



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

**THE EFFECT OF SALES PROMOTION ON CONSUMERS' BUYING
INTENTION: IN CASE OF SAMMAKKA STONES PLC**

**By
Kirubel Birhanu**

June, 2020

Addis Ababa, Ethiopia

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**A THESIS SUBMITTED TO THE SCHOOL OF GRADUATE STUDIES OF
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I the undersigned, declare that this thesis is my original work which was prepared under the guidance of Mohammed Mohammednur (Asst. Prof.). All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

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TABLE OF CONTENTS

ACKNOWLEDGEMENTS	i
TABLE OF CONTENTS.....	ii
LIST OF TABLES	v
LIST OF FIGURES	vi
<i>ABSTRACT</i>	vii
CHAPTER ONE	1
1. INTRODUCTION	1
1.1 Background of the Study	1
1.2 Background of the Organization	3
1.3 Statement of the Problem	3
1.4 Research Hypothesis	4
1.5 Objective of the Study.....	5
1.5.1 General Objective	5
1.5.2 Specific Objectives	5
1.6 Significance of the Study	5
1.7 Scope and Limitation of the Study	5
1.8 Definition of Basic Terms	6
1.9 Organization of the Paper.....	6
CHAPTER TWO	7
2. REVIEW OF RELATED LITERATURE	7
2.1 Theoretical Literature Review.....	7
2.1.1 Promotion	7
2.1.2 Sales Promotion.....	8
2.1.3 Sales Promotion Strategies	9
2.1.4 Classification of Sales Promotion.....	10
2.1.4.1 Price Promotion	11

2.1.4.2 Non-Price Promotion	11
2.1.5 Consumer Buying Intention.....	12
2.1.6 Consumer Decision Making Process	13
2.2 Empirical Literature Review	15
2.3 Conceptual Framework	17
CHAPTER THREE	18
3. RESEARCH METHODOLOGY	18
3.1 Research Approach	18
3.2 Research Design	18
3.3 Target Population	18
3.4 Sample Size and Sampling Technique	19
3.5 Data Collection Methods.....	20
3.6 Methods of Data Analysis	20
3.7. Ethical Considerations.....	21
3.8. Validity and Reliability	21
CHAPTER FOUR.....	23
4. DATA PRESENTATION AND ANALYSIS	23
4.1. Introduction	23
4.2. Demographic Analysis of the Respondents	23
4.3 Descriptive Analysis	24
4.4 Inferential Analysis	25
4.4.1 Correlation Analysis.....	25
4.4.2 Regression Analysis	26
4.4.2.1. Testing Assumptions of Classical Linear Regression Model (CLRM)	26
4.4.2.2. Results of Regression Analysis.....	27
4.5 Discussion of the Regression Results	29

CHAPTER FIVE	31
5. SUMMARY, CONCLUSION AND RECOMMENDATIONS	31
5.1 Summary of Findings	31
5.2 Conclusion.....	32
5.3 Recommendations	32
5.4 Implication of Future Research.....	32
REFERENCE	
APPENDICES	

LIST OF TABLES

	Pages
Table 1: Description of Population	19
Table 2: Respondents' demographic profiles	23
Table 3: Mean Score Interpretation	24
Table 4: Mean and standard deviation of variables	25
Table 5: Correlation table	26
Table 6: Regression analysis.....	28

LIST OF FIGURES

	Pages
Figure 1: Purchase decision making process	14
Figure 2: Conceptual framework	17

ABSTRACT

This study has taken one of the critical issues in any business, promotion. It has studied the effect of sales promotion tools on consumer buying intention in case of Sammka Stones PLC. The study took sales promotion tools adopted by the company into account. These are price discount, credit sales, after sales delivery and free samples. As described above the general objective of the paper was to analyze the effect of sales promotion tools on consumer buying intention. The specific objectives of the study were to study the individual effect of the sales promotion tools adopted by the company. To answer the research questions; the study used primary data collected using likert scale questionnaire. 89 questionnaires were distributed and 80 of them were used in the analysis. The study used causal method to analyze the effect of sales promotion tools on consumer buying intention. The study also used a linear regression model. The result of the study showed that all price discounts, after sales delivery and free samples have a positive and significant effect on consumer buying intentions; whereas credit sale has a positive but insignificant effect on consumer buying intentions. Based on the conclusion the study recommended the company to review its price discount procedure in regard with discount amount and appropriateness to all quality levels and to all customers and asses its communication mechanism and information distribution tolls regarding after sales delivery and free samples. It is also recommended to review the period it allows customers to settle the credit they owe.

Key Words: Sammka Stones PLC, Consumer Buying Intention, Price Discount, Credit Sales, After Sales Delivery, Free Samples

CHAPTER ONE

1. INTRODUCTION

1.1 Background of the Study

Understanding consumer behavior is one of the pillars for building a strong company. Consumer buying behavior however is the process by which the individual search for, selects, purchase, use and dispose of goods and services, in satisfaction of their needs and wants (Netemeyer B., 2004). The ever-changing market puts a toll on organizations in a form of dynamic customer behavior. New products, new beliefs and overall society psychology require thorough examination of market segments and consumer demands. After analyzing customer behavior, organizations must realize a strong, flexible and effective marketing strategy which will ensure sales and profit. This is achieved with strategic planning and objectifying the targeted market segment. Here comes marketing in picture with different strategies (Hawkings D., 2011)

Promotion is one of the most important strategies that marketers are focusing nowadays to attract new customers and as well maintain prevailing customers. It is one of the most important techniques in the marketing mix as it can increase brand recognition and sales volume (Lancaster J., 2006). According to (Kotler P. & Armstrong G., 2008) promotion entails all the kinds of tools in the marketing mix that aim to persuade buyers for certain products or services. A strong promotional strategy process in place facilitates to make sure that, the marketing performances stay aligned with organizational goals and maximize the return from the marketing activities. Perfect promotional strategies can lead a business organization to its goal. Adopting a good and effective promotional strategy is very important for any business. Without a best promotional strategy, a business will not be able to get the ideal customers for its services and goods. The main theme of a promotional strategy should be to introduce the benefits of products and how they can meet consumers' needs. It can help an organization to develop a profitable and long-term relation with customers. This is very essential to have a perfect and flexible promotional strategy within a business organization that can react to changes in customer perception. Promotion as a broad concept includes personal selling, advertising, direct marketing, publicity and sales promotion (Kotler P., 2008).

Sales promotion is increasing day by day thanks to the tough competition and other developments that are taking place as globalization and technological developments (Shimp T.A, 2013). Sales promotion is implemented to attract new customers, to hold present customers, to counteract competition, and to take advantage of opportunities that are revealed by market research. Sales promotion is the coordination of all seller-initiated efforts to set up channels of information and persuasion to sell goods and services or to promote an idea (Kotler P., 1997)

According to (Aderemi S., 2003) sales promotion is an initiative undertaken by organizations to promote and increase sales, usage or trial of a product or services. Sales promotion refers to the provision of incentives to customers or to the distribution channel to stimulate demand for a product. It is an important component of an organizations overall marketing strategy along with advertising, public relations and personal selling. Sales promotion acts as a competitive weapon by providing an extra incentive for the target audience to purchase or support one brand over the other. It is particularly effective in spurring product trials and unplanned purchases.

