SALES PROMOTIONAL ACTIVITIES OF TELECOMMUNICATION COMPANIES ON SUBSCRIBERS' PATRONAGE

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DEPARTMENT OF MARKETING

FACULTY OF BUSINESS ADMINISTRATION

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BEING A DISSERTATION SUBMITTED TO THE DEPARTMENT OF MARKETING IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF MASTERS OF BUSINESS ADMINISTRAION (MBA) DEGREE IN MARKETING, FACULTY OF BUSINESS ADMINISTRATION

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SUPERVISOR: DR. S.C. MOGULUWA

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DECLARATION

I, IKEJIOFOR, CHRISTOPHER UZOCHUKWU, a postgraduate student in the Department of Marketing, Faculty of Business Administration, University of Nigeria, with the Registration number PG/MBA/14/69873 do hereby declare that the work embodied in this Dissertation is original and has not been submitted in part or full for any other Diploma or Degree to this University or any Institution of learning

………………………………………………………. **…………………………..**

IKEJIOFOR, CHRISTOPHER UZOCHUKWU **DATE**

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APPROVAL

This Dissertation has been approved for the Department of Marketing, Faculty of Business Administration, University of Nigeria, Enugu Campus, by:

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Supervisor

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Dr. C.E. Obeta **Date**

Head of Department

DEDICATION

This project is dedicated to God Almighty the giver of life, and also to those who practice marketing with the highest level of professionalism towards the socio-economic development of our great nation – Nigeria.

ACKNOWLEDGEMENTS

I wish to thank Almighty God for sparing my life to see the end of this much desired MBA programme despite the many challenges encountered in the course of the study.

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ABSTRACT

This study aimed at evaluating the sales promotional activities of the telecommunication on subscribers' patronage. The objective of the study aims at determining the relationship between sales promotion and need awareness, sales promotion and searching for information and sales promotion and purchase decisions by consumers. The study involves both primary and secondary data. The primary data was gathered from three hundred and twenty users of mobile phone in the Ogui sub-metro through questionnaire design and interview. The customers were selected using quota sampling technique. The secondary data were collected from previous studies, books, internet and journals. Data were analyzed using table and simple percentage, hypothesis were tested using chi-square statistics (x^2*). We discovered among other things that there is relationship between sales promotion and patronage of mobile network service in telecommunication industry. We also found that Sales promotion does significantly help customers to search information on mobile telecommunication service. It was also revealed that Sales promotion does significantly create the need awareness on mobile telecommunication service. . In line with the above, we recommend among other things that the firms that is behind MTN should increase their sales promotions in order to increase their market share, Also firms should introduce appropriate platform that can publicize the various sales promotion programmes they offer to their subscribers and it again recommended that considering the keen nature of competition in the industry firms should be innovative so that they can introduce unique sale promotion programmes that can influence customers to their favour.*

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CHAPTER ONE

INTRODUCTION

1.1 Background Of The Study

Over the past few decades, there has been an increase in the use of sales promotion tools by marketers in attempt to achieve, and maximize their marketing objectives. Whatever the product, sales promotion has found its usefulness in one direction or the other. This is especially so with the continuous development of marketing practices such that marketing managers have taken to the use of every available strategy aimed at achieving set objectives.

As Jones (1991: 61) notes, "the use of sales promotions have grown in importance to become the most popular tool in the marketer's kit in America and world over." Also, Lancaster and Massingham (1993: 219) observed that the total amount spent on sales promotions in consumer markets in the UK outstrips the spending on media advertising. This point is further magnified by Czinkota et al (1997: 455) as they explain that "due to the cost and clutter of media advertising, better targeting capabilities and easier tracking of its effectiveness, sales promotions budget has over taken advertising budget in both the US and Europe".

The adoption of sales promotion strategies in marketing practice dates back to the origin of marketing itself. Notwithstanding the evolutionary process bringing about a shift from selling concept to the emphasis on marketing concept philosophy, sales promotion continues to take a prominent position in the overall promotion mix of many marketing organizations. It is however important to observe that, the growth of sales promotion was initially fast tracked by the selling concept which emphasised selling.

In Nigeria, the privatization of the telecommunication industry saw the joining of rival firms like MTN, Airtel, Etisalat and Glo which has given rise to an intense competition among the rival firms. Each making calculated attempts to attract and retain subscribers in their network. This has given rise to the use of sales promotion activities over the recent past. This may not be unconnected with the increased competition in advertising and other elements of promotional mix bringing about some form of resistance of the market. As at present, the noticeable upsurge in the use of sales promotion tools cuts across virtually all sectors of the economy whether products or services, telecommunications, beverages, travels/aviation, hospitality, manufacturing, all offering one kind of incentive to their customers just to keep and retain them in the platform of their customer profile. This buttresses the potency of sales promotion as a viable element of the overall marketing communication mix, and hence the need for this study.

1.2 Statement of the Problem

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. According to Moemeke (1997), besides advertisement, sales promotion is the next available marketing strategy that help to promote sales, increase product life cycle, sales growth and enhance customers' goodwill. Modern marketing management calls for more than developing good quality product, attractive price and making brands accessible to target customers. Companies engage in integrated marketing communication to attract and retain customers' loyalty.

In the same vein, Nwankwo (1996) observes that sales promotion as those marketing activities other than personal selling, advertising and publicity that stimulate consumer purchasing and dealer effectiveness, such as display, shows and exposition, demonstrations and various nonrecurrent selling efforts not in the ordinary routine. It also includes a combination of all marketing devices or techniques, special reductions, trade gift, premium offers, contests, and other such short-lived promotional activities directed towards consumers and retailers, aimed at motivating sales. In other words, it encourages immediate purchases. Sales promotion, according to Manale, Jose and Zacharias (2007), has become a vital tool for marketers and its importance has been increasing significantly over the years.

Some studies have also shown that sales promotions increase the likelihood for repeat purchases. If consumers are satisfied with the brand that is being promoted, it is more likely that they will also buy it later after the promotion is over. The uncertainty surrounding the exact influence sales promotion has on the behaviour of Subscriber's has necessitated the study into the area.

1.3 Objectives of the Study

The main objective of this study is to evaluate the sales promotional activities of the telecommunication on subscribers' patronage. While the specific objectives of this study were to:

a. Examine the role of sales promotion in creating need awareness of mobile Telecommunication services

b. Assess how sales promotion help customers to search information on mobile telecommunication services

c. Determine the relationship between sales promotion and patronage of mobile network services

1.3 Research Questions

In order to successfully achieve the objectives above, the research seeks to find answers to the following basic questions:

a. What is the role of sales promotion in creating need awareness of mobile Telecommunication services?

b. How does sales promotion help customers to search information on mobile telecommunication services?

c. What is the relationship between sales promotion and patronage of mobile network services?

1.4 Research Hypotheses

The following null hypotheses have been formulated to guide the study:

Ho. Sales promotion does not significantly create the need awareness on mobile telecommunication service.

Ho. Sales promotion does not significantly help customers to search information on mobile telecommunication service.

Ho. There is no relationship between sales promotion and patronage of mobile network service.

1.5 Significance Of The Study

The findings of this study would be of immense significance to the management of various telecommunication firms that places customer service as a top priority in their service delivery. Customers if granted access to the findings of this research would be guided in the way they respond to some sales promotional appeal of some telecom companies because the study is keened to finding out the extent of fairness and ethical consideration of telecom firms in their practice of sales promotion.

This study will also serve as a reference point for future researchers who would be interested to update the knowledge gap that will be developed from this research exercise as it will add to their knowledge data bank. More importantly, this study would be of immense benefit to the researcher as the successful research will lead to the award of MBA degree in Marketing.

1.6 Scope Of The Study

The study focuses on the evaluation of sales promotional activities of telecom companies on subscribers' patronage of their service in Enugu State. The study will specifically concentrate on subscribers in Ogui metropolis as the area scope.

Organisations used for this research were MTN, GLOBACOM, ETISALAT, and AIRTEL. These organisations were used because they are the key players in the telecommunication industry that play with sales promotion.

1.7 Limitations Of The Study

The study is constrained among other things viz:

1. **Uncompromised Attitude of Respondents:** the unwillingness of respondents to attend to the researcher is a major constraint the progress of this research work as they claim to be too busy with their daily schedule. However, the research inherent patience and endurance was a factor that sustained the interest.

1.10 Historical Background of Companies under Study.

MTN Nigeria

MTN Nigeria is part of the MTN Group, Africa's leading cellular telecommunication company. On May 16th 2001, MTN became the first GSM network to make a call following the globally lauded Nigerian GSM auction conducted by the Nigerian Communication Commission (NCC) earlier in the year. Thereafter the company launched full commercial operation beginning with Lagos, Abuja and Portharcourt.

MTN paid $285m for one of four GSM licenses in Nigeria in January 2001. To date, in excess of US$1.8b has been invested building mobile telecommunications infrastructure in Nigeria. Since the launch in August 2001, MTN has steadily deployed its services across Nigeria, it now provides services in 223 cities and towns, more than 10,000 villages and communities and growing number of highways across the country spanning the 36 states of Nigeria and federal capital territory Abuja. Many of these villages and communities are being connected to the world of telecommunication for the first time ever.

