IMPACT OF SALES PROMOTION ON CONSUMER PURCHASING BEHAVIOUR IN UGANDA ALCOHOLIC SPIRITS INDUSTRY: A CASE STUDY OF WANDEGEYA BUSINESS CENTRE.

BY

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A DISSERTATION PRESENTED TO THE COLLEGE OF BUSINESS AND MANAGEMENT SCIENCES MAKERERE UNIVERSITY KAMPALA IN PARTIAL FULFILMENT FOR THE AWARD OF BACHELOR OF SCIENCE IN BUSINESS STATISTICS.

JULY, 2015
DECLARATION

This research project is my original work and has not been submitted for examination to any other University/Institution

Sign... .................. Date... 14/07/2015

NAIMULI JOET

Reg. No 12/U/10139/PS
APPROVAL

This research project has been submitted for examination with my approval as the Makerere University Supervisor

Sign........................................ Date...........................................

DR. TOM MAKUMBI NYANZI
DEDICATION

This study is dedicated to my parents Mr. and Mrs. Bogere for their constant encouragement towards pursuit of academic excellence. It is also dedicated to my companion Mrs. Namujasi Zaina for her patience and moral support during my study period.
ACKNOWLEDGEMENT

The completion of this study would not have been impossible without the material and moral support from various people;

First of all I thank the Almighty God for giving me good physical and mental health and guiding me through the entire course.

I am greatly indebted to Dr. Tom Makumbi Nyanzi who was my supervisor for his effective supervision, dedication, availability and professional advice.

I extend my gratitude to my lecturers who taught me in the BBS programme, therefore enriching my research with knowledge.

Not forgetting, the management staff of bars of wines and spirits outlets within WBC, who were my respondents, deserve my appreciation for their support and willingness for providing the required information during my study.

I am greatly humbled and thankful to my parents for their continuous financial support that enabled me to meet all the costs of this project.

My appreciation finally goes to my course mates, with whom I weathered through the storms, giving each other encouragement and for their positive criticism.
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ABSTRACT

This study sought to evaluate the influence of sales promotion strategies on consumer purchasing behavior in the Alcoholic Spirits Industry in Uganda.

This research was conducted through a descriptive research design. The descriptive survey design was considered appropriate as it enables description of the characteristics of certain groups, estimation of the proportion of people who have certain characteristics and making of predictions. The study collected quantitative data in the form of primary data from the managers of the bars and wines and spirits outlets in WBC using a semi structured questionnaire and data was analyzed by descriptive analysis.

The study found that various players in the Alcoholic Spirits Industry in Uganda adopted various sales promotion strategies such as free samples, coupons, reduced prices, bonus packs and refunds/rebates with a view of positively influencing the purchasing behavior of their customers towards purchasing of their products.

The study found that most sales promotion strategies like free samples, price-offs and bonus packs practiced in the Alcoholic Spirits Industry had a significant positive influence on the consumer behavior.

The study recommends that the management of the bars and wines and spirits outlets should formulate comprehensive and effective sales promotion strategies that seek to build brand awareness, creating favorable brand attitudes, gaining market share, inducing purchase, building brand loyalty and increasing sales.
# LIST OF ABBREVIATIONS AND ACRONYMS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>BND</td>
<td>Blue Nile Distillers</td>
</tr>
<tr>
<td>EABL</td>
<td>East African Breweries Limited</td>
</tr>
<tr>
<td>SPSS</td>
<td>Statistical Package for Social Scientists</td>
</tr>
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<td>UBL</td>
<td>Uganda Breweries Limited</td>
</tr>
<tr>
<td>UNBS</td>
<td>Uganda National Bureau of Standards</td>
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CHAPTER ONE
INTRODUCTION

1.1 Background information

The business environment has become very competitive in the 21st century due to the growth in technology, infrastructure and access to information around the globe. This has made the environment very complex and consumer preferences keep changing because of the low switching cost in the market. Due to this increasing demand of consumers in the market, management of business organizations have to increase their resources with attention focused more on attracting and retaining its customers (Kotler, 2003).

The ever increasing competition in the global market has prompted organizations to be determined and ensure satisfaction of customer needs and wants more efficiently and effectively than ones competitors (Kotler, 1988). Sales promotion is an initiative undertaken by organizations to promote and increase sales, usage or trial of a product or services (Aderemi, 2003). Sales promotion refers to the provision of incentives to customers or to the distribution channel to stimulate demand for a product. It is an important component of an organizations overall marketing strategy along with advertising, public relations and personal selling. Sales promotion acts as a competitive weapon by providing an extra incentive for the target audience to purchase or support one brand over the other. It is particularly effective in spurring product trials and unplanned purchases (Aderemi, 2003).