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

As to (Ajan S., 2008) sales promotion activities include a free sampling campaign, a free gift campaign, a trading stamps campaign, demonstrations and exhibitions, temporary price cuts, door-to-door sales, telemarketing, personal sales letters, and emails.

(Anon M., 2015), (Totten, J. & Block, M. 1994), (Gilbert, D. & Jackaria, N. 2002) and (Darko E., 2012) studied the effect of sales promotion on consumer buying behavior in the service sector, whereas (Ansari, S. 2011) and (Ndubisi N. 2006) studied the effect sales promotion on consumer buying behavior in the manufacturing sector in different countries. Likewise (Afomiya H., 2019) studied the effect sales promotion on consumer buying behavior in the retail sector and (Beimnet A., 2017) studied the effect sales promotion on consumer buying behavior in the service sector in Ethiopia. This paper will add to that by studying the effect of sales promotion on consumers' buying intention in the manufacturing sector, specifically the mining sector.

1.2 Background of the Organization

Sammakka Stones PLC is an Ethio - Indian based company engaged in the mining industry established with an investment of 60 million Birr. Sammakka Stones PLC is a sister company of Designer Rocks Plc. It operates three granite quarries in India and exports granite to countries like Italy, China, the United States and Europe (Sammakka stones plc, 2020).

The company came to Ethiopia in 2009 and acquired an exploration license for two blocks mining quarries in the Benishangul Gumuz region. The quarry is the biggest, and most scientifically developed in Ethiopia. It has Marble processing factory in Benishangul Gumuz, region, Sirba Abay wereda, Tulu Berkata locality and in Oromia region, Burayu city Tateke industrial Zone (Sammakka stones PLC, 2020).

It has a production capacity of 10,000 cubic meter blocks and 60,000 m² slabs annually. The company's turnover (in birr) for the fiscal year ended on June, 2019 is over 29,000,000.00. The company employs over 200 employees (Sammakka stones PLC, 2020).

The company is currently using credit sales, price discount, after sales delivery and free samples as sales promotion tools to boost its sales (Sammakka stones PLC, 2020).

1.3 Statement of the Problem

Understanding consumer behavior completely is very difficult, if not impossible, because it is related so closely to the human mind. However, forecasting how a human behaves in purchasing situations can be estimated through previous purchasing decisions. Consumers make buying decisions every day and many do not even know the factors that drive them to their decisions. There are characteristics behind every buying decision that can come from cultural, social, personal or psychological factors. Each of these factors includes dimensions that can be used in marketing (M. Mittal et.al, 2011).

According to (Gilbert D. et.al, 2002) customers make three major purchasing decisions; what to buy; how much to buy and what brand to buy. Sales promotion can have an impact on all these decision.

Sales promotion has become a vital tool for marketing, and its importance has been significantly increasing over the years. A perfect and effective sales promotional strategy can lead an organization to its success and fulfill the requirement of target market. The ultimate aims of sales promotion are attracting new pool of customers from competitors to persuade them to switch brands or simply induce existing customers to buy more. Put in simple words, how the product and goods developed, distributed or priced, the company cannot survive without effective promotion (Belch G., 2006).

As to the knowledge of the researcher; despite the widespread employment of sales promotions practice in the Ethiopian economy, there has been little attempt to integrate research to determine the relationship between the use of sales promotion and customer buying behavior. Moreover, despite its importance in the economy, the mining sector has been somehow neglected from the few studies conducted on sales promotion and consumer behavior.

In addition to that the previous researches done on sales promotions and consumer behavior in Ethiopia have not exhaustively addressed different sales promotion techniques.

Therefore this research tried to fill the gap by studying the effect of sales promotion on consumers' buying behavior in case of Sammakka Stones PLC by using sales promotion techniques like credit sales, price discount, after sales delivery and free samples.

1.4 Research Hypothesis

The following hypothesis are developed to answer the above research questions

H1: A Credit sale has a significant and positive effect on consumers' buying intention.

H2: Price discount has a significant and positive effect on consumers' buying intention.

H3: After sales delivery has a significant and positive effect on consumers' buying intention.

H4: A free sample has a significant and positive effect on consumers' buying intention.

1.5 Objective of the Study

1.5.1 General Objective

The general objective of the study is to examine the effect of sales promotion on consumers' buying intention.

1.5.2 Specific Objectives

Specific objectives of the study are

- To analyze the effect of credit sales on consumers' buying intention.
- To determine the effect of price discount on consumers' buying intention.
- To examine the effect of after sales delivery on consumers' buying intention.
- To examine the effect of free samples on consumers' buying intention.
- To identify the most influencing factor affecting the buying intention

1.6 Significance of the Study

The output of this study may be used not only by the company but also by other companies in the mining industry since it identified the best sales promotion techniques that have significant effect on consumers' buying intention. In that regard this study is expected to mainly benefit Ethiopian mining companies in choosing the right promotional mix.

It may also serve as a source document for further studies in the area of sales promotion and consumers' buying intention.

1.7 Scope and Limitation of the Study

The study conducted on the effect of sales promotion on consumers' buying intention: in case of Sammakka Stones PLC only considered sales promotion techniques adopted by the company under study such as price discount, credit sales, after sales delivery and free samples. Other promotional tools like advertisement, direct marketing, public relation and personal selling are not included in the study since they are not employed by the company under study. The study is

also limited to Sammakka Stones PLC customers found in Addis Ababa, since the majority of them are found in Addis Ababa.

1.8 Definition of Basic Terms

After sales delivery: is a sales promotion tool in which sellers offer after sales delivery of products to buyers.

Consumer buying intention: is the process by which an individual searches, selects and purchases goods and services.

Credit sales: is a sales promotion tool in which buyers are allowed to purchase some part or all of their purchases in credit.

Free sample: is a sales promotion tool in which sellers give out free samples of their products to potential buyers for trial.

Price discount: is a sales promotion tool in which the seller discounts/reduces the selling price of its product or service in order to encourage buyers to purchase.

Promotion: is a marketing tool that aims to persuade buyers for certain products or services.

Sales promotion: is an initiative undertaken by organizations to promote and increase sales, usage or trial of a product or services.

1.9 Organization of the Paper

This research is organized in five chapters. Chapter one provides the general introduction about the whole research. Chapter reviewed related literatures. Chapter three provides detail description of the methodology employed by the research. Chapter four contains data presentation, analysis and interpretation. Finally, the last chapter provides conclusion and gives relevant recommendations based on the findings.

