

**THE EFFECTS OF MARKETING PROMOTIONAL STRATEGIES ON SALES
VOLUMES, A CASE STUDY CARRIED OUT ON MULTICHOICE KENYA
LIMLITED.**

BY

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BMM/10014/81/DF

**A DESERTATION SUBMITTED TO THE SCHOOL OF BUSINESS MANAGEMENT
IN PARTIAL FULFILLMENT OF A BACHELOR OF MARKETING MANAGEMENT
OF KAMPALA INTERNATINAL UNIVERSITY.**

JULY2011

DECLARATION

I **EDWIN K. WAIRIMU** do sincerely declare that this is my work in which I have researched on the above named company. This research I have carried out has not been presented to any other learning institution.

Name of student ; EDWIN K. WAIRIMU

Date ;

Signature ;.....

Approval

The research project by Edwin k. wairimu has been carried out under my supervision and is submitted to the school of business and management of Kampala international university with my approval.

Supervisors name. , MR OMARA THOMSON

Date ,.....

Signature. ,.....

DEDICATION

This work is dedicated to the almighty GOD first because of enabling me to reach this point in my life, to my mother MS Mary wairimu wanjiku, my brothers Kennedy kangethe and Edgar njoroge, my sister jackline mukami, my aunt Caroline njambi and also all my family members and my friends. It also very important to remember my supervisor Mr. O'Mara Thomson and the Kampala international university fraternity. the support given to me by all the above named is highly appreciated and my GOD bless them.

ACKNOWLEDGEMENT

This report is as a result of a field work I carried out in the partial fulfillment of bachelors in marketing management in Kampala international university. There have been a lot of positive influences from many individuals in the writing and compiling this research report.

First I would like to recognize the Kampala international university for its participation in imparting information on how the research is carried out as well as the necessary steps to be followed. Especially Mr. O'Mara Thomson who's advice during the compiling of the report was very important.

It is also important to give thank to multichoice Kenya limited staff members and customers who were very helpful in the gathering of information which was very important to the completion of the research report. It was their cooperation which made it easy and helpful to accomplish the expected objective of the report.

Last but not least I would like remember all individuals who were either directly or indirectly involved in making my research report a success.

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ABBREVIATIONS

AMA – America marketing association.

MAL – Multichoice Africa limited.

MKL – Multichoice Kenya limited.

POP – Point of purchase.

POS – Point of sale.

ABSTRACT

The study was conducted to determine the impact of sales promotion strategies on sales volume In Kenya a case study of MKL Company limited. The objectives of the study were to assess the impact of the sales promotion strategies employed by multichoice Kenya limited on the increasing sales volume in the organization, to identify the sales promotion strategy (ies) used by MKL, to establish how to improve sales in MKL, to identify changes faced by MKL in implementing sales promotion strategies to reach its marketing objective.

The challenges faced by MKL in implementing sales promotion strategies to reach its marketing objectives are customer loyalty, slow decision making by management, completion, and government intervention and customer perception.

It's through the research findings that the study recommended that MKL should increase on the financial resources to their marketing promotion strategies, they should also revise their monthly fees for their customers and MKL should approach their promotion strategies carefully to avoid excessive promotions which might deteriorate the company's products.

CHAPTER ONE

1.0 INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Sales promotion was largely considered to be 'a tactical marketing to do in the past, mainly concerned for providing short-term incentives to encourage consumers to purchase/sale of a product or service. However, with the advent of loyalty programs and other sales promotional techniques aimed at brand loyalty thus repeat purchases, sales promotion practitioners have attempted to reposition their discipline due to the increased, intense, competitive' environment that many organizations face.

Economic liberalization aimed at sustaining various economical sector in Kenya by boosting the resources mobilization, motivation and' competition in the market through enhancing quality and efficiency in location, therefore brought changes in various economical sectors, unlike in the past before economic liberalization was introduced by the government, companies used to be granted subsidies to suffice their operational expenses, thus there was no competition and quality of products was poor. Therefore sales promotion was not given much emphasis in the past., The introduction of economic liberalization, 'trade deregulation and globalization have made greater impact of revolutionizing the face of trade in Kenya, competition has increased tremendously, forcing companies to allocate a greater proportion of budget into sales promotions campaigns and activities.

In today business environment, companies are scrambling for the market share in the market as customers possess a greater decision power to purchase the product, hence companies are faced with a task of ensuring that they communicate well with their customers pertaining to their offerings and maintaining constant and smooth transactions with their customers. Due 'to these changes, there is need of implementing strong promotion strategies in current competitive environment which will attract more customers.'

1.2 ORGANIZATIONAL BACKGROUND OF MKL

Multi-choice Kenya Limited is an agent of Multi-choice Africa (Proprietary) Limited. Multi-choice Kenya is an entertainment pay-television network which started its operations in Kenya sixteen (16) years ago since 1995. Multi-choice Africa (PTY) Limited is an indirect wholly owned subsidiary of Naspers Limited, provides world-class subscriber management services and digital satellite television platforms, broadcasting over 100 video and audio channels 24 hours a day. Multi-choice Africa operates through subsidiaries, agents, franchisees and joint ventures operating in Kenya, Ghana, Uganda, Nigeria, Kenya, Zambia, Namibia and Botswana. The agents and franchisees conduct marketing and advertising activities to build Multi-choice Africa's subscriber base and collect subscription revenues on behalf of Multi-choice Africa. They retain a minor portion of the subscription revenues they collect as compensation for their services and remit the balance to Multi-choice Africa: The television service consists of terrestrial analogue 'networks as well as direct-to-home digital satellite television (DStv). Currently Multi-choice Kenya Limited has 200,000 subscribers in Kenya since it begun its operations 'in Kenya. Multi-choice Africa (PTY) Limited has in total of 22 Million subscribers in Africa.

The location of Multi-choice Kenya Limited, Headquarter of Multi-choice Kenya Limited in Kenya resides in Nairobi. Nairobi is the largest city in Kenya with 6 million people. Multi-choice Kenya Limited head office is located at multichoice building in westlands, Nairobi. Multi-choice Kenya Limited has one (3) branches in Kenya namely multi-choice Nakuru, Multi-choice Mombasa and Multi-choice Kisumu. For the case of Multi-choice Africa (PTY) Limited being the headquarters for all the other agents in Africa, is located in Randburg,' South Africa.

1.2.1 Core Business of Multi-choice Kenya Limited

Multi-choice core business focus is in the following areas:

- Acquires channels from local, African and international channel suppliers
- Groups channels according to genres.
- Packages these channels into bouquets branded as DStv.
- Currently offers a subscription broadcasting service, DStv, to the public.
- Collects monthly subscription fees for services rendered to subscribers

- Conducts marketing and advertising activities on behalf of Multi-choice Africa Limited for acquiring new subscribers.

