



**THE EFFECT OF SALES PROMOTION ON CONSUMER BUYING
BEHAVIOR: THE CASE OF RAINBOW FOAM AND PLASTIC**

By

Yednekachw Wujira

*A Thesis submitted to St. Mary University School of commerce graduate
studies for the Partial Fulfillment of the required for the Award of Masters
of Arts Degree in Marketing Management*

Advisor: Temesgen Belayneh (PhD)

July, 2023

Addis Ababa, Ethiopia

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Department of Marketing Management

(Approval Sheet)

The Effect of Sales Promotion on Customer Buying Behavior
(The case of Rainbow Foam and Plastic)

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DECLARATION

I hereby declare that this study entitled “*The effect of sales promotion on consumer buying behavior: the case of rainbow foam and plastic*” is my original work prepared under the guidance of my advisor Temesgen Belayneh (Ph.D.). This paper is submitted in partial fulfillment of the requirement for the award of Master of Arts Degree in Marketing Management and it has not been previously submitted to any diploma or degree in any college or university. I would like also to confirm that all the sources of materials used in this study are duly acknowledged.

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Statement of Certification

This is to certify that **Yednekachw Wujira** has carried out a research work entitled *The Effect of Sales Promotion on Customer Buying Behavior (The case of Rainbow Foam and Plastic* This thesis is his original work and is suitable for submission for the award of Master's Degree in Marketing Management.

Advisor: Dr. Temesgen Belayneh

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ACRONYMS

Mcoup-Mean of coupon

Mpridis-Mean of price discount

Mpre-Mean of premium

ANOVA- Analysis of Variance

SPSS- statistical package for social science

ABSTRACT

The study attempted to examine the effect of sales promotions on customer buying behavior for Rainbow foam and plastic. The populations studied were Rainbow foam customers and plastic in Addis Ababa. A quantitative research approach was chosen by choosing a sample size of 230. Primary data was collected using questionnaires from customers of the product, then 220 responses were collected, a descriptive and explanatory study design was used. data were collected, carefully processed, encrypted, coded using a spreadsheet and analyzed with SPSS version 26.0. The analysis results showed that the coupon, discount and premium were identified as factors that determine their buying behavior. Consistent with the existing empirical literature, the results of this study confirmed the well-known relationship between the consumer buying behavior and sales promotions. The result of the study showed that coupon, price discount and premium(gift) have a significant connection with the consumer buying behavior, whereby depending on the result, the premium(gift) sales promotion system has the strongest positive connection with consumer buying behavior, while price discount have the second largest sales promotion tools that have a positive effect on customer buying behavior. With these insights, the study provides several conclusions to increase the consumer buying behavior of Rainbow foams and plastics and recommends the company to intensify the use of sales promotion activities as customers have shown great interest and are strongly influenced by the sales promotion activities.

KEY WORDS: *Sales promotion, coupon, price discount, premium (gifts), and Consumer buying behaviour*

CHAPTER ONE

1. INTRODUCTION

1.1. Background of the study

The ultimate objective of every business is to increase the sale of goods or services that it deals in (Kotler, 1998). Many of the purchase situations are so common and habitual that they involve very little cognitive activity of the consumers. In such situations, motivating the consumers to switch brands or purchase more items is very hard. One of the benefits of promotions is that they stimulate the consumers to compare different brands and evaluate the purchase possibilities in such cases (Wathieu & Murre, 2007). Sales promotion is one of the strategies to attract customers to buy more or try the product or service. Now a days people are conscious to look for the best one and that is why their fluctuating mind may switch on to new brands with a simple stimulus. In this case an extra incentive can be added to a product by different promotional activities (Kumar, 2007).

Attracting new customers has become very important in modern business in addition to loyalty, as the cost of maintaining consumers is less than the cost of attracting new customers. Firms therefore have to rethink the relationship between attitude and behavior of their consumers if they must be competitive and survive. According to (Romdonny, Juju, Jusuf and Rosmadi 2018) to maintain customers, of course business people must be able to know the tastes of consumers, especially from the social psychological aspects and customer culture which can change at any time. And all businesses need to communicate to the consumer what they have to offer, and in an attempt to communicate, promotion is necessary.

To stay within the modern competitive world each firm engaged in sales promotion activities. According to American Marketing Association (AMA) sales promotion is those marketing activities other than personal selling, advertising, publicity that stimulate consumer purchasing and dealer effectiveness such as display, shows and exhibitions, demonstrations and various non-recurrent selling efforts not in the ordinary routine.(Agbonifoh, Nnolim, D. A , & Nkamnebe, A.D, 2007) also defined sales promotion as a direct inducement which offers an extra value or incentive for product to the sales force, distributors, or the ultimate consumers. Sales promotion is a technique used by marketers to motivate consumers to buy the promoted product. Sales

Promotion is a tool of marketing which is used to attract consumers in order to temporary increase the sales of the company and attract new customers and retain the old ones. Sales Promotion is one of the most widely used tools in marketing world. It can be said that many of the marketing activities that we see around the world is linked with sales promotion (Bhatti, 2018). One of the benefits of sales promotion is that it gives consumers to think and differentiate between the offerings of the brand. Sales Promotional tools usually involve discounts, coupons, free items and samples. Sales promotion is the core of integrated marketing communications. Different types of promotional stated that the intention of promotional activities should be to retain consumers and attract new consumer group. According to (Salelaw & Singh, 2016), sales promotion is a direct incentive of providing value added product or bonuses to the consumers and the distributors. The sales technique also encourages and plays with the minds of the consumers by inducing them towards the purchase of products or services in bulk quantity. The sales promotional activities are time oriented and boost the sales of the company for a short period of time.

Now a day different firms and marketers utilize different sales promotion strategies (like price discount, point of purchase (POP), coupons and also contests and sweepstakes) to shift consumer buying behavior. Achumba, (2002) also identified the objectives of sales promotions to counter the moves of competitors, incentives to attract new customers, to change consumers buying behavior, to encourage sales force for greater efforts, to give a positive image to a product and to suggest new users for products.

In the recent times, even if advertising has been the “glamorous promotional implement, attracting much managerial attentions in many forms, now the dynamic situation had changed as expenditures incurred for sales promotions have rapidly increased more than the initial outlays in most organizations compared to advertising expenditures. (Familmaleki 2015), stated that manufacturers allocate around 75 percent of their marketing communication budget to sales promotion to influence the consumer behavior. The main reason is that sales promotion is being integrated to the total marketing strategy in many organizations as it is introduced at the inception of a campaign as against tackling afterward changes in the marketing environment which exhibits upward pressure on the need for sales promotion (Gbolagade, 2013). For companies who fail to look at consumers as the King and their buying behavior will have no

share in the competitive market and as such will be on its way to total decline thereby losing out in profits. These companies will also not be attractive for investors and will be left with no other option but to divest or harvest their product. The greater the satisfaction received by consumers and the higher the value of customer loyalty, the greater the profits the company will get (Romdonny & Rosmadi, 2019).

1.2. Background of the company

Rainbow Foam and Plastic industry P.L.C. is a private limited company located in Addis Ababa Ethiopia. It was established in 1996 G.C, and it is a family owned company, run jointly by two brothers. It is engaged into two main business lines. This first aspect of production line includes mattresses, pillows and cushions, rebounded foam (known also as bonded foam), foam sheets, custom-made foam and scraps. In addition, the company provides duvets and sleeping fabrics as well as comforters.

The second sphere of activity within the company's furniture infrastructure department, and their products include sofas and chairs, desks, kitchen cabinets, bed frames, home decor, and home lighting fixtures.

The research will only focus on the first aspect of the company business which is the production of mattresses, pillows and cushions, rebounded foam (known also as bonded foam), foam sheets, custom-made foam and scraps.

1.3. Statement of the problem

The basic belief of marketing-oriented company is that the customer is the hub around which the business revolves. Therefore, understanding what makes people in general buy and what makes customer in particular buy is a vital part of business success. This implies that in ever-changing marketing environment, there is a growing concern or awareness among marketers to go for a careful study of the consumer buying behavior around which all promotional activities are made.

Sales promotion is one of the most important components of marketing mix, and it is designed to stimulate consumers to take direct and immediate action in purchasing a product more quickly, more frequently and in greater quantities than in the absence of promotion by creating an incentive (Agbonifoh, 2007 ;Gilbert, 2002). Sales promotion is frequently used marketing tool

by marketers such as buy one, get one free, price reductions, coupon or rebate and others like free samples & bonus pack (Shamout, 2016). According to (Kotler 2008), it has now become a challenge for marketers to manage their own and their stakeholder's investments wisely so that they gain maximum profit as well as increased market share because it has become hard for them to decide that either they should focus and invest on long term benefits such as customer loyalty, or they should focus on short term benefits e.g. drastic increase in sales and increase in customers for a shorter period of time by giving sales promotions and not gaining much profit.

Firms undertake sales promotion for different reason. According to Shimp (2003), sales promotion incentives are provided by the manufacturer to increase sales. Incentives can be used by the wholesale, retail, and member of the chain and consumers to increase sales force. Different literature stated that, sales promotion can affect sales volume from one or more of the following sources: 1) customers switching their purchases from other brands (brand switching) (Bell et al., 1999; Gupta, 1988). 2, current consumers purchasing more quantity of the brand for inventory/stockpiling (Ailawadi & Neslin, 1998). Current consumers accelerating their purchase of the good (purchase acceleration) (Macé & Neslin, 2004). 4, new consumers entering the market (primary demand expansion also called category expansion) (Macé & Neslin, 2004).

Sales promotions are designed for different purposes and different target audiences: retailer, trade, and consumer. Retailer promotions are offered by retailers to consumers to increase sales for the item, category or store. Trade promotions are offered to members of the channel distribution (called the trade) and are designed to stimulate the channel members to offer promotions to consumers (retailer promotions) or the channel member's customers. Consumers Promotions are offered directly to consumers by manufacturers and are designed to stimulate the consumer to make a purchase at some point close to the time of the receipt of the consumer promotion (Taylor, Robert Cameron, & Jeffrey J. Pilarcik, 2010)

Even if different sales promotions are designed, the problem for many firms in general and in rainbow foam and plastic industry in particular is that identifying the most effective sales promotion framework that can influence the purchasing behavior of consumers. By considering this issue as a critical problem, the researcher is motivated to undertake this study.

The study was undertaken by considering different tools of sales promotion and their effect on consumer buying behavior of rainbow foam and plastic product to propose better sales promotional tools for the company which supports the marketing department on how to improve their sales promotion strategy.

1.4. Research Question

In view of the problems, the central question of this study is: What is the effect of sales promotion on consumer buying behavior in rainbow foam and plastic industry? Specifically, the following sub-questions are raised:

- How does premium(gift) affect consumer buying behavior?
- How does price discount affect consumer buying behavior?
- How does coupon affect customers buying behavior?

1.5. Research Objectives

1.5.1. General objective

The general objective of this research is to examine effect of sales promotion on consumer buying behavior in case of rainbow foam and plastic industry

1.5.2. Specific Objectives

The specific objectives of this study would as follows;

- To. examine the effect of premium(gift) on customers buying behavior?
- To examine the effect of price discount on customers buying behavior?
- To examine the effect of coupon on customers buying behavior?

1.6. Significance of the Study

Research on marketing tools is important to understand the most influential tools to compete in the market. With the help of this information, retailers and marketers can utilize their resources to get maximum profit. Therefore, this research will help rainbow foam and plastic Company to understand the effect of sales promotion consumers buying behavior and which tools is more effectively affect the buying behaviour of consumers over the other, Identifying and implementing a better tools will help the company to be the strongest competitor in the foam

industry and to be the profitable one. It also gives deep information about the consumers and their purchasing behavior which is affected differently by different promotional tools.

In addition, for scholars and academic researchers, this study forms a platform on which future research of sales promotion strategies would be established. The study would inform firm's consumers buying behavior and decision process before making a purchase decision and the implications of consumer behavior on sales. The findings would be resourceful in providing viable information to academicians, researchers and profit-making companies on various concepts related to sales promotion strategies.

At the last not the least the finding of this study will also provide empirical literature contribution on the area of sales promotion and consumer buying behavior and also theoretical knowledge contribution on the area of how does sales promotion influence buying behavior of consumers, especially in the context of Rainbow foam and plastic.

1.7. Scope of the Study

This research was scoped theoretically based on studying only one aspect of promotional mix i.e. sales promotion influence on consumer buying behavior, the case of rainbow foam and plastic, Ethiopia. In doing so sales promotion tools was scoped to mainly like; price discount offer, coupon, and premium(gift) that influence consumer buying behavior.

Geographical

For the purpose of this study, an experiment was taken place in Addis Ababa, and the questionnaire was distributed and collected in that specific city.

Theoretical

consumer buying behavior is a far wider term which encompasses dimension or steps like; problem recognition, information searching, evaluation of alternatives, purchase and post purchase decision. However this research was delimited itself to purchase decision dimension of consumer buying behavior, because according to Darok (2012) not all consumer will pass through five dimensions of consumer buying behavior, it will depends on the degree of complexity, risk involved and consumer awareness about the product.

This research was focused on the influence of sales promotion tools on consumer buying behavior. For the purpose of this study, the dependent variable was consumer buying behavior, whereas the independent variable was sales promotional tools like, price discount, coupon, and premium(gift) , because this tools are the more effective over the other, that why this variables were selected.

Methodological

The study used quantitative research approach and both primary and secondary data. Survey data collection method was chosen, where survey data collection is commonly used method of data collecting tool about a population interest. Mainly using a questionnaire, which are typical scale of question used to collect information from individuals.

1.8. Operational definition of terms

Sales promotion-According to (Agbonifoh, Nnolim, & Nkamnebe, 2007), sales promotion is a direct inducement which offers an extra value or incentive for product to the sales force, Distributors, or the ultimate consumers.

Consumer behavior-Consumer behaviors “The study of individuals, groups or organizations and the processes they use to select, secure, use and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society’s.(American marketing association)

Price discount- Manufacturers offer consumers products at reduced price from regular price of a product. Price-offs mean that the manufacturer marks the merchandise that the customer could accurately see that the price is lowered (Fill, 2002).

Coupons - According to (Faitira, Edison, & Kudakwashe, 2012), coupons are legal certificates offered by manufacturers and retailers.

Contests or Sweepstakes - contests is a competition or game in which people try to win. Sweepstakes are Promotional scheme in which prizes are given to winners selected only by Chance (at random) from the entries received (Ward & Hill, R. P, 1991).

