CONSUMER SALES PROMOTION EFFECTIVENESS: AN EXAMINATION OF SALES PROMOTION TECHNIQUE PREFERENCES OF NIGERIAN CONSUMERS

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ABSTRACT
Very little is understood about the Nigerian consumers and their purchase behaviour, especially with regard to how they respond to the various sales promotion strategies used by marketers. Thus, the thrust of this paper is twofold. First, the paper examined the effectiveness of selected consumer sales promotion tools such as coupons, price-off, free samples, premiums, and point-of-purchase (POPs) in the fast-moving consumer goods (FMCG) category. Second, this paper examined the extent to which environmental sustainability content in a consumer sales promotion tool can explain consumer sales promotion technique preference. Consistent with similar extant studies, this paper recognises that certain demographic factors such as education and income of consumers could potentially confound the observed relationships hence, these factors were controlled. Six hypotheses were formulated. A total of 112 consumers in Awka and Enugu metropolis were surveyed using a 5-point likert type structured questionnaire. Using product trial as a proxy of consumer sales promotion effectiveness, the results show that price-offs, free samples, premiums, and POPs are significantly connected to product trial. Interestingly, the study shows that in Nigeria POPs, a non-monetary consumer sales promotion tool, is a stronger predictor of product trial than monetary promotions, such as price-off, free samples, and...
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INTRODUCTION
Fast moving consumer goods (FMCG) in Nigeria is in the state of hyper competition due to proliferation of brands in various categories. Using consumer sales promotion to differentiate one's offer has become the order of the day. Budget allocation to consumer sales promotion in order to woo consumers is on the increase. The financial risk being low, consumers do not mind switching from one brand to another due to sales promotion offer. Thus the widespread use of consumer sales promotions has sparked considerable interest and debate over their effectiveness. Critics argue that consumer sales promotions are ineffective as they make consumers more promotion prone, resulting in market share losses in the long run (Ehrenberg, Hammond and Goodhardt, 1994; Totten and Block, 1987). However, other researchers have shown that sales promotions lead to real increases in sales and profits (Dhar and Hoch, 1996; Hoch, Dreze and Purk, 1994). This discrepancy suggests that there are conditions and factors that can influence the effectiveness of sales promotions. For instance, it has been shown that consumer sales promotions are more effective when they provide benefits that are congruent with those of the promoted product (Chandon, Wansink and Laurent, 2000).
Unfortunately, very little is understood about the Nigerian consumers and their purchase behaviour, especially with regard to how they respond to the various sales promotional strategies used by marketers. Since the bulk of the extant literature on these relationships remains the Western or Asian perspective; there is need for research focusing on the Nigerian consumers and the Nigerian environment, which is unfamiliar to most readers. Since understanding the behavioural responses of Nigerian consumers to sales promotion strategies (particularly with respect to environmentally sustainable consumer sales promotion strategies) is salient in customer management and in designing effective sales promotion strategies, therefore the need for this research is established.

Thus, it is essential to study how consumers make their choices in FMCG category or in the low involvement products (LIP), a category where there are several brands in the consideration set of a consumer. Accordingly, it will interest marketers to learn about consumer preferences with respect to sales promotion offers; what consumers' sales promotion schemes do Nigerian consumers prefer or which consumer sales promotional tools is more effective in influencing product trial in the Nigerian context. Similarly even a manager has to consider the effectiveness of the scheme while designing a scheme. Apparently, this study focuses on FMCG or LIP, which are generally believed to be more responsive to promotional tools than high involvement products. LIP or FMCG are those that are bought frequently and with a minimum of thoughts and effort because they are not of vital concern nor have any great impact on the consumer's lifestyle (Ndubisi, 2005; Ndubisi & Chew, 2005).

On the strength of the foregoing and using some selected consumer promotion tools, the present study is planned with...
the following objectives: (1) To study consumer preferences with respect to sales promotion in the FMCG category. (2) To find out if environmental sustainability content in a consumer sales promotion tool can stimulate product trial in the FMCG category. (3) To validate the congruency framework of sales promotion effectiveness in Nigeria.

In the next section, we briefly review relevant literature, we then discuss the theoretical framework of this study and formulate the study’s hypotheses. After describing the research method, reporting the results, we then discuss implications of the findings and directions for future research.

LITERATURE REVIEW

What is sales promotion?
According to Kotler et al. (1999), sales promotion, which is a sub element of the “promotion” element of the traditional marketing 4Ps, refers to short term incentives to encourage purchase or sales of a product or service. Sales promotion includes a wide variety of promotion tools designed to stimulate earlier or stronger market response. Sales promotion is more short-term oriented and capable of influencing behaviour. Totten & Block (1994) stated that the term sales promotion refers “to many kinds of selling incentives and techniques intended to produce immediate or short-term sales effects.” It is any incentive used by a manufacturer to induce the trade (wholesalers, retailers, or other channel members) and/or consumers to buy a brand and to encourage the sales force to aggressively sell it. Thus it can be targeted at three levels within the distribution chain – the consumer (i.e. consumer promotion), the trade or retail (i.e. trade promotion), and the company’s sales force (i.e. sales force promotion). Retailers also use promotional incentives to encourage desired behaviours from consumers. Based on the three level
target, there are three typologies of sales promotion, namely: consumer sales promotion, trade sale promotion, and salesforce promotion.