1.2.2 Mission of Multi-choice

The primary mission of Multi-choice is to Enriches Lives. It is Multi-choice mission to brighten people's lives with compelling digital media content through Pay TV on the' digital horizon, Multi-choice believes that they can enrich people's lives anywhere in a city, in a remote village, to millions of people, to one person, to someone they don't know, to someone they work with, to the fortunate, to, the less fortunate.

1.2.3 Vision of Multi-choice Kenya limited;

the vision of Multi-choice Kenya Limited is to be Number One in all chosen market segments, as the most trusted, best value provider of:

The most compelling digital media content. ,

The most innovative delivery.

The best customer care.

Nurturing the best talent.

1.3 STATEMENT OF THE STUDY

The air of change is gaining momentum after the introduction of economic liberalization. Due to this there is an increase in competition; companies are finding it increasingly difficult to compete on quality. They are therefore turning much of their energy to more innovative methods of sales promotion. Elsewhere, towards achieving the long-term profit goals, companies try to attain high sales volume. Brand managers and product managers find themselves under pressure to achieve short-term sales results for the sake of their careers. As a result of these pressurizing factors, marketing managers spends a large amount from their communication budget on sales promotion. They allocate around 75 percent of their marketing communication budget to sales promotions, trying to put, effort on utilizing sales promotion strategies often lead to success but sales promotion strategies do not guarantee results therefore managers have to be careful on setting and designing their sales promotion strategies. The main difficulty for companies trying to be competitive through the use sales promotion is to choose the strategy most appropriate to

company's brand and increase sales. Therefore it is important to study sales promotion strategies and investigate the impact that these strategies have to an organization.

1.4 OBJECTIVE OF THE STUDY

1.4.1 Objectives

1. To evaluate the sales promotion strategies adopted by MKL
2. To assess the sales of MKL
3. To examine the challenges experienced by MKL in implementation of their promotion strategies

1.5 RESEARCH QUESTIONS

1. What are the sales promotion strategies used by MKL?
2. How does MKL improve its sales?
3. What are the challenges which MKL face when it's implementing its sales promotion strategies?

1.6 SCOPE OF THE STUDY

The study was conducted at multi-choice Kenya limited at its headquarters in Nairobi the capital of Kenya. The research has been carried out in both the internal and external environments of multi-choice Kenya limited; both the staff members of the company and the customers of the company.

The study has a content scope of which will cater for Multi-choice operations in its respective industry.

It is also important to note that it has a time scope of six months because business operations are changing every day

1.7 SIGNIFICANCE OF THE STUDY

The study is important due to the following significances;

The study will enable me as a researcher to integrate the theoretical training in class with the practical situation in the field

The research carried out has given a way for further investigations on sales promotion strategies that will be useful to other researchers.

The research will give company the actual position it is in operations in accordance to the sales promotion strategies it has adopted.

The research has provided the researcher with potential knowledge on the area of his/her study.

1.8 CONCEPTUAL FRAME WORK

Independent variables

Inputs

- .sales representative's
- .financial resources

Sales promotion types

- .consumer sales promotion
- .trade sales promotion
- .business-to-business sales promotion

Sales promotion strategies

- .push-strategy
- .pull-strategy.
- .push-pull strategies combination

dependent variables

Feed back

- .sales volumes
- .skills of sales personnel
- .market share

Source; primary data,

Author; Edwin Kahura Wairimu

CHAPTER TWO

LITERATURE REVIEW

2.0 INTRODUCTION

This chapter explains all about theories and empirical literatures related to the research subject with the objective of expanding knowledge and familiarizing the user with the opinions of different authors with regard to sales promotion.

2.1 THEORETICAL LITERATURE

2.1.1 Meaning of sales promotion

Sales promotion is an important component of a business overall marketing strategy, along with advertising, public relations, and personal selling. AMA defines sales promotion as “media and non media marketing pressure applied for predetermined, limited period of time in order to stimulate trial, increase consumer demand, or improve product quality, stimulates consumer purchasing, selling effectiveness or the effort of the sales force. Kotler (2000)

Also sales promotion are “those activities other than personal selling, advertising, and publicity that ‘stimulate consumers’ purchasing and dealer effectiveness such as display, shown and expositions, demonstration and various non recurrent selling effort not in the ordinary routine” Peterson (1977:43-8)

Sales promotion acts as a competitive weapon by providing an extra incentive for the target audience to purchase or support one brand, over another. Business can target sales promotions at different audiences: consumers, resellers and the company’s own sales force. Compared to the components the marketing mix (advertising, publicity, and personal selling), sales promotions usually operate on a ‘shorter time line, uses ‘a more rational’ appeal, returns a tangible or real value, fosters an immediate sale and contributes highly to profitability.

Sales promotion is demand stimulating activity designed to supplement advertising and facilitate personal selling. It is paid for by sponsor and frequently involves a temporary incentive to encourage a purchase” According to William J. Stanton et al. however majority are designed to encourage the company’s sales force or other members of its distribution channel to sell its products more aggressively.

“Sales promotion is the one which gives an economic incentive in the form of price reductions free goods or other chances to win prizes: The amount spent by companies on sales promotion now exceeds that spent on advertising. This is because as stated earlier sales promotion brings results quickly. Doyle (1998)

Sales promotion includes several communications activities that attempt to provide added value or incentives to consumers, wholesalers, retailers, or other organizational customers to stimulate its mediate sales. These efforts can attempt to stimulate product interest, trial, or purchase. Examples of devices used in sales promotion include coupons, samples, premiums, POP displays, contests, rebates, and sweepstakes.

They further stress that the main purpose of sales promotion is to impel on the spot buying action by prospective customers. As might be expected, such devices are used to move widely in consumer goods marketing than in industrial goods marketing. There is no doubt that a well designed placard used with a product display not succeeds in attracting customers but often causes them to buy. Jobber and Lancaster (2006)

According to Alessandra (2003) promotional Strategies, Sales promotions differ from overall promotion in that they are onetime activities. They involve special sales, demonstrations, and other business stimulators that are temporary. Some common promotions are: demonstrations, novelties/gifts, special events, coupons, exhibit booths, incentives, celebrity appearances, discounts, promotional offers, holiday cards, open houses, and sales. He even further pointed out that sales promotion create an immediate sales impact. Many promotional items have a long life and can remind your clients and prospects about you and your product throughout the year, like wall calendars.

2.1.2 Growth of sales promotion

According to Lodish et al (1986), Sales promotion has grown substantially in, recent year. Several reasons for this dramatic growth in sales promotion are:

Firstly consumers have accepted sales promotions as part of their buying decision criteria. It provides reluctant decision maker with an incentive to make choices by increasing the value offered by a particular brand.

Secondly the increasing term results has helped spur growth in sales promotion,' which can provide an immediate boost in sales product managers also tend to view sales promotion as a way to differentiate their brand from that, of competitors in the short term. , ,

Thirdly the emergence of computer technology has enable manufactures to get rapid feedback on the results of promotions. Redemption rates for coupons or figures on sales volume can be obtained within days. Finally an increase in the size and power of the retailers has also boosted the use of sales promotion.

