DOES PROMOTIONAL STRATEGY AFFECT SALES GROWTH OF MANUFACTURING FIRMS IN SOUTH EAST NIGERIA?

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Abstract:
This study sought to identify and analyse promotional strategies and the extent to which they affect sales growth in some selected manufacturing firms in South East Nigeria. The survey design was used. The population of the study was 7112 staff drawn from ten (10) manufacturing firms purposively selected from the five (5) states in South-east Nigeria. A sample size of 553 was obtained using Godden’s statistical formula for calculating sample size from the finite population at 5% error margin. Proportional stratified random sampling formula was used to calculate the proportionate sample size for the clusters. Questionnaire was used to collect data from the respondents after being validated by experts from the firms and the academia. Out of the 553 copies of the questionnaire administered, 526 were returned and used for the analyses while 27 copies were not returned. Data were collected through primary and secondary sources. Spearman rank order correlation coefficient was used to test the reliability of the instrument given a coefficient of 0.83, thus confirming the reliability of the instrument. The hypotheses formulated were tested using ordinal logistic regression model. Findings from the study revealed that advertising, public relations and personal selling were promotional strategies that affected sales growth in the manufacturing firms. The study also revealed that promotional strategy had a positive and significant effect on sales growth. \( \beta = 78.234, p = 0.009 < 0.05 \) during the period studied. Based on these findings, it is recommended that manufacturing firms should adopt advertising, public relations and personal selling as promotional strategies for enhancing their sales growth. Again, manufacturing firms should improve their process of production and their selling and distribution strategies of their existing products and services in order to enhance their life cycles. These are necessary especially in developing countries of which Nigeria is one where environmental dynamics are regularly changing.

Keywords: Promotional strategy, Advertising, Sales promotion, Sales growth, Personal selling, Public Relations
1. Introduction

Innovation and existing products are valueless to the society unless they are brought out of the factories. They are of value only when knowledge of the product gets to those who can use or consume it. Promotion strategy is the direct way an organization tries to reach its publics. Promotion strategy has remained the only way firms gain competitive edge in the market. (Czinkota and Ronkainen, 2004).

Marketers need to identify as many characteristics of potential buyers as possible which include what they like, what they buy and why they buy etc. A company may produce and package the best product, and distribute wisely to the consumers appeal, but after all these marketing skills and nobody knows the significance of such efforts that have been in place. A very important thing that matters is getting the products to the notice of the potential customers.

No business possibly ever thought of just letting the people find out the business themselves, unless, you have already established a reputation in the industry. But if you are a start-out company, the only means to be known is to advertise and promote. Your business may be spending on the promotional programs but the important thing is that product and company information is disseminated to the buying (Goffin and New, 2001).

A promotion strategy is an activity that is designed to help boost the marketing of a product or service. It is very important as it not only helps to boost sales but it also helps a business to draw new customers while at the same time retaining older ones. It can be done through an advertising campaign, public relation activities, a free sampling campaign, through demonstrations and exhibitions, through direct marketing, personal sales letter etc. promotion reward making activity that influences people to buy and consume the products of a marketer Oyebamiji, Kareem and Ayeni. 2013).

Success of many business organizations had been propelled by the extent to which the public is aware of the organisation and their activities. Promotion is one of the important marketing strategies that can be traced back to the era whereby marketing is recognized and organized by people and organisation. Initially, the marketing strategy is adopted just to meet the needs, wants and aspiration of customers, but despite the efforts, the strategy proved abortive.

The growth phase occurs when a product has survived its introduction and is beginning to be noticed in the marketplace. At this stage, a company can decide if it wants to go for increased market share or increased profitability. This is the boom time for any product. Production increases, leading to lower unit costs. Sales momentum builds advertising campaigns target mass media audiences instead of specialized markets.

Most business organization and marketing practitioners have come to realize that they are operating in competitive environment, in which every organization is trying to succeed. In order to keep up with the competition and changing consumer needs and wants, firms are forced to adopt effective promotional strategies to promote
growth beyond boarders thus creating awareness and increase usage rates of their products and services. Promotional strategies enable firms to attract and retain customers thus increased growth in terms of return on investments due to expanded client base (Kotler, 2007).