CHAPTER TWO

2. REVIEW OF RELATED LITERATURE

2.1 Theoretical Literature Review

2.1.1 Promotion

Promotion is one of the marketing mix elements. It 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 importance of the commodity in achieving a high degree of consumers' satisfaction of their wishes and needs comparing with the competitors commodities (Mahmud N., 2014). According to (Percy L., 2000) promotion refers to raising customer awareness of a product or brand, generating sales, and creating product loyalty. Promotion covers the methods of communication that a marketer uses to provide information about its product. Information can be both verbal and visual (Mulhern D., 2009).

There are three objectives of promotion. These are: to present information to consumers and others, to increase demand and to differentiate a product. The purpose of a promotion and thus its promotional plan can have a wide range, including: sales increases, new product acceptance, creation of brand equity, positioning, competitive retaliations, or creation of an image (Robson C., 2002). The term 'promotion' tends to be used internally by the marketing function. To the public or the market, phrases like "special offer" are more common. Examples of a fully integrated, long-term, and large-scale promotion are My Coke Rewards in the USA or Coke Zone in the UK and Pepsi Stuff (Ashley T. & Tuten G., 2015).

Promotion is one of the key factors in the marketing mix and has a key role in market success. It 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). One of most important of channels is sales promotion.

2.1.2 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. It is an activity involving marketing occurrence whose object is to directly affect the conduct of an association's consumers or consumers (Blattberg RC, 1990). (Creswell J., 2009) defined Sales promotion as any initiative undertaken by an organization to promote an increase in sales, usage or trial of a product or service. Sales promotion is any activity which obtained by the producers usually short term designed to encourage quicker or greater amount trade retailer or wholesaler as well as influence individual to buy the product (Kotler P., 2003).

According to (Banerjee S., 2009) sales promotion is scope of promoting procedures structured inside a key advertising system to increase the value of an item or administration well beyond the 'ordinary' offering with the end goal to accomplish explicit deals and showcasing destinations. (Forsyth P., 2009) describes sales promotion as a part of marketing that provides an inducement aimed directly at persuading a target audience to achieve one or more of a company's objectives, in other words, it is a method that is used to persuade customers and which the customers need it in order to realize and choose the product.

(Belch G. 2006) defined sales promotions as direct encouragements that provide an additional stimulant for the products to be sold or distributed in a short period of time. According to (Kanuk S., 2008) sales promotion is exchange of information within two parties, seller and potential buyers, which is obtained to effect customers decisions. Whereas, (Percy L., 2008) provide a new definition for sales promotion as a range of marketing techniques designed within a strategic marketing framework to add extra value to a product or service over and above the normal offering in order to achieve specific sales and marketing objectives. This extra value may be a short term tactical nature or it may be part of a longer term franchise building program.

Moreover, Sales promotion is the techniques mainly used by marketer in order to influence and encourage consumers and end users to purchase certain product in a certain time period. Sales promotion has a short term influence on sales; hence it is mainly offered for a short term (Solomon M., 2008).

2.1.3 Sales Promotion Strategies

Sales promotion is giving the customer something extra, rewarding them for their intention on this particular purchasing occasion (Ouwersloot, H., & Duncan T., 2008). As to (Noel, H., 2009) there are several strategies which support the concept of reward as a motivator.

The Push Strategy

The push strategy of sales promotion techniques supports that you promote your goods to a retailer, who will then pass the wares along to their consumers (Dawes, J., 2004). A “push” promotional strategy makes use of a company's sales force and trade promotion activities to create consumer demand for a product. The producer promotes the product to wholesalers, the wholesalers promote it to retailers, and the retailers promote it to consumers (Hinkelman M. & Putzi, K., 2005).

The push sales strategy emanates from manufacturers who "push" their product through the supply chain to the consumer. Incentives are offered that give each middle-carrier motivation to convince the next person to buy the product. Traditionally, this technique includes premiums, wholesale discounts and buy-back guarantees (Worth S., 2008).

The Pull Strategy

The pull strategy varies by concentrating on the purchaser himself. Go specifically to the source to present your merchandise, and empower an immediate buy (Belch G., 2009). According to (Ashayeri A. and Kampstra B., 2005) a "pull" selling procedure is one that requires high spending on publicizing and customer advancement to develop shopper interest for an item. In the event that the methodology is fruitful, purchasers will approach their retailers for the item, the retailers will ask the wholesalers, and the wholesalers will ask the makers (Ouwersloot, H., & Duncan T., 2008).

The Combination Strategy

The combination strategy is a slight part of both (Benjaree S., 2009). One may supply a retailer with his/her consumables, he or she will then offer this to a client with motivating forces for shopping with them. This technique is generally utilized if the wholesaler is reluctant to convey

an item, since it gets its required purchasers without going to retail outlets (Bryman A. & Bell E., 2007).

2.1.4 Classification of Sales Promotion

(Blattberg R., 1990) have divided sales promotion into three types. These include retailer promotion, trade promotion and consumer promotion.

I. Retailer Sales 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 (Blattberg R., 1990).

II. Trade Promotion

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 R., 1990).

III. Consumer Promotion

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 R., 1990).

(Gedenk D., 2006) uses different technique and classifies 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.

2.1.4.1 Price Promotion

I. Price Discount

According to (Fill C., 2002) price reduction is a valuation approach where goods or products are offered in a good discounted buying price and it seems to be a reduced cost to the consumers, mostly applied in hypermarkets and point of purchase displays. Price discount is reducing the price for a given quantity or increase the quantity available at the same price, thereby enhancing value and create an economic incentive to purchase (Roger, B., 2010).

II. Coupons

Coupons are also frequent sales promotion techniques as discounts. Coupons would push customers to buy the product when they think that the price is high or can be incentive to buy the product above the competitors. The price sensitive customers would be willing to buy the product with availability of coupons. This price discrimination method is usually made for making the customers happy with buying or turning the customers that have experienced bad services (Ferrell O, 2008).

III. Refunds or Rebates

In refund or rebates customers get excited with the portion of refund that they can have on purchase with the parking tickets or the feedback they provide online about the store. These types of promotional activities are done to grab the attention of the customers and to sale the same type of products to the customers over the competitors (Creswell J., 2006).

2.1.4.2 Non-Price Promotion

I. Samples

Sampling is the way of introducing new products to customers by providing the products for free. This creates awareness of the product in the market (Gedenk D., 2006). Sampling is a smart way to present fewer amounts of products to the customers with no cost, and it can be sent directly to the customer by mail or attach the sample to another type of products, so they can able to test or try the product rather than just hear about it, which it can affect their intention to

purchase it in the near future (Ferrel & Hartline, 2008). According to (Clow C. & Baack L., 2007) free sample method is a technique to induce customers to try new lunched products.