Point of sale materials-Is a way of showing product and offerings through in store and out store displays such as menu boards and brochures (Gedenk, Neslin, S. A, & Ailawadi, K. L, 2006).

Premium(Gift)- A premium is an offer of merchandise or services either free or at a low price that is used as an extra incentive for buyers (Belch, 1995)

1.9. Organization of the Paper

This study was structured in five chapters., The first Chapter contains the introductory part basically consisting background of the study, statement of the problem, objectives of the study, significance of the study and scope of the study, The second chapter discuss the literature review about the subject, which includes theoretical review of related literature, empirical review of literatures, research hypothesis, and conceptual framework of the study, Chapter three covered the research methodology. It included description of study area, research approach, Research design, Target Population/, Sample size and Sampling technique, Source of Data and Collection technique, Method of Data Analysis, Ethical Considerations, and Validity and Reliability, In chapter four results and discussions of the study are presented and finally, in chapter five the summary of major findings, conclusions, and recommendation are presented.

CHAPTER TWO

2. REVIEW OF RELATED LITERATURE

2.1. Concept and definition of sales promotion and consumer buying behavior

2.1.1. Promotion

It is necessary to first understand the concept of promotion. Promotion is defined as all activities undertaken to communicate and promote products or services to the target market. These activities include advertising, public relations, personal selling, sales promotion, exhibitions, brochures and demonstrations etc. According to (Kotler, Armstrong, G, & Cunningham, M. H, 2008) sales promotion is important to communicate customer value by creating awareness of the product existence and characteristics.

Promotion informs customers on the products' availability in the market. Promotion is a type of communication between the buyer and the seller. The seller tries to persuade the buyer to purchase their goods or services through promotions. It helps in making the people aware of a product, service or a company. It also helps to improve the public image of a company. This method of marketing may also create interest in the minds of buyers and can also generate loyal customers.

Promotion refers to raising customer awareness of a product or brand, generating sales, and creating brand loyalty. It is one of the four basic elements of the market mix, which includes the four P's: price, product, promotion, and place. According to Philip Kotler Promotion compasses all the tools in the marketing mix to persuade communications. Promotion classifies as personal selling, advertising, sales promotion, and direct marketing publicity and may also include event marketing, exhibitions, and trade shows. 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 (Hudson, Simon & Roth, Martin & Madden, & Thomas &

Hudson, 2015). 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.

2.1.2. Sales promotion

Sales promotion is one of the widely used method of promoting the product and services of the company. Sales promotion is the second most method of communication with the consumer after advertising. The elements that are part of the promotional mix are advertising, direct marketing and personal selling or in other words it is called door to door sales. According to the research of (Adeniran et al., 2016), promotion of sales is directed towards touching the hearts of consumers. Sales Promotion is defined as marketing activities usually specific to a period, place or customer group, which encourage a direct response from consumer or marketing intermediaries, through the offer of additional benefits (Peattie & Peattie, K, 1994). Sale promotions are short term promotional techniques to induce the purchasers to reply for the new product in market or the merchandise that haven't received much attention. The promotional activities are want to increase the sales of the merchandise rather by attracting new customers or by retaining old customers by various means. The sell promotion is directly affect product purchasing, enhancing the worth of the merchandise either reducing the general cost of the merchandise or by adding more benefit to the regular purchasing price.

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

According to(Agbonifoh et al. 2007), sales promotion is a direct inducement which offers an extra value or incentive for product to the sales force, distributors, or the ultimate consumers. With this we realize that sales promotion should be directed to the sales force, middle men, and the ultimate consumer. (Mkanda 2009) defined sales promotion as to consist of a collection of incentives, tools, mostly short designed to stimulate quicker or greater purchase of a particular product or service by consumers or trade. Sales promotion also consists of a collection of incentives, tools, mostly short term designed to stimulate quicker or greater purchase of a particular product or service by consumers or trade (Kotler & Keller, K, 2006). Sales promotion

also refers to any extra incentive manufacturers, retailers, and even not for-profit organizations use that could serve to change a brand perceived price or value temporarily (Shimp T. A., 2010).

One of the benefits which sales promotion provides is that it achieves its targeted goals of the brand by selling the item in no time. The second advantage is that it promotes or encourages the consumer to try the product due to promotional activities. By this, there is a high chance that the consumer would switch from the brand and become loyal to this new brand. It can be said that although this is good benefits of sales promotion, but there are drawbacks of too. One of the disadvantages of doing sales promotional activities is that it is a short-term strategy (Adeniran et al., 2016). The company sales are increased for short period and hence maximum output of generating profits cannot be achieved from this strategy. Besides this, consumers may have high expectation of having promotional activities on a continuous basis. This would make consumers tempted and frustrated as they would only be loyal to the brand when these activities are launched. This strategy not only leads to lose of consumer but also damages the brand image (Ismail & Siddiqui, 2019).

According to (Mendez 2012), and (Orji, Akhaine, Ezinmuo & Boman 2019), there are different ways to classify sales promotions; the most basic is to classify them between trade promotions and consumer promotions. Consumer promotion as defined by (Joseph 2018) as a marketing technique that is used to entice customers to purchase a product. Such promotions usually last for a set period of time and are used to achieve a specific purpose, such as increasing market share or for unveiling a new product. Such consumer promotions tools include sampling, free trials, gifts, contests, and special pricing. (Mendez 2012) also stated that consumer sales promotions take many forms, but are mainly classified as non-monetary and monetary promotions. Monetary promotions refer to monetary incentives, such as coupons, rebates, and discounts, while non-monetary promotions refer to samples, premiums, displays, sweepstakes, and contests.

All these measures normally motivate the customers to buy more and thus, it increases sales of the product. Sales promotion is one of the elements of the promotional mix. Sales promotion uses both media and non-media marketing communications for a pre-determined and limited time to increase consumer demand, stimulate market demand or improves product availability.

Examples include contests and sweepstakes, coupons, freebies, price discounts, loss-leaders, point of purchase displays, premiums, prizes, product samples, and rebates.

2.1.3. Consumer buying behavior

Consumer behavior is a psychological part of an individual which makes the difference in purchasing any goods, services and anything else. The behavior of any consumer depends on many factors which are very important for any marketing management team in any business or any organization which deals in directly to consumers. It is defined as the total amount of attitude, intent and the way a consumer makes his or her decision in the marketplace. Consumer buying behavior is the most discussed topic in marketing research. The consumer behavior is processed through recognizing the consumer need, want, demand and desire so that they can fulfill their physical and psychological need. According to the research of (Orji, 2017), there are many factors which influences the thought process of the consumers in making and purchasing the decision. The marketing team needs to find the pattern by which the consumer makes purchases in their daily life (Bhatti & Akram, 2020).

The American Marketing Association (AMA) defines consumer behavior as the dynamic interaction of cognition, behavior & environmental events by which human beings conduct the exchange aspect of their lives with various social and psychological variables at play. Consumer behavior is “The study of individuals, groups or organizations and the processes they use to select, secure, use and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society’s

Some of the factors which are discussed in marketing research are price, motivation and cultural importance. One of the researchers stated that pricing is the most influential factors which can make or break the final decision for the purchase of good (Bhatti, Saad, & Gbadebo, 2018). Sometimes it happens that many consumers do not purchase the item due to price insensitivity and other testimonials associated with the brand (Bhatti, Saad, & Salimon, 2019). The next item is motivation. The motivation is divided into two parts namely, internal and external factors.

The internal factors are based upon the principal of continuous learning, mindset and attitude. The external factors are based upon the salient features of cultural norms and religious beliefs. The external factor is the riskiest as many companies need to understand the background of the

consumer belief and religious entity (Auf, 2018). One of the most discussed topics in consumer behavior is how to control and better grip the cultural differences that is around the world. Consumer buying behavior is now being understood and studied in terms of religious and cultural importance of the consumers. Many of the products and services which the company offers should be aligned with what the norms are. Many of the company face a lot of issues when delivering products to different parts of the world. The language, lifestyles and cultural plays a big role when studying consumer buying patterns and behavior. So, many of the researchers have emphasized that a proper strategy and conduction of study is necessary for the success of brand and long-term relationship between the consumer and the organization (Samuel, 2017).

2.1.4. Consumer buying process

There are six stages of consumer buying process in which the individual has to go through some steps before making the final purchasing of a product or a service. The study of consumer behavior involves search, evaluation, purchase, consumption and post purchase behavior of the consumers and includes the disposal of purchased products keeping environment and personal characteristics in mind. It is the body of knowledge which studies various aspects of purchase, Productivity and consumption of products and services by individual.

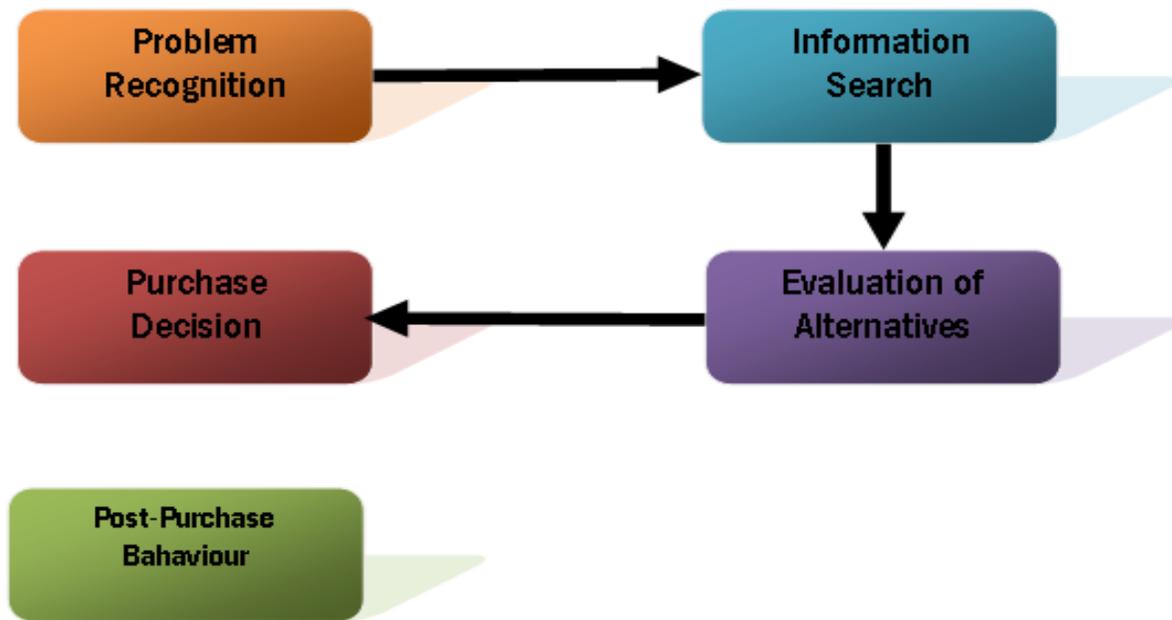


Figure 2.1 The 5-Stage Decision-Making Model (Silverman, 2001)

Need Recognition

The first stage of the buying process is the need recognition. In the first stage, the consumer goes through a series of questions which pertain to his or her requirement of an item. The need recognition is the process through which consumers fulfill their need, demand, and desire. The need is either self-generated or is being influenced by others. For example, being hungry leads to eating or consuming food. It is the first stage of the consumer decision-making process, and it can be explained as a result of an imbalance between actual and desired needs (Lamb, 2011). Interestingly, need recognition may relate to the actual need of a prospective customer for a specific product or service, as well as, 'perceived' customer need imposed by businesses through effective marketing communication strategies. Specifically, the emergence of the latter form of customer need plays an integral role in customer impulse shopping, and accordingly, retailers attempt to create a 'need' in the customer's mind for the products and services they are offering. For instance, 'imposed' needs in a retail environment may include 'need' to be refreshed and energized by consuming a range of soft drinks and energy drinks sold by retailers, as well as, 'need' to follow fashion trends by purchasing specific items sold by retailers. Need is activated with internal or external stimulants (Roberts & Lilien, 1993). Hence, the magnitude and importance of the problem or need are first determined (Schwarz, 2013; Shank, 2009).

Problem recognition The consumer buying decision-making process starts with the problem recognition stage. This stage identifies the difference between the consumer's recognition of needs and wants. It occurs when the consumer senses a significant difference between his or her current state of affairs versus a desired and ideal state. (Solomon, 2006) By collecting information from a number of consumers, marketers need to identify the circumstances that trigger a particular need. (Kotler & Keller, 2015) For instance, a problem recognition might occur when an individual changed the environment to constantly raining weather. Then, a person's need will be to find suitable warm and rain protection cloths as well as an umbrella.

Information Search

The second stage of consumer decision-making process relates to information search, Once a need is recognized by a perspective customer, he would seek for information about the available ways to satisfy the need. It is important to stress that the extent to which the consumer needs to search for information depends on his current information levels and the perceived value of the additional information (Pradhan, 2009).

In this stage, the person starts searching to find the best alternative through internal or external information. The internal information is based upon previous experiences. The external information is based upon getting to know about a certain item through family, friends or word of mouth (Sharma, 2014).

According to Solomon (2006) when the problem has been recognized, consumer needs to find information to resolve it. Information search is the process when a consumer examines his or her environment in order to find suitable data to make a reasonable decision. In practice, information search activity becomes greater when the purchase is important, so there is a need to learn more about the purchase and study different information sources. (Solomon, 2006) Marketers need to understand what kind of information consumers are looking for at different times and locations. (Kotler & Keller, 2015) According to Kotler & Keller (2015) a consumer is able to gather information from the four main groups of information sources. These information sources are divided by personal, commercial, public and experiential sources. However, each information source influences the buying decision and varies according to the product category and the characteristics of the consumer. The commercial source is a marketer-dominated source, where a

consumer receives the greatest amount of information about the product. This source includes advertisements, websites, salespersons, dealers, packaging and displays. However, the most effective sources are personal, public and experiential that tend to be independent authorities. Personal sources are defined by family, friends, neighbors and acquaintances. Information source such as public includes mass media, social media and consumer rating organizations. (Kotler & Keller, 2015)

The experiential source for searching information consists of acts such as handling, examining and using the product itself. In fact, choosing this source of information puts an emphasis on the consumption experience and what a consumer can experience by using the specific kind of product. Thus, it would be based on an individual's own perception of the product through the earlier use of it. (Kotler & Keller, 2015) In addition, the public source, which includes mass media provides an increasingly valuable information towards advertising a specific range of products with consumption benefits to the environment and the world itself. Therefore, consumers become aware of these groups of products and brands through the public sources and are more likely to be engaged in sustainable consumption through purchasing products from a sustainable brand.

