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**BLACK GENERATION Y STUDENTS’  
ATTITUDES TOWARDS SALES PROMOTION  
TECHNIQUES ON LOW INVOLVEMENT  
PRODUCTS**

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Dissertation submitted in fulfilment of the requirements for the degree Master of Commerce in Marketing Management at the Vaal Triangle Campus of the North-West University

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## STATISTICAL ANALYSIS

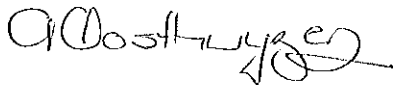
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To whom it may concern

This is to confirm that I, the undersigned, have done the statistical analysis for the Master of Commerce thesis entitled: *Black Generation Y students' attitudes towards sales promotion techniques on low involvement products* by Heleneze Marais.

The interpretation of the statistical rests with the author of the thesis.

Yours truly,



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To whom it may concern

This is to confirm that I, the undersigned, have language edited the completed research of Heleneze Marais for the Master of Commerce dissertation entitled: *Black Generation Y students' attitudes towards sales promotion techniques on low involvement products*.

The responsibility of implementing the recommended language changes rests with the author of the dissertation.

Yours truly,



Andrea Garnett

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Heleneze Marais

Vanderbijlpark

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**UITTREKSEL**

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**SWART GENERASIE Y-STUDENTE SE HOUDINGS TEENoor  
VERKOOPSBEVORDERINGSTEGNIEKE VIR LAE-  
BETROKKENHEIDPRODUKTE**

**Sleutelwoorde:** Bemarking, verkoopsbevordering, lae-betrokkenheidprodukte, verbruikersaankoopgedrag, verkoopsbevorderingstegnieke.

Toenemende mededingendheid en voorspelde veranderinge in die kleinhandelsektor plaas druk op bemarkers om meer mededingend te wees ten einde te verseker dat hulle handelsmerk een van die top handelsmerke is. Bemarkers moet dus gedurig innoverende bemarkingstrategieë ontwikkel om handelsmerkbewustheid te skep, sowel as om die vraag na spesifieke handelsmerke te stimuleer. In hierdie opsig is die bemarkingsmengsel 'n belangrike hulpmiddel, waarvan verkoopsbevordering een van die doeltreffendste elemente is in die sektor vir vinnig bewegende verbruikersgoedere (VBVG). Dit is bemarkers se verantwoordelikheid om die geskikste verkoopsbevorderingstegniek te kies vir die spesifieke marksegment, of om daardie tegniek te kies wat die gewenste uitwerking op verbruikersaankoopgedrag doeltreffend sal aanmoedig.

Die Suid-Afrikaanse Generasie Y-kohort (individue wat tussen 1986 en 2005 gebore is) verteenwoordig 40 persent van die totale Suid-Afrikaanse populasie, en die swart Generasie Y-onderafdeling verteenwoordig 84 persent van die totale Suid-Afrikaanse Generasie Y-kohort. Verder verteenwoordig diegene in hierdie onderafdeling wat besig is om 'n tersiêre kwalifikasie te verwerf moontlik Suid-Afrika se toekomstige "swart diamante". Hierdie groep mense vorm deel van die groeiende, welvarende Afrika-middelklas wat 'n jaarlikse groeikoers van 39 persent in hulle koopkrag ervaar het. Die swart Generasie Y-studentekohort is dus 'n baie aantreklike marksegment en dit is van kritieke belang om te bepaal watter verkoopsbevorderingstegnieke hierdie marksegment verkies.

Die doel van hierdie studie was om swart Generasie Y-studente se houdings teenoor verskillende verkoopsbevorderingstegnieke vir lae-betrokkenheidprodukte te analiseer, aangesien lae-betrokkenheidprodukte geneig is om beter op verkoopsbevorderingstegnieke te reageer.

Die studie se teikenpopulasie het uit swart Generasie Y-studente bestaan wat by die 23 Suid-Afrikaanse openbare instellings vir hoër onderwys geregistreer is. Daar is vanuit hierdie steekproefraamwerk 'n niewaarskynlikheid-, oordeelsteekproef van een tradisionele universiteit en een universiteit van tegnologie in Gauteng gekies. Daarna is 'n niewaarskynlikheid-, gerieflikheidsteekproef van 600 swart studente tussen die ouderdom van 18 en 24 by die gekose instellings geselekteer. 'n Selfgeadministreerde vraelys is per hand aan dosente besorg en gedurende een lesing aan die respondente uitgedeel. Die vraelys het versoek dat respondente op 'n ses-punt Likertskaal aandui wat hulle houding is teenoor vier verkoopsbevorderingstegnieke ten opsigte van 20 items, asook om sekere demografiese data te verskaf.

Die bevindinge van hierdie studie toon dat swart Generasie Y-studente oor die algemeen 'n positiewe houding het teenoor die verkoopsbevorderingstegnieke wat in hierdie studie gemeet is. Hierdie tegnieke is dus geskik om spesifieke verbruikersgedrag te verwesenlik met betrekking tot lae-betrokkenheidprodukte. Daarbenewens toon die bevindinge ook dat die koop-een-kry-een-gratis-aanbod en gratis monsters die verkoopsbevorderingstegnieke is wat die marksegment verkies en dus is hierdie verkoopsbevorderingstegnieke meer waarskynlik as ander om 'n invloed oor hulle verbruikersgedrag uit te oefen.

Die insigte wat uit hierdie studie verkry is, kan beide bemarkers en kleinhandelaars help om 'n beter begrip te vorm van swart Generasie Y-verbruikers se houdings teenoor verkoopsbevorderingstegnieke, sowel as watter verkoopsbevorderingstegnieke hierdie verbruikers verkies en dus meer waarskynlik is om spesifieke verbruikersaankoopgedrag te beïnvloed.

**ABSTRACT**

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**BLACK GENERATION Y STUDENTS' ATTITUDES TOWARDS SALES PROMOTION TECHNIQUES ON LOW INVOLVEMENT PRODUCTS**

**Key words:** Marketing, sales promotion, low involvement products, consumer buying behaviour, sales promotion techniques.

The increasing competition and the predicted changes in the retail sector are pressurising marketers to be more competitive in order to ensure that their brands are amongst the leading brands. Marketers need to constantly develop innovative marketing strategies to create brand awareness, as well as to stimulate demand for specific brands. An important tool in this regard is the marketing communication mix, of which sales promotion is one of the most effective elements in the fast moving consumer goods (FMCG) sector. It is the responsibility of marketers to select the most appropriate sales promotion technique for a specific market segment or, more specifically, to select the most appropriate technique to effectively encourage the desired effect on the consumer buying behaviour.

The South African Generation Y cohort (individuals born between 1986 and 2005) accounts for 40 percent of the total South African population and the black Generation Y portion represents 84 percent of the total South African Generation Y cohort. Those involved in attaining a tertiary qualification are likely to represent the future 'Black Diamonds' who represent South Africa's growing prosperous African middle class that have experienced a 39 percent yearly growth rate in their spending power. Therefore, the black Generation Y student cohort is a very attractive market segment and it is critical to determine what sales promotion techniques are preferred by this specific market segment.

The purpose of this study was to analyse the black Generation Y students' attitudes towards different sales promotion techniques on low involvement products, since low involvement products tend to be more responsive to sales promotion techniques.

For this study, the target population comprised black Generation Y students registered at the 23 South African registered public HEIs. From the sampling frame, a non-probability

judgment sample of one traditional university and one university of technology in Gauteng was selected. Thereafter, a non-probability convenience sample of 600 black students from the selected HEIs aged between 18 and 24 years was drawn. A self-administered questionnaire was hand delivered to the lecturers and distributed to the respondents during one lecture period. The questionnaire requested respondents to indicate on a six-point Likert scale their attitudes towards four sales promotion techniques on 20 items as well as to provide certain demographic data.

The findings of this study indicate that black Generation Y students have an overall positive attitude towards the sales promotion techniques measured in this study and that these techniques are suitable for inducing specific consumer buying behaviours concerning low involvement products. Furthermore, the findings indicate that buy one get one free and free sample offers are the most preferred sales promotion techniques and are more likely to exert an influence on consumer buying behaviours than the other sales promotion techniques.

Insights gained from this study will help both marketers and retailers to understand current black Generation Y consumers' attitudes towards sales promotion techniques, as well as to understand which sales promotion techniques are preferred and most likely to influence specific consumer buying behaviours.



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## CHAPTER 1

### INTRODUCTION AND PROBLEM STATEMENT

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#### 1.1 INTRODUCTION

The South African retail sphere offers attractive growth opportunities and therefore major changes in this sector are imminent. National retail companies such as Pick 'n Pay, Shoprite and Spar are aiming to expand over the next few years by increasing their number of retail outlets in South Africa. The arrival of international retail companies, such as Wal-Mart, to South Africa, is however increasing the level of competition in the retail market (RMB Private Bank, 2011). Bala and Kumar (2011:23) identify the fast moving consumer goods (hereafter referred to as FMCGs) industry as one of the major industries worldwide. In addition, FMCGs are a product category identified as utilising the majority of international and South African retailers' shelf space, and accounts for a substantial percentage of the turnover (Pillay, 2007:33).

FMCG, also known as low involvement products (hereafter referred to as LIPs) (Hamlin & Wilson, 2004:675), are consumer products such as household cleaning products; toiletries, such as toothpaste; and groceries, such as bread or milk that are used on a daily basis. These products are relatively inexpensive and purchased frequently (Leahy, 2011:652). The level of consumer decision making when purchasing LIPs is routinised response behaviour (Perreault & McCarthy, 2006:130), indicating that the consumer has ample experience in solving the problem or satisfying the need and requires minimal information, as the consumer purchases the products on a routine basis (Schiffman & Kanuk, 2007:527). Furthermore, little effort is required in the decision making of LIPs, for example, consumers do not spend 20 minutes deciding which brand of sugar or salt to purchase, they simply select a brand due to the marginal difference between the brands of these products (Kotler & Armstrong, 2010:162). In contrast, high involvement products (hereafter referred to as HIPs) such as household appliances, electronic devices, furniture and motor cars are not purchased regularly, require extensive decision-making and therefore are less responsive to sales promotion efforts than LIPs (Ndubisi & Moi, 2006:29).

Marketing communication is a crucial element to being competitive, as it is used to communicate to consumers for the purpose of introducing and promoting products and, as such, contributes to the success of a company (Belch & Belch, 2012:IX). In research conducted by Jansen van Rensburg *et al.* (2012:44) on marketing performance in South Africa, they ascertained that companies often fail due to marketers not fully comprehending their market segments' needs and the competitive position of their company. In a highly competitive business environment, increasing sales, profits and market share are the main objectives marketers strive to achieve (Berman & Evans, 2010:67). Therefore, marketers are continuously challenged with the task of developing and implementing new marketing strategies with the view of improving brand awareness and brand loyalty (Gamliel & Herstein, 2011:152). Sales promotion is a salient marketing element and is widely used by manufacturers and retailers for this purpose (Niazi, 2008:2), especially with new, unfamiliar products (Nagar, 2009:38).

Sales promotion includes activities, other than advertising, personal selling and public relations that stimulate customer buying and the effectiveness of intermediaries (Palmer, 2011:458). Shimp (2010:446) concurs with this, stating that sales promotion is any temporary incentive used to adjust a product's perceived price or volume for encouraging a desired response from targeted consumers. According to the Promotional Products Association International (2004), sales promotion is a highly effective marketing communication technique in that it has a recall rate of 76 percent compared to television advertisements with a recall rate of 54 percent. Smith and Sinha (2000:91) state that the challenge however is that marketers are often pressured to reduce promotional expenditure, and sales promotion is one of the largest and most challenging of all marketing communication costs. As a result, marketers are tasked with the responsibility of carefully considering and selecting the most appropriate sales promotion technique to use to target particular market segments.

A variety of sales promotion techniques exist such as coupons, discounts, free samples and bonus packs, which are some of the most effective sales promotion techniques used to increase short-term sales (Gamliel & Herstein, 2011:152). Coupons are promotional devices that offer a monetary discount to consumers when purchasing a specific product (Shimp, 2010:493). Bird *et al.* (1998:279) define discounts as a promotional technique where the product's regular price is reduced. A free sample is a trial-size version of a product that is

given to the consumer at no extra cost (Belch & Belch, 2012:529). Furthermore, buy one get one free (hereafter referred to as BOGOF) can be defined as an extra amount of a product offered to the consumer at no extra cost (Yeshin, 2006:147). According to Chandon *et al.* (2000:72) and Kwok and Uncles (2005:171), sales promotion techniques are frequently more successful when offered along with compatible products, such as shampoo and conditioner or washing powder and fabric softener.

While the different sales promotion techniques are focused on the same primary objective, to increase sales by inducing purchases, each technique is unique and is set to achieve specific objectives such as to encourage repeat purchases or obtaining product trial (Belch & Belch, 2012:527). In addition, sales promotion techniques are known for attracting not only new customers, but frequently communicate to regular customers as well, who view the promotion as a reward for supporting the brand (Gardener & Trivedi, 1998:69). Regardless of the specific objectives, sales promotion is ultimately a retailer or manufacturer's effort to exert an influence on the buyer's reaction in order to achieve the desired response from the consumer (Gamliel & Herstein, 2011:152; Gilbert & Jackaria, 2002:315; Ndubisi & Moi, 2006:29).

Promotions have an immense effect on consumers' buying behaviour, and understanding that effect is critical for constructing an effective marketing mix (Nagar, 2009:36). Consumers' overall attitude towards sales promotion techniques is positive (Osman *et al.*, 2011:84), but the different sales promotion techniques frequently encourage a different effect on consumer buying behaviour (Shi *et al.*, 2005:471), such as brand loyalty, brand switching, purchase acceleration, stockpiling and product trial (Gilbert & Jackaria, 2002:316). Moreover, it is possible for one sales promotion technique to affect the consumer's buying behaviour in more than one way. Different types of sales promotion techniques causing different responses from the consumers, is frequently due to the individual characteristics of each consumer (Shi *et al.*, 2005:472). For example, the smart shopper might be attracted to the monetary promotion because of the reduced price or money savings, while the impulsive shopper might go for the non-monetary promotion because of the attractive container or display (Laroche *et al.*, 2003:514). In addition, it is crucial for a retailer or marketer to determine the effect of sales promotion on consumer buying behaviour before determining the profitability of a specific technique (Gedenk *et al.*, 2006:303), and to allocate more of their promotional budget towards the effective sales promotion techniques (Kautish, 2011:19).

Accounting for 40 percent of the total South African population (Statistics South Africa, 2011), Generation Y consumers are seen as an attractive market segment and have more opportunities in terms of wealth and education than previous generations had (Bevan-Dye *et al.*, 2009:176). The African segment of this cohort (hereafter referred to as black Generation Y), accounts for 84 percent of South Africa's Generation Y cohort and 33 percent of the total South African population (Statistics South Africa, 2011). According to Markert (2004:21), Generation Y consumers were born between 1986 and 2005, and the Generation Y student target market typically range between the ages of 18 to 24 years (Bevan-Dye *et al.*, 2009:180). The black middle class population, known as the 'Black Diamonds', have experienced a 15 percent growth from 2007 to 2008. In addition, their spending power has increased with 39 percent in over one year (Goldberg, 2011:77). Owing to the black Generation Y cohort representing the future 'Black Diamonds', it is therefore extremely important to determine which sales promotion techniques will be preferred by this cohort. Through implementing the preferred sales promotion techniques, retailers and manufacturers can maximise their chances of success.

## **1.2 PROBLEM STATEMENT**

Over the past few decades, research on consumers' responses to sales promotion has increased (Gilbert & Jackaria, 2002; Huff & Alden, 1999; Laroche *et al.*, 2003; Ndubisi & Moi, 2006), due to sales promotion becoming such an important marketing tool for businesses all over the world. Although coupons, as a sales promotion technique, have been researched intensively (Barat & Paswan, 2005; Bawa & Shoemaker, 1987 & 1989; Leone & Srinivassas, 1996; Oliver & Shor, 2003; Raju *et al.*, 1994; Spiekermann *et al.*, 2011), other equally important sales promotion techniques have been neglected and therefore require more research (Ndubisi & Moi, 2006:28).

Determining whether monetary sales promotion techniques (for example, discounts) are preferred over non-monetary sales promotion techniques (for example, an extra free product) is complicated and cannot be generalised, due to the influence of factors such as the size of the promotion and price of the promotion product (Lowe, 2010:497). Therefore, it is necessary to determine which sales promotion technique is most effective in a specific product category such as LIPs or HIPs, as well as to determine which sales promotion techniques are preferred by the specific target market.

Similar studies have been conducted in other countries (Gilbert & Jackaria, 2002; MVA Hong Kong, 2010; Ndubisi & Moi, 2006; Osman *et al.*, 2011; Sathish & Naaschimuntu, 2011; Shi *et al.*, 2005). However, research is required to determine the sales promotion techniques most applicable to the South African Generation Y market segment. The aim of this research study is to measure which sales promotion techniques are most likely to cause a positive buying response amongst the South African black Generation Y cohort. The results obtained from this study will be crucial to FMCG retailers and marketers, when planning which sales promotion techniques to employ.

### **1.3 OBJECTIVES OF THE STUDY**

The following objectives were formulated for the study:

#### **1.3.1 Primary objective**

The primary objective of this study is to analyse black Generation Y students' attitudes towards different sales promotion techniques in relation to LIP buying behaviour.