The company's digital microwave transmission backbone, the 3,400 kilometre Y'ello Bahn was commissioned by President Olusegun Obasanjo in January 2003 and is reputed to be the most extensive digital microwave transmission infrastructure in all of Africa. The company subsists on the core brand values of leadership, relationship, integrity, innovation and can-do. It prides itself on its ability to make the impossible possible, connecting people with friends, family and boundless opportunities.

ETISALAT NIGERIA

Etisalat is one of the leading telecommunication companies in the world and one of the largest operators in the Middle East and Africa, headquartered in the UAE. Etisalat operates in 18 countries across Asia, the Middle East and Africa, serving over 85million customers out of a total population that exceeds 1.9billion people.

Etisalat signed an agreement to acquire 40% of and manage emerging markets telecommunication services (EMTS). Nigeria's fourth GSM operator began commercial operations trading as Etisalat Nigeria in October 2008. It is now operating with over 14 million subscribers and lunched one of the first major broad band services in Nigeria –Easy Blaze. Etisalat is widely known for its innovative products and services such as the Eco sim and the first network to offer special numbers to Nigerians as their mobile numbers via the 080uchoose campaign.

GLOBACOM NIGERIA

Globacom Limited is a Nigerian indigenous multinational telecommunication company headquartered in Lagos, Nigeria. Glo is a privately owned telecommunication carrier that stared its operations on 29th August 2003. It currently operates in four countries in west Africa namely: Nigeria, Republic of Benin, Ghana and Cote d'voire. As of June 2009, the company has employed more than 2500 people worldwide.

Glo has an estimated of over 25million subscribers and it is a 100percent Nigeria owned company. Glo built a high capacity fibre-optic cable known as Glo-1 estimated at $800million, a submarine cable from the United Kingdom to Nigeria. In August 2003, Glo mobile was launched in Nigeria. Glo mobile introduced lower tariff pay per second billing and alongside other value added services. Although Glo mobile was among the fourth GSM operator to lunch in Nigeria, within seven years of the company's operation, its subscriber base has grown to over 25million.

AIRTEL NIGERIA

Airtel Nigeria (Airtel Network Limited) a leading telecommunication service provider in Nigeria and a member of Airtel Africa Group is committed to providing innovative, exciting, affordable and quality mobile services to Nigerians, giving them the freedom to communicate, rise above their daily challenges and drive economic and social development. The company made history on August 5, 2001 by becoming the first telecom operator to lunch commercial GSM services in Nigeria and has scored a series of many first in the highly competitive Nigeria telecommunication market including the first to introduce toll free 24hours customer care; first to launch service in all the six geo-political zones in the country

1.9 Operational Definition of Terms.

The following major terms used in the research work are defined for clarity.

Sales Promotion: It describes promotional methods using special short term techniques to persuade members of a target market to respond or undertake certain activity.

As a reward, marketers offer something of value to those responding generally in form of lower cost of ownership for a purchased product or service.

Customer Loyalty: The measure of success of the supplier in retaining a long term relationship with the customer. Customer tends the customer to voluntarily choose a particular product against another for his needs. It is all about attracting the right customer, getting them to buy, buy often, buy in larger quantities and bring more customers to the company.

Premium: It is a promotional item that can be received for a small fee when redeeming proofs of purchase that come with or on retail products. It is something offered at a reduced price as an inducement to buy something else.

Brand: Is a name, term, design, symbol, or any other feature that identifies one sellers' product distinct from those of other sellers.

Customer Patronage: It is the support that customers give to their services producers/providers by spending money on the product/service offerings.

Switching: To change from one brand to another especially when it is sudden and complete.

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CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Conceptual Framework

Sales Promotion

Sales promotion can be defined as “special offers” (Peattie, 1998). More specifically, referring to the institute of sales promotion, it is a range of tactical marketing techniques designed within a strategic framework to add value in order to achieve specific sales and marketing objectives (Bunn and Banks, 2004). According to Branch (1990), sales promotion excludes all paid media advertising, but includes techniques like coupons, self-liquidating offers, bargaining packages, gifts, sampling and point of purchase promotions and displays. Sales promotion works as short-term incentives to encourage purchase of a product or service (Kotler, Brown, Adam and Armstrong, 2006) and therefore is value offered to the customer in a short-term orientation. It essentially aims to stimulate demand during the period in which it is set.

Peattie and Peattie (1994) also define sales promotion as marketing activity specific to a group of customers, a particular place and/or time bound, which encourages an immediate or direct response from customer by offering additional valuable benefits. It highlights the concept of the commitment that every supplier expects from its customers.

Sales promotion has grown substantially in recent years. It has been established in literature that only consumers with repeat purchases are profitable, Nagar (2009). It is not every repeat purchase that is connected to consumer’s commitment is important for a repeat purchase. Therefore, business operators need to develop marketing programs that will not only reinforce customer’s commitment but also encourage repeat purchase. Part of the functions of sales promotion is not only to reinforce commitment of consumers but to encourage repeat purchase. Achumba (2002) also identifies the objectives of sales promotions countering the moves of competitors, and incentives to attract new customers, to encourage sales force for greater efforts, to give image to a product and to suggest new use for products. Adeleye (2006) posits that a sales promotion objective defines what the marketer hopes to achieve with the sales promotion, and that the objectives should identify the target consumers for the promotion and specify the response that is desired. Effects of sales promotion on consumer behavior has been widely studied in literature (Nagar, 2009). Sales promotion has effect on various aspects of consumer's purchase decisions such as brand choice, purchase time, quantity and brand switching; consumer's sensitive to price Bridges.

However, whether the effect of consumer loyalty and purchasing behavior could be moderated by sales promotions has not yet been examined extensively. Regardless of a widespread interest in relationship between sales promotion and purchasing behavior, most studies of this kind focus on the effect of sales promotion on choice at the time they are offered (Delvecchio, and Henard, 2006). Only a few have investigated lag effect of sales promotion on brand preference and the resultant buying behavior once the promotion campaign is rescinded.

Telecommunication companies in Nigeria in their effort to attract and retain customers continually invest in sales promotion. They adopt all kind of special offers ranging from bonus data, bonus airtime on weekend recharge, gift items, etc. offered to their respective subscribers as incentives that would always encourage their patronage and loyalty. Most of these sales promo tools are short-termed in other sectors of business but seem not to be short-termed in telecom as we witness its endless implementation. This is owing to the fact and reality of intense competition in the industry.

2.1.1 Sales Promotion Tools and Strategy

One of the major elements in the marketing mix is Promotion or what is known as marketing communication in the contemporary marketing parlance. It is that element which creates awareness about a product or service aimed at building up demand for it. Specifically, Kotler & Armstrong (2004: 467) gave a simple definition of marketing communications as “the entire promotional elements to deliver a clear, consistent and compelling message about the organization and its products”. Marketing Communications has several tools among which sales promotion is prominent.

Sales promotion is any initiative undertaken by an organisation to promote an increase in sales, usage or trial of a product or service i.e. initiatives that are not covered by the other elements of the marketing communication or promotion mix. More specifically, the American Marketing Association (AMA) defines 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, or improve product quality." But this definition does not capture all the elements of modern sales promotion. Beyond the foregoing, sales promotion increases the basic value of a product for a limited time and directly stimulates consumer purchasing, selling effectiveness, or the effort of the sales force. In addition, it can be used to inform, persuade, and remind target customers about the business and its marketing mix. Some common types of sales promotion include samples, coupons, sweepstakes, contests, in-store displays, trade shows, price-off deals, premiums, rebates, promotional discounts, and gift offers. Sales promotion acts as a competitive weapon by providing an extra incentive for the target audience to purchase or support one brand over another. It is particularly effective in spurring product trial and unplanned purchases. Most marketers believe that a given product or service has an established perceived price or value, and they use sales promotion to change this price-value relationship by increasing the value and/or lowering the price (www.answer.com). Compared to the other components of the marketing mix (advertising, publicity, and personal selling), sales promotion usually operates on a shorter time line, uses a more rational appeal, returns a tangible or real value, fosters an immediate sale, and contributes highly to profitability.

Strategically, sales promotion can be applied to or targeted at three different levels/audiences. These include the consumers, the resellers, and the company's own sales force. The tools of sales promotion will be examined based on the foregoing strategic considerations/targets. Therefore, sales promotion tools could be classified as follows:

Consumer Promotion Tools

When sales promotion activities are targeted at the final or ultimate users of a product, it is described as consumer promotion. In other words, the consumer promotion includes efforts steered at stimulating the purchase response of the final consumer of the product. For example, in the telecommunication business, all the activities directed at the subscribers designed to stimulate earlier or stronger response to their services are best described as consumer promotion. The following are some tools of a consumer-oriented sales promotion as identified by Small Business Encyclopaedia (2010).

Price Deals – Price deals include discounts, bonus pack deals, refunds or rebates, and coupons. These tools save the buyer money when a product is purchased. They are usually intended to encourage trial use of a new product or line extension, to recruit new buyers for a mature product, or to convince existing customers to increase their purchases, accelerate their use, or purchase multiple units. Price deals work most effectively when price is the consumer's foremost criterion or when brand loyalty is low.