II. Point of Sale Display

Point of sale display is a way of showing product and offerings through in store display such as menu boards, POPs and brochures. (Gedenk D., 2006) argues that retailer promotions address customers at point of sale; meaning that communication regarding the product or services is best conveyed to the customers at the place and time where most of the purchasing decision is made. Retailer promotion address consumers most at the point of sale therefore, communication regarding promotion best reaches consumers at place and time where most purchasing decision is made (Forsyth P., 2006). Thus, increase of promotions at the point of sale drives customer to make decision there.

III. Premium

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 (Astous A. & Jacob I., 2012).

2.1.5 Consumer Buying Intention

Understanding consumers' intention is not an easy task. Customers 'needs or wants change from time to time. Customer buying intention alludes to the purchasing conduct of definite customers, the individuals and family units, who purchase commodities and initiatives for individual utilization (Kumar P., 2000). According to (Kotler P. & Keller K., 2016) consumer buying intention refers to the buying intention of customers who buy goods and services for personal usage.

Consumer buying intention is an arrangement of exercises, which includes the buy and utilization of products. It is a procedure of choosing, buying and clearance merchandise and ventures as indicated by the requirements and needs of the customers (Worth S, 2008). Consumer buying intention is intention that buyers express when they select and buy the items or services utilizing their accessible assets with the end goal to fulfill their requirements and wants

(Kanuk S., 2000). As to (Solomon M., 2013) consumer intention is much more of studying what and why to buy, it focuses on how marketers impact consumers and also on how consumers utilize the items and services marketers move.

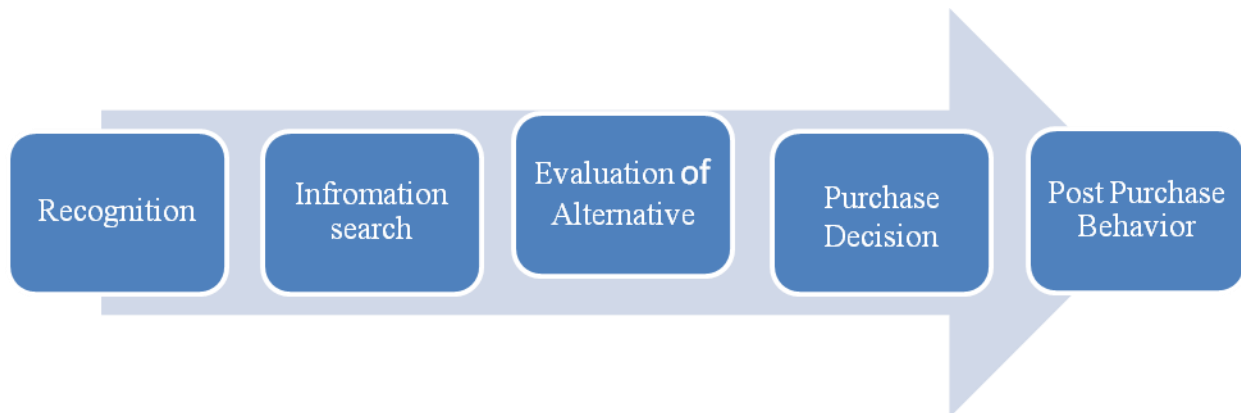
In the meantime (Roger B., 2010) defines consumer intention as activities people undertake when obtaining, consuming, and disposing of products and services. Consumer intention is the study of how individuals make decisions to spend their available resources on products and services (Shiffman G., 2007). Whereas, (Michael M., 2000) defines consumer intention is as the study of buying units and the exchange processes involved in acquiring, consuming, and disposing of goods, services, experiences, and ideas.

Intention occurs either for the individuals or in the context of a group or an organization. (Schiffman G., 2007) distinguished between two different types of consumers which are personal and industrial consumers. Personal consumers purchase goods and services for their own use, household use or as a gift to someone else. Organizational consumers on the other hand purchase goods and services to run an organization including both profitable and non-profitable organization, government and nongovernmental organizations.

2.1.6 Consumer Decision Making Process

(Berkowitz K. and Harley R., 1994) proposes that the visible act of making purchase decision lays an important process that a buyer passes through in making choices about which products and services to buy or consume. They suggested that there are five stages involved any time a consumer wants to make a purchase decision. These stages are presented below.

Figure 1: Purchase decision making process



Source: Berkowitz K. and Harley R. (1994)

Problem Recognition is the first step in the purchase decision. In marketing, advertising or sales people can activate a consumer's decision process by showing the shortcomings of competing products (Ngolanya M., 2006). The shortcomings according to them may include differences in prices, whereby the competitors' products are priced relatively higher than that of the company. Premiums can also be offered so as to attract her competitor's customers.

The consumer begins to search for information after recognizing the problem. Consumers may go through his memory for previous experiences with the brand or products. This is known as internal search (Berkowitz K., 1994). The consumer may also undertake an external search for information, this is especially if the past experience or knowledge is insufficient. Primary sources of external information are; personal sources for example relatives and friends whom the customer trusts, public sources for example consumer reports and television consumer programs and marketer dominated sources such as information from sellers that include advertising, point of purchase displays in store and inquiry from sales people (Ngolanya M., 2006).

The next stage in the model is the evaluation stage, where the customer chooses between the alternative brands, products 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 (Berkowitz K., 1994).

Here comes the purchase decision. Purchase decision is the stage at which the buyer or the consumers actually buys the products (Kotler P., 1999). He argued that, the consumer will buy the most preferred brand.

The final step in the purchase decision process is the post –purchase intention of the consumer. After purchase, the consumer compares the actual experience with his expectations and may either be satisfied or dissatisfied. If the consumer was dissatisfied, the likelihood of purchasing that brand becomes very low whereas the probability of a satisfied consumer purchasing the same brand is very high. In the post purchase evaluation stage, consumers build experience and knowledge about the product and make evaluation whether the product has met their expectations or not (Gabbath M. and Hogg R., 1994).

2.2 Empirical Literature Review

(Anon M., 2015) studied the effects of sales promotion on purchasing decision of customer: in case of dunkin brands. The researcher concluded that credit sales and after sales delivery have a positive and significant effect on purchasing decision of customers. Meanwhile free sample has insignificant effect on purchasing decision of customer.

(Totten, J. & Block, M., 1994) in their journal titled analyzing sales promotion: how to profit from the new power of promotion marketing argue that coupons and premiums are the most effective promotional tool.

(Gilbert, D. & Jackaria, N., 2002) conducted a study on the efficacy of price related sales promotions in UK super markets and concluded that price discounts and a credit sale have a positive but insignificant effect on consumer buying intention.

(Ansari, S., 2011) studied the effect of sales promotion on consumer interest to purchase in IKCO automotive company based in Tehran, Iran and concluded that price discounts and gifts have a positive and significant effect on consumer interest to purchase. The researcher also

argued that after sales delivery has a positive but insignificant effect on consumer interest to purchase.