Sales promotion is a marketing activity that adds to the basic value proposition behind a product (i.e. getting more for less) for a limited time in order to stimulate consumer purchasing, selling effectiveness or the effort of the sales force (Aderemi, 2003). This implies that, sales promotion may be directed either at end consumer or at selling intermediaries such as retailers or sales crews.

Sales promotion can be an effective tool in a highly competitive market, when the objective is to convince retailers to carry a new product or influence consumers to select it over those of competitors. More so, sales promotion tend to work best when it is applied to items whose features can be judged at the point of purchase, rather than more complex, expensive items that might require hands of demonstration (Kotler and Keller, 2006). Sales promotion includes
communication activities that provide extra value or incentives to ultimate customers, wholesalers, retailers or other organizational customers. It also stimulates sales product trial (Kotler and Keller, 2006).

However, according to Keller (2003), consumer buying behavior is the process by which the individual search for, selects, purchase, use and dispose of goods and services, in satisfaction of their needs and wants. The consumers' behavior has a direct effect on the success of the firm and therefore must ensure that they create a marketing mix that satisfies consumers. The consumer mostly goes through about five steps in taking one purchase decision. These include Problem recognition, Information search, Evaluating of alternatives, Purchase decisions, Purchase and Post Purchase evaluation. Actual purchasing is only one stage of the process and not all decision processes lead to a purchase. Also not all consumer decisions will include all the stages but will depend on the degree of complexity and risk involved.

There are however about four types of buying behaviors that consumers exhibit; these include a routine response which needs very little search and used when purchasing frequently purchased item, limited decisions which is used when purchasing low priced brands in a familiar product category, extensive decision which has a high degree of economic, performance and psychological risk which demands lot of time in seeking information and deciding and impulse buying which is spontaneous and needs no conscious planning.

The Alcoholic Beverage Industry in Uganda is experiencing a period of growth despite the challenges it faces. This is majorly attributed to increased performance of other sectors as well as growth of the middle class. Consumption of alcohol in Uganda is on the increase with the trend shifting from beer to spirits. This is attributable to a number of factors; the high cost of living and the absence of strict laws restricting alcohol consumption in Uganda. There is a rapid expansion of off-trade retail outlets and wines and spirits outlets in residential areas where consumers can easily purchase their alcohol hence the growth being realized in the sector.

The main players are EABL, UBL, leading distillers, and BND. They face competition from other producers of traditional brews and low end spirits manufactures such as Buddo distillers, Premier Distillers Limited, Kampala wines and spirits and many others, to mention but a few.
1.2 Statement of the problem

The alcoholic spirits industry needs to provide offerings or services that satisfy consumer needs and expectations to ensure the company’s economic survival. In order to achieve this feat, they need to understand consumer buying behavior to help them evaluate their service offerings.

Consumers go through a cycle of decision making processes before making a purchase decision which define their behavior in the consumption of the products they purchase from these companies. The consumer buying process is a complex matter as many internal and external factors impact on the buying decision of the consumer (Aderemi, 2003).

The consumer makes a purchase decision by examining alternatives before making the purchase. Sometimes, the purchase may differ from the purchase decision reached earlier. There is always a post purchase evaluation by the consumers after purchasing and consumption of the service. Specific factors that may lead to altered consumer buying behavior are size and composition of the evoked set of alternatives, perceived risk, brand loyalty and attribution of dissatisfaction.

The consumer determines whether he was satisfied or not with the services rendered. This actually will be an important information reference point to the consumer in determining their behavior in the next purchase (Kotler, 1996).

The alcoholic spirits industry employs the use of some sales promotion tools like; free trial, where they invite prospect customers to try the products without cost. Another tool is the use of free samples of spirits and beers, which is a technique only directed to the sales consultants who have accounts to purchase the products and sell at a profit to the customers.

The alcoholic spirits industry would be more effective if they implement better sales promotion tools that will be directed towards the consumers, since they are the end users of their products. And even if they use sales promotion tools to the consultants they should strategize them in a way that it will be effective on the general sales.

This study therefore sought to determine the effects of sales promotion on consumer buying behavior in the alcoholic spirits industry in Uganda.
1.3 Objectives of the study

1.3.1 General Objective

The general objective of this study was to assess the effect of sales promotion on consumer buying behavior.