Although most organisations use sales promotion as promotional tools but it can never be used in isolation because it provides short term incentives. After sometime, competition would set in and that is the reason why most organizations have adopted the promotional mix which is the optimal combination of the promotional tools in order to compete and achieve the organizational goals.

This study sought to;
1) Ascertain the promotional strategies that affect sales growth, and
2) Examine the extent to which promotional strategies affect sales growth.

The research attempted to provide answers to the questions:
1) What are the promotional strategies that affect sales growth?
2) What is the extent to which promotional strategies affects sales growth?

To achieve the objectives of this study, it was hypothesized that:

H₁: Advertising, public relations and personal selling are promotional strategies that affect sales growth.

H₂: Promotional strategy has a positive and significant effect on sales growth.

2. Review of Related Literature

2.1 Conceptual Review

2.1.1 Promotional Strategies

In marketing, promotion is advertising a product or brand, generating sales and creating brand loyalty. It is one of the four key elements of the marketing mix and deals with anyone or two-way communication that takes place with the consumer. The four P’s marketing mix includes; price, product, promotion, and place. Promotion is the direct way in which an organization communicates the product or service to its target audience. Brassington and Pettitt (2000) have categorized promotional mix into five main elements; advertising, sales promotion, public relations, personnel selling, and direct marketing. The role of promotion has been redefined into managing long term relationships with carefully selected customers, including construction of a learning relationship where the marketer attains a dialogue with an individual customer (Dawes and Brown, 2000).

A. Advertising

Advertising is the dissemination of information by non-personal means through paid media where the source is the sponsoring organization. The American Marketing Association, Chicago has defined advertising as “any form of non-personal presentation or promotion of ideas, goods or services, by an identified sponsor”. Advertisement is mass communication of information intended to persuade buyers to buy products with a
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view to maximizing a company’s profits. The elements of advertising include as follows: It makes mass production possible; It is a mass communicating reaching a large number of consumers; It is economical, because it keeps the cost per message low for it reach large group of people; It is non-personal communication, for it is not delivered by an actual person, nor is it addressed to a specific person; The communication is speedy permitting an advertiser to speak to million people in few hours.

Mortimer (2001) posits that an important part of advertising is to make the service tangible in the mind of the consumer in order to reduce perceived risk and provide a clear idea of what the service comprises. Furthermore, she considers it important to advertise consistently, with clear brand image in order to achieve differentiation and encourage word-of-mouth communication. Meidan (1996) opines that there are two types of advertising channels appropriate for product advertising. That is “above-the- line” and “under-the-line” advertising. Above-the-line advertising contains different channels of communication such as television and radio broadcast, posters, store signs, motion pictures, magazines and newspapers. Under-the-line advertising constitutes a huge part of a manufacturing organization advertising activities. It is the invisible advertising of the banks services including leaflets, pamphlets, explanatory guides and manuals that can be used to support selling of a specific service. Advertising can be classified into four main types:

Product-Related Advertising: This is concerned with conveying information about and selling a product or service. These are of three types, viz., Pioneering Advertising, Competitive advertising and Retentive Advertising.

Public Service Advertising: Here, the effectiveness of product service advertisement may be measured in terms of goodwill they generate in the favor of their sponsoring organization. In this type of advertising, the objective is to put across a message intended to change attitude and benefit the public at large.

Functionally advertising may be classified into as followed: advertising based on demand influence level, institutional advertising, and product advertising.

B. Sales Promotion
Sales promotion is the process of persuading a potential customer to buy the product. It is designed to be used as a short term tactic to boost sales. Sales promotions are rarely suitable as a method of building long-term customer loyalty. Sales promotion is a marketing tool for manufacturers as well as for retailers. The manufacturers normally use the promotional strategy to increase sales to retailers (trade promotions) and consumers (consumer’s promotions).

Sales Promotion Techniques
Below is some of the most common type of sales promotion techniques used across all industries;

Discounts - Trade/Consumer: This is the most common technique for sales promotions because it actually works. If there is 5% discount on a product for the consumers, then it is known as the consumer’s discount. However, if there is a 5%
discount to the dealer when he is purchasing from the company, it is known as trade discount. The dealers know the importance of achieving sales volume hence the pass on discounts to customers whenever they receive trade discounts.