#### **1.3.2 Theoretical objectives**

In order to achieve the primary objective, the following theoretical objectives are formulated for the study:

- Outline the fundamental principles of marketing
- Conduct a review of the relevant literature pertaining to marketing communication
- Conduct a review of the relevant sales promotion literature
- Conduct a review of the different types of sales promotion techniques
- Gain an understanding of the factors influencing the sales promotion strategy
- Acquire an understanding of the effect of sales promotion techniques on consumer buying behaviour
- Conduct a literature review pertaining to the Generation Y cohort.

### 1.3.3 Empirical objectives

In accordance with the primary objective of the study, the following empirical objectives are formulated:

- Determine black Generation Y students' attitudes towards coupons as a consumer sales promotion technique
- Determine black Generation Y students' attitudes towards price discounts as a consumer sales promotion technique
- Determine black Generation Y students' attitudes towards free sample offers as a consumer sales promotion technique
- Determine black Generation Y students' attitudes towards 'buy one get one free' (BOGOF) as a consumer sales promotion technique
- Determine black Generation Y students' preferred consumer sales promotion techniques
- Determine black Generation Y students' attitudes towards different sales promotion techniques concerning brand switching, purchase acceleration, stockpiling, product trial and brand loyalty
- Determine whether black Generation Y students with different living arrangements differ in their attitudes towards different sales promotion techniques concerning different buying behaviours.
- Determine whether black Generation Y students with different monthly grocery expenses differ in their attitudes towards different sales promotion techniques concerning different buying behaviours.

## 1.4 HYPOTHESES

The following 14 hypotheses were formulated for the study:

*H<sub>01</sub>*: There is no significant difference between students' attitudes towards (a) coupons, (b) discounts, (c) free samples and (d) BOGOF, on LIPs concerning brand switching.

- Ha1:* There is a significant difference between students' attitudes towards (a) coupons (b) discounts, (c) free samples and (d) BOGOF, on LIPs concerning brand switching.
- Ho2:* There is no significant difference between students' attitudes towards (a) coupons, (b) discounts, (c) free samples and (d) BOGOF, on LIPs concerning purchase acceleration.
- Ha2:* There is a significant difference between students' attitudes towards (a) coupons, (b) discounts, (c) free samples and (d) BOGOF, on LIPs concerning purchase acceleration.
- Ho3:* There is no significant difference between students' attitudes towards (a) coupons, (b) discounts, (c) free samples and (d) BOGOF, on LIPs concerning stockpiling.
- Ha3:* There is a significant difference between students' attitudes towards (a) coupons, (b) discounts, (c) free samples and (d) BOGOF, on LIPs concerning stockpiling.
- Ho4:* There is no significant difference between students' attitudes towards (a) coupons, (b) discounts, (c) free samples and (d) BOGOF, on LIPs concerning product trial.
- Ha4:* There is a significant difference between students' attitudes towards (a) coupons, (b) discounts, (c) free samples and (d) BOGOF, on LIPs concerning product trial.
- Ho5:* There is no significant difference between students' attitudes towards (a) coupons, (b) discounts, (c) free samples and (d) BOGOF, on LIPs concerning brand loyalty.
- Ha5:* There is a significant difference between students' attitudes towards (a) coupons, (b) discounts, (c) free samples and (d) BOGOF, on LIPs concerning brand loyalty.
- Ho6:* There is no significant difference between students with different living arrangements' attitudes towards (a) coupons, (b) discounts, (c) free samples and (d) BOGOF and their effect on different LIP buying behaviours.
- Ha6:* There is a significant difference between students with different living arrangements' attitudes towards (a) coupons, (b) discounts, (c) free samples and (d) BOGOF and their effect on different LIP buying behaviours.

*Ho7:* There is no significant difference between students with different monthly grocery expenses' attitudes towards (a) coupons, (b) discounts, (c) free samples and (d) BOGOF and their effect on different LIP buying behaviours.

*Ha7:* There is a significant difference between students with different monthly grocery expenses' attitudes towards (a) coupons, (b) discounts, (c) free samples and (d) BOGOF and their effect on different LIP buying behaviours.

## **1.5 RESEARCH DESIGN AND METHODOLOGY**

The study consists of a literature review and an empirical study. For the purpose of this research, a quantitative research design using the survey method was used for the empirical portion of the study.

### **1.5.1 Literature review**

In order to support the empirical study, the necessary literature was accumulated from South African and international secondary data sources such as the Internet, online academic databases, journal articles, business articles, textbooks and newspaper articles.

### **1.5.2 Empirical study**

The empirical portion of this study comprises the following methodology dimensions:

#### **1.5.2.1 Target population**

The target population relevant to this study are the full-time undergraduate black Generation Y students aged between 18 and 24 enrolled at South African Higher Education Institutions (HEIs) in South Africa. The target population is defined as follows:

- Element: Black full-time undergraduate students
- Sampling Unit: South African registered public HEIs
- Extent: South Africa
- Time: 2012

### **1.5.2.2 Sampling frame**

The sampling frame comprised a list of the 23 registered South African HEIs, as listed by the Higher education in South Africa (Higher education in South Africa, 2009). From the sampling frame, a judgement sample of two HEIs, one traditional university and one university of technology, was selected. A convenience sample of full-time undergraduate black Generation Y students enrolled at two South African HEIs located in the Gauteng province was then drawn. The Gauteng province was selected owing to this province comprising the largest share of the South African population. Two university campuses formed part of this study.

### **1.5.2.3 Sample method**

The sampling technique used in this study was a non-probability, convenience sample of 600 full-time undergraduate black Generation Y students. The participants, 300 per HEI, were conveniently sampled after the necessary permission, by means of an informal memorandum of understanding, was obtained from the institutions and from the relevant academic staff members. The participating students were then given a self-administered questionnaire, which was completed during class time.

### **1.5.2.4 Sample size**

The sample size of 600 full-time undergraduate black Generation Y students, enrolled at two South African HEIs was considered sufficiently large and exceeded previous studies conducted of a similar nature, such as Carpenter and Moore's (2008) sample size of 500; Oh and Kwon's (2009) sample size of 501 and Mittal and Sethi's (2011) sample size of 550.

### **1.5.2.5 Measuring instrument and data collection method**

Gilbert and Jackaria's (2002) measuring scale was applied for the empirical portion of this study. The dimension being measured is the students' attitudes towards the various sales promotion techniques on LIPs, in order to understand the effect of the sales promotion techniques on the students' buying behaviour as well as to determine the most favoured sales promotion technique for targeting this market segment.

The respondents were requested to complete a questionnaire consisting of two sections. The first section consisted of demographic information and the second section included questions relating to the students' attitudes towards the sales promotion techniques on LIPs. The second section included a measuring scale comprising statements based upon determining students' behaviour (brand loyalty, brand switching, purchase acceleration, stockpiling, product trial) to promotional offers and the types of consumer sales promotion techniques (coupons, discounts, free samples, bonus packs) in order to determine the effects of these techniques on consumer buying behaviour. The sales promotion techniques that were measured included coupon (5 items), discount (5 items), free sample (5 items) and bonus pack (5 items). The students' attitudes were measured on a six-point Likert scale (1= strongly disagree, 6= strongly agree) based on the respondents' agreement or disagreement regarding the statements that relate to the various sales promotion techniques. The questionnaire was accompanied by a cover letter to explain the purpose of the study.

In order to sustain reliability, the pilot questionnaire was conducted on a convenience sample of 50 students that did not form part of the sampling frame of the final study. Results of this pilot test were considered when adapting the final questionnaire.

### **1.5.3 Statistical analysis**

The Statistical Package for Social Sciences (SPSS), Version 20.0 for Windows was used to analyse the captured data. The following statistical methods were used on the empirical data sets:

- Reliability analysis
- Validity analysis
- Descriptive analysis
- Significance tests

## **1.6 ETHICAL CONSIDERATIONS**

The research study conformed to the ethical standards of academic research. The required permission, by means of an existing informal memorandum of understanding, was obtained

from the institutions involved. Permission was further obtained from the participating academic staff members. Voluntarily participation was assured, and no participant was forced to participate against his or her own will. All participants were free to decline or withdraw at any point in the research process. The confidentiality of the participants' information was guaranteed and their identities and interests were protected.

## **1.7 CHAPTER CLASSIFICATION**

Chapter 2 of this study consists of an in-depth discussion relating to sales promotion. A definition of marketing, promotion, sales promotion and LIPs is included. The various elements of the marketing mix and promotional mix, reasons for increase in the usage of sales promotion, benefits and limitations concerning sales promotion are outlined. A literature review pertaining to the effect of sales promotion techniques on consumer buying behaviour as well as the factors influencing the sales promotion strategy is presented in this chapter, followed by a discussion on the target audiences and different sales promotion techniques.

Chapter 3 provides a discussion of the research design, research approach and sampling strategy of this study. The data collection method, pre-testing of the questionnaire, administration of the questionnaire and data preparation are outlined and discussed. The data analysis and statistical procedures used in the study are also discussed.

The emphasis in Chapter 4 is on the research methods utilised for the empirical portion of the study, the sample procedures, the questionnaire development and the data collection methods. The results of the questionnaire are analysed, interpreted and evaluated in this chapter.

In Chapter 5, a conclusion of the study is drawn and recommendations are made. Limitations and suggestions for further research are also included in this chapter.

## **1.8 SYNOPSIS**

As the growth in spending power amongst 'Black Diamonds' increases, it is important to determine what the black Generation Y students' preferences are, before they enter the workplace and possibly become the next 'Black Diamonds'. In determining the black

Generation Y's preferences and attitudes, marketing strategies can be set in place to optimise the chances of success among companies targeting the 'Black Diamonds' market segment.

This chapter consist of the problem statement, the objectives of the study, hypotheses, research design and methodology, and chapter classification. The following chapter, Chapter 2, consists of a literature review relating to sales promotion with reference to the marketing mix elements, promotional mix elements, benefits and limitations concerning sales promotion. Furthermore, it also provides a discussion regarding the factors that influence the sales promotion strategy, the effect of sales promotion techniques on consumer buying behaviour and evaluation of the effectiveness of sales promotion. The target audience, sales promotion techniques and Generation Y are also discussed.

## CHAPTER 2

### SALES PROMOTION

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#### 2.1 INTRODUCTION

On account of the FMCG industry being one of the largest industries worldwide, and the increasing competition in the retail sector, in order to be successful, retailers are pressured to be prominent and to stand out from the competition. Marketing communication is the key to being competitive. Owing to sales promotion proving to be more successful than advertising, the use of sales promotion has increased tremendously due to marketers moving away from advertising (Kitchen & De Pelsmacker, 2004:48). In addition, it is critical for retailers and marketers to understand their target markets' needs and preferences in order to implement the appropriate sales promotion technique, which will assist in achieving the desired impact on the consumer buying behaviour (Grewal & Levy, 2008:508).

Although sales promotion has relevance to both the marketing of services and products, this study focuses exclusively on sales promotion techniques as they pertain to tangible products. Section 2.2 provides an overview of marketing. Section 2.3 is concerned with marketing communication. In Section 2.4, the focus is on sales promotion. Section 2.5 describes the sales promotion techniques and Section 2.6 discusses the target market of this study, namely Generation Y.

#### 2.2 MARKETING

Given that this study is concerned with sales promotion, which is a marketing strategy, it is important to define the term marketing.

##### 2.2.1 Defining marketing

Marketing is often misunderstood as a synonym for personal selling, sales or advertising, although marketing contains these elements, including various other elements (Lamb *et al.*, 2009:4; Perreault & McCarthy, 2006:4). Marketing in the earlier years was known as a technique used to generate sales, although in the modern times, the term marketing encompasses much more (Kotler & Armstrong, 2010:19). Marketing involves all activities

that include the process of producing, communicating, distributing and exchanging offerings such as products or services to consumers for something of equal value, which is generally money (Bennett, 2010:2). Marketing is a social and managerial process in which the consumers' needs and wants are satisfied through producing and exchanging products and value (Botha *et al.*, 2004:2). Jobber (2010:4) agrees, defining the marketing concept as to achieve objectives through satisfying and exceeding customers' needs and expectations better than the competition. According to Grewal and Levy (2008:5), marketing is an organisational function and consists of a set of processes used for producing, capturing, communicating and delivering value to consumers as well as for managing customer relationships in ways that are beneficial to the company and its shareholders. According to Lamb *et al.* (2010:5) marketing consists of two facets, firstly, it is a philosophy, attitude, perspective and management orientation that emphasises customer satisfaction, secondly it involves a set of activities to implement the philosophy.

Marketing could be further classified into two levels, namely macromarketing and micromarketing. Perreault and McCarthy (2006:4) defined macromarketing as a process that guides the movement of products from the manufacturer to consumers in a way to balance the supply and demand and to achieve the objectives of society as a whole. Micromarketing comprises activities that are performed in order to achieve the company's objectives by providing the consumers with products and services specifically tailored to satisfy their needs, for example insurance policies change according to the customer's day-to-day living factors (smoking or non-smoking) (Van Rensburg & De Meyer, 2007:2).

Consumers as well as individual companies have certain goals. The consumers' objective is to obtain some form of value that will satisfy their needs and wants whereas companies' objectives include providing products with the aim of satisfying the consumers' needs or wants (Bennet, 2010:3). In addition, to satisfy the consumers' needs, the company must have a clear understanding of the market place and the consumers' needs and wants (Kotler & Armstrong, 2010:19). Understanding the various marketing mix elements provides useful insight into achieving these objectives.

### 2.2.2 Classification of marketing mix elements

According to Belch and Belch (2012:8) marketing elements, known as the marketing mix, are combined by companies to effectively market their product, in order to achieve goals such as satisfying the needs and wants of the consumers. The marketing mix includes four elements (Figure 2.1), namely the product, price, place and promotion, better known as the four P's (Perreault & McCarthy, 2006:36). Kotler and Armstrong (2010:67) state that, it may appear as if numerous important marketing activities are left out of the marketing mix, but these activities are incorporated under each of the four P's. Figure 2.1 illustrates the four P's and the related activities compiled from Futrell (2011:7); Kotler and Armstrong (2010:66); Perreault and McCarthy (2006:37).



**Figure 2.1 The marketing mix elements (Futrell, 2011:7; Kotler & Armstrong 2010:66; Perreault & McCarthy 2006:37).**

The following section briefly outlines each of the four P's.

- **Product**

The product element of the marketing mix refers to the product offered by the company (Botha *et al.*, 2004:105). This element involves the characteristics of the product with reference to the benefits, features, design and quality as well as aspects such as the warranty and guarantees (Jobber & Fahy, 2009:9). Perreault and McCarthy (2006:36) warn that although the characteristics of the product are important, offering the consumer the right product that will satisfy the consumers' needs is critical to be successful. Standard activities that are included in the product element are the classification of the product, how the product is positioned and branded in the market, as well as the packaging of the product (Arens *et al.*, 2011:207).

- **Price**

Lamb *et al.* (2009:47) indicate that the price element refers to the price the consumer has to pay the supplier in exchange for the product. According to Botha *et al.* (2004:105), the price of the product should be an indication of the product's value to the consumer with reference to the price versus the quality of the product. It is crucial for marketers to determine the price the consumers are willing to pay for the product (Grewal & Levy, 2008:10) as well as to be informed concerning the current practices of the company, such as the mark-ups and discounts (Perreault & McCarthy, 2006:38). Arens *et al.* (2011:216) warn that it is essential to keep in mind, when setting prices of products, that they should be consistent with the image of the brand or the company.

- **Place**

The place element refers to the distribution channel decisions to be made (Jobber, 2010:19). In addition, it involves successfully integrating all the companies involved, such as the manufacturer, warehouses, store and transportation, into a seamless value chain (Grewal & Levy, 2008:11). Furthermore, the purpose of the distribution element is to ensure that the product arrives in a usable condition (Lamb *et al.*, 2010:455). The place element also refers to the location where the product is to be sold to the consumer (Botha *et al.*, 2004:105).

Perreault and McCarthy (2006:36) emphasise that it is important to offer the product to the consumer when and where the consumer requires it.

- **Promotion**

The promotion element, also known as marketing communication (Du Plessis *et al.*, 2010:2), refers to the marketing communication tools employed to inform consumers of a product (Botha *et al.*, 2004:25). This typically refers to communicating the benefits, features and advantages of the product to new and current customers in order to convince consumers to buy the product (Kotler & Armstrong, 2010:66). These communication activities can be broadly classified into personal and non-personal communication. Personal communication refers to person-to-person communication, where interpersonal communication uses a medium such as advertising as a communication intermediary (Arens *et al.*, 2011:219). For the purpose of the study, a discussion of marketing communication (promotion) is necessary.

## **2.3            MARKETING COMMUNICATION (PROMOTION)**

This section presents a background on marketing communication, also referred to as promotion. Firstly, a definition of promotion is given and secondly the classification of the different promotional mix elements is discussed. The discussion on promotion lays the foundation for sales promotion to be discussed. Therefore, the discussion on sales promotion will follow this section.

### **2.3.1            Defining promotion**

Van Rensburg (2005:154) defines promotion as a process used to provide information, persuade and influence the attitude and behaviour of consumers. According to Pride and Ferrell (2010:464), promotion is a method of communication for the purpose of building and maintaining favourable relationships through providing information, encouraging the target market to accept the product and to assert a positive attitude towards the company.

From the definition it is clear that the objective of promotion is to reach and convince consumers, which can be achieved individually or through the mass market. When communicating to a specific target market or specific individuals, direct communication is

effective and when communicating to the market as a whole, mass communication is more effective (Jobber & Fahy, 2009:217). Promotion consists of various promotional mix elements, which will be discussed in the following section.

### **2.3.2 Classification of promotional mix elements**

The promotional mix elements can be used to achieve the promotional objectives. The promotional mix elements, often referred to as integrated marketing communication tools, comprise advertising, public relations, direct marketing, personal selling and sales promotion (Belch & Belch, 2012:18).