A study conducted by (Ajan S., 2015) on the effects of sales promotion on purchasing decision of customer a case study of baskinrobbins ice – cream franchise Thailand argued that price discount; free sample and coupons positively and significantly affects purchasing decision of customer. The study also has concluded that point of sale promotion has insignificant effect on purchasing decision of customer.

(Aurangzeb M. & Mehmood, A., 2014) conducted a study on the impact of promotional tools on consumer buying intention in Pakistan. Out of the promotional tools the researcher considered premiums, after sales delivery and credit sales had a positive and significant effect on consumer buying intention; whereas price discount had a positive but insignificant effect on consumer buying intention.

A study on the awareness and usage of promotional tools by Malaysian consumers: in case of low involvement products was made by (Ndubisi N., 2006). The study concluded that buy one get one free and free samples have a positive and significant effect on consumer buying intention. The study further argues that a credit sale has insignificant effect on consumer buying intention.

A study conducted on the influence of sales promotion on consumer buying intention in the telecom industry; the case of Vodafone Ghana by (Darko E., 2012) concluded that premiums and price discount have a positive and significant effect on consumer buying intention.

(Ngolanya, M. et.al, 2006) conducted a study on the influence of sales promotion campaigns on consumer purchase decision: in case of Nakumatt Supermarkets Nairobi, Kenya. In their study they argued that coupons, gifts and a credit sale have a significant and positive effect on consumers' purchasing decision. On the other hand the researchers concluded that free sample has insignificant effect on consumers' purchasing decision.

(Afomiya H. 2019) studied the effect of sales promotion on consumer buying intention. The study was made on Canbebe diaper. The study concluded that lottery; buy one get one free and gifts have a positive and significant effect on consumer buying intention.

(Beimnet A., 2017) studied the effect of sales promotion on consumer buying intention. Her study was conducted on commercial bank of Ethiopia. The researcher concluded that point of sale display; coupon and premiums positively and significantly affects consumer buying intention.

2.3 Conceptual Framework

This study investigated the effect of sales promotion on consumers' buying intention. It only considers four sales promotion techniques that are currently adopted by the company under study: Sammakka Stones PLC. These are a credit sale; price discounts; after sales delivery and free sample.

Figure 2: Conceptual framework

Independent Variables

(Sales Promotion Tools)

- **Credit Sale**
- **Price Discount**
- **After Sales Delivery**
- **Free Sample**



Dependent Variable

Consumer Buying Intention

CHAPTER THREE

3. RESEARCH METHODOLOGY

3.1 Research Approach

Since respondents are expected to give answers based on their perceptions the study used qualitative research method to answer the research questions. As to (Silverman D., 2015) qualitative research is a type of scientific research that is used to uncover trends in thought and opinions, and dive deeper into the problem. Qualitative Research is primarily exploratory research. In this regard the paper tried to explain the relationship between the promotional tools the company uses and consumer buying intention.

3.2 Research Design

This study used causal research design, also called explanatory research to study the effect of sales promotion on consumer buying intentions. Causal research, also called explanatory research is the investigation of cause and effect relationships. To determine causality, it is important to observe variation in the variables (dependent variables) assumed to cause the change in the other variable (dependent variable), and then measure the changes in the other variable or the dependent variable (Bryman A., 2005).

3.3 Target Population

The target population of the study is customers of Sammakka Stones PLC. Sammakka Stones PLC currently has 115 regular customers. Out of the 115 customers 108 of them are located in Addis Ababa and the remaining 7 of them are located outside of Addis Ababa. Moreover 29 of them are wholesalers, 27 of them are retailers and 52 of them are end users.

Table 1: Description of Population

Category	Location		Total
	Addis Ababa	Out of Addis Ababa	
Wholesaler	29	1	30
Retailer	27	4	31
End User	52	2	54
Total	108	7	115

Source: Sammaka Stones PLC (2020)

3.4 Sample Size and Sampling Technique

The sampling technique used for this study is simple random sampling technique. All members of the population had an equal chance of participating in the study. This is contrary to non-probability sampling, because all member of the population has a known, non-zero chance of being selected to participate in the study.

Out of the 115 customers 89 has been randomly selected using the following standard formula.

$$n = N * [(Z^2 * p * (1-p) / e^2) / (N-1 + (Z^2 * p * (1-p) / e^2))]$$

Where:

n = the sample size

N= population (115)

Z = standard error associated with the chosen level of confidence (For 95% confidence = 1.96)

e= acceptable sample error (0.05)

p = probability of success (assume it is 0.5)

$$n = 115 * [(384.16) / (198.16)]$$

$$n = 115 * 0.77$$

$$n = 88.68$$

3.5 Data Collection Methods

Data is collected from both primary and secondary data sources. The primary data for this study is collected in the form of self-administered structured questionnaire. This data collection was selected because it is a quick method of data collection and less time consuming. In order to gather data about the perception of customers towards the promotional tools that are used by the company, a five-point Likert scale questionnaire of an English version is used. The questionnaire has three parts in which the first part is about the basic personal information of the respondents. Part two of the questionnaire consists of items on consumer buying intention whereas; part three focuses on sales promotional techniques. A five-point Likert scale ranging from strongly disagree = 1 to strongly agree = 5 is used to measure the items. The questionnaire was administered to the target population through personal contact by the researcher.

Before the main survey a sample of 20 respondents were selected for pre testing the questionnaire. Pre-testing the questionnaire is important to check the clarity and understandability of the questionnaire and to identify and modify the items which need modification.

Secondary data is collected from books, journals, website and related articles that are related to the study.

3.6 Methods of Data Analysis

The data collected from the respondents through self-administered questionnaire is analyzed using STATA software package. Statistical tools such as mean score, correlation, and linear regression are used in analyzing of the data. Only questionnaires that are fully completed and returned are used in the analysis.

The study used the following linear regression model to analyze the effect of sales promotion on consumer buying intention.

$$CBI = \alpha + \beta_1 PD + \beta_2 CS + \beta_3 ASD + \beta_4 FS + \varepsilon$$

Where:

- CBI: - Consumer Buying Intention
- PD: - Price Discount
- CS: - Credit Sale
- ASD: - After Sales Delivery
- FS: - Free Samples

3.7. Ethical Considerations

Ethics are norms of intention that guide moral intention in human relationships. According to (Bryman A. and Bell E., 2007), ethics in business research deals with the following areas: confidentiality, anonymity, informed consent, invasion of privacy and deception. Anonymity refers to concealing the identity of the participants in all documents resulting from the research and confidentiality is concerned with who has the right of access to the data provided by the participants. By considering this, the researcher assures that the purpose of the research paper and confidentiality of any information on the introductory part of the questionnaire. In addition to this, respondents in the study were voluntary and the research objectives were explained to all respondents. Any information collected from the respondent's will not be used for any other purpose other than academic purpose. Confidential information of the institutes will not be disclosed.

