



**ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES**

**THE EFFECTS OF SALES PROMOTION ON PURCHASING
DECISION OF CUSTOMER: THE CASE ETHIO TELECOM**

**By
Biniyam Tesfaye**

**July, 2018
ADDIS ABABA, ETHIOPIA**

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**A THESIS SUBMITTED TO ST.MARY'S UNIVERSITY, SCHOOL
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MASTER OF ART**

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ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES
SCHOOL OF BUSINESS

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Endorsement

This is to certify that ***Biniyam Tesfaye*** carried out his thesis on “Effects of Sales Promotion on Purchase Decision of Customer, In The Case of Ethio Telecom” and submitted in partial fulfillment of the requirements for the award of the degree of Masters of Art in Marketing Management at St. Marry University with my approval as university advisor.

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Declaration

I, Biniyam Tesfaye kebede, declare that this research paper entitled “effects of sales promotion on the purchase decision of consumers in the case of Ethio Telecom” under the guidance of Dr. Asfaw Yilma is my original work and has not been used by others for any other requirements in any other universities and all sources of information in the study have been appropriately acknowledged.

Name

Signature

St Mary’s university, Addis Ababa

May, 2018

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Abstract

The purpose of this research is to investigate the effects of sales promotion and various sales promotion tools on the purchasing decision of customers. The researches evaluate the impact of sales promotion tools mainly, Bonus for talk time, Premium, samples, Price off, Contests and sweepstakes and purchase behavior of the customers. The target population for the research was customers of Ethio Telecom which are found at Addis Ababa in selected service centers of Ethio Telecom which represent the whole customers of Ethio Telecom in Ethiopia. A total number of 407 customers were selected including the respondents which were surveyed using by using simple random sampling and judgmental sampling through structured questioners and interview. This study gives capability of managing sales promotion by examining sales promotion programs offered by Ethio Telecom. The results of the data analysis indicate price off and bonus for talk time are associated with the product and service trial are popular and preferred by customers. The result also shows that sales promotions stimulate interest in consumers and consumers are bound to make purchase decision provided that they are offered with price off, Bonus for talk time, free sample and premium. These findings contribute to the literature relating to sales promotion and have marketing implications for those who use sales promotion tools mainly and helpful for increasing sales.

KEY WORDS: sales promotion, purchase decision, Ethio Telecom

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CHAPTER ONE

1. INTRODUCTION

1.1 Background of the Study

Promotion (also referred to as Integrated Marketing Communication (IMC) mainly consists of messages and related media that are used to communicate with the market. IMC is defined as “a marketing communications strategy which requires that a company adopts strategies that coordinate different promotional elements and that these promotional activities are integrated with other marketing activities that communicate with customers” (Baker M, 2006).

The basics of promotional strategy involve delivering the communicational message from the producer to the consumer. The object of the message is to persuade the audience to purchase the product or product and service. Therefore the consumer needs to be receptive to the message and to be able to interpret it in such a way the intent to purchase is established (Koekemoer and Bird, 2004).

Companies must communicate with their present and potential customers, as well as internally and therefore makes it very important in the marketing process. A modern company manages a complex marketing communication system. The promotion mix includes the tools like Advertising, Public Relations, Sales Promotion, Direct marketing and Personal Selling (Chunnawala and Sethia, 1994).

(Shultz and Robinson, 1998) says that sales promotion generally works on a direct behavioral basis rather than affecting awareness or attitude. One of the purposes of a sales promotion is to elicit a direct impact on the purchase behavior of the firm’s consumers. It is continuously said that most types of sales promotions affect the decision-making and purchasing stages of the buying process directly that is affective in the long-run since it leads to increased sales and profit.

A Sales promotion stimulates customer purchases and the efficiency of distributors through marketing activities excluding advertising, public relations and so on. In other words, a sales promotion provides the incentive for consumers to purchase some specific products, and this incentive is different from the incentive provided by advertising with respect to the reasons to

purchase those specific products. The purpose of a sales promotion is to attract new customers, maintain existing customers who are contemplating switching brands and give incentives to customers who are about to use competing products. Sales promotions vary depending on the situation and need, and they have an immediate effect on product Purchases (Kwok and Uncles, 2005).

1.2 Statements of the Problem

In the past many research has shown that the sales promotion tools are often successful and have a significant impact on the company's effectiveness. Knowledge of how customers perceive Bonus for talk time, Premium, samples, Price off, Contests and sweepstakes, bonus talk time to family and friends which could be very useful for the company to alter or to adjust their sales promotional schemes and it may allow companies to leverage their position in the market by striking the right balance Between the promotional they offer and the promotion that customers prefer. Thus, the purpose of this research is to help marketer understand, examine and explore what kind of sales promotional method should be chosen from pool of various promotional techniques when they plan and implement a sales promotion activities.

The purpose is also to explore what are the major factors that influence the purchase decisions of customers Ethio Telecom and To be able to develop and target an appropriate sales promotional program, a company needs to identify its target audience and understand why they respond to sales promotions thus an understanding of consumer characteristics and how these Characteristics influence consumer responses to products promoted through sales promotional programs is needed at both Ethio Telecom product and services and the customer's perceptions. In doing so the researcher uses Effects of sales promotion on purchase decisions of customers and studies their sales promotion tools and examines how its sales promotion tools influences the purchasing decision of its customers.

Service providers like the Telecom operators '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.

The consumer makes a purchase decision by examining alternatives before making the purchase. 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 dissatisfactions Telecom is in the service industry. This research therefore seeks to find out to how sales promotion practiced by telecom operators influence the consumer buying process. It also seeks to find out reasons for consumers deviation from the established buying process.

There are many forms of sales promotion but the problem associated with sales promotion is that it is difficult to assess which sales promotion tool would be most effective and would influence the purchasing decision of consumers. Since most of the previous studies either focuses on only one aspect of types of sales promotions tools and very few research have been done that consolidated forms of promotions in Ethio Telecom and by understanding how each type of promotion affects the purchasing decision of a customer is still unknown Therefore this thesis was investigate the gap created by the limited scope of precious research on the addressing the impact the sales promotion tools that Ethio Telecom use. Thus a problem statement to address the issue is listed below. sales promotion tools Such as Bonus for talk time, Premium, samples, Price off, Contests and sweepstakes influence the purchasing decision of a customer, that is Ethio Telecom are aware that not all forms of sales promotion are effective but they are not sure which one of those promotional tools was work best for them.

1.3 Research Questions

This study is expected to answer the following basic research questions:-

1. How sales promotion strategies practiced in Ethio telecom have a relationship with customer purchase decision?
2. What impact dose sales promotion tools have on customer purchase decision in Ethio Telecom?
3. Which sales promotion tools mostly affect the purchasing decision of the consumer?

1.4 Objective of the Study

1.4.1 General Objective of the Study

The general objective of this study is to investigate effects of sales promotion on the purchase decision of consumers

1.4.2 Specific Objectives

This research is designed:

1. To analyze sales promotion strategies practiced in Ethio telecom relationship with customer purchase decision
2. To point out the impact of sales promotion tools on the purchase decision of consumers
3. To examine most influencing sales promotion tool that affects the purchasing decision of the consumer

1.5 Hypotheses Formulation

Six hypotheses have been constructed in this research to determine the relationship between sales promotion tools (independent variable) and purchase decision (dependent variable). The hypotheses are listed as below:

H1: Price off has impact on consumer purchase decision.

H2: Contests and sweepstakes have impact on consumer purchase decision.

H3: Premium has impact on consumer purchase decision.

H4: Free sample has impact on consumer purchase decision.

H5: Bonus for talk time has impact on consumer purchase decision.

1.6 Significance of the Study

This study would be significant in the promotion of its product and services in Ethio Telecom. This study would also be relevant to companies in the product and service industry to determine the various factors that influence the consumer's purchase decisions to enable them adjust their strategies. It was also help the firms to properly utilize their resources, increase their profitability and growth. Again, this study would inform researchers and firms why consumers do not follow through the whole consumer decision process before making a purchase decision and the implications of consumer behavior on sales.

The outcomes of the study help the Ethio Telecom to know strength and weakness of its sales promotion so that it can improve and refine its strategy. And its significance to the researcher was in order to apply what is leaned in the present year and the researcher believes that this study would be used as foot step and also a reference for other researcher.

1.7 Scope of the study

In order to conduct the research manageable the researcher was focus its scope on theoretically, methodologically, and geographically.

Geographically; Due to a shortage of time and budget, the study was only focus on Ethio Telecom Service centers and shops in Addis Ababa.

Methodologically; the researcher was use mixed methodology that is both quantitative and qualitative research in which quantitative approach was allow the researcher to establish the strong relationship between variables but the qualitative research was allow the researcher to explore the reasons for those relationships.

Theoretically; sales promotion is a key ingredient in marketing campaigns which consist of collection of incentive tools to stimulate quicker or greater purchase of particular products by the consumers and general buying pattern incorporates several dimensions of buying behavior such as brand loyalty, private brand proneness and deal proneness." A greater understanding of the different types of consumer responses to promotions can help managers to develop effective promotional programs.

1.8 Limitation of the Study

The researcher was come across a number of challenges which have due impact on the study. Among these: lack of recently published books and references on the specific topic of study. In addition, there is a fear in the researcher that is, some of the customers Ethio Telecom was not provide well-organized information about Ethio Telecom and mainly Ethio Telecom fear that it was have a negative impact on the on Ethio Telecom.

1.9 Organization of the Study

This thesis was categorized into five chapters. The first chapter was concentrate on introductory parts of the paper that mainly pinpoints the statement of the problems and objective of the study. The second chapter was providing related literature review with specific emphasis to theoretical, methodological and empirical aspects. The third chapter was deal with research methodology and design. The fourth chapter was focus data analysis, discussion of results and summary of major findings and finally the fifth chapter was focus on conclusion and recommendation.

CHAPTER TWO

2. REVIEW OF RELATED LITERATURE

2.1 Theoretical Literature

According to the American Marketing Association, quoted by Kotler P, Pfoertsch *Wet al* (2006) marketing can be defined as “an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders”. Another simpler definition is presented as marketing “includes anticipating demand, managing demand, and satisfying demand Marketing could also be defined in a few words with “mutually satisfying exchange relationships” Baker M (2006). The marketing mix is defined as “the specific combination of marketing elements used to achieve objectives and satisfy the target market. It encompasses decisions regarding four major variables: product, distribution, promotion, and price” Evans J, Berman B *et al* (1997)

The whole marketing mix is defined as “the set of controllable of controllable tactical marketing tools – product, price, place, and promotion – that the firm blends to produce the response it wants in the target market Kotler P, Pfoertsch W (2006).