Advertising is any paid form of media that is transmitted through a variety of media such as television, radio, newspapers, magazines, the Internet, public transport, and outside displays, used for brand recognition and to communicate or promote a company's idea, product or service (Bennet, 2010:180; Lamb *et al.*, 2009:396; Van Rensburg & De Meyer, 2007:103). Advertising can be categorised into three different classes based on the advertising campaign objectives. Informative advertising is used to construct a primary demand, persuasive advertising is used to convince consumers to buy immediately, switch brands or to change the consumer's perception of the product and reminder advertising is used to sustain a positive relationship between the company or brand and the consumers (Kotler & Armstrong, 2010:451; Perreault & McCarthy, 2006:374). Furthermore, the types of advertising can be broadly classified, according to the advertising medium used, into broadcast media, such as television and radio (Van Rensburg & De Meyer, 2007:104), printed media such as magazines and newspapers (Shimp, 2010:360) and outdoor media such as billboards, banners and stadiums (Bennet, 2010:188).

Personal selling is defined by Futrell (2011:9) as an interpersonal process that involves the salesperson personally communicating, through some form of face-to-face interaction or direct contact, to prospective customers for the purpose of unselfishly influencing the consumer to purchase a product that will satisfy the consumer's needs. Personal selling is utilised because it allows the salesperson to identify and understand the consumer's needs and circumstances (Perreault & McCarthy (2006:345). According to Van Rensburg and De Meyer (2007:113), with personal selling, the consumer's attention is directed at the

salesperson, and the salesperson receives immediate feedback. Furthermore, this technique is most appropriate for selling complex and technical products.

Public relations involve intentional efforts to build or sustain a mutual understanding and positive relationship between the company and the public as well as a favourable corporate image (Bennet, 2010:210). Public relations tends to have a significant impact on the public awareness and it is found to be considerably less costly than advertising. Companies can make use of several techniques such as speeches, special events, social networking, written and audio-visual material to achieve their promotional objectives (Kotler & Armstrong, 2010:467). Public relations involves various functions such as: media relations, offering publicity, corporate publicity, lobbying, counselling, crisis management, consumer relations and sponsorship (George, 2011:261).

Direct marketing is defined as a communication medium, in which the message is communicated directly through a variety of media such as the telephone, door-to-door visits, television and radio, mail, and computerised systems, to a specific target market for the purpose of generating an immediate, measurable response and promoting a lasting relationship (Kotler & Armstrong, 2010:507). Van Rensburg and De Meyer (2007:107) stipulate the two main advantages of direct marketing as: it allows the company to reach a selective target market and the feedback is immediate. According to Ouwersloot and Duncan (2008:391) direct marketing's main objectives are to increase sales by producing and qualifying leads and to strengthen the relationship between the company and the customer.

Sales promotion consists of a combination of materials and activities related to marketing, such as incentives offered for the purpose of convincing consumers to buy the product, or to persuade channel members to stock up and sell the specific product or brand within a limited period of time and to enhance the sales forces' efforts (Botha *et al.*, 2004:154). For the purpose of this study, it is necessary to provide an in-depth discussion regarding sales promotion, which will follow in the next session.

## **2.4 SALES PROMOTION**

A complete discussion on sales promotion will be given in the subsequent sub-sections of this section. This is in accordance with the main topic of the dissertation. In the first sub-section,

a discussion is given on the definition of sales promotion. This is then followed by a discussion on the reasons for the increased usage of sales promotion in the second sub-section. The third and fourth sub-sections provide an overview of the benefits and limitations respectively and the fifth sub-section provides an overview of the effectiveness of sales promotion. The last sub-section of this section provides a discussion on the different types of sales promotions. The discussion on these various aspects of sales promotion leads into an outline of the various sales promotion techniques.

#### **2.4.1 Defining sales promotion**

Pickton and Broderick (2005:639) define sales promotion as a marketing communication activity or strategy that is used by manufacturers or retailers by influencing the perceived value of the product for the purpose of persuading the consumer to take action, such as to purchase. Du Plessis *et al.* (2010:176) concur with this by defining sales promotion as a marketing mix activity, other than personal selling, advertising and public relations, used to influence consumer demand for a short time period by encouraging channel members or prospective customers to act immediately.

The main purpose of sales promotion is to encourage wholesalers and retailers to carry the product and to ensure that consumers are motivated to purchase the specific product (Pillay, 2007:69). According to George (2011:240), the main reason why marketers use sales promotion is to encourage sales through offering customers incentives to buy, such as discounts. Semenik (2002:385) identifies more objectives of sales promotion, such as to stimulate demand, encourage brand switching and to encourage trial amongst new products. Pride and Ferrell (2010:465) further highlight sales promotion objectives, such as: to create awareness amongst consumers, to identify new prospects, to counter competitive promotional programmes and to keep loyal customers. As marketers are aiming to improve customer relations, it results in making use of more focused marketing strategies, rather than mass marketing (Kotler & Armstrong, 2010:422). In addition, the use of sales promotion has increased over the past few years, and the reasons for the increase will now be discussed.

#### 2.4.2 Reasons for the increased usage of sales promotion

Botha *et al.* (2004:154) state that the resources allocated to sales promotion activities has increased over time. Sales promotion tends to achieve more success as opposed to advertising, due to a fragmented mass market (Du Plessis *et al.*, 2010:184), which made mass media less effective and caused retailers and manufacturers to use sales promotion instead (Belch & Belch, 2012:519). Shimp (2010:450) concurs, stating that a power shift from manufacturer to retailer caused the usage of sales promotion to increase, since retailers do not have to depend on manufacturers any longer to access a substantial amount of consumer information, due to the steady flow of data.

Competition amongst industries has increased which led to an increasing usage of sales promotion for the purpose of attracting consumers in order to maintain or increase the market share (Botha *et al.*, 2004:137). Kitchen and De Pelsmacker (2004:48) postulate that retailers and manufacturers' sales promotion expenditure increased, due to them having to compete for distribution channel power and for shelf space. With the increasing competition, brand proliferation is also a reason for using sales promotion (Semenik, 2002:386).

As more brands and products surface in the market, consumers can choose from a large variety of similar products, of which the selection is often encouraged by sales promotion. The increased selection of products to choose from has led to a market with price sensitive consumers (Pickton & Broderick, 2005:637). Kitchen and De Pelsmacker (2004:48) are of the opinion that the reason for this is that consumers are accustomed to getting incentives, making them less brand loyal and therefore are purchasing the products on promotion instead. Owing to a highly competitive market, retailers and manufacturers experience increased pressure in order to be successful, and therefore, by means of sales promotion, have to persuade competitors' established, loyal customers to switch brands (Botha *et al.*, 2004:137). Furthermore, consumers are more educated and tend to be focused on value seeking, thus favourably responding to sales promotions that offer value saving opportunities (Du Plessis *et al.*, 2010:184). This results in retailers offering more sales promotions, for the purpose of increasing the value perceived by the consumer, and then receiving a positive response from the consumers (Shimp, 2010:452).

Media clutter is another reason for the increasing use of sales promotion, as it is a technique used to break through the clutter, as well as to differentiate the company's brand from competitors (Du Plessis *et al.*, 2010:184; Semenik, 2002:387). Pickton and Broderick (2005:637) suggest that companies are often focused on short-term sales results, due to marketers being judged on short term or quarterly sales progress, and sales promotion is the most effective technique to achieve maximum short-term sales. Furthermore, marketers are often pressured to disclose the profit on the marketing expenditure to management and therefore sales promotion is the simplest way to measure the results (Belch & Belch, 2012:522). From this discussion, it is evident that sales promotion is beneficial to both manufacturers and retailers, and a discussion relating to the benefits of using sales promotion will follow.

### **2.4.3 Benefits of sales promotion**

Du Plessis *et al.* (2010:179) outline some of the most important benefits of sales promotion, in that sales promotion has the ability to communicate by providing information, to contribute by offering incentives, thus adding value and encouraging consumers to make a purchase immediately. The major benefit of sales promotion is that it has the ability to create a sense of urgency among consumers (Yeshin, 2006:5), leading towards generating sales (Hackley, 2010:151). According to Shimp (2010:454), sales promotion can be used to inspire the sales force to be enthusiastic about a new or improved product. Belch and Belch (2012:517) emphasise that one of the main reasons consumers respond positively and immediately towards sales promotion offerings is because they obtain extra value from the sales promotion. Additionally, sales promotion can be implemented quickly and can be used in conjunction with other promotional elements (Perreault & McCarthy, 2006:388).

Another benefit of sales promotion is that it is effective in encouraging consumers to try a new product or find new product uses for the same product, and therefore encouraging more frequent or multiple purchases (Bird *et al.*, 1998:255). Sales promotion has the ability to create or increase brand awareness or specifically generate awareness of new packaging amongst consumers (Ouwersloot & Duncan, 2008:350). Furthermore, sales promotion has the ability to enable consumers to purchase a higher quality product due to a price reduction (Yeshin, 2006:23). Maintaining current customers is extremely important and sales promotion can be used to reward loyal customers; thereby encouraging them to remain brand

loyal (Ouwersloot & Duncan, 2008:350). As stated by Bird *et al.* (1998:254), sales promotion is often used to build interest throughout the different product life cycle stages and even encourages sales of mature products. Furthermore, sales promotion is also efficient in slowing down the decline stage of the product life cycle (Du Plessis *et al.*, 2010:179). According to Shimp (2010:454), by offering a sales promotion, it can pre-empt the competition, as value focused consumers purchasing the product, are well stocked-up and temporarily out of the market.

Being at the forefront of competition is crucial, especially in a competitive environment. Sales promotion can be used to neutralize or counter the competitors' promotion (Bird *et al.*, 1998:254), by reducing the impact of competitors' advertising (Yeshin, 2006:21). Moreover, sales promotion has the ability to increase or improve the shelf space of the brand, since products on promotion are often displayed on an exceptional shelf or location (Shimp, 2010:454). Arens *et al.* (2011:615) indicate that by using sales promotion techniques, it maximises the sales volume. Owing to the payout planning, or break-even analysis, the cost relating to sales promotion can be measured against the revenue earned by the sales promotion, which is not easily possible with other promotional techniques (Ouwersloot & Duncan, 2008:350). Although the benefits of sales promotion are valuable, there are also various limitations that should be considered by the marketer, and both the former and the latter will be discussed next.

#### **2.4.4 Limitations of sales promotion**

Sales promotion often has the effect of making consumers more focused on price rather than on brand difference, as the consumers tend to over-rely on sales promotions (Ouwersloot & Duncan, 2008:351). In addition, consumers might switch brands and purchase the product because it is on promotion, denoting that the consumer will return to purchasing the regular brand when the sales promotion has ended. For this reason sales promotion achieves more success when used by a new brand than used by an established brand, giving that sales promotion used by established brands attract the current price-conscious customers that switch brands (Du Plessis *et al.*, 2010:180). Hackley (2010:183) emphasised that the effect caused by sales promotion techniques is temporary, as it only persists while the promotion is offered. In addition, due to sales promotion being a short-term incentive, it seldom encourages repeat purchasing over the long term (Yeshin, 2006:24).

Semenik (2002:408) theorises that using sales promotion to increase sales, is merely borrowing sales from the future, as consumers purchase more products now, and stock up, instead of purchasing the product in the future. Furthermore, although sales promotion can be used to decelerate the decline stage of the product life cycle, it cannot permanently stop declining sales (Shimp, 2010:459). Ouwersloot and Duncan (2008:351) found that companies have a short time period to maximise sales during a successful promotion, as competitors frequently counter act, which according to Du Plessis *et al.* (2010:180) often leads to price wars.

Yeshin (2006:25) warns that sales promotion generally decreases the reference price of the brand or product, which can lead to post-promotional dissatisfaction when the promotion is over. Moreover, Ouwersloot and Duncan (2008:351) determined that sales promotion could affect the brand image of the company negatively, as a company that continuously implements sales promotion is regularly labelled as a low price brand. Semenik (2002:408) concurs, warning that by continuously implementing sales promotion the emphasis is turned away from the value of the product towards the price of the product.

Sales promotion has various benefits and limitations, but it is important for a marketer to evaluate the effectiveness of the sales promotion in order to determine whether the objectives were achieved. The following section will consist of a discussion relating to evaluating the effectiveness of sales promotion.

#### **2.4.5 Evaluating the effectiveness of sales promotion**

Sales promotion can result in various effects, and it is important for marketers to gain insight and evaluate the effectiveness and the impact of the sales promotion implemented (Kitchen & De Pelsmacker, 2004:59). Shimp (2010:526) advises that before the effectiveness of sales promotion can be measured, the company should first understand and agree on the objectives set for the sales promotion campaign. Sales promotion has three major objectives, such as: to inform the consumer about the producer, to remind the consumer about the product or to convince the consumer to purchase the product (Botha *et al.*, 2004:139). Belch and Belch (2012:597) warn that measuring the effectiveness of sales promotion is important in order to avoid making costly mistakes; therefore, the marketer needs to evaluate the promotion strategies and determine whether the promotion objectives that were set are achieved.

According to Du Plessis *et al.* (2010:210), owing to sales promotion being used to create awareness and purchase intention, it can be evaluated by means of analysing sales data or in-store traffic. Kitchen and De Pelsmacker (2004:59) elaborate on these measures, stating that by comparing the sales of the pre-promotion period with the sales of the promotion and post-promotion period, and comparing the market share and repeat purchases that were made, the effectiveness of sales promotion can be measured. Furthermore, surveys and experiments can further be utilised to determine whether the sales promotion technique employed was effective. According to Belch and Belch (2012:600), there are limitations to measuring the effectiveness of sales promotion, such as that the evaluation itself is expensive and time consuming. Therefore, owing to target markets frequently being uninterested in conventional sales promotion techniques, research should be conducted prior to launching the sales promotion campaign, to determine whether the planned sales promotion technique is being perceived by the target market as unique and different from the competitors, in order to achieve the desired sales promotion objectives (Shimp, 2010:527). Yeshin (2006:234) concurs, warning that it is important for the marketer to determine whether the planned sales promotion technique is cost effective, with reference to profitability, keeping the local economic conditions in mind and determining whether the planned sales promotion technique attracts the target market it is intended to target. A discussion on the different target markets that marketers target with sales promotion techniques is provided in the following section.

#### **2.4.6 Sales promotions directed at different target markets**

Sales promotion techniques can be directed at the distribution channel members, the sales force or the consumer. When planning sales promotion activities, it is critical for the marketer to have a distinct understanding of who the target market is, due to different target markets having different objectives, therefore requiring different sales promotion techniques. Sales promotions is targeted at three distinctly different markets namely: trade sales promotions, targeted at wholesalers and retailers, sales-force sales promotions, targeted at the sales force, and consumer sales promotions, targeted at the consumer (Du Plessis *et al.*, 2010:176).

#### 2.4.6.1 Trade sales promotions

Kitchen and De Pelsmacker (2004:49) define trade sales promotions as sales promotion techniques used by manufacturers as an incentive to distribution channel members, such as wholesalers, retailers and according to Du Plessis *et al.* (2010:202), business-to-business customers in order to increase the product volume through increased sales over a short period. Semenik (2002:401) concurs, stating that trade sales promotions are incentives used by manufacturers to help push the product into the distribution channel.

The primary objective of trade sales promotions is to encourage channel members to stock up, display and sell the products to the consumer (Du Plessis *et al.*, 2010:178), provoke promotional support from the channel members (Ouwersloot & Duncan, 2008:353) or to preserve support for established brands (Belch & Belch, 2012:551). Furthermore, objectives such as strengthening the relationship between the manufacturer and wholesaler or retailer (Du Plessis *et al.*, 2010:202), or convincing channel members to purchase the products in favour of competing products, causes manufacturers to make use of trade sales promotions (Pickton & Broderick, 2005:641). Pride and Ferrell (2010:539) elaborate, stating that trade sales promotion techniques are frequently used to market products more aggressively and are efficient when used to provide price sensitive markets with a discount. Ouwersloot and Duncan (2008:354) concur, stating that with an increasing competitive environment, trade sales promotions are effective to use to counter competitive programmes. Marketers can use trade sales promotions to help overcome slow moving product lines, increase turnover (Pickton & Broderick, 2005:641) and to overcome problems with overstocking by reducing the access inventories (Shimp, 2010:460). Manufacturers often find it difficult to obtain distribution for new or revised products (Pickton & Broderick, 2005:641) or products with new packaging, and trade sales promotions tend to assist in the process (Shimp, 2010:460).

Examples of trade sales promotion techniques include: point of purchase displays, cooperative advertising (Bird *et al.*, 1998:269), trade allowances, competitions, dealer incentives, sales training programmes, trade shows (Belch & Belch, 2012:552) and in-store promotions (Du Plessis *et al.*, 2010:204).

#### 2.4.6.2 Sales-force sales promotions

Sales-force sales promotions are sales promotion techniques used by manufacturers as an incentive to motivate the sales force to achieve the sales objectives set by management (Du Plessis *et al.*, 2010:178). Moreover, sales-force sales promotions are used as a push strategy employed to push the product through the distribution channel (Kitchen & De Pelsmacker, 2004:50).