Other factors in marketing 'environment contributes to the surging popularity of sales promotion, 'Short-term results: Sales promotion such as coupon and trade allowances produces quicker, more measurable sales results. However, critics of this strategy argue that these immediate benefits come at the expense of building brand' equity. They feel that an overemphasis on sales promotion may undermine a brand's future. “

- Competitive pressure: If competitors are offering buyers price reductions, contests or other incentives, a firm may feel forced to retaliate with its own sales promotions. ““

Buyers' expectations: Once they are offered purchase incentives, consumers and channel members get used to them and soon begin expecting them. Low quality of retail selling: Many retailers use adequately trained sales clerks or have switched to self service. For these outlets, sales promotion derives such as product displays and samples often are the only effective promotional tools available at the point of purchase.

2. 1.3 Types of sales promotion

According Encyclopedia 'of Small business, Sales promotion can be classified based on the primary target audience to whom the promotion is directed these include:

Consumer sales promotion: - possibly the most well known methods of sales promotion are those intended to appeal to the final consumer. Consumers are exposed to sales promotions nearly every day and as discussed' many buyers are conditioned to look for sales promotions prior to making purchase decisions.

Trade sales promotion: - marketers use sales promotions to target all customers including partners within their channel of distribution. Trade promotions' are initially used to entice channel members to carry a marketer's products and once are stocked; marketers utilize promotions to strengthen the channel relationship.

Business to business: - A small' but important, sub-set of sales promotions are targeted the business to business market. While this promotions 'may not carry' the glamour associate with consumer or trade promotions B -to- B promotions are, used in many industries.

CONSUMER SALES PROMOTIONS

Quelch et al (1989), allege that Consumer promotions 'are steered toward the ultimate product typically in the local market, but can be used to promote products sold by one business to another the following are types of the key techniques used in consumer oriented sales promotions. ""

Price deals: this save the buyer money when a product is purchased these includes discount, bonus pack deals, refunds or rebates and coupons. They are usually intended to encourage trial use of a new product to recruit new buyers for mature product or to convince existing customers to increase purchase, price discount are at the POS; Price reductions may be posted 'in the package on signs near the product or in storefront windows. This type of promotion and be used to notify consumers of upcoming discounts, including fliers, newspaper, radio and televisions ads, existing customer perceive discounts as rewards ,and often respond by buying.

The bonus pack is offered by an extra amount of the product this may have little appeal to user of competitive brands and banded pack offer is when two or more units of a product are sold at reduction price. A refund or rebate promotion is an offer by a marketer to return a certain amount of money when the product is purchase alone or I combination with other products, refund aim to increase the quality or frequency of purchase to encourage customers' to load up on the product. Generally are viewed as a reward for purchase and they appear to build brand loyalty rather than diminish it.

Coupons are legal certificates offered by manufacturers they grant specified savings on selected products when presented for redemption at point of purchase'. Coupons can be inserted into attached to, 'printed on a, package, or they may be distributed by a retailer sponsored contest/sweepstakes, the main difference between contests and sweepstakes is 'those contests require entrants to perform a task or demonstrate a skill that is judged in order to be deemed a winner and are commonly used as sales promotions, while sweepstakes involve a random drawing or chance contest that may or may not have an entry requirement. Furthermore participation in contest is very low compared to sweepstakes, since they require some sort of skill or ability.

Premiums are tangible compensation that is given as incentive for performing a particular act usually buying a product. They may give for free or offered to consumer for a significantly reduce rice other types of direct premiums include traffic builders, door openers and referral premiums,' mail premiums, unlike direct premiums, require the customer to perform some act in order to obtain a premium through return mail.

TRADE SALES PROMOTIONS.

Schulz et al (1997) asserts that the objectives of sales promotion aimed at the trade are different from those of direct at consumers. Generally trade Sales hope to accomplish four goals;

- 1) Develop in-store merchandising support, as support at the store level is the key to closing the loop between the customer and the sales.
- 2) Control inventory by increasing or depleting inventory levels, thus helping to eliminate seasonal peaks and valleys.
- 3) Expand or improve distribution by opening up new sales area (trade promotions are also sometimes used to distribute a new size of the product.)
- 4) Generate excitement about the product among those responsible for selling it, some of the most common forms trade promotions include POP, trade shows sales meetings, sales contests, push money, deal loaders and Promotional allowances.

2.2 SALES PROMOTIONS STRATEGIES

According to Tellis et al (1997), Sales are the lifeblood of a business without sales there would be no business in the first place, therefore it is very important that if a business wants to succeed. It should have a sales promotion strategy in mind. The primary objective of a sales promotion is to improve, a company's sales by predicting and modifying your target customers' purchasing behavior and patterns .sales' promotion is very important as it only helps to boost sales but it also helps a business to draw new customers while at the same retaining older ones. There are a variety of sales promotional strategies that a business can use to increase their sales however, it is important that we first understand what a sales promotion strategy actually is and why it is so important.

Sales promotional strategies are ways of facilitates the movement of products and services from producers to consumers. These are types of promotional strategies which are push strategy, pull, strategy and combination strategy.

PUSH STRATEGY

This is a strategy that uses advertising, personal selling and other promotion mix to convince wholesalers and retailers to stock and sell product, push the product through the distribution channels to the ultimate consumer via promotions and personal selling efforts.

The company promotes the product through a reseller who in turn promotes it to yet another reseller or the final consumer. Trade promotion objectives are to persuade retail or wholesaler and carry a brand, give a brand shelf space promote a brand in advertising and or use a brand to final consumer. Typical tactics employed in push strategy are allowances, free trials, contents, specialty, items, discounts, displays and premiums.

PULL STRATEGY

Is a strategy that uses heavy advertising and sales promotion efforts are directed toward consumers so that will request the products from retailers, the company focuses its marketing communication efforts on consumers in the hope that it stimulates interest and demand for the product at the user level. This strategy is often employed if distributors are reluctant to carry a product because it gets as many consumers as possible to go retail outlets and request the product that pulling it through the channel. Consumer promotion objectives are to entice consumer to try a new products lure customer away from competitors' products get consumers "load up" on a mature products hold and reward loyal customers and build consumer relationship. Typical rations employed in pull strategy are:- samples, coupons, cash refunds and rebates, premiums, advertising, specialties locality programs, patronage rewards, contents and point of purchase(POP) displays.

