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## **Impact of Sales Promotion Strategies on Product Patronage (A Case Study of Chuppet Supermarket, Ilorin)**

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### **ABSTRACT**

Promotional activities are controlled, integrated program of communication, methods and materials designed to present an organization and its products to facilitate sales and thus contribute to long run profit performance, hence the impact of sales promotion strategies on product patronage can not be overemphasized. This project examined the sales promotion strategies as a force that inevitably associate with other aspect of promotion applicable to the activities of any organization be it commercial, social or public. A lot of literatures by different authors were reviewed by the researcher. Both primary and secondary sources of data were used in gathering information for this research work, as questionnaires were administered on the entire 12 staff of the supermarket but only 9 filled and returned. In carrying out this research work, the researcher found out that the supermarket kept and maintained its customers over the years because of its sales promotion activities coupled with quality products and personalized services which have led to increase in sales and profitability. However, it is recommended that improvement should be made on research and development because of the high importance of the growth of any firm to adequately know how to compete favorably with its competitors and also to know the need and want of customers.

**Keywords: Sales Promotion, Strategies, Advertisement and Product Patronage**

### **Introduction**

Promotion is a term which has assumed many meanings over the years. Its original meaning in Latin was to move forward. However, more recently, the meaning has been narrowed, so it is now referred to as communication undertaking to persuade others to accept ideas, concept or things more specifically. Promotional activities are controlled, integrated program of communication method and materials designed to present an organization and its products to facilitate sales thus contributes to long run profit performance.

Promotion is the last element of the marketing mix since it should be the final activities because no promotions can really take place (or promotional objectives and plans laid) until decisions have been made on

***Impact of Sales Promotion Strategies on Product Patronage  
(A Case Study of Chuppet Supermarket, Ilorin)***

*Zubairu I.T. et al*

the rest of the mix and the organization know what product it can offer, the targeted market to be addressed, the price level to be set, the distribution channels to be used and so on.

Promotion is any marketing effort whose function is to inform or persuade actual or potential consumers about the merit of a given product or service for the purpose of inducing a consumer either to start purchasing or continue purchasing the firm's products or services.

This research work is intended to examine the sales promotion strategies as a force to inevitably associate with other aspect of marketing and applicable to the total activities of any organization, be it commercial, social or other wise. A sales promotion is not just a subject the marketers and business organization can just reject, if the business is to achieve its stated goals and objectives. The business organization and marketers in particular have to make use of various strategies in other to face their competitors if the organization wants to remain in the business world.

**Statement of the Problems**

The following are the statement of the problem for this research work: It is disheartening to note that businessmen, both producers of tangible products and intangible (service) tend not to supplement or use these sales promotions tools effectively.

Many business organizations have solely neglected the promotional tools in their businesses, hence they pursue shadows; little wonders they remain on the same spot over the years. The neglect of publicity and advertisement has made many businesses to remain in the unknown world. At times, financial fortunes of businesses may be unable to support a firm's promotional strategies.

Finally, the failure on the part of establishment to see promotion activities as an aspect of a firm marketing strategy has led to a situation of continuous emphasis on provision of additional services without considering its implication on consumer's perception on their offering.

**Statement of Objectives**

The major objective of this study is to evaluate the impact of sales promotion on the patronage of supermarket business. Other specific objectives include:

- To throw more light on how sales promotion strategies affect Uncle Sam supermarket within Bida metropolis and how effective the

utilization of these sales promotion strategies may help to increase products patronage.

- To investigate the various methods of sales promotions activities embarked upon by Uncle Sam supermarket and the problems they face during the implementation.
- To recommend how best to use the sales promotion tools in order to increase market share and provide better services to customers.
- To investigate whether the benefits obtained from sales promotions activities will be greater than its cost.

### **Research Hypothesis**

H<sub>1</sub>: Sales promotion activities always attract large number of customers

H<sub>0</sub>: Sales promotion activities do not always attract large number of customers

### **Literature Review**

#### ***Meaning of Sales Promotion***

A sales promotion only entails any incentives to market a product or service in order to increase sales. Suleiman and Henry (2008) defined sales promotion as a short term incentive to encourage purchase of product or service.

Adekunle (2005) argued that sales promotion are all other promotional tools that are classified as advertising, personal selling or publicity. It includes consumer promotion (samples, coupons, money refund offers, trading stamps, demonstrations) and trade promotion (e.g. buying allowances, free goods, merchandise allowances, dealer's sales contest) and sales force promotion (e.g. bonuses and sales rallies).

Abdullahi (2012) defined sales promotion as any method of encouraging consumers to buy outside advertising, personal selling, publicity etc. It can also be seen as activities that compliment the firm's personal selling and advertising effort. It is a term that is mostly used by companies to described different promotional activities.