Yeshin (2006:123) highlights the fact that the sales force is viewed as a critical link between the distribution channel and the manufacturer. The key objective of sales-force sales promotions is to ensure that the company has a motivated sales force (Du Plessis *et al.*, 2010:207). More specifically, these promotions aim to encourage and motivate the sales force to have a positive attitude towards new or improved products (Pickton & Broderick, 2005:642) which will impact on the order size of the customers (Botha *et al.*, 2004:155). Du Plessis *et al.* (2010:207) concur, stating that a motivated sales force will help increase sales, especially for slow moving products, in order to obtain and improve the balance across a specific product range. Du Plessis *et al.* (2010:207) further advise that the sales force should specifically direct their attention to products that possess seasonal patterns. Botha *et al.* (2004:155) further explain that sales-force sales promotions are also utilised to encourage the sales force to introduce unique promotional techniques, including preparing interesting and appropriate displays within the store, as well as to secure new distribution outlets.

Sales-force sales promotions are effective in encouraging staff to improve the contact between staff and customers including customer relations (Pickton & Broderick, 2005:642), generating prospective customers, ensuring that the sales force accrue new customers as well as improving customer service (Du Plessis *et al.*, 2010:207). Botha *et al.* (2004:155) concur, stating that as meeting potential customers is an important objective of the sales force, sales-force sales promotions can encourage the sales force to meet more prospective customers.

There are different sales-force sales promotion techniques that can be utilised to achieve the various objectives discussed above, such as contests, incentives (Du Plessis *et al.*, 2010:206), sales-force meetings, trade shows (Botha *et al.*, 2004:154), and financial rewards (Yeshin, 2006:205).

### 2.4.6.3 Consumer sales promotions

Semenik (2002:390) broadly defines consumer sales promotions as sales promotion techniques used to attract and encourage demand amongst consumers. Pickton and Broderick (2005:642) identified consumer sales promotion as a pull strategy, as it is used to pull the product through the distribution channel. This study is mainly concerned with two types of sales promotions namely: retailer promotions, offered by the retailer and consumer promotions, offered by the manufacturer of the product (Belch & Belch, 2012:517).

A retail promotion is a sales promotion technique used by retailers as an incentive for consumers, aiming to attract and encourage consumers to purchase the products that the retailer purchased from the manufacturer, hence increasing store traffic. With a retailer's objective of increasing sales and profit, sales promotions are used to affect various sales dimensions, such as increasing the sales of the store's own brand, or reselling the products purchased from the manufacturer (Kitchen & De Pelsmacker, 2004:50). Furthermore, retailer promotions are also used to increase store loyalty, ensuring that regular customers buy from the specific store (Shimp, 2010:542), or to encourage consumers to switch product brands (Botha *et al.*, 2004:155). Retailer promotions are often used to move products close to their expiry date or products that are selling slowly (Du Plessis *et al.*, 2010:177). Semenik (2002:388) proposes that retailer promotions are not only used to introduce existing products to new consumers but also to introduce new products to current consumers.

A consumer promotion is an incentive for consumers, to motivate the consumer to purchase the manufacturer's product or brand (Belch & Belch, 2012:517). Kitchen and De Pelsmacker (2004:50) concur with this, defining consumer promotions as incentives used by manufacturers to encourage consumers to test or sample their product, to switch brands and purchase the specific manufacturer's brand, to increase consumption of the product, or to reward loyal customers.

Du Plessis *et al.* (2010:178) state that consumer promotions are used to influence consumers' buying behaviour. Consumer promotions are used primarily when the company has a well-established brand (Shimp, 2010:483) and is targeting a new market segment (Belch & Belch, 2012:527). Consumer promotions are used to encourage and reward loyal customers, encourage current customers to purchase more of the product more frequently (Pickton &

Broderick, 2005:641, Shimp, 2010:483), purchase other products in the product line (Botha *et al.*, 2004:155) and test improved or new products thus gaining acceptance from the consumers (Ouwersloot & Duncan, 2008:342). The reaction that companies want to achieve is for consumers to purchase immediately (Du Plessis *et al.*, 2010:192) in order to either balance fluctuating sales (Kitchen & De Pelsmacker, 2004:52) or to clear stock (Ouwersloot & Duncan, 2008:341), thereby increasing sales of the brand or product (Pickton & Broderick, 2005:641).

Competitors will try to persuade customers to become less brand loyal (Belch & Belch, 2012:528). Consumer sales promotion is a proven strategy in pre-empting or countering competitors' sales promotion strategies (Semenik, 2002:389). In addition, consumer sales promotions can be used to support or compliment the company's other promotional activities (Pickton & Broderick, 2005:641). Furthermore, manufacturers and retailers are using consumer sales promotions to collect customer database information continuously (Shimp, 2010:484).

This section above has been used to provide an overview of sales promotion in accordance with the pertaining definition, as well as reasons for the increased usage of sales promotion, the benefits and limitations of sales promotion, the effectiveness of sales promotion and the different target markets that marketers target with sales promotion techniques. In addition, this section has led the way for a discussion on the various consumer sales promotion techniques available to the marketer.

## **2.5 CONSUMER SALES PROMOTION TECHNIQUES**

The sales promotion techniques employed for retailer promotions and consumer promotions are similar as both seek to target the final consumer. Therefore, the sales promotion techniques for both retailer and consumer promotions will be discussed collectively. Kitchen and De Pelsmacker (2004:52) identify three broad categories in which sales promotions can be categorised, namely money-based promotions, which include loyalty-marketing programmes, discounts, coupons and rebates, product-based promotions, such as premiums and samples, and prize-based promotions such as competitions. The following sections elaborate on each of these consumer sales-promotion techniques.

### 2.5.1 Loyalty-marketing programmes

Loyalty-marketing programmes, often referred to as frequent shopper programmes (Lamb *et al.*, 2010:363) or patronage rewards (Kotler & Armstrong, 2008:472), are sales promotion techniques aimed at existing target markets (George, 2011:242). Loyalty-marketing programmes offer consumers a discount or free product as a reward for making repeat purchases of the company's brand (Semenik, 2002:398). Loyalty marketing, popularised by the airline industry through frequent-flyer programmes, enables companies to invest in activities designed to capture greater profits from loyal customers (Lamb *et al.*, 2010:363).

The main goals of frequent shopper programmes are to improve store loyalty (Kitchen & De Pelsmacker, 2004:54), encourage loyal customers to purchase more items (Pickton & Broderick, 2005:649) and to encourage consumers to use the product continuously (Belch & Belch, 2012:548). Du Plessis *et al.* (2010:198) state that frequent shopper programmes are based on two principles - not all consumers are the same and consumer behaviour such as repeat purchases results in rewards. Frequent shopper programmes are an important component of customer relationship management in a company (Yeshin, 2006:171) because customer relationship management is pivotal in building relationships with loyal customers in order to increase market share (Belch & Belch, 2012:548).

Marketers are focused on improving retention rates and providing incentives for consumers who purchase more frequently and in large volumes, and frequent shopper programmes (Yeshin, 2006:171) allow marketers to strategically plan and implement sales promotion activities designed to achieve greater profits from loyal customers (Lamb *et al.*, 2009:450). According to Belch and Belch (2012:548), these programmes have the advantage of containing information relating to the consumers' needs, interests and characteristics. Although frequent shopper programmes have various advantages, marketers have to take into consideration that consumers might have loyalty cards with competing brands, which makes the relationship with the customer less exclusive (Pickton & Broderick, 2005:649).

### 2.5.2 Competitions and sweepstakes

A competition, also known as a contest (Yeshin, 2006:163), is when a customer competes with other customers, for example to develop a slogan, answer questions, write a paragraph

or complete a sentence relating to a specific product, thus standing a chance to win a prize based on using some skill or ability (Kitchen & De Pelsmacker 2004:56; Lamb *et al.*, 2009:451). A sweepstake is a random drawing (Belch & Belch, 2012:542) of the winner's name, which is based on chance or luck (Arens *et al.*, 2011:626).

Semenik (2002:394) states that contests and sweepstakes are effective techniques in creating interest for a specific brand. According to Du Plessis *et al.* (2010:199), competitions are often used to assist in promoting a new product, improve decreasing sales, and defending a product against competitors' offerings or reinforcing a brand's image. Yeshin (2006:164) states that competitions provide an opportunity for interactions between the company and the consumer, which according to Shimp (2010:522), creates the opportunity to strengthen the consumers' attitudes towards the product or brand. Ouwersloot and Duncan (2008:348) and Yeshin (2006:164) elaborate, stating that this is a two-way communication network and assists in the collection of valuable marketing information whereby the company's customer database could be expanded. Additional objectives of contests and sweepstakes include encouraging consumers to utilise the product more (Arens *et al.*, 2011:626), encouraging brand switching (Lamb *et al.*, 2009:451), creating brand awareness (Yeshin, 2006:164), increasing store traffic (Ouwersloot & Duncan, 2008:348), increasing the frequency of exposure to promotional messages (Pride & Ferrell, 2010:539) and evening out seasonal demand patterns (Yeshin, 2006:164).

Contests and sweepstakes are regularly employed by marketers, due to these techniques being inexpensive, easy to execute compared to other techniques (Shimp, 2010:521) and having the ability to attract a greater number of participants (Price & Ferrell, 2010:539). Belch and Belch (2012:542) assert that consumers' attitudes towards contests and sweepstakes are positive due to online implementation, being perceived by consumers as cost effective and because of the probability of winning a prize (Du Plessis *et al.*, 2010:199).

Although contests and sweepstakes draw interest and publicity, they are often unsuccessful in creating long-term sales (Lamb *et al.*, 2009:451). Yeshin (2006:165) indicates that, compared to other techniques, contests and sweepstakes do not offer instant gratification and this delay between the time of entry and the time of announcing the winner, might discourage consumers from entering. Semenik (2002:394) emphasises that consumers frequently focus on the contest and prize rather than the product's features or values, making it difficult to

convey a particular message. Du Plessis *et al.* (2010:199) warn that consumers have lost interest in competitions and sweepstakes possibly due to the lack of credibility or them being overused.

Various authors advise, in order to gain consumers' interest and increase the credibility of competitions, marketers should outline the rules of the competition clearly (Shimp, 2010:521), keep the competition simple to facilitate consumers' participation (Arens *et al.*, 2011:626; Belch & Belch, 2012:542), ensure that the competition appeals to the intended target market (Lamb *et al.*, 2009:451) and offer prizes that the consumers deem valuable (Semenik, 2002:394). Lamb *et al.* (2009:452) advise that it is often more successful to provide various smaller prizes to many winners, than one big prize to one winner. Marketers should ensure the judges used in a competition are independent professionals (Arens *et al.*, 2011:626), or consider outsourcing the competition to agencies that specialize in administering such events (Semenik, 2002:394).

### **2.5.3 Rebates**

A rebate is a sales promotion technique that offers consumers a price reduction after completion of a purchase, to induce purchase of a product (Ouwensloot & Duncan, 2008:347). Consumers purchasing the product are entitled to a rebate after sending the proof of purchase to the manufacturer (Shimp, 2010:517). This promotion technique is used primarily to encourage product trial, repeat purchase and for rewarding loyal customers (Kitchen & De Pelsmacker, 2004:54). Belch and Belch (2012:543) concur stating that rebates are employed to encourage brand switching among competitor's customers, or according to Semenik (2002:398), increase the quantity of items purchased by consumers.

Rebates are successful in expanding and improving the customer information database owing to consumers only being entitled to a rebate after completing the rebate form (Kitchen & De Pelsmacker, 2004:54). However, Ouwensloot and Duncan (2008:347) emphasise that rebates are predominantly effective when consumers have a prior connection to the brand.

Although consumers are responsive to products offered with a rebate, as they are frequently purchased, only a few consumers collect the rebate. This is known as slippage, and is a reason why marketers can afford high value rebates (Belch & Belch, 2012:543).

Furthermore, the consumer motivation to purchase increases as the size of the saving increases, thus if the cost savings of rebates are less visible, it will have a lower impact on the price perceived by the consumers (Kitchen & De Pelsmacker, 2004:54).

Rebates are more complex and costly for manufacturers to arrange (Kitchen & De Pelsmacker, 2004:54) and there is a delay in receiving the value, because the consumer must mail back the rebate and proof of purchase (Shimp, 2010:518). Ouwersloot and Duncan (2008:347) contend that the requirement for additional effort such as filling in a form, decreases consumers' motivation to buy.

#### **2.5.4           Coupons**

A coupon is a certificate with a stated value, presented to the retail store for a price reduction on a specific item (Arens *et al.*, 2011:623), granted immediately at the time of purchase (Lamb *et al.*, 2009:448). According to Pickton and Broderick (2005:643), consumers can receive coupons by direct mail; on the product's packaging; through the media; through direct mail; through door-to-door leaflets and at the point of sale. By offering coupons, marketers are providing a price sensitive consumer that takes the time and effort to cut out coupons, with a discount, while the product is selling at full price to the regular customer (Semenik, 2002:390).

According to Pickton and Broderick (2005:643), coupons can be used to augment the customer information database, as some coupons require customers to provide information. Coupons are often used for rewarding and encouraging loyal customers to increase purchasing volumes (Pride & Ferrell, 2010:536), generate trial of new, improved or modified products amongst current and non-users (Belch & Belch, 2012:532), encouraging repurchasing (Semenik, 2002:391) and attracting customers that have been lost to competing brands (Pride & Ferrell, 2010:536). Coupons are also a technique used by marketers to counter competition and to encourage brand switching amongst competitors' customers (Semenik, 2002:390). Furthermore, Belch and Belch (2012:532) emphasise that with coupons it is possible for marketers to determine whether the intended target market was reached.

Coupons are expensive to offer, considering the face value of the coupon, including the cost relating to the production, distribution and handling of the coupon (Belch & Belch, 2012:533). Although the time of distributing the coupon can be controlled, the redemption time can only be controlled to a certain extent, such as specifying the time frame in which the coupon may be used (Semenik, 2002:391; Du Plessis *et al.*, 2010:195). According to Lamb *et al.* (2009:448), coupons are often criticised for reaching consumers who have no interest in the product or for encouraging repeat purchases by regular customers. Semenik (2002:391) states that when offering coupons in order to attract non-users, current customers are not excluded. Pride and Ferrell (2010:536) warn that the value of coupons is decreasing as many manufacturers offer them, resulting in consumers being accustomed to shopping with them. Belch and Belch (2012:533) state that brand loyalty among coupon users can decrease due to coupon users only purchasing from brands that are offering coupons.

Furthermore, marketers find it difficult to estimate the amount of consumers that will use coupons, resulting in customers being dissatisfied and having a negative perception towards the store if retailers are out of stock (Pride & Ferrell, 2010:536). Arens *et al.* (2011:623) warn that manufacturers can also experience a significant financial loss due to counterfeited coupons being submitted for reductions on products.

### **2.5.5 Discounts**

A discount is a short term price reduction of the regular price of a product (Ouwensloot & Duncan, 2008:346; Belch & Belch, 2012:546) and has several synonyms, namely price off vouchers (Shimp, 2010:515), money off vouchers (Pickton & Broderick, 2005:644), cent off vouchers (Semenik, 2002:392) and price incentives (Du Plessis *et al.*, 2010:193). Discounts are significantly appealing to consumers because they provide the consumer with an immediate reward (Shimp, 2010:515).

One of the major advantages of discounts is that they require minimal testing, and can be implemented in a short time period (Yeshin, 2006:128). Discounts can be controlled by the marketer (Semenik, 2002:392) thereby ensuring that the discount will reach the intended target market (Belch & Belch, 2012:547). Belch and Belch (2012:547) acknowledge that discounts offer consumers perceivable value that is simple to compare with competing brands by means of price (Semenik, 2002:392).

The retailer and manufacturer are benefiting from discounts for various reasons. Discounts are successful for the introduction of a new product or brand, as they stimulate sales amongst consumers, especially for products that are in a period of low demand (Pride & Ferrell, 2010:536). Discounts are also successful in encouraging consumers to repurchase, encouraging consumers to purchase greater volumes thereby pre-empting competition (Shimp, 2010:515), encouraging consumers to switch brands, persuading price sensitive consumers to buy, or to reward loyal customers (Lamb *et al.*, 2009:448). Furthermore, discounts can assist in manufacturers gaining greater trade support from the retailer (Belch & Belch, 2012:547). Shimp (2010:515) concurs, stating that manufacturers offer discounts in order to obtain off-shelf display space from the retailers, which enables the manufacturer to gain more exposure. In addition, retailers and manufacturers often form alliances, whereby both can benefit from the promotion (Yeshin, 2006:128).

Discounts pose various limitations. Retailers are frequently negative towards discounts, as they believe that discounts only attract current customers and not new customers (Belch & Belch 2012:547). Pride and Ferrell (2010:537) caution that continuously offering discounts may result in a weak brand image as customers may always expect lower prices and could perceive the brand as low cost or low quality. Discounts often result in consumers delaying purchasing until a discount is offered (Yeshin, 2006:130). Furthermore, discounts often create inventory problems for the retailer (Semenik, 2002:392), especially when the retailer has both the discounted and regular stock (Shimp, 2010:515). Manufacturers should control the discounts closely as they have a direct and immediate effect on the manufacturers' sales and profits (Pickton & Broderick, 2005:644). However, manufacturers can only control discounts to a certain extent, as the retailer is responsible for granting the discount at the point of sale (Pride & Ferrell, 2010:537). Pickton and Broderick (2005:645) warn that discounts are relatively easy to copy, which may result in price wars among competitors.

### **2.5.6 Samples**

Consumers generally perceive a certain amount of risk in trying new products, such as not liking the product or spending too much money and receiving little reward. Samples allow consumers to try a product risk-free (Lamb *et al.*, 2010:364). Pickton and Broderick (2005:642) define a sample as a trial-sized product that is offered to consumers free or at a discounted price, in order to encourage product trial, for example, a small container of body

lotion included when purchasing a magazine. Samples can be distributed through direct mail, door-to-door delivery, on the package of another product, in retail stores or through the media (Bird *et al.*, 1998:274).