**Gifting** - This is another way to increase the sales of the products because customers have anticipation that they might win a gift from the store. This is normally done to promote your store during festival time or when there is huge walk in expected is Gifting.

**Coupons** - This is commonly used to motivate people to purchase when they think the price is high or it can be incentive to buy your product above the competitors.

**Financing** - It is a combination of various factors. Companies with huge resources generally act as financers. They allow customers to purchase a product on EMI or on different financing option. Such financing helps the dealer to liquidate the product faster and also helps the customer in making purchasing decisions.

**Sampling** - It is an excellent way to introduce your product in the market and at the same time to increase the awareness of the product.

**Bundling** - This is when you put a combination of products on sale for the same price. The disadvantage of bundling is that customer might think one of the products is of poor quality.

**Refunds** - As the name suggests, refunds are a marketing tactic when you get a partial amount refunded to you based on an action you have taken.

**Exchange offer** - in exchange offer, you can exchange an old product for a new product. You will receive a discount based on the valuation of your old product.

Sales promotions are vital for companies to increase sales and project their brand names. When used moderately with careful planning, sales promotion increases sales, even after the promotions period is completed. When sales promotion is overdosed, the emotion that surrounds them disappears.

C. Public Relations

The concept of public relations is very important promotion tool for business organisations because positive relations built with the public can directly and indirectly affect the business organization activities. Public relations is the process of “building good relations with the firm’s various publics by obtaining favourable publicity, building up a good corporate image, and handling off unfavorable rumors, events and stories” (Bernays, 1955).

Brassington and Pettit (2000) posit that the essence of public relations (PR) is to look after the nature and quality of the relationship between the organization and its different publics, and to create a mutual understanding. Public relations cover a range of activities, for example the creation and maintenance of corporate identity and image; charitable involvement, such as sponsorship, and community initiatives; media relation for the spreading of good news as well as for crisis management, such as damage limitation.
Moreover, an organization can attend trade exhibitions to create stronger relationships with key suppliers and customers as well as enhancing the organization’s presence and reputation within the market (Brassington, 2000). Meidan, (1996) states that another part of public relations is the publicity gained through magazines. It is seen as a vital part of maintaining the firm’s image and of communicating its message to its customers, investors and the general public. A positive perception of a company or non-profit can increase its sales and improve its bottom line. Public relations build up credibility and boost an organization’s credibility because it will operate through trusted intermediaries. Again, these intermediaries communicate to a certain audience which looks to them to filter out all nonsense.

Public relations follow four-step process which includes; researching, to strategize and plan implementation, to execute and communicate to public, and to evaluate the process.

D. Personal Selling
Personal selling is a strategy that salespeople use to convince customers to purchase a product. The salesman uses a personalized approach, tailored to meet the individual needs of the customer is given the opportunity to ask questions, and the salespersons, and the salesperson addresses any concerns he has about the product (Owomoyela et al, 2013). Personal selling is where businesses use people (the sales force) to sell the product after meeting face-to-face with customer. The sellers promote the product through their attitude, appearance and specialist product knowledge. They aim to inform and encourage the customer to buy, or at least trial the product. Personal selling is the most expensive form of advertising and to be effective one should use a step by step process to gain the most benefit. The personal selling process consists of six stages:

1) Prospecting;
2) Pre-approach;
3) Approach;
4) Presentation;
5) Close, and
6) Follow-up

Prospecting - The process of looking for and checking leads or determining which firms or individuals could become customers.

Pre-approach - This stage involves the collecting of as much relevant information as possible prior to the sales presentation. The pre-approach investigation is carried out on new customers but on regular customers.

Approach - This is done using the product’s features and advantages i.e. the physical characteristics such as size, taste etc. The salesperson should always focus on the benefits for the customer.

Sales Presentation - After the prospects interest has been grasped, the sales presentation is delivered. It should be done in a relaxed atmosphere to encourage the
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prospect to share information in order to establish requirements. This involves a persuasive vocal and visual explanation of a business proposition. **Follow-Up** - The sale does not complete the selling process. Follow-up activities are very important and are useful for the establishment of long-term business relationships. It is important to check if the products have been received in good condition, to establish the customer is satisfied etc.