Evaluation of Alternatives

During the third stage of consumer decision-making process perspective customers are engaged in evaluation of alternatives. In other words, during this stage consumers consider the relative importance of each attribute of the product-service mix (Reid and Bojanic, 2009). Influencing customer behavior at this stage of decision-making process is critical for retailers in terms of improving their levels of customer attraction and retention. Accordingly, retailers attempt to attract customers with their competitive edges that are usually based in one or more elements of marketing mix. It is worth to be noted that, "the marketing mix principles are controllable variables which have to be carefully managed and must meet the needs of the defined target group" (Kumar, 2010).

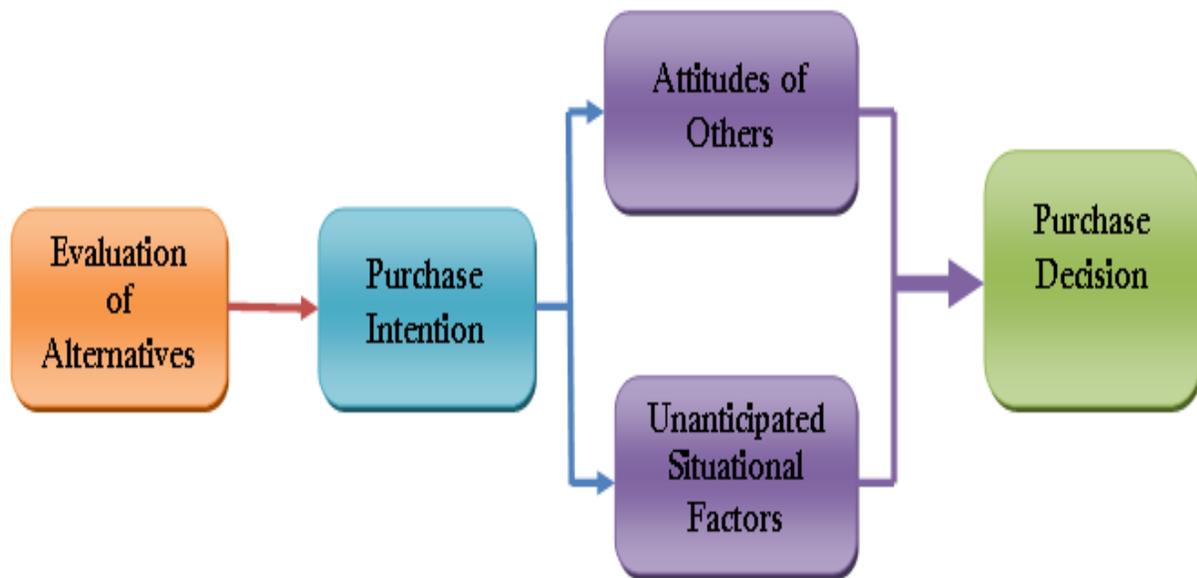


Figure 2.2: Steps between Evaluation of Alternatives and a Purchase Decision (Koter& Keller, 2009)

Purchase Final Decision

Making the purchase corresponds to the fourth stage of customer decision making process. Factors playing significant role on the choice of retailer to make a purchase from at this stage include the level of satisfaction from past shopping experiences, product return policy, store atmosphere and the intensity of time pressure associated with the purchase. Moreover, it has to be stated that if the need is not great and the solutions the consumer finds are not desirable enough to motivate a purchase, the consumer may postpone the purchase until a satisfactory opportunity presents itself (Lake, 2009).

Post-Purchase Behavior

The last stage of customer decision making process involves post- purchase behavior of customers. It goes without saying that the post-purchase phase of the decision-making process is essential for marketers to ensure that consumers are satisfied after the purchase (Ramesh, 2008). The level of satisfaction or dissatisfaction associated with specific shopping experience customer value brand perceptions and the nature of their repeat-purchase behavior. Satisfaction level will affect the future participation and the positive word-of-mouth about the product/event (Shank, 2009). Continuous purchase is ensured if cognitive unconformity is eliminated (Schwarz, 2013).

Consumers may feel uncertain about a purchase after noticing disquieting product features or hearing good recommendations about other brands. According to Kotler & Keller (2015) marketing communications should supply support and beliefs for consumers that reinforce and continually support positive feelings about a purchase. In addition, marketers should monitor consumer behavior from post-purchase satisfaction, post-purchase actions and post-purchase product use and disposal. Satisfaction is a function of the closeness between expectations and perceived performance of the product. The state of customer feelings after a purchase influences greatly a company's brand as it makes the difference if the customer buys the product again in the future and talks positively or negatively about the product features to others. Moreover, marketers should also monitor how buyers use and dispose of the product. Product consumption rate is a key driver of sales 11 frequency the faster buyers consume a product, the sooner they can be back on the market to buy it back. (Kotler & Keller, 2015)

2.1.5. Types of consumer buying behavior

According to Kardes (2011), customer behavior refers to "all activities associated with the purchase, use and disposal of goods and services". This also includes "the consumer's emotional, mental, terms of product differentiation, level of motivation or involvement (interest) and situation and behavioral responses that precede or follow these activities". There are four types of consumer buying behavior on the basis of buyer involvement while purchasing any product.

High Involvement: This means when the consumer is highly involved while buying a product. Generally this situation happens in case of expensive or luxuries goods. Like while buying a diamond necklace a consumer is highly involved.

Low Involvement: This means when the consumer is not highly involved while buying a product. It happens in case of low price goods. Like while buying toothpaste a consumer is not highly involved.

Significant differences between Brands: It means when there are significant differences between brands.

Few differences between Brands: It means when there are very little differences between brands.

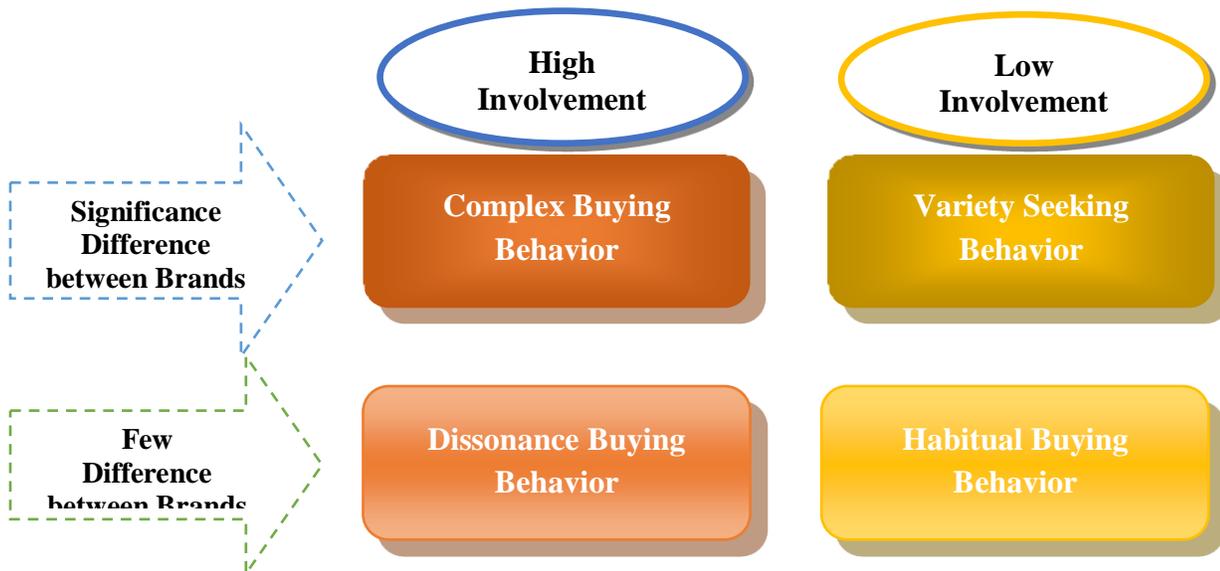


Figure 2.3: Type of Buying Behaviors (Pearson Education, 2012)

Complex Buying Behavior: When a consumer is highly involved in the buying and there is a significant difference between brands then it is called complex buying behavior. So, in this case the consumer must collect proper information about the product features and the marketer must provide detailed information regarding the product attributes.

Variety Seeking Behavior: In this case consumer involvement is low while buying the product, but there are significant differences between brands. Consumers generally buy different products not due to dissatisfaction from the earlier product but due to seek variety. Like every time they buy different washing detergent just for variety. So, it is the duty of the marketer to encourage the consumer to buy the product by offering them discounts, free samples and by advertising the product a lot. This type of consumer is very much involved in the purchase decision and information searching of the brand (A. Bhatti & S. u. Rehman, 2019b). These types of consumer would take their time and do a lot of information search in order to find the best alternative. This consumer would do a lot of traveling and comparing different brand which are available in the marketplace (A. Bhatti & S. U. Rehman, 2019a). Companies need to understand these types of consumer in the marketplace. The concept of shelving is very important in order to entertain

these groups of peoples. The shelf would display a large sum of products in order to attract different category of people

Dissonance Buying Behavior: Here consumer is highly involved in the purchase but there are few differences between brands. Like consumer while buying a floor tiles buy them quickly as there are few differences between brands. This results in the consumer to quickly purchase the brand and hence, consumer loses the ground to even go into more details. This type of behavior is called dissonance buying behavior (Bhatti, Bano, & Rehman, 2019).

Habitual buying behavior: These types of consumers are very stubborn when it comes to choosing the right product. The consumer is very risk averse, and they do very little to buy or even try out a new product. In more easy words, it can be said that the consumer is brand loyal, and they won't switch the brand so easily (Kotler, 2015). This type of consumer has very low involvement with the product.

Kotler & Keller, K, (2006) mentioned that the market for any product category is made up of consumers who differ in their responsiveness to deals. Some consumers are loyal to a single brand in a category and buy only that brand. These on-and off-deal consumers fall into two general categories in to loyalists and switchers.

Loyalists Are consumers whose purchase patterns reflect that they buy the same brand over and over when no brands are on deal (when the category is off promotion).

Switchers Are the consumers who even when all brands in a category are off promotion nonetheless switch among different brands. Kotler P. (2003) refers that consumers have varying degrees of loyalty to specific brands stores, and other entities.

Brand switching Means that a consumer is induced to purchase a brand other than the one that would have been purchased had the promotion not been available.

Purchase acceleration Means that a consumer's purchase timing or purchase quantity is influenced by promotion activities.

2.1.6. Factors Impacting Consumer Buyer Behavior

It has been established that the consumer buying behavior is the outcome of the needs and wants of the consumer, and they purchase to satisfy these needs and wants. Although it sounds simple and clear, these needs can be various depending on the personal factors such as age, psychology and personality. Also, there are some other external factors which are broad and beyond the control of the consumer.

A number of researches have been carried out by academics and scholars on identifying and analyzing those factors affecting the consumers' buying behavior and as a result, various types of factors have been identified. These factors have been classified into different types and categories in different ways by different authors. For instance, (Wiedermann 2007) classified them into internal and external factor. On the other hand, (Winer 2009) divided them into social, personal and psychological factors. Despite the fact that they have been classified into different groups by different authors they are similar in scope and purpose (Rao, 2007).

There is a wide range of factors that can affect consumer behavior in different ways. These factors are divided by Hoyer et al. (2012) into four broad categories: situational, personal, social and cultural factors.

Situational Factors impacting consumer behavior may include location, environment, timing and even weather conditions (Hoyer et al., 2012). In order to benefit from situational factors major retailers attempt to construct environment and situations in stores that motivate perspective customers to make purchase decision. Range of available tools to achieve such an outcome include playing relaxing music in stores, producing refreshing smells in stores and placing bread and milk products in supermarkets towards the opposite end of stores to facilitate movement of customers throughout the store to make additional purchases etc. The temporary nature of situational factors is rightly stressed by (Batra and Kazmi 2008).

Personal factors On the other hand, include taste preferences, personal financial circumstances and related factors. The impact of personal factors on consumer decision-making is usually addressed by businesses during market segmentation, targeting and positioning practices by grouping individuals on the basis of their personal circumstances along with other criteria, and

developing products and services that accommodate these circumstances in the most effective manner.

social factors According to (Hoyer 2012) impacting consumer behavior arise as a result of interactions of perspective consumers with others in various levels and circumstances. Targeting members of society perceived as opinion leaders usually proves effective strategy when marketing products and services due to the potential of opinion leaders to influence behavior of other members of society as consumers.

cultural factors Affecting consumer behavior are related to cross-cultural differences among consumers on local and global scales. Culture can be defined as “the ideas, customs, and social behavior of a particular people or society” (Oxford Dictionaries, 2015) and the tendency of globalization has made it compulsory for cross-cultural differences among consumers to be taken into account when formulating and communicating marketing messages.

2.1.7. BEHAVIOURAL ECONOMICS

Behavioral Economics is how people react, and the economic decisions they make in any given financial framework (Xavier, 2005). Behavioral economics challenges some of the presumptions of conventional economics that consumers make their choices coherently and rationally given their preferences and the constraints upon them. It argues that consumers often act in their own best interests due to behavioral traits such as failure to process information objectively or miscalculations about the costs and benefits of prospective decisions (Xavier, 2005). These biases according to the behavioral economics traits, partly explains the reasons why consumers may be making seemingly irrational decisions in choosing a particular network operators package over the other.

The behavioral economics model bases their emphasis on the final consumer of the product. It argues that consumers usually act on their best interests due to behavioral traits such as failure to process information objectively or miscalculations about the costs and benefits of prospective decisions. However, the buyer is not always the final consumer, but the model failed to include the traits of the buyer who serves as the intermediary between the producers and the final consumer. The buyer who serves as the intermediary may not necessarily buy products or

services based on certain traits or personal characteristics but based on their belief of how fast the products or services can be sold.

2.1.8. HOWARD – SHETH MODEL

This model suggests that there are three levels of consumer decision-making according to (Abdallat and El-Emam 2001). The first level describes the extensive problem-solving of the consumer. The consumer at this level of the decision-making does not have the basic information or knowledge about the brand and does not have any product preference. At this level, the consumer will seek information about all the different brands in the market before making a purchase.