Sampling offers credibility, as the consumer can experience the benefits of the product first hand (Ouwersloot & Duncan, 2008:347), thereby creating greater understanding of the products' benefits (Belch & Belch, 2012:530). Shimp (2010:492) emphasises that sampling is especially effective when advertising may fall short of demonstrating the distinct benefits of a new or improved product. Du Plessis *et al.* (2010:193) concur, stating that sampling is beneficial in restoring a declining product and demonstrating a product that is difficult to describe in words alone. Sampling is especially effective when the consumer perceives the product to be different from that of competitors (Ouwersloot & Duncan, 2008:347), or to encourage competitors' customers to switch brands (Lamb *et al.*, 2009:448). Furthermore, sampling can endorse sales when a product is still in the early stage of the product life cycle (Pride & Ferrell, 2010:538) or establish a brand within an area with weak market share (Semenik, 2002:395).

Although being credible, sampling is perceived to be the most expensive sales promotion technique (Ouwersloot & Duncan, 2008:347) and is usually outsourced due to the complexity relating to the logistics (Du Plessis *et al.*, 2010:193). There are various aspects for the marketer to consider when offering samples, such as the fluctuating demand of a specific product, the characteristics of the target market and previous advertising (Pride & Ferrell, 2010:538). Yeshin (2006:150) advises that when distributing samples, an appropriate location for reaching the target market is essential to the success of sampling. However, it is extremely challenging for the marketer to ensure that a company's target market is reached when sampling is used (Semenik, 2002:396).

According to Belch and Belch (2012:530), the purchase cycle should be short in order to prevent the consumer forgetting about the product with the next purchase opportunity. Additionally, when utilising sampling, unique, distinctive product features are necessary to stimulate repeat purchases (Belch & Belch, 2012:530) or in order to ensure that the consumer will switch brands (Semenik, 2002:395). Yeshin (2006:150) cautions that when offering a sample of a product for which the benefits are not immediately visible, for example tissue oil,

the sample should be large enough for the consumer to perceive the benefits of the product over time, thereby encouraging repeat purchase.

### 2.5.7 Premiums

Premiums, such as BOGOF or bonus packs (Yeshin, 2006:147), are defined as a sales promotion technique offering items, either free or at a slight cost, as an incentive for consumers to purchase a product (Pride & Ferrell, 2010:538). Premiums can include more of the product (multiple units) offered at the regular price, such as BOGOF, also referred to as “two-for-the-price-of-one” (Lamb *et al.*, 2010:388), packages that include more of the product (Du Plessis *et al.*, 2010:200), or a bonus pack with a different product (Yeshin, 2006:147). An advantage of binding the same products together is that little production changes are required. However, an advantage of binding different products together is that the additional product gains distribution without any extra distribution costs (Yeshin, 2006:147) and the consumer tests another item of the brand (Picton & Broderick, 2005:643). Various authors identified BOGOF as one of the most frequently used premiums (Lamb *et al.*, 2009:450; Pickton & Broderick, 2005:643; Shimp, 2010:512).

Premiums are offered to the target market in order to influence consumer decision making by enticing consumers to buy immediately (Belch & Belch, 2012:546), reinforce the consumer’s purchase decision, induce trial for new or improved products, increase consumption thus encouraging repeat purchase (Shimp, 2010:510) and they can persuade non-users to switch brands (Lamb *et al.*, 2010:363). Offering premiums can discourage current customers to switch brands (Arens *et al.*, 2011:624; Belch & Belch, 2012:546; Pickton & Broderick, 2005:646) and can be viewed by loyal customers as receiving a reward for purchasing the product (Shimp, 2010:516). Pride and Ferrell (2010:538) advise that marketers could offer consumers premiums when an established brand would like to introduce new product sizes.

Offering premiums has the advantage of procuring a high consumer response rate due to consumers receiving an immediate reward and the attractiveness of the perceived saving (Du Plessis *et al.*, 2010:200; Shimp, 2010:513). Belch and Belch (2012:546) concur, stating that premiums allow the marketer to add additional value to the product while enticing the impulse buying behaviour of the consumer. When offering premiums, the marketer can offer consumers an incentive that is not complicated to administer, compared to the offering of

coupons (Arens *et al.* 2011:624). Yeshin (2006:149) found that premiums offered to consumers with limitations, such as maximum two products per customer, are more successful than offering premiums without any limitations, due to consumers perceiving the offer as exclusive.

Lamb *et al.* (2009:449) state that it is challenging for manufacturers and retailers to implement a premium promotion that will be perceived by consumers as being unique and that will capture the target markets' attention. Ouwersloot and Duncan (2008:345) agree, stating that when marketers strategically plan what premiums to offer it is critical to identify the target market's preferences, it should be cost effective, and the promotion should contribute to reinforcing the brand image. Yeshin (2006:148) advises that owing to premiums frequently requiring changes in packaging, product manufacturing and packaging need to be flexible. Although when offering premiums, such as BOGOF, requiring more shelf space from retailers (Yeshin, 2006:148) without any extra profit to the retailer (Belch & Belch, 2012:546), marketers can gain greater product awareness and differentiate their product from competitors (Pride & Ferrell 2010:538).

Premiums mainly attract current customers, who would have purchased the product without being offered a promotion, rather than non-users (Belch & Belch, 2012:546). Premiums are criticized for only increasing brand awareness after product trial, owing to premiums discovered by consumers in the store (Yeshin, 2006:148). Furthermore, marketers find it difficult to estimate accurately the effect of premiums on inventory levels and profit (Pickton & Broderick, 2005:644).

Studies done in the United Kingdom (Gilbert & Jackaria, 2002), India (Kautish, 2011) and Malaysia (Ndubisi & Moi, 2006), focused on consumer sales promotion techniques such as coupons, discounts, free samples and premiums, specifically BOGOF. In Table 2.1 a summary of the consumer sales promotion techniques employed in this study are presented.

**Table 2.1 Sales promotion techniques used in the study**

<b>Technique</b>	<b>Description</b>	<b>Authors</b>
Coupon	A coupon is a certificate with a specified value used by the consumer to claim a price reduction on a specific product.	Barat & Paswan (2005); Gilbert & Jackaria (2002); Huff & Alden, (1999); Kautish (2011); Laroche <i>et al.</i> (2003); Mittal & Sethi (2011); MVA Hong Kong (2010); Ndubisi & Moi (2006); Osman <i>et al.</i> (2011); Sathish & Naaschimuntu (2011); Shi <i>et al.</i> (2005); Spiekermann, <i>et al.</i> (2011)
Discount	Discounts are a form of price reduction also known as price off deals or money off deals.	Anderson & Hailemariam (2007); Banerjee (2009); Gilbert & Jackaria (2002); Gupta & Cooper (1992); Kautish (2011); Lowe (2010); Mittal & Sethi (2011); MVA Hong Kong (2010); Ndubisi & Moi (2006); Osman <i>et al.</i> (2011); Sathish & Naaschimuntu (2011); Shi <i>et al.</i> (2005)
Sample	A sample is a trial-sized sample of a product that is offered to the consumer free or at a discounted price.	Anderson & Hailemariam (2007); Banerjee (2009); Gilbert & Jackaria (2002); Kautish (2011); MVA Hong Kong (2010); Ndubisi & Moi (2006); Osman <i>et al.</i> (2011); Sathish & Naaschimuntu (2011)
BOGOF	BOGOF offers are a technique that offers more of the product to the consumer, either through a larger container or through multiple units.	Gilbert & Jackaria (2002); Kautish (2011); Laroche <i>et al.</i> (2003); Lowe (2010); Mittal & Sethi (2011); MVA Hong Kong (2010); Ndubisi & Moi (2006); Osman <i>et al.</i> (2011); Sathish & Naaschimuntu (2011); Shi <i>et al.</i> (2005)

This section provided a discussion on the various sales promotion techniques marketing managers can use to increase the effectiveness of their promotional efforts. The following section highlights the factors that influence decisions relating to sales promotional techniques.

### 2.5.8 Factors influencing sales promotion techniques decisions

Various factors influence sales promotion techniques decisions. In order for marketers to achieve the company's promotional objectives, careful selection of sales promotion techniques is important. The following section gives attention to the factors that influence sales promotion techniques decision-making.

- **Product type and price**

The nature of a product tends to influence the type of sales promotion that is used as sales promotion is more effective for consumer products that are inexpensive and with a high turnover rate, compared to highly complex industrial products that are expensive and have a low turnover rate (Lamb *et al.*, 2009:410). Pride and Ferrell (2010:475) conclude that LIP products, such as coffee or body lotion, rely more on sales promotions such as coupons and samples, compared to HIP that are more expensive, such as furniture. According to Bird *et al.* (1998:237), the price elasticity of a product has an effect on whether sales promotion will be successful or not. For example, it is highly unlikely that the consumer will stock up on salt when they are offered a promotion.

- **Brand image**

Shimp (2010:39) defines brand image as the associations consumers form to the specific brand. Some brands are identified as exclusive and some value oriented. In addition, an exclusive brand's image might be harmed when they move towards implementing sales promotion (Bird *et al.*, 1998:237). Yeshin (2006:52) explains that weak economic conditions could pressure consumers to move towards low cost products, which in turn will place tremendous pressure on exclusive brands.

- **Product's stage of life cycle**

Du Plessis *et al.* (2010:187) state that the stage in the product's life cycle influences the sales promotion strategy. In addition, sales promotion is effective when offered in the introductory stage of the product life cycle, as it encourages consumers to test the product. Pride and

Ferrell (2010:475) point out that offering sales promotion during the growth and maturity stage of the product life cycle are effective at increasing a product's market share. However, Lamb *et al.* (2009:114) suppose that the use of sales promotion tends to decrease during the decline stage of the product life cycle.

- **Characteristics of the target market**

The characteristics of the target market plays a major role in decision-making, with reference to brand loyal customers (Lamb *et al.*, 2009:448), consumers that alternate product purchases and price conscious consumers (Yeshin, 2006:40). According to Bird *et al.* (1998:238) various demographic and psychographic factors, influence the consumers' decision-making and should therefore be taken into consideration. The psychological factors relate to the consumer's motivation, the perception the consumer has about the brand and the consumer's belief or attitude towards the brand (Kotler & Armstrong, 2010:148). Furthermore, factors such as consumers' age, economic situation or income (Bennet, 2010:124) are also relevant, as if the promotion is targeted at consumers with a low-income level, for example, the appropriate technique should be used to target that specific market.

- **Psychological risk level**

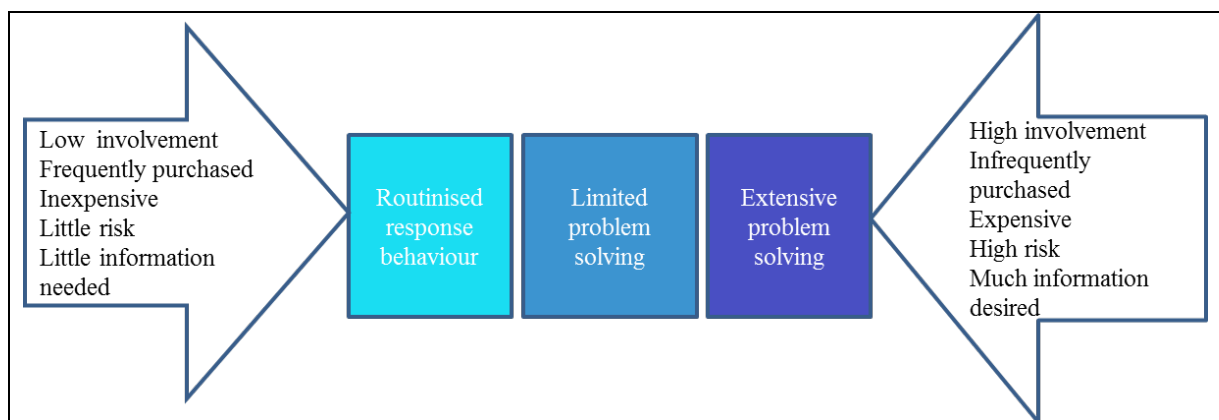
The level of risk associated with the product has an influence on the consumer's decision-making, for example, there is limited risk associated when purchasing LIPs, such as bread, whereas buying HIPs such as jewellery, high risk is involved (Lamb *et al.*, 2009:411). Jobber (2010:122) states that the involvement of a product is high when the consumer has a risk of buying the wrong product or making a mistake with the purchase. Pride and Ferrell (2010:475) add that the risk is especially high with high priced products contrary to low priced products. Therefore, marketers should consider this when deciding which sales promotion technique is most suitable to employ (Bird *et al.*, 1998:239).

- **Type of buying decision and involvement level**

Ouwersloot and Duncan (2008:104) define the level of involvement as the degree to which the consumer finds the decision-making about a product or service important. LIPs are

products for which the decision-making is of little importance, purchased frequently (Perreault & McCarthy, 2006:130) and that are inexpensive (Kotler & Armstrong, 2010:162). Conversely, HIPs are viewed to be expensive, the decision-making is important and it carries a high risk (Lamb *et al.*, 2010:84).

Schiffman and Kanuk (2007:526) identified three levels of consumer decision making or problem solving (Perreault & McCarthy, 2006:129) which includes extensive problem solving, limited problem solving and routinised response behaviour as illustrated in Figure 2.2.



**Figure 2.2 Levels of problem solving (Perreault & McCarthy, 2006:129)**

Expensive, infrequently purchased products are associated with extensive decision-making (Lamb *et al.*, 2010:84). According to Semenik (2002:157), extensive problem solving is when the consumer has little experience and the decision is high involvement, which means that the consumer moves through an intensive decision making process (Jobber, 2010:122). Through this type of decision-making the consumer engages in a large effort to make a decision on how to solve the problem, like spending time to collect information (Perreault & McCarthy, 2006:129). According to Schiffman and Kanuk (2007:526), at this level of problem solving, consumers develop criteria to evaluate the brands accordingly.

Limited problem solving refers to the consumer having limited information and experience in solving the problem, but searching for external information before purchasing the product (Jobber, 2010:122). During limited problem solving, the consumer engages in some effort to decide on satisfying the need in the best way (Perreault & McCarthy, 2006:129). Schiffman

and Kanuk (2007:526) state that during limited problem solving, the consumers have basic evaluation criteria, but do not have established preferences.

Routinised response behaviour is when a consumer has experience in solving the problem, and solves that problem regularly in a specific way (Perreault & McCarthy, 2006:129). Very little time is devoted to gathering information (Lamb *et al.*, 2010:84). During routinised problem solving, the consumer has well-developed criteria to evaluate the different brands (Schiffman & Kanuk, 2007:526). Inexpensive, regularly purchased products are associated with routinised response behaviour (Lamb *et al.*, 2010:84). According to Yeshin (2006:53), sales promotion has an immediate impact on the decision making of LIPs.

It is evident, from the discussion above, that various factors influence sales promotion techniques decision-making, and should be considered by marketers when planning which technique to implement. The following section will delineate a discussion relating to the effect of sales promotion techniques on consumer buying behaviour.

### **2.5.9 The effect of sales promotion techniques on consumer buying behaviour**

Sales promotion techniques tend to offset different behaviour, varying from consumer to consumer. According to Gilbert and Jackaria (2002:316), the effects caused by sales promotion on buying behaviour are brand loyalty, brand switching, purchase acceleration, stockpiling and product trial.

#### **2.5.9.1 Brand switching**

Brand switching can be defined as the extent to which a consumer can be persuaded to purchase a brand which they do not normally purchase (Mittal & Sethi, 2011:170). Brand switching is perceived to be an impulsive occurrence as consumers often have the goal of saving money, which leads consumers to switch brands. Furthermore, it is found that when stores implement a low price strategy, it encourage consumers to switch brands (Shukla, 2009:353).

Brand loyal consumers will purchase the regular brand resulting in long-term sustainability, whereas consumers that are not brand loyal are prepared test various brands and switch

between them (Shukla, 2009:350). According to Mittal and Sethi (2011:181) and Gilbert and Jakaria (2002:320), BOGOF is regarded as an effective technique for encouraging brand switching.

Shukla (2004:82) indicates that companies are reluctant to determine why consumers switch brands or how to regain lost customers. This is evidenced by companies not investing enough in research to determine the reasons for brand switching and consumers' perception of product quality.

### **2.5.9.2 Purchase acceleration**

Purchase acceleration can be defined as the extent to which a consumer can be encouraged to purchase a product earlier than planned, or needed (Mittal & Sethi, 2011:171). Furthermore, purchase acceleration can be achieved through motivating consumers to either purchase the product more regularly or by motivating consumers to increase the number of products purchased (Kivetz *et al.*, 2006:41).

According to Percy (2008:115), promotions aimed at achieving repeat purchases, are often used to take consumers temporarily out of the market or to encourage purchase acceleration. Discounts (Gilbert & Jackaria, 2002:320) and premiums (Mittal & Sethi, 2011:181) are viewed to be successful in encouraging purchase acceleration amongst consumers.

### **2.5.9.3 Stockpiling**

According to Mittal and Sethi (2011:171), stockpiling refers to the extent that a consumer can be enticed to purchase more quantities of a product than is immediately required. Stockpiling results in a longer inter-purchase time period, in other words, the consumer takes a longer time before purchasing a specific product again (Dawes, 2004:305).

According to Kristof (2012:72), the abovementioned consumer behaviour is easy to achieve when the product is offered at a low price. Dawes (2004:305) found that with stockpiling, consumers tend to consume the product faster, due to having a surplus. Furthermore, two types of stockpiling exist, such as endogenous stockpiling, which occurs when the consumer purchases higher quantities due to the anticipation of future demand such as guests that may

be visiting; or exogenous stockpiling, which refers to purchasing higher quantities purely because of the lower price.