2.1.1 Production and selling concept

The production concept is based on the fact that customers prefer products that are available and affordable. This means that production managers focus on the superiority of products as well as constant product development. The selling concept is based on the drive of the marketing, in other words that the customer was not buy enough of a single product unless it is constantly promoted Kotler P, Pfoertsch W (2006). The selling concept holds that consumers was not buy enough of the company’s products unless they are stimulated through heavy selling and promotion Kotler P, Peter C, Linden B, Stewart A (2000).

2.1.2 Promotional mix

As one of the marketing mix elements, promotion includes all the activities directed to the targeted consumers that lead to facilitate the process of contacting with them for the purpose of formatting a sense of the importance of the commodity in achieving a high degree of consumers satisfaction of their wishes and needs comparing with the competitors commodities Mahmud I. Nour et al, (2014). Promotion is one of the key factors in the marketing mix and has a key role in market success. Promotion is used to ensure that consumers are aware of the products that the organization is offering. The promotional mix is the combination of the different channels that can be used to communicate the promotional message to the consumers Ansari S (2011). The channels to be used are; advertising, direct marketing, public relations and publicity, personal selling, sponsorship and sales promotion Rowely J (1998).

2.1.3 Sales promotion

One of most important of channels is sales promotion. Defining the term sales promotion is rather difficult for the presence of multiple relating techniques and tactics and that sales promotion is a tool to achieve company's marketing communication objectives and an essential element in planning marketing Blattberg RC, Neslin SA (1990). Sales promotion is a short term strategy to derive demand and also and especial marketing offer which provides more profit than what consumers receive from the sale position of a product and also has sharper influence on sales Banerjee S (2009).

A sales promotion consists of techniques that are aimed at increasing sales in the short run, meaning that they are mostly used for a short period of time. It offers control, and the costs can be much lower than of advertising. The main characteristics of sales promotions are that they offer better value for money and they try to cause responses immediately De Pelsmacker, Patrick – Geuens, Maggie – Van den Bergh, Joeri (2001). This tool has the ability to attract and keep loyal customers and is an excellent what to persuade them build viable link with the organization and involves all motifs applied by the producer to persuade trade with members of a channel Ndubisi N, Oly, Moi CT (2006)

2.1.4 Sales Promotions Tools

Retailer promotion: retailer promotion is the promotion offered directly by the retailers towards the consumers. It includes price cuts, displays, feature advertising, free goods, retailer coupons and contest. Trade promotion is the promotion offered by the manufacturers to the retailers. It includes advertising allowances, display allowances, trade coupons, financing incentives and contests (Blattberg & Neslin, 1990).

Consumer promotion is the promotion offered by the manufactures directly to the consumers. It includes sampling; price packs, rebates and refunds, financing incentive, bonus or value packs, special events, sweepstakes contest, premium, advertising specialties and tie in. (Blattberg & Neslin, 1990) summarize the sales promotion into two forms; price promotion and non-price promotion. Price promotion usually involves price reductions such as coupons, loyalty discount and rebates while non-price promotion involves sampling, sweepstake contest, events and premiums. (Blattberg & Neslin, 1990) has divided sales promotion into three types. These include retailer promotion, trade promotion and consumer promotion.

2.1.4.1 Price off

Price is one of the key elements of marketing mix as it produces revenues and fixing the price is one of the most important yet most sensitive aspects of marketing. In almost every market around the globe price still means the point at which buyer and seller are finally in agreement. Manufacturer, retailers in present day business often create non-price points of difference such as product quality, brand image, packaging and product and service against their competitors. However intense competition in the marketplace and with growing ability of competitors to resemble each aspect of non-price points as discussed has made it difficult for marketers to win the confidence of customers. As a result many businesses, retailers and manufactures today uses price based discount to influence the purchasing behavior of the customers. Price discount offers consumers products at reduced price from regular price of a product. Price-offs means that the manufacturer marks the merchandise that the customer could accurately see that the price is lowered

price off are found to be more effective in inducing stock piling, and purchase acceleration, moderate in brand switching, and new product trial in that order, but are not effective enough to induce people to spend more. Price discount increases the volume of sales during the promotion period. (Shimp, 2003) and (Fill, 2002) has also documented a link between price promotion and product trial. Price promotions usually provide consumers with monetary savings on specific products. If consumers are in a store intentionally searching for these specific products, then it is expected that they would find promotions on such products more attractive compared to those consumers who are in the store but do not have a prior purchase goal for a promoted product. Therefore, the purchase likelihood is higher. In addition to this main effect, consumers may react to different promotion characteristics in different ways given the existence or absence of a pre-purchase goal.

2.1.4.2 Premium and sales promotion

Though the majority of promotion involves financial saving, some promotions could be non-financial. One kind of non-financial promotion frequently used by retailers nowadays is offering customers a free gift as an alternative of a price discount. Though researchers argue that non-price promotions such as free gifts are perceived as a little achievement when compared to price discounts, retailers continue to use this promotion tool to attract the customers. As suggested by the previous studies, price off directly reduces the price that consumers would have paid for the product. But in a free gift promotion, the value of the promotion (free gift) could be equivalent to a discount; yet, it does not reduce the price of the product itself at the focal product purchase and therefore is perceived as a little gain by the customers. A premium is a product or product and service offered at a relatively low price in return for the purchase of one or many products or product and services. For instance, premium promotion are free tooth brush with a purchase of toothpaste, free containers with a purchase of food products or free glasses with a purchase of soft drinks etc. gift promotion is effective in maintaining quality perception because consumers make quality inferences based on the original price rather than the price corrected for the value of the free gift. This implies that devising an offer as a separate free gift is a good tool to communicate value to customers. (Jha-Dang & Banerjee, 2005) also support this reasoning.

2.1.4.3 Free Samples and sales promotion

Free samples refer to offering of products or product and service customers without charging any cost in the hope that customers was buy the product. A free sample offers the customer a chance to use the product by providing a free small portion of the product to test. (Blattberg & Neslin, 1990).Shimp (2003) defined sampling as —any activity which includes any method used to deliver an actual-or trial sized products to consumers. The objective of free sample is to persuade customer to try the product and to make product positively perceived by the consumer. Free sample is being widely popular among marketers and retailers as one of the effective promotional tool as it directly enhances product trial amongst customers. Therefore, many firms nowadays are focusing on mailing a small package of free samples to the customers to enhance direct product trail rather than just spending on communication media which just lets customers to hear about the product information (Kardes, 1999). On the other hand, (Gilbert & Jackaria, 2002) argue that a free sample as a promotion tool had little or no significance on consumer’s buying behavior, however, other studies have shown a significant impact of free samples on consumer’s purchase decision (Fill, 2002) and (Shimp, 2003). .

2.1.4.4 Contest and Sweepstakes

Contest and Sweepstakes offer consumers the chance to win cash, merchandise or travel prizes. A contest is a promotion technique where consumers compete for prizes or money.

Sweepstakes programs and contests are an effective way to create excitement and engagement around your brand. PFC has years of experience providing valuable logistic support for all types of promotions – from regional contests and instant-win games to multi-tier or user-generated content promotions. When our team handles the details of your promotions program, you can be sure of its success.

A sweepstake is a type of contest where a prize or prizes may be awarded to a winner or winners. Sweepstakes began as a form of lottery that was tied to products sold. In response, the FCC and FTC refined U.S. broadcasting laws (creating the anti-lottery laws). Under these laws sweepstakes became strictly "No Purchase Necessary to Enter or Win", especially since many sweepstakes companies skirted the law by stating only "No Purchase Necessary to

Enter”, removing the consideration (one of the three legally required elements of gambling) to stop abuse of sweepstakes. Today, sweepstakes in the USA are used as marketing promotions to reward existing consumers, and to draw attention to a product. By definition, the winner is determined by luck rather than skill.

Sweepstakes with large grand prizes tend to attract more entries regardless of the odds of winning. Therefore, the value of smaller prizes usually total much less than that of the top prize. Firms that rely on sweepstakes for attracting customers, such as Publishers Clearing House and Reader's Digest, have also found that the more involved the entry process, the more entrants. Businesses often obtain marketing information about their customers from sweepstakes entries. Here, products are for free as well as company does not ask for specific knowledge for giving the answers in the contests Pankratz, Howard, (2010).

2.1.4.5 Bonus packs

Marketers also refer sometime to bonus pack as a mean to promote sales to their customers. Bonus pack could be exemplified by the Kraft Company which could offer the normal 500 gm cheddar jar with an increase to 700 gm with the same price i.e. customers will benefit from an increase of 200 gm from free. A soft drink company may offer a 14 cans pack for the price of 12 cans making the customer benefit from 2 cans for free. The biggest deal in that field is the BOGO (Buy One, Get Other for free). Bonus packs could have several advantages as boosting sales in the short run without the need to reduce price; this point is very critical as decreasing prices could devalue the image of the product. Moreover, the bonus pack is a temporary offer which will not last forever; this point could help the company as ending the offer will be a lot better than decreasing the price and increasing it afterwards (Nudubisi and Tung 2005: 34). On the other hand, bonus pack could have some pitfalls: one of the major problems associated with bonus pack is that it makes harder for supermarket shelves to include the higher amounts of the products. Some customers may realize that this increase in quantity is permanent and could act in an irritated manner when they realize that the offer was ended. Also, bonus pack will not be appealing to customers who do not purchase the product and will not induce product trial e.g. a person who does not eat jam will not be encouraged to purchase a jam jar if he/she noticed a free increase in quantity (Ong et al. 1997: 102-103).

2.1.5 Benefits of Sales Promotion

There are numerous benefits of sales promotion to the consumers (Chandon et al., 2000), provide six major benefits to the consumer mainly monetary savings, quality, convenience, value expression, exploration and entertainment. Firstly, most of the sales promotion results in the monetary savings for the customer as the products or product and service are offered at discounted price. As a result the unaffordable products suddenly become more affordable and it adds value to the customers. Sales promotion can be considered as a great tool for growing the sales in short period of time (Alvarez & Cavanagh, 2005).

Similarly the convenience benefit which is often created by reduced search and effort for customers, sales promotions are usually advertised. In addition sales promotion can enhance consumers 'self-perception of being good or astute customers resulting in value expression. It is widely accepted that, in the short term, sales promotion can have a positive effect on trading by creating a short-term sales spike (Neslin & Shoemaker, 1989). However, there is some conflict in past research findings regarding the long-term impact of sales promotion on how consumers value a brand. The two schools of thought can best be summarized as:

(1) A belief that the overuse of certain forms of sales promotion, in particular price based promotions, may result in a brand being devalued in the consumer's mind, for instance when a temporary promotion is removed (Lattin & Bucklin, 1989).

(2) That there is no negative impact likely to result from the increasing use of sales promotion because (for instance) the consumer quickly forgets the offer (Neslin & Shoemaker, 1989).

