

Does Sales Promotion Influence Buying Behaviour of Students? A Study of PZ Cussons Limited in Ho Municipality, Ghana

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ABSTRACT

Sales promotion is a collection of incentive tools designed to stimulate sales of particular products or services in the short-term. The objectives of the study were to identify the *Se m'anyia* duck bar soap sales promotion mechanisms adopted and to determine how the sales promotion mechanisms affected the behaviour of senior high school (SHS) students in the Ho Municipality of the Volta Region, Ghana. Data were collected from 152 sampled students using questionnaire and Statistical Package for Social Sciences (SPSS) was used to analyze the data. It was found that, PZ Cussons' sales promotion mechanisms adopted included token of prizes such as T-shirts, shopping baskets, pieces of GTP wax cloth and the ultimate prize was a two-bedroom self-contained house. The study shows that the sales promotion has influenced the purchase of the product. Thus, it is important that the company regularly organizes sales promotion to improve its sales.

Key words: Buyer behavior, sales promotion, PZ Cussons, Ho Municipality

1. INTRODUCTION

In a competitive marketing environment, communication is one of the ways to reach the company's customers. It also serves as a tool to reach out to customers as well as to achieve the organization's objectives. The purpose of marketing communications however is to enable companies to achieve their strategic marketing objectives some of which are to introduce new products, to induce present customers to buy more, to combat competition and to increase retail inventory for higher sales.

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36 Companies worldwide use variety of marketing communications tools to achieve these objectives and
37 some of these include personal selling, advertising, public relations and sales promotion.

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39 In times past, companies focused mainly on advertising to reach out to their loyal and prospective
40 customers. Research has however noted that, advertising when coordinated with sales promotion and
41 other marketing tools like direct marketing, public relations and personal selling can have a synergistic
42 effect (Dommermuth, 1984). Consequently, many companies or businesses have resorted to sales
43 promotions to enable them achieve their objectives and satisfy the changing needs of customers.
44 Sales promotion activities refer to promotional activities other than advertising, publicity and personal
45 selling that stimulate interest, trial or purchase by the final customers or others in the channel. Sales
46 promotion may be aimed at consumers, intermediaries or the firm's own employees (Perreault, &
47 McCarthy, 2003). Sales promotions are short-term schemes aimed to complement other promotional
48 tools.

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50 The objectives of sales promotion are to stimulate short-term demand, to create loyal customers and
51 to encourage brand switching from competitors. Sales promotions are achieved through informing and
52 persuading customers or consumers of an existing or new product.

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54 The immense role sales promotion plays in the selling of products could be one of the most important
55 reasons why businesses continue to use this tool to promote their products. The use of sales
56 promotion techniques has been on the increase by most Ghanaian businesses in recent years.
57 Following the economic recovery programme, structural adjustment programme and the subsequent
58 trade liberalization, many companies in Ghana have had to face competition from overseas
59 companies that are aggressive in promoting their products. This situation has led to the need for
60 adoption of sales promotion by local companies. PZ Cussons Limited is one of the companies in
61 Ghana that uses sales promotion. PZ Cussons Limited was established in Sierra-Leon in 1879 by
62 George Paterson and George Zochonis. Later, the company expanded into other countries in Africa.
63 In 1969, a manufacturing base was established in Tema, Ghana. PZ Cussons deals in hair care
64 products, beverages, soaps, detergents, sanitary pads and pharmaceutical products. PZ Cussons
65 introduced the duck bar soap in 1997.

66 The intense competition from imported products and dwindling sales as well as increase in
67 competition among firms calls for use of sales promotion. To stay competitive, businesses are
68 resorting to marketing tools to increase sales immediately, stabilize fluctuating sales pattern, attract
69 new customers, build goodwill, provide punch to the company's advertising effort and counter
70 competitors' marketing efforts to retain and entice new customers. Globally, transformation from the
71 sellers' market to the buyers' market is taking place and competing firms position their offerings
72 strategically in order to attract consumers.