Buyers may learn about price discounts either at the point of sale or through advertising. At the point of sale, price reductions may be posted on the package, on signs near the product, or in storefront windows. Many types of advertisements can be used to notify consumers of upcoming discounts, including fliers and newspaper and television ads. Price discounts may be initiated by the manufacturer, the retailer, or the distributor. However, for price reduction strategies to be effective, they must have the support of all distributors in the channel. Existing customers perceive discounts as rewards and often respond by buying in larger quantities. Price discounts alone, however, usually do not induce first time buyers.

Another type of price deal is the bonus pack or banded pack. When a bonus pack is offered, an extra amount of the product is free when a standard size of the product is bought at the regular price. This technique is routinely used by telecommunications services providers in Nigeria like, Globacom, Airtel, Multilinks, etc. A bonus packs rewards present users but may have little appeal to users of competitive brands. A banded pack offer is when two or more units of a product are sold at a reduction of the regular single-unit price. Sometimes the products are physically banded together, such as telephone handset and SIM cards.

A refund or rebate promotion is an offer by a marketer to return a certain amount of money when the product is purchased alone or in combination with other products. Refunds aim to increase the quantity or frequency of purchase, to encourage customers to "load up" on the product. This strategy dampens competition by temporarily taking consumers out of the market, stimulates the purchase of postponable goods such as major appliances, and creates on-shelf excitement by encouraging special displays. Refunds and rebates are generally viewed as a reward for purchase, and they appear to build brand loyalty rather than diminish it. Coupons are legal certificates offered by manufacturers and retailers to consumers that give a saving when they purchase a specified product. The certificates are later presented for redemption at the point of purchase. Kotler & Armstrong (2004: 512) observe that coupons can stimulate sales of a mature brand or promote early trial of a new brand. They explain further that, due to coupon clutter, redemption rates have been declining in recent years.

Contests/Sweepstakes/Games – These tools are related in the sense that all of them give the consumer the opportunity to win something such as cash, trip, or products. However, the difference is that; in contests and games, the consumer is required to pre-qualify and submit an entry to be judged by a panel or perform a task which success or failure can clearly be judged to select the best entry or player. On the other hand, the sweepstakes involve a random drawing or chance contest that may or may not have an entry requirement. Sweepstakes, contests and games are all used by telecommunications operators. In some instances subscribers are expected to enter for a contest to win some specified amount of money or valuable item. Also, the use of sweepstakes is a common practice in the sense that subscribers are randomly selected by the computer for a prize consideration.

Special Events - Special events marketing offer a number of advantages. First, events tend to attract a homogeneous audience that is very appreciative of the sponsors. Therefore, if a product fits well with the event and its audience, the impact of the sales promotion will be high. Second, event sponsorship often builds support among employees—who may receive acknowledgment for their participation—and within the trade. Finally, compared to producing a series of ads, event management is relatively simple. Many elements of event sponsorship are pre-packaged and reusable, such as booths, displays, and ads.

Premiums - A premium is tangible compensation that is given as incentive for performing a particular act — usually buying a product. The premium may be given for free, or may be offered to consumers for a significantly reduced price. Some examples of premiums include 'buy-one-get-one-free' (BOGOF) which was used by MTN and during their early stage in the market. Also, almost all the GSM service providers make use of the premium as a tool of consumer promotion as each SIM card purchase often comes with a premium air time of between N50 to N100. Premiums also include incentives that are given for free at the time of purchase. These offers provide instant gratification, plus there is no confusion about returning coupons or box tops, or saving bar codes or proofs of purchase. The premium is still valuable to the consumer because they cannot readily buy the item for the same amount.

Continuity Programmes - Continuity programmes retain brand users over a long time period by offering ongoing motivation or incentives. This tool of sales promotion demands that consumers keep buying the product in order to get the premium in the future. In recent times, the use of continuity programmes became common among players in the hospitality industry including hoteliers, and transporters (especially airlines). They develop what is called frequent-flyer clubs, frequent-traveler plans, frequent-lodgers premium, etc with attached benefit which become available to consumers based on their frequency or volume of usage. When competing brands have reached parity in terms of price and service, continuity programmes sometimes prove a deciding factor among those competitors. By rewarding long-standing customers for their loyalty, continuity programmes also reduce the threat of new competitors entering a market.

Sampling – Sampling is about offering a small amount of the product to consumers as trial. A sign of a successful marketer is getting the product into the hands of the consumer. Sometimes, particularly when a product is new or is not a market leader, an effective strategy is giving a sample product to the consumer, either free or for a small fee. But, in order for sampling to change people's future purchase decisions, the product must have benefits or features that will be obvious during the trial. There are several means of disseminating samples to consumers. The most popular has been through the mail, but increases in postage costs and packaging requirements have made this method less attractive. An alternative is door-to-door distribution, particularly when the items are bulky and when reputable distribution organizations exist. This method permits selective sampling of neighbourhoods, dwellings, or even people. Another method is distributing samples in conjunction with advertising. An ad may include a coupon that the consumer can mail in for the product, or it may include an address or phone number for ordering. Samples can equally be handed out in a retailer's store using special displays or a person can be hired to hand out samples to passing customers. A final form of sample distribution deals with specialty types of sampling. For instance, some companies specialize in packing samples together for delivery to homogeneous consumer groups, such as newlyweds, new parents, students, or tourists. Such packages may be delivered at hospitals, hotels, or dormitories and include a number of different types of products.

Trade Promotion Tools

Trade (sales) promotion is targeted at resellers (wholesalers and retailers) who distribute manufacturers' products to the ultimate consumers. According to Kotler and Armstrong (2004: 513), with the use of trade promotion, manufacturers can persuade resellers to carry a brand, give it shelf space, promote it in advertising, and push it to consumers. In general, the Small Business Encyclopaedia (2010) explains that trade sales promotions hope to accomplish four goals as follows:

- Develop in-store merchandising support, as strong support at the retail store level is the key to closing the loop between the customer and the sale.

- Control inventory by increasing or depleting inventory levels, thus helping to eliminate seasonal peaks and valleys.

- Expand or improve distribution by opening up new sales areas (trade promotions are also sometimes used to distribute a new size of the product).

- Generate excitement about the product among those responsible for selling it.

Some of the most common forms of trade promotions (explained below) include point-of purchase displays, trade shows, sales meetings, sales contests, push money, deal loaders, and promotional allowances.

Point-of-Purchase (POP) Displays -Manufacturers provide point-of-purchase (POP) display units free to retailers in order to promote a particular brand or group of products. The forms of POP displays include special racks, display cartons, banners, signs, price cards, and mechanical product dispensers. Probably the most effective way to ensure that a reseller will use a POP display is to design it so that it will generate sales for the retailer. High product visibility is the basic goal of POP displays. In industries such as the grocery field where a shopper spends about three-tenths of a second viewing a product, anything increasing product visibility is valuable. POP displays also provide or remind consumers about important decision information, such as the product's name, appearance, and sizes. The theme of the POP display should coordinate with the theme used in ads and by salespeople.

Trade Shows - Thousands of manufacturers display their wares and take orders at trade shows. Trade shows provide a major opportunity to write orders for products. They also provide a chance to demonstrate products, disseminate information, answer questions, and be compared directly to competitors.

Deal Loaders. A deal loader is a premium given by a manufacturer to a retailer for ordering a certain quantity of product. Two types of deal loaders are most typical. The first is a buying loader, which is a gift given for making a specified order size. The second is a display loader, which means the display is given to the retailer after the campaign. For instance, General Electric may have a display containing appliances as part of a special programme. When the programme is over, the retailer receives all the appliances on the display if a specified order size was achieved.

Trade Deals - Trade deals are special price concessions superseding, for a limited time, the normal purchasing discounts given to the trade. Trade deals include a group of tactics having a common theme — to encourage sellers to specially promote a product. The marketer might receive special displays, larger-than-usual orders, superior in-store locations, or greater advertising effort. In exchange, the retailer might receive special allowances, discounts, goods, or money. In many industries, trade deals are the primary expectation for retail support, and the marketing funds spent in this area are considerable. There are two main types of trade deals: buying allowances and advertising/display allowances.

2.1.3 Sales Promotion Objectives

Sales promotions have many objectives, which are interlinked to the objectives of marketing and communications. Promotions are often used to increase short-term sales of a product or a service (Peattie and Peattie, 1993).

According to Adeleye, S.A. (2006), Sales promotions are targeted to different groups with different promotional objectives. The general consumer groups that promotions are targeted for are potential users, competitor loyal, brand switchers and loyal customers.

Potential users are currently not using the service but can be persuaded to do so by promotional activity. Successful sales promotion can also encourage competitor loyal to change. Brand switchers are consumers who are switching through service providers according to whom has the best offer at the moment. Likelihood for them to switch is dependent on switching costs. When switching costs are low, brand switchers are easily persuaded to switch by sales promotion. However, making switchers loyal to a brand remains difficult. Loyalty of loyal customers can be also strengthened by sales promotions.