**E. Direct Marketing**
Brassington & Pettit (2000) opine that direct marketing is an interactive system of marketing, using one or more advertising media to achieve measurable response anywhere, forming a basis for creating and further developing an on-going direct relationship between an organization and its customers, to be able to create and sustain quality relationship with sometimes hundreds or even thousands of individual customers, an organization needs to have as much information as possible about each one, and needs to be able to access, manipulate and analyze that information, thus, the database is crucial to the process of building the relationship.

Direct marketing is a form of advertising which allows businesses and nonprofit organisations to communicate directly to customers through a variety of media including cell phone text messaging, email, websites, online adverts, database marketing, fliers, catalog distribution, promotional letters and television, newspaper and magazine advertisements as well as outdoor advertising.

The purpose of promotion is to present information to consumers and others, to increase demand and sales, creation of brand equity, competitive retaliations, positioning and to differentiate a product. The place of promotional mix in the organization’s marketing mix is depicted in Figure 2.1.

![Figure 2.1: Promotional Mix Strategy](image)


**Sales Growth:** Sales growth is the amount by which the average sales volume of a company’s products or services has grown, typically from year to year. It can also be
describe as the amount a company derives from sales compared to a previous, corresponding period of time in which the latter sales exceed the former. Sales growth is considered positive for a company’s survival and profitability. It may result in increased dividends for shareholders and/or higher stock prices. Many companies fail to achieve their growth targets in revenue and profitability. However, the profitable growth is heightened whenever an organization has a clear growth strategy and strong execution infrastructure (Chiliya et al, 2008).

Many firms or organisations fail to achieve their desired growth targets in revenue and profitability due to inadequate consideration of opportunities within the core business, adjacent to the core business or within new customer sub-segments; an inadequate organizational infrastructure that can support successful execution.

2.2 Theoretical Framework

2.2.1 Growth Maximizing Theory of Marris
Marris (1964) developed a dynamic balanced growth maximizing model of the firm. He concentrates on the proposition that big firms are managed by managers and the shareholders are the owners who decide about the management of the firms. The manager’s aims at maximizing growth rate of the firm and the shareholders aim at the maximization of their dividends and share prices of the firm, Marris develops a balanced growth rate at which the firm’s sales, profits, assets etc grow.

If he chooses a higher growth rate, he will have to spend more on advertisement and on research and development in order to create more demand and new products. He will therefore, retain a higher proportion of total profits for the expansion of the firm.

2.2.2 Commitment-Trust Theory and the Nature of Commitment
Morgan and Hunt (1994) posit that business-to-business relationships require commitment and trust. Their results imply that commitment and trust are key mediating variables to understanding the relationship development process between buyers and sellers. According to the theory, consumer commitment to the vendor has been found to mediate the effects of a number of variables such as quality, shared values, communication and trust on a number of consumer behavioral intentions, including customer retention, advocacy, and acquiescence. Trust serves as a governance mechanism that limits opportunistic activities as well as a facilitating mechanism for developing commitment. Commitment includes the desire to continue the relationship and work to ensure its term orientation of a party toward a partner (Morgan and Hunt 1994).

In this study, the theory of commitment and trust is used to analyze business-to-business relations in the manufacturing sector, as this theory postulates a number of psychological factors that may be important. Trust and shared values form the basis of buyer-seller relationships, especially in a competitive marketplace. Morgan and Hunt
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(1994) and Wilson (1994) suggest that commitment and trust are central constructs in marketing relationships as they positively influence cooperative behaviors.

2.2.3 Resource-Based Theory of Competitive Advantage
This comprises a group of paradigms that view the internal environment with emphasis on the resources developed therein by firms as their source of competitive advantage. The resource-based theory of competitive advantage by Penrose (1959) proposes that resources owned, deployed and used by organizations should be considered as being more important than the industry structure. In his view, resources or assets are semi-permanently tied to firms. The resource-based view (RBV) has been criticized as ignoring the nature of market forces. Others feel that the external-oriented MBV and the internal RBV cannot be separated from each other as they are all important in the process of attempting to achieve competitive advantage. Therefore, the theory draws attention to firm’s internal environment as a driver for competitive advantage and emphasis the resources that have developed to compete in the environment.