Push versus Pull Strategy

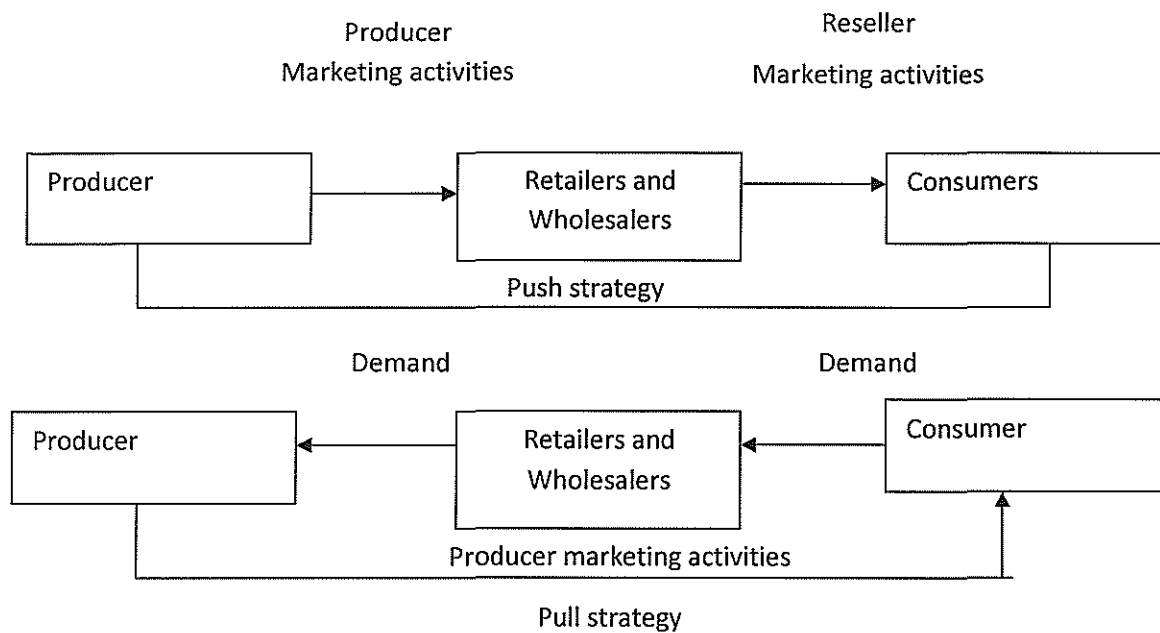


Figure 1: A simplified diagram showing Push and Pull Strategies of Sales Promotion Strategies.

Source: Red River College (Marketing Communications Strategies)

A COMBINATION STRATEGY:

Is a sales promotion strategy that is a combination of a push and pull strategy. It focuses both on the distributor as well as the consumers, targeting both parties directly. It offers consumer incentives side by side with dealer discounts.

There are several methods of sales promotion strategies methods such as coupons, price discount, gift with purchase offer, sweepstakes, and 'mail in offer rebates, refund and premium offers, ground point promotions, point of sales displays, frequently user/loyalty incentives.

2.3 OBJECTIVES OF SALES PROMOTION

Stanton et al (1994) argued that Stimulating business user or household demand for a product and services, improving the marketing performance of middlemen and sales people, supplementing advertising.

The following are objectives of sales promotion:-

Building product awareness,— several sales promotion technique are highly effective in exposing customers to products for the first time and can serve as key promotional components

in the early stage of new product introduction. Additionally, as part of the effort to build product awareness, several sales promotion techniques possess the added advantage of capturing customer information at the time of exposure to the promotion. In this way sales promotion can act as an effective customer information gathering tool. (I.e. sales lead generation) this can then be used as part of follow-up marketing efforts.

- Reinforcing the brand — sales promotion can be used to both encourage additional purchasing and also as a reward for purchase loyalty. Many companies reward good or “preferred” customers with special promotions, such as email “special deals” and surprise price reductions at the cash register.

Stimulating demand Next to building initial product awareness the most important use of sales promotion is to build demand by convincing customers to make a purchase. Special promotions, especially those that lower the cost of ownership to customer (e.g. price reduction) can be employed to stimulate sales.

SELECTING APPROPRIATE TECHNIQUE

Stanton et al (1994:522) depicts that a key step in sales promotion is deciding which devices will help the organization reach its promotional goals. Factors that influence the choice of promotional devices include;

- Nature of target audience: Is the group loyal to a competing brand? If so, a high value coupon may be necessary to disrupt customers purchase patterns:

Is the product bought on impulse? If so, an eye-catching point of purchase display may be enough to generate sales.

The organization’s promotional objectives: Does a pull or push strategy best complement the rest of the promotion program?

Nature of the product: Does the product lend itself to sampling, demonstration or multiple item purchases?

- Cost of the device: Sampling to a large market may be prohibitively expensive.

- Current economic conditions: Coupons, premiums and rebates are good options during periods of recession or inflation, when consumers are particularly price conscious

2.4 EMPIRICAL LITERATURE

Marzia Freo (2005) in his paper has stressed that sales promotions have significant effects on short term regular sales at store. He continued by saying that sales promotion produce a substantially short term response. According to Alvarez (2005) the implementation of sales promotion may guarantee an increase in the short-term sales figure. This justifies the tendency of corporations to invest large portions of their budgets into sales promotions, in the Same vein Dawes (2004) has found out that sales promotion that attracted some new users can have aftereffects if the new users repeatedly repurchase later and he found Out that there is no long term favorable effects for established, the reason for this is due to the fact that sales promotions most of times attract infrequent buyers and that the small number of attracted new buyers has low tendency to repeat the purchase.

Muhiern and Leone (1990) in their paper stressed out those sales promotions attract customers and increases sales and not to affect customer traffic, but it should be remarked that the impulse of sales promotions has a deterministic nature.

According to Blattberg and Neslin (1990) Sales promotions are effective demand boosters that do not incur the risks associated with new product. Sales promotions are relatively easy to implement and tend to have immediate and substantial effects on sales volumes

But Dekimpe, Hanssens and Siva-Risso (1999) had other views on sales promotion in the whole agenda of affecting sales performance; they found that sales promotions rarely have persistent effects on sales, which tend to return to pre-promotion levels after a few week or months. Elsewhere, Pauwels and Srinivasan (2004) found that sales promotions have uniformly positive effects in the short run, according to their analysis carried out in their study they found out that sales promotion has positive effect with sales performance. They even further stress that sales promotions have to be repeated so as the company can be in a position to generate more revenues.

CHAPTER THREE

METHODOLOGY

3.0 INTRODUCTION

This chapter presents the methods used to obtain and analyzing data on the impact of sales promotions strategies to sales volume.

3.1 RESEARCH DESIGN

This study used across sectional research design as a case study at Multi-choice Kenya Limited. The design was recommended because it was reasonably less expensive and data collection was more manageable more than in other research designs.

3.2 POPULATION

The target population consisted of staffs members 'and customers of MKL:

The target population comprises of staff members of MKL and customers of MKL. In the company there are four departments, human resource with sixty staff, marketing department with a hundred staffs, accounting department with twenty five staffs, quality control department with fifteen staffs. The intended population was an estimate of 40 individuals from MKL staff and 60 customers of MKL.

3.3 SAMPLING TECHNIQUES

Simple Sampling and Judgmental sampling techniques were used. A researcher

- Purposively selected a group of customers and administered questionnaires randomly.