1.3.2 Specific objectives

1. To examine the effect of free samples on consumer purchasing behavior.
2. To explore the effect of coupons on consumer purchasing behavior.
3. To examine the effect of price-offs/discounts on consumer purchasing behavior.
4. To assess the impact of rebates on consumer purchasing behavior.
5. To explore the effect of bonus packs on consumer purchasing behavior.

1.4 Hypotheses

Hypothesis one

$H_{01}$: Free samples have no significant effect on consumer purchasing behavior.
$H_{a1}$: Free samples have a significant effect on consumer purchasing behavior.

Hypothesis two

$H_{02}$: Coupons have no significant effect on consumer purchasing behavior.
$H_{a2}$: Coupons have a significant effect on consumer purchasing behavior.

Hypothesis three

$H_{03}$: Price discounts have no significant effect on consumer purchasing behavior.
$H_{a3}$: Price discounts have a significant effect on consumer purchasing behavior.

Hypothesis four

$H_{04}$: Rebates have no significant effect on consumer purchasing behavior.
$H_{a4}$: Rebates have a significant effect on consumer purchasing behavior.
Hypothesis five

$H_0$: Bonus packs have no significant effect on consumer purchasing behavior.

$H_a$: Bonus packs have a significant effect on consumer purchasing behavior.

1.5 Scope of the study

This study is confined to managers of the spirits businesses in WBC. It is focused on measuring the impact of sales promotion on consumer purchasing behavior in the alcoholic beverage (spirits) industry in Uganda; a case of Wandegeya. Geographically WBC is located in Kawempe division 2.5km off Bombo road from Kampala capital city. The area is chosen specifically because of its proximity in the area of study. The study is also specifically focused on the managers of businesses licensed to sell spirits in Wandegeya.

1.6 Justification of the study.

Academically, the study will enlighten the researcher more on the influence of sales promotion on consumer buying behavior, thus being a good marketer.

The research will be ideal to Makerere University since the students of the institution who are intending to do research on sales promotion will access required information.

This intensive research will highlight on promotion tools and techniques and also recommend on the ideal techniques to be employed by the company. The company can also use this research to know the merits and demerits of each promotional technique and unify these in order to achieve their goals.

1.7 Project outline

Chapter one introduces the topic of the study, explains the background of the study and also includes the objectives of the study. Chapter two presents previous work done related to the effects of sales promotion tools on consumer purchasing behavior. Chapter three represents the methodology that will be used in data collection and analysis. Chapter four presents data analysis, interpretation and presentation and chapter five presents summary of findings, conclusions and recommendations of the study in line with the objectives of the study.
CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction
This chapter provides a review of the existing literatures on the effect of sales promotion on consumer buying behavior. The main sections included are; the effect of free samples, coupons, price-offs or price discounts, bonus packs and rebates and refunds on consumer purchasing behavior.

2.2 Effect of free samples sales promotion tool on consumer purchasing.
Free samples are distributed to attract consumers to try out a new product and thereby create new customers (Kotler, 2003). Some businessmen distribute samples among selected persons in order to popularize the product common examples - shampoo, washing powder etc. Sampling which by definition includes any method used to deliver an actual or trial size product to consumers. Sampling is generally considered the most effective way of generating trial, though it is the most expensive.

According to Kardes (1999), marketing managers aware of product trial related to behavioral experience of consumers towards a product. Thus, sending free sample take place in promotional tools. Free sampling refers to giving a free small sample of the product so that consumers have the chance to try and use the product. Shimp (2003) reported that a free sample had influence on consumer buying behavior while Gilbert and Jakaria (2002) have shown otherwise. Free sample was positively related to immediate sales of that particular product. (Lammers, 1991).

Berkowitz et al, (1994) proposed that in the purchase decision process, at the recognition and information search stage, the sales promotion tool that is most effective is 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.

Sales promotion therefore provides a suitable link by providing consumers with samples of the products for them to test in small quantities as well as provide consumers with the most needed information concerning the product (Ngolanya et al, 2006).
2.3 Effect of coupons on consumer purchasing behavior.

A coupon is a promotional devise that provides cent-offs savings to consumers upon redeeming the coupon (Kotler and Keller, 2006). Coupons can be disseminated to consumers through newspapers, sales point, and radio stations among others. The organization could organize a raffle, competition or decide to reward loyal customers with coupons to get more of their products or any other product the organization will decide.

Coupons are issued by manufacturers either in the packet of a product or through an advertisement printed in the newspaper or magazine or through mail. These coupons can be presented to the retailer while buying the product. The holder of the coupon gets the product at a discount.

Adock et al, (2001) assesses that when a purchase decision, 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. In most cases, firms remove the need to make this decision by including the essentials in the form of sales promotion tools like coupons.