Gilbert and Jackaria (2002:320) posit that BOGOF offers are an effective technique to induce stockpiling. Mittal and Sethi, (2011:181) differ and found that discounts are effective in encouraging stockpiling, as well as coupons. According to Ailawadi *et al.* (2007:450), consumers' actions after stockpiling indicate whether the promotion was beneficial to the manufacturer. Therefore, if the consumer's product consumption increases, stockpiling is perceived as being successful. If the additional purchases result in the consumer purchasing later than usual, stockpiling is perceived as unsuccessful to the manufacturer, resulting in a loss of future sales at the regular price.

#### **2.5.9.4 Product trial**

Product trial can be defined as a behaviour in which the consumer is encouraged to purchase a new product, which the consumer has never used previously (Mittal & Sethi, 2011:171). Hariharan *et al.* (2012:77) state that due to product trial, the extended brand or product's quality is revealed, and not affected by consumer perceived quality of the parent brand. According to Ndubisi and Moi (2006:30), repeat purchase is an effective measurement for determining customer satisfaction and the success of the product trial.

Gilbert and Jackaria (2002:317) found that in their study, discounts were successful in inducing product trial. Mittal and Sethi (2011:178) suggested that premiums can be used to induce product trial. According to Ndubisi and Moi (2006:38), coupons were the least effective in encouraging product trial, but sampling, discounts and premiums were successful. However, premiums are found in-store, which means that the promotion will not increase brand awareness before product trial.

#### **2.5.9.5 Brand loyalty**

Kendrick (1998:314) defines brand loyalty as an unspecified amount of repeat purchases made by the consumer for the same brand. Hellier *et al.* (2003:1764) emphasise that the consumer's intention to purchase the brand repeatedly, is based on the satisfaction and

attitude from previous experience with the brand, product, service or company, thus satisfaction indirectly affects a consumer's purchase behaviour.

Moraga *et al.* (2008:302) state that a consumer's reaction towards a company's offerings are based on two stages, such as satisfaction and then loyalty, whereby repeat purchase might be viewed as a quick reflection of brand loyalty. Jensen and Hansen (2006:442) argue that repeat purchase may not reveal true loyalty, due to other influences such as the retailer only stocking specific brands. Hellier *et al.* (2003:1768) found that the consumer's perceived risk is frequently reduced when the consumer purchases a familiar brand, contrary to when an unfamiliar brand is purchased.

According to Moraga *et al.* (2008:303) brand loyalty results in positive word of mouth, as current customers recommend the brand to non-users. Furthermore, current customers portray resistance to competitors' offerings, which is a reason that companies attempt to achieve brand loyalty among consumers (Jensen & Hansen, 2006:442). Broyles *et al.* (2011:206) point out that gaining brand awareness and loyalty are key tasks for any marketer, as they improve the company's capability to secure continuous revenues.

In Table 2.2 a summary of the effect of sales promotion on consumers' buying behaviour is presented.

**Table 2.2 The effect of sales promotion on consumer buying behaviour**

Effect	Description	Authors
Brand switching	Brand switching occurs when a consumer purchases a brand, which they do not regularly purchase.	Gilbert & Jackaria (2002); Mittal & Sethi (2011); MVA Hong Kong (2010); Nagar (2009); Osman <i>et al.</i> (2011); Sathish & Naaschimuntu (2011); Shi <i>et al.</i> (2005); Shukla (2009); Trivedi & Morgan (1996)
Purchase acceleration	Purchase acceleration occurs when a consumer purchases a product earlier than planned or required.	Gilbert & Jackaria (2002); Mittal & Sethi (2011); Osman <i>et al.</i> (2011); Shi <i>et al.</i> (2005)

**Table 2.2 The effect of sales promotion on consumer buying behaviour (continued...)**

Stockpiling	Stockpiling occurs when a consumer purchases more quantities of the product than required.	Ailawadi <i>et al.</i> (2007); Gilbert & Jackaria (2002); Mittal & Sethi (2011); MVA Hong Kong (2010); Osman <i>et al.</i> (2011); Shi <i>et al.</i> (2005)
Product trial	Product trial occurs when a consumer purchases a new product, which the consumer has never tried before.	Gilbert & Jackaria (2002); Kautish (2011); Mittal & Sethi (2011); Ndubisi & Moi (2006); Shi <i>et al.</i> (2005)
Brand loyalty	Brand loyalty occurs when the consumer repeatedly purchases a specific product brand.	Gilbert & Jackaria (2002); MVA Hong Kong (2010); Nagar (2009); Osman <i>et al.</i> (2011); Sathish & Naaschimuntu (2011); Shukla (2009)

## 2.6 GENERATION Y

Generation Y is a term used for consumers who were born between 1986 and 2005 (Markert, 2004:21), whereby this segment is known to be the largest segment in the world (Foscht, *et al.*, 2009:223). This segment is characterised as being well educated and confident, as well as independent and self-reliant (Broadbridge *et al.*, 2007:526). A large portion of the Generation Y cohort consists of university students, which are amongst the most desirable market segments of this cohort due to the size of the segment (Kinley *et al.*, 2010:563) and the potential for high future earnings (Bevan-Dye *et al.*, 2009:174).

Generation Y are known to have significant spending power (Cui *et al.*, 2003:310). An indication of the Generation Ys' current and potential spending power is the high standard of living that is anticipated by students as well as their influence on their parents' decisions and spending (Kinley *et al.*, 2010:563). Numerous Generation Ys had to learn to shop and to make brand decisions early on in their lives, due to both parents working (Bakewell & Mitchell, 2003:98). In addition, consumers of the Generation Y segment are involved in the consumption process much earlier than previous generations (Kinley *et al.*, 2010:563). The significant spending power makes them a very attractive market segment for both marketers and retailers (Ma & Niehm, 2006:622). Moreover, marketers' efforts have made the

Generation Y consumers more aware of their spending and purchasing ability (Martin & Turley, 2004:466).

Generation Ys are sceptical of marketing messages (Bevan-Dye *et al.*, 2009:177) and formed a negative perception of marketers, as they recognise marketing efforts as an act of misleading the consumer in making a purchase (Kinley *et al.*, 2010:566). Furthermore, Generation Ys dislike being pressured into buying products and prefer to feel as though they discovered the products themselves. According to Litalien and Miller (2012:44), this segment is very optimistic, and questioning, whereby their intelligence is frequently misjudged. Foscht, *et al.* (2009:223) found that Generation Ys are well informed and search for bargains. Furthermore, Rahman and Azhar (2010:92) discovered that Generation Ys are less loyal as they switch from one brand to another. Generation Ys like to shop as they have plenty of time available for shopping and spending money (Ma & Niehm, 2006:622). Additionally, these consumers are known to spend quickly and easily, usually on consumer goods and personal care products (Martin & Turley, 2004:466). Kinley *et al.* (2010:563) characterised Generation Y as being more brand conscious and their shopping behaviours are identified as being compulsive.

Owing to changes in retail technology and economies during the past years, Generation Y will have different attitudes and behaviour towards shopping. Furthermore, various other environmental factors have influenced the Generation Y as well, such as the increase in shopping malls, extended shopping hours, and increasing sources of advertising and marketing information such as television, mobile phones and the internet (Bakewell & Mitchell, 2003:97). Vercueil *et al.* (2011:125) consider the Generation Ys to be technologically perceptive. Foscht, *et al.* (2009:223) add that the Generation Ys are very familiar with computers as they make use of computers from an early age, and use electronic media intensively. Martin and Turley (2004:466) support this, by stating that most of the students' time is devoted to surfing on the web and online shopping, which might alert retailers to implement efforts to encourage the students to more frequently purchase from inside shopping malls.

## 2.7 SYNOPSIS

Given that the primary purpose of the study is to determine Generation Y's attitude towards sales promotion techniques, which refers to consumer sales promotion, the focus of the chapter was on sales promotion and the various consumer sales promotion techniques. Sales promotion can be a very successful marketing strategy, if retailers and manufacturers understand how it works and implement it appropriately. In this chapter, the definitions of marketing, marketing communication and sales promotion are provided along with the marketing and promotional mix elements. A discussion relating to the reasons for the increased usage of sales promotion and the benefits and limitations of sales promotion were provided, followed by the evaluation of effectiveness of sales promotion and the sales promotions directed at different target markets.

A specific focus on consumer sales promotion was emphasised in this chapter where the different sales promotion techniques, the factors influencing the sales promotion techniques decisions, and the effect of sales promotion techniques on consumer buying behaviour were identified as important. Furthermore, a discussion regarding the Generation Y was also included. It can be concluded that sales promotion is important as it is used to stimulate demand and increase purchases among new and current customers.

The following chapter, Chapter 3 will outline the research methodology used for the empirical part of the study with reference to the research design, research approach, sampling strategy, data collection method, pre-testing of the questionnaire, administration of the questionnaire, primary data analyses and statistical analyses.

## CHAPTER 3

### RESEARCH METHODOLOGY

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#### 3.1 INTRODUCTION

According to Grewal and Levy (2008:242), marketing research comprises a set of techniques and principles for systematic data gathering, recording, analysis and interpretation, required for assisting successful decision-making. The primary objective of this study was to analyse black Generation Y students' attitudes towards different sales promotion techniques in relation to LIP buying behaviour.

In the previous chapter, the focused literature review was done, which included studies of a similar nature to this study. Sales promotion, with reference to the marketing mix elements, promotion mix elements, benefits and limitations of sales promotion and factors that influence sales promotion was investigated. Furthermore, the effect of sales promotion techniques on consumer buying behaviour, the target audience, evaluation of the effectiveness of sales promotion and the various sales promotion techniques were explored and assisted in constructing a foundation for the research instrument used in this study. Following this theoretical framework, a study of 600 full-time undergraduate black Generation Y students at two South African HEIs, taken from a sampling frame of 23 registered South African HEIs was conducted, with the aim of testing these students' attitudes towards different sales promotion techniques.

This chapter specifically relates to the research methodology with reference to the methods used for collecting the data for the empirical part of the study. The first section, Section 3.2 relates to reviewing the research design of the study. Section 3.3 describes the research approach used in this study. The development of a sampling strategy is discussed in Section 3.4 with reference to defining the target population of this study, the specifications of the sampling frame, sampling method and sample size. In Section 3.5 the data collection method, comprising the questionnaire design, question format and questionnaire layout are discussed. The pre-testing of the questionnaire is described in Section 3.6. Section 3.7 stipulates the operational procedure by describing the administration of the questionnaire. The manner in which the data preparation was conducted is described in Section 3.8. Lastly,

Section 3.9 involves a discussion of the statistical analyses implemented in this study, namely reliability analysis, validity analysis, descriptive analysis and tests of significance. The following section describes the design of the research, which was used to ensure that the study made use of reliable procedures and methods of enquiry.

### **3.2 RESEARCH DESIGN**

Marketing research may be categorised into one of three classifications, namely exploratory research, descriptive research and causal research. The selection of the appropriate design is guided by the research objective. While research falls into one of the three classifications, different phases of the research can fall into different classifications. These three research designs are discussed as follows:

- Exploratory research is used for gaining insights as well as to provide direction for future research (Parasuraman, 1991:876). This can be achieved by conducting qualitative research, case studies or surveys (Malhotra, 2010:104).
- Descriptive research is undertaken to provide a description of something or a situation (Struwig & Stead, 2010:8). It is commonly used for any topic concerning people's characteristics, attitudes, opinions, behaviour and can be obtained by making use of surveys, panels and observations (Boyce, 2002:38).
- Causal research is used to understand the cause and effect relations between variables, which can be achieved by means of experiments (Boyce, 2002:49).

For the purpose of this study, descriptive research has been implemented as this study is involved with obtaining information concerning the status of the different aspects used to describe a particular situation in reality, with respect to variables or conditions in that particular situation (Key, 1997). As indicated by Malhotra (2010:108), where one sample was drawn from the target population and information was obtained only once from that sample, a single cross-sectional design was used. A discussion on the research approach used in this study is discussed next.

### **3.3 RESEARCH APPROACH**

Quantitative and qualitative research are two basic research approaches that may be used in any research study. Qualitative research is an unstructured approach that involves a small number of respondents, whereas quantitative research involves a large number of respondents and a structured approach is used (Welman *et al.*, 2005:8). Qualitative research is undertaken for the purpose of understanding problems (Malhotra, 2010:73). Quantitative research is used to generalise findings to a larger population (Struwig & Stead, 2010:5). For the purpose of this study, a quantitative research approach was chosen. The scale used in this study was adapted from a scale used in a similar study done in the Surrey and Guildford area of the United Kingdom (Gilbert & Jackaria, 2002). The sampling strategy used in this study is discussed next.

### **3.4 SAMPLING STRATEGY**

The sampling strategy describes how the decisions relating to the sample design were implemented, with reference to the population, sample frame, sample unit, sample methods, and sample size (Malhotra, 2010:375). The following sampling procedure was utilised in this study:

#### **3.4.1 Target population**

Bernstein *et al.* (2005:8) state that a population includes the total group of sample units on whom the researcher wants to do the investigation. Chisnall (1992:51) added that the term population, when used in a statistical context, is a collection of people or objects, which possess some homogeneous characteristics. When a researcher does not have a clear idea of the population being researched, it can lead to a researcher collecting information that will not correspond with the information required (Sudman & Blair, 1998:334). The target population for this study comprised of registered full-time students at HEIs in South Africa. The target population is defined as full-time undergraduate black Generation Y students enrolled at HEIs in South Africa.

### 3.4.2 Sampling frame

The sampling frame can be defined as a listing of the population units from where the researcher will select a sample (Parasuraman, 1991:474). An example of such a list is a telephone directory (Bradley, 2010:154). The sampling frame for this study consisted of the 23 registered South African public HEIs, of which there are 11 universities, 6 comprehensive universities and 6 universities of technology as published by Higher Education in South Africa (2009). From the abovementioned sampling frame, one sample was conveniently selected from two HEIs in the Gauteng province. One of the HEIs is a traditional university, and the other HEI is a university of technology. The reasons for choosing a convenience sample of these two HEIs are that the two HEIs are in close geographic proximity, which reduces cost and time, and makes the research more manageable. One group of respondents was then selected by means of convenience sampling, namely full-time registered students.

### 3.4.3 Method of sampling

According to Boyce (2002:80), the sampling method refers to the way the sample is selected. In addition, the sample method consists of two main classifications, namely probability and non-probability sampling (McDaniel & Gates, 2001:333).

In probability sampling, every population element has a fixed possibility of being selected (Malhotra, 2010:376). The types of probability sampling techniques are simple random sampling, systematic sampling, stratified sampling and cluster sampling. Simple random sampling occurs when every sample element has an equal chance of being selected and the sample elements are selected at random (Parasuraman, 1991:480). With systematic sampling, the starting point is selected randomly and then the sample elements are selected at predetermined intervals (Bradley, 2010:161). In stratified sampling, the population is divided into groups, followed by randomly selecting sub-samples (Struwig & Stead, 2010:117). A cluster sample is drawn by first dividing the population into mutually exclusive and exhaustive subgroups, then selecting clusters based on a probability sampling technique such as simple random sampling (Dillon *et al.*, 1994:239).

With non-probability sampling, the chance of selecting a specific sample element is unknown (Parasuraman, 1991:478). The types of non-probability sampling techniques are convenience

sampling, judgement sampling, quota sampling and snowball sampling. Convenience sampling is a technique where the sample unit selection is assigned to the interviewer in situations such as mall intercepts or the use of students (Malhotra, 2010:377). Judgement sampling is similar to convenience sampling, where the researcher selects the sample units that are considered best representative of the population (Boyce, 2002:253). A quota sample is when a specific number of respondents are selected because they possess specific characteristics (Dillon *et al.*, 1994:244). Lastly, the snowball sampling method is when the initial sample elements are asked to identify additional people with specific characteristics, who will then also participate in the research (Bradley, 2010:167).

This study made use of a non-probability, convenience sample of 600 students that was taken from the sampling frame of 23 South African HEIs (Section 3.4.2) in May 2012. The registered full time undergraduate students were selected from the HEIs conveniently. The above-mentioned HEIs and their locations are listed below (Higher education in South Africa, 2009).

**Table 3.1 Registered South African public HEIs**

<b>Name of University</b>	<b>Location</b>
Cape Peninsula University of Technology	Western Cape
Central University of Technology	Free State
Durban University of Technology	KwaZulu-Natal
Nelson Mandela Metropolitan University	Eastern Cape and Western Cape
North-West University	North-West and Gauteng
Rhodes University	Eastern Cape
Tshwane University of Technology	Gauteng, Mpumalanga, Limpopo and North-West
University of Cape Town	Western Cape
University of Fort Hare	Eastern Cape
University of the Free State	Free State

**Table 3.1 Registered South African public HEIs (continued...)**

<b>Name of University</b>	<b>Location</b>
University of KwaZulu-Natal	KwaZulu-Natal
University of Johannesburg	Gauteng
University of Limpopo	Limpopo and Gauteng
University of Pretoria	Gauteng
University of South Africa	All provinces
Stellenbosch University	Western Cape
University of Venda for Science and Technology	Limpopo
University of the Western Cape	Western Cape
University of the Witwatersrand	Gauteng
University of Zululand	KwaZulu-Natal
Vaal University of Technology	Gauteng, North-West, Mpumalanga and Northern Cape
Walter Sisulu University	Eastern Cape
Mangosuthu University of Technology	KwaZulu-Natal

#### **3.4.4 Sample size**

Malhotra (2010:374) defines sample size as the quantity of sample units that will be included in the research. Determining the sample size is often regarded as challenging (Churchill, 1995:628). Struwig and Stead (2010:120) state that by using a sample size comparable to similar studies enables the researcher to draw a comparison with other researchers' judgments. The sample size of 600 full-time undergraduate black Generation Y students was considered sufficiently large and exceeded previous studies conducted of a similar nature, such as Carpenter and Moore's (2008) sample size of 500; Oh and Kwon's (2009) sample size of 501 and Mittal and Sethi's (2011) sample size of 550.