Sales promotion was confirmed as a commonly used element of marketing communication with firms marketing food products. A diverse range of techniques could be employed with little constraint other than cost. Sales promotion was predominantly seen as a tool to attract customers, improve brand awareness and stimulate sales, and the most commonly used techniques included product sampling, point of purchase displays, free product and cut prices.

That approach is characterized by the fact that (i) most studies have examined the convenience of using promotions instead of examining their benefits to the consumer, (ii) sales promotions are seen as a sale tool having effective effects only on behaviors, and (iii) it is assumed that monetary savings are the only benefit that motivates consumers to respond to sales promotions.

2.1.6 The Promotion Process

According to (Fifield, 2007), the promotion process begins with setting up the promotional objectives.

From identification of the target audience, appropriate message to selecting the right

Medium or media to convey the message depending upon the availability of budget to

1. Set promotional objectives
2. Identify the target evidence
3. Select the message
4. Select the media
5. Agree budgets
6. Monitor test and control results

Finally monitoring the result of the offered promotion and also supervising and controlling the results in accordance with the promotion objectives.

2.1.7 Sales Promotion Objectives Grid

For current merchandise or product and services, the strategy is apparently either to boost the usage or to persuade new customers to purchase a product. Thereafter, the levels of usage and trial for the particular market segment have to be approved (Fill, 2002). A further consumer objective is product re-purchase/loyalty. The aim of this objective is to create repeated shopping in the short-term strategy and for the long term to originate the consumer loyalty (B. A. Alvarez & Casielles, 2008).

According to (Yeshin, 1998), Increase rate without sales promotion is stated below as:-

1. Non-loyal – use for switching
2. Loyal – use carefully
3. Use sales promotion to stimulate trial
4. Non-loyal – use sales promotion to attract for trial
5. Loyal – use sales promotion to reward for increased usage
6. New product or market
7. Established product or market

High Low Involvement or frequency of purchase has suchlike objectives as the former one; the achievement may be reached by showing new utilization of the current product.

Trading up is another consumer objective. (Fill, 2002) describes trading up as a technique where the producer prepares the promoted product in small quantities and gives it in the consumers 'disposal in order to persuade them to buy larger amounts later. (Parsons, 2003) summarizes that because of its quick operation sales promotion is useful when launching a new product or when the producer's intention is to overcome the difficulties connected with some periods of the product life cycle

2.1.8 Factor influencing consumer behavior

Consumer behavior is the process; thoughts, feelings and actions related to consumption process, this behavior is the dynamic interaction of the individual thoughts, feelings, actions and behavior in the environment by which the human being conducts exchange aspect of their lives. The environment refers to the external factors that influence the human being, these factors such as cultural and social forces in the society and in personal lives as well as physical and situational forces relates to the actual shopping experiences. The behavior is a

dynamic interaction and communication between consumers and the marketers doing exchanges Peter P, Olson J (2008). There are four main factors influencing consumer behavior each of these factors can influence a consumer action in different ways, a combination of these factors affect the decision making process differently, these factors are cultural, social and religious, personal and psychological. Culture is an important combination of character, behavior and a self-identification of human being, these characteristics help an individual to create his or her own buying behavior, and however, isolating culture as a variable that can be studied and readily implanted is very difficult, taking into consideration that the buying behaviors of human beings consist of three phases which are the individual, societal and situational. Culture affects all these phases but the extent of the effect depends on the individual person and the circumstance Usunier JC (1993). Culture consists of beliefs, values and customs that serve to direct consumer behavior differently amongst the members of a particular group or society Values and beliefs are guides to behavior in such that they form and affect attitude on how to behave on certain situations, on the other hand customs are modes of behavior that constitute an acceptable way to behavior in a particular culture. Social factors are very influential in the decision making process of the consumer, this can affect the decision making process in a positive or negative way. It may also consist of one person or few people such as spouses or someone you have never met but idealizes them, the influences of this reference or social group can be very strong in a way that a customer can change the behavior to meet the standards pushed by the reference group Barnes B, Marshall GW, Mitchell V, Solomon MR, Stuart EW (2009). Gender roles have a significant effect on consumer behavior it defines what is appropriate for each gender in the form of behavior, attitude and appearance. And they are deeply integrated into the society and the people's mind, for example Male customers are interested in the café department where they meet other male friends to watch live sports or play games. And the female customers are interested in fashion, these different lifestyles help to determine consumer pattern of living which affects their purchasing behavior, if the company has an idea of the life style of its customers or a certain segments they can develop their marketing strategies to target these group of customers because consumer always chooses goods and product and services associated with their lifestyles. Age also plays an important role in the decision making process of a consumer for example children come and buy candy,

soft drinks while adults specifically women buy fashion products, cosmetics, households keepings and food stuff Barnes B, Marshall GW, Mitchell V, Solomon MR, Stuart EW (2009). Religion is a symbol which acts to establish a powerful, pervasive and long-lasting modes and motivation. It is achieved by formulating conception of a general order of existence and further, by clothing this conception with such an aural of factuality that the mood and motivation seems uniquely realistic Cohen N, Dibb S (2004) .Religion affects attitude and behaviors both directly and indirectly through religious code of conducts and value formation from birth. Religion as a culture can influence consumer's behavior by motivating them via their various interactive and related social and cultural variables. As purchasing behavior is been influenced by cognitive actions, effect and behavior, the importance of this element must be taking into consideration in explaining the differences in religious belief system Lind ridge A (2009) .Information processing is a process where a stimulus such as marketing information is received, interpreted, stored in the memory and later retrieved thus linking marketing and other external influences with the consumer's decision-making process Jobber D, Lancaster G (2006), Forsyth P (2000) et al. It is very important to communicate as clearly as possible in order to avoid selective distortion in which the consumer misunderstands the message if it is not in accord with their beliefs and attitudes. These are important needs for sustaining the human life. Food, water, warm shelter, sleep, medicine and education are the basic physiological needs, which fall in the primary list of need satisfaction. Maslow was of the opinion that until these needs was satisfied to a degree to maintain life; no other motivating factors can work. Briefly, the first level of needs is physiologic (e.g., the need for food, air, and water). The second level encompasses safety needs. These include security, stability, protection; freedom from fear, anxiety, and chaos. The third level of need is belonging and love. These needs involve the“. . . giving and receiving affection. When they are unsatisfied, a person was feeling keenly the absence of friends, mate, or children.”The fourth level is the need for esteem, which is fulfilled by mastery of the environment and the prestige that comes from societal recognition. The fifth level, the need for self-actualization, entails maximizing one's unique potential in life. As each of these needs substantially satisfied, the next need becomes dominant. So if you want to motivate someone, you need to understand what level of the hierarchy that person is on and focus on satisfying those needs or needs above that level Ailawadi K, Beauchamp JP,

Donthu N, Gauri DK, Shankar V (2009). Sometimes beliefs and attitude plays an important role in the decision-making process as they strongly affect the evaluation process of the alternatives. Beliefs are thoughts about the product or some of its qualities whereas attitude is overall favorable or unfavorable feeling against the purchase Jobber D, Lancaster G (2006). Attitudes are affected by three components: affect (emotional response to the product), cognition (the beliefs and knowledge of the product), the behavior (consumer's intention to purchase or use the product) Barnes (2009) et al.



Figure 1 Maslow's hierarchy needs pyramid diagram (Forsyth 2000)

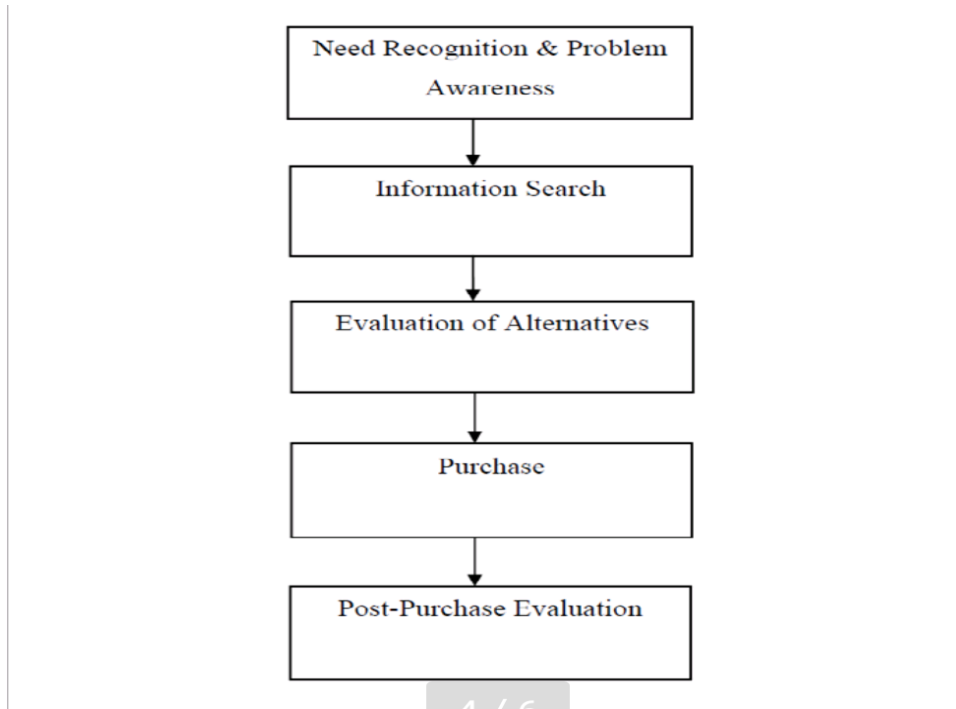


Figure 2 the buyer decision-making process.

2.1.9 Buyer decision-making process

Research shows that customers go through a five-stage decision-making process in any purchases made. It is a process by which a consumer makes a decision on what to buy, what quantity to buy, at what price with respect to the factors affecting consumer's attitude during the procedure. The individual stages are summarized in the diagram below followed by brief explanations. This model is very paramount for everyone who makes marketing decisions. The model shows that customers go through five essential stages in every purchase. However, in more frequent purchases, customers sometimes skip some of the stages. For example, someone who is buying a favorite drink would recognize the need for thirst and go straight to the purchase decision, skipping information search and evaluation. However, the model is very important when it comes to understanding any purchase involving some detail considerations Jobber D, Lancaster G (2006).