The second level is limited problem-solving. This level is a problem that exists for consumers who have little knowledge about the market or partial knowledge about what they want to purchase. The consumer will arrive at a brand preference after resorting to comparative brand information.

The last level is habitual response behavior. The consumer at this level have information and knows very well about the different brands, and he can differentiate between the different characteristics of each product, and already has a decision which particular product and brand they will purchase (Abdallat and El-Emam, 2001).

The Howard-Sheth model discusses the buyer decision process using four major sets of variables as presented in figure 2.1 below. The four sets of variables are inputs, perceptual and learning constructs, outputs and exogenous or external variables. The Howard-Sheth model of consumer behavior emphasis that the decision-making process takes place at three input stages. These are Significance, Symbolic and Social stimuli. In both significance and symbolic stimuli, the model emphasis is placed on material aspects such as price and quality. These are not applicable in every society in the world. However, in the social stimuli, the model does not mention the basis of the decision-making in this stimulus such as what influences the family decisions. This may differ from society to society. There is also no direct relation drawn on the role of religion in influencing the consumer's decision-making process. Religion is considered as an external variable with no real influence on consumer which is a weakness in the model's anticipation of

the consumer's decision. Also, the model, analyze the buyer as the final consumer; however it is not always the case that, the buyer is the final consumer of the product or service.

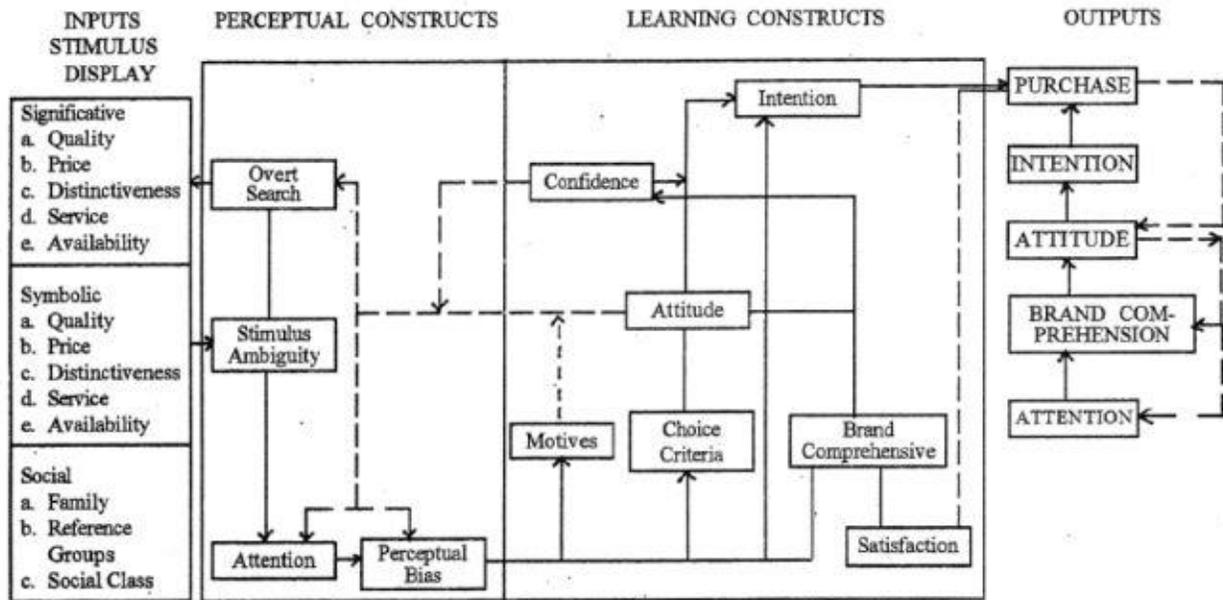


Figure 2.4 Source: Howard, and Sheth (1969).

2.1.9. Sales promotion techniques

2.1.9.1. Contests or Sweepstakes

The main difference between contests and sweepstakes is that contests require entrants to Perform a task or demonstrate a skill that is judged in order to be deemed a winner, while Sweepstakes involve a random drawing or chance contest that may or may not have an entry requirement. Participation in contests is very low compared to sweepstakes, because they require some sort of skill or ability, legal changes and low cost of sweepstakes (Ward & Hill, R.P, 1991). Games such as sweepstakes and lucky draws are used by supermarkets to attract traffic. People participate in these games because of perceived extrinsic and intrinsic values, such as the perceived value of the prize and perceived fun and interest (Ward & Hill, R.P, 1991).

2.1.9.2. Sample

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 test or try the product rather than just hear about it, which it can affect their behavior to purchase it in the near future (Ferrel and Hartline, 2008). According to Claw and Back (2007)

they defined the free sample method as a technique to induce customers to try new lunched products.

2.1.9.3. Coupons

Faitira, Edison, and Kudakwashe, (2012) indicated coupons are legal certificates offered by manufacturers and retailers. They grant specified savings on selected products when presented for redemption at the point of purchase. Manufacturers sustain the cost of advertising and distributing their coupons, redeeming their face values, and paying retailers a handling fee. Retailers who offer double or triple the amount of the coupon shoulder the extra cost. Retailers who offer their own coupons incur the total cost, including paying the face value. In this way, retail coupons are equivalent to a cents-off deal.

Manufacturers disseminate coupons in many ways. They may be delivered directly by mail, dropped door to door, or distributed through a central location such as a shopping mall. Coupons may also be distributed through the media-magazines, newspapers, or free-standing inserts (FSI) in newspapers. Coupons can be inserted into, attached to, or printed on a package, or they may be distributed by a retailer who uses them to generate store traffic or to tie in with a manufacturer's promotional tactic. Retailer-sponsored coupons are typically distributed through print advertising or at the point of sale. Sometimes, though, specialty retailers or newly opened retailers will distribute coupons door to door or through direct mail.

The value of discount or price cut is set and the coupon must be presented when customer purchases product (Mughal, Mehmood, A , Mohiuddeen, A , & Ahmad, B, 2014). Coupon is printed price reduction offers to customers, are an excellent strategy for stimulating sales, especially in the short term. A coupon is a promotional devise that provides cent-offs savings to consumers upon redeeming the coupon (Kotler & Keller, K, 2006).

2.1.9.4. Price Discounts

A discount is a reduction on the regular selling price of any good or service. The motivation is to attract consumers and boost sales. Discounts impact the way consumers think and behave when shopping. The type of savings and its location can affect the way consumers view a product and affect their purchase decision. The two most common discounts are price discounts (“on sale items”) and bonus packs (“bulk items”). Price discounts are the reduction of an original sale by a

certain percentage while bonus packs are deals in which the consumer receives more for the original price. Many companies present different forms of discounts in the sales promotion, hoping to convince consumers to buy their products. Businesses use discount pricing to sell low-priced products in high volumes. With this strategy, it is important to decrease costs and stay competitive.

Large retailers are able to demand price discounts from suppliers and make a discount pricing strategy effective as they buy in bulk. It is usually impossible to compete with these retailers based solely on a discount pricing strategy. Proceed with discount pricing strategies cautiously. Occasional discounts and discounts that reward loyal customers are effective. Discounts used too often begin a downward pricing spiral that may eventually damage your ability to sell the product at full price. There are different Types of Discounts including;

Quantity discounts: It is increasingly common to offer quantity discounts to customers who purchase in bulk and it generally rewards customer loyalty. These discounts can be cumulative, such as discounts given to customers who place multiple small orders or loyalty cards that give a free item after a certain number are purchased.

Seasonal discounts: These are appropriate to reward customers who purchase during off-peak times and often serve to increase sales at the beginning of peak seasons, Promotional discounts are short-term and used to drive sales and loss-leaders These are discounted items designed to bring customers into the store in the hope they'll also purchase more profitable products as well.

2.1.9.5. Point-of-Purchase (POP) Displays

A point of purchase (POP) is a display material to advertise a product where it is being sold. A term used by marketers and retailers when planning the placement of products for consumers, such as product displays strategically placed in a grocery store. Similar to this term is the point of sale (POS), which is the point at which a customer purchases and pays for products, such as on a website or at a store checkout. A POP is an area that surrounds the POS, where you often encounter promotional activity or other products.

Manufacturers provide point-of-purchase (POP) display units free to retailers in order to promote a particular brand or group of products. The forms of POP displays include special racks, display

cartons, banners, signs, price cards, and mechanical product dispensers. Probably the most effective way to ensure that a reseller will use a POP display is to design it so that it will generate sales for the retailer. High product visibility is the basic goal of POP displays. In industries such as the grocery field where a shopper spends about three-tenths of a second viewing a product, anything increasing product visibility is valuable. POP displays also provide or remind consumers about important decision information, such as the product's name, appearance, and sizes. The theme of the POP display should coordinate with the theme used in ads and by salespeople. Point of Purchase (POP) is the place where a customer is about to buy the product. This is the crucial point where the exchange takes place. It offers us a last chance to remind or attract customers. In spite of a considerable expenditure on point of purchase material by companies, there is a lack of an established method of measuring the effectiveness of communication at the retail outlet.

Light Box: A box like point of sale display using florescent bulbs to illuminate a poster inserted from the side or rear of the box.

Impulse Buying: Buying prompted by an emotional reaction to an item that is strategically Placed and designed in such a way as to motivate and cause a consumer to take action.

Disposable Displays: Displays made of cardboard or other inexpensive that can be discarded after use.

2.1.10. Sales Promotion Objectives and Uses

The sales promotions are believed to have vital link with the advertising and personal selling. The sales promotions are used for varieties of reasons. Some of the objectives of it are to introduce the new products to the consumers or induce to buy the new products for resale, to attract the consumers or to increase the ultimate response from them, to induce the present consumers to repeat purchase more, to meet the competition in the market with more and better displays and to maintain or increase the sales volume even during off seasons (Nakarmi, 2018).

2.2. Theoretical Review

2.2.1. Pull Theory

The pull demand theory operates from the consumer side of the equation. Creating pull demand involves offering a special promotion to customers for a product that is not yet stocked in a wide range of outlets. Consumers seeking the promotion will ask their local stores for the product, and the stores will then purchase and stock the product in response.

According to Nochai (2011) a pull strategy attempts to get consumers to "pull" the product from the manufacturer through the marketing channel. Typical tactics employed in pull strategy are: samples, coupons, cash refunds and rebates, premiums, advertising specialties, loyalty programs/patronage rewards, contests, sweepstakes, games, and point-of-purchase (POP) displays.

2.2.2. Push Theory

Using the Push Theory, you can increase sales by creating incentives to wholesalers or retailers to sell more of your product. In this method you would offer discounts to wholesalers or retailers who buy your product in bulk. This leaves them with more of your merchandise on hand and drives them to sell more of your product. Giving them the discount "pushes" them to buy more of your product at a lower price to increase the amount of money they make. In turn they must "push" your products to customers because they will make a better return on them than on similar products supplied to them by your competitors. Typical tactics employed in push strategy are: allowances, buy-back guarantees, free trials, contests, specialty advertising items, discounts, displays, and premiums.

2.2.3. Combination strategy

This strategy requires both of the above strategies working together. The "push" is used to get more products into the hands of retailers and wholesalers while advertising and product tie-ins with other products are used as a "pull" to get more people to want to buy the product (Schiffman and L. L. Kanuk, 2007).

2.3. Empirical review

Some of the research work conducted by different authors related with the sales promotion and consumer buying behavior are as follows; according to Ghafran Ashraf, confirmed on his study consumers buying behavior can be motivated through various kinds of sales promotions, including free samples, price discounts, social surroundings, and physical surrounding. The other writer Stefan Alimpic studied on the effectiveness of sales promotional tools and customers' perspective and the result was consumer discounts, bonus packs and premiums are the most effective methods in creating the majority of responses in consumer behavior. The behavior of consumer might vary from one sales promotion to another Paulin (2015). Other researchers Chaharsoughi & Jamia (2011) examined the effect of sales promotion on consumer interest to Purchase in New Delhi, India, and the study concluded that the sales promotion on consumer interest has a positive effect on consumers to purchase.

The research on the title of Impact of Sales Promotion on consumer buying behavior in Pakistan (Syed Ali Ahmad) founded out, the consumers' attitude towards different promotional tools on buying behavior is favorable. It showed that sales promotion tools are supplementary or complementary to existing business as an additional marketing strategy. Sam & Buabeng, E.Y, (2011) confirmed that sales promotion has a direct influence on consumer buying behavior. After taking everything into account, sales promotion has benefited both the marketers and the consumers at the same time. Is the result of (Wong Ai Jean & Rashad Yazdanifard) by their journal on the title of "The Review of how Sales Promotion Change the Consumer's Perception and Their Purchasing Behavior of a Product".

There is another research on the title of "Effect of sales promotion on consumer behavior based on culture" (Shahriar Ansari Chaharsoughi and Tahmores Hasangholipor Yasory) On the basis of foregoing discussion, researchers discovered that: sales promotion has direct impact on consumer behavior and culture has significant effect on the behavior of individuals as well. Thus according to reviewing the models discussed, the study concluded that, sales promotion act as a moderator of the effect of culture on the consumer behavior and may affect consumer behavior independently of culture. And the study by (Cleon Oguya K'ombwayo¹, Prof. Mike A. Iravo) on the title of "The Influence of Consumer Sales Promotion on Buying Behavior of Three-Wheeled Vehicles in Nairobi County" found that there is significant relation between sales promotion and

buying behavior. Results of Hierarchical Multiple Regression showed that each of free product trials, gifts, point-of-sale display and price discount had a 22.8% variance with the buying behavior of the respondents.

According to Ghafran Ashraf (2014) their study confirmed that consumers buying behavior and sales promotion can be motivated through various kinds of elements, including promotion techniques such as free samples, price discounts, social surroundings and physical surrounding

According to Giuliani Isabella et al. (2012) among the variables that affect the consumer's purchase decision is the price, which has a significant influence on communication factors concerning the advantages of purchasing a product or hiring a service. Price can be accompanied by a "discount," which increases the perceived value of the product for the purchaser. The value is based on the consumer's perception of the benefits of the product

Similarly, (Neha and Manoj, 2013) also indicated that premium promotion is one of the most influencing variables for consumer purchase decision. This means that free gifts or premium promotion differentiates a promotional benefit in form of a tangible, separate product which is often complimentary product offered to the customers. These free gifts and premium often create value to the customers and induce them to purchase a product.

A premium is a product or service offered at a relatively low price in return for the purchase of one or many products or services (Astous and Jacob, 2000). For instance, premium promotion is 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. (Darkea and Chungb, 2005) indicate that free 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..