The additional benefit whether in cash or in kind offered to consumers through sales promotion is highly likely to influence their purchase behavior or decision (Ngolanya et al, 2006). After considering the possible options, the consumer makes the purchase decision and the consumer’s choice depends on the reason for the purchase (Kotler et al, 2003).

According to Kotler et al (2003), the consumer may act quickly, especially if sales promotion tools are being used or the consumer may postpone making any purchase. Whenever the consumer makes a purchase, they find out what services and products are available, what features and benefits they offer, who sells them at what prices and where they can be purchased (Santon et al, 1994). The firm 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.
2.4 Effect of price discounts or price promotion on consumer purchasing behavior

Under this offer, products are sold at a price lower than the original price. This type of scheme is designed to boost up sales in off-season and sometimes while introducing a new product in the market. Price-off is a reduction in a brand's regular price (Kotler, 2003). The major reason for marketers to use the price-off reduction is that this type of deal usually presents a readily apparent value to consumers especially when they reference price point for the brand, therefore they can recognize the value of the discount.

Price promotion refers to temporary price reduction of products to consumers. The characteristic is that the retailer would label specific percentage or cash saving for the products or services. Previous studies indicate that a sudden increase of sales would be experienced by retailers because of price-consciousness of consumers (Banks and Moorthy, 1999; Kopalle and Mela, 1999; Smith and Sinha, 2000; Gilbert and Jakaria, 2002). According to Blackwell, Miniard and Engel (2001), price discounts play significant roles in influencing consumer product trial behavior which indirectly attracts new consumers.

According to Davidson et al (1984), purchase decision may be between objective or emotional motives. Nevertheless in all cases, the sale is made or not made in the customer's 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. Price reduction 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, 2002). The consumer is therefore provided with relevant information, get the opportunity to try the product and get to know whether it satisfies their needs and also enjoy a price reduction.

2.5 Effect of refunds and rebates on consumer purchasing behavior

Refunds and rebates also refer to the practice by which manufacturers give cash discounts or reimbursements to consumers who submit proofs of purchase. Mostly the two sales promotion techniques provide users a delayed rather than an immediate value since the consumer has to wait to receive the reimbursement after consuming the service or products. This is evident in the contest and sweepstakes which offer the consumer a chance to win cash, merchandise or travel prizes. A contest is a promotion technique where the consumers compete for prizes or money (Adock, Halborg and Ross, 2001).
Rebates are also a form of sales promotion that could be likened to coupons. Nonetheless, there exists a major distinction between both of them: the coupons amounts are redeemed during the purchase but rebates are redeemed after purchase. This ambiguity could be resolved by explaining the process of the rebates: when a customer purchases a product subject to a rebate discount, he/she sends proof of purchase like a receipt and the company sends him the money afterwards by mail (Kotler and Armstrong, 2006). This was always considered as the main advantage of rebates as the uncertainty of redeeming the money persists after purchasing the product which constitutes the major dis-similarity between coupons and rebates (Lu and Moorthy, 2007).

2.6 Effect of bonus packs on consumer purchasing behavior.

Bonus pack is extra quantities of a product that a company offers to consumers at the regular price by providing larger containers or extra units (Cravens, 2000). Bonus packs result in a lower cost per unit for consumers and provides extra value as well as more products for the amount of money paid. This creates confidence among the customers with regard to the quality of the product. This technique is particularly useful while introducing new products in the market. Marketers also sometimes refer to a bonus pack as a means to promote sales to their customers. Bonus pack could be exemplified by the Kraft Company which could offer the normal 500grammes cheddar jar with an increase to 700grammes with the same price. Customers will benefit from an increase of 200grammes.

The additional benefit whether in cash or in kind offered to consumers through sales promotion is highly likely to influence their purchase behavior or decision (Ngolanya et al, 2006). After considering the possible options, the consumer makes the purchase decision and the consumer's choice depends on the reason for the purchase (Kotler et al, 2003).

Some customers may realize an increase in quantity is permanent and could act in an irritated manner when they realize that the offer was ended. Also a bonus pack will not be appealing to customers who do not purchase the product and will not induce product trial for example a person who does not eat jam will not be encouraged to purchase a jam jar if he or she noticed a free increase in quantity (Ong et al, 1997).
CHAPTER THREE
METHODOLOGY

3.1 Introduction
This chapter gives an overview of the methodology applied in this study. It provides an in-depth description of the research approach adopted in this study. It discusses the research design, population, sample and sampling technique, data collection tools and data analysis procedure.