73 Generally, companies adopt sales promotions in order to increase the level of sales but whether PZ
74 Cussons' sales promotion really induces consumers and increases the level of the company's sales
75 still remain unanswered. The sales promotion situation of PZ Cussons especially, its soap product
76 line is still on the increase. However, the question is does these aggressive sales promotion influence
77 buyer behaviour? The aim of the study was to assess the effect of sales promotion on SHS students'
78 purchase behaviour using PZ Cussons *Se m'anhyia* duck soap sales promotion as a case study. *Se*
79 *m'anhyia* is an expression in Akan, a Ghanaian language, which means "if I had not seen it." The *Se*
80 *m'anhyia* duck bar soap sales promotion was carried out as an effort to change the brand from "add
81 colour to your life" to *Se m'anhyia*. This was done to create a new identity for the brand and also to
82 increase sales. Students, mothers, housewives and people in the laundry industry were the targets
83 for the sales promotion. Among the students, Senior High School students were the main targets.

84 2. LITERATURE REVIEW

85 Promotion is an element of the marketing mix (also known as the 4Ps) within whose confines
86 marketing oriented organizations operate. The 4Ps are product, price, place and promotion. For the
87 purpose of this study, the discussion will focus on promotion and limited to sales promotion.
88 According to Perreault and McCarthy (1996), promotion is defined as communicating information
89 between seller and potential buyer or others in the channel to influence attitudes and behaviour. It is
90 the marketing manager's responsibility to communicate with customers in a manner, which will satisfy
91 their needs. How well messages are delivered depends on the blend of the various promotional mix
92 elements.

93 There are a variety of promotional elements from which the marketing manager chooses what suits
94 the organization's customers depending on the prevailing situations. It must however be noted that

promotional mix elements have their own strengths and weaknesses. Managers therefore, seek for the best combination that will yield the most desired results.

There have been various definitions of sales promotion. Belch and Belch (1996), define sales promotion as direct inducement that offers that extra value or incentive for the product to sales force, distributors, or the ultimate consumers with primary objective of creating an immediate sale.

Arens (1994) notes that sales promotion must be coordinated with other promotional mix elements such as advertising and personal selling to have a real impact on sales. Perreault and McCarthy (1996), further remark that money spent on advertising and personal selling helps the firm more over the long-term and that sales promotions do not help develop close relationships with customers, instead, it erodes brand loyalty. Some researchers are of the view that promotions bring about competitive escalation.

Joncos (1990), asserts that sales promotion fuels flames of competitive retaliation far more than other marketing activities. The long-term effect of such retaliation is sometimes the elimination of all profit from total market categories. According to Magid and Leonard (1990), competitive escalation is a hidden cost of promotion. The advantage of running an extra promotion or offering higher incentives is usually short lived. Competitors retaliate with more aggressive sales promotion and that often neutralizes whatever incremental sales was generated by the company that initially used sales promotion.

Jones (1990) contends that sales promotions devalue the image of the promoted brand in the customer's eyes. On some occasions, sales promotions have had unfavorable influence on consumers brand perception. Arens (1994) noted that too much sales promotion cause the brand to have high volume but low profitability. Quelch (1989) argues that consumer goods and services marketers have increased their sales promotion expenditures significantly in recent years.

Arens (1994) claims that sales promotion can be more effective than advertising in motivating customers to select a particular brand particularly when all brands appear equal. It can also generate additional sales by motivating consumers not to be moved by other advertising efforts. In spite of studies showing that sales promotion is not effective and that it is a waste of the firms' resources and erodes brand loyalty, others hold contrary view that it increases sales and induce the consumers to do impulse buying.

Dommermuth (1984) also defines sales promotion as the marketing activities other than personal selling, advertising and publicity that stimulate consumer purchasing and dealer effectiveness. Kotler (1997) defines sales promotion as a collection of incentive tools, mostly short-term designed to stimulate quicker and or greater purchase of particular products by consumers or traders.