The buying process begins with need recognition or problem awareness. At this stage, the customer, firstly, recognizes a problem or need (example, I am thirsty, I need a new Clothe, I need a house) or attracted to an advertisement (example. you seeing a billboard Showing a chilled ice cream on scorching sunny day). After the buyer has recognized the need for

something or an existing problem, the customer then moves on to the next stage; searching for information. If the need or the problem is so pressing and there is a product or product and service close at hand that meets the need or solves the problem, then a purchase decision is made immediately. If not, then the process of searching for information begins. There are several sources that a customer can obtain information. For example: Personal sources (family, friends, neighbors), Commercial sources (advertising, salespeople, retailers, dealers, packaging, point of sale Displays), Public sources (newspapers, radio, television, consumer organizations, specialist Magazines), Experiential sources (handling, examining, using the product). The usefulness and influence of these sources of information was varying by product and by customer. Research suggests that customer's value and respect personal sources (the influence of "word of mouth") more than commercial sources. The next stage in the model is the evaluation stage, where the customer chooses between the alternative brands, products and product and services. He/she then begins to consider the alternative or substitute available in the market. The important factor which influences the extent of evaluation is whether the customer feels involved in the purchasing of the product. Involvement here means the degree of perceived relevance and personal importance that goes with the choice of a particular brand. After gathering all the necessary information about a product the next step is to make a decision on whether to purchase the product. There are three sub steps in this stage, first choosing the preferred product as previously described in the evaluation of alternative stage, then the customer decides to purchase the product that is, purchase intent and finally the implementation stage to conclude the purchase which consists of the terms of transaction payment and receiving the product. Sometimes the consumer makes the purchase intent, but never actually concludes it, or takes the implementation step and sometimes substituting product is chosen based on new information in-store, preferred product is out of stock, buyer cannot afford the product or no suitable financing terms are found Jobber D, Lancaster G (2006).

2.2 Empirical review of the study

Sales promotion is media or non- media marketing pressure applied for a pre- determined, limited period at the level of consumer, retailer or wholesalers in order to stimulate trials, increase consumer demand or improve product availability (Kotler, 2003). It is also a key ingredient in marketing campaign and consists of a diverse collection of incentive tools mostly short- term, and designed to stimulate quicker or greater purchase of particular

products or services by consumer or the trader (Kotler, 2003). According to Churchill and Peter (1995), sales promotion is designed to produce quick results that will not only boost sales in the immediate future, but will translate to loyal customers in the long run.

Sales promotion consists of short-term incentives, in addition to the basic benefits offered by the product, or services to encourage the purchase or sales of a product or service (Kotler et al, 2001). Sales promotion cannot be conducted on a continuous basis, because they will eventually become ineffective. This implies that, for sales promotion to be truly effective, it must be short and sweet, offered for a limited time and perceived to have value (Ngolanya, et al, 2006). Whereas advertising offers reasons to buy a product or a service, sales promotion offers reasons that would achieve immediate sales.

Sales promotion actually seeks to motivate the customer now (Ngolanya, et al, 2006). The basic objectives of sales promotion is to introduce new products, attract new customers, induce present customers to buy more, to help firm remain competitive, to increase sales in off season among others. Sales promotion offers a direct inducement to act by providing extra worth over and above what is built into the product at its normal price (Sam and Buabeng, 2011). This temporary inducement according to them, are offered usually at a time and place where the buying decision is made.

Consumers have become more and more sophisticated as well as marketers in their bid to persuade the consumers and increase market share in the products and services they offer. This persuasion comes in the form of discounts, free gifts, bonuses, free air time among other sales promotional activities. These sales promotional activities according to Yeshin (2006) create a greater level of immediate response than any other marketing communication activity.

Sales promotion is traditionally divided into two categories (Kotler, 2003). These are those that have immediate reward and those that have delayed reward. Immediate reward promotions are offers that provide a benefit immediately such as bonus pack, price reduction on calls, and free airtime among others. Delayed reward promotions defer the benefit of the

promotions and usually require the target consumers to do something before they receive the reward of the promotions. This mostly takes the form of raffle draws, refund offers that require proof of purchase etc. Sales Promotions can be classified into three main areas namely; Consumer Market directed, Trade Market directed and Retail or Business to Business Market directed. The consumer oriented promotions includes Premiums, coupons, loyal reward programs, contest or sweepstakes, bonus packs, price offs and rebates or refunds.

The sales promotions in Ethio Telecom industry is largely consumer market directed and the technique or tools mostly used by the firms are price off, bonus for talk time, contest or sweepstakes and premium. Consumers mostly regard price offs as reduction in the price of the promoted service and hence the consumer save some few advantage upon purchase. This normally attracts these consumers and influences the kind of purchase decisions they make regarding the service or product. The bonus for talk time is where an additional pack of the purchase product or service is offered free when the regular package or size of the product is purchased at the regular price. Contests or sweepstake is gradually becoming one of the popular sales promotional techniques used in Ethio Telecom. This is where the consumer is enticed to enter into a contest or draws for prizes that range from cars, large sums of money and house among others. They either enter into the draw automatically after purchase of a particular product or service or they need to send an SMS to a short code to enter into the contests.

Trade market promotions are those sales promotions directed at retailers and wholesalers (Sam and Buabeng, 2011). Examples of promotional techniques used include trade allowance which is a short term incentive offered to entice a retailer to stock up a product, dealer loader which is also an incentive given to entice a retailer to purchase and display a product and lastly the trade contest which is a contest to reward retailers that sell the most products (Sam and Buabeng, 2011). Sales promotion according to Kotler (2003) has three distinctive characteristics which could be contributing factors to the methods popularity in recent years. According to him, these factors are Communication, Incentives, and Invitation. Communication gains attention and usually provides information that may lead the consumer

to the product or service, the Incentive incorporates some concession, inducement, or contribution that gives value to the consumer whereas Invitation includes a distinct invitation to engage in the transaction now (Sam and Buabeng, 2011).

According to Schultz et al, (1998), sales promotion is able to have instant results because it alters the price or value relationship that the product offers the buyer. This implies the consumer gets a better deal and therefore has a good reason to purchase the product or service. They also asserts that, sales promotions have a residual market value; that is there may be a long term effect on the brand franchise after the promotion is over and that sales promotion may also have an effect on the relationship value of the brand. These long term effects from sales promotions have usually been seen as negative with some researcher's believing that too much promotions detracts consumers from the long term value of the brand (Schultz et al, 2008).

Some researchers argue that sales promotion do not have impact on brand loyalty and brand equity. According to them even if the product or service is of good quality and the competitor present better products or services and better support services for the product among others, sales promotion will lead to little result (Sam and Buabeng, 2011). Again they argue that, if the product or service is generic, sales promotion is not likely to make much impact on brand loyalty and brand equity. Sales promotion connects the consumer with the company by prompting them for some actions. The consumer develops the brand loyalty over a period of repetitive buying, thus one can make a reasonable speculation that sales promotion has a direct influence on sales loyalty (Sam and Buabeng, 2011).

Sales promotion process however puts together a detailed arrangement to give the surety that there would be good return on investment in relation to the promotion. The process below is typical of any sales promotion (Sam and Buabeng, 2011).

Encoding: The promotional message is put and delivered to the target audience in the form of symbols. These symbols usually are time bound and show some benefit to the target market.

Decoding is where the promotional message in the encoded form is received by the potential consumer and is interpreted according to their frames of reference. The consumer should understand that the same sales promotion message might be interpreted differently by different people. After the message is decoded, the potential consumer forms his own opinion on the given product or service.

Response is usually represented by the desire to buy or not to buy a given service or product (Sam and Buabeng, 2011).

The firm gathers feedbacks from consumers in the form of increased or decreased sales, customer orders among others.

However, according to Schultz et al, (1998), for sales promotion campaign to become successful, the firm needs to understand and consider the following;

- What audience is likely to buy our products?
- What responses need to be achieved?
- How the target group will decode our message?
- What media should one use to properly deliver sales promotion message?

2.3 Conceptual Framework

The figure below shows the relationship between dependent and independent variables of this research. It shows that consumer's purchasing decision is a dependent variable as it depends upon the various sales promotion frameworks. On the other hand sales promotion tools like price off, Contest and Sweepstakes, Premium, Free sample and Bonus for talk time are independent variables.

Independent variables

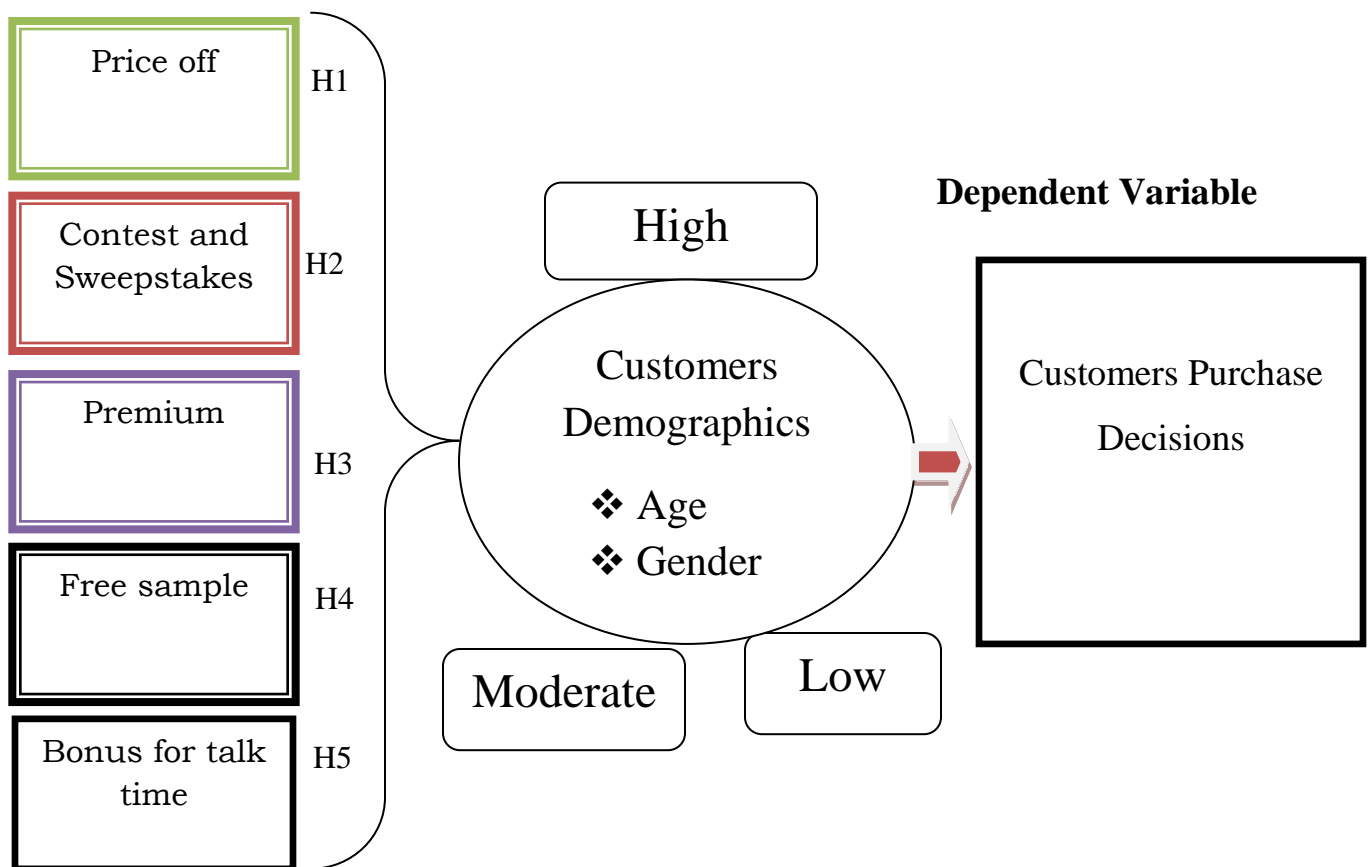


Figure 3: Conceptual Framework

CHAPTER THREE

3. RESEARCH DESIGN AND METHODOLOGY

3.1 INTRODUCTION

This section of the research assesses the procedures used in conducting the research under study. It discusses the research design, population, sample and sampling technique, data collection tools, and data analysis procedure.