2.2.4 Combination Theory
This theory is anchored on the push and pull’s theories. Using push theory can increase sales by creating incentives to wholesalers or retailers to sell more of the firm’s product. Dick (2017) posits that in this method, discounts are offered to wholesalers or retailers who buy their product in bulk. Giving them discount “pushes” them to buy more products at lower prices in order to increase the money they make. In turn, they will “push” the company’s products to customers because they will make a better return on them than on similar products supplied to them by their competitors.

The Pull theory is about trying to market directly to customers to increase their demand for the firm’s product. Advertising is the key strategy. The theory goes that if you increase the demand if your product by customers, they will in turn demand the product from retailers, retailers will demand more of your product from wholesalers and wholesalers will demand more products from you. In this way, increase your sales without decreasing the sale value of your merchandise. The “push” is used to get products into the hands of retailers and wholesalers while sales promotion dimensions and product tie-ins with other products are used as a “pull” to get more people to want to buy the product. Grocery stores often use this tactic.

2.3 Empirical Review
Mbogo (2013) carried out a study on influence of promotion mix strategies on the growth of customers of Pathologists Lancet Kenya. The objectives of the study is to determine the influence of advertising, sales promotion, public relation, personal selling and direct marketing on the growth of customers of Pathologists Lancet Kenya. The study adopted a descriptive research design. The target population was clustered into 4 regions of Nairobi Country (Nairobi East, West North and South) on Pathologists Lancet Kenya’s customers. Ten respondents were chosen from each region. Forty
customers were sampled and semi-structure questionnaire administered. Data analysis involved the use of descriptive statistics: mean, standard deviation, frequency and percentages. Pearson correlation and multiple linear regression analysis were done to test the relationship between promotion and customer growth. The findings reveal that Pathologists Lancet Kenya as a brand is associated with product quality and cheap price that both adds value and satisfaction to its customers. The Company uses flyer and brochure, websites, newspapers, television and radio to advertise in addition to several public relation, personal selling and direct marketing. The study revealed that promotion strategies (advertising, sales promotion, public relations, personal selling and direct marketing) positively influence customer growth. This study recommended that Pathologists Lancet Kenya should embrace the importance of promoting their services in their businesses in order to survive in the dynamic business environment and that the government should recognizes the importance of this sub-sector and initiates legislation.

Festus (2016) conducted a research on the impact of sales promotion on organizational performance of Guinness Ghana Breweries Limited. The specific objectives include to; examine sales promotional activities used by Guinness Ghana Brewery Limited (GGBL), examine the relationship between sales promotion and financial performance of GGBL, examine the effect of sales promotion on non-financial performance of GGBL and finally, identify challenges facing sales promotion activities undertaken by GGBL. The study adopted a descriptive research design. The population of the study was estimated at 865 (management, staff and key distributors) out of which a sample of 160 was used (primary data). Questionnaire was used to collect primary data whilst secondary data was taken from financial statements of GGBL from 1985 to 2014. The study found a positive and significant relationship between sales promotion and profitability. Thus, 1 percent increase in sales promotion was associated with 0.44 percent increase in sales turnover. There was however no significant relationship between sales promotion and non-financial performance. The study recommended that management of GGBL involves key distributors and supply chain members in sales promotional activities. Management of GGBL also needs to integrate all promotional tools to ensure that all promotional goals are achieved.

Gbolagade, Adesola, Oyewale (2013) conducted a study on the impact of marketing strategy on business performance a study of selected small and medium enterprises (smes) in Oluyole local government, Ibadan, Nigeria. The survey research design method was used in this study which involves using a self-design questionnaire in collecting data from one hundred and three (103) respondents. The instrument used in this study is a close-ended questionnaire that was designed by the researchers. Correlation coefficient and multiple regression analysis were used to analyze the data with the aid of statistical package for social sciences (SPSS) version 20. The results show that the independent variables (i.e Product, Promotion, Place, Price, Packaging and After sales service) were significant joint predictors of business performance in term of profitability, market share, return on investment, and expansion.(F(6, 97) = 14.040; R2 =
0.465; P< .05). The independent variables jointly explained 46.5% of variance in business performance. Subsequently, recommendation were made to SMEs operators to produce quality products; charge competitive prices, position appropriately, use attractive package for the product, engage in after sales service and provide other distinctive functional benefits to consumers.