The aforementioned consumer groups provide different strategic possibilities for service marketers. Encouraging potential users and competitor loyal to try can expand market share and erode competitors share. It also opens up long-term benefits if new customers can be converted to loyal customers. Promotions targeted to brand switchers can create temporary sales uplift and possibilities to increase loyalty. Sales promotions to loyal customers should create extra value in order to retain and reward them, and to reinforce loyalty.

2.1.4 Sales Promotion and Product Acceptability

The achievement of sales objectives of any marketing organisation could be in jeopardy if products are not accepted by resellers and end-users. This is so because, sustainable sales are guaranteed only when the final consumer acquire benefits and value from the consumption of the product. Product acceptability describes consumers’ or buyers’ acceptance or embrace of a product by acknowledging or appreciating its value or need satisfying capability. Consumers’ or customers' acceptability of a product is strategic to the achievement of sales objective of any firm because it could lead to purchase decision or referral to a third party. Sales promotion can be an effective tool through which product acceptability could be achieved in a highly competitive market, especially when a firm has just entered a new market or it is introducing a new product to an existing market. In this situation convincing wholesales/retailers to carry the product or influence consumers to select it over those of competitors becomes a major objective that should be achieved.

Basically, many of the consumer and trade (sales) promotion tools discussed previously are useful to stimulate product acceptability. For example, offering of samples, premiums, special events, discounts, allowances, trade deals, etc are very relevant in inducing trial which could invariably lead to acceptance. Some of these tools are often used by a good number of telecommunication operators especially during market entry/introduction stage. Etisalat and Globacom distributed thousands of SIM cards as a way to engender acceptance of their services.

2.1.5 Sales Promotion and Product/Brand Loyalty

Brand loyalty refers to a consumer's commitment to repurchase or otherwise continue using the brand and can be demonstrated by repeated buying of a product or service or other positive behaviours such as word of mouth advocacy (Dick and Kunal, 1994). It is the emotional and rational attachment exhibited by a consumer/customer towards a brand which is probably borne out of satisfaction from the use of the brand over a period of time. It includes the expression of a continuous insistence and patronage of a particular brand over others. Brand loyalty is more than simple repurchasing. However, customers may repurchase a brand due to situational constraints (such as vendor lock-in), a lack of viable alternatives, or out of convenience, such loyalty is referred to as "spurious loyalty"(Jones et al, 2002). Dick and Kunal (1994), explain that true brand loyalty exists when customers have a high relative attitude toward the brand which is then exhibited through repurchase behaviour. This type of loyalty can be a great asset to the firm: customers are willing to pay higher prices, they may cost less to serve, and can bring new customers to the firm. For example, if Akpan has brand loyalty to Globacom, he will subscribe to, and continue to buy Glo airtime and other services even if Etisalat is offering cheaper price and/or a higher quality.

Kotler (1991) defines four patterns of loyalty behaviour:

1. Hardcore loyals - who buy the brand all the time.
2. Softcore loyals - loyal to two or three brands.
3. Shifting loyalty - moving from one brand to another.
4. Switchers - with no loyalty (possibly 'deal-prone', constantly looking for bargains or 'vanity prone', looking for something different)

Sales promotion comes in handy as a strategic way to create market inertia and demand that could eventually lead to loyalty to a brand. This is so considering the fact that it has the ability to induce sales or appeal to the behaviour of the customer thus leading to a buying decision. This can invariably lead to the development of loyal tendency to the brand.

Product/brand loyalty suggests some degree of pre-dispositional commitment toward a product or brand. It is multidimensional and determined by several distinct psychological processes which entail multivariate measurements. According to Punniyamoorthy and Raj (2007), notable variables such as customers' perceived value, brand trust, customers' satisfaction, repeat purchase behaviour, and commitment are found to be the key influencing factors of brand loyalty. They explain further that, commitment and repeated purchase behaviour are considered as necessary conditions for brand loyalty followed by perceived value, satisfaction, and brand trust. Therefore, sales promotions effort that takes into consideration the aforementioned variables are likely to promote product/brand loyalty.

2.1.6 Influence of Sales Promotion on Consumer Purchase Decision

Adcock et al, (2001) assesses that when a purchase decision is made, the purchase decision can be affected by unanticipated situational factors. Some of these factors according to them could be directly associated with the purchase, for instance the outlet where the purchase is to be made, the quality to be bought, when and how to pay. Most instances, firms remove the need to make this decision by either including the essentials in the form of sales promotion tools like coupons, discounts, rebates and samples.

The additional benefit whether in cash or in kind offered to consumers through sales promotion is highly likely to influence their purchase behaviour or decision (Nwankwo, P. 1996). After considering the possible options, the consumer makes a purchase decision and the consumer's choice depends in part on the reason for the purchase (Kotler, 2003).

According to them, the consumer may act quickly, especially if sales promotional tools are used or the consumer may postpone making any purchase. Whenever the consumer makes a purchase, they find out what products and services are available, what features and benefits they offer, who sells them at what prices, and where they can be purchased

(Stanton, 1994). The firms and its sales team provide consumers with the market information whenever they engage consumers in efforts to inform or persuade in an attempt to communicate with them. Sales promotion therefore provides a suitable link by providing consumers with samples of the products for them to test them in small quantities as well as provide consumers with most needed information concerning the product (Nwankwo, P. 1996).

According to Davidson, Sweeney and Stampfi (1984), purchase decision may be between objective or emotional motives; nevertheless, in all cases, the sale is made or not made in the customers mind and not in the mind of the seller. A product is not purchased for its own sake but for its ability to satisfy a need. The use of some of these promotional tools helps in determining the use that consumers are likely to put the product into and therefore guide them towards the right product (Cox and Britain, 2000). The consumer is therefore provided with the relevant information, get the opportunity to try the product and get to know whether it satisfies their needs and also enjoy a price reduction. Sales promotion is therefore used to draw consumers to the product and they end up making an impulse purchase as a result of the strength of the sales promotional tool (Ngolanya, et al, 2006).

Berkowitz et al, (1994) proposed that, in the purchase decision process, at the recognition and the information search stage, the sales promotional tool that is most effective is the free samples because it helps gain low risk trials. According to them, consumers will be more likely to take the risk of trying a sample rather than buying the whole product and being disappointed. They further suggested that, at the alternative evaluation and the purchase decision stage, coupons, deals, point of purchase displays and rebates are suitable sales promotional tools because they encourage demand and repurchase of the same product by the consumer. They finally proposed that, at the post purchase stage, the best sales promotion tool would be the use of coupons, as they encourage repeat purchase from first time buyers.

The telecom industry in Nigeria have realised the need to influence the decision making process of consumers thereby indulging in increased sales promotions of their products and services. These sales promotions are mostly undertaken to stimulate trials of products, increase consumer demand or improve product availability. The sales promotion carried out in Nigeria telecom industry are mostly tailored in such a way to fit the actual decision the consumer is facing.

2.2 Theoretical Framework

This section examines different theories relevant to the research which this study is anchored. The main theories which best describe sales promotion will be discussed in detail. These include: the theory of reasoned action, the theory of social judgment and congruency theory.

2.2.1 Theory of Reasoned Action

The theory of reasoned action was formulated by Martin Fishbein and Icek Ajzen (1975 and 1980). The theory explains behavioural intentions, spanning prediction of attitude and prediction of behavior. Theory of reasoned action was developed to evaluate individual behaviour by examining their attitudes, beliefs and behavioural intentions coupled with observed/expressed acts. Also, the theory suggest that most determinant of person's behaviour is his/her behavioural intentions, which involves the negative or positive feeling leading to ‘‘perform or not to perform’’ that particular action.

Miller (2005, p.127) noted that, the component of theory of reasoned action is generally anchored on three constructs: behavioural intentions, attitudes and subject norms. Theory of reasoned action suggests that a person's behavioural intentions depend on person's attitude about the behaviour and subjective norms. (BI =A+SN). This implies that if a person intend to do behaviour then it is likely that the person's readiness to perform a given behavior, their subjective norms and their perceived behavioural control. Theory of reasoned action holds that only specific attitudes towards the behaviour in question can be expected to predict that behaviour. Similarly, in measuring attitudes towards behaviour, there is need to measure people's subjective norms; there belief about how people they care about view the behaviour in question. Knowledge of this beliefs, can determine the persons attitudes. However, the theory suggests that attitudes and norms are not weighted equally in predicting behaviour; though, a weight is associated with each of this factor in predictive formula of the theory. In other word, if someone cares little for what others think, then the subjective norms in this case would carry little weight in predicting behavior. Miller (2005) defines each of the three components of theory of reasoned action as follows:

i. **Attitudes: -** The sum of beliefs about a particular behaviour weighted by evaluations of these consequences. That is, an individual may have a belief towards a particular act and at the same time weight the consequences.

ii. **Subjective Norms:-**This look at the influence of people in one's social environment on his/her behavioural intentions, the beliefs of people weighted by importance one attributes to each of their opinions, will influence one's behavioural intentions. Hence, it is a combination of perceived expectations from relevant individuals or groups alongside the intentions to comply with this expectation.

iii. **Behavioural Intention: -**This is the function of both attitudes toward behaviour and subjective norms to that particular behaviour, which has been found to predict actual behaviour. This implies that, one's attitudes toward an actions combined with the subjective norms about that action, each with their weight, will lead to their intention to either take that action or not, which then lead to actual behaviour.