Marketing teacher website defined sales promotion as any incentive to market a product or a service in order to increase sale. This is done by persuading customers to buy something by offering incentives or deals, which they find irresistible.

George and Michael (2007) defined sales promotions as a direct inducement that offers an extra value or incentive for the product to sales

***Impact of Sales Promotion Strategies on Product Patronage  
(A Case Study of Chuppet Supermarket, Ilorin)***

*Zubairu I.T. et al*

force, distributors, or the ultimate consumers with primary objectives of creating an immediate sales.

Perreaut & McCarthy (1996) Agued that sales promotion are those promotion activities other than advertising, publicity and personal selling that stimulate interest, trial or purchase by final consumer or other in the channel.

Since the goal of sales promotion is to increases the bottom line, business has to become creative when marketing their products. They employ various means to achieve this, and this will lead us to the various type of sales promotion that will be used to increase the sales volume of any organization.

***Sales Promotion Tools***

Akanbi (2002) says the popular sales promotion tools are:-

**Package Inserts:** Package insert provides immediate benefits for the buyers, e.g pencil inserted in the detergent case.

**Coupon:** While inserts provides immediate benefits, coupon usually promise that incase of further purchase, the consumers will get some benefits. Coupons, like insert, are meant to induce customers to make more purchase.

**Samples:** This is a sales promotions tool to test the acceptability of a new product. It is very useful to know whether the product will have a great share of the market. It is a useful tool while marketing a new product,

**Contests:** This is used when a product has been in the market for a long time; the marketer wants to know how the audience is following the product. There is usually a competitive market for the products; example of contest is raffle draw.

**Premiums:** They are very identical to coupons. In sophisticated markets, premiums are used. The consumers receives gifts either with the purchase or by sending in product packets, tops or some similar devices

**Trading Stamps:** These are more continuous sales promotions tools used to ensure re-purchase. Each time a customer buys he receives stamps of some value e.g. ₦5. The collection of these stamps may make a book of sales promotions stamps which can be used to collect gift from retail store. A book of stamps is a collection of stamps pasted in a book in a form of exercise book.

**Tie-in:** This involves selling two or more related products together with the purchaser enjoying price reduction, e.g. tooth past and tooth brush.

**Price-Off:** This is a device in which certain amount of money is deducted from the known selling price of the product. The amount so deducted is written on the package to provide the necessary inducement.

### ***Selection of Sales Promotion Methods***

Having decided on the objectives, types as well as the tools that are used for sales promotion, the next line of action is decision on which sales promotion method to be adopted in order to achieve the established importance or objectives.

According to Olawale & Olukayode (2004) in selecting the sales promotion method, the following should be considered:

**Objective of Promotion:** This is no doubt an important consideration, since different promotional tools aims at achieving different objectives. for example, The package insert tool is aimed of getting immediate response from the customers while coupons and contest can build trial patronage for the customers.

**Appreciation for Promotion:** The availability of funds not only to the marketing department but for promotion goes a long way in determining the type of method as well as the intensity of promotion.

**Age of the Product:** At different stages in the products life-cycle, the role of sales promotion tools varies. The need to neither build trial usage or create awareness about the essential potentialities of the products or services at the introductory stage makes coupons and premium compatible partners.

**Cost:** The expenditure involved in executing different promotional tools varies. While consumer promotion is very costly, sales force promotion is less costly, although the later may only be used as secondary marketing communication.

**Nature of Product:** The types of produce involved equally determine the method of sales promotion to be adopted. This depends on whether the product is consumer or industrial product.

**Target Market:** The actual consuming units of the product is equally an important consideration where women or children are the sole users or consumers, promotional tools like package insert and Tie-in desirable with attractive and useful prizes that can be appealing.

**Impact of Sales Promotion Strategies on Product Patronage  
(A Case Study of Chuppet Supermarket, Ilorin)**

Zubairu I.T. et al

**Research Methodology**

The data used for this research work was derived from both primary and secondary sources of data collection. The primary data sources that were used were made up of first hand information such as questionnaire and observation. Questionnaires were administered on the entire twelve (12) staff of the Supermarket but only nine (9) were filled and returned. The secondary data used was sourced from various textbooks, internet and journals.