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 gift as an alternative of a price discount. Though researchers argue that non-price promotions such as gifts are perceived as a little achievement when compared to price discounts,

retailers continue to use this promotion tool to attract the customers (Diamond and Johnson, 1990). As suggested by the previous studies, price discounts directly reduces the price that consumers would have paid for the product. But in a gift promotion, the value of the promotion (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 (Diamond and Johnson, 1990).

Nagedeepa et al.(2015) studied Impact of Sale Promotion Techniques on Consumers' Impulse Buying Behavior towards Apparels at Bangalore they suggest that the Sales promotion techniques are used by the retailers and marketers to attract the customers and increase their sales by providing different deals and additional incentives to enhance their product purchase. On the basis of their findings, they conclude that sales promotion techniques play a significant role in consumers' impulse buying decision. The study also confirmed that consumers' impulse buying behavior is highly motivated by the Rebate & Discount offer among the five promotional techniques they use: Rebate & Discount offer, Coupon, Loyalty Programs, Price Packs and Contests followed by the Loyalty Program. So the marketer should focus on the remaining sales promotion tools to make them a perfect promoting strategy to promote their products.

In terms of promotional offers, consumers get coupons are entitled to expect products original price (Ndubisi and Chew, 2006). Previous research has shown that price promotions have no significant effect on the volume of purchase by the consumer (Gilbert and Jackaria, 2002). Later, a study by Ndubisi and Chew (2006) also reported that the promotion coupon was one of the least used for consumers and promoting unpopular tools. Economic rights to use the coupon or only when the corresponding financial incentive is higher than the opportunity cost of their redemption. Coupons and discounts redemption requires time and effort browsing and newspaper advertisement, clipping coupons, locate certain brands promoted, and received mail for sales. As it is probably more low income people or lower opportunity cost of repurchase or redemption coupon, which are expected to be more likely to use than those with higher income institutions coupons and discounts. The empirical results also contradict the explanation based on the opportunity cost of coupon redemption behavior. Teel et al. (1980) also indicated that the promotion coupon was one of the least used tools and unpopular promotion by customers.

Fill (2002) stated that coupons are some certificates confirming their consumption have reduced the price of the specific product. Coupon may be the product or any other product that comes free with the actual product. Coupon is evidence that manufacturers use to improve communication with consumers and also a psychological effect on consumers care change their brand. Gardener and Trivedi (1998) said that the coupons have been used for years as an important tool for promotion. This is a unique offering for the consumer to make use of this and get a price reduction. This game is also a rebranding consumer has come to make use of the price reduction and change consumer image.

2.4. Conceptual framework

The term conceptual framework represents the relationship of the dependent variables with that of independent variables. Dependent variable is a variable which is influenced by independent variables while independent variable is a variable which influence or affects the dependent variable. So, for this study, the dependent variable is consumers buying behavior and the independent variables are techniques of sales promotion, coupon, price discounts and premium. Therefore, to show the effect of independent variable such as coupons, price discounts, and premium(gift) on the dependent variables called consumers buying behavior. The following conceptual framework is constructed.

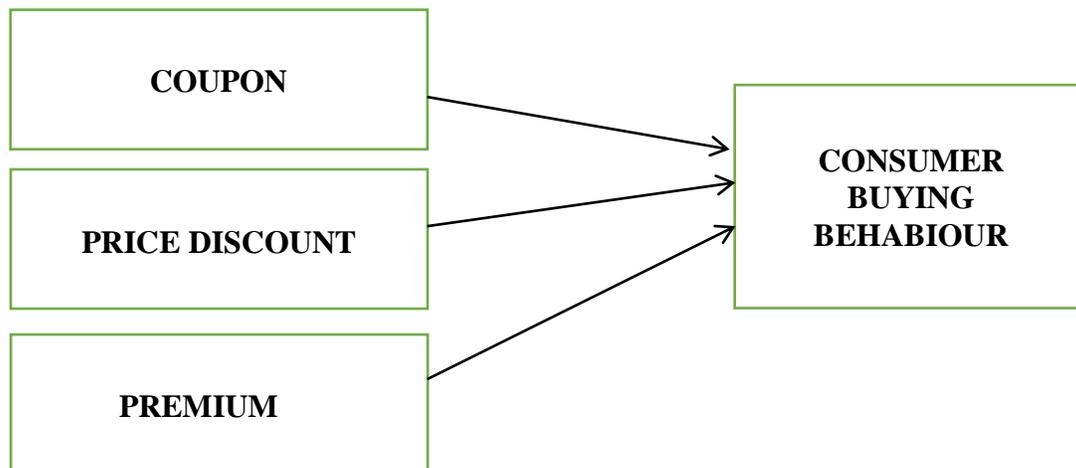


Figure 2.5 Conceptual framework; Source: Modified from Shrestha (2015)

2.5. Hypothesis

Based on the research objective set the following hypothesis are developed

- H₁: Coupon has a significant and positive relationship with consumer buying behavior of rainbow foam and plastic industry customers.
- H₂: price discount has a significant and positive relationship with consumer buying behavior of rainbow foam and plastic industry customers.
- H₃: premium has a significant and positive relationship with consumer buying behavior of rainbow foam and plastic industry customers.

CHAPTER THREE

3. RESEARCH METHODOLOGY

This chapter deals with the research methodology employed to carry out this thesis; applied research approaches, research designs, sources of data, methods of data collection and sampling techniques with justification. Further it describes how these methods would be implemented to find answers for the purpose of the research. Also issues related validity and reliability within the proposed methods are included.

3.1. Research approach

According to (Kotari, 2004) quantitative research approach involves the generation of data in quantitative form which can be subjected to rigorous quantitative analysis in a formal and rigid fashion, whereas qualitative approach of research is concerned with subjective assessment of attitude, opinions, and behavior of individuals. Research in such situation is a function of researcher's insight and impressions.

As objectivity is reflected here, quantitative research approach was employed. It involves collecting and converting data into numerical form so that statistical calculations can be made and conclusions drawn. Quantitative approach is applied because it allows the study to examine the effect of sales promotion on the consumer buying behavior in case of rainbow foam and plastic.

3.2. Research Design

Research design is a roadmap for data collection in an empirical research project. It is a "Blueprint" for empirical research aimed as answering specific research questions or testing specific hypothesis (Bhattacharjee, 2012). Research design is the arrangement of conditions for collecting and analyzing data in a manner that aims to combine relevance to the research purpose with economy in procedure (Kothari, 2004). According to Kotahir (2004) there are three main types of research designs; exploratory, descriptive and explanatory studies.

This study adapted a descriptive and explanatory design. Because Descriptive research involves gathering data that describe events and then organizes, tabulates, depicts, and describes the data

collection (Kothari, 2004). The use of descriptive design yields rich data that leads to appropriate analysis. In addition this method also helps to address questions like “what is the effect of sales promotion on consumer buying behavior”. Letter on, it helps us to use qualitative and quantitative methods analyses on numerical and descriptive form of data gathered from target respondents. The reason why the researcher choose this method is that, descriptive research design can provide detail information by describing the area of study in theory as well as in reality or describe the characteristics of various variables used in the research.

In addition to descriptive research design the researcher also adapted explanatory research design. Explanatory research design is conducted in order to identify the extent and nature of cause and effect relationships, or to know the impact of presumed cause on confounding variables. using this research design help to analyze the effect of sales promotion on consumer buying behavior as well as relationship among variables.

3.3. Population and sample size

3.3.1. Population of the study

Target population means the total number of entities in which the researcher is interested in, it could be the collection of individuals, objects or events about which the researcher wants to make inferences, The target population of the study were the consumer of rainbow foam and plastic in Addis Ababa.

In this research the target population were consumer of the rainbow foam and plastic, which mean only the final consumer of the products were considered and also only the first aspect of the company product line like mattresses, pillows and cushion, rebounded foam, foam sheet, custom made foam and scraps users were considered in the population.

3.3.2. Sample Size Determination

Sampling is defined as the process of obtaining information about a whole population by examining only a subset of it (Kothari, 2004) defines formalized Sampling is common in social science research because it reduces the cost and time required for data collection and analysis. A sample is a subset of a population and provides insight about populations (Evans, 2007).

Final Consumers of rainbow foam and plastic industry in Ethiopia who purchased as a result of being exposed to sales promotion makes up the statistical population in this study. As a result, the target population consists of 542 final consumer of the product in Addis Ababa.

When a population cannot be studied in its entirety, a smaller sample is obtained using a random sampling approach. A researcher can sample the population with the required level of accuracy using Slovin's formula. The sample size needed to ensure a fair level of accuracy of the results can be determined using Slovin's formula. (Ellen, S., 2022) Utilizing the known population size (N) and the allowable error value, Slovin's Formula calculates the sample size (n) (e). The equation $n = \frac{N}{1+N(e^2)}$ needs the N and e values to be filled in. The resulting value of n is equal to the required sample size.

n = Sample size

N = Population size

e (error) = 5%

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

$$n = \frac{542}{1 + (542)(.05)^2}$$

$$n = \frac{542}{1 + (542)(0.0025)}$$

$$n = \frac{542}{1 + 1.355}$$

$$n = \frac{542}{2.355}$$

$$n = 230.14 \quad \text{230 respondents are needed.}$$

3.4. Data Type and Sources

Type of data for this paper was primary and secondary data. In every research work, the researcher explores two broad categories of data. Primary data are first-hand information or data obtained originally by the researcher on the variables of interest for the specific purpose of the

study (Sekaran and Bougie, 2009). According to Naresh (2010), primary data will be organized for the specific purpose of addressing the problem on hand.

Accordingly, data from primary data sources was gathered and used with the aim of achieving the objectives and to maintain control over extraneous variables. In this context thus, the primary data was collected from consumers of rainbow foam and plastic industry. In addition, all the relevant data from secondary sources was gathered and utilized, including published articles, research works, previous studies, book, and other sources was reviewed.

This research use both primary and secondary data. The primary data was be collected from the consumer of the Organization. Regarding the secondary sources, there are several articles from journals, books, and publications on the topic. The researcher chose to incorporate both primary and secondary data since they complement one another and to help develop a strong argument. Primary sources are more reliable as evidence, but secondary sources illustrate how the study connects to other studies

3.5. Data Collection Techniques

As described by Karim (2013), accurate and systematic data collection is critical to conducting scientific research. The primary data for this study was collected using structured questionnaire as it is the most effective way to collect data from a large sample of population. The questions for the questionnaire was prepared and built closely upon the theoretical and conceptual framework to address decision-making process, information processing theory and buying behavior. The structure and logical sequence order of the questions was based on the steps carried out during the decision-making process, namely problem recognition, search of information, evaluation of alternatives, final decision, and post purchase behavior, and the major elements of information processing theory was integrated in the questions. Hence, this structured questionnaire was designed consisting of closed-ended questions to gather relevant responses and address the research objectives.

In addition, the questionnaire was prepared consisting of all the relevant questions categorized into three parts. The first part of the questionnaire include the introduction and intention of the research. The second part of the questionnaire covered socio-demographic questions. The final part of the questionnaire was included some questions related questions designed in order to

examine customers' purchase experience and evaluate the effect of sales promotion on customers' purchase decision-making process.

To ensure the understandably all questions and the quality of collected data, a pilot testing of the questionnaire was conducted with randomly selected rainbow foam and plastic customers and gather the feedback from them. The pilot test results was included in the final version of the questionnaire.

3.6. Validity and Reliability of the Study

3.6.1. Validity

Refers to how well a test measures what it is purported to measure. Validity determines whether the measuring instrument truly measures what it was intended to measure or how truthful the research results are. Oliver (2010) consider validity to be compulsory requirement of all types of studies. Appropriate timescale for the study was selected, methodologies such as questionnaires chosen, so the research was included the different kind of techniques to check the validity, the first pre-test was given after the draft questionnaire is written in order to eliminate the possible mistake, the second was given after the questionnaire is finalized, it was distributed to the customers of rainbow foam and plastic industry and related marketing experts to mark out the flaws in the questionnaire, and finally it was given to the consumers to be filled out In regard to the sales promotion and consumer buying behavior, a question adopted from previous researches was used for this study and related literature.

3.6.2. Reliability

The extent to which ends up area unit consistent over time associate degreed a correct illustration of the overall population underneath study is observed as responsibility. If the results are reproduced below the same methodology then the instrument is reliable. It is the degree to that associate degree assessment tool produces stable and consistent results. The concern of the same check is typically expressed as a parametric statistic that measures the strength of association between variables. Such coefficients vary between -1.00 and +1.00 with the former showing that there is a perfect negative reliability and the latter shows that there is perfect positive reliability. In this study each statement rated on a 5 point response scale which includes strongly agree, agree, neutrals, disagree and strongly disagree, Regarding the measurement the value of

reliability (William, 2010) scales exhibiting a coefficient alpha between 0.80 and 0.96 are considered to have very good reliability, between 0.70 and 0.80 are considered to have good reliability, and alpha value between 0.60 and 0.70 indicates fair reliability and when the coefficient alpha is below 0.60, the scale has poor reliability.

S.NO	VARIABLES	Cronbach's Alpha	NO OF ITEM
1.	Customer buying behavior of rainbow foam	0.799	5
2.	Coupons	0.661	5
3.	Price discount	0.742	4
4.	Premium(gift)	0.758	4

Table3.1:Reliability Measurement Source: computation from survey data (2023)

3.7. Data Analysis Methods

In this research, the independent variable is sales promotion (price discount, coupon and premium) and the dependent variable was customer-buying behavior, Apart from descriptive statistics, the characteristic of the respondents' regression analysis was used to measure and predict the relationship between the predictor/independent variables and the dependent variable. To obtain these statistical outcomes, the study used Statistical Package for Social Science (SPSS); regression analysis was used because Regression analysis is a reliable method of identifying which variables have impact on a topic of interest. The process of performing a regression allows you to confidently determine which factors matter most, which factors can be ignored, and how these factors influence each other; it is also a powerful statistical method that allows you to examine the relationship between two or more variables of interest. While there are many types of regression analysis, at their core they all examine the influence of one or more independent variables on a dependent variable. As the researcher try to manipulate regression model the following formula is used,

The regression model framework of the study is

$$CBB = \beta_0 + \beta_1 c + \beta_2 pd + \beta_3 p + \varepsilon$$

Where; CBB is = customer buying behavior of rainbow foam and plastic

B_0 = The Constant intercept

B_i = The coefficient of the independent variables

PD=price discount

C=coupon

P= premium (gifts)

ε = The Error term

3.8. Ethical Consideration

In this study all participant and data collected remain confidential and identities of respondents remain anonymous. Moreover, the privacy of the respondents was respected in reporting of this research. No details of individual involved in this research. Informed consent is a written statement that explained aspects of a study to participant and asks for their voluntary agreements to participate before the study begins (Neuman, 2006). In this study, each participant were provides with an information sheet at the beginning of the research questions explaining the purpose of the research prior to each questionnaire. And the research got consent from the participants before the surveys and interview was made.

