emerges Nigeria's second largest telecom industry, Globacom ended 2018 and started 2019 as the second largest telecommunications operator in Nigeria with 26.24 percent of the market, behind MTN which remains market leader with 38.92 percentage share.

According to updated statistics from the Nigerian Communications Commission (NCC) website, in the month of December 2018, Globacom made 1,982,109 new customers, moving up its subscriber base from 43,273,188 to 45,255,297.

This development has strengthened the position of Globacom as the second largest network while the latest publication shows that Airtel remains in third place after increasing by 1,061,330 subscribers to arrive at 44,180,484 subscribers in December 2018.

Globacom says its stronger performance in the last few months is consequent upon its constant improvements of its services across the country with massive infrastructural overhauls and optimizations.

The company had, in a press release issued from its Lagos head office on Friday, said that it was working assiduously to further enhance the network experience of its subscribers in 2019. "We are ramping up our network backbone with new critical infrastructure equipment and new avant-garde software solutions that will improve quality of service, quicken problem resolution and deepen customer care operations," the statement said.

In its determination to delight its customers, Globacom introduced new products which include Oga SIM, which offers 125 percent data bonuses to all new data customers, and GloYakata, which rewards customers with data and voice benefits every time they recharge their Glo lines. These products seem to have become increasingly popular with subscribers.

## **CHAPTER TWO**

### **Literature Review**

#### **2.0 Introduction**

This chapter is divided into three parts conceptual, theoretical and empirical frameworks relevant to the study. This section will justify the effects of sales promotion strategies on organisation performance. Some renowned authors and scholars are used to provide support to the study. The chapter is comprised definition of sales promotion, the nature and scope of sales promotion, objectives of sales promotion, types of sales promotion, sales promotion techniques, types of sales promotion and others.

#### **2.1 Conceptual Review**

##### **2.1.1 Concept of Sales Promotion**

Promotion centres on some form of special purchase incentive offered to the consumers, public or retailers and it is usually temporary in nature. Oyeniyi (2011) opined that, business operators need to develop marketing programmes that will not only reinforce customers' commitment but also channelled to encourage repeat purchases. According to Boddewyn and Leardi, 1989, American Marketing Association (2010) defines sales promotion as media and non –media marketing pressures applied for a predetermined time frame to different target audience, thus consumers, retailers and wholesalers in order to stimulate trial, increase consumer demand and improve product viability.

Akanbi and Ajagbe (2012) opined that sales promotion is used as a tool to gain the support of the trade, either directly through trade promotion or indirectly through consumer promotion.

The International Chamber of Commerce (ICC) defines sales promotion as marketing devices and techniques which are used to make goods and services more attractive by providing some additional benefit, whether in cash or in kind, or the expectation of such a benefit.

Sales promotion refers to as the coordination of all seller-initiated efforts to set up channels of information and persuasion in order to sell goods and services or promote an idea. It covers both marketing and sales promotion where advertising is a system of communicating an organisation offers to consumers through paid media time or space.

Sales promotion is a key ingredient in marketing campaigns which consist of a collection of incentives, mostly short term, that is designed to stimulate quicker or greater purchase of particular products or service by consumers or the trade members (Kotler, 2006; Kotler and Keller, 2011).

Rizvi and Malik (2011), claimed that where members of the sales force are the focus of sales promotion, the goal is to motivate them to develop strategies that will enable them sell the manufacturer's brands as quickly as possible in order to get a reward which may be monetary or non-monetary.

### **2.1.2 Objectives of Sales Promotion**

Kotler and Armstrong (2008) opined that sellers may use consumer promotions to urge short-term customer buying or enhance long-term customer relationships which is due to the excitement and pulling power of advertisement hence sales promotion is to reinforce the product's position and also help to build long term- customer relationships which is why most marketers are avoiding "quick fix", price-only promotions in favour of promotions designed to build brand equity.

The most important objective of sales promotion is to bring about a change in the demand prototype of products and services. Essentially, sales promotion has three precise objectives. First, it is meant to give significant marketing information to the prospective buyers. The second objective is to persuade and influence the potential buyers through compelling measures. Thirdly, sales promotion is meant to operate as an influential tool of competition.

Chris Fill (2006), promotional objectives: These are derivatives of both marketing and corporate strategies; these establish some specific facts that promotional objectives are needed to be set up if an action is to be laid for any communication decisions that follow. Promotional objectives are derived from understanding the overall context of the buyer and the organization allows the objectives of the planned communication to be recognized; and what needs to be achieved. Therefore, promotional objectives involve principally from a systematic audit and analysis of the key communication context, and specifically from the marketing plan and stakeholders analysis.



Fig. 2.1: The Three Elements of Promotional Goal Setting

*Source: Chris Fill (2009)*

Figure 2.1 demonstrates how the three elements of promotional goal setting interact with one another. Corporate goals are the organization's goals that cannot be achieved without the use of marketing goals and the use of communication goals. The three elements of promotional goal setting have their base from promotional goals with the whole aim of communicating to achieve organizational goals and objectives.

The specific objectives of sales promotion according to Jain, (2014) are:

- **Add to the stock of the dealers:** Dealers like wholesalers and retailers usually deal with a multiplicity of goods. Their selling activity becomes easier when the manufacturer supplements their efforts by sales promotion measures. When a product or service is well supported by sales promotion, dealers are automatically induced to have more of such items.

- **Attract new customers:** Sales promotion measures also participate in an important role in drawing new subscribers for an organisation. Typically, new customers are those persons that are won away from other firms. Samples, gifts, prizes, et cetera, are used to encourage consumers to try a new brand or shift their patronage to new dealers.
- **Helps the firm to remain competitive:** Most of the companies undertake sales promotion activities in order to remain in the competitive market. Therefore, in the modern competitive world no firm can escape the responsibility of undertaking sales promotion activities.
- **Increase sales in off-seasons:** Many products like air-coolers, fans, refrigerators, air-conditioners, cold drinks, room heaters, et cetera, have seasonal demand. Production companies and her dealers dealing with such type of goods and services will make every effort to maintain a firm demand throughout the year. In other words, organisations try to push the purchase of such goods in off-seasons also. For this purpose the core reason behind discounts and off-season price reductions of such items were achieved.
- **Induce existing customers to buy more:** Sales promotion elements are mostly used to convince the existing customers of an organisation to demand for more. Product improvement, offering twelve products at the cost of ten, discounted coupons, gifting, rebates are some of the sales promotion strategies used by organisation to motivate the existing buyers to buy more of a specific product.
- **Introduce new products or services:** Sales promotion is often used to motivate prospective consumers to try new products and services. Dealers are also induced to introduce new products and services in the market. More often than not, free samples are provided through dealers during such introduction. Likewise, discounts in cash or goods may also be offered to dealers to stock new products or deal with new services. Free samples, trade discounts, cash discounts are basically sales promotion measures.
- **To neutralise competitor's marketing campaigns:** Marketers use sales promotions to pre-empt and neutralise the marketing plans of competitors. To achieve this, the sales promotion managers will design a sales promotion program to encourage stockpiling on the part of consumers, meaning consumers will be incentivised to purchase more than the needed quantity of product such as asking them to purchase a

data bundle of ₦4500 that will last for 6 months instead of the monthly data subscription of ₦2500 on a monthly basis; when consumers key into this, the advertiser has cleverly taken them out of the market for the next six months thereby rendering competitors' campaign meaningless because they have an active plan already. Oyeniyi (2011) reiterates that when consumers stockpile by having excess units of the brand, they are logically taken out of the market for some time because their willingness to purchase competitive products in most cases would have been deflated.

- **Increase product usage:** Sales promotion can be used to incentivize the consumers to speedily consume the brand with the assumption that by loading the consumers with excess unit of the product, reckless use or consumption could be stimulated or motivated. This is commonsensical that when consumers are persuaded to purchase more quantity than they will need per time, the tendency to increase usage will be high. For instance, if Globacom design a promotional strategy that will involve subscribers purchasing an airtime of ₦1000 and they will have 100% bonus, the tendency to call as many people as possible that they ordinarily would not call will surface. Another one is when people are sensitized to purchase a data bundle of 6GB for ₦1500 which used to be ₦8000, subscribers will increase their usage beyond social networking to downloading contents, streaming and other transactions that require Internet access.

Sales promotion usually works best in affecting behavior, not attitudes. Immediate purchase is the goal of sales promotion, regardless of the form it takes. Therefore, it seems to make more sense when planning a sales promotion campaign to target customers according to general behavior. Marketers who are targeting loyal users of their products do not want to change behavior. Instead they need to reinforce existing behavior or increase product usage. An effective tool for strengthening broad loyalty is the frequent – buyer programme that rewards consumers for repeat purchases.



### **2.1.3 Types of Sales Promotion**

The overall objective of sales promotion is associated with the building brand loyalty or creating product awareness. To accomplish the purpose of sales promotion marketers use different types of sales promotional activities. Broadly sales promotion is separated into two categories namely:

- a. Consumer Sales Promotion
- b. Trade Sales promotion

#### **2.1.3.1 Customer sale promotion**

Customer sale promotions are marketing techniques done with the focusing on end customers whereas trade sales promotions are focused on dealers, distributors and agents. This tool is used to attract customers or patronize the specific shops or retails to introduce new products or existing products. It is usually done with views which draw the attention of customers to retail stores.