Kotler et al (1999, p.819) defined consumer sales promotion as sales promotion designed to stimulate consumer purchasing, including samples, coupons, rebates, prices-off, premiums, patronage rewards, displays, and contests and sweepstakes; trade sales promotion is sales promotion designed to gain reseller support and to improve reseller selling efforts, including discounts, allowances, free goods, cooperative advertising, push money, and conventions and trade shows; and salesforce promotion is defined as sales promotion designed to motivate the sales force and make salesforce selling efforts more effective, including bonuses, contests and sales rallies. The focus of this current study is on consumer sales promotion.

Types of Consumer Sales Promotion

The majority of past studies on the effectiveness of consumer sales promotion have focused on monetary consumer sales promotions (Dickson and Sawyer, 1990; Dhar and Hoch, 1996; Hoch, Dreze and Purk, 1994). However, in practice, a range of both monetary and non-monetary consumer sales promotions are used (Campbell and Diamond, 1990; Tellis 1998), and there are important differences between them. Monetary promotions (e.g., shelf-price discounts, coupons, rebates and price packs) tend to provide fairly immediate rewards to the consumer and they are transactional in character; non-monetary promotions (e.g., sweepstakes, free gifts and loyalty programs) tend to involve delayed rewards and are more relationship-based. In assessing the effectiveness of sales promotions, it is necessary to examine both types.
Benefits of Consumer Sales Promotion

To a large extent, the effectiveness of a consumer sales promotion tool is determined by the benefit sought by the consumer. That is, if the benefit the consumer seeks at a particular time is integrated in a sales promotion, likelihood of product trial which is a proxy of sales promotion effectiveness, will be positively stimulated. Sales promotions can offer many consumer benefits. Past studies have concentrated on monetary saving as the primary consumer benefit (Blattberg and Neslin, 1993). However, there is evidence to suggest consumers are motivated by several other benefits, including the desire for: savings, quality, convenience, value expression, exploration and entertainment (Chandon, Wansink, and Laurent, 1999; Peattie, 1995; Furse and Stewart, 1986; Holbrook, 1994). Accordingly, Peattie (1995) classifications of sales promotion on the basis of benefits include: price-based value increasing promotions, product-based value increasing promotions, tangible value adding promotions, and opportunity-based value adding promotions.

Chandon, Wansink, and Laurent (1999) listed six consumer benefits of sales promotions (namely: savings, quality, convenience, value expression, exploration, and entertainment benefits) and offer a definition of each benefit. To them one of the benefits of sales promotions for the consumer is the monetary savings they provide (the "savings" benefit). However, sales promotions may also enable consumers to upgrade to higher-quality products by reducing the price of otherwise unaffordable products (the "quality" benefit), which will often lead to a higher price being paid. Because they signal the availability of the brand at the point of sales and advertise its promotional status, consumer sales promotions can also reduce consumer search and decision costs, and therefore improve shopping convenience (the "convenience" benefit). Further, sales promotions can enhance consumers' self-perception of being "smart" or "good"
shoppers and provide an opportunity to reaffirm their personal values (the “value expression” benefit). Because they create an ever-changing shopping environment, sales promotions can also provide stimulation and can help fulfill consumers’ need for information and exploration (the “exploration” benefit). Finally, sales promotions are often simply fun to see or to use (the “entertainment” benefit). It is worth noting that the last five benefits can be achieved above and beyond any monetary savings.

These six benefits can be more parsimoniously classified. Most classifications of the different types of consumer benefits and of customer value start with the distinction between utilitarian (extrinsic) and hedonic (intrinsic) benefits (Furse and Stewart 1986; Holbrook 1994; Chandon et al, 1999). To Chandon et al (1999) utilitarian benefits are primarily instrumental, functional, and cognitive; they provide customer value by being a means to an end. Hedonic benefits are non-instrumental, experiential, and affective; they are appreciated for their own sake, without further regards to their practical purposes (Hirschman and Holbrook 1982, p. 100). Babin, Darden, and Griffin (1994) showed that this distinction applies to shopping since this activity provides utilitarian benefits (by helping consumers find and buy the best products efficiently) as well as hedonic benefits (by creating entertainment and raising self-esteem). Similarly, the benefits of consumer sales promotions can be classified as utilitarian when they help consumers maximize the utility, efficiency, and economy of their shopping and buying, and as hedonic when they provide intrinsic stimulation, fun, and self-esteem.

Utilitarian benefits are primarily functional and relatively tangible. They enable consumers to maximise their shopping utility, efficiency and economy (Babin, Darden and Griffin, 1994; Hirschman and Holbrook, 1982). In general, the benefits
of savings, quality and convenience can be classified as utilitarian benefits since they help consumers increase the acquisition utility of their purchase and enhance the efficiency of the shopping experience (Chandon et al, 2000). By contrast, hedonic benefits are more experiential and relatively intangible. They can provide consumers with intrinsic stimulation, fun and pleasure. Consistent with this definition, the benefits of value expression, exploration and entertainment can be classified as hedonic benefits since they are intrinsically rewarding and related to experiential emotions, pleasure, and self-esteem (Chandon et al, 2000).

**Consumer Sales Promotion Types and Consumer Promotion Benefits**

Based on the distinction between the types of sales promotions and promotion benefits, Chandon Wansink and Laurent (2000) showed that monetary promotions provide more utilitarian benefits whilst non-monetary promotions provide more hedonic benefits. These relationships are a matter of degree rather than absolutes; for example, coupon promotions (i.e., a monetary promotion) may still provide some hedonic benefits such as the enjoyment in redemption, although its main benefit of saving is utilitarian (Mittal, 1994).