Nadeem, Naveed, Muhammad and Komal (2013) carried out a study on the role of sales promotion on sales volume in the context of fast moving consuming goods (FMCG) industry in Dera Ghazi Khan. The study adopted a survey design. Structured Questionnaire is used to collect information from 120 respondents through random sampling method. Data is analyzed with the help of SPSS. The result shows that all sales promotion dimensions are independently and jointly predict sales volume, which implies that premiums, bonus, have significant effect on sales volume. The study recommended that the firm should take off bonus as well as other dimension premiums.

3. Methodology

This study adopted the survey and analytical research designs. It was conducted in ten manufacturing firms purposively selected randomly in the five South East states of Nigeria. The companies were Hero Breweries Plc, Nigerian Breweries plc, Nigeria Bottling Company, Juhel Ltd, Innoson Ltd, Guinness plc, Tonimas Ltd, Orange Drugs Ltd, Pollyfoam Ltd and Camela Group Ltd. These firms were selected because they have high employee strength and operate on high ethical standards. The proportionate sampling method was used to cover the junior and senior staff sampled. The population of study was seven thousand, one hundred and twelve (7112) and the sample size of 553 was adopted using the statistical formula proposed by Bill Gooden. The questionnaire, in-depth interview and observation were the primary sources of data. The validation of the questionnaire research instrument was conducted by six management experts and academics. Five hundred and fifty three (553) copies of the questionnaire were administered to the respondents. Five hundred and twenty six (526) copies were returned and completely filled while twenty seven (27) copies were not returned. Two hypotheses were formulated for study. The hypotheses were tested using simple percentage rating and ordinal logistic regression techniques. Analysis was done at five (5) percent level of significance.
4. Data Analysis

With respect to objective one of the study, table 4.1 is quite instructive.

Table 4.1: % Response to Promotional Strategies that affect sales growth

<table>
<thead>
<tr>
<th>S/No</th>
<th>Variables</th>
<th>% of positive response</th>
<th>% of Negative response</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Advertising</td>
<td>87</td>
<td>13</td>
</tr>
<tr>
<td>2</td>
<td>Public Relations</td>
<td>80</td>
<td>20</td>
</tr>
<tr>
<td>3</td>
<td>Personal Selling</td>
<td>75</td>
<td>25</td>
</tr>
</tbody>
</table>

Source: Researcher’s Field Survey 2017

From table 4.1, 87% of the respondents agreed that advertising is a major variable for sales growth development. The variables—public relations and personal selling attracted 80% and 75% positive responses respectively.

Table 4.2 further categorizes the responses.

Table 4.2: The Extent to which Promotional Strategy affects Sales Growth

<table>
<thead>
<tr>
<th>S/No</th>
<th>Options</th>
<th>SA</th>
<th>A</th>
<th>D</th>
<th>SD</th>
<th>U</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Promotional strategy positively affects sales growth</td>
<td>295</td>
<td>207</td>
<td>15</td>
<td>9</td>
<td>-</td>
<td>526</td>
</tr>
<tr>
<td>2</td>
<td>Advertisement enhances product sales.</td>
<td>324</td>
<td>188</td>
<td>8</td>
<td>6</td>
<td>-</td>
<td>526</td>
</tr>
<tr>
<td>3</td>
<td>Relationship marketing aids profit making by firms</td>
<td>382</td>
<td>129</td>
<td>6</td>
<td>9</td>
<td>-</td>
<td>526</td>
</tr>
<tr>
<td>4</td>
<td>Diversity marketing enhances product attractiveness</td>
<td>412</td>
<td>108</td>
<td>3</td>
<td>3</td>
<td>-</td>
<td>526</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>2045</td>
<td>59</td>
<td>2104</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Fieldwork, 2017

Table 4.2 reveals that 2045(97.19%) of the respondents are in the agreement category while 59(2.18%) of the respondents are in the disagreement category. This shows that promotional strategy has a positive effect on sales growth.

4.1 Comparison of Responses by Junior and Senior Staff

The responses with respect to junior and senior staff categories are shown in tables, 4.3, as regards the extent to which promotional strategy affects sales growth, the relevant table is 4.3.