3.8. Validity and Reliability

Validity of the instrument

According to (Kothari C., 2004), sound measurement must meet the tests of validity, reliability, and practicality. Validity refers to the extent to which a test measures what we actually wish to measure.

In order to ensure the content of validity of the items incorporated in the instrument, relevant literature and similar studies were reviewed to construct the items under each variable. Moreover, before distributing the questionnaire, the researcher gave the questionnaire to the

advisor for constructive comment and necessary corrections were made on the instruments based on the advisor's comments.

Reliability Test

The study used Cronbach's alpha to test reliability of both the dependent and independent variables and found a coefficient of 0.7942 (see annex). A Cronbach's alpha score of greater than 0.7 is considered acceptable (Mohsen T. & Reg D., 2008).

CHAPTER FOUR

4. DATA PRESENTATION AND ANALYSIS

4.1. Introduction

From the total 89 questionnaires distributed to the respondents 84 (94.38%) questionnaires were collected and the remaining 5 (5.61%) questionnaires were not collected. Out of 84 collected questionnaires 4 questionnaires were incomplete. Hence out of the total distributed questionnaires 80 (89.89 %) were used for analysis and the remaining 9 (10.11 %) were discarded. According to (Willimack E., 2002) response rates for questionnaire surveys of business ranging from 50 to 65 per cent are significant for further analysis. Therefore, response rate of 89.89 % is significant for further analysis.

4.2. Demographic Analysis of the Respondents

This section discusses about the general characteristics of the respondents; the customers' type and their experience using Sammaka stones products.

Table 2: Respondents' demographic profiles

Demographic characteristics	Description	Frequency	Percentage
Customer Type I	Individual customer	17	21.25
	Corporate customer	63	78.75
	Total	80	100
Customer Type I	Wholesaler	19	23.75
	Retailer	22	27.50
	End user	39	48.75
	Total	80	100
Experience using Sammaka stones products	More than 10 years	29	36.25
	More than 5 years	38	47.50
	Under 5 years	13	16.25
	Total	80	100

Source: survey result (2020)

Out of the 80 respondents 78.75 % of them are corporate customers. The remaining 21.25 % of them are individual customers. This shows that the majority of Sammaka stones PLC's customers are corporate customers.

On the other hand out of the 80 respondents 23.75 % of them are wholesalers, 27.50 % of them are retailers and 48.75 % of them are end users. This indicates that the majority of Sammaka stones PLC's customers are end users.

Regarding experience using Sammaka stones products out of the 80 respondents 36.25 % of them have been using Sammaka stones products for more than 10 years, 47.50 % of them have been using Sammaka stones products for more than 5 years and 16.25 % of them have been using Sammaka stones products for less than 5 years. This indicates that the majority of Sammaka stones PLC's customers have been using the company's products for a minimum of 5 years and they know the promotional practice of the company very well.

4.3 Descriptive Analysis

The descriptive analysis was done using descriptive statistics by computing mean score and standard deviation to get the average response of the respondents for each variable. For discussion purpose the mean scores are interpreted as follows.

Table 3: Mean Score Interpretation

Mean score	Interpretation
4.51 – 5	Very good/excellent
3.51 – 4.50	Good
2.51 – 3.50	Average/moderate
1.51 – 2.50	Poor
1 – 1.50	Very poor

Sauce: Norasmah and Sabariah (2011)

Table 4: Mean and standard deviation of variables

Variable	Obs	Mean	Std. Dev.	Min	Max
PriceDiscount	80	2.244643	.4648279	1.714286	3
CreditSales	80	3.525	.6740624	2.5	4.5
AfterSales-y	80	3.031944	.601398	2.111111	3.888889
FreeSamples	80	3.784375	.5406626	2.75	4.25
CustomerBu-t	80	3.415	.7535738	2.4	4.8

Source: sample survey (2020)

Table 4 shows that price discount has a mean score of 2.24 which means that on average customers of the company have a poor perception of the price discount scheme of the company. A standard deviation score of 0.46 shows that the average response of respondents for credit sale is between 1.78 and 2.84.

A mean score of 3.53 for credit sales shows that on average the customers of the company have a good perception of credit sale. A standard deviation score of 0.67 shows that the average response of respondents for credit sale is between 2.86 and 4.20.

A mean score of 3.03 for after sales delivery shows that on average the customers of the company have a moderate perception of after sales delivery. A standard deviation score of 0.60 shows that the average response of respondents for after sales delivery is between 2.43 and 3.63.

A mean score of 3.78 for free samples shows that on average the customers of the company have a good perception of free samples. A standard deviation score of 0.54 shows that the average response of respondents for free samples is between 3.24 and 4.32.

A mean score of 3.42 for after consumer buying intention shows that on average the customers of the company have a moderate buying intention. A standard deviation score of 0.75 shows that the average response of respondents for consumer buying intention is between 2.67 and 4.17.

4.4 Inferential Analysis

4.4.1 Correlation Analysis

Pearson correlation analysis is conducted to analyze the strength of correlation between consumer buying intention and sales promotion tools. This coefficient can take on any value

between 1 and -1. A value of 1 represents a perfect positive correlation where as a value of -1 represents a perfect negative correlation (Saunders, L. & Thornhill A, 2009). Furthermore according (Robson C., 2002) correlation coefficients are further classified in detail as follows:

- 0.00 - 0.19 - slightly/negligibly correlated
- 0.20 - 0.39 - weakly correlated
- 0.40 - 0.69 - moderately correlated
- 0.70 - 0.89 - highly correlated
- 0.90 - 1.00 - very high correlated
- 1.00 is perfectly and positive correlated

Table 5: Correlation table

	CustomerBu~n	PriceD~t	Credit~s	AfterS~y	FreeSa~s
CustomerBu~n	1.0000				
PriceDisco~t	0.6210	1.0000			
CreditSales	0.4217	0.4012	1.0000		
AfterSales~y	0.6640	0.2870	0.7815	1.0000	
FreeSamples	0.7311	0.2205	0.4283	0.4986	1.0000

Source: sample survey (2020)

According to the above correlation table free samples is highly correlated with consumer buying intention with a correlation coefficient of 0.7311. Price discount, after sales delivery and credit sales are moderately correlated with consumer buying intention with a correlation coefficient of 0.6210, 0.6640 and 0.4217, respectively.

4.4.2 Regression Analysis

4.4.2.1. Testing Assumptions of Classical Linear Regression Model (CLRM)

Test for average value of the error term is zero ($E(u_t) = 0$) assumption

The first assumption required is that the average value of the errors is zero. In fact, if a constant term is included in the regression equation, this assumption will never be violated. Therefore, since the constant term (i.e. α) was included in the regression equation, the average value of the error term in this study is expected to be zero.