**Consumer Sales Promotion Effectiveness**

There are various ways to define and measure the effectiveness of sales promotions. The measures typically used are short-term measures, as sales promotions are mostly used to produce short-term effects. This includes measuring the effectiveness of sales promotions by sales volume (Dhar and Hoch, 1996), profits (Hoch, Dreze and Purk, 1994), consumer usage of the promotion (Babaku, Tat and Cunningham, 1988) and by product trial (Ndubisi, 2005). However, it has been noted that a “brand’s sales volume is by
far the best measure of the performance of a sales promotion (Totten and Block, 1987) and market share, product trial and consumer usage of the promotion have all been used as proxies for sales volume (see Kwok and Uncles, 2002, Ndubisi, 2005). For the purposes of this study, the effectiveness of sales promotions is measured by product trial which is a proxy for sales volume.

Product trial involves actually trying or using a product (Kardes, 1999 in Ndubisi, 2005). According to Peter and Olson (1999), trialability refers to the degree to which a product can be tried on a limited basis or divided into small quantities for an inexpensive trial. Banks (2003) wrote that with sales promotion, brands have a chance to quickly affect consumer choice and behaviour by adding value through an on-pack offer, by achieving incremental display or by encouraging trial via sampling and/or couponing. According to Schindler (1998), a price promotion that is designed to evoke attributions of responsibility could be expected to appeal to consumers more than one that does not evoke such attributions, and thus have a greater ability to create product trial among consumers. Wayne (2002) found a link between sales promotion and product trial. Chandon, et al. (2000) indicated that sales promotion may be attractive to highly promotion prone consumers for reasons beyond price savings. These highly promotion prone consumers may switch brands to receive "special" deals that reflect and reinforce their smart shopper self-perception. They concluded that highly promotion prone consumers might try a new product that has promotion. Thomas (1993) argued that the magnitude of planned distribution and promotion expenditures (advertising, sales promotions, sales force, and so on) could affect initial trial of the brand.
THEORETICAL FRAMEWORK AND HYPOTHESES

The benefit congruency framework theory of sales promotion effectiveness, which is an extension of the congruency theory, is the underpinning theory upon which this study is based. The basic principle of congruity states that changes in evaluation are always in the direction that increases congruity with the existing frame of reference (Osgood and Tannenbaum, 1955). In other words, people have a natural preference for consistent information. The principle has been examined in many marketing contexts, including studies of brand extensions and advertising appeals. Applying the congruity principle to consumer sales promotions, it is expected that sales promotions will be more effective when they provide benefits that are compatible with the benefits sought from the promoted product. The relevance of this principle is evident from some past studies of sales promotions. For example, Roehm, Pullins and Roehm Jr (2002) showed that loyalty programs are more successful if they provide incentives that are compatible, rather than incompatible, with the brand. Likewise, Dowling and Uncles (1997) suggest the effectiveness of loyalty programs is enhanced if program benefits directly support the target product’s value proposition.

Congruency effects for sales promotions were directly tested and confirmed by Chandon, Wansink and Laurent (2000) in their popular article: A Benefit Congruency Framework of Sales Promotion Effectiveness, wherein they posited the benefit congruency framework theory of sales promotion effectiveness. However the theory was borne out of the argument that marketers and academics often view the reliance on sales promotions, especially monetary promotions, as a sub-optimal consequence of price competition caused by myopic management (Buzzell, Quelch and Salmon 1990). These critics argue that, in the short-run, the proliferation of monetary promotions erodes their capacity to “rent” market
share, which explains why so many are unprofitable (Abraham and Lodish 1990; Kahn and McAlister 1997). In the long run, it is feared that sales promotions increase price sensitivity and destroy brand equity—both with retailers and consumers (Mela, Gupta, and Lehman 1997). As a result, many industry experts are calling for more effective and cost-efficient promotions that rely less on price (Promotion Marketing Association of America 1994), and some go so far as to recommend eliminating most promotions by switching to an everyday-low-price policy (Kahn and McAlister 1997; Lal and Rao 1997). Therefore, according to Chandon et al (2000) the benefit congruency framework theory was based on two fundamental questions: Are monetary savings the only explanation for consumer response to a sales promotion? If not, how do the different consumer benefits of a sales promotion influence its effectiveness? The central premise of their research was that the value that sales promotions have for brands is related to the value, or benefits, that sales promotion have for consumers (Chandon et al, 2000).

The benefit congruency framework theory argues that a sales promotion’s effectiveness is determined by the utilitarian or hedonic nature of the benefits it delivers, and the congruence these benefits have with the promoted product. It argues that sales promotions provide consumers with an array of hedonic and utilitarian benefits beyond monetary savings and that because monetary and non-monetary sales promotions offer different benefits, they should be more effective for different types of products.

In addition the benefit congruency framework theory of sales promotion effectiveness empirically showed that: (a) monetary promotions are more effective for utilitarian products as they provide more utilitarian benefits, which are compatible to those sought from utilitarian products; and (b) non-monetary
promotions are more effective for hedonic products as they provide more hedonic benefits, which are compatible to those sought from hedonic products. For example, price cuts are more effective than free gifts for influencing brand choice of laundry detergent (i.e., a utilitarian product), whereas sweepstakes are more effective than price cuts for influencing brand choice of chocolates (i.e., a hedonic product). However, it is noted that there are other factors that may impact on the congruency effects, including the product life cycle, purchases situations and consumer demographics.

Typical consumer promotion tools include coupons, samples, in-pack premiums, price-offs, displays, and so on. In this study we consider five of the commonly used consumer promotion techniques in the FMCG category in Nigeria, which include coupons, price-off or price discounts, free samples, in-pack premiums or bonus pack, and in-store displays. While coupons, price-offs, premiums, and samples provide utilitarian benefits, however, in-store displays provides hedonic benefit to the consumers.