Table 4.3.1: The Extent to which Promotional Strategy affects Sales Growth

<table>
<thead>
<tr>
<th>S/No</th>
<th>Options</th>
<th>SA</th>
<th>A</th>
<th>D</th>
<th>SD</th>
<th>U</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Promotional strategy positively affects sales growth</td>
<td>91</td>
<td>416</td>
<td>1</td>
<td>5</td>
<td>-</td>
<td>92</td>
</tr>
<tr>
<td>2</td>
<td>Advertisement enhances product sales.</td>
<td>92</td>
<td>400</td>
<td>-</td>
<td>21</td>
<td>-</td>
<td>92</td>
</tr>
<tr>
<td>3</td>
<td>Relationship marketing aids profit making by firms</td>
<td>92</td>
<td>401</td>
<td>-</td>
<td>20</td>
<td>-</td>
<td>92</td>
</tr>
</tbody>
</table>
From table 4.3, therefore, it is evident that all the 368 senior staff (100%) were in the agreement category with none in either the disagreement or the undecided categories, while for the junior staff, 1687 (97.2%) are in the agreement category with only 48 (2.8%) in the disagreement category and none in the undecided category. This shows that the overwhelming agreement among the two categories of staff that promotional strategy positively affects sales growth in their firms.

### 4.2 Test of Hypothesis

The hypotheses postulated were tested using ordinal logistic regression technique aided by computer through the application of Statistical Package for Social Science (SPSS). Analyses were done at five (5) percent level of significance.

**Ho:** Promotional Strategy has a positive and significant effect on sales growth.

Table 4.4 shows the response position.

### Table 4.4: Contingency Table for testing Hypothesis

<table>
<thead>
<tr>
<th>S/No</th>
<th>Questionnaire items</th>
<th>Agreement</th>
<th>Disagreement</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Promotional strategy could positively affects sales growth</td>
<td>502 (511.25)</td>
<td>24 (14.75)</td>
<td>526</td>
</tr>
<tr>
<td>2</td>
<td>Advertisement enhances product sales.</td>
<td>512 (511.25)</td>
<td>14 (14.75)</td>
<td>526</td>
</tr>
<tr>
<td>3</td>
<td>Relationship marketing aids profit making by firms</td>
<td>511 (511.25)</td>
<td>15 (14.75)</td>
<td>526</td>
</tr>
<tr>
<td>4</td>
<td>Diversity marketing enhances product attractiveness</td>
<td>520 (511.25)</td>
<td>6 (14.75)</td>
<td>526</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>2045</td>
<td>59</td>
<td>2104</td>
</tr>
</tbody>
</table>

**Source:** Fieldwork, 2017

Tables 4.4a through to 4.4c show relevant results for testing the hypothesis.

### Table 4.4a: Ordinal Regression Table

<table>
<thead>
<tr>
<th>N</th>
<th>Marginal Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>25.0%</td>
</tr>
<tr>
<td>15</td>
<td>25.0%</td>
</tr>
<tr>
<td>207</td>
<td>25.0%</td>
</tr>
<tr>
<td>295</td>
<td>25.0%</td>
</tr>
<tr>
<td>6</td>
<td>25.0%</td>
</tr>
<tr>
<td>8</td>
<td>25.0%</td>
</tr>
<tr>
<td>188</td>
<td>25.0%</td>
</tr>
<tr>
<td>324</td>
<td>25.0%</td>
</tr>
<tr>
<td>6</td>
<td>25.0%</td>
</tr>
</tbody>
</table>

**Source:** Fieldwork, 2017
Onyejiaku, Chinyere C., Ghasi, Nwanneka C., Okwor, Helen

DOES PROMOTIONAL STRATEGY AFFECT SALES GROWTH OF MANUFACTURING FIRMS IN SOUTH EAST NIGERIA?

Model Fitting Information

<table>
<thead>
<tr>
<th>Model</th>
<th>-2 Log Likelihood</th>
<th>Chi-Square</th>
<th>Df</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept Only</td>
<td>11.090</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Final</td>
<td>.008</td>
<td>11.083</td>
<td>3</td>
<td>.028</td>
</tr>
</tbody>
</table>

Link function: Cauchit.

Significant at 0.028, hence the null hypothesis that the model without the predictor is as good as the model with predictor is rejected. This shows that the model improves the ability to predict the outcome.