Research methodology defines the systematic and scientific procedures used to arrive at the results and findings for a study against which claims for knowledge are evaluated. A methodology is therefore shaped by the perspective the researcher chooses to approach the study.

3.2 Study area Description

Ethio Telecom is an integrated telecommunications solutions provider operating in Ethiopia. They offer internet, data, VAS, International and voice services. They currently provide telecom service in the entire country on voice, internet & data, channels, with comprehensive plans in place to meet the requirements set out by the Ministry of Communications & Information Technology (MCIT) and peoples of Ethiopia.

The study was be conducted in Ethio Telecom, Central Addis Ababa which is Legahr shop Addis Ababa Around Mexico shewa bakery building and Lideta Addis Ababa In front of Federal Higher court and South west Addis Ababa which is also Sarbet, Addis Ababa EGST Building and Mekanisa, Addis Ababa, Mekanisa Seminar Ethio Telecom building.

3.3 Data Sources

The study employed both primary and secondary data sources. As to the primary sources, data was collect from general information and demography of Ethio Telecom product and service customers, distributing questionnaires to customers, Ethio Telecom product and service of Ethio Telecom and other vital information related to the research objectives. Secondary data was collect from books, journal, newspaper, and related literatures of sales promotion and data obtained from Ethio Telecom Shops.

As a method, it focuses on collecting, analyzing, and mixing both quantitative and qualitative data in a single study. The central premise of this approach is that the use of quantitative and qualitative approaches in combination provides a better understanding of the research problem rather than the use of either single approach” (Creswell, 2003). This research involves both collecting and analyzing quantitative and qualitative data. Quantitative data includes closed-ended information such as that found on attitude, behavior, or performance instruments. The collection of this kind of data is used to analyze the behavior of the subject of the study. The analysis consists of statistically analyzing scores collected on research instrument. Such statistical scores are interpreted to analyze research questions. In contrast, qualitative data collected in this research consists of open-ended information that the researcher gathers through interviews with participants. The general, open ended questions asked during these interviews allow the participants to supply answers in their own words. This allows the researcher to delve deeper into the research problem and gain insider perspective on the behavior of the participants. Moreover, it allows the researcher to make a comparison of the findings obtained from one approach to the findings obtained from the other approach.

3.4. Nature and Data Collection Instrument

3.4.1. Primary Data Collection

I. Target Population

In this study the target population was be customers of Ethio Telecom.

II. Qualitative and Qualitative Sample Size and Sampling Procedure

Regarding **qualitative sampling approach**, in this research the participants are the customers who visit Ethio Telecom. As the participants have direct exposure to the brand and its product the researcher through the in depth interview data collecting instrument was be able to receive meaningful and purposive information through the participants. In addition researcher can also select samples based on the result of themes that emerge from the data analysis. This was also allowing researcher to explore these themes in more depth and or deeply a theory from these data (Fossey et al., 2002). The number of samples in qualitative

method are often small (Fossey et al., 2002) as researchers is not trying to generalize the findings but rather accumulate data that can offer significant depth of information to explain about the phenomenon. As such 7 participants have been used as samples for the qualitative interview in this research. A combination of convenience and judgmental sampling technique has been used in this research to collect the participants for the qualitative interview in this research. Researcher in this research has used open ended questions to collect the qualitative data. The first stage of collecting the qualitative data was involved using the key informant interviews. As the research is based on Ethio Telecom, a sample of 7 individual who are regular customer of Ethio Telecom was being chosen. The access to these 7 individuals was be provided by the Ethio Telecom to support the findings of this research. As the total population of key informants is small, it is necessary for researcher to follow convenience sample but this was also include a judgment approach as efforts was be made to ensure that the target population comes from a range of customers who are accustomed to Ethio Telecom and their promotion offers. .In addition the interview at the store level was help respondents develop, better understanding of the research questions and was allow them to provide information in coherent manner. The aim of the interview was be to understand the interactive interpretation and feedback of respondents in relation to the research question. All the interviews was be recorded in a tape after taking permission from the respondents and also important notes was be taken in a diary for each of the respondents

And when we see the **quantitative sampling approach**, Probability sampling method is used in this research. The probability sampling method is a sampling method which involves a selection of random samples. Specific types of probability sampling method includes simple random sampling, systematic sampling, EPS etc (Babbie, 2010). Simple random sampling technique has been used in this research. It is a procedure in which respondent is chosen at random entirely by chance, such that each respondent has the probability of being chosen at any stage during the sampling process (Yates et al., 2008). Such technique is used in order to avoid artificial bias in the response of the respondents meaning that each respondent is chosen randomly entirely by chance and has the probability of being chosen at any stage. The population of this research is the customer of Ethio Telecom. Therefore, the customers of Ethio Telecom are selected randomly as the sample respondents of this research.

Samples are defined as the group of people who participate in a study (Jackson, 2008). Since, the population of this research is known and the population is normally distributed, the researcher uses Yamane's formula (Yamane, 1967) to determine the sample size of this research.

The sample size determination equation is given as:

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

Where:

N = Total population = 80,000,000 (Annual average customers of Ethio Telecom from all mobile subscribers, internet subscribers, fixed line subscribers and ethio telecom product users)

Source: - (Ethio Telecom information and statistic center officer, Mr ephrem)

E = Error level. This research uses 95% confidence interval therefore level of random

Error is allowed at 5%.

As such

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

$$n = \frac{80,000,000}{1 + 80,000,000(0.05)^2}$$

$$n = \frac{80,000,000}{1 + 200,000}$$

$$n = \frac{80,000,000}{200,001}$$

$$n = 400$$

n= 80,000,000

200,001

n= 400

The total sample for this research is **400**

As such 7 participants have been used as samples for the qualitative interview in this research. A combination of convenience and judgmental sampling technique has been used in this research to collect the participants for the qualitative interview in this research. Researcher in this research has used open ended questions to collect the qualitative data. The first stage of collecting the qualitative data was involved using the key informant interviews. As the research is based on Ethio Telecom, a sample of 7 individual who are regular customer of Ethio Telecom was being chosen. The access to these 7 individuals was be provided by the Ethio Telecom to support the findings of this research. As the total population of key informants is small, it is necessary for researcher to follow convenience sample but this was also include a judgment approach as efforts was be made to ensure that the target population comes from a range of customers who are accustomed to Ethio Telecom and their promotion offers. .In addition the interview at the store level was help respondents develop, better understanding of the research questions and was allow them to provide information in coherent manner. The aim of the interview was be to understand the interactive interpretation and feedback of respondents in relation to the research question. From all the interviews important notes was be taken in a diary for each of the respondents.

3.4.2. Secondary Data Collection

The secondary data was be gathered from the Ethio Telecom record, articles and journals in order to assess past working tradition of the Ethio Telecom regarding its products and services and compare it with the primary data which strength the reliability of research data and supplement the information missing in the questioner.

3.5. Data Presentation and Analysis

In qualitative research the process by which data analysis is undertaken is fundamental to determining the credibility of the findings. They state that transformation of raw data into a final description, narrative, or themes and categories are important when analyzing qualitative data. Therefore second stage was involved analyzing the data and answers received from the in-depth interviews from customers of Ethio Telecom. Researcher was also use judgment sample framework to understand other variables such as demographic characteristics of the respondents to generate the sound and relevant qualitative data

Regarding Quantitative Data Analysis, the researcher conducts a correlation test to determine the relationship between each variable for each hypothesis. The magnitude or the strength of the relationship is determined by the correlation coefficient describing relationship. Correlation coefficient is a measure of the degree of relationship between two variables; it can vary between -1.00 and +1.00. The stronger the relationship between the variables, the closer the coefficient is to either -1.00 or +1.00. The weaker the relationship between the variables, the closer the coefficient is to 0.

CHAPTER 4

4. DATA PRESENTATION AND INTERPRETATION

4.1 INTRODUCTION

This chapter presents the analysis of data collected for the study. For the purpose of responding to the objectives of this study, a sample of 7 participants have been used as samples for the qualitative interview in this research and the researcher uses Yamane's formula to determine the sample size of this research for the quantitative technique and selects 400 respondents and totally 407 respondents was used. The study mainly assesses the effects of sales promotion on the purchase decision of customers in the use of Ethio telecom products services. The researcher uses different techniques to analyze the data as the researcher uses descriptive statistics (frequency and percentage) to describe and analyze the demographics of the research. Secondly, the researcher uses descriptive statistics (mean and standard deviation) to describe the opinion of the respondents on different variables. Next, the researcher uses Pearson's correlation to determine whether there is a relationship between the dependent and independent variables. Finally, the researcher conducts t - test to test each hypothesis.

4.1.1 Demographical Characteristics of the customers

Table 1:- Statistical data of the respondents

		Age	Gender	Education	Your relationship with ethio telecom product and services
N	Valid	382	382	382	382
	Missing	18	18	18	18

Table 2: Demographics of respondents

Items	Description	Frequency	Percentage	Cumulative Percent
Gender	Missing	18	4.5	4.5
	Male	174	43.5	48.0
	Female	208	52.0	100.0
	Total	400	100.0	
Age	Missing	18	4.5	4.5
	Below 25	83	20.8	100.0
	26 – 35	154	38.5	43.0
	36 – 45	85	21.3	64.3
	46 and above	60	15.0	79.3
	Total	400	100.0	
Education Level of Respondents	Missing	18	4.5	4.5
	No Formal Education	60	15.0	23.8
	Elementary complete	57	14.3	85.5
	High school complete	58	14.5	100.0
	Certificate	29	7.3	31.0
	Diploma	48	12.0	71.3
	Degree	113	28.3	59.3
	Above degree	17	4.3	8.8
	Total	400	100.0	

Respondents Relationship with Ethio Telecom products and services	missing	18	4.5	4.5
	1-5 years	69	17.3	21.8
	6-10 years	127	31.8	78.5
	11-15 years	100	25.0	46.8
	Above 16 years	86	21.5	100.0
	Total	400	100.0	

Source: Own Computation, 2018

The above table (Table 2) illustrates the frequency and percentage distribution of gender of the respondents of this research. Out of the valid 328 of 400 respondents surveyed in this research, 43.5% were female respondents and 52% of the respondents were male and 4.5% of the respondents were missing.