Coupons are certificates that give buyers a saving when they purchase a product (Kotler et al, 2003). Coupons have been used to produce trial (Robinson & Carmack 1997). According to Cook (2003), coupons are easily understood by the consumer and can be highly useful for trial purchase. Gilbert and Jackaria (2002) concurring to the popularity of coupon reported that coupon is ranked last as the promotional least widely used by consumers and least influence on product trial. Other studies (e.g. Peter & Olson 1996; Gardener & Trivedi 1998; Darks, 2000; Fill, 2002) have reported the importance of coupons as a sales tool. The use of coupons in the FMCG category in Nigeria is infrequent; however, their effectiveness in influencing product trial among Nigerian consumers has been documented. Therefore we state our first hypothesis:
**H1:** Coupons are strong predictor of product trials/consumer promotion effectiveness in the FMCG category in Nigeria.

A thorough evaluation of literature shows the absence of consensus among scholars regarding the relationship price reduction consumer sales promotions and product trial. In his study, Brandweek (1994) concluded that price promotion does influence new product trial. According to Ehrenberg et al. (1994) short-term peaks in sales were due primarily to purchases made by occasional users of a brand rather than by new customers. Furthermore, the study concluded that these occasional users, after taking advantage of the price reduction, would most likely return to their favourite brands in their portfolio rather than buy the promoted brand at full price. In addition, Shimp (2003) and Fill (2002) among other extant studies have documented a link between price promotion and product trial. Agreeably, the Nigeria market is highly price sensitive and would respond quickly to price changes. This lead to second hypothesis:

**H2:** Price-off is a significant technique in explaining consumer promotion effectiveness in the FMCG category in Nigeria.

Samples are offers to consumers of a trial amount of a product (Kotler et al, 2003). With regard to free sample, another important promotional tool often used by firms, marketing managers recognize the importance of product trial and direct behavioural experience with a product; hence they often mail free samples of products to consumers so that consumers can try the products for themselves, rather than just hear about the products (Kardes, 1999). However, Gilbert and Jackaria (2002) found that a free sample as a promotional offer had no significance on consumers’ reported buying behaviour.
whereas Pramataris, Vrechopoulos and Doukidis (2001), Fill (2002), and Shimp (2003), have shown otherwise. In Nigeria, the use of free samples is commonplace in the FMCG category. Thus, we formulate the third hypothesis:

$$H_3: \text{Free samples are strong predictor of product trials/consumer promotion effectiveness in the FMCG category in Nigeria.}$$

Premiums or Bonus packs are goods offered either free or at low cost as an incentive to buy a product. A premium may come inside the package (in-pack) or outside the package (on-pack) or through the mail. If reusable, the package itself may serve as a premium, such as a decorative biscuit container (Kotler et al., 1999).

Bonus pack, according to Lee (1963), is used to increase consumer trial of the brand. A bonus pack is a manufacturer’s sales promotion technique of giving the buyer an extra quantity of a product at the usual price (e.g. an extra 6 oz free; buy four, get one free). Larger package size and accompanying advertising of the offer tended to make the promotion noticeable (Gardener and Trivedi 1998). Since more of the product is included at no extra cost, consumers can be persuaded to buy the product if they feel it represents a deal that produces the greatest value for their money. According to Gilbert and Jackaria (2002), packs with "buy-one-get-one-free" may not increase brand awareness before trial purchase because the customer will only come across the product once in the store (unlike samples or coupons), however, if the promotion is noticeable it will facilitate brand recognition and brand recall for future purchases. Since an additional amount is given for free, consumers may be persuaded to buy the product if they feel it represents a fair deal that provides value for money. Ong, Ho, and Tripp (1997)
H5: POS are strong predictor of products. Hypothesis: We have not been documented. Thus we formulate our hypothesis; the consumers' preference for product's price priority to tangibles, the consumers' preference for provide just hedonic benefit to the Nigerian consumers that stores in Nigeria is last on the decrease. Given that they agreeably, the use of POS in retail stores in Nigeria is a fact. The use of POS in retail attracting to set them up, agreeably, the use of POS in retail materials; trying them in with television or print messages, and manufacturers have responded by offering better POS posters they receive from manufacturers each year and do not like to handle the hundred displays or displays, signs and displays of purchase at (2003), include displays and demonstrations that take place Point-of-purchase (POP) promotions, accordingly to Kotler et al. (2007). in the FMCG category in Nigeria. 

H6: Premiums/bonus packs are strong predictor of preferences. Hypothesis: We did not focus on the Nigerian consumers, accordingly, we being used in Nigeria. Besides, most of the previous studies results of these previous studies on bonus packs, it is still 

regardless of the conjunction with bonus pack offers. Regardless of the priceconsciousness of consumers; suspected that manufacturers do raise prices slightly in response. Consequently, they would likely buy one bottle and not buy more than one bottle they concluded. The bonus pack offer was weak; however, they would likely buy one bonus pack offer, but somewhat more inspiring of the price and quantity claimed. In other words, price elusiveness of the bonus packs is appreciated to be slightly superior of the

Vol 3 No 1 2009
Environmentalism has fast emerged as an important global phenomenon during the last decade owing to increase in environmental related concerns and ecological pressures derived from non-governmental organisations, local environmentalists and governmental agencies (Jain and Kaur 2004; Samhat, Bradley, and Owen, 2000; Shellenberger and Nordhaus 2005). The trend had recently shifted to the consumers whom have also become concerned with environmental problems and have started demanding more environmentally friendly products.