Sales promotion can be categorized into three types namely consumer-oriented sales promotion (pulling strategy), trade-oriented sales promotion (push strategy) and sales force sales promotion (Etzel, Walker and Stanton, 2001). Consumer-oriented sales promotion aims at stimulating customer demands for the firm's offering by getting customers to ask intermediaries for the products through the channels of distribution. It also encourages consumers to make immediate purchases of a particular brand as well as increase its usage, thus stimulating short-term sales. Consumer-oriented sales promotion usually takes the form of using coupons, samples, rebates or refunds, sweep-stakes, contests and point of purchase advertising.

Trade-oriented sales promotional tools are primarily defensive tactics designed to protect shelf space against competitors. They are targeted at attracting marketing intermediaries such as wholesalers, distributors and retailers. Trade-oriented sales promotion focuses on the short-term arrangements that will improve intermediaries' purchases. The goal of this strategy is to push product through the channels of distribution by aggressively selling and promoting the items to the resellers or traders. This is done through the use of special point of purchase displays, discount, dealer premiums etc. Sales force sales promotion aims at developing incentives and motivation schemes for a company's sales force. The method often keeps every member of the sales force focused on the company's targets.

Sales promotion influences buying decision of customers. Buying decision process comprises five stages consumers go through in making purchases. The stages are need recognition, identification of alternatives, evaluation of alternatives, purchase and related decisions and post-purchase behaviour. Buying decisions are either high-involvement or low-involvement. Low-involvement decisions include fewer stages while a high- involvement consists of all the five stages. Low involvement situations occur when there is a brand and store loyalty and impulse buying.

Need recognition is when the consumer tries to identify and recognize his or her needs. The consumer then moves on to identify alternative products and brands and collect information about them. Evaluation of alternatives involves weighing the pros and cons of the alternatives identified. Purchase and related decision refers to the stage where the consumer decides to buy a product and makes decisions related to the purchase. During the post-purchase behaviour stage, the consumer seeks reassurance that the choice made was correct (Etzel, Walker & Stanton 2001).

The dynamic nature of the consumer market is reflected in the distribution and the demographic characteristics of consumers. Demographic are the vital statistics which describe a population. They are useful to marketers because they are related to the behaviour and are relatively easy to gather. The demographic characteristics are consumers' age, gender, family, life cycle, income, ethnicity and other characteristics such as education, occupation, religion and nationality.

3. METHODOLOGY

The target population of the study comprised the Senior High School (SHS) students in the Ho Municipality of the Volta Region, Ghana. There were twenty-two (22) SHSs in the Ho Municipality at the time of the study comprising fifteen (15) public SHSs and seven (7) private SHSs. Multistage sampling method was used to select the respondents. First, simple random sampling technique was used to sample eleven (11) public SHSs and five (5) private SHSs making sixteen (16) SHSs in total. In the use of simple random sampling, names of all public and private SHSs in the municipality were written separately on pieces of paper. For each category, the pieces of papers were folded and these folded papers were put into a container according to the category. The containers were shaken vigorously, then the papers from each of the containers were picked one after the other until the required number for each category was obtained.

At the second stage, quota sampling method was adopted. In the use of quota sampling, the respondents were selected on the basis of certain basic parameters such as age and sex that describe the nature of the population so as to make it represent the population. Five male and five female students were selected in every sampled SHS. In all, the total number of respondents were one hundred and fifty two (152). Also, purposive sampling method was then adopted in selecting the Area Sales Manager of PZ Cussons as a key informant to respond to interview schedule.

Both qualitative and quantitative data were collected from the respondents. Data gathered were checked for clarity, organized and analyzed in line with the research objectives. The analysis of data was done by SPSS version 16 software to produce descriptive statistics in the form of frequency tables.

4. RESULTS AND DISCUSSIONS

The study was carried out among students from sixteen (16) Senior High Schools in the Ho Municipality with a sample size of 152. Equal proportions of both sexes were considered in the study, representing 50% each (Table 1).

Table 1: Gender and Age Categories of the Respondents

Gender	Frequency	Percentage
Male	76	50.0
Female	76	50.0
Total	152	100.0
Age (Years)	Frequency	Percentage
10-15	2	1.3
16-20	126	82.9
21-25	22	14.5
26 above	2	1.3
Total	152	100.0

Source: Field data 2012

Most of the student respondents (82.9%) interviewed belong to the 16-20 years age bracket (Table 1). It is not surprising since this is the age category of most students in the Senior High Schools in Ghana. The respondents included students from various forms, borders and day students. Furthermore, respondents' experience with the use of PZ Cussons duck bar soap was captured.