3.4 SAMPLE SIZE

The sample comprises of staffs and customers that are 10 staffs and 30 customers of MTL. The researcher will take 2staff members from human resource department, 4 from sales and marketing department, one from accounting department and 3 from the quality control department.

3.5 DATA COLLECTION, TECHNIQUES

The researcher used the following methods/techniques in the collection of data:

3.5.1 INTERVIEWS

Sales Manager was interviewed. 'This method involves two people or more, one' asking a set of questions (interviewer) and the other answering questions (Respondent or an interviewee).

3.5.2 DOCUMENTATION

Documentation was used in collecting data during the field work. Researcher read and extracted some information of the organization. The collection of data using this method involved company's marketing and sales reports.

3.5.3 QUESTIONNAIRE

'Questionnaires will be used in collecting data from the staffs to the customers of Multi-choice Kenya Limited. A set of two questionnaires has 'been prepared that is a series of 7 questions will be asked to staffs of Multi-choice Kenya Limited 'and another set of 6. Questions will be asked to customers of Multi-choice Kenya Limited. The respondents will be required to put a tick in the' space provided and give some remark where necessary.

3.6 TYPES OF DATA COLLECTED

In this study both primary and secondary were used.

3.6.1 PRIMARY DATA

These are first hand information collected direct from the field especially about current situation. They will be gathered and assembled specifically for the research study 'in hand. The following ways will be used to collect primary data. The researcher will use the following:

3.6.2 SECONDARY DATA

These data has already been collected for purpose rather than the problem at hand. Nearly all secondary data will be found inside the company, for this case its National Microfinance Bank. The researcher will visit various manual of an organization, Newsletters, other researcher's works and documentary sources that will provide knowledge on the subject matter of the study. Therefore, before embarking on primary data collections another source of information the researcher will utilize available secondary data

3.7 LIMITATION OF THE STUDY

The researcher was faced with the following limitation during his study;

- Problems in source of data. There was hardship in getting the desired information. Some of the respondents were incorporative to give out some information due to the nature of information (confidentiality)

Language barrier is another problem, there are people' who are illiterate,

- They don't know how to read and write, the researcher therefore had to interpret the questions and listen to the resp6ndeits and write on their behalf.

Choice of the sample, it was hard to select those who have the ability to give the information. So the researcher used a lot of time to read the environment and get to know how many respondents are capable of giving the right position.

- Limited time, study was exhaustive because of the limited time and the researcher had to balance the research work and the studies

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS

4.0 introductions

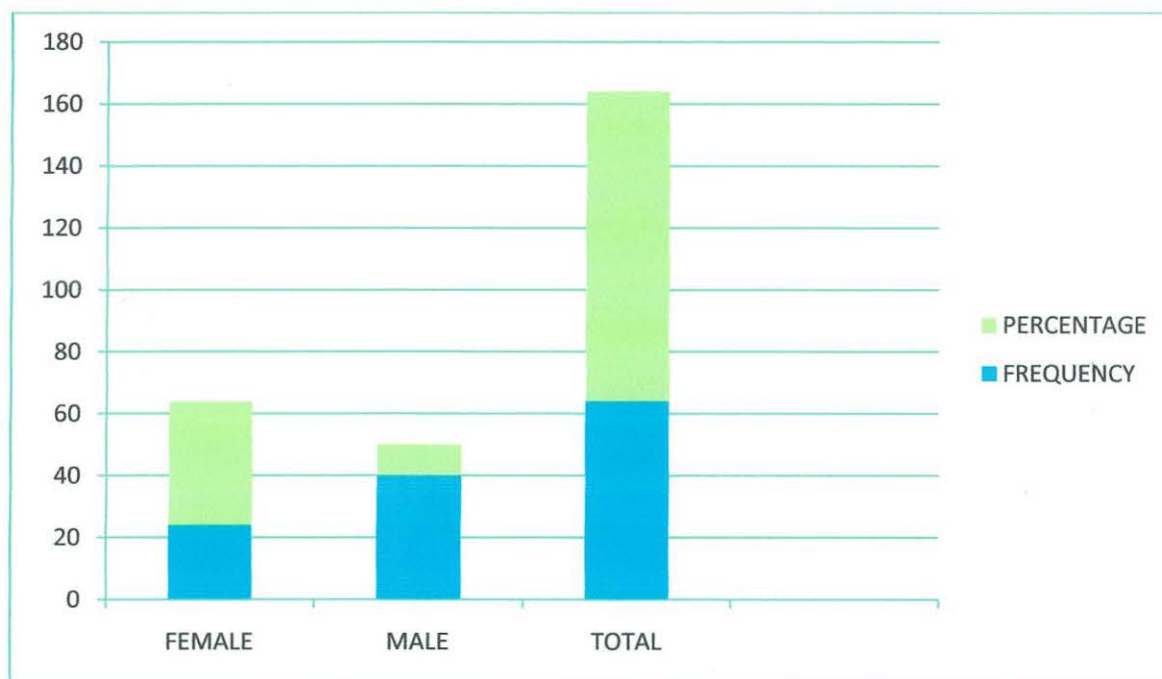
This chapter is intended to present findings and interpretation and the conclusions on the sales promotion strategies and sales volumes in Multichoice Kenya Limited. The objective is to find out the relationship between the promotion strategies and the sales volume based on research questions.

Table 1: Gender of the respondents

Gender	Frequency	Percentage
Female	24	40%
Male	40	60%
Total	64	100

Source: primary data

Figure 1: distribution of gender of the respondents



The findings revealed that majority of the respondents who represented 60% of the samples were males while the minority who were females were 40% of the sample. This indicates that among the population, males are more interested with the Multichoice Company services than females.

The company should put more effort on females on their services so as to increase their numbers as they have done with the males.