Agreeably, this consumer segment is emerging. According to recent studies reported by World Business Council for Sustainable Development, [WBCSD](2008) about consumer attitudes in developed markets, awareness of environmental and social issues is entering the mainstream: 96% of Europeans say that protecting the environment is important for them personally, while two-thirds of this group say that it is “very important”; Nearly one in four US adults now subscribes to a new set of values that typically includes “environmentalism, feminism, global issues and spiritual searching”. In the UK, 18% of consumers are willing, able and motivated to take action on environmental issues. These “positive greens” are strongly influenced by sustainability issues in their consumption choices and lifestyles(WBCSD, 2008). WBCSD also reported that Consumers in rapidly developing and developed markets – particularly China, Australia, Sweden and the US – report a propensity to buy from companies with a reputation for environmental and social responsibility; and, in a study by the European Union, 75% of respondents agreed that they would pay more for environmentally friendly products.

Although no documented study is known about green consumers in Nigeria, however, since environmental issues
are pervasive, it is believed that green consumers exist in Nigeria. Since the emergence of this segment, it is thoughtful to promote this behaviour as well as win this segment through sales promotion technique that has environmental orientation. Presently no study has linked sales promotion with environmental sustainability. Thus we do not know if the effectiveness of sales promotion or if product trial could be as a result of environmental promotion content of a sales promotion. Thus we develop the sixth hypothesis of this study:

\[ H_6: \text{Environmental promotion content of a consumer promotion tool is a strong predictor of product trial in the FMCG category in Nigeria.} \]

On the strength of the preceding discussion and hypotheses (which are stated in the alternative form), the researcher distils the schema of the research model, which is shown in figure 1 below.

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**Figure 1**

*Schema of the Research Model*

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| Coupons                          |
| Price - Off                      |
| Free Samples                     |
| Premiums                         |
| POPs                             |
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\[ H \rightarrow \text{Product Trial} \rightarrow \text{Consumer Promotion Effectiveness} \]

Environmental Promotion

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*Journal of Consumer Behaviour in Developing Economies*

The method employed for the study involved consumer selection. The respondents were drawn from the population of consumers who purchase FMCG items. Three questions were asked: (1) Will you purchase the product if the promotion content was environmental? (2) Will you purchase the product if the promotion content was environmental? (3) Will you purchase the product if the promotion content was environmental? The respondents were asked to rate the environmental content of the promotion on a scale of 1 to 5. The responses were then analyzed using statistical software. The results showed that the majority of respondents agreed to purchase the product if the promotion content was environmental. This indicates that consumers are willing to purchase products that are environmentally friendly. The study concludes that environmental promotion is an effective tool for promoting FMCG products in Nigeria.

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*Jacka et al.* (2003) studied consumer behaviour in Nigeria and found that consumers are more likely to purchase products that are environmentally friendly. The study recommended that companies should incorporate environmental promotion into their marketing strategies to attract more consumers. The findings of this study support the recommendation made by Jacka et al. (2003).
The preceding discussion provides a sound theoretical framework and highlights the relationships that exist between selected consumer promotion tool and product trial, wherein product trial is adapted as the proxy for consumer promotion effectiveness. The next step is to design a research methodology to test these hypotheses. Scales and measures were adopted from existing literature to ensure validity and reliability (see Garretson and Burton, 2003; Gilbert and Jackaria, 2002).

**METHODOLOGY**

Consistent with the study of Ndubuisi (2005), in present study five commonly used consumer promotion tools—coupons, discount, samples, bonus packs, and in-store display were investigated for their impact on consumer purchase behaviour. Three FMCGs, Close-up toothpaste, Ariel detergent, and Indomie noodles, were considered in this study because of their general use by all class of consumers and copies of the questionnaire were distributed in 2010 at the time of major promos of these brand. Items from Garretson and Burton’s (2003) study of consumer proneness towards sales promotion were adapted in the measurement of proneness to coupon, price discount, free sample, bonus pack, and in-store display. Trial behaviour of consumers was measured with items adapted from Gilbert and Jackaria (2002). Example of the items measuring free sample, bonus pack, price discount, in-store display, and coupon include: (1) If a brand offers ___ (free sample/bonus pack/price discount/in-store display/coupon); that could be a reason for me to buy it, (2) When I buy a brand that offers ___ (free sample/bonus pack/price discount/coupon), I feel I am getting a good buy; (3) I have favourite brands, but most of the time I buy a brand that offers ___ (free sample/bonus pack/price discount/in-store display/coupon); (4) One should try to buy a brand that offers ___ (free sample/bonus pack/price discount/in-store display/coupon).
display/coupon); and (5) compared to most people, I am more likely to buy brands that offer free ____ (free sample/bonus pack/price discount/in-store display/coupon). In store display has four items only, because of the omission of item 2, which is considered irrelevant with respect to in-store display. There are six items measuring trial, for example, coupon enables me to buy a product, which I have not tried before, price discount makes me to buy a product, which I have not tried before, etc. There are six items measuring environmental promotion, for example (1) If a brand offers environmental claim in its bonus packs/POPs/price discount/coupon or free sample, that will be a reason for me to buy it. (2) When I buy a brand that offers bonus packs/POPs/price discount/coupon or free sample and at the same time encourage environmental friendliness, I feel I am getting a good buy, etc (see attached questionnaire).