4.1 THE MECHANISMS USED FOR THE SALES PROMOTION

Companies use sales promotion chiefly to increase sales temporarily to gain sales volume and market share. PZ Cussons code named her sales promotional programme for duck bar soap as *Se m'anhyia* and it was advertised through television, radio, posters and newspapers to create awareness about

the sales promotion. In this sales promotion, the company emphasized certain features of the product. In addition, the company also used raffles draws to attract customers to purchase the product.

The study revealed that sales promotion mechanisms employed for the *Se m'anyia* duck bar soap sales promotion included token of gifts lucky consumers found in the soap while using it. When cutting of the soap into smaller pieces or units, whatever was written on the material inserted became the prize of the consumer involved. These prizes ranged from GTP wax prints, washing bowls, shopping baskets, T-shirts and pieces of duck bar soap. Furthermore, as part of the promotion, lucky winners of the above tokens were issued a coupon to enter into a special draw. The first three lucky consumers won as prizes a two-bedroom house, a TV set and a home theatre respectively after which their names were published. An interview with the Brand Manager revealed that these promotional activities lead to a mad rush for the product particularly after the initial winners were published.

4.2 VIEWING OF SE M'ANYIA SALES PROMOTION AND AWARENESS OF ITEMS TO BE WON

The result indicated that 87% of the student respondents said they have watched or listened to the *Se m'anyia* duck bar soap sales promotion (Table 2). Thus their usage of the duck bar soap could also be influenced by the sales promotion. This is because sales promotions have some significant effects on consumers. This includes short-term effects, which occur during the sales promotion and long-term effects which involve attitudinal changes that take place after the sales promotion.

Table 2: Viewing of Se m'anyia Sales Promotion

Responses	Frequency	Percentage
Viewers	132	87
Non viewers	20	13
Total	152	100

Source: Field data 2012

According to this study, the respondents were aware of the items to be won under the sales promotion. Table 3 indicates the items the respondents were aware of.

Table 3: Items to be Won in *Se m'anyia* Sales Promotion

Items to be won	Frequency	Percentage
Duck bar soap T-shirt	45	29.6
Washing bowl	20	13.1
Duck bar soap	39	25.7
Shopping basket	48	31.6
Total	152	100.0

Source: Field data 2012

4.3 REACTIONS TO PROMISES IN *SE M'ANYIA* SALES PROMOTION

Among the respondents who watched or listened to *Se m'anyia* sales promotion adverts, 64.5% of them said the items promised in the sales promotion influenced them to increase the quantity of duck bar soap purchased (Table 4). This implies that the *Se m'anyia* sales promotion made a significant impact on student consumers. Thus, varieties of sales promotion of the product by the company are highly encouraged to create awareness and promote the product as it has significant influence on consumer behaviour.

Table 4: Reactions to Promises in *Se m'anyia* Sales Promotion

Responses	Frequency	Percentage
Purchasers because of promises	99	65
Purchasers not because of promises	53	35
Total	152	100

Source: Field data 2012

Sales promotion has both short-term and long-term effects. Short term effects occur during the sales promotion and long-term effects involve behaviours that take place after the sales promotion. From this point of view, *Se m'anyia* sales promotion had some amount of long-term effect especially on students interviewed. This could also increase sales during the promotion by attracting customers from other stores (store switching), inducing customers to switch brands (brand switching), inducing customers to buy from the promoted category rather than another category (category switching), inducing customers who normally do not use the product category to purchase it (new users), or inducing customers to move their purchases forward in time (purchase acceleration) (Gedenk et al.,

2009). Purchase acceleration could also occur because consumers purchase earlier or because they purchase more than they would have done without the promotion.