Furthermore, theory of reasoned action entails a person's volitional (voluntary) behaviour which is predicted by his/her attitudes toward that behavior and how he/she thinks other people will view them, if they perform the behavior. Therefore, a person's attitude combined with subjective norms forms his/her behavioural intention. However, the theory states that attitudes and norms are not weighted equally in predicting behavior. Indeed, depending on the individual and situation, these factors might have very different effects on behavioral intentions. Therefore, a weight (consequences) is associated with each of the factors on predicting individual behaviour. Relating this theory to the work under study is in the prediction of individuals' intention to engage in a certain behavior at a specific time and place. This is the ability of telecomm network providers to know that using the various tools in sales promotion, adding incentives in cash or kind to their products they are certain to change the attitude and behaviour of consumers to purchase their product at that particular time and place of promotions and makes sales because sale promotion deals with sales at a particular time and place.

2.2.2 Social Judgment Theory

This is a self persuasion theory proposed by Carolyn Sherif, Muzafer Sherif and Carl Hovland (1965). It is seen as the perception and evaluation of an idea by comparing it with current attitudes. The central tenet of social judgment theory is that attitude change is mediated by judgmental processes and effects; that is, messages produce attitude change through judgmental processes and effects. More specifically, the claim is that the effect of a persuasive communication depends upon the way in which the receiver evaluates the position it advocates. Hence attitude change is seen as a two-step process: First, the receiver makes an assessment of what position is being advocated by the message. Then attitude change occurs after this judgment—with the amount and direction of change dependent on that judgment.

The plausibility of this general approach should be apparent: Our reaction to a particular persuasive communication will depend (at least in part) on what we think of—how favorable we are toward the point of view that it advocates. But this suggests that, in order to understand recipient's reaction to a given message, it is important to understand how the receiver assesses the various positions on that issue (that is, the various different stands that a message might advocate).

The five principles of the theory are:

- We have categories of judgment by which we evaluate persuasive arguments.
- When we receive information, we use our categories of judgment to assess it.
- Our level of ego-involvement affects the size of our attitudes.
- We generally distort incoming information to fit our categories of judgment.
- Small or moderate difference between our anchor positions and the one being proposed will cause us to change. Large discrepancies will not.

The implication of this theory to the work is that consumers will always judge any message they come across and decide whether to accept or reject which will determine their choice of purchase. The implication on the company is on their campaign messages which must be seen as positive and credible. Relating this theory to the work under study, we see that the persuasive communication used by telecommunication providers to promote products and services which must be positive and credible decides the attitudes of network consumers thereby persuading them into purchasing the product. The information from the incentives of product helps judge the decision of purchase and use.

2.2.3 Congruency Theory

The basic principle of congruity states that changes in evaluation are always in the direction that increases congruity with the existing frame of reference (Osgood and Tannenbaum, 1995, cited in Simon Kwok and Mark Uncles, 2002). In other words, people have a natural preference for consistent information. The principle has been examined in many marketing contexts including studies of brand extensions and advertising appeals. Applying the congruity principle to sales promotions, it is expected that sales promotions will be more effective when they provide benefits sought from the promoted product. The relevance of this principle is evident from some past studies of sales promotions, for example, Roehm, Pullins and Roehm Jr (2002) showed that loyalty programs are more successful if they provide incentives that are compatible, rather than incompatible with the brand. Likewise, Dowling and Uncles (1997) suggest the effectiveness of loyalty programs enhanced if program benefits directly support the target products value proposition.

Congruency effects for sales promotions were directly tested and confirmed by Chandon, Wansink and Laurent (2002), who showed that: a) monetary promotions are more effective for utilitarian products as they provide more utilitarian benefits which are compatible to those sought from utilitarian products; and b) Non-monetary are more effective for hedonic products as they provide more hedonic benefits which are compatible to those sought from hedonic products, for example, price-cuts are more effective than free gifts for influencing brands choice of laundry detergent (ie a utilitarian product), whereas sweeptakes are more effective than price-cuts for influencing brand choice of chocolates (ie a hedonic product). However, it is noted that there are other factors that may impact on the congruency effects, including the product life cycle, purchase situation and consumer demographics.

2.2.4 Influence of Sales Promotion on Consumer Purchase Decision

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2.3 Empirical Review

The empirical review is necessary in order to find empirical evidence corroborating the claims of some authorities in this study. To this end, a review of related previous studies was carried out.

2.3.1 Critical Role of Sales Promotion on Customers' Patronage/Loyalty

Sakara and Alhassan (2012) carried out a study titled *A Study into the Effects of Sales Promotion on Polytechnic Students' Choice of Telecommunication Network in Ghana*. The aim of this study was to ascertain the relationship between sales promotion and customer buying decision and to determine which consumer promotional strategies is the most effective for the telecom industry. The study used purposive and stratified random sampling technique for the selection of respondents and eliciting information. The study found that there is a positive relationship between sales promotion and tertiary students' choice of telecom network.

The study further revealed that sustained sales promotion can retain customers and also those free or reduced charges to same network is the most favoured strategy by tertiary students in Ghana. The students over there find free or reduced charges to some network as more rewarding than other sales promotional strategies. The study also established that sales promotion is an effective competitive strategy and recommend that firms in the telecommunication should invest substantial resources in it.

Oyeniyi Omotayo (2014) studied *Sales Promotion and Consumer Loyalty: A study of Nigerian Telecommunication industry.* The study aimed at determining the effect of sales promotion on customer loyalty in the telecommunication industry.

The study was analyzed using descriptive and inferential statistical analyses with the aid of SPSS software. They found that producers spend large part of their total marketing communication expenses on sales promotion. It was discovered that positive relationship exists between sales promotion and customer loyalty. The study also found that non loyal customers are more prone to switch to competing products as a result of sales promotion than loyal customers.

The study further discovered that firms regularly adopt sales promotion to attract and retain customers as a result of cumulative effect of economic reforms our economy has undergone and one of those effects is the devaluation of Nigeria currency that resulted to inflation.

Ahmed and Alhassan (2014) in a research titled *An Assessment of sales Promotion as Effective Tool for Customer Retention in Telecommunication industry in Ghana.* The study was guided by the objective of establishing whether sales promotion to any extent retains customers and to identify the perception of consumers on the benefits associated with sales promotion in the telecommunication industry.

The results of the study revealed that sales promotion is capable of retaining customers in a telecommunication network through sales promotional incentives. It was further discovered in line with findings in extant literature that sales promotion encourages competition among mobile network service providers. There by compelling the players in the industry to provide quality service to customers resulting in a greater benefit for the consumer. The study however concluded that if a telecommunication network business wants to enjoy good profits globally , it should work hard to increase customer retention through customer satisfaction, strong sales promotional activities, trust worthiness and competitive pricing in the market place.

Saeed, Nisar, Lodhi and Arshad (2013) co-studied *the impact of sales promotion on the customer loyalty in the telecommunication industry in Pakistan.* The aim of their study was to determine the impact of sales promotion on the customer loyalty in the telecommunication industry of Pakistan. A population of 157 was sampled and data analyzed using descriptive and inferential statistics technique with the aid of SPSS software. The findings agreed with other similar researches in the area of positive relationship between sales promotion and customer loyalty. It also highlighted the brand switching attitude of non-loyal customers during sales promotion campaign by any of the firms.

However, it was observed that the tendency of being loyal or switching between the networks is largely due to the quality of services during the time period of sales promotion.

Esfahani and Jafarzadeh (2012) in their study titled *studying impacts of sales promotion on consumers' psychographic variables.* They aimed at studying the impacts of sales promotion on psychographic variables deal-pones consumer. The results indicate that psychological variables including quality consciousness, price consciousness, innovativeness, variety seeker, store loyalty and planning have been influenced by sales promotions and have significant relationship with these variables and sales promotions. However, some variables such as financial constraints enjoy shopping, impulsive behavior, brand loyalty and the time pressure are not influenced by sales promotion and it is resulted that there are no significant relationship between these variables and sales promotion.

Daramola, Okafor and Bello (2014) studied *sales promotion on consumer purchasing behavior.* The aim of the study was to discover the most effective sales promotion strategy to adopt in the ever changing consumer market. The study revealed that sales promotion is the most prominent promotional contrivance essential for the products which lead to product loyalty and good public perception of the products and effective and efficient sales promotion attracts consumers and evolves positive reaction, but the organization should ensure that various sales promotions engaged must align with the target customers' need and expectation.

Akanbi and Ajegbe (2014) in their study titled *the impact of sales promotion activities on the patronage of global system of mobile communication (GSM) service providers in Ogbomosho* *area of Nigeria.* The study was designed to examine the impact of sales promotional activities on the patronage of GSM service providers in Ogbomosho area in Oyo state, Nigeria. The findings of this study showed that sales promotion is necessary in the GSM service industry in order to promote trial switch, encourage brand loyalty, improve sales profit level and have advantage over competitive environment.

They however recommended that price offs/discount offers should be used more often; a good policy should be put in place by the network providers to ensure that sales promotional activities are carried out frequently.