### 3.5 DATA COLLECTION METHOD

Data collection method refers to how the researcher will gather the data (Boyce, 2002:79). Two methods may be used to gather quantitative data, namely the survey method and the observation method. Survey methods are used for gathering information from a sample to learn something about the sample population (Dillon *et al.*, 1994:138). A survey can be described as interviewing a significant amount of respondents by means of a predetermined questionnaire (Burns & Bush, 2010:91). Often, researchers adapt existing measuring instruments, for reasons such as to correspond with the respondents' level of reading ability (Muchinsky *et al.*, 2009:27). Struwig and Stead (2010:7) state that the survey method requires the respondent to indicate their opinion of the research topic. This method is effective in obtaining information that relates to the respondents, such as the respondents' behaviour, attitude, motivation and awareness (Malhotra, 2010:211). When implementing this method the questions are generally structured.

Drop-off surveys can be defined as a survey method, whereby the researcher contacts the participant, explains the purpose of the study, and then leaves the questionnaire with the participant (Burns & Bush, 2010:93). Malhotra (2010:228) states that the drop-off survey is similar to the mail survey, although it results in higher response rates and is effective for distributing questionnaires in a local market.

The observation method involves information gathering without any communication between the person who is observed and any member of the research team (Boyce, 2002:48). Observation methods are frequently criticized for gathering biased data due to the researcher not knowing the observed person's motivation, attitude or preference and should rather be used to support surveys than independently (Malhotra, 2010:237).

The survey was conducted by means of a self-administered questionnaire, which was hand-delivered to the relevant academic staff members from whom telephonic permission had been obtained. Permission from the two HEIs was obtained by means of an informal memorandum of understanding. After permission was granted, the questionnaires were distributed by the participating academic staff members during one class period. The structured questionnaire made it less complicated for the academic staff members to administer the distribution of the questionnaire. After a two-week period, the academic staff

members were contacted telephonically, whereby arrangements were made for collecting the questionnaires.

In this study, the drop-off survey method was implemented to gather information relating to the black Generation Y students' attitudes towards sales promotion techniques on LIPs, by means of a structured questionnaire. The research instrument in this study, namely the questionnaire, will be discussed in the next section.

### **3.5.1 Questionnaire design**

A questionnaire can be defined as a series of questions, used when conducting primary research, for collecting information from the respondents to satisfy the research objectives (Boyce, 2002:317). In order to ensure a good questionnaire design, the study has to have well-defined goals that specify what information is required (Malhotra, 2010:336). In addition, for a questionnaire to be successful, it needs to be designed to attain the highest possible response rate (Sahlqvist *et al.*, 2011:1). When using self-administered questionnaires in a research study, a well-written cover letter needs to be included as it serves as an introduction to the study and provides assurance and motivation (Bradley, 2010:189). The major purpose of the cover letter is to gain the respondents' cooperation as the cover letter can influence the response rate (Parasuraman, 1991:399).

In order to ensure a good quality questionnaire, the phrasing of the questions, also referred to as the wording of the questions, should be clear and well written (Pallant, 2007:10). Moutinho and Evans (1992:36) support this by pinpointing that one of the major problems arising when using questionnaires, are unclear questions, which can be overcome by avoiding double negative questions. Welman *et al.* (2005:176) emphasise that the words used in the questions should be selected carefully as the respondents should be familiar with the words and be able to understand the words. Moreover, the wording of a question is also very important, because it can easily lead the respondent in providing a specific answer (Bradley, 2010:62). Crouch and Housden (1996:154) advise that ambiguous words should be avoided, to ensure that the respondents understand the questions in the same way. Furthermore, Struwig and Stead (2010:91) propose that one question should be asked at a time, in other words, making use of 'and' in the question should be avoided.

In order to ensure reliable feedback, the length of the questionnaire should be taken into consideration (Galesic & Bosnjak, 2009:350). The length of the questionnaire refers to the typical time that is required for the respondent to complete the questionnaire. Furthermore, it is advisable that the researchers do not exceed 20 minutes, when administering questionnaires in a mall or telephonically (McDaniel & Gates, 2001:309). Welman *et al.* (2005:177) concur, stipulating that the questionnaire should not be too long, as it takes more time to read and it increases the chance that the respondent will create resistance. Restricting the questionnaire to a certain length is often complex, but can be achieved by excluding unnecessary questions (Struwig & Stead, 2010:96).

In order to ensure the appropriateness of the questionnaire design, the following aspects were taken into consideration. The questionnaire was accompanied by a cover letter, for the purpose of explaining the objective of the research. The abovementioned guidelines were considered in the phrasing of the questions that are included in the questionnaire. The questions were clear and ordinary words were used in order to ensure that the respondents understood what the questions required. The questionnaire used in this study can be completed within 10 minutes, which makes the length of the questionnaire acceptable. The questionnaire is presented in Annexure B and C.

### **3.5.2 Question format**

The scale used to collect the data in this study was adapted from the scale designed by Gilbert and Jackaria (2002) who employed it to conduct research on British consumers' attitudes towards sales promotion techniques. Owing to their scale corresponding with the first four objectives of this study, as formulated in Chapter 1 (Section 1.3.3), the scale was modified and employed in this study. The research instrument was modified, based on previous literature that relates to the various sales promotion techniques, as reviewed in Chapter 2. This is consistent with the primary objective of the study, as formulated in Chapter 1.

A question or questionnaire can consist of one of two formats, namely structured or unstructured (Parasuraman, 1991:367). Structured questions consist of a series of answers provided by the researcher, whereby the respondents select one answer that best represents the respondent's view or attitude. Unstructured questions are open-ended questions requiring the respondent to provide the answer in his/her own words, commonly used with exploratory

research (Malhotra, 2010:333). McDaniel and Gates (2001:201) advise that structured questions are effective to use in self-administered questionnaires. A question or questionnaire can be classified as undisguised or disguised. According to Iacobucci and Churchill (2010:188), an undisguised questionnaire is suitable when the purpose of the study is evident to the respondent, contrary to the disguised questionnaire, where the purpose of the study is not evident.

Measurement refers to the procedure of allocating a numerical value to characteristics of the object that is being measured (Swanepoel *et al.*, 2006:7). Iacobucci and Churchill (2010:234) emphasise that it is not the object that is being measured, but rather the characteristics of the object, such as the attitude, behaviour or opinion of the object. A scale is the instrument used to measure these characteristics (McDaniel & Gates, 2001:263).

Scales used to evaluate a respondent's attitude towards two or more questions about the topic are known as multiple-item scales (Dillon *et al.*, 1994:315). An itemised rating scale is a scale in which each category is associated with a type of descriptor or numerical value, whereby the respondent rates the object being measured, by selecting the most appropriate category that corresponds with the respondent's attitude or opinion (Crouch & Housden, 1996:94; Boyce, 2002:303; Malhotra, 2010:308). The commonly used itemised rating scales are the Semantic differential scale, Staple scale and Likert scale (Dillon *et al.*, 1994:315; Iacobucci & Churchill, 2010:239; Malhotra, 2010:308; Parasuraman, 1991:433).

- **Semantic differential scale:** The Semantic differential scale consists of opposite adjectives that are related to the object that is being measured (Dillon *et al.*, 1994:315). The respondents have to mark in the blank space that best describes their attitude towards the object being evaluated (Malhotra, 2010:310). The scale consists of three dimensions, namely evaluation, which includes words such as good and bad, potency, including words such as strong and weak, and activity including words such as fast and slow (Iacobucci & Churchill, 2010:241). According to Welman *et al.* (2005:157), this scale has seven categories, of which the endpoints are opposite adjectives. The end categories are very specific, where the middle indicates a neutral, and the intermediaries are slightly and relatively specific (Churchill, 1995:472). According to Dillon *et al.* (1994:315), the favourable and unfavourable words can be allocated to the right and left side randomly, reducing the chances of bias and forcing

the respondent to read before answering. The scores are generally evaluated through profile analysis (Malhotra, 2010:310). This scale is quick and easy to use, especially when examining strengths and weaknesses of a specific product or brand image. However, the scale also has many disadvantages such as the lack of standardisation, and with too few categories, it lacks meaning. It has also been found to be complex to interpret the fourth category, as respondents might not relate to the adjectives provided in the scale, or the respondent's view might be neutral (McDaniel & Gates, 2001:271).

- **Staple scale:** The Staple scale is merely a modification of the Semantic differential scale (McDaniel & Gates, 2001:272), where the statements are measured independently rather than simultaneously (Churchill, 1995:473). The different categories of the scale are represented by numerical labels (Iacobucci & Churchill, 2010:243) and are usually presented vertically (Malhotra, 2010:311). The scale usually consists of ten categories, which range from +5 to -5, which means that the scale categories are even, with no neutral (Dillon *et al.*, 1994:316), and the single descriptor is placed in the middle of the different categories (McDaniel & Gates, 2001:272). The absence of the neutral category, forces the respondents to choose between either being positive or negative towards the object being measured. The total score can be computed by adding up all the scores of the separate scale items. Moreover, pictorial profiles can also be developed from the mean of each scale item (Parasuraman, 1991:439). One of the advantages of a Staple scale is that it is easy to construct since the researcher is not required to formulate bipolar adjectives (Dillon *et al.*, 1994:317). Malhotra (2010:311) added that although no pre-testing is necessary with a Staple scale, various disadvantages should be considered, such as this scale being complicated to apply. Dillon *et al.* (1994:317) concur with this, stating that the instructions regarding this scale are complex to understand. According to McDaniel and Gates (2001:272), the scale descriptors of the Staple scale can be worded positively, in neutral, or negatively. Consequently, the way the statements are phrased affects the results.
- **Likert scale:** The Likert scale is also known as the summated scale (Malhotra, 2010:309). A Likert scale contains a line of favourable or unfavourable statements relating to the subject being researched (McDaniel & Gates, 2001:274). The

respondents have to indicate their level of agreement or disagreement with each statement (Burns & Bush, 2010:101). The statements are generally assigned to a numerical score ranging from -2 to +2 or from 1 to 5 (Boyce, 2002:297), where 1 will indicate strongly disagree and 5 will indicate strongly agree (Malhotra, 2010:308). The strongly agree typically indicates that the respondent is in favour of the statement where a strongly disagree indicates a response to an unfavourable statement (Churchill, 1995:468). In order to construct a sound Likert scale, the researcher needs to develop a large number of statements related to the object, whereby the researcher would need to make the statement more specific by removing all the ambiguous and non-discriminate statements. Furthermore, the number of statements should equally be favourable and unfavourable, in order to decrease acquiescence of bias (Parasuraman, 1991:434). According to Bradley (2010:200), the Likert scales commonly used, consist of five or seven categories, where the midpoint is an indication of an uncertain attitude. Dillon *et al.* (1994:318) identified three qualities that a Likert scale should possess, namely the statements should be clear, they should cover the entire domain of the object and they should be sensitive in order to distinguish between the different attitudes of the respondents. The purpose for creating the scale used in the study was to enable the researcher to obtain the overall score of a respondent, and determine whether the respondents are positive or negative towards the subject being researched (McDaniel & Gates, 2001:276). Malhotra (2010:309) states that the scores could be analysed by a total score for each respondent, where the respondent's item scores are added up, or by constructing a profile, by means of analysing item-by-item. The major advantages of a Likert scale are that it is fairly easy to assemble (Welman *et al.*, 2005:156), control, and the respondents easily understand what is required of them (Boyce, 2002:296). Some of the disadvantages of this scale are that it is often complicated to embody the responses from a Likert item and it is more time consuming for the respondent, as the respondent has to read every statement (Malhotra, 2010:309).

For the purpose of this study, a Likert scale, as a measuring instrument, was applied to measure the respondents' attitudes towards four different sales promotion techniques. In section B of the questionnaire of this study, a 6-point Likert scale, also used in studies done by Klemann (2007) and Weng and De Run (2010), was implemented to measure the respondents' rate of agreement or disagreement with each specific item. The statements were

interrelated to numerical numbers, which ranged from strongly disagree (1) to strongly agree (6). The midpoint of the scale, representing the indecisive attitude was removed. The absence of the midpoint forced the respondents to be either in favour of or against the sales promotion technique. Although Pallant (2007:10) advises that a 'don't know' or indecisive category should be included when required, for the purpose of this study an indecisive category was redundant due to the respondent either being in favour of or against the use of the sales promotion technique.

The abovementioned techniques and effects were taken into consideration during question formulation for the measuring instrument used in the study. The measuring instrument was self-administered, and the questions and questionnaire were structured, and measured in an undisguised manner. The questions that obtained the demographic information from the respondents consisted of dichotomous questions, multiple-choice questions and two open ended questions where the respondents had to indicate their current year of studies and age. The questions that relate directly to the topic of the study were configured in the form of multiple-choice questions.

### **3.5.3 Questionnaire layout**

The layout of a questionnaire refers to what the questionnaire 'looks like' and the sequence, or flow of the questions (Parasuraman, 1991:394). A high participation level is an indication that the questionnaire is effective (Boyce, 2002:329). Sudman and Blair (1998:286) state that it is critical to arrange the questions in a logical order. In addition, the easy questions should be placed first, leading to the more complex questions (Churchill, 1995:430). Parasuraman (1991:390) suggests that the questions that relate to each other should be clustered together. Dillon *et al.* (1994:346) emphasise that the questionnaire should have a professional appearance, which can be accomplished by providing the title of the study, and the organisation's name. Struwig and Stead (2010:96) add that the layout and appearance of the questionnaire should be carefully considered when constructing a self-administered questionnaire.

A questionnaire should consist of several sections, due to the various types of information required (Malhotra, 2010:352). There is controversy about whether to place demographical questions before or after the questions relating to the topic. When placing the demographical

questions last, the most important questions relating to the topic are already answered. Conversely, the demographical questions are often placed first to ensure that the respondents possess the required characteristics (Moutinho & Evans, 1992:38). Swanepoel *et al.* (2006:291) concur, stating that the demographical questions should be placed first, followed by the questions that relate to the topic. The questionnaire used for this research study was divided into two sections, namely Section A (refer to Annexure B) and Section B (refer to Annexure C). Section A relates to the demographical questions and Section B relates to questions specifically focused on the topic. Section B consists of the adapted scale, developed by Gilbert and Jackaria (2002).

During the development of the questionnaire, the first section was to obtain the demographic information from the respondents. The demographic information refers to the respondents' demographical and socio- economical descriptors (Malhotra, 2010:350). Along with the demographic information, two filter questions were used to ensure that the respondents met all the requirements of the sample. The first requirement included the respondents' age, to ensure that the respondents are part of the Generation Y population. The second filter question relates to the respondents' designated group and was included to ensure that only black Generation Y respondents' information was analysed and interpreted.

The development of the second stage of the questionnaire was aimed to gather information that relates to the topic and objectives of the research, known as the basic information (Malhotra, 2010:350). The measuring instrument used for collecting the basic information for this study was adapted from the measuring instrument of Gilbert and Jackaria (2002).

The different items in the scale address the different research objectives, as set out at the beginning of the study and presented in Section 1.3.3. Although these sales promotion techniques were adapted from Gilbert and Jackaria's (2002) measuring instrument, various other authors also researched these sales promotion techniques. Table 3.2 comprises the various sales promotion techniques and studies done on these techniques, as outlined in Chapter 2 (refer to Table 2.1). The different items in the scale address the different research objectives, as set out at the beginning of the study and presented in Section 1.3.3. Table 3.2 and Table 3.3 indicate which items were used to address each of the objectives set out in the study.

**Table 3.2 Sales promotion techniques**

<b>Techniques</b>	<b>Authors</b>
Coupon	Barat & Paswan (2005); Gilbert & Jackaria (2002); Huff & Alden (1999); Kautish (2011); Laroche <i>et al.</i> (2003); Mittal & Sethi (2011); MVA Hong Kong (2010); Ndubisi & Moi (2006); Osman <i>et al.</i> (2011); Sathish & Naaschimuntu (2011); Shi <i>et al.</i> (2005); Spiekermann, <i>et al.</i> (2011)
Discount	Anderson & Hailemariam (2007); Banerjee (2009); Gilbert & Jackaria (2002); Gupta & Cooper (1992), Kautish (2011); Lowe (2010); Mittal & Sethi (2011); MVA Hong Kong (2010); Ndubisi & Moi (2006); Osman <i>et al.</i> (2011); Sathish & Naaschimuntu (2011); Shi <i>et al.</i> (2005)
Sample	Anderson & Hailemariam (2007); Banerjee (2009); Gilbert & Jackaria (2002); Kautish (2011); MVA Hong Kong (2010); Ndubisi & Moi (2006); Osman <i>et al.</i> (2011); Sathish & Naaschimuntu (2011)
BOGOF	Gilbert & Jackaria (2002); Kautish (2011); Laroche <i>et al.</i> , 2003; Lowe (2010); Mittal & Sethi (2011); MVA Hong Kong (2010); Ndubisi & Moi (2006); Osman <i>et al.</i> (2011); Sathish & Naaschimuntu (2011); Shi <i>et al.</i> (2005)

Table 3.3 comprises the possible effects of sales promotion techniques on consumer buying behaviour and studies of previous research on these effects, as outlined in Chapter 2 (refer to Table 2.2).