#### **2.1.3.2 Trade- oriented sales promotion**

Trade sales promotions are focused on the dealer network to motivate them to sell more of company's brand rather than other brands. This promotion is also called a push strategy as the dealer network is pushed to prioritize the brand to the customers over the competitor's brand.

#### **2.1.3.3 Monetary Sales Promotion**

Price discounts are the most common form of sales promotions used by marketers (Darke and Chung 2005; Nunes and 2003), as the majority of retailers runs such promotions every week (Bogomolova, Szabo, and Kennedy 2017). Furthermore, sales promotions and in particular monetary promotions can be presented in other forms such as coupons, cents-off deals, refunds, rebates or an extra free amount of the same product (Delgado-Ballester and Palazon 2009; Yi and Yoo 2011; Yoo, Donthu, and Lee 2000). However, the reasoning behind its wide use is most often not sufficiently informed.

Monetary promotion can be divided into two categories: Benefits and costs. The benefits are: Reduced price, increased volume, upgrade of brand, additional products, and lower opportunity cost for trail which can shorten the length of decision process and provide reasons to buy the

product. However, the cost can be that the internal reference price may be lowered for the product after the promotion period is over Hussain and Kahmphokeou ( 2010).

#### 2.1.3.4 Non-Monetary Sales Promotion

Non-monetary sales promotions are promotions used to attract consumers to purchase a product which comes in form of additional gift other than what the consumers will pay for. The extra value can either be in tangible or intangible form. Mohammed and Kambiz (2014) in defense of non-monetary promotions opine that stimulation of positive attitude towards the brand can be achieved using this tool because it invokes a feeling of gain instead of loss in consumers as they get more than they would when there is no promotional activity.

Non-price or non-monetary promotions are the recurrent pricing strategies which include premiums, contests, sweepstakes and samples (Delgado-Ballester and Palazon 2009) with premiums being the most frequently used type (Nunes and Park 2003).

#### Glo Sales Promo that are commonly used by her subscribers

The table below showed the same categories of sale promotion type available to Glo customer which are frequently used to induce customers.

PROMOTION NAMES	DESCRIPTIONS	BENEFITS	MIGRATION CODES	PRICE
<b>GloYakata</b>	GLO YAKATA offers you awesome voice and data benefits when you buy a Glo SIM. When you purchase a Glo SIM today, you receive 6GB data every month for 6 months (that's 36GB of data) plus a whopping N2,200 on every N100 recharge to call ALL NETWORKS.	Voice call can be used to call ALL NETWORKS; the more you recharge, the more value you enjoy. If your 1st recharge of the month is N200 or more, you will get a special data bonus that is 2.5 times higher than the regular data benefit.	Dial *220#	N100

<b>GloOga SIM</b>	125% bonus on ALL data plans when you buy a new Glo SIM. Existing customers aren't left out, existing customers get 25% bonus on all data plans.	Gives 125% bonus every recharge for data plan to new subscribers while the existing customers have 25%	Dial *777# to choose plan.	Between N100 – N20, 000 plan
<b>Glo Jollific8</b>	The Glo Jollific8 tariff plan is specially designed to give new prepaid customers eight times more value on every recharge. New customers also enjoy Voice and Data on every recharge. Glo Jollific8 offers new subscribers 800% more value on every recharge from N100 and above. Subscribers enjoy perks such as bonus to call all local networks, free browsing, and free data that can be gifted to other subscribers.	Free voice call and free data usage for every recharge.	Dial *123*PIN#	N100
<b>GloInfinito Promo</b>	Glo introduced the GloInfinito as a simple prepaid plan with attractive calling rates to ANY network and the cheapest calling rate to reach out to your family, friends and associates. GloInfinito has no hidden charges, no rental payments and no conditions. Subscribers enjoy flat calling rate of 20K/s and		Dial *100*9*2# For family and friends dial *101*1*Mobile No#.	

	the access to call ANY network in Nigeria at 20K/s from 1st to the last second of your call.			
<b>Glo G-BAM</b>	This package offers amazing exibility enabling you to call five special numbers at only 11k/s and enjoy 5MB free browsing every day. It offers a unique proposition to the Nigerian Youths making it possible for them to check their mails, enjoy Facebook, Twitter e.t.c.	Free Data and low call tariff to fivespecial friends	Dial *100*5*1#	N100
<b>GloBiiGy Packs Promo</b>	GloBiiGy packs offer bundled packs combining voice, data and SMS as a single plan with validity on committing a fixed fee. packs It comes in different packages such as the N100, N300, N500, N1000, N1500 and N2000 options.		Dial *170*1#	
<b>Glo 4X</b>	Get four times (4X) the value of EVERY recharge of N100 or more with the all-new Glo 4X recharge bonus. To enjoy the 4X bonus, you simply have to recharge your Glo lines by dialing *323*PIN# OR top up electronically with any of the following values: N150, N250, N550, N1050, N2050, N5050			

	<p>and N10,050 through any of our existing channels such as Glo Café, Online, ATMs &amp; POS terminals. The 4X bonus can be used to:</p> <ul style="list-style-type: none"> <li>· call ALL networks in Nigeria</li> <li>· browse</li> <li>· send SMS</li> <li>· call 23 international destinations</li> </ul> <p>This offer is available to all prepaid subscribers. Please find summary of the Glo 4X offer below:</p>			
<b>Glo Flexi Promo</b>	<p>Flexi Recharge allows you the freedom to use voice and data the way you like. No bundles. No data plans. No hassles. All recharges on Glo are Glo Flexi recharge.</p> <p>#Another1stFromGlo</p>		Dial *123*PIN# now to recharge.	

Source: [www.gloworld.com](http://www.gloworld.com)

## **2.1.4. Sales Promotion Techniques**

### **Discounts**

The most common sales promotion technique is discount offers on the products. The simplest and frequently used technique for sales promotion for persuading the customers is adding discount to the product. The important aspects that is to be considered while using this technique would be; a) we should be sure that the discount is attractive to the customers, b) always consider the bottom line and c) to be sure not to do it often as people will come to expect it as the norm.

### **Coupons**

Coupons are also the frequent sales promotion techniques as discounts commonly used to motivate the customers to purchase. The coupons would push the customers to buy the product when they think that the price is high or can be insensitive to buy the product above the competitors. The price sensitive customers would be willing to buy the product with availability of coupons. This price discrimination method is usually made for making the customers happy with buying or turning the customers that have experienced bad services from other network provider(s) get durable effective services. Coupon (consist of , e-coupon, m- coupon and printed coupon) - Printed coupon, which are available in magazines and newspapers or at the point-of-purchase, or electronic / mobile coupon, which may be downloaded from the internet or email, or via 'push' or 'pull' SMS, entitle the customer to a reduction of price on certain products.

### **Samples**

Sampling is a way of introducing new products to the customers by providing the products for free. The potential customers are targeted in this method and not only introduce the product in the market but also create awareness of the product. This marketing strategy is popular in Fast Moving Consuming Goods (FMCG) industry. It is huge cost to the company, but it seems to have high impact on the customers and successful to get the brand loyal customers for the product.

### **Refunds or rebates**

Refund and rebates are not too popular in all the countries but in countries like United States and United Kingdom it is much popular. In the marketing tactics like refund the customers get

excited with the portion of refund that they can have on purchase with the parking tickets or the feedback they provide online about the store. These types of promotional activities are done to grab the attention of the customers and to sell the same type of products to the customers over the competitors.

### **Contests**

The contests and sweepstakes are as simple as winning the gifts that attracts and motivates the customers to go for the product. It is mostly useful for gathering the information of the customers and create the awareness about the new product or the new location for the getting the products. Contest, sweepstake and game - Games, actions, competitions and lucky draws are offered upon procurement of a certain product or incoming at a certain amount of values.

### **Price off deals**

This promotional technique is the reduction in the price of the promoted products and the customer saves money on purchase. The price reduction may be used for taking the attention of the customers away from the competitors. The customers are always in search of quality products at lower price so the promotional activity of price off deals would increase sales.

### **Exchange offers**

Exchange offers are used with occasions like Christmas. This technique is popular all over the world and basically used in festive seasons where old products are exchanged for new products and customers can receive the discounts based on valuation of old products.

### **Loyalty Points**

Customers always like the personal attention by the sellers. In such context the loyalty points would be the marketing tactics for retaining the loyal customers for lifetime. The customers rewarded with the loyalty points giving them points every time they make purchase and use that points for the money off in future purchase. This popular promotion system is to induce customers to make the next purchase for getting the reward for future purchase.

## **Bundling**

The combination of products on sales that are offered for sale price of one product is bundling. For instance, getting one shirt free for the purchase of one shirt would be bundling that make the customers more likely to buy. This is also popular during festive season and the quantity of sales is high which can be the strategy against the competitor.

## **Financing**

Product that requires high resource (money) would be promoted if the seller would itself provide the facility of financing options to the customers. This method of promotion popular in varieties of products such as automobiles, household equipment, and electronic products that is high in price.

## **Gifting**

Everyone loves free product and even better when it is given as gift. A gift to the customers gives the chance to test out the products by the customers and make the customer aware about the product. Customers would appreciate such action and would increase the sale of the product. The customers would be excited about the assured gift with the purchase of products that could increase the sales with the excitement of getting something for free.