Table 5: Perception of Quality of Soap after Sales Promotion

Responses	Frequency	Percentage
No change in quality	112	74
Change in quality	40	26
Total	152	100

Source: Field data 2012

According to the study, majority of students (74%) said the quality of the duck bar soap during and after the sales promotion is the same (Table 5). If the quality of the product diminishes after sales promotion, it would affect sales and hence profit for the company. According to a study conducted by Esfahani and Jafarzadeh (2012) in Iran, consumers who are quality conscious are influenced by sales promotions hence manufacturers also maintain quality of products after the sales promotion.

Respondents who noticed reduction in quality of duck bar soap after the *Se m'anyia* sales promotion mentioned that its lathering ability has changed (72.5%) and also there was a change in the fragrance of the soap (27.5%) which they were not comfortable with.

4.4 THE IMPACT OF SALES PROMOTION

The study indicated that most students (93%) interviewed indicated that they continued the use of duck bar soap after the sales promotion (Table 6). Duck bar soap is one of the commonest products from PZ Cussons which is often used by many people in bathing and washing. Because students use soap a lot, the study revealed that duck bar soap's sales promotion has gone well with the students as it is one of the soaps students prefer using.

Table 6: Usage of Duck Bar Soap after the Sales Promotion

Duck soap users	Frequency	Percentage
Users	141	93.0

Non users	11	7.0
Total	152	100.0

Source: Field data 2012

The current users of duck bar soap derived some benefits such as its quality, low price etc from its usage. Majority of the respondents (94%) mentioned that they would recommend duck bar soap to other potential users (Table 7). These recommendations have the potential of increasing the customer base of the use of the product.

Table 7: Reasons for Recommendations to Other Potential Users

Reasons	Frequency	Percentage
Cheaper and smells good	52	34.2
Very good product (Quality)	71	46.7
Lasts longer	19	12.5
Does not fade clothes	1	0.7
Total	143	94.1

Source: Field data 2012

The reasons for recommending duck bar soap to other potential users were stipulated in (Table 7). Among them, the core reason is its quality (46.7%). Because of its quality, customers believe if they recommend it to other people, they would accept it and patronize it.

However, some students responded that they would not recommend duck bar soap to other potential users because it has a poor lathing ability (92%) and do not like the scent (8%). Thus, these are some of the weaknesses of the duck bar soap which the manufacturer should know and work on to attract other potential customers. Furthermore, these weaknesses can create the opportunity for new entrants to penetrate the soap and detergents market and increase the competition in that industry in Ghana.

4.5 THE EFFECT OF SE M'ANYHIA SALES PROMOTION ON SALES

According to the Area Sales Manager, the duck bar soap promotion was done for a minimum of three times in a year. However, the sales promotion did not achieve its objectives entirely. This was because competition from competitive detergents such as key soap from Unilever and their "Kroshia key soap" promotion presented a more attractive option for consumers than duck soap. Furthermore, *Se m'anyhia* duck soap promotion was able to increase the sales of duck soap to about 41.43% during the sales promotion period. The Brand Manager further said that the *Se m'anyhia* sales promotion has increased sales from about 70,000 cartons a month to about 99,000 cartons a month after the sales promotion.

5. CONCLUSIONS AND POLICY IMPLICATION

The sales promotion mechanisms adopted included token of prizes such as T-shirts, shopping baskets, GTP Wax pieces of cloth and TV sets for which most of the respondents were aware of. The sales promotion has influenced some respondents to purchase the product especially after the initial winners were announced and published.

The study shows that most students in the Senior High School have used duck bar soap. Also, fifty percent of the respondents had information about the soap at home. However, more than three-quarters who purchased the product attributed their purchase to the influence of sales promotion adverts in the various media such as television, radio, posters and newspapers. Thus, this sales promotion had significant influence on their purchase decision. The study also revealed that this sales promotion was carried out as a competitive strategy to promote the product and increase its market share against competitors.

Furthermore, it also helped to build a brand identity and loyalty, which actually increased sales and impact positively on the company. It is clear that the sales promotion had significant effect on the purchase behaviour of the respondents. Therefore, for the company to increase sales there is the need to organize sales promotion regularly and target students as a major market segment.

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