3.2 Data Collection
The research made use of primary data which was collected using self-administered structured questionnaire distributed to the study respondents. The owners or the managers of the sampled bars and wines and spirits outlets within WBC were the study respondents. The respondent either filled in the questionnaire or the questionnaire was administered by an interviewer. Where the respondents were not immediately available to fill the questionnaire, it was left behind and collected later. This helped in increasing the response rate. The administered questionnaires were collected after completion by the respondents on the same day and their responses used for analysis.

3.3 Sampling design
3.3.1 Sample size determination
The sample size was obtained using the Kish Leslie (1965) formula for cross-sectional studies:

\[ n = \frac{Z^2 \times p \times q}{e^2} \]

Where;
\[ e = \text{precision of the study, the precision of 10% will be used for this study} \]
\[ z = \text{standard normal deviation corresponding to 95% confidence interval} = 1.96 \]
\[ p = \text{proportion of proportion of managers with registered spirit businesses to the total number of managers with other alcohols beverage businesses in Wandegeya.} \]
\[ p = \frac{56}{300} = 0.18 \]
\[ q = 0.82 \]

On computation we get \( n = 54 \) respondents. Therefore the sample size is 54 respondents.
3.3.2 Selection of respondents
Managers or cashiers from the different spirits businesses were purposively selected because they had more information concerning the study. They were the people with the correct sales books that would give us a correct picture on consumer purchasing behavior.

3.4 Data analysis
3.4.1 Descriptive analysis
Descriptive statistics were used to analyze the data. The mean score responses, standard deviation and other relevant statistics were computed using the SPSS to better understand the data. The data so collected was compiled and edited then presented in graphs, bar graphs and pie charts. The data was coded according to the responses and analyzed to reveal relationships among variables in the findings from the data.

3.4.2 Hypotheses testing
In this study the chi-square statistic was used after presenting the sample data in two way tables. The formula below was used.

The chi-square statistic,

\[ \chi^2 = \sum_{i=1}^{r} \sum_{j=1}^{c} \frac{(O_{ij} - e_{ij})^2}{e_{ij}} \]

Where;

\( \chi^2 \) is the calculated chi-square

\( O_{ij} \) is the observed frequency value of the \( i \)th row and \( j \)th column

\( e_{ij} \) is the expected value of the \( i \)th row and \( j \)th column

\( \alpha = 0.05 \) is the level of significance.
Rejection criterion.

Hypothesis one
Reject the null hypothesis $H_{01}$ if $p < 0.05$ and conclude that free samples had an effect on consumer purchasing behavior.

Hypothesis two
Reject the null hypothesis $H_{02}$ if $p < 0.05$ and conclude that coupons had an effect on consumer purchasing behavior.

Hypothesis three
Reject the null hypothesis $H_{03}$ if $p < 0.05$ and conclude that price-offs had an effect on consumer purchasing behavior.

Hypothesis four
Reject the null hypothesis $H_{04}$ if $p < 0.05$ and conclude that rebates had an effect on consumer purchasing behavior.

Hypothesis five
Reject the null hypothesis $H_{05}$ if $p < 0.05$ and conclude that bonus packs had an effect on consumer purchasing behavior.
CHAPTER FOUR

IMPACT OF SALES PROMOTION ON CONSUMER PURCHASING BEHAVIOR

4.1 Introduction
This chapter presents data analysis, interpretation and presentation. The findings are presented in tables, graphs and charts as appropriate with explanations being given in prose thereafter.

4.2 Descriptive analysis
4.2.1 Demographic data of the respondents

Gender
Figure 4.1 Presents the gender distribution of the respondents

Figure 4.1 Gender of respondents

From the figure 4.1, it implies that majority of the alcoholic spirits businesses in WBC are dominated by males.

Age
The study focused at determining the age in completed years of the respondents and the findings indicate that the mean age of the respondents is 37 years. This implies that majority of the respondents were old enough to fully understand the influence of sales promotion strategies on consumer purchasing behavior in the alcoholic spirits industry in WBC.
Marital status

Figure 4.2 Represents the distribution of the marital status of the respondents.

**Figure 4.2 Marital status of respondents**

From Figure 4.1, it implies that majority of the owners and managers of the bars and wines and spirits outlets in WBC were family people.

**Highest education level of the respondents**

In order to ascertain the academic background of the respondents, the study focused at determining the highest education level of the respondents and the results showing the highest educational level are shown Figure 4.3
This shows that majority of the respondents had a sound academic background to allow them to understand the influence of sales promotion strategies on consumer purchasing behavior in the alcoholic spirits industry in WBC. It further shows that the respondents were learned enough and could therefore give valid and reliable information required for the study.