## **Bonus pack**

The bonus pack is getting additional quantity of the same product is offered for the standard pack size purchased. The customers purchasing huge quantity than the regular size would be offered the bonus pack. This promotional activity could be used as the strategy for high sales and induce the customers to buy more quantity. Bonus pack / discount for a package- Provide additional quantity of product at the regular price in an enhanced package or offer a separate package of product at a discounted price.

## **Free Trial**

The free Trial is also the sales promotional method that introduces the new product in the market to the customers where they get to know about the product before purchasing it. Free trial strategy is much more popular for sales of software, computer programs, apps. These are the



products that can be used for free for time being and required to be purchased later for further use. This would convince the customers to purchase the product(s) for future use.

## **Awards**

They are designed to provoke attention of potential customers, especially those who have never used certain products. Precisely, they are designed with the aim that consumers perceive them as a form of entertainment. There are three main types of awards: competitions, lotteries and sweepstakes (Jobber and Fahy, 2006). Competitions require participants to demonstrate a certain level of skills and knowledge and participation usually depends on purchases, i.e., participants are required to show a proof of purchase.

Lotteries do not require any skills or knowledge, but their outcome depends solely on luck. Sweepstakes are offered to customers each time when they buy something, and if they participate in them, they can win prizes. According to Y.Z. Shi, K.M. Cheung and G. Prendergast (2005) and M.Y. Obeid (2014), awards are relatively ineffective in creating any kind of consumer responses.

### **2.1.5 Sales Promotion Strategies**

(Nzelibe, Moruku and Joseph, 2011), opined that promotional strategy is a marketing idea that has to do with the selection of a target market and formulation of the most appropriate promotional mix to control and induce the customer's consumption pattern in order to advance the organizational performance. Organizational performance will be advanced if there is regular and cordial understanding about the tasks the promotional strategies have to accomplish (Michael, Grey and Elnora, 2006).

#### **2.1.5.1 Push Strategy**

Push strategy involves persuading trade agent channel members to "push" the product through the distribution channels to the ultimate buyer through promotions and personal selling efforts means (Schiffman and Kanuk, 2007). The company promotes the product through a reseller who in turn promotes it to yet another reseller or the final consumer. Trade-promotion objectives are to induce retailers or wholesalers to carry a brand, give a brand shelf space, promote a brand in advertising, and/or push a brand to final consumers. Typical tactics employed in push strategy

are: buy-back guarantees, free trials, allowances, contests, specialty advertising items, discounts, displays, and premiums.

#### **2.1.5.2 Pull Strategy**

This is an attempt to get consumers to pull the product or services from the manufacturer through the marketing channel. The organisation focuses its marketing communications efforts on buyers in the hope that it stimulates interest and demand for the product at the end-user level. This strategy is often employed if distributors are reluctant to carry a product because it gets as many consumers as possible to go to retail outlets and demands for the product, thus pulling it through the channel (Schiffman and Kanuk, 2007).

Consumer-promotion objectives are to attract consumers to try a new product, lure customers away from competitors' products, get consumers to "load up" on a mature product, hold and reward loyal customers, and build consumer relationships. Typical tactics employed in pull strategy are: coupons, samples, advertising specialties, cash refunds and rebates, premiums, loyalty programs/patronage rewards, contests, sweepstakes, games, and point-of-purchase (POP) displays and others.

#### **2.1.5.3 Combination strategy**

This strategy requires both of the above strategies working together. The "push" is used to get more products into the hands of retailers and wholesalers while advertising and product tie-ins with other products are used as a "pull" to get more people to want to buy the product. Schiffman and Kanuk, (2007).

#### **2.1.6 Concept of Performance**

Armstrong (2001:467) defines performance management as a strategic and integrated approach to delivery sustained success to organisations by improving the performance of the people who work in them. Performance management is the most strategic human resources systematic process which directly seeks to address an organisation's bottom line (profit or any other objectives) by carefully, systematically and scientifically planning, organizing, leading and controlling (managing) the performance of the individuals who work in it. Organisational performance can be evaluated by many different constituencies, resulting in many different

interpretations of booming performance. However, Richard (2009) opined that organisational performance encompasses three specific areas of firm outcomes which are as follows:

- ✓ Financial performance.
- ✓ Product market performance and
- ✓ Shareholder return.

Another author named Liptons (2003) opined that organisation performance is the ability of the organisation to prevail. There is hardly a consensus about its definition, dimensionality and measurement and this limits advances in research and understanding of the concept (Santos and Brito, 2012). As the debate on what organization performance rages on, the approach on how to measure it has attracted even more scholarly attention.

The authors Lebars and Euske (2006: p. 71) gave some set of definitions to illustrate the concept of organizational performance:

- ✓ Performance is a set of financial and nonfinancial indicators which offer information on the degree of achievement of objectives and results.
- ✓ Performance is dynamic, requiring judgment and interpretation.
- ✓ Performance may be illustrated by using a causal model that describes how current actions may affect future results.
- ✓ Performance may be understood differently depending on the person involved in the assessment of the organizational performance (e.g. performance can be understood differently from a person within the organization compared to one from outside).
- ✓ To define the concept of performance is necessary to know its elements characteristic to each area of responsibility.
- ✓ To report an organization's performance level, it is necessary to be able to quantify the results.

#### **2.1.6.1 Performance Measurement**

TRADE (2000) stated that most performance measures can be grouped into one of the following six general categories.

- ✓ The first category is effectiveness: A process characteristic indicating the degree to which the process output (work product) conforms to requirements.
- ✓ The second group is efficiency: A process characteristic indicating the degree to which the process produces the required output at minimum resource cost.

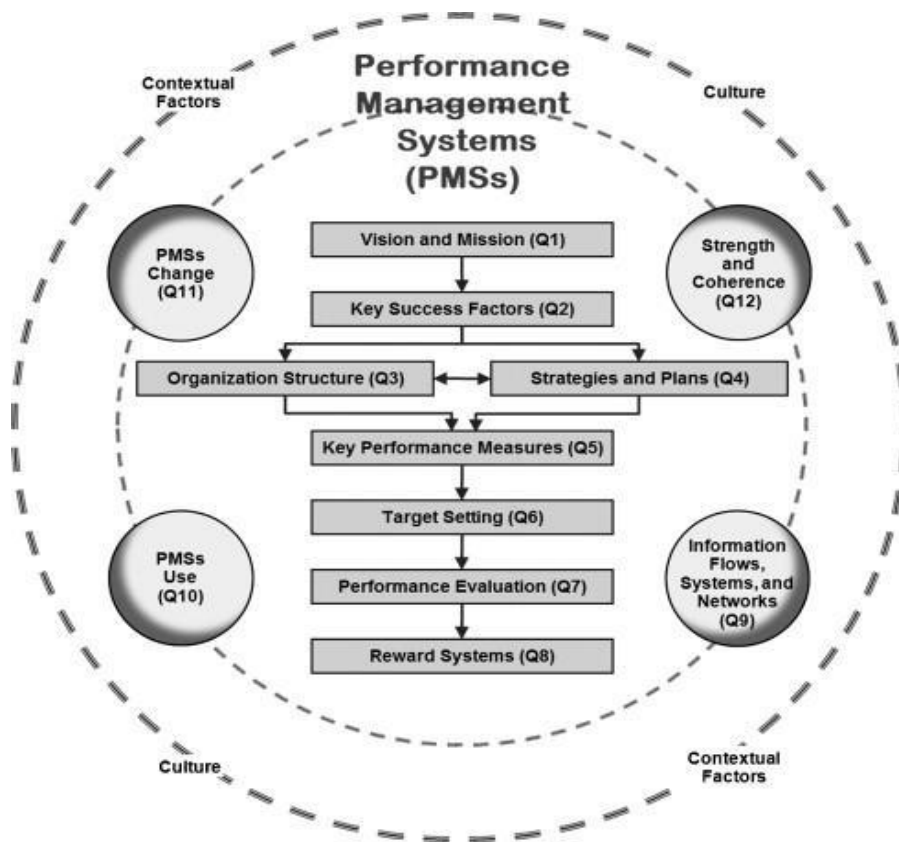
- ✓ The third is quality: The degree to which a product or service meets customer requirements and expectations.
- ✓ The fourth is timeliness: A measures of whether or not a unit of work was done correctly and on time. However some criteria must be created to define what amount to timeliness for a given unit of work. These criterions are usually based on customer requirements.
- ✓ Productivity is the fifth category. It refers to the value added by the process divided by the value of the labor and capital consumed.
- ✓ Lastly is safety which measures the overall health of the organization and the working environment of its employees.

Glick (2005) stated that profitability measures an organisation's past ability to generate returns while Whetten (1987) opined that growth demonstrates an organisation's past ability to increase its size. Increasing size, even at the same profitability level, will increase its absolute profit and cash realization. Larger size also can bring economies of scale and market power, leading to enhanced future profitability.

Customer satisfaction increases the willingness-to-pay and thus the value created by a company (Barney and Clark, 2007).

Employees' satisfaction is related to investments in human resources practices. The satisfaction of these stakeholders, according to Chakravarthy (1986), translates itself into organisation's ability to attract and retain employees and lower turnover rates. This in turn translates to performance.