CHAPTER FOUR

4. DATA PRESENTATION ANALYSIS AND INTERPRETATION

4.1. Results

The researcher aim to find the effect of sales promotion on customer buying behavior in the case of rainbow foam and plastic industry. In order to achieve this objective, related literature was reviewed, relevant interview question has been raised and questionnaires is distributed to the selected consumer of the company. Accordingly, the major findings of the study is analyzed in this chapter.

4.2. Sample and response rate

A total copy of 230 questioners were distributed to the consumer of the product, out of which 220 of them were cooperated in filling and returning the questionnaire. Whereas, the remaining 10 of them were not able to return the questionnaire due to unknown inconvenience's. Data extracted from completed questionnaires were coded to SPSS version 26.0 and analyzed discussed below.

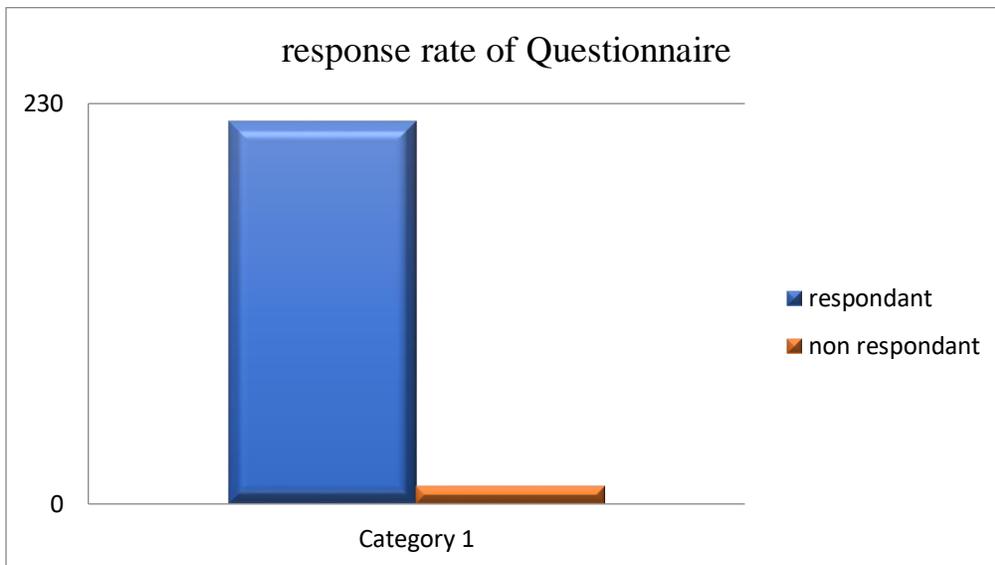


Figure 4.1: Number of respondent chart

4.3. Demographic profile of respondents

The samples of this study have been classified according to three demographic background information collected during the questionnaire survey. The purpose of the demographic analysis

in this research is to describe the characteristics of the sample such as the number of respondents “proportion of males and females in the sample, range of age and academic qualification of respondents so as the data shows that (103, 46.8%) of the respondent were male and the remaining (117, 53.2%) were female respondents.

Table 4.1:Demographic profile by Percentage

ITEM	DESCRIPTION	N _O OF RESPONDENT	PERCENTAGE	CUMULATIVE PERCENTAGE
SEX	MALE	103	46.8%	46.8
	FEMALE	117	53.2%	100.0
	TOTAL	220	100.0%	
AGE	<25	14	6.4%	6.4
	25-35	192	87.3%	87.3
	>36	14	6.4%	6.4
	TOTAL	220		
ACADEMIC STATUS	DIPLOMA	28	12.7%	12.7
	DEGREE	117	53.2%	65.9
	MASTERS	73	33.2%	99.1
	PHD AND ABOVE	2	0.9%	100.0
	TOTAL	220		

The second data presented in the table shows (14, 6.4%) of the respondents are under 25 years old, (192, 87.3%) are between the ages of 25 and 35, and the remaining (14, 6.4%) are older than 36. Based on the survey results a large percent of the respondent were middle aged persons. The third demographic question asked was academic status so according to the survey, (28, 12.7%) of the respondent have a diploma, while (117, 53.2%) have a first degree, (73, 33.2%) have master's degrees and the remaining 0.9% of them have Ph.D. This demonstrates that respondents across a range of age groups were well educated enough to understand and fill out the survey.

4.4. Measurements of the level of agreement of the respondent’s Perception towards different variables of the research

Descriptive Analysis of Variables

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. Alhakimi & Alhariry (2014) states that likert scale response have to be putted on interval of mean, based on the following formula.

Max-Min / n1 which means $5-1 / 5 = 0.80$.

Thus the mean of each individual item ranging from 1- 5 falls within the following interval:

Interval of Mean	Perception
1. 1.00-1.80	Strongly Disagree
2. 1.81-2.60	Disagree
3. 2.61-3.40	Neutral
4. 3.41-4.20	Agree
5. 4.21-5.0	Strongly Agree

4.4.1. coupon

According to the data illustrated below respondents agree that Coupon encourages me to purchase more and use new rainbow foam products far more easily with the mean score of 3.76, they also tend to make instant purchase and use new product decision when coupons are available at the counter. with the mean score of 3.75, respondents tend to make a purchase more often when the value of the coupon is higher with mean score of 3.74. Respondents are also agreeing that coupon allowed me to buy new rainbow foam product earlier than planned with mean score of 3.70.

Table 4.2: rainbow foam customer’s perception towards coupon

	MEAN	STD. DEVIATION	VARIANCE
Coupon encourages me to purchase more and use new rainbow foam products far more easily	3.76	.916	.839
I tend to make a purchase more often when the value of the coupon is higher.	3.74	.850	.723
I tend to make instant purchase and use new product decision when	3.75	.886	.784

coupons are available at the counter.			
I tend to make purchase and use new products more often if I have the coupon offering a promotion.	3.66	.820	.672
A coupon allowed me to buy new rainbow foam product earlier than planned.	3.70	1.124	1.263

Source: Computation from survey data (2023)

Lastly, Respondents are also agreeing that coupon tend to make them purchase and use new products more often if they have the coupon offering a promotion. With mean score of 3.66. This shows that coupon have a large amount of effect on the customers during their purchase time.

4.4.2. Price discount

The mean scores have been calculated for all question of price discount questions by equally evaluating all the question under each dimension. participants were asked to rate their perception on a five-point Likert type scale ranging from 1 being strongly disagree to 5 strongly agree for effect of price discount sales promotion tool. The result is presented in Table below.

Table 4.3: rainbow foam customer’s perception towards price discount

	MEAN	STD. DEVIATION	VARIANCE
Price discount encourage me to buy more of the product of rainbow foam and plastic	3.59	.815	.664
I tend to buy more often when the value of the price discount higher	3.74	.773	.597
price discount allowed me to buy the product earlier than planned	3.80	.708	.501
I tend to buy more quantity of the product because of the price discount kind of promotion	3.67	.748	.559

Source: Computation from survey data (2023)

The above table shows the respondents perception towards the relationship between price discount and purchase decision of rainbow foam consumer. It shows that most respondents agree on price discount allowed me to buy the product earlier than planned, with mean score of 3.80. Similarly, respondents agree that, they usually tend to buy more often when the value of the price discount higher with mean score of 3.74.

Furthermore, respondents agree with the statement that I tend to buy more quantity of the product because of the price discount kind of promotion with mean score of 3.67. This means if the company offers the price discount as means of sales promotion the consumer will purchase the product repeatedly. Moreover, respondents agree that Price discount encourage me to buy more of the product of rainbow foam and plastic with mean score of 3.59. so based on the results we can say that price discount have influence on the customer during their purchase time.

4.4.3. Premium

According to the illustrated data on the below table regarding the perception of respondents towards the premium(gift) and their purchase decision, respondents agree that they are more likely to buy more of the product if they know that they will receive a free gift with mean score of 3.91 respectively. on the other hand respondents are also agree with idea that that they tend to buy more quantity of the product because of the premium kind of promotion with the means score of 3.6.9 respectively.

In addition respondents also agreed with the statement I am willing to buy more and use the product to get a premium with the mean score of 3.68. lastly, respondents have also agreed with premium allowed me to buy the product earlier than planned with mean score of 3.60 respectively. so based on the results we can say that price discount have influence on the customer during their purchase time.

Table 4.4: rainbow foam customer’s perception towards premium

	MEAN	STD. DEVIATION	VARIANCE
I am more likely to buy more of the product if I know that I will receive a free gift.	3.91	.855	.731

I am willing to buy more and use the product to get a premium	3.68	.917	.841
premium allowed me to buy the product earlier than planned	3.60	.893	.798
I tend to buy more quantity of the product because of the premium kind of promotion	3.69	.919	.845

Source: Computation from survey data (2023)

4.4.4. Measurement of the level of agreement of the respondent's Perception towards the dependent variable (consumer buying behavior)

According to the data illustrated below respondents agree that If they had the opportunity, they would commit to purchase more from the company with the mean score of 3.99, they also agree that they tend to testified to friends and relatives about the incentives with the mean score of 3.89, moreover, respondent agree that Rainbow foam and plastic is the first convenience foam and plastic company in their mind with mean score of 3.76, and they agree that they are a repeat customer of rainbow foam and plastic company with mean score of 3.73. Lastly, they agree to acted as a referee to other customers who needed service and convince them to acquire the rainbow foam products. With mean score of 3.61..

Table 4.5: rainbow foam customer's perception towards consumer buying behaviour

	MEAN	STD. DEVIATION	VARIANCE
I testified to friends and relatives about the incentives.	3.89	.826	.682
I am a repeat customer of rainbow foam and plastic company	3.73	.768	.590
I acted as a referee to other customers who needed service and convince them to acquire the rainbow foam products.	3.61	.783	.613
Rainbow foam and plastic is the first convenience foam and plastic company in my mind.	3.76	.793	.629
If I had the opportunity, I would commit to purchase more from the	3.99	.808	.653

company			
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Source: Computation from survey data (2023)

4.5. Response Analysis

4.5.1. Inferential Analysis

Correlation and multiple regression analysis were the two types of inferential analysis performed in this study.

4.5.2. Correlation Analysis

Correlation is a way to index the degree to which two or more variables are associated with or related to each other. The most widely used Pearson Product-movement coefficient, commonly called the Pearson correlation which was used in this study. From perfect positive relationship (+1.00) to perfect negative relationship (-1.00) Correlation coefficient ranges between two variables. Pearson's correlation coefficient was utilized in this study to assess the correlations between customers' buying behavior, coupon, price discount and premium(gift). Coefficient (value) itself indicates the strength of the relationship; the closer it gets to 1.00 (whether it is negative or positive), the stronger the relationship. The correlation is a widely used metric for determining the magnitude of an effect. A correlation of 0.01 to 0.30 is typically considered poor, 0.30 to 0.50 is considered low, 0.50 to 0.70 is considered moderate, and 0.70 to 0.90 is considered high. The dependent and independent variables in this study were subjected to a straightforward bivariate relationship analysis,

Table 4.6: Persons correlation analysis

Correlations		Mcoup	Mpridis	Mpre	Mcbb
Mcoup	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	220			
Mpridis	Pearson Correlation	.422**	1		
	Sig. (2-tailed)	.000			
	N	220	220		

Mpre	Pearson Correlation	.432**	.491**	1	
	Sig. (2-tailed)	.000	.000		
	N	220	220	220	
Mcbb	Pearson Correlation	.546**	.630**	.741**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	220	220	220	220
**. Correlation is significant at the 0.01 level (2-tailed).					

Source: SPSS Result

A correlation of 0.90 to 0.99 is considered extremely high A correlation of 1 regarded as a perfect correlation (John Wiley & Sons,2005).considered low0.3 to 0.5, 0.50 to 0.70 is considered moderate, and 0.70 to 0.90 is considered high. A correlation of 0.90 to 0.99 is considered extremely high A correlation of 1 regarded as a perfect correlation (John Wiley & Sons,2005).

As shown in table, all the values of the person correlation (r) were found to be significant at $P < 0.01$ showing a reliable relationship. For premium and buying behavior the strength of the correlation was found to be strong and for remaining variables the strength of the correlation was found to be moderate.

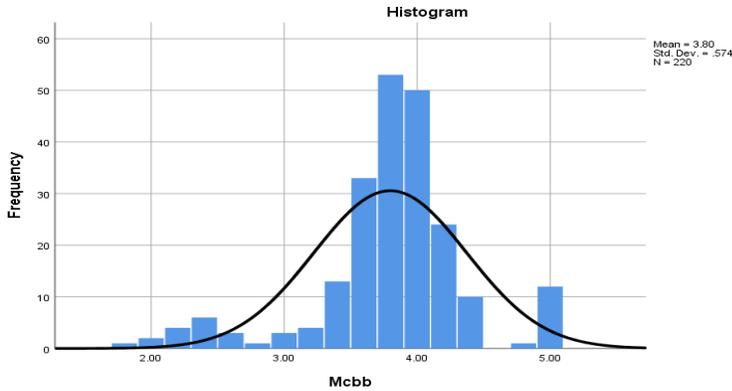
4.6. Test of linear regression model assumptions

In order to check the effectiveness of the data the following four assumptions namely normality, Kurtosis, Skewness and multi co-linearity are conducted and discussed below

4.6.1. Normality Test

The researcher ran a multiple regression model to regress the independent variables and dependent variables. First, compliance with the assumptions of the regression model must be checked. A normality test is used to determine whether the sample data comes from a normally distributed population. The dependent and independent variables of this study are normally distributed as shown below on Figure.