Clients' favorite drink.

The study sought to establish from the respondents the favorite drink for the clients and the findings are as shown in Table 4.4.
Results in Table 4.4 show that the alcoholic spirits industry in WBC offered a wide range of products to their customers in line with the diverse tastes of the customers with the Vodka and Waragi being the leading brands based on customers’ preference.

**4.2.3 Sales promotion strategies practiced in the alcoholic spirits industry**

In order to further assess the influence of sales promotion strategies on consumer behavior in the Alcoholic Spirits Industry in WBC, the respondents were requested to indicate the extent to which they were aware of the following sales promotion strategies in the Alcoholic Spirits Industry. The responses were rated on a five point scale where: 1 = Not at all, 2 = small extent, 3 = moderate extent, 4 = large extent and 5 = very large extent. The mean and standard deviations were generated from SPSS and are as illustrated in Table 4.1;

<table>
<thead>
<tr>
<th>Tool</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free samples</td>
<td>4.61</td>
</tr>
<tr>
<td>Coupons</td>
<td>4.13</td>
</tr>
<tr>
<td>Price-offs</td>
<td>4.44</td>
</tr>
<tr>
<td>Rebates/refunds</td>
<td>4.17</td>
</tr>
<tr>
<td>Bonus packs</td>
<td>4.09</td>
</tr>
<tr>
<td>Others (gifts, sweepstakes, premiums)</td>
<td>4.06</td>
</tr>
</tbody>
</table>
From Table 4.6, majority of the respondents were in agreement that they used different sales promotion strategies in their business with free samples, coupons, price-offs, refunds/rebates, bonus packs and others that included sweepstakes, gifts, premiums. The findings imply that the various players in the alcoholic spirits industry in WBC employ different sales promotion strategies including use of free sample, coupons, price-offs, rebates/refunds, bonus packs and sweepstakes, gifts, premiums which positively influence consumer purchasing behavior.

4.2.4 Events that influence the buying of products in the Alcoholic Spirits Industry

In order to further assess the influence of sales promotion strategies on consumer behavior in the Alcoholic Spirits Industry in WBC, the respondents were requested to indicate the extent to which the following events influence the actual buying of the products in the Alcoholic Spirits Industry. The responses were rated on a five point scale where: 1 = Not at all, 2 = small extent, 3 = moderate extent, 4 = large extent and 5 = very large extent. The means were generated from SPSS and are as illustrated in Table 4.2;

<table>
<thead>
<tr>
<th>Action</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timing of sales promotion</td>
<td>3.98</td>
</tr>
<tr>
<td>Sizes of the discounts as compared to brands</td>
<td>4.09</td>
</tr>
<tr>
<td>The Brand being promoted</td>
<td>4.61</td>
</tr>
<tr>
<td>The Sales promotional tool used</td>
<td>4.54</td>
</tr>
</tbody>
</table>

Since majority of the respondents were in agreement with; timing of sales promotions e.g. weekends or festive seasons, the brand being promoted, the sales promotional tool used and the sizes of the discounts as compared to brands, it implies that there are various events that influence the buying of products in the Alcoholic Spirits Industry including timing of sales promotions such as weekends or festive seasons, the brand being promoted, the sales promotional tool used and the sizes of the discounts as compared to brands. Hence, these events...
were likely to affect the sales promotion strategies of the firms in the Alcoholic Spirits Industry and thus have a significant positive influence on consumer purchasing behavior.

4.2.5 Post-purchase actions of consumers

In order to further assess the influence of sales promotion strategies on consumer purchasing behavior in the Alcoholic Spirits Industry in WBC, the respondents were requested to indicate the extent to which they would undertake the following actions after purchase of an alcoholic spirits brand which was being promoted. The responses were rated on a five point scale where: 1 = Not at all, 2 = small extent, 3 = moderate extent, 4 = large extent and 5 = very large extent. The means were generated from SPSS and are illustrated in Table 4.3:

<table>
<thead>
<tr>
<th>Action</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tell their friends about the sales promotion</td>
<td>4.07</td>
</tr>
<tr>
<td>Buy the Brand again</td>
<td>4.52</td>
</tr>
<tr>
<td>Become loyal to the brand</td>
<td>4.57</td>
</tr>
<tr>
<td>Become brand ambassador</td>
<td>3.17</td>
</tr>
<tr>
<td>Caution their friends against the brand if dissatisfied</td>
<td>3.81</td>
</tr>
<tr>
<td>Change brand if dissatisfied</td>
<td>4.02</td>
</tr>
<tr>
<td>Register Complaint with company representatives</td>
<td>3.35</td>
</tr>
</tbody>
</table>