Ibok and Etuk (2013) in a study titled *investigating customer satisfaction drive in scramble for GSM brands in the Nigeria telecommunication industr*y. The study investigated factors determining customer satisfaction within the Nigeria telecommunication industry. Printing data were obtained through a cross sectional survey using a well structured, self administered questionnaire. The data analyzed using descriptive and inferential statistics. The findings revealed that network coverage, call equity, promotional pack and customer service were the most robust predictors of customer satisfaction. The study submitted that network coverage is the most important factor that directly influences customer satisfaction. They also suggested that no network coverage, poor service quality or network failure are possible causes of dissatisfied and therefore must be improved significantly for retention of valued customers.

Kwabena and Dananyoh (2014) titled their study *determinants of customer loyalty among mobile telecom subscribers in the Brang Ahafo region of Ghana.* The purpose of the study was to investigate the determinants of brand equity among mobile telecom users in Ghana. They discovered that mobile telecommunication providers have a great role in strengthening the economy and encouraging the efficiency among a large number of subscribers across the country. They found that call rate/quality network coverage and sales promotion as having significant positive relationship to customer loyalty. In addition, brand image and prompt customer service were seen to have a less effect on customer loyalty.

2.3 Summary of the reviewed literature

The deregulation of Nigeria telecommunication industry has created an urgent need for severe competition and survival of the network operators. This competition has led to a record of high level of development. This development pervades all facet of the economy; employment, enhanced GDP, bilateral relationship, enhanced communication etc.

Telecommunication firms in a quest to survive their environment, the adoption of full and enhanced marketing campaign becomes imperative as to enable them gain enhanced market share. Among the marketing strategies they adopt, of interest to this study is sales promotion which has been defined in the literature as the marketing activity specific to a group of customers, a particular place and time bound which encourage an immediate or direct response from customer by offering additional valuable benefits.

A large body of scholarly works has been devoted in analyzing the real impact of sales promotion on consumer loyalty and sales turnover of firms including telecommunication companies.

There is no aggregate view on the specific sales promotion tool that produces the most desired effect and it was not established in the research works under review the customers' satisfaction of the sales promotion practice of operators of telecommunication. Consequently, when customers' satisfaction of any marketing activity of a firm is not measured, it may be proven to produce a counterproductive effort on the long-term which can mare a long-term goal of the firm. This lacuna has opened a wide gap among scholars and researchers alike to go out in the field in order to unravel the sales promotion activities of telecommunication companies and its effect on subscribers'/customers' patronage.

As previously discussed, sales promotion plays a significant role in compelling customers to act positively on company's brand. Ahmed and Alhassan (2012); Omotayo (2014); Sakara and Alhassan (2012); Saeed, Nisar, Lodhi and Arshad (2013) in their separate studies found that sales promotion has served as the major marketing tool telecommunication firms has adopted over the years to achieve their long- term and short term marketing goals. It was clear from the print of the research works that sales promotion is not the only promotional tools adopted by telecommunication firms as they engage in other forms of promotional activities like advertising, direct marketing, personal selling, publicity, and public relations.

However, sales promotion has proven to be producing the desired response and action. It was revealed in literature that sales promotion mope up to 80% of the promotional budget of telecommunication companies. This is due largely because of the expensive nature of running a successful sales promotion campaign. It was further revealed in the works of Daramola, Okafor and Bello (2014) where they submitted that the most prominent promotional contrivance essential for the products which lead product loyalty and good public perception of the product and effective and efficient sales promotion attracts consumers and evolves positive reaction, but the organization should ensure that various sales promotion engaged must align with the target customers need and expectation.

However, available literatures only focus on the overall effect of sales promotions on customers' patronage and loyalty. Little or no effort has been geared towards exploring the major effect of the sales promotional tools adopted by the telecommunication operators. Hence, this is the reason this research is devoted to evaluate the sales promotion of the telecommunication companies focusing on the sales promo tools adopted by the major operators of the industry, this effort I believe would fill this observed knowledge gap that exist in the extant literature.

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CHAPTER THREE

METHODOLOGY

3.1 Introduction

A research work without research methodology is like a vehicle without a starring wheel. This section to every research work is very critical to the entire research process.

This chapter focuses on the followings as they relate to this research work the research design sources of data and method of data collection. The importance of research methodology is aimed at making known to the end users of this research work, the various instruments, figures and facts, which the researcher and relevant rather than a guess work.

3.2 Research Design

The study adopted survey research design. The research design discloses the steps taken by the researcher to conduct the research. It provides the glue that holds the research project together.

Zita and Ozougwu (2010) define research design as the function of the objective and the specific information requirements. They also went further to define research design as a master plan of the methods and procedures that should be used to collect and analyze the data needed by the decision makers.

Eze and Agbo (2005) opines that research design is the specification of procedures for collecting and analyzing data necessary to help solve the problems at hand, such that the difference between the cost of obtaining various level of accuracy and expected use of information associated with each level of accuracy is maximized.

To arrive at a logical conclusion, certain data were collected and analyzed, all aimed at providing solution to the problem under investigation

3.2. Data Sources

In this study the researchers used a combination of primary and secondary data with primary data dominating. The primary data for the study was the responses collected from the 320 customers who patronize the mobile telecommunication services from the companies in the industry. The researchers collected primary data because the research is a case study, which demands that data is gathered from the field. The secondary data of this study include information from text books, internet, journals and previous studies on the relationship between sales promotion and consumer buying decisions. The secondary data was gathered to provide information on previous studies that are relevant to this study.

3.2 Population of the Study

Population characteristics can be studied by conducting a sample or a census. A census study involves the whole population, whereas a sample represents a subgroup of the population. Often, it is not possible or necessary to study the whole population and a sample is conducted. The population of the study consists of the mobile phone users and customers of the companies; MTN, AIRTEL, Glo, and Etisalat in the Ogui metropolis. The number of mobile phone users are not readily available to the researchers but the population of the people in Ogui is estimated to be one million five hundred and seventeen two million (1,517,000). A sampling frame of one thousand (1000) was used from which the sample size is selected.

3.3 Determination of Sample Size

A sample of three hundred and twenty (320) was selected for the study. The researchers decided to use 320 mobile phone users in the Ogui metropolis because of the scattered nature of the customers. Again, a sample size of 320 was selected from a sampling frame of one thousand

(1000) because the researcher believe it can give a representation to the 1,517,000 people living in the Ogui metropolis.

3.4 Sampling Techniques

In this study a non-probability sampling technique was used to select the 320 mobile phone users in the Ogui Metropolis. A quota sampling technique was used to select artisans, students, traders and business people in the Ogui metropolis.

3.5 Data Collection Instruments

The study used both questionnaire and interview for the data collection. Structured questionnaires, which contained a mixture of closed ended and open-ended questions was used to collect the data from the respondents. The questionnaire was designed based on the research problem, research objectives and the research questions. The questions were structured in order to present a standard pattern for editing, categorization and effective analysis of the data. The questions provided a section for the respondents to present their personal data which included age of respondents, educational background of respondents and gender of the respondents. The interview was needed to gather accurate data from the respondents who could not read and write their views on the questionnaire.

3.6 Method of Data Analysis

The data collected were presented in tables to present the frequency of responses to the questionnaire. The researcher made use of simple percentage to analyze the data collected to ensure that results arrived at were valid and not out of chance while chi-square was used for testing the hypothesis.

Formula for chi-square:

$$X2 = \underline{(fo - fe)2}$$

fe

Where;

X2 = calculated value of Chi-square

Σ = Summation

Fo = Observed frequency

Fe = Expected frequency

Df= Degree of freedom(c-1)(R-1) or (Colume-1)(Row-1)

3.7 Decision Criterion for Validation of Hypothesis

In the taking a decision, the null hypothesis and alternative hypothesis is accepted if the critical or table value is greater than the compared value of x2 alternatively, if the computed value of x2 is greater than the critical value;

That is if x2> x2e reject - Ho (null hypothesis)

if x2< x2e accept - Ho (alternative hypothesis)

Where;

x2 = critical or table value

x2e = calculated value

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CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 Data Presentation

Data presentation means the ways of carrying the different forms of data obtained through various data selecting techniques to enable the researcher perform analysis and extract new meaning format.

The data collected was presented in simple table. The analysis of the study was base on the research objectives and the research questions. The analysis is also base on the items on the questionnaire that are relevant in achieving the research objectives. The areas that have been provided include personal characteristics of respondents and the relationship between sales promotion and subscriber's patronage. The question in the questionnaire was analyzed by the use of simple percentage. The analysis of the questionnaire distributed is stated below.