Table 4.4b: Goodness-of-Fit

<table>
<thead>
<tr>
<th></th>
<th>Chi-Square</th>
<th>Df</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson</td>
<td>.004</td>
<td>6</td>
<td>.037</td>
</tr>
<tr>
<td>Deviance</td>
<td>.008</td>
<td>6</td>
<td>.022</td>
</tr>
</tbody>
</table>

Link function: Cauchit.

Model fits because the good-of-fit measures have large observed significance levels.

Pseudo R-Square

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cox and Snell</td>
<td>.937</td>
<td></td>
</tr>
<tr>
<td>Nagelkerke</td>
<td>1.000</td>
<td></td>
</tr>
<tr>
<td>McFaddren</td>
<td>.999</td>
<td></td>
</tr>
</tbody>
</table>

Link function: Cauchit.

R-square statistics are large (See Cox and Snell) in the table above which is 93.7%. This indicates that promotional strategy explains a large proportion of the variation in sales growth.

Table 4.4c: Parameter Estimates

<table>
<thead>
<tr>
<th></th>
<th>Estimate</th>
<th>Std. Error</th>
<th>Wald</th>
<th>Df</th>
<th>Sig.</th>
<th>95% Confidence Interval</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Lower Bound</td>
</tr>
<tr>
<td>Threshold [Sales_Growth = 15]</td>
<td>89.117</td>
<td>12.430</td>
<td>.569</td>
<td>1</td>
<td>.023</td>
<td>33835.288</td>
</tr>
<tr>
<td>[Advertisement=6]</td>
<td>78.234</td>
<td>14.010</td>
<td>.888</td>
<td>1</td>
<td>.009</td>
<td>3178.234</td>
</tr>
<tr>
<td>Location [Relationship_Marketing=188]</td>
<td>48.727</td>
<td>11.839</td>
<td>.488</td>
<td>1</td>
<td>.044</td>
<td>-36296.487</td>
</tr>
<tr>
<td>[Diversity_Marketing=8]</td>
<td>92.507</td>
<td>17.839</td>
<td>.012</td>
<td>1</td>
<td>.014</td>
<td>-36977.267</td>
</tr>
</tbody>
</table>

Link function: Cauchit.
Onyejiaku, Chinyere C., Ghasi, Nwanneka C., Okwor, Helen

DOES PROMOTIONAL STRATEGY AFFECT SALES GROWTH OF MANUFACTURING FIRMS IN SOUTH EAST NIGERIA?

<table>
<thead>
<tr>
<th>Test of Parallel Lines(^{a})</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td>Null Hypothesis</td>
</tr>
<tr>
<td>General</td>
</tr>
</tbody>
</table>

The null hypothesis states that the location parameters (slope coefficients) are the same across response categories.

\(^{a}\) Link function: Cauchit.

This table indicates that there was no violation of the proportional odds assumption.

Based on the above, the result shows that promotional strategy has positive and significant effect on sales growth with an increase in the odds (probability) of increased sales at an odds ratio of 78.234 (95% CI, 3178.234 to 3178.234), Wald \(\chi^2(1) = .888, p < 0.05\) (\(p = 0.009\)). Therefore, the alternate hypothesis which states that promotional strategy a positive and significant effect on sales growth is hereby accepted and the null rejected.

Thus, promotional strategy had a positive and significant effect on sales growth in the relevant manufacturing concern in South East Nigeria.

5. Conclusion and Recommendations

5.1 Conclusion

Advertising, sales promotion, public relations, personal selling and direct selling combined together as a promotional mix exhibited a better influence on the profitability of the firms during the period studied. Manufacturing firms see marketing strategy as a way of providing quality products and services that satisfy customer needs, offered at affordable price. Thus, performance of the firms is further enhanced adopting effective promotion strategy under a wider distribution network. The ultimate goal of promotional strategy is to deliver greater value to customers and the firms at a lower cost so as to increase sales growth.

5.2 Recommendations

From the findings, it is recommended especially for developing countries, arising from Nigeria’s experience that;

a) In order to enhance the volume of sales made by manufacturing organisations, the firms should adopt promotional strategies that focus on the four basic elements of the marketing mix; viz, product, price, promotion (advertising) and place.

b) Improving processes of production, selling and distribution of existing products and services should be regularly undertaken by manufacturing organisations in order to enhance the product life cycle.
References