**Analysis of Data, Results and Discussion**

**Table 1: Sales Promotion Tools Consist of Coupons, Incentive Rebate, Package Inserts, Sample etc.**

<b>Description</b>	<b>Respondents</b>	<b>Percentage (%)</b>
Strongly agree	2	22.2
Agree	4	44.4
Undecided	3	33.3
Disagree	-	-
Strongly disagree	-	-
<b>Total</b>	<b>9</b>	<b>100</b>

**Source:** Questionnaire Administered (2014)

Table 1 indicates that 2 respondents representing 22.2% strongly agreed that sales promotion tools consists of coupons, incentive rebate, package inserts, sample, 4 respondents representing 44.4% agree that coupon, incentive rebate, package inserts, samples are sale promotional tools while 3 respondents representing 33.3% were undecided

**Table 2: Sales Promotion Strategies Has Positive Effects on Profit Making Organization (Supermarket)**

<b>Description</b>	<b>Respondents</b>	<b>Percentage (%)</b>
Strongly agree	3	33.3
Agree	4	44.4
Undecided	-	-
Disagree	2	22.2
Strongly disagree	-	-
<b>Total</b>	<b>9</b>	<b>100</b>

**Source:** Questionnaire Administered (2014)

Table 2 shows that 3 respondents representing 33.3% strongly agree that sales promotion strategies has positive effect profit making organization, 4 respondents representing 44.4% agree that sales promotion strategies has positive effect on profit making organization (supermarket) while 2 respondents representing 22.2% disagree that sales promotion strategies has no positive effects on profit making organization (supermarket)

**Table 3: There is Increase in Profit as a Result of Effective Sales Promotion in the Supermarket**

Description	Respondents	Percentage (%)
Strongly agree	5	56
Agree	3	33
Undecided	1	11
Disagree	-	-
Strongly disagree	-	-
<b>Total</b>	<b>9</b>	<b>100</b>

**Source:** Questionnaire Administered (2014)

The above table indicates that 5 respondents representing 56% strongly agree that there is increase in profit as a result of effective sales promotion strategies in the supermarket, 3 respondents representing 33% agree that there is increase in profit as a result of effective sales promotion strategies in the supermarket, while 1 of the respondent representing 11% is undecided.

**Table 4: Sales Promotion Strategies Play a Central Role in the Supermarket Business**

Description	Respondents	Percentage (%)
Strongly agree	1	11
Agree	5	56
Undecided	3	33
Disagree	-	-
Strongly disagree	-	-
<b>Total</b>	<b>9</b>	<b>100</b>

**Source:** Questionnaire Administered (2014)

From the above table 4, 1 respondent representing 11% strongly agree that sales promotion strategies plays a central role in the supermarket, 5 respondents representing 56% agree that sales promotion strategies plays a central role in the supermarket while 3 respondents representing 33% were undecided about the idea

**Table 5: Our Sales Promotion Activities Always Attract Large Number of Customers to Patronize Our Products**

Description	Respondents	Percentage (%)
Strongly agree	1	11
Agree	8	89
Undecided	-	-
Disagree	-	-
Strongly disagree	-	-
<b>Total</b>	<b>9</b>	<b>100</b>

**Source:** Questionnaire Administered (2014)

**Impact of Sales Promotion Strategies on Product Patronage  
(A Case Study of Chuppet Supermarket, Ilorin)**

Zubairu I.T. et al

Table 5 shows that 1 respondent representing 11% strongly agree that sales promotion activities always attract large number of customers to patronize their product while 8 respondents representing 89% agree that sales promotion activities always attracts large number of customers to patronize their products.

**Table 6: Product Patronage on Cosmetics Such as Perfume, Body Lotion, Soap Cream etc Sell More Each Time We Used Promotional Activities**

Description	Respondents	Percentage (%)
Strongly agree	3	33.3
Agree	4	44.4
Undecided	2	22.2
Disagree	-	-
Strongly disagree	-	-
<b>Total</b>	<b>9</b>	<b>100</b>

**Source:** Questionnaire Administered (2014)

From the table 6 above 3 respondents representing 33.3% strongly agreed that cosmetics such as perfumes, cream, soap, body lotion sell more each time they used sales promotion activities, 4 respondents representing 44.4% agreed that cosmetics sell more each time they used sales promotional activities while 2 respondents representing 22.2% were undecided.

**Table 7: Food Stuffs Such as Semolina and Backed Beans Sell More Whenever We Engaged in Personal Selling**

Description	Respondents	Percentage (%)
Strongly agree	3	33.3
Agree	4	44.4
Undecided	2	22.2
Disagree	-	-
Strongly disagree	-	-
<b>Total</b>	<b>9</b>	<b>100</b>

**Source:** Questionnaire Administered (2014)

Table 7 indicates that 3 respondents representing 33.3% strongly agreed that food stuffs such as Semolina, Semolina Backed Beans sell more whenever they engaged in personal selling, 4 respondents representing 44.4% agree that food stuffs (semovita, semolina, becked beans) sell more whenever they engage in personal selling while 2 respondents representing 22.2% were undecided about the issue.



**Table 8: Beverages Sell More Each Time We Used Publicity**

Description	Respondents	Percentage (%)
Strongly agree	2	22
Agree	5	56
Undecided	2	22
Disagree	-	-
Strongly disagree	-	-
<b>Total</b>	<b>9</b>	<b>100</b>

**Source:** Questionnaire Administered (2014)

Table 8 shows that 2 respondents representing 22% strongly agreed that beverages sell more each time they used publicity, 5 respondents representing 56% agreed that beverages sell more each time they used publicity while 2 respondents representing 22% were undecided.