Test for absence of series multicollinearity assumption

This assumption is concerned with the relationship exist between explanatory variables. If an independent variable is an exact linear combination of the other independent variables, then we say the model suffers from perfect collinearity, and it cannot be estimated by OLS (Brooks C., 2008).

Multicollinearity condition exists where there is high, but not perfect, correlation between two or more explanatory variables (Wooldridge J., 2006). According to (Churchill M. 2005), when there is multicollinearity, the amount of information about the effect of explanatory variables on dependent variables decreases. According to (Gujarati D., 2004), the standard statistical method for testing data for multicollinearity is analyzing the explanatory variables correlation coefficients (CC); condition index (CI) and variance inflation factor (VIF). Therefore, in this study VIF of all independent variables shows a maximum of 1.78 (see annex), which makes it free from multicollinearity.

Test for absence of series heteroscedasticity assumption

A Breusch-Pagan / Cook-Weisberg test for heteroskedasticity was used and a p value of 0.0028 was obtained, which means that the data is free of heteroskedasticity (see annex).

4.4.2.2. Results of Regression Analysis

In order to answer the research questions simple classical linear regression model (CLRM) is employed. This is because if the assumptions hold true, then the estimators determined by the model will have a number of desirable properties, and are known as Best Linear Unbiased Estimators (BLUE) (Brooks C., 2008).

On the regression outputs the beta coefficient may be negative or positive; beta indicates that each variable's level of influence on the dependent variable. P-value indicates at what percentage or precession level of each variable is significant. Adjusted R^2 value indicates the explanatory power of the model (Brooks C., 2008).

This study used a regression model to analyze the effect of sales promotion on consumer buying intention. The model was regressed and results are discussed as follows.

$$\text{Model: CBI} = \alpha + \beta_1 \text{IPD} + \beta_2 \text{CS} + \beta_3 \text{ASD} + \beta_4 \text{FS} + \varepsilon$$

Table 6: Regression analysis

Source	SS	df	MS	Number of obs = 80		
Model	88.2167793	4	22.0541948	F(4, 75) =	40.18	
Residual	41.1707207	75	.548942942	Prob > F =	0.0000	
				R-squared =	0.6818	
				Adj R-squared =	0.6648	
Total	129.3875	79	1.63781646	Root MSE =	.74091	

ConsumerBu~n	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
PriceDisco~t	.6540176	.0896329	7.30	0.000	.4754598	.8325755
CreditSales	.0978921	.2560536	0.38	0.703	-.4121928	.607977
AfterSales~y	1.189064	.0939498	12.66	0.000	1.001906	1.376222
FreeSamples	.5286142	.0882763	5.99	0.000	.3527587	.7044696
_cons	4.349364	1.03968	4.18	0.000	2.278216	6.420513

Source: sample survey (2020)

According to Table 6 the adjusted R-squared is 0.6648 which means that 66.48 % of the total variation on consumer buying intention is caused by a change in the explanatory variables taken altogether. A p value of 0.000 indicates that the model is good fit at 1 % level of significance.

Table 6 also shows that price discount, after sales delivery and free samples are significant at 1 % level significance with a p-value of 0.000. The regression table also shows that credit sale is insignificant with a p-value of 0.703. Moreover a coefficient of 0.6540176 for price discount means that a 1 % increase in customers' perception of price discount will lead to a 65.4 % increase in consumers' buying intention. Similarly a coefficient of 1.189064 for after sales delivery means that a 1 % increase in customers' perception of after sales delivery will lead to a 118.9 % increase in consumers' buying intention. Likewise a coefficient of 0.5286142 for free samples means that a 1 % increase in customers' perception of free samples will lead to a 52.9 % increase in consumers' buying intention. In contrary although there is a positive relationship between credit sale and consumers' buying intention with a coefficient of 0.0978921, it does not necessarily mean that an increase in customers perception of credit sale will lead to an increase in consumers' buying intention since the p value for credit sale is 0.703 which is insignificant.

4.5 Discussion of the Regression Results

The effect of price discount on consumer buying intentions

According to table 4.5 price discount has a positive and significant effect on customer satisfaction with a p-value of 0.000 (1 % level of significance) and a coefficient of 0.6540176. This indicates that other things remaining constant a 1 % increase in customers' perception of price discount will lead to a 65.4 % increase in consumer buying intention.

Likewise (Ansari, S. 2011), (Ajan S., 2015) and (Darko E., 2012) have concluded that price discount has a positive and significant effect on consumer buying intention. Conversely (Gilbert et.al, 2002) and (Aurangzeb et.al, 2014) have concluded that price discount has a positive but insignificant effect on consumer buying intention.

The Effect of Credit Sales on Consumer Buying Intentions

According to table 4.5 credit sales has a positive but insignificant effect on customer satisfaction with a p-value of 0.703. This indicates that credit sale has an insignificant effect on consumer buying intention.

Similarly (Gilbert et.al, 2002) and (Ndubisi N., 2006) have concluded that credit sale has a positive but insignificant effect on consumer buying intention. In contrary (Anon M., 2015), (Aurangzeb et.al, 2014) and (Ngolanya M. et.al, 2006) have concluded that credit sale has a positive and significant effect on consumer buying intention. On the contrary

The Effect of After Sales Delivery on Consumer Buying Intentions

According to table 4.5 after sales delivery has a positive and significant effect on customer satisfaction with a p-value of 0.000 (1 % level of significance) with a coefficient of 1.189064. This indicates that other things remaining constant a 1 % increase in customers' perception of after sales delivery lead to an increase in consumer buying intention by 118.9 %.

Correspondingly (Anon M., 2015), (Aurangzeb et.al, 2014) and (Mehmood N., 2014) have concluded that after sales delivery has a positive and significant effect on consumer buying

intention. Contrarily (Ansari S., 2011) has concluded that after sales delivery has a positive but insignificant effect on consumer buying intention.

The Effect of Free Samples on Consumer Buying Intentions

According to table 4.5 free samples has a positive and significant effect on customer satisfaction with a p-value of 0.000 (1 % level of significance) with a coefficient of 0.5286142. This indicates that other things remaining constant a 1 % increase in customers' perception of free samples will lead to an increase in consumer buying intention by 52.9 %.

Likewise (Ajan S., 2015) and (Ndubisi N., 2006) have concluded that free sample has a positive and significant effect on consumer buying intention. On the other hand, (Anon M., 2015) and (Ngolanya M. et.al, 2006) have concluded that free sample has a positive but insignificant effect on consumer buying intention.

The findings of this study show that price discount, after sales delivery and free samples have a positive and significant effect on consumer buying intention. It is also concluded that credit sale has a positive but insignificant effect on consumers' buying intention.