Figure 4.2: Graphical Test of Normality Assumption



Source: SPSS Result

4.6.2. Test of Kurtosis and Skewness

Kurtosis value provides an indication about how peak the distribution is and skewness provide an indication of symmetry of the distribution. If the distribution is perfectly normal, the value of kurtosis is zero otherwise approach zero

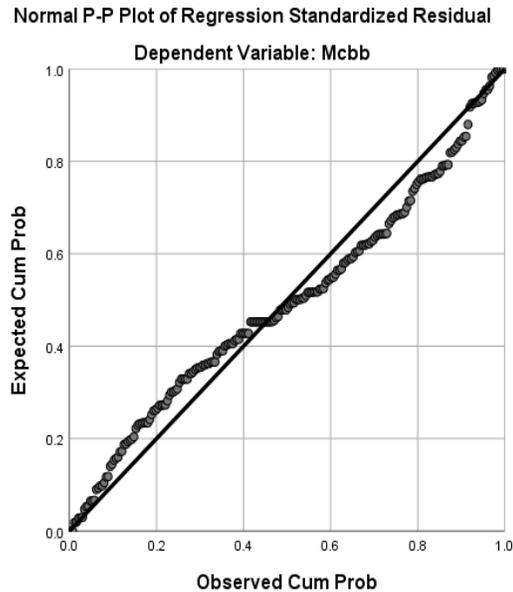
Table 4.7: test of kurtosis and skewness

	Customer buying behaviour of rainbow foam	coupon	Price discount	Premium
Skewness	-0.869	-0.719	-0.851	-0.978
Std. error of skewness	0.164	0.164	0.164	0.164
Kurtosis	2.262	1.644	2.434	2.439
Std. error of kurtosis	0.327	0.327	0.327	0.327

Source: SPSS Result

4.6.3. Linearity Test

Linearity is the assumption that the relationship between dependent variables and independent variables can be characterized linear. Linearity relationship between the dependent and independent variable represented the degree to which the change in the dependent variable is associated with the independent variable (Hair et al., 1998).

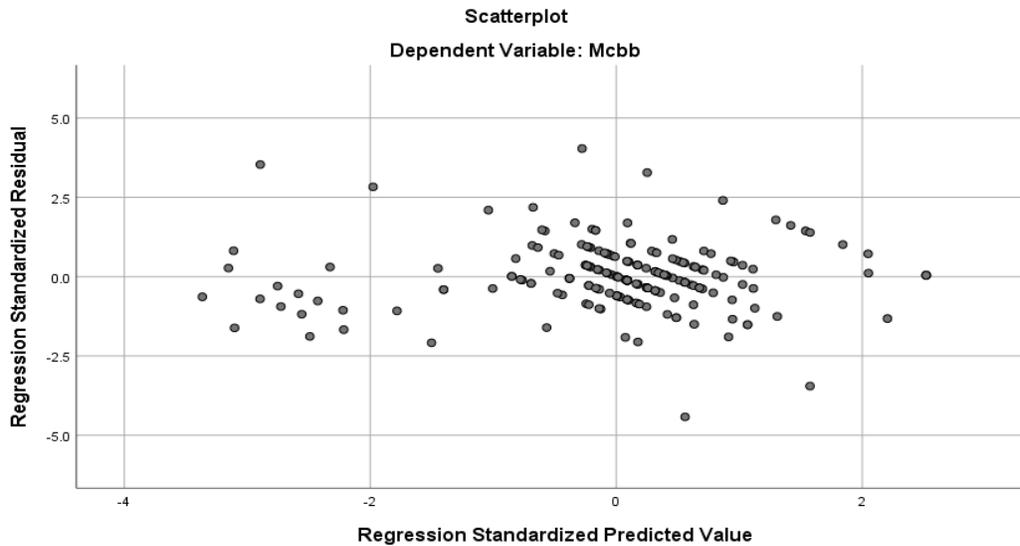


The scatter plot of independent variables with dependent variables as we see from the figure below is straight line. Thus the plots reveal that all independent variables has a linearity with dependent variable buying behavior and the data provided support specified linear relationship, as suggested by (Malhotra et al. 2007).

4.6.4. Homoscedasticity Test

Homoscedasticity refers to the assumption that dependent variables exhibit equals of variance across the range of predictor variables. Homoscedasticity is desirable because the variance of dependent variable being explained in the dependent relationship should not be concentrated in only a limited range of independent values.

To test the Homoscedasticity, the researcher needs to look at the final graph of the output. This tests the assumption of homoscedasticity, which is the assumption that the variation in the residuals (or amount of error in the model) is similar at each point of the model. This graph plots the standardized values our model would predict, against the standardized residuals obtained. As we see the predicted values increase (along the X-axis), the variation in the residuals also roughly similar. Thus the researcher proves that the there is no homoscedasticity problems with the data.



4.6.5. Auto-correlation Test

This assumption is tested for each regression procedure with the Durbin-Watson test, which test for correlation between variables residuals. The test statistic can vary between 0 and 4 with a value of 2 meaning that the residuals are uncorrelated (Field, 2009).

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.821 ^a	.674	.669	.33047	1.588

a. Predictors: (Constant), Mpre, Mcoup, Mpridis

b. Dependent Variable: Mcbb

A value greater than 2 indicates a negative correlation between adjacent residuals, whereas a value below 2 indicates a positive correlation. As a general rule, the residuals are independent (not correlated) if the Durbin Watson statistic is approximately 2, and an acceptable range is 1.50 - 2.50 (Muluadam, 2015). In this study the Durbin-waston value was 1.588, which is acceptable range, therefore it can be confirmed that the assumption of independent error has almost certainly been met.

4.6.6. Multicollinearity

This research data multi-collinearity assumption is checked and all values predictor are <0.95 by Collinearity statistics that means there is no linear relationship between coupon, price discount and premium(Gift) method of sales promotion method. Multiple regression is an extension of simple linear regression. It is used when we want to predict the value of a variable based on the

value of two or more other variables. The variable we want to predict is called the dependent variable or sometimes, the outcome, target or criterion variable (Long, 2006).

Table 4.8: test of Multi co-linearity

Variables	Co-linearity Statistics	
	Tolerance	VIF
Mcoup	.755	1.325
Mpridis	.705	1.419
Mpre	.697	1.434

Source: SPSS Result

Among the test multi co-linearity is the other one. As Pallant (2005) mentioned for determining the existence of multi co-linearity among independent variables are tolerance value and variance inflation factor (VIF) value. The rule is that when tolerance value is less than 0.2 and the VIF is greater than 10. For values which cannot satisfy this requirement leads to misleading and/or inaccurate results. Multi co-linearity happens when two or more predictors contain much of the same information. As shown on the below table the VIF of all variables were less than 10 and tolerance of all variables also greater than 0.2 and this shows that there is no multi co-linearity

4.7. Regression analysis

After examining the correlation between the independent variables and the dependent variables and testing the assumptions of the linear regression model, multiple regression analysis was performed using customer purchasing behavior as the dependent variable and discount, coupons, and price as the independent variable. The regression analysis helps to identify the relevance of the three independent variables that influence customer buying behavior.

Table 4.9: Multiple regression analysis test results

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.361	.176		2.055	.041		
	Mcoup	.200	.044	.202	4.504	.000	.755	1.325

Mpridis	.297	.047	.295	6.381	.000	.705	1.419
Mpre	.429	.039	.509	10.936	.000	.697	1.434
a. Dependent Variable: Mcbb							

Source: SPSS Result

The above data shows that all the independent variables have significant relationship with dependent variable since their p-value is below 0.05 alpha level, considering the beta coefficient's the strongest predictor of the dependent variables, i.e. Customer buying behavior of rainbow foam is premium(gift) with 0.429 value and price discount with 0.297 value and coupon with 0.200 value respectively and which shows all the independent variables have positive relationship with the dependent variable Therefore, the model is $Y = \beta_0 + \beta_1 C + \beta_2 PD + \beta_3 P + \epsilon$ can be formatted as follows in order to predict the amount of effect we get on customer buying behavior of rainbow foam after applying determined amount of each market promotion method.

The model will become,

$$Y = 0.361 + 0.200 C + 0.297PD + 0.429P$$

4.8. Results of Regression analysis

$$CBB = \beta_0 + \beta_1 c + \beta_2 pd + \beta_3 p + \epsilon$$

Where; CBB is = customer buying behavior of rainbow foam and plastic

B0 = The Constant intercept

Bi = The coefficient of the independent variables

PD=price discount

C=coupon

P= premium (gifts)

ε = The Error term

Table 4.10 Model summary of multiple regression analysis

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.821 ^a	.674	.669	.33047
a. Predictors: (Constant), Mpre, Mcoup, Mpridis				
b. Dependent Variable: Mcbb				

Source: SPSS Result

The model summary table. Describes the general model when the model is successful in predicting dependent variables. Returns an R-squared value that measures the degree of variability in the outcome accounted for by the predictors. R squared = 0.674 indicates that 67.4% of the variations in rainbow foam and plastic advertising can be explained or accounted for by a coupon, discount and premium (gift), which is good. Collectively, these three independent variables (coupon, discount price, and premium (gift)) explained 67.4% of the factors influencing sales promotions and consumer buying behavior for rainbow foam and plastic.

As mentioned above, this study aims to identify the effects of the independent variables on the dependent variables. Therefore, the strength of each independent variable affecting the dependent variable can be examined using the standardized beta coefficient. The regression coefficient explains the average amount of change in the dependent variable caused by a unit change in the independent variable. The higher the value of the beta coefficient of an independent variable, the greater the support for the independent variable as the most important determinant in predicting the dependent variable..

4.9. Analysis of Variance /ANOVA/ Test

ANOVA model is more likely to be significant, indicating that at least one group mean is different from another group mean. ANOVA is the appropriate statistical technique to examine the effect of a less-than interval independent variable on an at-least interval dependent variable. If the F test result is not significant, the model should be dismissed and there is no need to proceed to further steps (William, 2010)

Table 4.11 ANOVA

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	48.689	3	16.230	148.609	.000 ^b
	Residual	23.589	216	.109		
	Total	72.278	219			
a. Dependent Variable: Mcbb						
b. Predictors: (Constant), Mpre, Mcoup, Mpridis						

Source: SPSS Result

$F=(3,216) =148.609$, $P<0.05$, $R^2=0.674$ which indicate the regression model is significant. From the ANOVA test result indicated on above Table is noticed that F value 148.609 is significant at $P<0.01$ levels. Therefore, from the result, it can be concluded that the combination of the independent variables (coupon, price discount and premium(gift)) significantly predicts the dependent variable (Promotion of consumer buying behavior of rainbow foam).

4.10. Hypothesis testing

There are Three hypotheses test whether there is an association between three independent promotional variables (coupon, price discount, and premium (gift)) and consumer purchasing behavior. The Sig score of each hypothesis test is less than 0.05, confirming each test. The evidence is summarized as follows:

Table:4.12 summary of the overall outcome of the research hypotheses,

Hypotheses	result	Reason
H0: coupons does not have a significant and positive effect on customer buying behavior H1: coupon has a significant and positive relationship with consumer buying behavior	Ho: Rejected H1:Accepted	Correlation result, Rho=.546 $P < 0.05$ Regression result $\beta=.200$, sig.000
H0: Price discount does not have a significant and positive effect on customer buying behavior. H2: price discount has a significant and positive relationship with consumer buying behavior	Ho: Rejected H2:Accepted	Correlation result, Rho=.630 $P < 0.05$ Regression result $\beta=.297$, sig.000
H0: Premium does not have a significant and positive effect on customer buying behavior. H3: premium(gift) has a significant and positive relationship with consumer buying behavior	Ho: Rejected H3:Accepted	Correlation result, Rho=.741 $P < 0.05$ Regression result $\beta=.429$, sig.000

Source: Computation from survey data (2023)

In short:

Ho1: The coupon method of promotion does not have significant influence on the process rainbow foam and plastic.

Ha1: The coupon method of promotion has a significant positive influence on the customer buying behavior of rainbow foam and plastic. (Supported: $\beta_1 = 0.200$, t-Value = 4.5, $P < 0.05$)

As can be seen from the coupon table, the promotion method has a positive effect on the purchasing behavior of Rainbow Foam customers. As shown in the table, the second constant factor, a one unit increase in the coupon advertising method, resulted in a 0.200 unit increase in customer purchase behavior.

Ho2: The price discount method of promotion does not have significant influence on the process of rainbow foam and plastic.

Ha2: The price discount method of promotion has a significant positive influence on the customer buying behavior of rainbow foam and plastic. (Supported: $\beta_2 = 0.297$, t-Value = 6.381, $P < 0.05$)

As can be seen from the price reduction table, the promotional method has a positive effect on the purchasing behavior of Rainbow Foam customers. As shown in the table, the second constant factor, a one unit increase in the price reduction method, resulted in a 0.297 unit increase in customer purchase behavior

Ho3: The premium(gift) method of promotion does not have significant influence on the process of rainbow foam and plastic

Ha3: The premium(gift) method of promotion has a significant positive influence on the customer buying behavior of rainbow foam and plastic. (Supported: $\beta_3 = 0.429$, t-Value = 10.936, $P < 0.05$)

As mentioned in the table, the premium (gift) promotion method has a positive effect on the behavior of customers when buying rainbow foam. As shown in the table, the second constant factor, a one unit increase in the premium advertising method, resulted in a 0.429 unit increase in customer purchase behavior. In summary, the bonus (gift) promotion method has a great impact on customers' purchasing behavior for Rainbow foam and plastic, the second being price discount then lastly coupon promotion method, respectively.

4.11. Discussion of the Results

The first thing to mention and interpret here is the general fit of the model; Various statistical results confirmed this fact. The first method is an ANOVA test, which gave a p-value of 0.000, which is below the alpha value, which is 0.05. This means that the total independent variables have a statistically significant association with the dependent variable, which is customer behavior when purchasing rainbow plastic and foam. R (correlation coefficient), which simply measures the degree of (linear) relationship between the dependent variable and the combined independent variables.

In this case, the R-value of 0.821 means that there is a strong relationship between the independent variables as a whole; sales Promotion and product buying behavior of the customer, or it could also mean that the independent variables together influence the customer's buying behavior of rainbow foam and plastic together differed in 82.1% of the cases.

The last is to check the R-squared (coefficient of determination), which can be defined as the square of $R = 0.674$, indicating that 67.4% of the variability of the rainbow foam and plastic promotion is explained by the coupon, discount and premium (gift) which is good. These three independent variables explained 67.4% of the factors influencing consumer buying behavior and promotions for rainbow foam and plastics.