**Table 9: Children' Wears (Shoes, Bicycle, and Toys etc) Sell More Each Time We Engaged in Public Relation**

Description	Respondents	Percentage (%)
Strongly agree	1	11.1
Agree	2	22.2
Undecided	4	44.4
Disagree	2	22.2
Strongly disagree	-	-
<b>Total</b>	<b>9</b>	<b>100</b>

**Source:** Questionnaire Administered (2014)

Table 9 above, indicates that 1 respondent representing 11.1% strongly agreed that children wears such as Shoe, Toy, Bicycle sell more each time they engaged in public relation, 2 respondents representing 22.2% agreed that children wears sell more each time they engaged in public relation, 4 respondents representing 44.4% were undecided while 2 respondents representing 22.2% disagree that children wears does not sells even though they engaged in public relation.

## Testing of Hypothesis

### **Hypothesis 1**

H<sub>1</sub>: Our sales promotion activities always attract large number of customers to patronize our products.

H<sub>0</sub>: Our sales promotion activities do not always attract large number of customers to patronize our products.

**Impact of Sales Promotion Strategies on Product Patronage  
(A Case Study of Chuppet Supermarket, Ilorin)**

Zubairu I.T. et al

Description	Frequency
Strongly Agree	1
Agree	8
<b>Total</b>	<b>9</b>

**Source:** Questionnaire Administered (2014)

**Hypothesis Testing**

Respondent	FO	FE	FO-FE	(FO-FE) <sup>2</sup>	(FO-FE) <sup>2</sup> /FE
Strongly agree	1	2.3	-1.3	-1.7	-0.74
Agree	8	2.3	5.7	32.5	14.13
Undecided	-	2.3	-	-	-
Disagree	-	2.3	-	-	-
Strongly disagree	-	2.3	-	-	-
<b>Total</b>		<b>9</b>			<b>X<sup>2</sup>C = 13.39</b>

**Source:** Hypothesis Chi-square test (2014)

**Decision Rule:**

Reject H<sub>0</sub>: if the calculated value is higher than the tabulated value.

Degree of Freedom: n-1

$$5-1= 4$$

Level of Confidence: 5% = 0.05

At  $\alpha = 0.05$  level of confidence and 4 degree of freedom, the tabulated value is 9.488

**Conclusion**

Since  $X^2C = 13.39$  is greater than the tabulated = 9.488, we do not accept

H<sub>0</sub>: Concluded that sales promotion strategies always attract large number of customers to patronize our products.

**Summary of Findings**

During the course of the research, the researcher discovered the following:

- The supermarket is involved in some promotional activities such as personal selling, sales promotion, publicity, advertisement and public relation. The adoption of promotional strategies has led to increase in sales and profitability of the Supermarket.

- The supermarket kept and maintained its customers over the years because of its promotional activities coupled with quality products and services.
- The supermarket has a budget for sale promotion activities every year. So promotional activities can go on throughout the year uninterrupted.
- Sales promotional strategies have placed the Supermarket above its competitors by way of attracting and maintaining/retaining more customers in Ilorin.
- To a large extent sales promotional activities increase product patronage this is because level of patronage reduced each time the supermarket reduced its expenditure on advertisement.

### **Conclusion**

Sales promotion has come to stay; therefore it is evident that to sustain customers' patronage, loyalty and confidence there is need to engage in all forms of promotional strategies. This is essential as firms/businesses live in a competitive world, where healthy rivalry exists and only competitors with winning strategies can survive and either increase or maintain their customers' base.

### **Recommendations**

The researcher recommended that for every supermarket to increase its sale volume as well as gaining more patronage from customers there is need to involve in the followings:

- Improvement should be made on research and development because of the high importance of the growth of any form to adequately know how to compete favorably with its competitors and also to know the need and want of customers.
- The supermarket should embark on social responsibilities to the environment in which it is located. This will help to build the image of such supermarket.
- The sales promotional activities should be modified so as to acquire more sales since the research has shown that, it has less impact on product patronage.
- The supermarket should also make separate budget for other promotional activities such as personal selling, advertisement, etc
- The supermarket should build their public image as it helps to attracts large number of customers.

***Impact of Sales Promotion Strategies on Product Patronage  
(A Case Study of Chuppet Supermarket, Ilorin)***

Zubairu I.T. et al

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**Reference** to this paper should be made as follows: Zubairu I.T. *et al* (2014), Impact of Sales Promotion Strategies on Product Patronage (A Case Study of Chuppet Supermarket, Ilorin). *J. of Business and Organizational Development Vol. 6, No. 1, Pp. 1 – 13.*

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