Indirectly stakeholders like governments and communities are affected by a number of organisation actions, especially social and environmental ones. Social and environmental performance can be measured a way to satisfy communities (Chakravarthy, 1986) and governments (Waddockand Graves 1997). Some activities associated with the satisfaction of these groups are safe environmental practices, increased product quality and safety, ethical advertising, minority employment and development of social projects (Johnson and Greening, 1999). From the above mentioned conceptualization of organisation performance, it can be conclude that there are at least seven variables, such as: growth, profitability, market value, customer satisfaction, employee satisfaction, social performance and environmental performance to evaluate the performance of an organisation.



### Performance Management System Framework (Ferreira and Otley, 2009)

The framework above analyzed performance management of organisation which orchestrated around five central areas in the organisation. These areas include: Firstly objectives of the company. Such as goals and objectives may be measurable and non-measurable which the organisation depend upon for success in future; secondly, plans and strategies; thirdly, the set targets that is to be followed in order to achieve the plan and objective of the company; fourthly, what will be the outcome of the unachievable get objectives and plans; and the fifth is the use of information system to enable learning and change of the target or plan.

Organisational performance can be judged by many different constituencies, resulting in many different interpretations of “successful performance”. Each of these perspectives of organisational performance can be argued to be unique. Further, each organisation has a unique set of circumstances, making performance measurement inherently situational (Cameron and Whetton, 1983). Both of these issues are problematic for researchers, since theory building involves making and testing assertions that explain or predict a particular phenomenon (generally represented as a value of a dependent variable in a model) that holds true across a broad range of specific instances (Van de Ven, 1989; Weick, 1989).

### **2.1.6.2 Organisational Performance**

We have seen that there are a number of different HR practices that are frequently repeated throughout the HRM-performance research. However, what types of performance that these HR practices, or systems of them, are measured against varies. In the following section, I will briefly outline the types of performance that are commonly used within the research field. The various types of performance have been divided into three main categories:

- ✓ Financial and Market performance.
- ✓ Operational Performance.
- ✓ Employee attitude and behaviour.

#### **Financial performance**

Financial and market performance data is of an objective nature, and can in many instances be easily obtained even when the number of organisations under investigation is big. This kind of performance is also the frequent kind of performance found in the HRM-performance literature. Specific examples of financial and market performance are return on assets, return on equity, revenue, market share, and market value.

#### **Operational performance**

Typical measures of operational performance can be productivity, production quality, service quality, sales and innovation. These measures can be obtained both through subjective estimates and objective measures. However, more often than not, the operational measures are of an objective nature. Many of these types of performance are easy to break down in numbers, e.g. the quantity of products produced, number of customer complaints, or number of new products developed.

#### **Employee attitudes and behaviour**

Employees' behaviours, and opinions have largely been neglected in previous HRM-performance research. What has been the most common measure on an individual level is organisation positive or negative output results. On a positive note, more recent studies have started to include one or more employee measures into their investigations. Examples of attitudes and behaviour that are typically measured within the research field is motivation, job satisfaction, organisational citizenship behaviour, commitment, trust in management, absenteeism and turnover. Measuring and quantifying the employees' attitudes and behaviours

can be considered more of a challenge compared to operational and financial performance. Of course, turnover and absenteeism are of a quantitative nature, however, the other types of attitudes and behaviour have been translated into quantifiable data, commonly through Likert-type ratings, in order to be analysed in the quantitative empirical work that characterises the research field.

### **2.1.6.3 Performance Measure of an Organisation**

Performance measures provide a set of harmonizing, to bring together reinforcing signals that controls managers' focus to the important strategic areas that metamorphose to organisational performance outcomes. It allows one to define firm performance with financial and social aspects, as suggested by Venkatraman and Ramanujam (1986) and Combs, Crook and Shook (2005). High performing firms are the ones attending the demands of investors, customers, employees, government and the society. These five groups have seven different wants.

Financial performance is a way to satisfy investors (Chakravarty, 1986) and can be represented by profitability, growth and market value (Venkatraman and Ramanujam, 1986; Weinzimmer, Nystrom and Freeman, 1998; Cho and Pucik, 2005).

Market value and profitability measure a firm's future and past ability to generate returns (Glick, Waschburn and Miller, 2005), while growth is the increase in firm's size (Whetten, 1987). If we consider performance as a manifestation of competitive advantage, it is possible to invoke a conceptual reason to use growth and profitability simultaneously. Peteraf and Barney (2003) propose that an organisation has a competitive advantage when it can create more economic value than the marginal competitors of the same product market.

Economic value is defined as the difference between the customers' willingness-to-pay and the economic cost of the company. If the company has a higher economic profit than its competitors, it will experience higher profitability. On the other hand, if the customer surplus is higher when compared with the market, customers will prefer the firm, what will manifest in higher growth rates. In this sense, growth is a complementary dimension to profitability. While financial returns can satisfy investors, the other stakeholders can have other demands. Customers want companies to provide them with goods and services that match their expectations. Investments in good human resources practices can promote employees' satisfaction.

Corporate strategies are more often than not worked out to meet the challenges that beset organisations. Always devising strategies that will give organisations differential edge is

necessary. The definition and scope of corporate strategy is being revised to the changing nature of corporate competitiveness, even as the issue of quality has become a common denominator in many of the discussions on strategy and competitiveness (Belohlav, 1993).

#### **2.1.6.4 Sales Promotion and Organisational Performance**

The correlation between sales promotions and the organisational performance according to Odunlami and Ogunsiji (2011) are:

- **Building brand loyalty:** Sales promotion helps to build brand loyalty by giving the seller the chance to draw a loyal and profitable set of customers which provides sellers some protections from competition and greater control in planning their marketing mix (Shira, 2003).
- **Encouraging off season buying:** Sales promotion has also encouraged off season buying especially during the festive periods, people tend to buy more of a particular product because of the added value, compared to normal season.
- **Encouraging purchase of large size unit:** Sales promotion consists of diverse collection of incentive tools, mostly short term designed to stimulate quicker or greater purchase of products or service by consumer e.g. the use of premiums, product warranties etc. stimulate consumer purchase in larger quantities (Rotimosho,2003 as cited in Odunlami and Ogunsiji, 2011).
- **Generating trials among non-users:** Trials among non-users of a product are generated through invitation of potential purchasers to try the product without cost or little cost with the hope that they will buy the product.
- **Influencing retailers to carry new items and higher level of record:** Sales promotion persuades retailers to give shelf freedom to original products. Companies provide retailers with financial motivation to stock novel products.

The importance of sales promotion has increased with the increasing competition globally. The reason for increasing importance of the sales promotion is the changing marketing environment as promotional activities with the new and creative ideas flowing for the favourable sales and future expansion of the sales. It has become the part of the marketing strategy for the survival at



peny obstacles or with the new birth of products or brands. Sales promotion has become as equal important to organisation just as advertising is of important to marketing.

Drucker (1954) also stated that the key measure of organizational performance is survival. To this end, Drucker proposed eight different performance dimensions that he felt were essential for the survival and prosperity of a firm. These dimensions include:

- ✓ Market standing relative to the market potential both now and in the future.
- ✓ Innovation.
- ✓ Productivity.
- ✓ Physical and financial resources.
- ✓ Profitability sufficient to cover the risk premium for being in business.
- ✓ Manager performance and development.
- ✓ Worker performance and attitude and
- ✓ Public responsibility.

According to Drucker, these eight dimensions are all necessary for the long-term survival of the organization, which is the ultimate test of performance. As with Barnard, Drucker's perspective is both multi-constituency and multi-dimensional.

## **2.2 Theoretical Framework**

Defleur (2010) posits that theories are an important kind of knowledge that is developed in any field where some descriptions are needed about how things work.

McQuail (2010) defines it as a universal proposition, which is based on surveillance and rational argument that states the relationship between observed phenomena and seeks either to explain or to predict the relation and its strength as far as possible. The following theories are therefore considered germane to the current study.

### **2.2.1 Prospect Theory**

This theory was propounded by KahnemanDaniel and TverskyAmos in 1979 and further developed in 1992 to give an accurate explanation of what informs the decisions that consumers make concerning purchases and the motivation attached. The theory proposes that individual's decision-making process is facilitated by the perceived gravity of gains and losses rather than the utility derived from making the decision. This indicates that the choices that individuals make

are not only based on the inherent value of the decision rather, it is determined largely by the weight of the gains and the mitigation of risk to the simplest minimum level.

Barberis (2013) opined that the application of expected utility theory to choices between prospects is based on the following three rules. The first is 'Expectation':  $U(X_1, P_1; \dots; X_n, P_n) = p_1 u(x_1) + \dots + P_n u(x_n)$ . That is, the overall usefulness of a prospect is denoted by  $U$ , which represents is the expected value of its outcomes. This refers to the function or value of the action to be taken; the measure of gain will serve as a strong influence other than loss.

The second rule is 'Asset Integration':  $(x_i, P_i; \dots; X_n, P_n)$  is acceptable at asset position  $w$  of  $U(w + x_1, p_1; \dots; w + X_n, P_n) > u(w)$ . This implies that a prospect is acceptable if the utility resulting from integrating the prospect with one's assets exceeds the utility of those assets alone (Katsuhiko, 2007). This suggests that the value that will be derived from an action will determine the extent to which such decision will be made; individuals rely on information search and evaluation before determining on the right actions to take, the option with the best benefit for individuals is what they will make.