Overall, the regression model developed in the study is considered a good fit or predictor for consumer purchasing behavior for rainbow foam and plastic. The individual effects of the independent variables are explained by their beta coefficients. According to the regression results table, the strongest positive association is between the promotion of rainbow foam and plastic and customer purchasing behavior. As can be seen from the table, with a constant second factor of, an increase by one unit in the coupon promotion method led to an increase in the customer's purchasing behavior by 0.200 units, which describes a very pleasing result and can be evaluated.

The second variable examined was the price discount, which, according to the regression result, has a positive correlation with customer purchasing behavior and, while retaining the second factor, one unit increase in price discount resulted , an increase in customer purchasing behavior by 0.297 units. In this case, it is understandable that the sales promotion of price discounts places greater emphasis on attributes such as value-added products and quality. Thus, entrepreneurs

participating in the discount program can focus on these features to increase their sales volume and attract more customers.

The third variable was the premium (gift). this Independent also has a positive association with customer buying behavior, with size keeping the second factor constant. A one-unit increase in premium (gift) provided by the promotional mode resulted in a 0.429 behavioral unit increase in customer purchases.

From the above discussion we can say that sales promotion have a significant and positive effect on consumer buying behavior and it also align with other scholars which study about sales promotion. As an example according to (shamount, 2016) it has been seen in many cases that price discount significantly affect consumer buying behaviour and has shown strong positive relationship. Moreover, coupon have also been positively associated in many studies as highlighted literature and have significant positive relation with consumer buying behaviour is concerned (Yin-Fah et al.,2011).

This research is consistent with other previous research (Roger et al. 2010) suggest that premium have a positive impact on the consumer purchase decision, and it encourage customers to try new product easily. similarly (Aurangzeb and Mehmood, 2014) state that consumer buying behaviour is influenced by coupon. So we can summarize our research by stating all the result obtained in this research are consistent with the previously conducted research.

CHAPTER 5

5. SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

This concluding chapter summarizes the objectives of the study, the major findings and conclusions. It also discusses the managerial and theoretical implications of the study, and makes recommendation for further research.

5.1. Summary

The general purpose of this study was to examine the effects of sales promotion on the buying behavior of customers. Moreover, to this end, the study sought to identify the most important factors that are behind the rising industry of foam.

Since the study was conducted, using a structured questionnaire also helps me to better understand the factors influencing purchasing behavior and the multi-linear regression model. Based on the data analysis and discussion of the results, a summary of the main findings of the study is given below.

ANOVA, R (correlation coefficient), and fitted R-squared (coefficient of determination) were used to test the overall performance of the model, and it appears that all previously identified factors had a statistically significant relationship with the dependent variable (customer purchase decision). The R and adjusted R-squared results indicated that the factors identified were correlated with the dependent variable.

In terms of the individual variables, the strongest positive correlation is with customer purchasing behaviour and premium sales promotions. A one unit increase in coupon advertising method resulted in a 0.200 unit increase in customer purchase behaviour.

The second variable examined was the type of discount campaign, which, according to the regression result, has a positive correlation with customer purchasing behaviour and increasing the discount by one unit using the campaign method led to an increase in customer purchasing behaviour. of 0.297 units.

The third variable was promoting premium sales. This factor also correlates positively with sales performance, even with a one-unit increase in free advertising mode, resulting in a 0.429 unit increase in customer purchase behavior.

5.2. conclusion

To conclude, sales promotions play an important role in the marketing programs of marketers, retailers and producers. A large percentage of marketers' sales are made on promotion. This situation is becoming increasingly common in today's market fluctuation. The marketers are rather use variety of promotional tools to offers consumers an extra inducement to buy their products than advertising in classic media. It is supported by the research from Cuizon (2009) who stated that sales promotions are not only effective in attaining short-term sales, but they are also more cost-effective compared to other integrated marketing communications tools such as advertising.

As such, the result of this research confirms that sales promotion tools such as price discounts, coupons, and premium(gift) play a key role in influencing the consumer's buying behavior. 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 discount, coupons, premium(gift).

The results of this study have several implications and recommendation on how does sales promotion effect consumer buying behavior from different perspective theories. From the company's marketer's perspective, they can have a better understanding of their consumers' buying behavior so they can anticipate and respond to the wants and needs of potential and existing consumers. additionally, this research will aid the company to develop workable marketing and communication strategies on sales promotion so the firm could gain higher market share by attracting the new or potential consumer and retaining the existing customers. The information derived from this research enable marketers to be aware of the effect of sales promotion on consumer behavior. It will help them utilize the right and the most effective promotion technique to attract customers while keeping the existing one satisfied.

In conclusion, the study conducted by Dubist and Chew(2006) further support the notion that organization can benefit from offering appropriate sales promotion tools. This enable companies

to carefully plan their sales promotional strategies and prioritize the use of more effective tools. Making informed decision regarding marketing strategies is crucial as it help companies minimize cost and maximize profit.

5.3. Recommendation

Based on the research results, it was observed that customers responded positively to the different types of promotions that the company offers. Therefore, taking into account the significant positive correlation between sales promotion instruments (voucher, discount and bonus (gift)) and consumer purchasing behavior, the following recommendations for better and more effective sales promotion were formulated.

- The company needs to increase the use of commercial promotions as customers have shown great interest and are heavily influenced by the promotions.
- A company's sales promotion practice should be designed to give customers a better understanding. In addition, the company should have a sales promotion strategy to keep customers happy and increase their buying behavior.
- Sales promotion has a short-term effect; Therefore, the foam company must constantly pay attention to building a long-term relationship with new customers acquired during the promotion period.
- Try updating the company's current promotional tools for a future campaign. Adding more tools may have additional implications

Based on the findings, it is known that premium sales promotion is the most effective tool to motivate customers' buying behavior. Improving this tool is important to Rainbow Foam and Plastic Company's success and to achieving sustainable competitive advantage by increasing purchasing behavior. Therefore, corporate leaders should make more efforts to improve premium promotions, and corporate marketing managers should update and modernize the content of premium promotions.

The second most effective sales promotion measure is the price discount. Again, with this technique, the marketing department should increase continuity and offer price reduction. The

least effective search for promotional activity is the coupon. Hence, care must be taken to replace the activity as it is the most effective technique to motivate the buying behavior of the customers.

In summary, the three promotional activities above have been shown to underlie customer buying behavior. Therefore, Rainbow Foam and Plastic should pay attention to the dimensions of sales promotions that influence customers' purchasing behavior and emphasize them in its marketing strategies.

5.4. Directions for Future research

Due to time and resource constraints, the survey is being conducted among customers in Addis Ababa who have purchased Rainbow foam and plastic products solely based on their willingness to complete distributed questionnaires. Therefore, customers outside of Addis Ababa and those who did not purchase the Rainbow Foam and Plastic product will not be considered. also the limitation of the data prevents further exploration of the study to other foam companies outside Rainbow foam and plastic. . The author of this study believes that this study mocks only a small part of the research on the subject under study. The area needs a thorough and detailed exploration with more time and financial resources

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APPENDIX
QUESTIONNAIRE
St' Marry University
Graduate studies program

Questionnaire to be filled by industry customers

SECTION ONE: INTRODUCTION

Dear respondent, I want to inform you that this questionnaire is designed for the partial fulfillment of MA of marketing management. I am a graduate student in the department of marketing management, St' Marry University. Currently, I am undertaking a research entitled '*The effect of sales promotion on customer buying behavior in rainbow foam and plastic industry*'. Thus, it is fully for academic purpose and all the information provided will be treated with maximum caution and confidentiality. I thank you in advance, for your concern and time.

Instruction for filling the questionnaire

- Please read each statement carefully and put the tick (✓) mark under the choice.
- No need of writing your name

Sincerely,
yednekachw wujira

Tel: +251925913094

Email wyednekachw@gmail.com

SECTION TWO: RESPONDENT’S DEMOGRAPHIC DATA

Please indicate your responses by tick (√) in the box

Section A: Background information

1. What is your age?

- Below 25 25 – 35 36 and above

2. What is your gender?

- Male Female

3. What is your academic status?

- Diploma Degree Masters PHD and Above

SECTION THREE: SALES PROMOTION TOOLS AND CUSTOMER BUYING BEHAVIOR DIMENSIONS

Please indicate the extent to which you agree with the following statement by ticking the appropriate answer using the scale below:

Where, 1-Strongly disagree (SD) 2- Disagree (DA) 3-Neutral (NE) 4-Agree (AG) and 5-Strongly Agree (SA)

S. No.	Item	SD	DA	NE	AG	SA
COUPONS						
1.	Coupon encourages me to purchase more and use new rainbow foam products far more easily					
2.	I tend to make a purchase more often when the value of the coupon is higher.					
3.	I tend to make instant purchase and use new product decision when coupons are available at the counter.					

4.	I tend to make purchase and use new products more often if I have the coupon offering a promotion.					
5.	A coupon allowed me to buy new rainbow foam product earlier than planned.					

S. No.	Item	SD	DA	NE	AG	SA
PRICE DISCOUNT						
1.	Price discount encourage me to buy more of the product of rainbow foam and plastic					
2.	I tend to buy more often when the value of the price discount higher					
3.	price discount allowed me to buy the product earlier than planned					
4.	I tend to buy more quantity of the product because of the price discount kind of promotion					

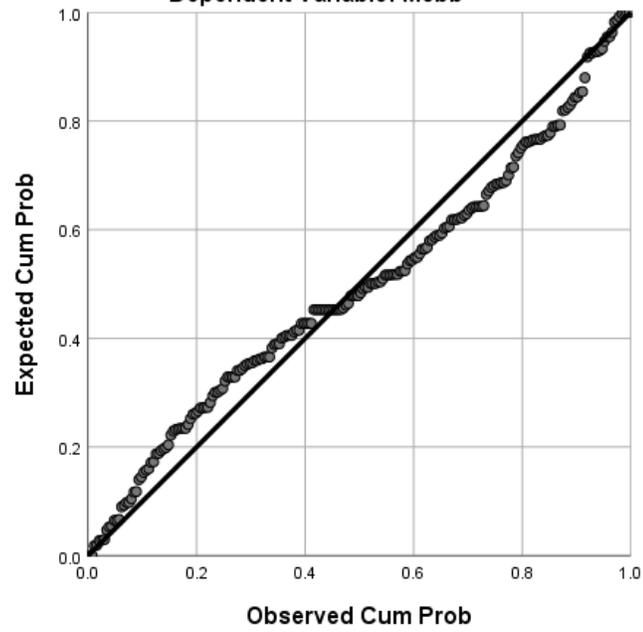
S. No.	Item	SD	DA	NE	AG	SA
PREMIUM(GIFT)						
1.	I am more likely to buy more of the product if I know that I will receive a free gift.					
2.	I am willing to buy more and use the product to get a premium					
3.	premium allowed me to buy the product earlier than planned					
4.	I tend to buy more quantity of the product because of the premium kind of promotion					

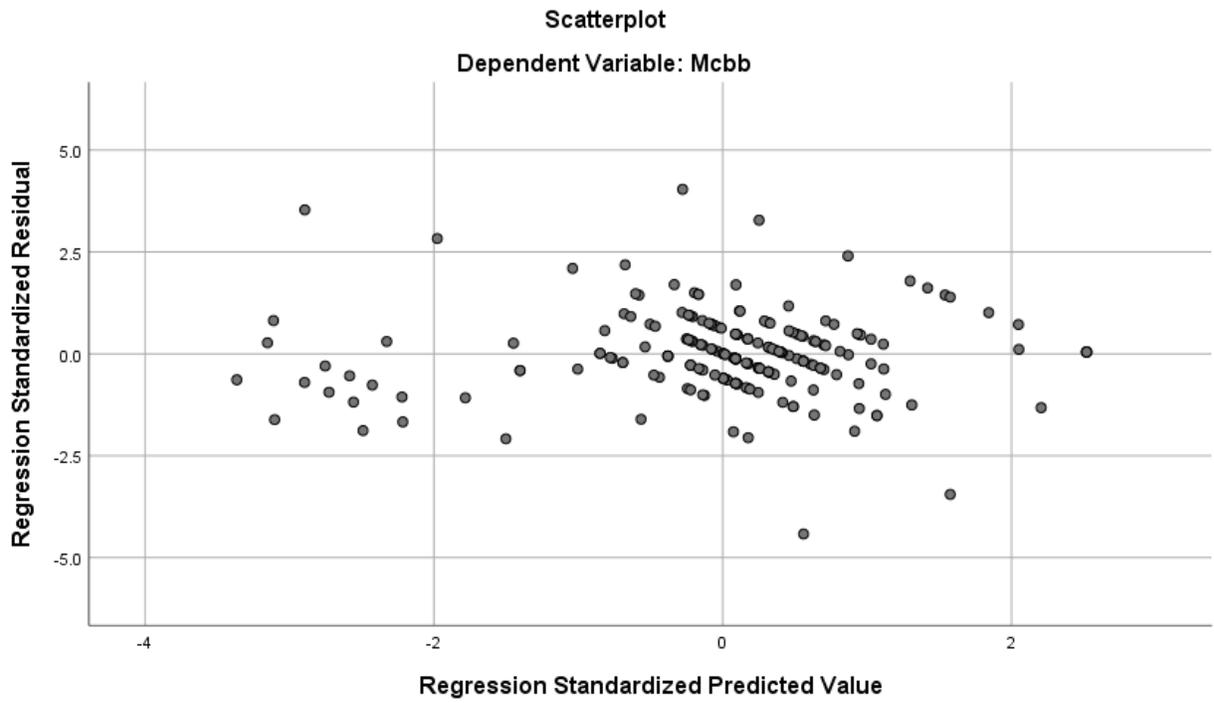
S. No.	Item	SD	DA	NE	AG	SA
Consumer Buying Behavior						
1.	I testified to friends and relatives about the incentives.					
2.	I am a repeat customer of rainbow foam and plastic company					
3.	I acted as a referee to other customers who needed service and convince them to acquire the rainbow foam products.					
4.	Rainbow foam and plastic is the first convenience foam and plastic company in my mind.					
5.	If I had the opportunity, I would commit to purchase more from the company					

❖ If you have additional comment related with the overall practice of sales promotion of the Company please write on the space provided

Normal P-P Plot of Regression Standardized Residual

Dependent Variable: Mcbb





Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.821 ^a	.674	.669	.33047	1.588

a. Predictors: (Constant), Mpre, Mcoup, Mpridis

b. Dependent Variable: Mccb