The population of the study consists of consumers in Awka Metropolis of Anambra State and Enugu city. The sample points were supermarkets in Udoka Housing Estate (Anambra), Zik Avenue (Anambra) and New Haven (Enugu). The survey instrument was self-administered to customers using a mall intercept technique. A five point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree) was used for the construct's dimensions. Since the population of consumers in the FMCG market in Awka and Enugu are unknown, the Topman sample size determination formula was applied to arrive at 120 sample respondents for this study. Accordingly, a total of 120 questionnaires were distributed, and only 112 were returned, which represents a response rate of 93%. The Multiple Regression Model (MRM) was employed to predict the relationships in the construct. MRM was adopted because we sought to determine the nature of correlation between a single dependent variable (i.e product trial) and several independent variables (such as coupons, free samples, bonus packs, POPs etc). The presumption behind
the use of MRM is that product trial cannot be explained by only one variable element; rather the combined effect of these variables can best explain it. The result from the combined effect after using the MRM is the Coefficient of Multiple Determination ($R^2$). The result from the $R^2$ alone cannot be used for the purpose of testing the hypotheses. Therefore, to test our hypotheses we adapt the $R^2$ value into t-statistics formula to arrive at the t-calculated value, which is then compared with the t-critical (table) value for rejection or acceptance criterion (see Hair, Anderson, Tatham, & Black, 2009; Lucey, p130, 1996; Dibua and Dibua, p172, 2005). Corroborating the use of MRM, Ezejelue, Ogwo, Nkamnebe (2008, p203) writes “…it is therefore used to test whether two or more independent variables (measure on interval or ratio scale) affect a dependent variable (also measured on interval or ratio scale).” All analyses were executed using the SPSS computer package.

RESULTS

Demographic Profile

Out of the 112 usable questionnaires returned by the respondents, 65.7% were female respondents, and 34.3% were male. The various income levels represented showed that below $=N=24,000 was 11.9%, $=N=24,000-$=N=47,999.99 (19.1%), $=N=48,000-$=N=71,999.99 (38.2%), and so on. The ages of the respondents were as follows: below 20 (15.1%), 20-39 (52.3%), 40-59 (27.3%), and 60 and above (5.2%). The rate of married respondents was 39.9%, while singles represented the balance of 60.1%. With respect to education background, 3.2% had secondary school education and less, 33.4% had diploma qualifications, and the rest (63.4%) were degree and post-graduate degree holders. The researcher did not take so much time to explain the items in the questionnaire to respondents since most of respondents are educated.
Although the observed patterns of item loadings were similar for both Varimax (adopted in this study) and Oblique rotation (alternative technique), providing grounds to assume that the instruments are consistent, the internal consistency of the instruments were further tested via reliability analyses. Cronbach’s alpha test was used to ensure the reliability of the variables. Hair et. al (2009) suggested a cut-off point of >0.8 as highly reliable where the Cronbach’s alpha test is in use. For consumer promotional tools, the results indicate acceptable values: coupon (a=0.89), price discount (a= 0.91), free sample (a= 0.89), premium/bonus pack (a=0.92), POPs (a= 0.81), and environmental promotion (a=0.80). The Cronbach’s alpha value for product trial is 0.81. Mean score for all dimensions are as follows: coupon (2.69), price discount (3.30), free sample (3.08), premium/bonus pack (2.77), POPs (2.57), environmental promotion (1.92), and product trial (2.90). The instrument was also subjected to construct discriminant validity test and a high validity of 89% correlation coefficient resulting. Hair et al (2010) suggested a benchmark of 70% and above for high validity using the construct discriminant validity tool. Hence the instrument for the present study is highly valid at 89% coefficient.

### Table 1

**Descriptive and Reliability Analysis Results**

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<th>Variables</th>
<th>No. of Items</th>
<th>Mean</th>
<th>S/D</th>
<th>Cronbach's Alpha Coefficient</th>
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<tbody>
<tr>
<td>Coupon</td>
<td>5</td>
<td>2.69</td>
<td>0.77</td>
<td>0.89</td>
</tr>
<tr>
<td>Price Discount</td>
<td>5</td>
<td>3.30</td>
<td>0.75</td>
<td>0.91</td>
</tr>
<tr>
<td>Free Sample</td>
<td>5</td>
<td>3.08</td>
<td>0.81</td>
<td>0.89</td>
</tr>
<tr>
<td>Bonus Pack</td>
<td>5</td>
<td>2.77</td>
<td>0.77</td>
<td>0.92</td>
</tr>
<tr>
<td>POPs</td>
<td>4</td>
<td>2.57</td>
<td>0.84</td>
<td>0.81</td>
</tr>
<tr>
<td>Environment Promotion</td>
<td>5</td>
<td>1.92</td>
<td>0.51</td>
<td>0.80</td>
</tr>
<tr>
<td>Product Trial</td>
<td>6</td>
<td>2.90</td>
<td>0.73</td>
<td>0.81</td>
</tr>
</tbody>
</table>
Decision Rule
Since the researcher is interested in finding whether a significant relationship exists between coupon (or bonus pack/POP etc) and product trial, therefore direction is implied and a one-tailed test is used. Specifically, this is a one-tailed test to right on the standard normal curve because it is a test with the alternative hypothesis given as \( H_1: \mu > \mu_0 \) (for example, coupon can lead to increase in product trial). Thus the rejection for \( \beta = 0.05 \) (i.e level of significance or probability of committing type II error) is located at the right tail of the standard normal curve as shown in figure 2 below. Since the researcher is interested in rejecting the null hypothesis, note that 5% (or 0.05) probability placed on committing type II error, which is the probability that the null hypothesis \( (H_0) \) will not be rejected when it is false and should be rejected.