CHAPTER FIVE

5. SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of Findings

The purpose of this study was to study the effect of sales promotion tools on consumer buying intentions. Four sales promotion tools were considered. These are price discount, credit sale, after sales delivery and free samples. The study used qualitative research method to investigate the effect of each promotional tool on consumer buying intention. Primary data was collected using a 5 point likert scale questionnaire. 89 questionnaires were distributed and 80 were found to be eligible for further study. The collected data was analyzed using descriptive statistics, correlation and regression analysis.

Out of the 89 respondents 78.75 % of them were corporate customers. On the other hand the majority of the respondents were end users with a percentage of 48.75 %. Regarding experience in using the company's products 83.75 % of the respondents have been using the company's product for at least five years.

The mean scores of the variables showed that customers of Sammaka stones PLC have a poor perception of price discount. Moreover it is also noted that customers of Sammaka stones PLC have a good perception towards credit sale and free sample and a moderate perception of after sales delivery.

The correlation analysis showed that consumer buying intention to be highly correlated with free sample and moderately correlated with price discount, credit sale and after sales delivery.

The regression analysis showed that price discount, after sales delivery and free samples have a positive and significant effect on consumers' buying intention with 1 % level of significance. The analysis also showed that credit sale has a positive but insignificant effect on consumers' buying intention.

5.2 Conclusion

Based on the findings it is concluded that sales promotion has a positive effect on consumers' buying intention. It is also concluded that price discount, after sales delivery and free samples have a positive and significant effect on consumers' buying intention. In the contrary it is also concluded that credit sale has a positive but insignificant effect on consumer buying intention.

5.3 Recommendations

Based on the conclusions the following recommendations are drawn:-

- It would be highly beneficial to review the price discount procedure of the company to make it appropriate to all customers and quantity levels.
- The company is also recommended to assess the amount of the discount on its products.
- It would also be wise to examine the mechanism in which information is delivered to customers about after sales delivery services to make sure that adequate information is provided.
- The company should investigate the communication it maintains with its customers after transactions and make it as open as possible.
- The company must review the period it allows customers to settle the credit they owe.
- The company should assess its communication mechanism and information distribution tolls about the availability of free samples.

5.4 Implication of Future Research

The results obtained from this study can be considered as a fundamental groundwork to future research. The study is conducted on Sammaka stones PLC customers found in Addis Ababa. Future researchers who want to investigate in similar area may include other geographical areas as well. Moreover future studies may consider other promotional tools or use a different model.

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Annex I: Questionnaire

St. Mary's University College of Graduate Studies

Dear respondents,

This questionnaire is prepared for research purpose entitled the effect of sales promotion on consumer buying intention. This study is conducted for the partial fulfillment of Master of Arts in Marketing Management from St. Mary's University.

This questionnaire consists of six sections: Section 1 deals with the general profile of the respondent, while Section 2 covers questions related with price discount. Section 3 deals with credit sales. Section 4 is about after sales delivery and Section 5 deals with free samples. Section 6 deals with consumers' buying intentions

The information you provide in this study will be used for the academic purpose only and it will be held strictly confidential. I appreciate your voluntary and valuable participation in this study. I thank you in advance for sharing your valuable experience and time by completing the questionnaire and assist me in my educational endeavors.

Kirubel Birhanu

Section 1: General Information

Direction: Please select the appropriate response category by encircling the number against each question

Customer Type

- I. 1 Individual customer 2 Corporate customer
- II 1 Wholesale 2 Retailer 3 End user
- III. Experience in using Sammaka Stones products:
 - 1 more than 10 years 2 more than 5 years 3 under 5 years

Section 2: Price discount

Direction: Please indicate your degree of agreement/disagreement with the following statements related to your perception ticking in the appropriate spaces. (1=strongly disagree (SDA); 2=Disagree (DA); 3= neither agree nor disagree (N); 4=Agree (A); and 5=strongly agree (SA).

2	Price discount	1	2	3	4	5
2.1	Sammaka Stones provides price discounts to promote its products					
2.2	Sammaka Stones’ price discount is fair to all customers					
2.3	Sammaka Stones’ price discount is adequate					
2.4	Sammaka Stones’ price discount is timely					
2.5	Sammaka Stones’ price discounts are appropriate for all quantity levels					
2.6	Sammaka Stones PLC’s price discount stays for an adequate time					

3	Credit sales	1	2	3	4	5
3.1	Sammaka Stones’ provides credit sales to its customers					
3.2	Sammaka Stones’ provides adequate time for customers to settle their credit					
3.3	Sammaka Stones’ credit sales are consistent across all customers					
3.4	Sammaka Stones’ informs customers about the availability of credit sales					
3.5	Sammaka Stones’ provides credit sales with adequate amount					
3.6	Sammaka Stones credit sales periods stays for adequate time					

4	After Sales Delivery	1	2	3	4	5
4.1	Sammaka Stones maintain customers by providing long lasting after sales service					
4.2	Sammaka Stones provides adequate information about after sales delivery service					
4.3	Sammaka Stones accepts returned damage items from customers positively					
4.4	Sammaka Stones employees are responsive for customers service enquiry after sales					
4.5	Sammaka Stones after sales delivery service is provided within a reasonable time					
4.6	Sammaka Stones makes appropriate refund for damaged items					
4.7	Sammaka Stones provides Transport / delivery service to sold products					
4.8	Sammaka Stones maintains open communication with its customers after transaction					
4.9	The after sales delivery service provided by Sammaka Stones solves customers problem					

5	Free samples	1	2	3	4	5
5.1	Sammaka Stones provides free trial of products to promote its products					
5.2	Sammaka Stones create good awareness about products by providing free samples					
5.3	Sammaka Stones promotion staffs provides adequate information about free sample offers					
5.4	Sammaka Stones employees are responsive for customers enquiry regarding free sample offers					

6	Consumer buying intention	1	2	3	4	5
6.1	I testify to others about the company's products					
6.1	Sammaka Stones is my first choice					
6.3	I will probably continue using the company's products					
6.4	I recommend other to use Sammaka Stones' products					
6.5	I have no intention of switching to other companies other than Sammaka Stones.					

Annex II: STATA output of Cronbach's alpha

```
. alpha PriceDiscount CreditSales AfterSalesDelivery FreeSamples CustomerBuyingI  
> nt
```

```
Test scale = mean(unstandardized items)
```

```
Average interitem covariance:      .1648444  
Number of items in the scale:      5  
Scale reliability coefficient:      0.7942
```

Annex III: STATA output of VIF

```
. vif
```

Variable	VIF	1/VIF
AfterSales~y	1.78	0.560352
PriceDisco~t	1.67	0.600413
FreeSamples	1.27	0.786696
CreditSales	1.06	0.942076
Mean VIF	1.45	

Annex IV: STATA output of heteroskedasticity test

```
. estat hettest
```

```
Breusch-Pagan / Cook-Weisberg test for heteroskedasticity  
Ho: Constant variance  
Variables: fitted values of ConsumerBuyingIntention  
  
chi2(1)      =      8.92  
Prob > chi2  =      0.0028
```