The above table (Table 2) also illustrates the frequency and percentage distribution of age of the respondents of this research. Firstly respondents aged below 25 represent 20.8% of the total sample. Secondly, the largest group of respondents falls into the age group of 26 –35 years. It represents 38.5% of the total sample of this research. Thirdly, the respondents aged 36 -45 years represent 21.3% of the total sample. Finally, respondents aged 55 and above years represent 15% of the total sample only and 4.5% of the respondents were missing.

The above table (Table 2) also illustrates the frequency and percentage distribution of the education level of the respondents of this research. 15% of the respondents of this research have no formal education, 14.3% have completed elementary, 14.5% have completed high school, 7.3% of the respondents hold certificate, 12% of the respondents hold a diploma, and 28.3% of the respondents hold a degree and 4.3% of the respondents hold above degree and 4.5% of the respondents were missing and 4.5% of the respondents were missing.

The above table (Table 2) finally illustrates the frequency and percentage of respondent's relationship with Ethio Telecom products and services. 17.3% of the respondents of this

research have a relationship with Ethio Telecom products and services within in 1-5 years, 31.8% of the respondents of this research have a relationship with Ethio Telecom products and services within in 6-10 years, 25% of the respondents of this research have a relationship with Ethio Telecom products and services within in 11-15 years and 21.5% of the respondents of this research have a relationship with Ethio Telecom products and services above 16 years and 4.5% of the respondents were missing.

4.2 Descriptive Analysis of the Level of Agreement of the Respondent’s Perception towards Different Variables of the Research

The researcher uses itemized rating scale to construct a range. This range will be used to measure the perception level of the respondents towards each variable. The researcher uses the following formula to construct the range.

$$\begin{aligned} \text{Itemized rating scale} &= \frac{\text{Max} - \text{Min}}{N_1} \\ &= \frac{5 - 1}{5} \\ &= \underline{\underline{0.80}} \end{aligned}$$

Table 3:- The mean of each individual item ranging from 1- 5 falls within the following interval listed in the table below:

<u>Interval of Means</u>	<u>Perception</u>
1.00 –1.80	Strongly Disagree
1.81 – 2.60	Disagree
2.61 –3.40	Neutral
3.41 –4.20	Agree
4.21 –5.00	Strongly Agree

Source: Own Computation, 2018

4.2.1 Analysis of Respondent's Perception towards the relationship between sales promotion strategies of Ethio Telecom & consumer buying behavior

Table 4:- Respondent's Perception towards Sales promotion strategies of Ethio Telecom & consumer buying behavior

Q	Sales promotion strategies of Ethio Telecom & consumer buying behavior	Mean	SD	Perception
1	Sales promotion strategies used by Ethio Telecom have a relationship with the customers buying decision	3.4	1.07	Neutral
2	Sales promotion strategies used by Ethio Telecom change the attitude and purchase decisions of customers	2.55	0.83	Disagree
3	Push sales strategies used by Ethio Telecom initiate trial usage of Ethio Telecom product and services.	3.11	0.67	Neutral
4	Pull sales strategies increase the awareness of Ethio Telecom product and services and influence the purchase decision of customers	2.84	0.78	Neutral

Source: Own Computation, 2018

Table 4 shows the analysis of the respondent’s perception towards the relationship between sales promotion strategies & consumer buying behavior. Most respondents have a neutral thought with Sales promotion strategies used by Ethio Telecom have a relationship with the customers buying decision with Mean score of 3.4. Similarly, most respondents disagree with the Sales promotion strategies used by Ethio Telecom change the attitude and purchase decisions of customers with Mean score of 2.55. And also most respondents are neutral with Push sales strategies used by Ethio Telecom initiate trial usage of Ethio Telecom product and services with Mean score of 3.11 and finally most respondents are neutral with Pull sales strategies increase the awareness of Ethio Telecom product and services and influence the purchase decision of customers with Mean score of 2.84.

Table 5:- Respondent’s Perception towards sales promotion tools which affect the purchase decision of consumers

Q	sales promotion tools which affect the purchase decision of consumers	Mean	SD	Perception
5	I make price comparisons when I go to buy Ethio Telecom products	3.54	0.82	Agree
6	I only make my purchase if there is price off on the Product Ethio Telecom provides	2.52	0.69	Disagree
7	I tend to buy more than usual when offered price offs	4.3	0.69	Strongly agree
8	Price offs influences me to make unplanned purchase	4.03	0.76	Agree
9	Free samples influences me to try new product	2.94	0.89	Neutral

10	Free samples influences me to make unplanned purchase	3.18	0.66	Neutral
11	When offered free samples it influences to me to make Purchase decision instantly	2.53	0.62	Disagree
12	I am more likely to make purchase if I know that I was win a free gift	3.61	0.97	Agree
13	I am wishing to spend more on purchase of a product to get a premium	3.82	0.51	Agree
14	you are willing to use the product and service of Ethio Telecom on to get a premium	3.33	0.66	Neutral
15	If a premium promotion required buying more than one product I still like to participate in the promotion	3.19	0.77	Neutral
16	Contests and sweepstakes encourage you to increase your usage of Ethio Telecom products and services?	3.86	0.62	Agree
17	you use more services of Ethio Telecom when the value of the Bonus for talk time is higher	4.4	0.36	Strongly agree

18	Contests and sweepstakes keep you safe to use for your future usage of Ethio Telecom products and services	2.74	0.67	Neutral
19	you make instant service usage decision of Ethio Telecom when Contests and sweepstakes are distributed at the point you start to use Ethio Telecom service	3.80	0.61	Agree
20	you spend more if you receive a bounce back Bonus for talk time	4.44	0.46	Strongly agree

Source: Own Computation, 2018

Table 5 shows respondent's Perception towards sales promotion tools which affect the purchase decision of consumers, while most respondents agree with the purchase decision of customers relating to the sales promotion offered by Ethio Telecom with Mean score of 3.53. Similarly, most respondents disagree with I only make my purchase if there is price off on the Products that Ethio Telecom provides with Mean score of 2.51, most respondents strongly agree with I tend to buy more than usual when offered price offs with Mean score of 4.26, Most respondents agree with Price offs influences me to make unplanned purchase with Mean score of 4.03, most respondents are neutral with Free samples influence customers to try new product and services with Mean score of 2.93, most respondents are neutral with Free samples influence customers to make unplanned purchase with Mean score of 3.18, Most respondents disagree with when offered free samples it influences customers to make Purchase decision instantly with Mean scores of 2.53, Most respondents agree with the question I am more likely to make purchase if I know that I was win a free gift with Mean score of 3.61, Most respondents agree with the question I am wishing to spend more on purchase of a product to get a premium with Mean score of 3.81, Most respondents are neutral with you are willing to use the product and service of Ethio Telecom on to get a

premium with Mean score of 3.33, Most respondents are neutral with If a premium promotion required buying more than one product I still like to participate in the promotion with Mean score of 3.20, Most respondents are neutral with If a premium promotion required saving more in Ethio Telecom you still like to participate in the promotion sample offered with Mean score of 3.19, most respondents agree with the question Contests and sweepstakes encourage you to increase your usage of Ethio Telecom products and services with Mean score of 3.86, Most respondents strongly agree with they use more services of Ethio Telecom when the value of the Bonus for talk time is higher with Mean score of 4.39, most respondents are neutral with Contests and sweepstakes keep you safe to use for your future usage of Ethio Telecom products and services with Mean score of 2.74, most respondents agree with the question you make instant service usage decision of Ethio Telecom when Contests and sweepstakes are distributed at the point you start to use Ethio Telecom service with Mean score of 3.79 and finally most respondents strongly agree with they use more services of Ethio Telecom if you receive a bounce back Bonus for talk time with Mean score of 4.44,

Table 6:- Respondent’s Perception towards most influencing sales promotion tool that affects the purchasing decision of the consumer

Q	Most influencing sales promotion tool that affects the purchasing decision of the consumer	Mean	SD	Perception
21	sales promotion tool mostly affects your purchase decision and willingness of using of Ethio Telecom product and service	2.97	0.53	Neutral
22	sales promotion has a positive effect on your purchase decision and willingness of using of Ethio Telecom product and service	3.16	0.59	Neutral

23	sales promotion tools used By Ethio Telecom affect the usage rate of its product and services	3.82	0.54	Agree
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Table 6 shows respondent's Perception towards Most influencing sales promotion tool that affects the purchasing decision of the consumer, while most respondents are neutral to sales promotion tool mostly affects their purchase decision and willingness of using of Ethio Telecom product and service Mean score of 2.97. Similarly, most respondents are neutral to sales promotion has a positive effect on your purchase decision and willingness of using of Ethio Telecom product and service with a Mean score of 3.16. And finally Most respondents agree with the question sales promotion tools used by Ethio Telecom affect the usage rate of its product and services with Mean score of 3.81.

4.3 Cross Tabulation between Demographics and Sales promotion tools

Table7: Gender * sales promotion tools

Gender	Contests and sweepstakes relationship with customers	Price off has relationship with customers	Premium relationship with customers	Free sample relationship with customers	Bonus for talk time relationship with customers
Missing	18	18	18	18	18
Male	136	278	255	201	168
Female	246	104	127	181	214
Total	400	400	400	400	400

Source: Own Computation, 2018

Table 4.3.1 summarizes the result of different sales promotion tools preferred by the respondents based on their gender using cross tabulation technique between Gender and sales promotion tools. Results show that most of 64% of female male respondents prefer and have relationship with Contests and sweepstakes. Similarly, most of 73% of the respondents prefer and have a relationship with Price off. Next, most of 67% of male respondents prefer and have a relationship with Premium relationship. Similarly, most of 53% of male respondents prefer and have a relationship with free sample. Finally, most of 27% of female respondents prefer and have a relationship with Bonus for talk time. It can be concluded that Contests and sweepstakes and Bonus for talk time is the most sales promotion tools preferred by females and price off, premium and free sample is the most popular and preferred sales promotion tools among males.