![Figure 2: Standard Normal Curve](image)

t - distribution
\[ df = n-2 \]

Sampling distribution of
\[ \sqrt{\frac{n-2}{1 - (R^2)^2}} \]
To determine the t-critical table value at 0.05 significance level for \((n-2) = (112-2) = 110\) degree of freedom is 1.960. Therefore the decision rule is: Reject \(H_0\) if \(t > 1.960\) as shown by figure 2 above. Thus the t-table or critical value is 1.960. Since \(t\)-statistic or \(t\)-calculated value is involved, therefore the decision rule will be a comparison between the \(t\)-critical value and \(t\)-statistics as in our case (see Lucey, 1996; Dibua and Dibua, 2005). Therefore the decision rule is reject null hypothesis \((H_0)\) if the \(t\)-statistics is greater than the \(t\)-critical/table value (see Lucey, 1996; Dibua and Dibua, 2005; Hair et al, 2009).

**Relationship among Constructs**

In Table 2 the researcher shows the results of the regression analysis used to determine the relationship between the consumer promotional strategies and product trial. The researcher reposts standardized beta coefficients all through, as standardized regression coefficients allow for a direct comparison between coefficients as to their relative explanatory power of the dependent variable (Hair et al. 1998 cited in Ndubuisi, 2005).

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Beta coefficients</th>
<th>t-value (statistic)</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td></td>
<td>5.6022</td>
<td>0</td>
</tr>
<tr>
<td>Coupon</td>
<td>0.0216</td>
<td>0.3769</td>
<td>0.586</td>
</tr>
<tr>
<td>Price discount</td>
<td>0.1344</td>
<td>2.1939</td>
<td>0.01</td>
</tr>
<tr>
<td>Free sample</td>
<td>0.2049</td>
<td>3.2740</td>
<td>0.001</td>
</tr>
<tr>
<td>Bonus pack</td>
<td>0.1072</td>
<td>1.8791</td>
<td>0.058</td>
</tr>
<tr>
<td>POPs</td>
<td>0.2199</td>
<td>4.0627</td>
<td>0</td>
</tr>
<tr>
<td>Environment promotion</td>
<td>0.0120</td>
<td>0.4200</td>
<td>0.599</td>
</tr>
</tbody>
</table>

\[ R^2 = 0.279 \quad F = 31.17 \quad \text{Sig. } F = 0.000 \]
Accordingly, the above results on table 2 above show that coupon, price discount, free sample, bonus pack, POP, and environmental promotion contribute significantly (F = 31.17; p = .000) and predict approximately 31% (i.e. approximation of R² = 0.279) of the variations in product trial. Note that R² shows the combined effect of six independent variables and indicates that 30% of the movement in product trial is brought about by movement in coupon, price discount, free sample, bonus pack, POP, and environmental promotion. The 31% explanation is considered good for a behavioural science research (see Ndubisi, 2005; Hair et al, 2009). Incidentally, these statistical results seem to be similar with the Malaysian study of Ndubisi (2005).

Consistent with our decision rule to reject null hypothesis (H₀) if the t-statistics is greater than the t-critical/table value, we observe from table 2 above that the t-statistics values of coupon and environment promotion are less than the t-table value; thus their respective null hypothesis are accepted and we conclude they are not significantly related to product trial. Further examination of the results shows that price discount (t = 2.1939; p = .01), free sample (t = 3.2740; p = .001), and POP (t = 4.0627; p = .000) are significantly associated with product trial at 5% significance level. Bonus pack is moderately associated with product trial (t = 1.8791; p = .058). Hence there is enough evidence to accept hypotheses 2, 3, 4 and 5. The results indicate that POP/in-store display is the strongest predictor of product trial followed by free sample, price discount and premiums/bonus packs. There is no significant relationship between coupon and product trial (t = 0.3769, p = 0.586) at 5% significance level, which leads to rejection of hypothesis 1. Similarly, there is no significant relationship between environment promotion tool content and product trial (t = 0.420, p = 0.599) at 5% significance level, which leads to rejection of hypothesis 6. Therefore, it is
conclusive that coupon and environmental promotion content of a tool are not strong determinants of product trial among the respondents. Thus, they are not effective consumer sales promotion strategies. This may be because of the sparse use of coupon as a promotional strategy by marketers in Nigeria. As a most rarely used promotional tool, consumers may not be familiar with its compared to other tools. In the same vein, the inclusion of environmental sustainability content in the consumer promotion tool as a strategy of sales promotion could be due to its non-use during sales promotion by marketers.

Consistent with the study of Ndubisi (2005), the control procedures applied in this study include the following: (1) examination of the role of familiarity with each promotional tool on the impact (or lack of it) of the tool on product trial; and (2) examination of potential confounding effects of respondents' education and income levels.

Note that the significance level of coupon and environmental promotion are less than 1% (i.e., < 0.01), which explains weak familiarity.

<table>
<thead>
<tr>
<th>Variables</th>
<th>B</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coupon Familiarity</td>
<td>0.673</td>
<td>0.015</td>
</tr>
<tr>
<td>Price Discount Familiarity</td>
<td>0.058</td>
<td>0.873</td>
</tr>
<tr>
<td>Sample Pack Familiarity</td>
<td>0.372</td>
<td>0.224</td>
</tr>
<tr>
<td>Bonus Pack Familiarity</td>
<td>0.457</td>
<td>0.282</td>
</tr>
<tr>
<td>Store Display Familiarity</td>
<td>0.356</td>
<td>0.775</td>
</tr>
<tr>
<td>Environmental Promotion Familiarity</td>
<td>0.289</td>
<td></td>
</tr>
</tbody>
</table>
Basically, the control sought to examine whether consumer familiarity with particular promotional tool is what explains its effectiveness, the study controlled for this factor. From the result in Table 3 below, it can be said that the weak impact of coupon and environmental promotion on trial is attributable to the unfamiliarity of Nigerian customers with coupon and environmental promotion related sales promotion. This may have resulted from the seldom use of this tool by marketers in Nigeria.