Consumers will first consider the brand's integrity to earlier claims and if the prospect is worth it regardless of the loss, consumers will be motivated to benefit from this since the reward is instantaneous. The only exception is if other operators are offering a greater value than what a particular operator is offering, consumers will be tempted to switch to such operator for instance as MTN is selling their 3.5GB for ₦2000 whereas Globacom sells its 10GB at the rate of ₦2500. The gains from one operator will to amount loss that subscribers will count against other operators.

This theory however fails to account for price-insensitive customers who are averse to the price of a product and promotional offers; once they are satisfied with the value derived from using the product, all other factors are immaterial.

### **2.2.2 Expectancy Theory**

Vroom's theory of motivation evolved in 1964 as a model to explain human attitudes and behaviour in the presence of motivation. Motivation is the driving force of all human activities, Vroom (1964) describes the term 'motivation' as a force inducing individuals or a group to execute an activity, action or carry out an order based on the individual's goal and the value of the action embarked upon. The four assumptions are:

1. Individuals respond to stimulus based on their needs, motivation and past experiences; these influence consumers' reaction to brand's promotional messages, the brand itself and other brands in the product category.
2. Individual's behaviour is dependent on personal choice and conviction which implies that people identify choices that meet their needs and they choose to behave in ways that help actualize their anticipations.
3. The third assumption is that individuals have various divergent needs and it is these needs that will drive their attitude and behaviour to key into a particular action.
4. Consumers choose among the available options the ones that best suit their needs in order to get the best output or reward.

According to Redmond (2009), expectancy theory offers clarification on the factors that influence humans to select a behavioural option over other alternatives. The main thesis of expectancy theory is that in the presence of motivation, individuals act in certain ways because it is assumed that the action will provide a desired reward. This indicates that without motivation it is somewhat difficult to get people to conduct themselves in certain ways when the reward or an outcome that promises value is not present.

In addition, Shermerhorn, Hunt and Osbourne (2012) are of the opinion that although the theory has received substantial support, specific details, such as the operation of the multiplier effect, remain subject to some question as the extent to which performance dictates outcome in the presence of other factors is not explained.

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Chen and Fang (2008) opine that this theory of motivation is based on three main components which are best adjudged by the recipient of the reward. They are expectancy, reward instrumentality and valence; while expectancy refers to assurance that that increased effort will yield better output which can be displayed in form of 'If I recharge my mobile SIM card at least

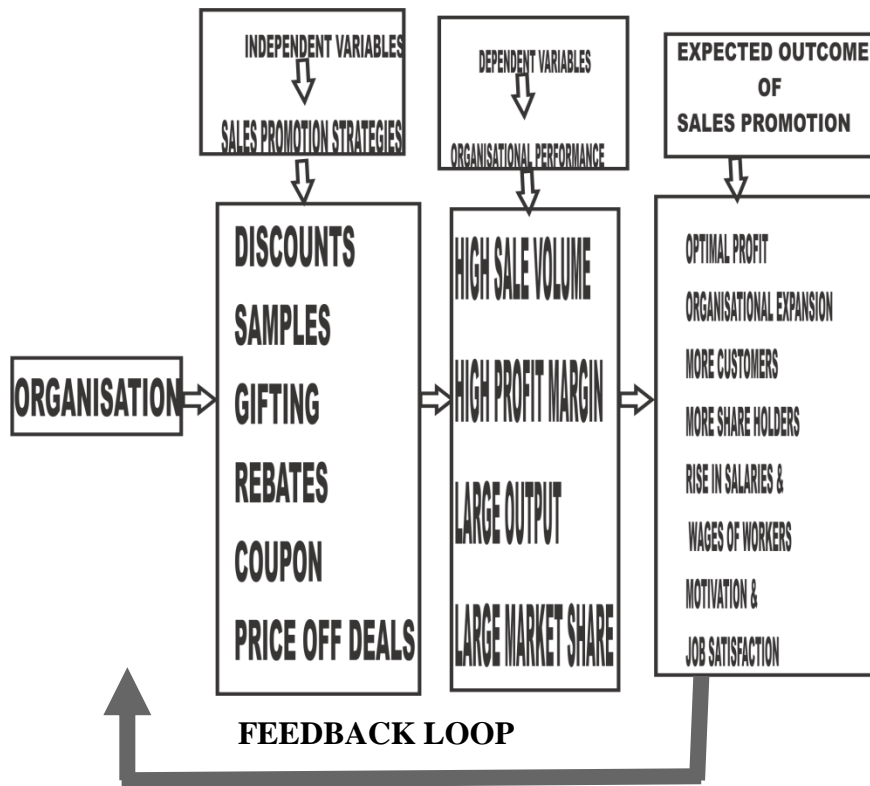
4 times in a week, I will qualify for ticket to UEFA Champions League. This implies that customers have the notion that they have something to gain if they behave in certain ways, thus, they will want to behave in such a way in order to fulfil their part of the bargain.

Redmond (2009) asserts that conditions that enhance expectancy include but not limited to having the correct resources available, having the capacity to fulfil one's part of the deal, and having the necessary assurance that the expected reward is achievable. In essence, expectancy deals with the guarantee that an individual's effort will lead to acceptable performance.

### **2.2.3 Conceptual Model**

The independent variable in the research work is sales promotion strategies, which are the various integrated mediums that are combined together to communicate and sensitize the promotional messages to their subscribers, customers and general public. The channels to be used are advertising, public relations and publicity, personal selling, sales' promotion and direct marketing tools that the company uses to persuasively communicate customers' value and build customer relationship (Armstrong and Kotler, 2009).

According to Enikanselu (2008) company that wants more than "walk in" sales must develop an effective program of communication and promotions. A flourishing promotion is an essential component in marketing strategy. Prospective buyers must learn about both the products' distinctive wants satisfying characteristics and its availability. Creating and maintaining communications with target market segment are the main tasks assigned to marketing promotion. The goal of promotion management according to Adetayo (2006) is to ensure that all the individual elements of the promotion mix work together to accomplish the organisation's overall promotion activities.



**Source: Fig 2.1 Researcher's Model (2019)**

The above conceptual model above explains the relationship between dependent and independent variables. Box A represents the organisation that engages in sales promotion strategies which is Globacom Nigeria Limited. Box B represents the independent variable which is the sales promotion strategies that will be used to explain the dependent variable. The sales promotion strategies are discount, samples, gifting, rebates, coupon and price off deals. Box C represents the dependent variable which is the variable to be explained and this is organisational performance. It is manifested in form of high sales volume, high profit margin, large output and large market share. The expected outcomes of the relationship between the independent variable in Box B and dependent variable in Box C are in form of optimal profit for the organisation, organisational expansion, more customers and shareholders, rise in wages and salaries of workers thereby promoting motivation and job satisfaction among the employees. This will be feedback into the organisation through the feedback loop.

### **2.3 Empirical Review**

Festus (2016) conducted a study on the impact of sales promotion on organizational performance a study of Guinness Ghana Breweries Limited, and was discovered from the research that there was a positive and significant relationship between sales promotion and organisational performance.

Adeniran, Egwuonwu and Egwuonwu (2016) conducted a research on the impact of sales promotions on sales turnover in airlines industry in Nigeria: their research affirmed that sales promotions incentives have a significantly impact on sales turnover in the airlines industry.

A study was also conducted by Dangaiso (2014) to establish the effectiveness of sales promotion strategies on company performance using TelOne Zimbabwe as a case study. The study was piloted and driven by the following objectives, which are: to determine the effects of contests and sweepstakes on profitability, to determine the effects of bonuses on subscriber growth and to establish the effects of price-offs on sales volume. A sample size was calculated using the Lucy model of determining sample size. The target population was 160 consisting of employees, management and key clients (subscribers) from Gweru market. Stratified random sampling was used in drawing samples from the target population. Questionnaires were administered to employees and key subscribers and management interviews were conducted. The results of the analysis indicated that sales promotion strategies were effective with contests and sweepstakes being the most effective and price discounts contributing a minimal of the three strategies employed. Most important findings were that TelOne widely used contests and sweepstakes as the main promotion activities to stimulate their profitability, bonuses increased sales volume and lastly price discounts enhanced market share growth. It was also found that there is a very strong positive relationship between sales promotion activities and company performance measured in relation to growth to profitability, sales volume and market share. The study concluded that sales promotion activities induce customers to consume TelOne products on the market thus increasing consumption rate and the sales volume. The researcher recommended that TelOne need to understand the promotion activities and which media to communicate to consumers. It should put a lot of emphasize in planning promotional programs, set promotional goals and strategies. The company need to carryout period evaluation in the course of the sales promotion and control of promotion and make adjustments where possible.

Public relations and advertising are further area of study are critical and give the organization a competitive edge in the ever evolving telecommunication sector. This study is in conformance with previous study conducted by; Olaniyi T.A., Salman R.T. and Adebayo S.A. (2013).

Oyeniya, (2011) conducted a study on the impact of sales promotion on organizational performance. The major aim of this study was to find out the impact of sale promotion on customer loyalty in the telecommunication industry Nigeria. In this study, the survey method was used in gathering information from the respondents. A total population of one thousand one hundred and twenty five (1,125) a Simple random sampling was used to select a sample size of 310, while descriptive and inferential statistical analyses were conducted with the aid of SPSS software. The study found that, there is positive relationship between sales promotion and customer loyalty. More importantly, it was discovered that non-loyal customers are more prone to switch to competing products as a result of sales promotion than loyal customers. The study covered one variable (sales promotion) rather than advertising and personal selling or the combination of both. Also the study was conducted in Southern part of Nigeria. The study focused on telecommunication industries rather than manufacturing (Breweries) industries. The study is in conformance with previous studies conducted by Mohammed (2010).