Table 8: Age * customer relationship with sales promotion tools

Age	Contests and sweepstakes relationship with customers	Price off has relationship with customers	Premium relationship with customers	Free sample relationship with customers	Bonus for talk time relationship with customers
Missing	18	18	18	18	18
Below 25	100	143	114	91	103
26-35	128	97	66	76	98
35-45	65	74	130	93	84
46 and above	89	68	72	122	97
Total	400	400	400	400	400

Source: Own Computation, 2018

Table 4.3.2 summarizes the result of different sales promotion tools preferred by the respondents based on their age groups using cross tabulation technique between age and sales promotion tools. Results show that most of 34% of the respondents from all age groups using Contests and sweepstakes aging 26-35 years prefer and have relationship with Contests and sweepstakes. Similarly, most of 37% of the respondents from all age groups using Price off aging below 25 years prefer and have a relationship with Price off. Next, most of 34% of the respondents from all age groups using Premium aging 35-45 years prefer and have a relationship with Premium relationship. Similarly, most of 32% of the respondents from all age groups using free sample aging 35-45 years prefer and have a relationship with free sample. Finally, most of 27% of the respondents from all age groups using Bonus for talk time aging 46 and above years prefer and have a relationship with Bonus for talk time. It can be concluded that price off is the most popular and preferred sales promotion tools among all age groups.

4.4 Hypothesis Tests

The hypotheses tests of this research are conducted by use Pearson’s correlation to test the relationship between the independent (X) and dependent (Y) variable of the research.

Table 9: The relationship between independent variables and customer purchase decision

Hypothesis		Customer purchase decision
H:1 Price off	Pearson Correlation	.229**
	Sig. (2-tailed)	.000
	N	382
H2: Contests and sweepstakes	Pearson Correlation	.317**
	Sig. (2-tailed)	.000
	N	382

H3 : Premium	Pearson Correlation	.788**
	Sig. (2-tailed)	.000
	N	382
H4 : Free sample	Pearson Correlation	.521**
	Sig. (2-tailed)	.000
	N	382
H5 : Bonus for talk time	Pearson Correlation	.686**
	Sig. (2-tailed)	.000
	N	382

Source: Own Computation, 2018

Hypothesis 1: Price off has impact on consumer purchase decision

AH : Price off has impact on consumer purchase decision

oH : Price off has no impact on consumer purchase decision

From table 9 it can be summarized that there is a positive relationship between Price off(X) and purchase decision (Y). The strength of the relationship is determined by Pearson's correlation as $r = 0.229$

Hypothesis 2: Contests and sweepstakes have impact on consumer purchase decision.

AH : Contests and sweepstakes have significant impact on consumer purchase decision.

oH : Contests and sweepstakes have no impact on consumer purchase decision.

From table 9 it can be summarized that there is a positive relationship between Contests and sweepstakes(X) and purchase decision (Y). The strength of the relationship is determined by Pearson's correlation as $r = 0.317$

Hypothesis 3: Premium has impact on consumer purchase decision

AH: Premium has impact on consumer purchase decision

oH: Premium has no impact on consumer purchase decision

From table 9 it can be summarized that there is a positive relationship between premium(X) and purchase decision (Y). The strength of the relationship is determined by Pearson's correlation as $r = 0.788$

Hypothesis 4: Free sample has impact on consumer purchase decision

AH: Free sample has impact on consumer purchase decision

oH: Free sample has no impact on consumer purchase decision

From table 9 it can be summarized that there is a positive relationship between Free sample(X) and purchase decision (Y). The strength of the relationship is determined by Pearson's correlation as $r = 0.521$

Hypothesis 5: Bonus for talk time has impact on consumer purchase decision

AH: Bonus for talk time has impact on consumer purchase decision

oH: Bonus for talk time has no impact on consumer purchase decision

From table 9 it can be summarized that there is a positive relationship between Bonus for talk time (X) and purchase decision (Y). The strength of the relationship is determined by Pearson's correlation as $r = 0.686$

4.5 Qualitative Data Analysis

In addition to the quantitative analysis of the data, the researcher in this paper has also used qualitative data through in depth interviewing method. In depth interview lasted approximately 10 minutes to 20 minutes and included total of 7 respondents. The main reason behind conducting an in-depth interview was to avoid possible dominations among the respondents as faced during focus group method and to let each single respondent freely and deeply express his or her ideas, feelings and thoughts in details. This method particularly

suits main research objectives of this study. This is to understand the relationship between sales promotion and purchasing decision of the customers in context to Ethio Telecom. Sample for in depth interview included respondents between ages 26-35 years old, with all equal proportion of male and female.

4.6 Personal Interview Analysis

Respondent 1

I am mainly interested in bonus for talk time because of I spend a lot of times in talking to peoples in phone because of work and I will be delighted when there is bonus for talk time. And my perception towards Ethio Telecom service and products is they provide a nice service and they also provide cell phones with fair price. Ethio Telecom provides cell phones with smaller price compared to other shops and also they provide an original cell phone. And they are also very credible regarding their originality. Finally using Ethio Telecom products and services has a lot of contribution in my day to day life that I use more services of Ethio Telecom to communicate with my friends.

Respondent 2

I am interested by all sales promotion tools that any sales promotion tool initiates me to use Ethio Telecom service and products. My perception towards Ethio Telecom is that regarding the service they charge more than they give a bonus and am dissatisfied with that but I am interested in their products. Regarding cell phones I don't purchase from Ethio Telecom so I can't answer these question. It is obvious that Ethio Telecom services are important in our day to day life but as I told you because of the too much charge not only me many people's are getting dissatisfied.

Respondent 3

I am mainly interested in price off because of Ethio Telecom is selling to only female customers cell phones with cheaper price and also make a price off in its services and products to all users that initiates me a lot. I have a good perception towards Ethio Telecom products and services regarding giving different opportunities for the customers by providing different varieties of products and services. Actually I didn't buy cell phones from Ethio Telecom but my wife buy cell phone provided for female customers with discount and that it's nice and interesting. And the products provided by Ethio Telecom are much more credible that the shops that sell fake cell phones. And Ethio Telecom products and services are very important in my day to day consumption that is obvious.

Respondent 4

I am mainly interested in bonus for talk time and also free sample because of my usage rate is high regarding phone talk and free samples like mobile cards, sim cards.... Increase my interest in using Ethio Telecom products and services and I had a perception towards Ethio Telecom but I have some complaint regarding the way they sell their products regarding most time when I go to buy Ethio telecom Products they send me back by saying we have finished we don't have now I have face these thing many times. In my opinion they have to improve these things. But regarding their cell phones, they are nice and durable compared to others. Ethio Telecom products and services ply much role in my everyday life and I saw them as my part of life.

Respondent 5

I am not interested in sales promotions at all but if I receive a bonus time for talk I will be glad but if it doesn't its normal for me. I have a normal perception towards Ethio Telecom. But am dissatisfied the way they charge me rather than that I have good perception. Regarding their products I have not buy from Ethio Telecom so I have no answer for their products. Ethio Telecom products and services are important everyday because of communication is important for our day to day activity.

Respondent 6

All sales promotion tools are important and affect my consumption. Sales promotion helps me tremendously and I look for opportunities when making a purchase decision. I have a positive perception at all for Ethio Telecom products and services. Ethio Telecom can provide cell phones fair price with original and attractive cell phones and when they compare to others they are cheap and durable. And there is no question that Ethio Telecom plays an important role in our day to day life.

Respondent 7

As I buy cell phones once in a 3 or 4 year I am not interested in free sample, Contests and sweepstakes and also premium but I am mainly interested in bonus for talk time because of my usage rate is high in talking to my friends, family and with my work partners. As Ethio

Telecom provides many bonuses for talking for free, they charge customers more than they give because of that I have a negative perception towards Ethio Telecom. I don't buy from Ethio Telecom so I don't know Ethio Telecom products. And Ethio Telecom is important in my day to day life but as I mentioned they are making us suffer by charging more than we use and even if we don't we have a choice of another provider we use Ethio Telecom but these things should be seen.

CHAPTER 5

5. SUMMARY OF MAJOR FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Summary of the Major Findings

- ✓ Generally the customer respondents are diversified in gender, age, educational background and relationship with the company. Thus, based on the findings, the majority of 208 of them were male and the rest 174 were female.
- ✓ With regard to age it was founded that , most of the respondent's 154 are between "26 – 35", 83 of the respondents are below 25, 85 respondents are between 35- 45 and 60 respondents are 46 and above .
- ✓ With regard to educational level, it was founded that most of the respondent's 113 were degree, 60 of them have no formal education, 57 of them completed elementary, 58 of them completed high school, diploma and 29 of them were certificated, 48 of them have a diploma and 17 of them have above degree.
- ✓ With regard to relationship with the company, it was founded that most of the respondent's 127 have a relationship between "6-10" years, 69 of them have a relationship between "1-5" years, and 100 respondents have a relationship between "11- 15" and 86 of the respondents have a relationship between above 16 years.
- ✓ Among the total customer respondents majority of respondents have a neutral thought sales promotion strategies used by Ethio Telecom have a relationship with the customers buying decision
- ✓ Among the total customer respondents majority of respondents disagree with the sales promotion strategies regarding changing the attitude and purchase decision of customers and the sales promotion tools used by Ethio Telecom has less influence on the purchase decision of customers and also regarding changing attitude.
- ✓ Among the total customer respondents majority of respondents have a neutral thought with the push strategies regarding initiating trial usage of Ethio Telecom product and services.

- ✓ Among the total customer respondents majority of respondents have a neutral thought with the pull sales strategies regarding increasing awareness of Ethio Telecom product and services and influence purchase decision of customers.
- ✓ Among the total customer respondents majority of respondents have agree with they make price comparison when they go to buy Ethio Telecom products.
- ✓ Among the total customer respondents majority of respondents disagree with I only make my purchase if there is price off on the Products that Ethio Telecom provides and the price off has less influence on the purchase decision of customers.
- ✓ Among the total customer respondents majority of respondents have strongly agree with buying more than usual when price off are offered by Ethio Telecom and this shows that most respondents like and use price off.
- ✓ Among the total customer respondents majority of respondents have agree with Price offs influences me to make unplanned purchase offered by Ethio Telecom and the data shows price off influence most customers and make them to buy unplanned purchase of Ethio Telecom products and services.
- ✓ Among the total customer respondents majority of respondents have a neutral thought with Free samples influence them to try new product.
- ✓ Among the total customer respondents majority of respondents have a neutral thought with Free samples influence them to make unplanned purchase.
- ✓ Among the total customer respondents majority of respondents disagree with free samples influences customers to make Purchase decision instantly and free sample has less influence on customers to make Purchase decision instantly.
- ✓ Among the total customer respondents majority of respondents have agree with they are more likely to make purchase if they know that they win a free gift offered by Ethio Telecom and the data shows free gift influence most customers and make them to buy purchase of Ethio Telecom products and services.
- ✓ Among the total customer respondents majority of respondents have agree with they are more likely to spend more on purchase of a product to get a premium offered by Ethio Telecom and the data shows premium influence most customers and wish them to spend more on purchase of a product to get a premium.