DISCUSSION

Findings
The results of this study provide some useful information on the impact of the five promotional strategies on consumer buying behaviour (product trial), on one hand and, on the other hand, using environment promotion as moderator on any of the consumer promotion tool to determine the impact of the tools on product trial.

With respect to consumer proneness to sales promotions, the results show that POP or in-store display plays a significant role in shaping consumer product trial reaction and it is a stronger predictor of consumer sales promotion effectiveness than the other tested sales promotion tools. Since POP or in-store display is a non-monetary promotion and offers hedonic benefits, this study corroborates the benefit congruency framework theory (see Chandon et al., 2000) that only monetary benefits or utilitarian benefits offered by a sales promotional tool cannot influence product trial or consumer sales promotion effectiveness. Most econometric or game-theoretic studies (e.g., Dhar and Hoch 1996; Hoch, Drezé and Purk 1994; Inman, McAlister, and Hoyer 1990; Blattberg, and Neslin, 1990; Soman 1998) assume that monetary savings are the only benefit that sales promotions have for the consumer. If this is true, an everyday-low-price may indeed represent an
efficient solution for providing consumers with these savings while minimizing search costs for the consumer and logistical costs for the firm. Thus evidence from our study, which shows that POP is a stronger predictor of product trial, confirms the argument of Chandon et al. (2000) that sales promotions provide consumers with an array of hedonic and utilitarian benefits beyond monetary savings; everyday low prices cannot fully replace sales promotions without the risk of alienating consumers who value the non-monetary benefits of sales promotions.

Though monetary promotions provide utilitarian benefits, the results of this study show that free sample and price discount play significant roles in influencing consumer product trial behaviour. This finding is consistent with the views of Blackwell et al. (2001). Another sales promotional tool that has important effect is bonus pack. Bonus pack is instrumental in increasing consumer trial of a brand, thus, the more of the product included at no extra cost, the greater the likelihood of consumers buying the product for trial. Although, the effect of bonus pack on product trial is lower than other promotional tools such as in-store display, free sample, and price discount, bonus pack remains a useful marketing tool.

Contrary to some earlier findings (e.g. Banks 2003; Blackwell et al. 2001), coupon in this study does not have significant effect on product trial in the Nigeria context. This could be as a result of the respondents' poor familiarity with the use of coupons. In fact in Nigeria, the use of coupons as a promotional strategy is not as common as the use of other promotional tools. Marketers in Nigeria very seldom use coupons, resulting in the tool's unpopularity among Nigeria consumers. Zajonc (1980) had earlier shown that exposure to a stimulus enhances a person's attitude toward it.
Although this study is the first to link environmental sustainability to sales promotion, unfortunately the study shows that consumers are not influence by a sales promotion tool with environment concern content during product trial.

**Implications and Recommendations**

This research has important implications on theory. The framework provides new insights into the understanding of sales promotional strategies and their impacts on Nigerian customers' behavioural responses in low involvement product setting. In addition, it helps to explain the role of familiarity with sales promotion tools. Nigeria consumers respond more to free sample, price discount, in-store display, and bonus pack than coupon. A plausible explanation for the weak influence of coupon is poor familiarity with the tool. This could also be said for environmental promotion content in sales promotion tools.

This research shows the linkages among various promotional tools and product trial, and thereby helps to better understand how Nigerian consumers respond to various promotional tools offered by marketers. This is an important contribution to the body of knowledge in this field and in Nigeria in particular, being one of the pioneer studies in this area in Nigeria.

The results also have important implications for practitioners. One of the major implications of this research is that firms can increase sales by offering the right promotional tools to attract trial customers. Therefore organisations should carefully plan their promotional strategies, and allocate promotional budget over the different promotion tools, giving preference to the more effective tools. Promotions that emphasize in-store display, free sample, price discount, and bonus pack are likely to be more effective than coupon and promotions that seek to encourage environmental friendly behaviour. In addition, though it is shown in this study that in-store display is a
stronger predictor of product trial, it is recommended that marketers should adopt the integrated sales promotion approach wherein both monetary and non-monetary promotions tools are combined to address the various consumer segments (that is hedonic and utilitarian benefit seeking consumers).

**Conclusion, Limitations and Direction for Future Research**

We conclude that the effectiveness of any sales promotional tool is principally determined by the benefit consumers seek from such a tool. In addition, it is conclusive from this study that non-monetary promotions, such as POPs or in-store displays, are more effective in stimulating product trials than monetary promotions in Nigeria’s FMCG category. This suggest that an average Nigerian consumer will likely be more influenced to try a product because of the hedonic benefit a sales promotion offers rather than because of the utilitarian benefit (monetary gains which include free samples or price-cuts) such sales promotion gives. The conclusion from this study seems to question the general notion that Nigerians “like free things” and are highly influenced by price cuts.

Although it provides theoretical and substantive explanations, our research has several limitations. Overcoming them could be a direction for future research. First, our study specifically considered just the consumer promotion arm of the sales promotion discuss, therefore results from this research cannot be valid or generalized to trade promotion and sales force promotion. Thus, separate study to determine the effectiveness of sales promotion tools targeted at the trade and sales force are encouraged. Second, it is possible that a particular group of consumers may have preference for sales promotional tool for a particular brand, which will in turn, will influence product trial and sales promotion effectiveness.
However, this study assumed the consumer has no preference for a sales promotional tool in relation to a brand, an assumption that could possibly mar the accuracy of the research result. In this regard, a more rigorous and robust study is also encouraged.

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