From Table 4.3, majority of the respondents were in agreement that; they become loyal to the brand, buy the brand again, change brand if dissatisfied, caution their friends not to try the brand if dissatisfied, become brand ambassador, tell their friends about the sales promotion, while some to a moderate extent complain about the brand to company representatives. The findings imply that there are various actions that the customers can undertake after the purchase of an alcoholic spirits brand which is being promoted including, if satisfied, becoming loyal to the brand, buying the brand again, becoming the brand ambassador and telling their friends about the sales.
Table 4.5: Presents the Cross tabulation of coupons against buying the product again

<table>
<thead>
<tr>
<th>Respondents Awareness of coupons</th>
<th>Buy the product again</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Large extent</td>
<td>very large extent</td>
</tr>
<tr>
<td>large extent</td>
<td>10</td>
<td>16</td>
</tr>
<tr>
<td>very large extent</td>
<td>18</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td>28</td>
<td>26</td>
</tr>
</tbody>
</table>

$\chi^2 = 3.601$  \hspace{1cm} df = 1  \hspace{1cm} P = 0.058

Therefore we fail to reject the null hypothesis since $p > 0.05$ and conclude that coupons had no effect on consumer purchasing behavior.

**Hypothesis three**

$H_{03}$: Price discounts have no significant effect on consumer purchasing behavior.

$H_{a3}$: Price discounts have a significant effect on consumer purchasing behavior.

Level of significance, $\alpha = 0.05$

Table 4.6: Presents the Cross tabulation of price-offs against buying the product again

<table>
<thead>
<tr>
<th>Respondents Awareness of Price-offs</th>
<th>Buy the product again</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Large extent</td>
<td>very large extent</td>
</tr>
<tr>
<td>large extent</td>
<td>16</td>
<td>18</td>
</tr>
<tr>
<td>very large extent</td>
<td>12</td>
<td>8</td>
</tr>
<tr>
<td>Total</td>
<td>28</td>
<td>26</td>
</tr>
</tbody>
</table>

$\chi^2 = 4.282$  \hspace{1cm} df = 1  \hspace{1cm} P = 0.039

Reject the null hypothesis since $p < 0.05$ and conclude that price reductions had an effect on consumer purchasing behavior.
Hypothesis four

$H_{04}$: Rebates have no significant effect on consumer purchasing behavior.

$H_{a4}$: Rebates have a significant effect on consumer purchasing behavior.

Level of significance, $\alpha = 0.05$

Table 4. 7: Presents the Cross tabulation of refunds against buying the product again

<table>
<thead>
<tr>
<th>Respondents Awareness</th>
<th>Buy the product again</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Large extent</td>
<td>very large extent</td>
</tr>
<tr>
<td>large extent</td>
<td>9</td>
<td>18</td>
</tr>
<tr>
<td>very large extent</td>
<td>19</td>
<td>8</td>
</tr>
<tr>
<td>Total</td>
<td>28</td>
<td>26</td>
</tr>
</tbody>
</table>

$\chi^2 = 3.641$ $\\text{df} = 1$ $P = 0.056$

We fail to reject the null hypothesis since $p > 0.05$ and conclude that rebates/refunds had no significant effect on consumer purchasing behavior.

Hypothesis five

$H_{05}$: Bonus packs have no significant effect on consumer purchasing behavior.

$H_{a5}$: Bonus packs have a significant effect on consumer purchasing behavior.

Level of significance, $\alpha = 0.05$

Table 4. 8: Presents the Cross tabulation of bonus packs against buying again

<table>
<thead>
<tr>
<th>Respondents Awareness</th>
<th>Buy the product again</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Large extent</td>
<td>very large extent</td>
</tr>
<tr>
<td>large extent</td>
<td>13</td>
<td>19</td>
</tr>
<tr>
<td>very large extent</td>
<td>15</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>28</td>
<td>26</td>
</tr>
</tbody>
</table>

$\chi^2 = 4.113$ $\\text{df} = 1$ $P = 0.043$

Reject the null hypothesis since $p < 0.05$ and conclude that bonus packs had a positive significant impact on consumer purchasing behavior.
CHAPTER FIVE

SUMMARY OF FINDINGS CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction
This chapter presents summary of findings, conclusions and recommendations of the study in line with the objectives of the study.