According to a research done by Tandoh and Sarpong (2015), on the impact of sales promotions on the performance of Auto-Mobile Industries in Ghana. It was established that sales promotion has a positive effect on organizational performance.

Dangaiso (2014) conducted a research on the effects of sales promotion strategies on company performance of Auto-Mobile Industries in Ghana, it was revealed that use of sales promotional activities such; as bonuses, price and contest sweepstakes has a positive influence on company performance.

Amusat and Ajiboye (2013) conducted a research on sales promotion as an antecedent of sales volume. Simple random sampling was used to select a sample of 80 respondents. Data was collected using structured questionnaires. It was revealed that sales promotion activities such as bonus, coupons, free samples, price promotion and premiums affects sales volume.

Grankvist, Kollberg and Peterson, (2004) stated in their study of which they focused on promotional strategies for banking services, concluded that all elements of promotion mix were used to some extent for promotion of banking services.

This view was supported by Ananda and Murugaiah (2003) who carried out similar study on financial industry and recognized the importance of promotional strategy in influencing performance in the sector. In his finding, Kristina (2006) recommended that promotional strategies should be designed as per the nature of services to be promoted.



## **CHAPTER THREE**

### **Research methodology**

#### **3.0 Introduction**

This chapter discussed the methodologies that were employed to achieve the objectives of the research, and it include primary and secondary data. These methodologies entails research design, population of study, sample size and sample procedure, research instruments, validity of instruments.

#### **3.1 Area of the Study**

Globacom Nigeria Limited is the second largest telecom operator and the only indigenous GSM operator with its head office situated in Lagos and branches from corner to corner of the federation Nigeria. The study area covered the Glo sales promotion strategies used by Globacom Nigeria in Lagos the 20 local areas and study focused on Glo Braches across the state of Lagos.

#### **3.2 Research Design**

The study adopted descriptive survey which was used to collect data to answer the research questions. This study was done with the Glo employees, Glo dealers and Glo top management ofatGlobacom zonal offices in Lagos. This was done for the purpose of obtaining quantitative data. The method used entails the systematic extraction of the opinions of the respondents on their perception on the effect of sales promotion strategies on organisational performance. In effect, questionnaires and interview questions were used as instruments to generate data for the study. This is seen in the research design and how the independent variables interact with dependent variables. Multiple regression were used to find the degree or the extent of the relationship that exist between these variables in Globacom Limited, it also made use of NOVA format.

#### **3.3 Characteristics of the Study Population**

The estimated population of this study is 4,965,463as available in the secondary data source (National Bureau of Statistics / Nigerian Communication Commission (NCC)NBS, 2018 2Q) and this is assumed to be the population of study which are the subscriberstoGlobacom network only, and who are residence in Lagos Nigeria. These respondents constitute the sampling frame for the

research study. The choice of Lagos was due to the fact that Lagos is a commercial nerve centre and the most populous city in Nigeria with population of about 17,552,942 according to Lagos Bureau of Statistics Ministry of Economic Planning and Budget Secretariat, Lagos State; (2012) Lasgstat@Nigerianstat.Gov.Ng In addition, Lagos state is the head quarters based of Globacom Nigeria Limited.

### 3.3.1 Sampling Design and Procedure

This study adopted multi-stage sampling technique which implies that more than one sampling techniques were used to get the sample in order to elicit reliable and adequate information from the respondents. This enabled the researcher to pick only those elements of the population that subscribe particularly to Globacom network in Lagos State Metropolis.

### 3.3.2 Sample Size

It is assumed that this sample size is the true representation of every element in the total population of study because the population of Globacom subscribers in Lagos is very huge. However, we make use of survey method, which necessitate us to draw up a sample that adequately represents the entire population from which conclusions was made on the whole. Having simplify and known the population size of the research due to mega constraint, Taro Yammane’s formula was introduced to determine the sample size based on the percentile proportional division of the total subscribers in Lagos and it is as follows:

$$n = \frac{N}{1 + n(e)}$$

N = Number of sample size

n = Population size

i = constant

e = Significance error is assumed to be 0.05.

Therefore:

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

Where

n	=	Sample size	=?
N	=	Population size	= 4,965,463

$$e = \text{Proportion of sample error} = 5\% \text{ or } 0.05$$

$$n = \frac{4,965,463}{1 + 4,965,463(0.05)^2}$$

$$n = \frac{198,618.52}{1 + (4,965,463 \times 0.0025)}$$

$$n = \frac{4,965,463}{1 + 12,413.6575}$$

$$n = \frac{4,965,463}{12,414.6575}$$

$$n = 400$$

A sample size of 400 respondents as derived above was adopted for this study.

The study made use of the purposive and convenient sampling methods in picking respondents to make up the sample.

### 3.3.3 Sampling Technique

To get the sample size for this study, multi-stage sampling technique was used. This involved some stages namely:

#### Stage 1

Cluster sampling method was used to divide Lagos into 20 local governments, but the research work focused on the Globacom Offices in these local government areas, especially the four zones .

#### Stage 2

Out of the selected Globacom offices in the 20 local governments, 5 were purposively selected.

#### Stage 3

Stratified Sampling was utilized to divide the respondents into male and female.

#### Stage 4

Questionnaires was used to select 267 male respondents and 89 female respondents from the selected local government through ballot method.

### **3.4 Method and Instrument of Data Collection**

The data collection involved quantitative and qualitative methods. The quantitative method involved the use of questionnaire especially the literate respondents in the organisation because it may be difficult to get in contact through in-depth interview. The qualitative method was also involved which was the use of in-depth interview to the top management officers of Globacom in their offices or various desks. The researcher collected introductory letter from the Head of Department of Business Administration, Mountain Top University. The researcher went to the organisation on several occasions to facilitate the ease of administration and retrieval of the questionnaires papers. Data was collected from Glo employees, dealers and top management officers

### **3.5 Sources of Data**

Primary and secondary data were used in this research. Primary data is a data originally collected by the researcher for the purpose of this study and this was obtained through the use of questionnaire and in-depth interview, while secondary data was obtained from telephone directories of Globacom, Lagos Handbook as well as records from federal office of statistics-NBS/NCC.

### **3.6 Validity and Reliability of the Research Instrument**

This is to ensure that the research instruments capture accurate information and also prevent logical errors when drawing conclusions. On the other hand, reliability means a matter of whether a particular method applied repeatedly to the same people or object would yield the same outcome each time. This implies that the level of consistency of the result derived is an indication of the reliability of the instrument. To ensure validity and reliability of research instrument, the questionnaire was given to my supervisor for his correction and intellectual inputs before a pilot study was carried out four weeks in Lagos State before the actual administering the questionnaires.

### **3.7 Administration of Research Instruments**

Copies of the questionnaires were self-administered with the aid of one Globacom business analyst because the respondents are the staff of Glo in the metropolis and are expected to have basic skill of reading and writing. In support of the interview, the Globacom top managers were interviewed for the purpose of this research work.

### **3.8 Method of Data Analysis**

A simple percentage and frequency count was used for the personal information section of the questionnaire while correlation analysis statistical utensils were used to examine all the null hypotheses, and all hypotheses were investigated or tested at, 0.05 alpha level of significance.

That is to say, quantitative data collected was used to analyse with the aid of the Statistical Product and Service Solutions (SPSS ver). Statistical analysis involves the use of percentages, pie chart, bar chart and chi-square methods. Qualitative data will be analysed through the use of content analysis where all information gathered will be transcribed. Descriptive data was presented in charts, frequency count, tables, mean and cross tabulation. Inferential analysis using multiple and simple linear regression was used to test the effect of sales promotion strategies in an organisational performance. T-test was used to analyze significant difference in the groups available for gender while ANOVA was used to test the significant difference for other demographic variables in the study. The data transcribed from the structured interviews were discussed in detail under the themes in the objectives and research questions identified in the study.

## CHAPTER FOUR

### DATA PRESENTATION AND ANALYSIS

#### 4.0 Introduction

This chapter explains the analysis of the data collected from the respondents through the use of questionnaires. The information or data gathered from the respondents were used to calculate descriptive statistics of the data as frequency count and percentages. This is then followed by test of the hypotheses.

#### 4.1 Presentation of Data

##### Part A: Socio-Demographic Characteristics of Respondents

Out of the 400 copies of questionnaire administered, 356 were returned as used for the analysis. This shows a response rate of 89% from the respondents.