Table 4.1.2: Age distribution of respondents

Option	**Frequency**	**Percentage %**
18-29 years	172	54
30 – 39years	83	26
40- 49 years	53	17
50 and above	12	3
Total	**320**	**100**

Source: Field Survey, 2017

From the data above, 172 respondents representing 54% of the sample size were between the ages of 18 and 29, 83 respondents representing 26% were between the ages of 30 and 39, 53 respondents also representing 17% were between the ages of 40 and 49. Again, 12 respondents, representing 3% of the respondents interviewed were also between the ages of 50 and above. The observation that can be made is that different categories of ages were represented in the study. The dynamics in the ages of the respondents also imply that majority of the respondents were the youth which has been defined as below 40 years

Table 4.1.3: Academic Qualification of respondents

Option	**No of Respondent**	**Percentage %**
WAEC	55	13
NCE/OND	91	28
HND/BSC	121	38
Others higher certificate	43	20
Total	**320**	**100**

Source: Field Survey, 2017

From the table, 55 respondents representing 13% of the people interviewed had WAEC, 91 respondents representing 28% had NCE/OND qualification, again 121 respondents representing 28% had HND/BSC while 43 respondents also representing 20% had other higher certificate.

Table 4.1.4: Gender of respondents

Option	**Frequency**	**Percentage %**
Male	119	68
Female	101	32
Total	320	100

Source: Field Survey, 2017

The above table shows that 68% representing 119 respondents were male while 32% representing 101 respondent were female.

Table 4.1.5: Length of using mobile phone

Option	Frequency	Percentage %
Less than 3years	21	7
4-9	87	27
10-19	157	49
20 and above	55	17
Total	320	100

Source: Field Survey, 2017

The above table shows that 7% representing 21 respondents fell within the years of less than 3years of using mobile phone, 27% representing 87 respondent fell within the years of 4-9 , 49% representing 157 respondents fell within the years of 10-19 and 17% representing 55 respondents are fell within the years of 20 and above.

Table 4.1.5: The mobile network the respondents subscribe

Option	Frequency	Percentage %
Etisalat	62	19
Glo	47	15
Mtn	167	52
Airtel	44	14
Total	**320**	**100**

Source: Field Survey, 2017

Respondents who subscribe to Etisalat recorded 62 representing 19% of the respondents.47(15%) use Glo, 167(52%) subscribe to MTN while respondents who use Airtel recorded 44 indicating 14% of the total respondents. Thus, it has been establish from the findings that more than 50% of the respondents subscribe to MTN. The implication is that most of the views expressed by respondents are likely to reflect the sales promotional activities by MTN.

Table 4.1.7: Respondents knowledge of sales promotion

Option	Frequency	Percentage %
Price discount	152	48
Free calls	97	30
Free text message	30	9
Free credit	41	13
Total	320	100

Source: Field Survey, 2017

As presented in the table above, the respondents who are aware of price discount as a sales promotion tool recorded 152(48%) of the total respondents. Free calls recorded 97(30%) of the respondents, free text messages recorded 30(9%) of the respondents, while respondent who mentioned free credit recorded 41(13%). The findings here have established that of the numerous promotional programmes the respondents are conversant or familiar with price discount. It also suggests that companies that use price discounts are likely to increase their subscribers or be able to penetrate the market.

Table 4.1.8: influence sales promotion on information search

Option	Frequency	Percentage %
To a very large extent	96	30
To a large extent	121	38
Uncertain	41	13
To some extent	39	12
Not at all	23	7
Total	**320**	**100**

Source: Field Survey, 2017

The respondents who rely on sales promotion for information on a particular network recorded a very high percentage. 96(30%) indicated that to a very large extent sales promotions by the mobile network operators provide information on a particular network to patronize. 121(38%) said that to a large extent sales promotion help them with information on a particular mobile network to patronize. The respondents who are uncertain as to the role of sales promotions in providing information on a particular network to patronize recorded 41 representing 13 ,39(12%) revealed that sales promotion help to some extent in searching for information on a particular mobile network to patronize. 23(7%) respondents however said that sale promotions do not play any role in providing information on a particular mobile network to patronize. This means that majority of the respondents rely on sales promotion in searching for information on a particular mobile network to patronize. This is shown by a percentage more than 50% of the total respondents.

Table 4.1.9: influence of sales promotion on respondents' conviction to buy

Option	Frequency	Percentage %
To a very large extent	99	31
To a large extent	139	43
Uncertain	23	7
To some extent	39	12
Not at all	23	7
Total	**320**	**100**

Source: Field Survey, 2017

The table above depicts the extent to which sales promotion influence the respondents desire to patronize a particular mobile network. From the distribution, 99(31%) of the respondents indicated that sales promotions to a very large extent influence the conviction to patronize a particular mobile network.139(43%) revealed that sales promotion influence them to patronize a particular mobile to a large extent. 23(7%) of the respondents were undecided. This indicated by the choice of uncertain. This means that the 23 respondents may be influenced by other factors in determining the patronage of a particular mobile network.39(12%) indicated that sales promotion influence their decision to some extent to patronize a particular mobile network, while 23(7%) revealed that they are never influence by sales promotion n deciding which mobile network to patronize.

In a follow-up question, respondents were asked to indicate satisfaction level after they have been influenced by sales promotion to patronize a particular mobile network. Respondents who mentioned that they were very satisfied were 34 representing 11%. Satisfied respondents recorded 170 showing 53%. Respondents who decided to be neutral were 82(26%) of the total respondents. Very dissatisfied respondents recorded 19(6%), whilst dissatisfied respondents were 15(6%). This findings has therefore establish that majority of the respondents become satisfied after being influenced by sales promotion to patronize a particular network.

Table 4.1.9: influence of sales promotion on purchase decision of respondents

Option	Frequency	Percentage %
To a very large extent	97	31
To a large extent	133	43
Uncertain	26	7
To some extent	46	13
Not at all	18	6
Total	**320**	**100**

Source: Field Survey, 2017

The table below; 97(31%) revealed that the decision to purchase the mobile network they use is to a very large extent influenced by sales promotion of the network operator. 133(43%) also mentioned that their decision to purchase a particular network is to a large extent influenced by sales promotion programmes organized by the network operator. Respondents who were influenced to some extent recorded 46(13%) of the total respondents.26(7%) were uncertain whether their decision to patronize a particular network is actually influenced by sales promotional campaigns by the mobile network operators.18(6%) however indicated that their decision to patronize a mobile network is never influenced by sales promotion. It means that the sales promotional activities by the mobile telecommunication operators impact positively on majority of the customers. This is shown by over 50% of the respondents claimed that they influenced to patronize a particular mobile network.

Table 4.1.10: Post-purchase behaviour of Respondents

Option	**Frequency**	**Percentage %**
To a very large extent	99	31
To a large extent	139	43
Uncertain	23	7
To some extent	39	12
Not at all	23	7
Total	**320**	**100**

Source: Field Survey, 2017

The respondents who responded to this item were 297. Out this number 125 (42%) indicatedthat once they are satisfied after making a purchase decision they subsequently repeat purchase. 61 respondents showing 21% revealed that they increase their patronage of the products of the network. 69(23%) mentioned that once they refer others to also patronize the network, whilst 42 representing 14% indicated that they become loyal to the network once they are satisfied.

4.2 Testing of Hypotheses

This section is devoted to the testing of three hypotheses stocked in chapter one in order to validate the influence of sales promotion on consumer buying behaviour in the mobile telecom industry Nigerian. From the questions that have been previously analyzed, those directly related to the hypotheses will be applied in testing them. As indicated earlier in chapter three, the testing will be done using chi-square (x^2) at 5% level of significances.

The hypothesis is tested using the chi-square statistical tools.

$$X^2 \sum \frac{(fo - fe)^2}{Fe}$$

Where X^2 = calculated of Chi-square

$\sum$ = Summation

F_o = Observed frequency

F_e = Expected frequency

The testing procedure will follow the some decision rule, that is to reject the null hypothesis (Ho) if the computed X2 value is greater than the tabulated X2 value otherwise accept the null hypothesis. In other words, reject Ho, if X2 cal> X2 tab and if X2 cal<X2 tab. Hence, the value of X2 obtained using the chi-square X2 obtained using the chi-square X2 formula is compared with the valued of X2 from the table of value at 5% levels of significance with a computed degree of freedom.

Hypothesis One

H_1: Sales promotion does not significantly create the need awareness on mobile telecommunication service.

This hypothesis was verified by analyzing question number 8, table 4.1.8 in research question.

Question 8**: influence of sales promotion on respondents' conviction to buy**

Table 4.1.9

Option	**Frequency**	**Percentage %**
To a very large extent	99	31
To a large extent	139	43
Uncertain	23	7
To some extent	39	12
Not at all	23	7
Total	**320**	**100**

Source: Field Survey, 2017

$$X^2 = \sum \frac{(fo-fe)^2}{fe}$$

Level of significant = 0.05

Degree of freedom = (k-1) = (5-1)=4

Critical value of x^2 = 9.49

Options	**F_o**	**F_e**	**$F_o - F_e$**	**$(F_o - F_e)^2$**	**$\frac{(fo-fe)^2}{fo}$**
To a very large extent	99	42.6	56.4	3180.96	74.67
To a large extent	139	42.6	96.4	9292.96	218.14
Uncertain	23	42.6	-19.6	384.16	9.02
To some extent	39	42.6	-3.6	12.6	0.30
Not at all	23	42.6	-19.6	384.16	9.02
Total	320				311.15

Decision Rule

If x2 tabulated is > x 2 calculated, accept the Null Hypothesis (H_0) and reject the alternative hypothesis (H_1) but if x^2 tabulated is < than x^2 calculated, accept the alternative hypothesis (H_1) and reject the Null hypothesis.