5.2 Summary of Findings
The study established that majority of the respondents were in agreement that they used different sales promotion strategies in their business like; free samples, coupons, price-offs, rebates/refunds, bonus packs and sweep takes, premiums and gifts. Therefore, various players in the Alcoholic Spirits Industry in WBC employed different sales promotion strategies with a view of positively influencing the behavior of their customers towards purchasing of their products.

The study revealed that majority of the respondents were in agreement that various events influenced the buying of products in the Alcoholic Spirits Industry with; timing of sales promotions e.g. weekends or festive seasons, the brand being promoted and the sales promotional tool used. Therefore, unanticipated situational factors always influence consumer behavior and hence inform the firms’ sales promotion activities.

The study further found out that majority of the respondents were in agreement that consumers engage in various post purchase actions with; becoming loyal to the brand, buying the brand again and changing the brand if dissatisfied. Thus, the firms’ sales promotion strategies should address the post purchase consumer actions to achieve better and long-term positive influence on consumer behavior.

After hypotheses testing the study found out that free samples, price-offs and bonus packs positively affected consumer purchasing behavior while coupons and rebates had no significant impact on consumer purchasing behavior.
5.3 Conclusions
The study concludes that most sales promotion strategies like free samples price-offs and bonus packs practiced in the Alcoholic Spirits Industry had a significant positive influence on the consumer behavior. Thus, the kinds of sales promotion activities undertaken by the firms in the Alcoholic Spirits Industry influenced the behavior of the customers with effect to the purchase of the products offered.

5.4 Recommendations
The study found out that the sales promotion strategies practiced in the Alcoholic Spirits Industry had a significant positive influence on the consumer behavior. The study therefore recommends that the management of the bars and wines and spirits outlets should formulate comprehensive and effective sales promotion strategies that seek to build brand awareness, creating favorable brand attitudes, gaining market share, inducing purchase, building brand loyalty and increasing sales.
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Journal of Consumer Marketing.

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Prentice Hall.


Education Plc Ltd, India.


Dear respondent, my name is Naimuli Joet, a third year student at Makerere University. I am doing my final research project "The impact of sales promotion on consumer purchasing behavior" for the award of Bachelor of Science in business statistics and I would like you to please fill in for me this questionnaire. This survey is purposely designed to collect data for the topic above. Information provided is purely for academic purposes and will not be published in any form without your consent.

Respondent’s name......................................................... (Optional)

SECTION A: DEMOGRAPHICS
Please indicate the correct code on your preferred response.
1. Gender.
1-Male 2-Female

2. Please indicate your age in completed years. ...........................................

3. Marital status.
1-Married 2-Single 3-Divorced 4-Widowed 5-Others

4. Highest educational level.
1-Primary 2-O’level 3-A’level 4-diploma
5-Degree 6-masters 7-PHD 8-None

5. What is your clients’ favorite drink?
1-Vodka 2-Gin 3-Whisky
4-waragi 5-Rum 6-others
SECTION B: SALES PROMOTION TOOLS PRACTISED IN THE ALCOHOLIC SPIRITS INDUSTRY.

Indicate on the scale of one (1) to five (5) the extent to which you are aware of the following sales promotion strategies in the Alcoholic Spirits Industry. Where;
1= Not at all
2= small extent
3= moderate extent
4= large extent
5= very large extent,

Free samples
Coupons
Price-discounts
Refunds/rebates
Bonus packs
Others.........................

SECTION C: EVENTS THAT INFLUENCE THE BUYING OF PRODUCTS IN THE ALCOHOLIC SPIRITS INDUSTRY.

Indicate on the scale of one (1) to five (5) the extent to which the following events influence the actual buying of the products in the alcoholic spirits industry. Where;
1= not at all
2= small extent
3= moderate extent
4= large extent
5= very large extent

Timing of sales promotions e.g. weekends or festive seasons.
Sizes of the discounts as compared to other brands.
The Brand being promoted.
The Sales promotional tool.
Others (specify)
SECTION E: POST PURCHASE ACTIONS OF CONSUMERS AFTER PURCHASING SALES PROMOTED BRAND OF SPIRIT.

Indicate on the scale of one (1) to five (5) the extent to which your clients would undertake the following actions after purchase of an alcoholic spirit brand which is being promoted. Where;
1= not at all
2= small extent
3= moderate extent
4= large extent
5= very large extent

Tell their friends about the sales promotion tool.

Buy the brand again

Become loyal to the brand

Become brand ambassador

Caution their friends against the brand if dissatisfied

Change brand if dissatisfied

Others (specify)

Thank you for your cooperation.