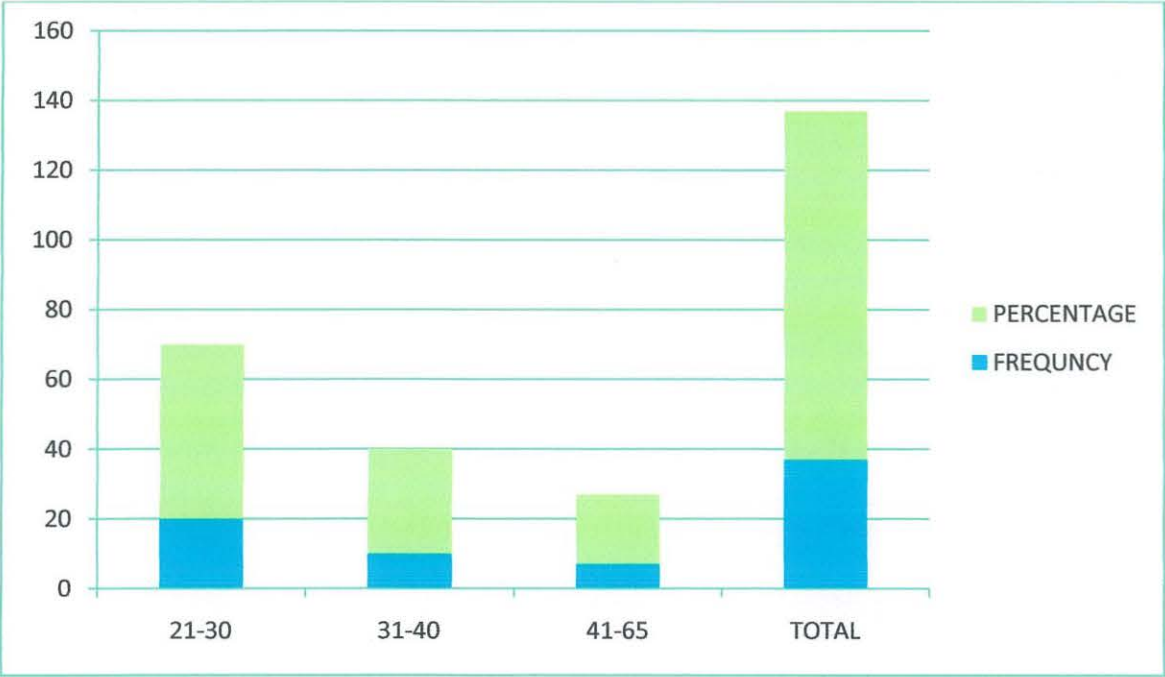
Table 2: Responses on the age of the respondents

Class	Frequency	Percentage
21-30	20	50%
31-40	10	30%
41-60	7	20%
Total	37	100%

Source: Primary data

•The above information can also be presented in a diagram a follows

Figure 2: Distribution of age of the respondent



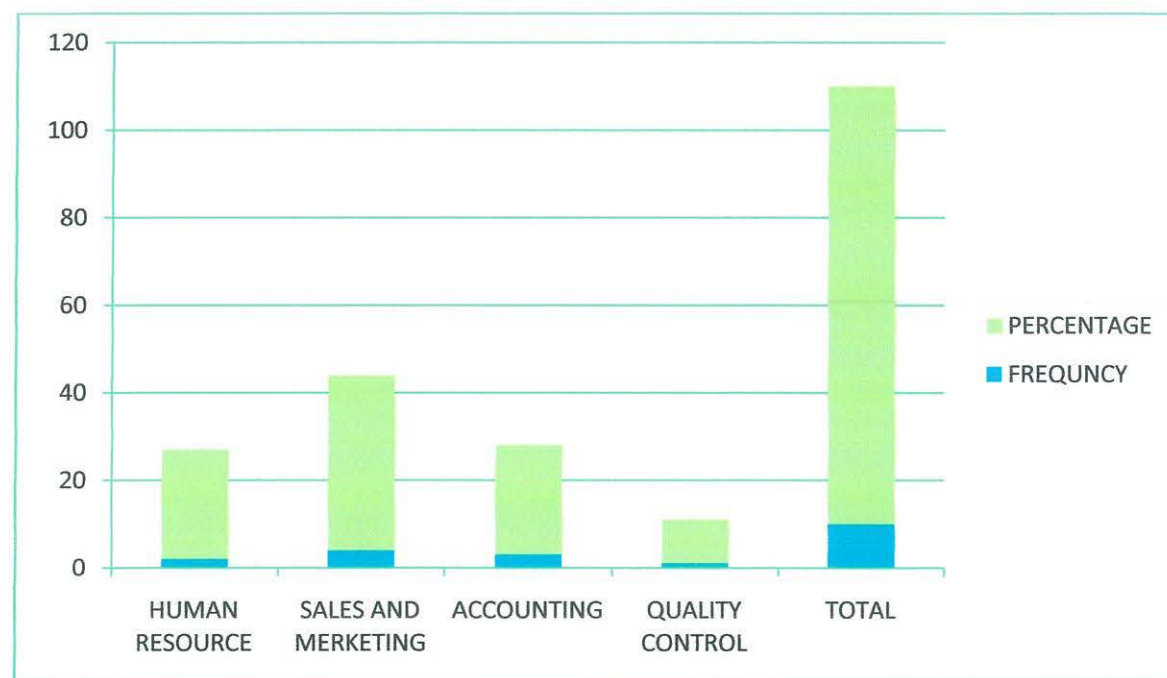
The findings revealed that majority of the respondents who are the 50% of the sample are at the age between 21-30 years followed by those at the age between 3 1-40 represented by 30%, while the minorities were those who are at the age between 41-60represented by 20%. The result showed that the company should target the young majority in their promotions.

Table 3: distribution of respondents in the organization

Department	Frequency	Percentage
Human resource	2	25%
Sales and marketing	4	40%
Accounting	3	25%
Quality control	1	10%
Total	10	100%,

Source: primary data

Fig 3: distribution of respondents in departments



From the results it shows that the majority who are the 40% of the sample came from the sales and marketing department and two other departments had equal respondents of 20% each while control department had 10%. So this means that the findings can be reliable since the sales and marketing department are the ones who are involved more directly with the promotions and the sales.

4.1 SALES PROMOTION STRATEGY EMPLOYED BY MKL TO INCREASE SALES

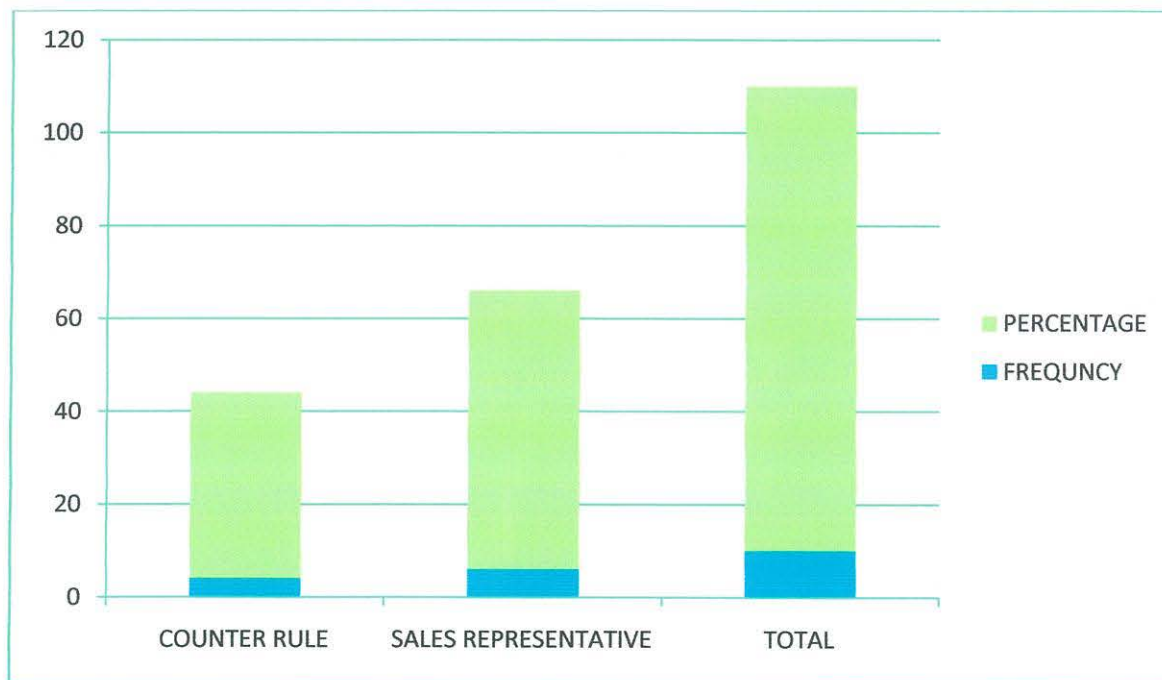
The research' findings showed that Multi-choice uses two sales promotion strategies as a' means of increasing sales. These are Internal Sales Promotion Strategy and External Sales Promotion Strategy which are explained as follows:

Table 4: internal sales promotion strategies

Strategies	Frequency	Percentage
Counter rule	4	40%
Sales representative of the sales quarter	6	60%
Total	10	100%

Source: primary data

Figure 4: Distribution of internal sales promotion strategies



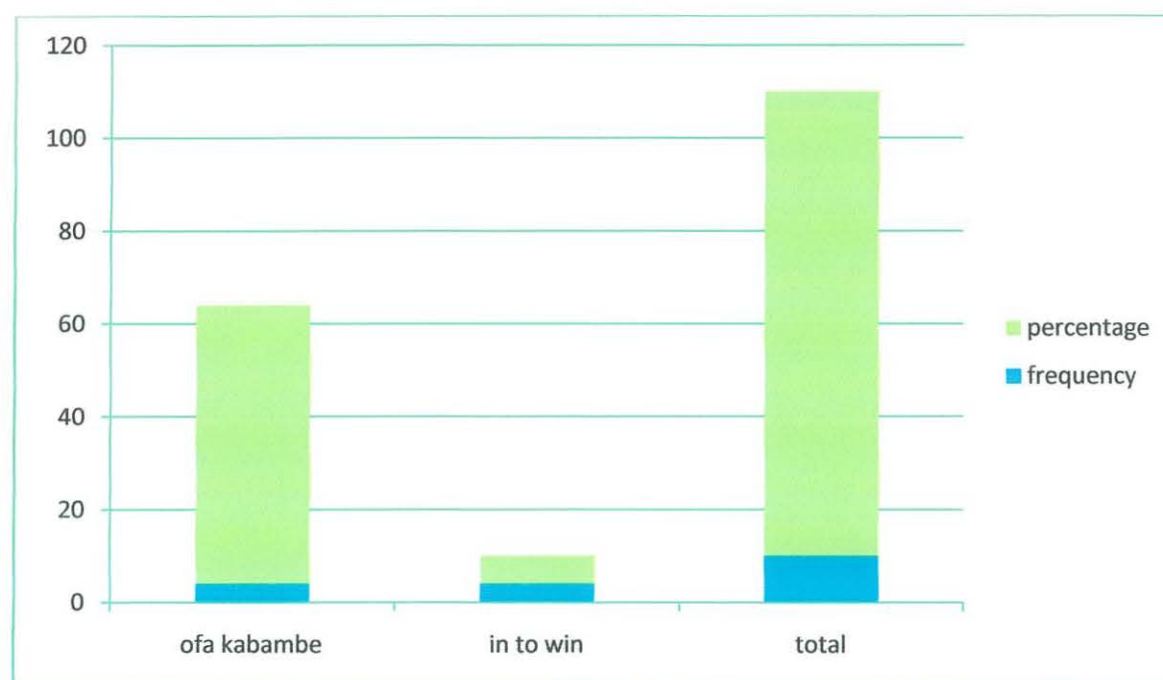
The findings reveal that the majority of the workers who are the 60% of the sample prefer sales representative of the sales quarter while minority who are the 40% of the sample prefer counter rule. This means that the company should use sales representative quarter in doing promotion this motivates workers.

Table 5: External Sales Promotion Strategy

Strategies	Frequency	Percentage
Ofa kabambe	6	60%
In to win	4	40%
Total	10	100%

Source: primary data

Figure 5: Distribution of external sales promotion strategies



The findings revealed that majority which is 60% of the population like the Ofa kabambe because it attracts more customers to the company by giving them a discount which is a half of the normal installation fees (from ksh 19,060 to ksh 9,300) while the minority who were the 40% of the sample preferred in to win strategy which is meant to retain the existing customers and win their loyalty.

Table 6: Awareness of the current sales promotion strategies

Responses	Frequency	Percentage
Yes	20	80%
No	5	20%
Total	25	100%

From the findings it shows that the majority who are 80% of the customers know about the ongoing campaigns and promotions with the Multichoice Company. While the minority who are the 20% of the population said they don't 'know about the promotions.

4.2 HOW TO IMPROVE SALES IN MKL

Table 7: Methods of improving sales

Strategies	Frequency	Percentage
Advertisement	10	100%
Discounts	10	100%
Promotion	10	100%

Since all the strategies of improving sales have the same percentage that is 100% this reveals that these strategies are the best and have shown the best results in terms on returns or sales. So the company has to put much effort and improve these techniques to make sales even better.

4.3 CHALLENGES THAT MKL FACE IN IMPLEMENTING THE SALES PROMOTION STRATEGIES

The study managed to reveal the challenges that MKL has been facing during the implementation of the sales promotion strategies to reach their marketing objectives;