- ✓ Among the total customer respondents majority of respondents have a neutral thought with customers are willing to use the product and service of Ethio Telecom on to get a premium.
- ✓ Among the total customer respondents majority of respondents have a neutral thought with customers are willing to participate in the promotion If a premium promotion required buying more than one product.
- ✓ Among the total customer respondents majority of respondents have a neutral thought with customers are willing to participate in the promotion sample offered If a premium promotion required saving more in Ethio Telecom.
- ✓ Among the total customer respondents majority of respondents have agree with Contests and sweepstakes encourage you to increase your usage of products and services offered by Ethio Telecom and the data shows Contests and sweepstakes influence most customers and make them increase their usage of Ethio Telecom products and services.
- ✓ Among the total customer respondents majority of respondents have strongly agree with use more services of Ethio Telecom when the value of the Bonus for talk time is higher offered by Ethio Telecom and the data shows Bonus for talk time is higher influence most customers and make them to you use more services of Ethio Telecom.
- ✓ Among the total customer respondents majority of respondents have a neutral thought with customers are safe to use for your future usage of Ethio Telecom products and services regarding Contests and sweepstakes.
- ✓ Among the total customer respondents majority of respondents have agree with most customers make instant service usage decision of Ethio Telecom when Contests and sweepstakes are distributed at the point they start to use Ethio Telecom service and the data shows Contests and sweepstakes influence most customers regarding instant service and product usage decision of Ethio Telecom.
- ✓ Among the total customer respondents majority of respondents have strongly agree with they use more services of Ethio Telecom if you receive a bounce back Bonus for talk time and the data shows Bonus for talk time is higher influence most customers and make them to spend more.

- ✓ Among the total customer respondents majority of respondents have a neutral thought with sales promotion tool mostly affects your purchase decision and willingness of using of Ethio Telecom product and service.
- ✓ Among the total customer respondents majority of respondents have a neutral thought with sales promotion has a positive effect on your purchase decision and willingness of using of Ethio Telecom product and service.
- ✓ Among the total customer respondents majority of respondents have agree with most sales promotion tools used by Ethio Telecom affect the usage rate of its product and services and the data shows sales promotion tools influence the usage rate of its product and services.
- ✓ Among the total respondents selected for depth interview, most respondents have a relationship with sales promotion tools and price off and bonus time for talk are the most preferable sales promotion tools among the respondents.

5.2 Conclusion

Ethio Telecom provides have a lot of services and products that they make available to consumers through their various communication tools. One of the key promotional tools used in marketing these services and products is sales promotion.

Sales promotion plays a vital role in marketing in any business nowadays. Many Researches show that a large percentage of company sales are being made based on sales promotions.. Marketers have started using assortment of promotional tools offering consumers an extra incentive to make purchase decision. It has been observed that the consumer's perception towards different promotional tools has remained positive.

As such, the result of this research proves that sales promotion tools such as price off, Bonus for talk time, free sample and premium play a key role in influencing the consumer's purchase decision.

This research has proved that sales promotions stimulate interest in consumers and consumers are bound to make purchase decision provided that they are offered with price off, Bonus for talk time, free sample and premium.

The study revealed that sales promotion has an influence in the purchase decision of consumers. It was realized that the consumer may not go through the entire decision making process anytime they want to purchase Ethio Telecom service or product.

The research findings also show that consumer's decision is also influenced price off and bonus for talk time because of these two satisfies most customer their needs. Sales promotion therefore is an inevitable promotional tool for telecom firms if they really want to have a successful sales promotion practice.

In conclusion, this study has demonstrated that, the consumer is aware of the information around him and are always looking forward to take advantage of the sales promotions being run by Ethio Telecom. Hence, in order to attract and influence the purchase decisions of customers, sales promotion should be a prominent feature in Ethio Telecom' budget, year in, year out.

5.2 Recommendation

Recommendations have been made about measures that could be taken to improve the practice of sales promotion of Ethio Telecom in order to influence the consumer buying behavior effectively. The following may be noted:

Bonus for talk time should be carefully applied as it can reduce profitability. Therefore it may be used in conjunction with other promotional tool such as free sample. Greater emphasis may be placed on attachment services to gain maximum advantage.

It is apparent that each consumer has his own personal trait when selecting a product and making a purchase decision. This research studied several factors which included socio – demographic factors (gender, age, education level, relationship with the company) and attitude towards different promotional tools (price off, Bonus time for talk, premium, Contests and sweepstakes and free sample).

From the results of the research, it has been observed that customers responded positively to the various promotional tools offered by the marketers.

It is because customers believed that they will be advantageous of using Ethio Telecom products and services than normal when offered sales promotion, also they felt they are getting a good deal, and therefore, they make a purchase decision when a sales promotion is offered.

As it is found in the research that customers have complains regarding the services provided by Ethio Telecom, they should engage in continuous research to correctly approximate consumer expectations and plan to meet them to reduce consumer complaints.

Though this research has identified key factors that influence the consumption behavior and purchase decision of the customers, there are some limitations of this research. The majority of the respondents of this research belonged to a homogenous age group of 26-35 years therefore; the results of the research may have been limited to the aforementioned age group. Had there been an equal distribution of the respondents from different age groups, there would have been a variance in the result. Therefore, future researchers are recommended to collect the responses from different age group in equal or equivalent distribution such that the there is no generalization.

Sales promotion has short term effect, as a result Ethio Telecom need to do a continuous follow up to establish long term relationship with new customers acquired during sales promotion period.

Moreover, future researchers are also advised to study the behavior of the respondents in different geographic location as different societal life styles will have a different impact on the consumption behavior. As this research is limited regarding the study will only focus on Ethio Telecom Service centers and shops in Addis Ababa towards sales promotion and may not represent the entire country.

Furthermore, it is recommended that when conducting an interview with the respondents, future researchers conduct it at the Ethio Telecom Service centers and shops where the transaction is taking place. This will allow the researchers to attain accurate response from the respondents based on their clean memory and instant purchase experience.

Nevertheless, future researchers are recommended to study other promotional tools such as rebates, coupons, point of display....etc which is excluded in this research.

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Annex 1
St Mary’s University
School of Graduate Studies
Department of Marketing Management
Questionnaire to be filled by Customers of Ethio Telecom

Dear Respondent

I am a graduating student at St Mary’s University in the department of marketing management. As partial fulfillment for graduation Masters of Art in Marketing Management, I have to conduct a research on effects of sales promotion on purchasing decisions of customer. The information that you provide is kept secret and used only for academic purpose, so you are requested to give your answer for the following questions.

Thank you in advance for your cooperation!

Instruction:

- No need of writing your Name
- For close ended questions put ”√ “ mark on the box corresponding for your choice.
- For open ended questions you are kindly requested to write brief and short answer

Part 1.General characteristics of the respondents

Personal Background	
1.Gender	Male <input type="checkbox"/> Female <input type="checkbox"/>

2.Age	Below 25 years <input type="checkbox"/> 26-35 years' <input type="checkbox"/> 36-45years <input type="checkbox"/> above 46 years <input type="checkbox"/>
3.Level of education:	No Formal Education <input type="checkbox"/> Elementary complete <input type="checkbox"/> High school complete <input type="checkbox"/> Certificate <input type="checkbox"/> Diploma <input type="checkbox"/> Degree <input type="checkbox"/> Above Degree <input type="checkbox"/>
4. your relationship with Ethio Telecom products and services	1-5 years <input type="checkbox"/> 6-10 years <input type="checkbox"/> 11-15 years <input type="checkbox"/> Above 16 years <input type="checkbox"/>

Part 2: Questions directly related to the study

I: Questions related to the relationship between sales promotion strategies & consumer buying behavior

You should rank each statement as follows:

Strongly
Disagree

Strongly
Agree

Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
5. Sales promotion strategies used by Ethio Telecom have a relationship with the customers buying decision					
6. you are influenced by the Sales promotion strategies used by Ethio Telecom and make you change your attitude and purchase decisions towards Ethio Telecom products and services					
7. Push sales strategies used by Ethio Telecom initiate you to make trial usage of Ethio Telecom product and services.					
8. Pull sales strategies increase the awareness of Ethio Telecom product and services and influence the purchase decision of customers					

II: Questions related to sales promotion tools which affect the purchase decision of consumers

You should rank each statement as follows:

Strongly
Disagree

Strongly
Agree

Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
9. I make price comparisons when I go to buy Ethio Telecom products					
10. I only make my purchase if there is price off on the Product Ethio Telecom provides					
11. I tend to buy more than usual when offered price offs					
12. Price offs influences Me to make unplanned purchase					
13. Free samples influences me to try new product					
14. Free samples influences me to make unplanned purchase					
15. When offered free samples it influences to me to make Purchase decision instantly					
16. I am more likely to make purchase if I know that I was win a free gift					
17. I am wishing to spend more on purchase of a product to get a premium					
18. you are wishing to use the product and service of Ethio Telecom on to get a premium					

19. If a premium promotion required buying more than one product I still like to participate in the promotion					
20.If a premium promotion required saving more in Ethio Telecom you still like to participate in the promotion sample is offered					
21. Contests and sweepstakes encourage you to increase your usage of Ethio Telecom products and services?					
22. you use more services of Ethio Telecom when the value of the Bonus for talk time is higher					
23. Contests and sweepstakes keep you safe to use for your future usage of Ethio Telecom products and services					
24. you make instant service usage decision of Ethio Telecom when Contests and sweepstakes are distributed at the point you start to use Ethio Telecom service					

25. you spend more if you receive a bounce back Bonus for talk time					
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III: Questions related to most influencing sales promotion tool that affects the purchasing decision of the consumer

You should rank each statement as follows:

Strongly
Strongly
Disagree
Agree

Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
26. sales promotion tool mostly affects your purchase decision and willingness of using of Ethio Telecom product and service					
27. sales promotion has a positive effect on your purchase decision and willingness of using of Ethio Telecom product and service					
28. sales promotion tools used By Ethio Telecom affect the usage rate of its product and services					

Annex II
St Mary's University
School of Graduate Studies
Department of Marketing Management
Interview Questions

Dear Customers,

I am a graduating student at St Mary's University in the department of marketing management as partial fulfillment for graduation Masters of Art in Marketing Management. I am conducting a research on effects of sales promotion on purchasing decisions of customer on Ethio Telecom.

This interview seeks to get your views regarding Ethio Telecom's sales promotion effectiveness and effects on customers purchase decision. Your valid and kind responses and suggestions are very important for the completeness of the research paper.

The information that you are providing was be treated as confidential and used only for the research purpose. The outcome of this interview is intended to support the research report to the partial fulfillment of the masters of art in marketing management.

Thank you for devoting your valuable time and energy to answer my questions.

1. Which sales promotion tools you mainly interested which are used by Ethio Telecom?
2. What is your perception towards Ethio Telecom product and services?
3. Do you think Ethio Telecom offer products (cell phones) that other cell phone shops cannot offer?
4. How credible do you consider Ethio Telecom Products like their cell phones compared to others?
5. Why using Ethio Telecom product and service is important for your consumption in day to day life?