Decision

Since x^2 tabulated 9.49 is less than x^2 calculated 319.4 alternative hypothesis (H_1) when state that Sales promotion does significantly create the need awareness on mobile telecommunication service is accepted. While (H_0) Sales promotion does not significantly create the need awareness on mobile telecommunication service is rejected.

Hypothesis II

H_2: Sales promotion does not significantly help customers to search information on mobile telecommunication service.

This hypothesis was verified by analyzing question 7, table 4.1.7 in research question;

Question **7: influence sales promotion has on information search**

Option	**Frequency**	**Percentage %**
To a very large extent	96	30
To a large extent	121	38
Uncertain	41	13
To some extent	39	12
Not at all	23	7
Total	**320**	**100**

Source: Field Survey, 2017

$X^2 = \sum \underline{(fo\text{-}fe)^2}$

fe

Level of significant = 0.05

Degree of freedom = (k-1) = (5-1)=4

Critical value of x^2 = 9.49

Options	F_o	F_e	$F_o - F_e$	$(F_o - F_e)^2$	$\frac{(fo-fe)^2}{fe}$
To a very large extent	96	42.6	53.4	2851.56	66.94
To a large extent	121	42.6	78.4	6146.56	144.29
Uncertain	41	42.6	-1.6	2.56	0.06
To some extent	39	42.6	-3.6	12.6	0.30
Not at all	23	42.6	-19.6	384.16	9.02
Total	320				220.61

Source: Field survey, 2017

Decision Rule

If x2 tabulated is > x 2 calculated, accept the Null Hypothesis (H_0) and reject the alternative hypothesis (H_1) but if x^2 tabulated is < than x^2 calculated, accept the alternative hypothesis (H_1) and reject the Null hypothesis.

Decision

Since x^2 tabulated 9.49 is less than x^2 calculated 220 alternative hypothesis(H_1) which state that Sales promotion does significantly help customers to search information on mobile telecommunication service is accepted while Null hypothesis (Ho) which state that Sales promotion does not significantly help customers to search information on mobile telecommunication service is rejected.

.**Hypothesis III**

Ho: there is no relationship between sales promotion and patronage of mobile network service.

The hypothesis was verified by analyzing question 9, table 4.1.9 in research question.

Question 9**: influence of sales promotion on purchase decision of respondents**

Option	**Frequency**	**Percentage %**
To a very large extent	97	31
To a large extent	133	43
Uncertain	26	7
To some extent	46	13
Not at all	18	6
Total	**320**	**100**

Source: Field Survey, 2017

$$X^2 = \sum \frac{(fo-fe)^2}{fe}$$

Level of significant = 0.05

Degree of freedom = (k-1) = (5-1)=4

Critical value of x^2 = 9.49

Options	F_o	F_e	$F_o - F_e$	$(F_o - F_e)^2$	$\frac{(fo-fe)^2}{fe}$
To a very large extent	97	42.6	54.4	2959.36	69.47
To a large extent	133	42.6	90.4	8172.16	191.83
Uncertain	26	42.6	-16.6	275.56	6.47
To some extent	46	42.6	-3.4	11.56	0.27
Not at all	18	42.6	-24.6	605.16	14.21
Total	320				282.25

Source: Field Survey, 2017

Decision Rule

If x2 tabulated is > x 2 calculated, accept the Null Hypothesis (H_0) and reject the alternative hypothesis (H_1) but if x^2 tabulated is < than x^2 calculated, accept the alternative hypothesis (H_1) and reject the Null hypothesis.

Decision

Since x^2 tabulated 9.49 is less than x^2 calculated 282 alternative hypothesis(H_1) which state that there is relationship between sales promotion and patronage of mobile network service is accepted while the Null hypothesis (H_0) there is no relationship between sales promotion and patronage of mobile network service is rejected.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents summary of the study findings, conclusion and recommendations of the study as well as area of further research

5.2 Summary of Findings

The following findings were made from the study

a. There is relationship between sales promotion and patronage of mobile network service in telecommunication industry

b. That Sales promotion does significantly help customers to search information on mobile telecommunication service.

c. That Sales promotion does significantly create the need awareness on mobile telecommunication service.

5.3 Conclusions

The study has established many findings which draw a conclusion on whether it has achieved its objective or not. The research objectives and the research questions stated were to provide answers to the statement of the problem. The impact of sales promotion on consumer purchase decision of a mobile telecommunication service has been well researched into. This has been done through a review of relevant literature, design appropriate methodology- determine the population, sample and sampling technique and data collection techniques. The findings of the study have proven the potential of sales promotion to influence the subscriber base on the companies in the mobile telecommunication industry. The researchers have therefore made recommendations and suggestions to the industry players.

5.4 Recommendations

1. It is recommended that the firms that are behind MTN should increase their sales promotions in order to also increase their market share.

2. Also firms should introduce appropriate platform that can publicize the various sales promotion programmes they offer to their clients.

3. It again recommended that considering the keen nature of competition in the industry firms should be innovative so that they can introduce unique sale promotion programmes that can influence customers to their favour.

5.5 Suggestions for Further Research

Further research could be conducted to include how sales promotion and customers patronage improve services of telecommunication industry.

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APPENDIX 1

QUESTIONNAIRE

Department of Marketing
Faculty of Business Administration
University of Nigeria,
Enugu Campus,
Enugu State.

Dear Respondent,

RESEARCH PROJECT QUESTIONNAIRE

I am a postgraduate student of the above named institution carrying out research work on the topic "**SALES PROMOTIONAL ACTIVITIES OF TELECOMMUNICATION COMPANIES AND SUBSCRIBERS' PATRONAGE."** The research is in partial fulfillment of the requirements for an award of Masters in Business Administration (MBA) Degree in Marketing of the University of Nigeria.

The questionnaire is purely for academic purpose and so all the information you will provide will be treated in strict confidence. I will be most grateful if you assist me by completing the questionnaire as objective as possible and to the best of your knowledge.

Thank you.

Yours faithfully

Ikejiofor, Christopher Uzochukwu.

QUESTIONNAIRE

INSTRUCTION: ***Tick appropriately whichever is Chosen***

(Note: Respondents must be a subscriber of MTN, Glo, Etisalat or Airtel)

SECTION ONE: BACKGROUND AND CHARACTERISTICS

(1) Age of Respondents: 18-29 [ ] 30-39 [ ] 40-49 [ ] 50 and above [ ]

(2) Academic Qualification of respondents: SSCE [ ] NCE/OND [ ] HND/B.Sc [ ] Other Higher Certificate [ ]

(3) Gender of Respondents: Male [ ] Female [ ]

(4) Do you use mobile phone Yes [ ] No [ ]

(5) If yes, for how long have you been using mobile phone: 4-9 [ ] 10-19 [ ] 20&above [ ]

(6) Which mobile telecommunication network do you subscribe (a) Etisalat [ ] (b) Glo [ ] (c) MTN [ ] (d) Airtel [ ]

(7) Which of the following offers influence you most to subscribe to services of the network operator(s): (a) Call rate [ ] (b) Service quality [ ] (c) Service coverage [ ] (d) Sales promotion offers [ ] (d) Prompt customer service [ ] (e) others [ ]

(8) Are you satisfied with the service of the network you use: (a) very satisfied [ ] (b) satisfied [ ] (c) Neutral [ ] (d) very unsatisfied [ ] (e) unsatisfied [ ]

(9) What other benefits do you get from using the network you subscribe: (a) Price discounts [ ] (b) Service quality [ ] (c) Reliable service [ ] (d) Reduction in call rate [ ] (e) Free text messages [ ]

(10) Which sales promotion by the mobile network operator do you know: (a) Price discounts [ ] (b) Free calls [ ] (c) Free text messages [ ] (d) Free credit [ ]

(11) How does price discounts by mobile telecom operators influence your patronage: (a) More influential [ ] (b) influential [ ] (c) Less influential

(12) Do you enjoy price discounts from the mobile network you patronize: (a) Yes [ ] (b) No [ ]

(13) To what extent does sales promotion create awareness about need to patronize mobile telecom service: (a) To a very large extent [ ] (b)To a large extent [ ] (c) Uncertain [ ] (d) To some extent [ ] Not at all [ ]

(14) To what extent does sales promotion help you in searching information on a particular mobile network: (a) To a very large extent [ ] (b) To a large extent [ ] (c) uncertain [ ] (d) To some extent [ ] (e) Not at all [ ]

(15) Does sales promotion actually influence your purchase decision of a mobile network: (a) To a very large extent [ ] (b) To a large extent [ ] (c) uncertain [ ] (d) To some extent [ ] (e) Not at all [ ]

(16) Are you satisfied after patronizing the mobile network through sales promotion: (a) Very satisfied [ ] (b) Satisfied [ ] (c) Neutral [ ] (d) Dissatisfied [ ] (e) Very dissatisfied [ ]

(17) What do you do after realizing your satisfaction level: (a) Repeat purchase [ ] (b) Increase patronage level [ ] (c) Refer other to the network [ ] (d) Become loyal to the network [ ]