**Table 4.1.1 Composite Table of Respondents' Demographic Details**

	Variable	Frequency(N=356)	Percentage
1	<b>Gender</b>		
	Male	269	75.6
	Female	87	24.4.0
	<b>Total</b>	<b>356</b>	<b>100</b>
2	<b>Age</b>		
	25-34years	100	28.1
	35-44years	187	52.6
	45-54year	61	17.1
	55-64years	8	2.2
	<b>Total</b>	<b>356</b>	<b>100</b>
3	<b>Marital status</b>		
	Married	232	65.2
	Single	108	30.3

	Divorced	16	4.5
	<b>Total</b>	<b>356</b>	<b>100</b>
<b>4 Highest Education Attained</b>			
	SSCE	20	5.6
	Technical/ND	18	5.1
	B. SC	118	33.1
	Master Degree	178	50
	PhD	22	6.2
	<b>Total</b>	<b>356</b>	<b>100</b>
<b>5 Respondents' Questionnaires Target</b>			
	Top Managers	50	14.0
	Employees	280	78.7
	Dealers	26	7.3
	<b>Total</b>	<b>356</b>	<b>100</b>

The table above demonstrated the distribution of three hundred and fifty-six (356) respondents. The genders of the respondents were male with 75.6% (269) and female with 24.4% (87); 28.1% (100) fall between 25-34 years of age, 52.6% (187) fall between 35-44 years of age, 17.1% (61) fall between 45-54 years of age while 2.2% (8) fall between 55-64 years of age; and 6.2% (22) of the respondents had PhD degree, 50% (178) had master degree, 33.1% (118) had bachelor degree, 5.1% (18) had ordinary national degree, while 5.6% (20) had SSCE. All the respondents are experienced based on their capability and qualification.

**Table 4.1.2: Organizational Performance**

S/N	Statement	Yes	No
		F(%)	F(%)
1	Sales promotion strategies motivate your subscribers to join Globacom networks?	98(98.0)	2(2.0)
2	Your management is always eager to provide the needed funds for sales promotion?	96(96.0)	4(4.0)
3	Glo sales promotion strategies increase her profit margin?	93(93.0)	7(7.0)
4	Glo sales promotion strategies making positive influence on it performance	77(87.0)	23(23.0)
5	Do Glo subscribers frequently benefit on her salespromotion strategies?	91(91.0)	9(9.0)
6	Glo helps her subscribers to decrease their average spending per month on phone spending per monthand still make good market share.	95(95.0)	5(5.0)
7	Glo has helped her subscribers to increase their average calls and data usage per day at nominal cost	51(51.0)	49(49.0)
8	There has been an increase in customers' patronage as a result of Glo sales promotion strategies	93(93.0)	7(7.0)
9	Glo sales promotion strategies have made many telephone users to port network	43(43.0)	57(57.0)

Table 4.1.2 demonstrated distribution of respondents' Organisational Performance. Greater part (98%) alleged their organisation have a sales promotion strategies, 96% alleged that their employer provide regular fund for sales promotion, 93% alleged that sales promotion increase organisation profit, 77% alleged that sales promotion strategies have positive influence on the organisation, 91% alleged that subscribers benefit from sales promotion strategies, 95% alleged that sales promotion makes customers to minimize their average spending on phone expense per month, 51% alleged that sales promotion increase average calls and data usage per day at



norminal cost, 93% alleged that there is an increase in customers patronage as a results of Glo sales promotion and 57% alleged that sales promotion have positive significant over organisational performance.

## 4.2 Verification of Research Hypothesis

### Hypotheses One

**H<sub>0</sub>: There is no significant relationship between the uses of discounts on organisation performance.**

**Table 4.2.1a**

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.265 <sup>a</sup>	.070	.068	3.92285

a. Predictors: (Constant), Discounts

**Table 4.2.1b**

**ANOVA<sup>a</sup>**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	407.059	1	407.059	26.452	.000 <sup>b</sup>
	Residual	5370.684	349	15.389		
	Total	5777.744	350			

a. Dependent Variable: Organization performance

b. Predictors: (Constant), Discounts

**Table 4.2.1c****Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	13.699	.956		14.330	.000
Discounts	.231	.045	.265	5.143	.000

a. Dependent Variable: Organization performance

The above model summary showed negative significant relationship between discount sales promotion strategy and organisational performance, with R=.265, P=.000, f-value of 26.452, t=5.143. With p-value <0.05 and positive R-value, we can confidently say that there is no significant relationship that exist between discount sales promotion strategy and organisational performance. Therefore the null hypothesis is discarded, while alternative hypothesis is accepted.

**Hypothesis Two**

**H<sub>0</sub>: There is no significant relationship between samples and gifting on organization performance.**

**Table 4.2.2a****Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.016 <sup>a</sup>	.000	-.003	4.06676

a. Predictors: (Constant), Sample and Gifting

**Table 4.2.2b****ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.444	1	1.444	.087	.768 <sup>b</sup>
	Residual	5788.485	350	16.539		
	Total	5789.929	351			

a. Dependent Variable: Organization performance

b. Predictors: (Constant), Sample and Gifting

**Table 4.2.2c****Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	18.790	1.051		17.874	.000
	Sample and Gifting	-.013	.043	-.016	-.295	.768

a. Dependent Variable: Organization performance

The above model summary showed negative significant relationship between sample and gifting sales promotion strategies and organisational performance, with  $R=0.16$ ,  $P=.768$ ,  $f$ -value of  $.087$ ,  $t$ - $(.295)$ . With  $p$ -value  $>0.05$  and positive  $R$ -value, we can confidently say that there is significant relationship that exists between sample and gifting sales promotion strategies and organisation performance. Therefore the null hypothesis is accepted, the alternative hypothesis is discarded.

### Hypothesis Three

**H<sub>0</sub>: There is significant relationship between the uses of rebates on organization performance.**

**Table 4.2.3a**

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.186 <sup>a</sup>	.035	.032	3.99630

a. Predictors: (Constant), Rebates

**Table 4.2.3b**

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	200.292	1	200.292	12.541	.000 <sup>b</sup>
	Residual	5589.637	350	15.970		
	Total	5789.929	351			

a. Dependent Variable: Organization performance

b. Predictors: (Constant), Rebates

**Table 4.2.3c**

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	22.544	1.165		19.343	.000
	Rebates	-.194	.055	-.186	-3.541	.000

a. Dependent Variable: Organization performance

The above model summary, it revealed direct significant positive relationship between sales promotion strategies and organisational performance, with R=186, P=000, f-value of 12.541, t— (3.541). With p-value less than 0.05 and positive R-value, we can confidently say that no significant relationship that exists between organizational rebates sales promotion strategy and the organisational performance. Therefore, null hypothesis is discarded, the alternative hypothesis is recognized.

#### Hypothesis Four

**H<sub>0</sub>: There is no significant relationship between the use of coupon and price off deals on organization performance.**

**Table 4.2.4a**

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.154 <sup>a</sup>	.024	.021	4.01746

a. Predictors: (Constant), Coupon and Price off deals

**Table 4.2.4b**

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	136.650	1	136.650	8.467	.004 <sup>b</sup>
	Residual	5632.842	349	16.140		
	Total	5769.493	350			

a. Dependent Variable: Organization performance

b. Predictors: (Constant), Coupon and Price off deals

**Table 4.2.4c****Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	21.073	.919		22.930	.000
Coupon and Price off deals	-.128	.044	-.154	-2.910	.004

a. Dependent Variable: Organization performance

The above model summary, it revealed direct significant positive relationship between sales promotion strategies and organisational performance, with  $R=154$ ,  $P=0.004$ , f-value of 8.467,  $t=$  (2.910). With  $p < 0.05$  and positive R-value, we can confidently say that there is no significant relationship that exists between Coupon and Price off deals of Glo sales promotion strategies and the organisational performance. Therefore, null hypothesis is discarded while the alternative hypothesis is recognized.

### 4.3 Discussion on Findings

The results of the test of the four hypotheses drawn up for this study were discussed in this section. The result of the first hypothesis tested revealed that Sales promotion strategies do not have positive effect on the organization's performance. The case of Globacom gives credibility to this outcome, that it does not only depend discount promotion strategy to bring positive effect on the organization performances, because there are other means through which Globacom company can use to improve organisation's performance such as data bundle package, Glo sponsorship and others.

The result of the second hypothesis tested revealed sales promotion strategies have positive effects on the organisation's performance because we can confidently say that there is significant relationship that exist between sample and gifting sales promotion strategies and organisation performance. This means that the use of gifting and sampling have helped Glo to pull in customer, retain customers and benefit her subscribers.

The result of the third hypothesis tested revealed that sales promotion strategies do not have positive effect on the organisation's performance since we can confidently say that no significant relationship that exists between rebates strategy and the organisational performance. Some customers are not interested in incentives or bonus, what they are interested in is quality service delivery at all times anywhere, both in voice call, internet data and connectivity. This also means sales promotion strategies alone cannot create an edge in a highly competitive environment of telecommunication operators. Sales promotion strategies served as window to express and make known company products and services.

The result of the fourth hypothesis tested revealed that sales promotion strategies like coupon and price off deals do not have positive effect on organizational performance. Since we can confidently say that there are no significant relationship that exist between Coupon and Price off deals and the organisational performance.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Summary**

The main purpose and objective of this study was to evaluate the sales promotion strategies and the effects of these strategies in an organisation performance, however, results from this study carried out on: an examination of the effects of sales promotion on the organisation performance have been summarized. Therefore, the study is subject to stated objectives and four hypotheses tested in course of the study. The summary of the findings are as follows;

objectives, the following specific objectives are put forward:

The discount sales promotion strategy positively influences and enhanced organisational performance. It has helped to pull and attract new subscribers, retain existing customers; this had led to large market share and large sales volume for the organisation.

The sales promotion had greatly provided organisation with the capacity out shine their competitors in the telecommunication markets. Since the business environment is competitive, then sales promotion is the strategies are the best tools for gaining advantage, initiate high demand for service in market. That is why sample and gifting are somehow used to facilitate organisation performance through increase in sales margin.