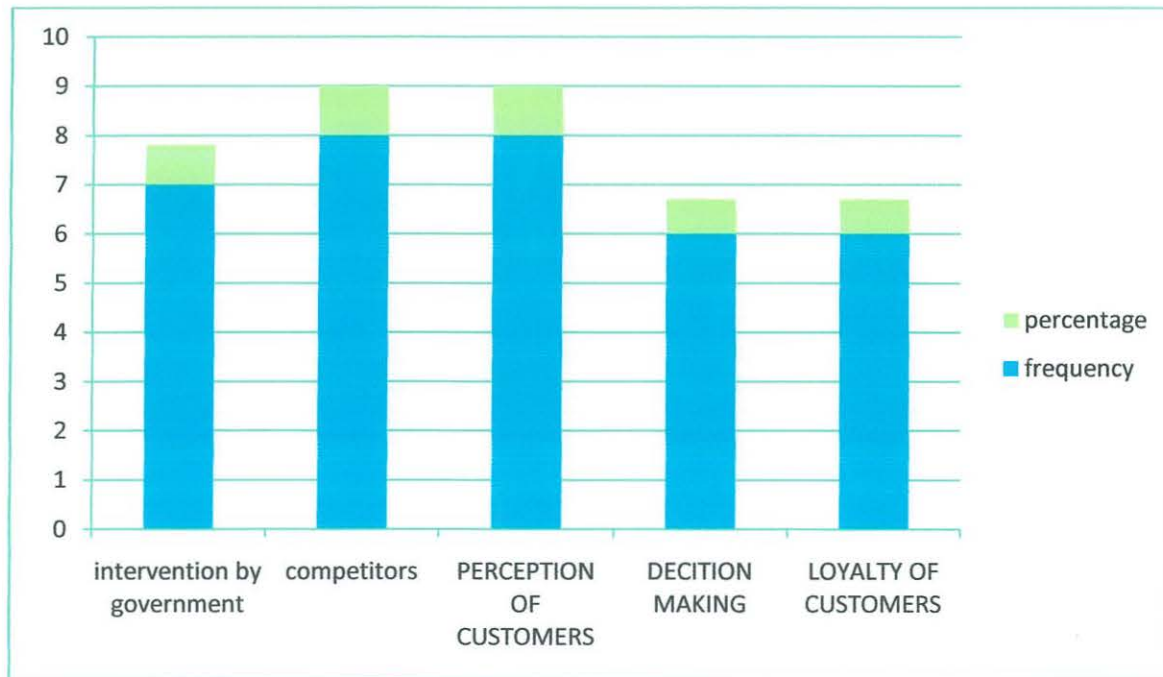
According to the comments of sales representatives, the following challenges were observed:'

Table 8: challenges in implementing promotion strategies

Challenges	Frequency	Percentage
Customer loyalty	3	60%
Slow decision making	3	60%
Competitors	5	100%
Customers perception	5	100%
Government intervention	4	80%

Source: primary data, This can also be further explained by using the following figure

Figure 6: Distribution of challenges in implementing promotion strategies.



The findings showed, that majority of the respondents represented by 80%, voted for competition and customer perception, while minority of the respondents represented by 20% voted for government intervention as challenges in implementing promotion strategies.

CHAPTER FIVE

SUMMARY OF THE FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.0 Introductions

This chapter presents the summary of the all the research findings, conclusion and recommendation based on thy findings of the research and the areas of further research

5.1 Summary of the major findings

5.1.1 Sales promotion strategies used by MKL

The findings of this research reveal that the MKL has come up with two strategies types of strategies that are internal promotion strategy and external sales promotion. The internal sales promotion strategy is also divided into two parts that is counter rule strategy which solves the staff members of MKL especially the receptionist and the sales representatives, here when the customer comes to pay for subscription fee or making replacement of the product-, receptionist will tactfully inform the customer about the new package. The other strategy is sales representative; with this the sales representative who has sold more decoreders is rewarded with a bonus of 10% of the revenue generated from the sale.

The external sales promotion strategy is also divided into two that is ofa kabambe- where the MKL reduces the prices for installation to nearly half so as to increase sales. The other strategy is in to win strategy; where by the MKL customers are required to pay for their monthly subscription to enter into a draw and stand a chance to win the prizes, this is meant to retain customers and encourage others to join.

5.1.2 To establish how to improve sales in MKL.

The research finding also reveals that MKL has used the following strategies to improve sales: advertisement, discounts when a customer is buying for the first time and promotions. These strategies have been able to increase sales in the company.

5.1.3 To identify challenges faced by MKL in implementing sales promotion strategies.

The research finding also revealed the challenges that MKL has faced during the implementation of the sales strategies; the challenges are poor customer loyalty, slow decision making from the management this has caused the company to delay in implementing the strategies,, competition from competitors like DStv is too tough taking into consideration that Dstv entered the market before MKL, customer perception is also another challenge this means that customers are perceiving that MKL is expensive compared to other competitors like G-TV and Government intervention.

5.2 Conclusion

The research findings revealed that a positive relationship between the sales promotion strategies and the sales volume in MKL has made MKL one of the best in operations in the respective industry.

5.3 RECOMMENDATIONS

It is recommended that MKL should increase the funds to finance the sales promotion campaign especially when they show good performance and expansion. since promotion is a major tool for gaining matrices share, increasing sales volumes and generating more revenues into the company's pockets especially in the competitive market.

Furthermore, the research recommends that MKL should consider revising its monthly subscription rates charged to its customers. Despite reducing rates for installation service, still a great number of subscribers struggle to scuttle their monthly subscription. This needs to be put into attention considering the threat posed by GTV the direct competitor of MKL.

Sales promotion should be encouraged but the company needs to be very careful on utilizing sales promotion strategy since excessive use might lead to brand deterioration which could prove costly to the future company's earnings therefore other marketing tools should be put in place to, increase sales, this has to be put into attention by the management of MKL for the fact that customers will be largely depending on the sales promotion seasons for them to purchase the company's product.

5.3.1 Suggested area of further study

There is a need to do research on the impact of sales promotion strategies and profitability, also further research on pricing a sales volume in MKL.

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Appendix A

Questionnaire for Multichoice's sales representatives

Job title.....

Department.....

Please put a circle or fill in the blanks

1. Do you think the company should proceed using the current promotional strategies?
 - a) Yes
 - b) No
 - c) Not sure
2. What is the main objective on your current promotion strategies?
 - a) To create awareness
 - b) To attract new customers
3. What do you think is your current position being places by current promotion strategies?
 - a) At ease
 - b) Over pressure
 - c) Under pressure
4. What is the response of your customers from your current promotional strategies?
 - a) Good
 - b) Bad
 - c) Average
 - d) Rude
5. Are the sales promotion strategies undertaken by MKL fulfilling the main objective of the company?
 - a) no
 - b) Yes
 - c) Not sure
6. What is the most suitable sales promotion strategies that MKL should adopt in its sales promotions to increase on their sales volume?
 - a).....

7. What challenges do face when implementing the sales promotion strategies?

- a).....
- b).....
- c).....
- d).....

8. Do you as a sales representative involved in the decision making process of the sales promotion strategy to be adopted by the company?

- a) Yes
- b) No

9. do you think Does MKL has a competitive advantage towards its competitors in accordance to the promotion strategies it has adopted?

- a) Yes
- b) No
- c) To a smaller extent
- d) To a greater extent

10. What is your personal judgment on the sales promotion strategies adopted by your employer (MKL)?

.....
.....
.....

11. Are the sales promotion strategies adopted by MKL in relation to the objectives of the mother company (MAL)?

- a) Yes
- b) No

12. According to the sales promotion strategies adopted by MKL, what period do you think they are intended to be carried out?

- a) Long-term
- b) Short-term

13. What is the position of MKL in its respective market industry?

- a) leader
- b) Competitor
- c) Niche

14. as a sales representative of MKL, do u think that the sales promotion strategies that have been implemented by MKL will be optimal to fulfill MKL's ultimate objective?

- a) Yes
- b) No
- c) Don't know

15. Who is the ultimate decision maker when it comes to adoption of the sales promotion strategy (s) by MKL?

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