To examine how the use of rebates can enhance organisation performance through large market share of the organisation. To investigate how the use of coupon and price off deals have contributed to the organisation performance through output of the organisation. Sales promotion strategy is one of the dynamic and essential instrument that telecommunication must embrace as a measurement for gaining entering into the market in an unfriendly, complex and competitive environment.

#### **5.2 Conclusions**

The integration of sales promotion among the organisational plans and objectives is a vital tool that create innovative idea that draws more customers, buyers and subscribers because it entails activities that include collection of incentives, mostly short term, motivation of customers, that is designed to stimulate quicker or greater purchase response of particular products or service. It



enables the possibility of speedy sales, demand and subscriber's attraction. In course of this study, the effects of sales promotion strategies as an upshot to telecommunication services in Lagos Nigeria was observed with particular reference to Globacom Limited. The study identified the notable dynamics as regards the use of sales promotion tools in the marketing of telecommunication services in recent times. In complex market environment of the intense competition among telecommunication operators, the use of sales promotion strategy was found as major instrument for marketing warfare through which competitive edge could be created by some Globacom over the other competitors in the market.

The major factor that enables Globacom to remain among the notable telecommunication service provider, and the second largest among its counterpart is sales promotion strategies initiatives; from the period of her inception and to date Globacom had been seen using promotion strategies. This has made her to keep her relevance, large sale volume, large profit margin in the market and finally improve work, employee performance and organisation global expansion. It has been discovered by research that the rate of sales promotion strategies among the GSM operators in Nigeria is exceedingly high, so the management of the organisation must manage and control its well in order to prevent lost and maintain profit maximization.

### **5.3 Recommendations**

- ✓ It is recommended that organisation should have the system to ask customers to comment about the service, and sales promotion strategies so that they can know how well the sales promotion has really help in meeting customer satisfaction. There should be a channel for feedback response between the customer and organisation on sales promotion.
- ✓ Looking at the above analyses of the findings/outcomes of this study, it is quite expedient to come up with some recommendations which may further strengthen the utilization of sales promotion as a doable tool for the advertising of telecommunication services and products in Nigeria. They are as follows;
- ✓ Telecommunication should make integrity and loyalty her core value, and must be accountable to her because that is the key factor to the promo benefit, not manipulating or exert her subscribers.
- ✓ Telecommunications organisation should always endeavour to clearly spell out the objectives of sales promotion campaign in order to facilitate direction and focus when

executing the campaign. In addition, this should have direct bearing on the attainment of the marketing objectives of the organisation.

- ✓ Organisation should be creative and innovative enough to create its own unique sales promotion ads, campaigns and no copying the works of other competitors. It's should strive to creating its own unique brand and professional sales promotion brand that will be known with them.
- ✓ Telecommunication organisation should maintain frequent awareness, publicity to sales promotion campaigns on social media, ads, radio, Tv and news papers while it last.

#### **5.4 Implication of the Study**

One of the implications of this study is that, it will develop zeal in other telecommunication companies to develop a unique channel and strategy for creating an effective and efficient sales promotion branding idea to pull more customers and retain the existing customers.

It will provide more income to the organisation will be large enough to settle government or regulatory agent bills, finance company, maintain company services and expense, pay staff salaries and incentives, and finally Expand the business and accumulate wealth.

Another implication which may occur if not well handle is the issue of profit loss; since sales promotion strategies required heavy capital, the management should be careful so that the organisation does not run to a loss, they should ensure that the sales promotion strategies have a positive feedback, and this must reflect positive in the employee performance, boost in market share and sales volume.

#### **5.5 Contribution to Knowledge**

This study has contributed to the existing knowledge, on the part of sales promotion strategies as one of the tools used by the marketers, organisations to induce customers and retain customers. Most researcher have used different variables that is, either advertising, personal selling, sales promotion or public relation to improve sales. The contribution to knowledge is seen in the way the study integrate some variables such as discounts, rebates, samples and price off deals, rewards to loyalty customer, and marketing mix such as personal selling as elements of sales promotion strategies to improve organizational performance; and this action resulted to positive

outcome in term of profitability, large sales volume, large market share, customer loyalty and organisation expansion and global recognition.

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## APPENDIX :

Mountain Top University  
Department of Business Administration  
Prayer City, Mowe-Ibafo, Ogun State.

**Dear Respondent,**

I am Olaniyi, Adalakun Daniel, a student in the Department of Business Administration, Mountain Top University. I am conducting an academic search on: **Effects of Sales Promotion Strategies on Organisational Performance: A study of Globacom Nigeria Limited.** The study intends to investigate Effects of Sales Promotion Strategies on Organisational Performance using your prestigious organisation, GlobaComNig, as the case study. The research is in partial fulfillment for the award of Bachelor of Science Degree in Business Administration. Therefore, you are kindly required to supply response and opinion to the questions overleaf to the best of your ability. You are rest assured that any information supplied which is purely for academic purpose will be treated with strict confidence.

Yours Faithfully,

Olaniyi, Adalakun Daniel



**Instruction: Please tick as appropriate.**

**Section A:**

**Demographic Information**

1. Gender: (a) Male [ ] (b) Female [ ]
2. Please Your Age Range (a)25-34 years [ ] (b) 35-44 years [ ] (c) 45-54 years [ ] (d) 55-64 years and above [ ]
3. Please Your Marital Status (a) Married [ ] (b) Single [ ] (c) Divorced [ ]
4. Tick your Educational Status. (a) Secondary [ ] (b)Technical/ND [ ] (c) Tertiary [ ] (d) Masters [ ] (e) Phd[ ]

**Section B**

5. What motivates your subscribers to join Globacom networks? (a) Data bundle [ ] (b) [ ] GloContests [ ] (c) Discounts [ ] (d) Coupon and Price [ ] (e) and Others
6. Your management is always eager to provide the needed funds for sales promotion? (a) Yes [ ] (b) No [ ] (c) I don't know [ ]
7. Has the Glo sales promotion strategies increase her profit margin? (a) Yes [ ] (b) No [ ] (c) I don't know [ ]
8. Are Glo sales promotion Strategies making positive influence on it performance? (a) Yes [ ] (b) No [ ] (c) I don't know [ ]
9. Do Glo subscribers frequently benefit on her sales promotion strategies? (a) Yes [ ] (b) No [ ] I don't know
10. Glo helps her subscriber to decrease their average spending per month and still make good market share? (a) Yes [ ] (b) No [ ] (c) I don't know [ ]
11. Glo has helped her subscribers to increase their average calls and data usage per day at nominal cost (a) Yes [ ] (b) No [ ] (c) I don't know [ ]
12. There has been an increase in customers' patronage as a result of Glo sales promotion strategies (a) Yes [ ] (b) No [ ] (c) I don't know [ ]
13. Glo sales promotion strategies have made many telephone users to port to Glo network (a) Yes [ ] (b) No [ ] (c) I don't know [ ]
14. Glo sales promotion strategies have positive significant influence over the organisational performance measurement (a) Yes [ ] (b) No [ ] (c) I don't know [ ]

**Section C: Strongly Disagree [SD] Agree [A] Neutral [N] Agree [A] Strongly Agree [SA]**

**There is no significant relationship between the use of discounts on organization performance.**

S/N		SD 1	A 2	N 3	A 4	SA 5
15	Glo makes use of discount sales promotion strategies to improve performance and motivate customers					
16	Glo gives information about discount she offers via ads, sms, voice calls, radio jingle, broadcast, news papers and others					
17	Glo makes use of discount sales promotion strategies to gain market share					
18	Glo makes use of discount sales promotion strategies to improve profit margin					
19	Glo makes use of discount sales promotion strategies to increase sales volume					

**Section D: There is significant relationship between samples and gifting on organization performance.**

N		SD 1	A 2	N 3	A 4	SA 5
20	Glo makes use of samples and gifting strategies to improve performance and motivate customers					
21	Glo makes use of samples and gifting strategies to improve market share					
22	Glo makes use of samples and gifting strategies to increase profit margin					
23	Glo makes use of samples and gifting strategies to increase sales volume					
24	Glo makes use of samples and gifting strategies to increase customers' patronage					
25	Glo gives information on samples and gifting to her clients via ads, sms, voice calls, radio jingle, broadcast, news papers and others					

**Section E: There is a significant relationship between the use of rebates on organization performance.**

S/N		SD 1	A 2	N 3	A 4	SA 5
26	Glo gives frequent rebates to her loyal customers, distributors and wholesalers					
27	Glo gives information on double bonus offer on credit recharged to loyal customer through SMS					
28	Glo gives information on percentage reduction on voice call either for international calls or local call through ads					
29	Glo gives rebates reward to her customers for constant product(s) purchase to build brand loyalty rather than diminish it.					
30	Glo uses rebate strategies to improve her organisation's performance					

**Section F: There is significant relationship between the use of coupon and price off on organization performance.**

S/N		SD 1	A 2	N 3	A 4	SA 5
31	Glo use coupon and price off deals to motivate her customer for patronage					
32	Glo use coupon and price off deals to boost customer loyalty and market share					
33	Glo use coupon and price off deals to boost the organisation's sales volume					
34	Glo offers regular free data to her loyal customers on a monthly basis					
35	Glo use coupon and price off deals to boost customer and market demand for their products and services					