**Table 3.3 Effect of sales promotion techniques on consumer buying behaviour**

<b>Effect</b>	<b>Authors</b>
Brand switching	Gilbert & Jackaria (2002); Mittal & Sethi (2011); MVA Hong Kong (2010); Nagar (2009); Osman <i>et al.</i> (2011); Sathish & Naaschimuntu (2011); Shi <i>et al.</i> (2005); Shukla (2009); Trivedi & Morgan (1996)
Purchase acceleration	Gilbert & Jackaria (2002); Mittal & Sethi (2011); Osman <i>et al.</i> (2011); Shi <i>et al.</i> (2005)

**Table 3.3** Effect of sales promotion techniques on consumer buying behaviour (continued...)

Effect	Authors
Stockpiling	Ailawadi <i>et al.</i> (2007); Gilbert & Jackaria (2002); Mittal & Sethi (2011); MVA Hong Kong (2010); Osman <i>et al.</i> (2011); Shi <i>et al.</i> (2005)
Product trial	Gilbert & Jackaria (2002); Kautish (2011); Mittal & Sethi (2011); Ndubisi & Moi (2006); Shi <i>et al.</i> (2005)
Brand loyalty	Gilbert & Jackaria (2002); MVA Hong Kong (2010); Nagar (2009); Osman <i>et al.</i> (2011); Sathish & Naaschimuntu (2011); Shukla (2009)

A discussion relating to the methods used in the pre-testing of the questionnaire will follow.

### 3.6 PRE-TESTING OF THE QUESTIONNAIRE

Burns and Bush (2010:109) defines pre-testing as administrating the questionnaire to a small group of respondents, which are representative of the intended sample, for the purpose of detecting errors in the questionnaire before it is distributed to the proposed respondents. The pre-test is critical for observing how the questionnaire performs under real circumstances (Churchill, 1995:436). Furthermore, the pre-test provides the researcher the opportunity for coding and tabulating the results (Iacobucci & Churchill, 2010:224). Dillon *et al.* (1994:532) emphasise that the pre-test sample should be as close as possible to the main sample in terms of attitude, behaviour and familiarity with the topic. The layout of the questionnaire, language, meaning of the words, sequence and the difficulty of the questions should be examined in the pre-testing (Malhotra, 2010:354). The pre-test is also frequently used to determine the amount of time necessary to complete the questionnaire, as it will indicate whether the questionnaire should be shortened (Sudman & Blair, 1998:301). Parasuraman (1991:396) warns that there is no guarantee that pre-test respondents will expose all the problems in the questionnaire.

Churchill (1995:437) proposes that the questionnaire should be pre-tested first by means of a personal interview, thereafter the questionnaire can be tested by the original method intended. The personal interview is helpful as the researcher can clearly identify where the respondents

get confused (Iacobucci & Churchill, 2010:224). Experts can be valuable to use when pre-testing a questionnaire, as they tend to be more critical when evaluating the questionnaire (Parasuraman, 1991:397).

The debriefing method for pre-testing involves asking the respondents' opinion on what the questionnaire indicated the objective of the research to be (Welman *et al.*, 2005:118). Debriefing occurs after the respondent has completed the questionnaire, and is specifically focused on whether the questions meant what they were intended to, as well as to indicate any problems or difficulties relating to the questionnaire (Dillon *et al.*, 1994:352).

Once the questionnaire was designed for this study, pre-testing, using the debriefing method was employed. Firstly, two experienced researchers in the field assessed the questionnaire to identify possible mistakes. Thereafter, two academic staff members and one assisting staff member were selected to participate in the debriefing approach to pre-testing the questionnaire. One of the respondents was a first language English speaker, whereas the other two respondents were second language English speakers. This was done to ensure that the respondents that had English as their first, second or third language, would clearly understand the questions. The questionnaire took less than 10 minutes to complete, which was sufficient time according to McDaniel and Gates (2001:309).

According to Malhotra (2010:354), pre-testing is essential to continue, until no changes are further required. Corrections to the questionnaire, suggested by the respondents participating in the personal interviews, should be made before pilot testing the questionnaire on a sample representative of the target population (Parasuraman, 1991:397). The changes suggested by the participants in the pre-testing were applied. The wording of the questions was changed to correspond with the South African context. Furthermore, small descriptors were included in the instructions to assist the respondents in understanding the meaning of the various techniques and LIPs.

After all the changes and improvements were made, as recommended in the pre-test, the questionnaire was submitted for pilot testing. In order to make sure all the questions were clearly stated, easy to understand and to establish the face and content validity, the questionnaire was pilot tested on 43 full-time undergraduate students, as advised by Sudman and Blair (1998:300), by means of convenience sampling. The pilot group of students were

excluded from the sample used in the final study. The shortcomings of the questionnaire identified after the pilot test were corrected. The final questionnaire, combined with a cover letter (refer to Annexure A), was distributed to the academic staff members from whom telephonic permission had been obtained.

### **3.7 ADMINISTRATION OF THE QUESTIONNAIRE**

Administration of the questionnaire is considered very important, as it involves ensuring that the specific procedures are followed (McDaniel & Gates, 2001:338). The formal survey for this research study was conducted in May 2012 on a sample of 600 students. Through an informal memorandum of understanding between the two universities, permission was obtained to conduct the research at the two universities. The relevant academic staff members responsible for the full-time undergraduate students, were contacted telephonically in order to gain permission to distribute the self-administered questionnaire to the participating students. After the academic staff members had granted permission to distribute the questionnaires during a class period, the non-probability convenience sample of 600 black Generation Y full-time undergraduate students was applied. The questionnaires were hand-delivered to the academic staff members. The completion of the questionnaire, under the supervision of the academic staff member, took less than 10 minutes, and therefore one class period was sufficient. Two weeks were granted to the academic staff members for distributing the questionnaires to the full-time undergraduate students, during which the academic staff members could select one period, convenient to them, to distribute the questionnaires. The questionnaires were delivered to and collected from the academic staff members personally by the researcher. After two weeks, the academic staff members were contacted telephonically, whereby arrangements were made regarding the collection of the questionnaires.

The final data that was gathered from the study, was tabulated and analysed for the purpose of drawing conclusions and formulating recommendations, whereby the findings are reported on in Chapter 4.

### 3.8 PRELIMINARY DATA ANALYSIS

Churchill (1995:83) states that preliminary data analysis includes steps such as editing, coding and tabulation. Editing is used to increase the accuracy of the questionnaire (Malhotra, 2010:453), by identifying ambiguity and response errors (Aaker & Day, 1990:433). The process of converting the respondents' answers into numbers is known as coding (Kolb, 2008:198). According to Proctor (2000:235), the purpose of coding is to transform the responses into a more immediately countable form. Furthermore, McDaniel and Gates (2002:476) state that one-way frequency tables are regarded as one of the simplest tabulations, used to indicate the number of responses gained for every category (Weiers, 1984:390).

The next section consists of a discussion regarding the statistical analyses implemented in order to represent the data obtained from the survey.

### 3.9 STATISTICAL ANALYSIS

Statistical analysis can be defined as employing statistical techniques to extract information and interpret the data that are collected (Swanepoel *et al.*, 2006:3). According to Mullins (2010:273), statistical analysis is required to compute percentages and averages, as well as to do comparisons.

The Statistical package for Social Sciences (SPSS) is a program which can be used for several steps in the marketing research process ranging from defining the problem, to preparing and presenting the findings (Malhotra, 2010:59). The SPSS program, Version 20.0 for Windows was used to analyse the captured data. The following statistical methods were applied on the empirical data sets:

- Reliability analysis
- Validity analysis
- Descriptive analysis
- Significance tests

The abovementioned statistical methods will now be discussed in detail.

### 3.9.1 Reliability analysis

Reliability of a scale refers to the consistency of a scale (Parasuraman, 1991:443). Furthermore, the consistency of a scale can be determined when measurements are repeated and present consistent results (Malhotra, 2010:318). McDaniel and Gates (2001:254) state that the reliability of a scale indicates whether the scale is free of random error. According to Boyce (2002:309), there are two types of errors, namely random and systematic error. With random error, the errors occur randomly as it is not possible to know when they will occur. Conversely, systematic error occurs consistently, which means that the number of errors will arise each time the same measuring instrument is used. Dillon *et al.* (1994:321) state that random error reduces the reliability, whereas systematic error does not affect reliability, and does not cause inconsistency.

Three approaches can be implemented to assess reliability of a measuring instrument, such as the test-retest reliability, alternative-forms reliability and internal consistency reliability (Dillon *et al.*, 1994:322; Malhotra, 2010:318; McDaniel & Gates, 2001:254).

- **Test-retest reliability:** Test-retest reliability occurs when duplicate sets of scale items are tested on the same respondents at two different times and under as similar circumstances as possible (Dillon *et al.*, 1994:322). Parasuruman (1991:443) states that the time interval between the administrations of the test is critical and should range between two to four weeks. The scale is reliable when the similarity of the two measurements is high (Boyce, 2002:310) which is calculated by the correlation coefficient (Malhotra, 2010:319). Welman *et al.* (2005:146) reiterate that the time interval should not be too long, as the respondents might have changed, but it should not be too short either, because the respondents might remember the answers they provided in the first test. Various other problems may occur, such as respondents not wanting to participate the second time, and factors such as environmental or personal factors might change, which will provoke the second measurements to change (McDaniel & Gates, 2001:225).
- **Alternative-forms reliability:** Alternative forms reliability occurs when the same respondents are tested by two equivalent types of scales, at two different times, which may range between two to four weeks (Malhotra, 2010:319). With alternative form

reliability, also known as equivalent form reliability, the correlation of two instrument scores would indicate whether the measurements are reliable. This approach is problematic, as it is found to be difficult to develop two measuring instruments that are completely equal as well as the fact that it is time consuming and expensive (McDaniel & Gates, 2001:254). Dillon *et al.* (1994:324) emphasise that the content of the instrument should be equal in such a way that the variances and interrelations should be equivalent, meaning that when there is a low correlation, it will be an indication of a low reliability or non-equivalence of content.

- **Internal consistency reliability:** Internal consistency reliability of a scale is measured when scale items are added up for the purpose of forming a total score (Malhotra, 2010:319). The split-half reliability measurement was one of the first measurements, followed by the enhanced measurement, which is known as the coefficient alpha measurement. Split-half reliability is considered the most uncomplicated measurement (Iacobucci & Churchill, 2010:259). Parasuraman (1991:443) describes split-half reliability as an approach to measure the extent to which the scale items are consistent, as the scale items are split into two equal halves, where the two halves' scores are aggregated and compared. According to Dillon *et al.* (1994:323) this approach involves splitting the scale items either randomly or in terms of odd and even numbering. A problem with split-half consistency is that the manner in which scale items are split, results in different correlations.

The coefficient alpha, also known as the Cronbach's alpha (Malhotra, 2010:319) is the most frequently used statistic (Pallant, 2007:6). This statistic is frequently used by researchers to overcome the problems experienced with split-half reliability (McDaniel & Gates, 2001:256). It computes the average correlation of all the different ways of splitting the scale items. The internal consistency will increase when similar scale items are added, as more content will be covered (Welman *et al.*, 2005:147).

Before the final study, a pilot study was carried out, in order to ensure consistency and that the scale variables were reliable. In this study, the internal consistency method was applied, by means of the Cronbach alpha coefficient.

### 3.9.2 Validity analysis

Validity can be defined as the degree to which a measurement scale accurately reveals the constructs that it is supposed to measure (Parasuraman, 1991:441). In other words, the test is valid if the measurements are consistent with what the researcher predicted they would measure (Welman *et al.*, 2005:142). The validity of a measuring instrument can be seen as a synonym for the correctness or accuracy of the scale (Churchill, 1995:533). Malhotra (2010:320) states that in order for a measuring instrument to be perfectly valid, it should be free of random and systematic error. Iacobucci and Churchill (2010:259) emphasise that when a scale is valid, it is reliable and if it is not reliable, it cannot be valid, but when a scale is reliable, it does not mean that the scale is valid. This is an indication that reliability is necessary for validity.

There are two goals in conducting research, such as to draw valid conclusions and to make valid generalisations to a larger population. Furthermore, there are two types of validity, namely internal and external validity (Dillon *et al.*, 1994:183). Iacobucci and Churchill (2010:107) state that internal validity refers to determining whether the effect is due to the theorised cause, whereas external validity refers to the extent to which the findings can be generalised. When determining validity of a measuring scale, three approaches can be utilised, namely content validity, criterion validity and construct validity (Iacobucci & Churchill, 2010:256; Malhotra, 2010:320; McDaniel & Gates, 2001:260).

- **Content validity:** Content validity refers to whether scale items are representative of the entire domain of the particular research construct (Pallant, 2007:7). Parasuraman (1991:442) refers to content validity as face validity. McDaniel and Gates (2001:260) make a distinction between content and face validity by stating that face validity is merely a measurement that “looks like” it measures what it is intended to measure and content validity can never be guaranteed as it is subsequent to judgement. Furthermore, one of the most important factors in developing a content valid instrument is to determine precisely what the variable is, followed by examining secondary literature, asking expert’s opinions and pre-testing the scale items (Churchill, 1995:535). Malhotra (2010:320) adds that the researcher or an expert usually analyses whether the entire domain is covered by the scale items. In this

study, content validity for this research instrument was determined by following the above-mentioned steps. A pilot study was also conducted to ensure content validity.

- **Criterion validity:** Dillon *et al.* (1994:326) define criterion validity as the extent to which the measurements perform as predicted, in relation to other constructs or variables. Malhotra (2010:320) adds that the variables or constructs are chosen as a criterion with reference to characteristics such as demographic and psychographic characteristics, behavioural and attitudinal measures. According to Welman *et al.* (2005:144), criterion validity consists of concurrent and predictive validity. McDaniel and Gates (2001:261) differentiate these terms by defining predictive validity as the extent to which future criterion can be predicted by the current measurements, whereas concurrent validity determines the extent to which a variable simultaneously measured with the variable of interest, can be predicted by the measuring instrument.
- **Construct validity:** McDaniel and Gates (2001:261) define construct validity as the extent to which the observed occurrences to a construct link with the fundamental theory by means of a measuring instrument. Malhotra (2010:321) identifies three types of construct validity measures, namely convergent, discriminant and nomological validity. Convergent validity occurs when a high correlation exists among various measures that are supposed to measure the same construct (Churchill, 1995:539). Welman *et al.* (2005:143) state that discriminant validity occurs when low correlation exists among various measures, which measure different constructs. Nomological validity occurs when the scale correlates with measures of dissimilar, but linked constructs, in a theoretically anticipated way (Malhotra, 2010:321). To determine the construct validity of the scale in this study, the inter-item correlations were utilised and should range from 0.15 to 0.5 (Clark & Watson, 1995:316).

### 3.9.3 Descriptive analysis

Descriptive statistics involve summarising information, such as characteristics that relate to large sets of data (McDaniel & Gates, 2001:410). The summarised and ordered data are then represented graphically or in a tabular manner (Swanepoel *et al.*, 2006:6). According to Iacobucci and Churchill (2010:59), statistical analysis refers to the researcher measuring the

frequency with which something occurs, as well as the relationship between two variables. Malhotra (2010:486) states that the statistics that are generally used with measuring frequencies are measures of location, measures of variability and measures of shape. For this study, a combination of the three most common descriptive statistics, namely measures of location (means), measures of variability (standard deviations) and measures of shape (skewness and kurtosis) were used.

- **Measures of location:** Measure of location or central tendency involves three measures, namely the mean median and mode (Boyce, 2002:441). The mean is the average score (Struwig & Stead, 2010:158), and is calculated when all the scores are summed and the total is divided by the sample size (Welman *et al.*, 2005:233). Parasuraman (1991:409) states that the median is the score that is in the middle of the highest and lowest value, after the data is ordered from either high to low or low to high. The mode can be identified as the value or score that occurs the most (Bernstein *et al.*, 2005:58).
- **Measures of variability:** Dillon *et al.* (1994:400) state that the methods for calculating measures of variability are the range, variance and standard deviation. According to McDaniel and Gates (2001:412), the measures of dispersion or variability are used to examine to what extent the data are spread out. The range can be computed by subtracting the smallest value from the largest value in the sample (Boyce, 2002:445). The variance refers to the calculation of the mean square deviation of the total values from the mean (Malhotra, 2010:487). Standard deviation is used to indicate the difference between the scores and the mean (Bernstein, 2005:62), and can be expressed as the square root of the variance (Swanepoel *et al.*, 2006:81).
- **Measures of shape:** Measures of shape, which include the assessment of skewness and kurtosis of the shape, are believed to be essential for grasping the nature of distribution (Malhotra, 2010:488). Skewness can be referred to as an indication of how symmetric the distribution is and kurtosis indicates how peaked the distribution is (Pallant, 2007:56). When the data is normally distributed, the skewness and kurtosis value will be zero. If the value is not zero, the data can either be positively skewed, which is when the data distribution is skewed to the right, or negatively

skewed, which is when the data distribution is skewed to the left (Swanepoel *et al.*, 2006:68).

The purpose of employing descriptive statistics in this study was primarily to measure whether the data was normally distributed and for identifying characteristics on the large data sets.

### **3.9.4 Significance tests**

Significance tests are used to determine whether any significant difference exists between two percentages (Crouch & Housden, 1996:207). By determining whether a significant difference exists between the sample findings and the findings that could have been obtained from all the population elements of a particular study, the hypothesis can either be rejected or accepted (Bradley, 2010:327). A hypothesis can be viewed as a statement made regarding a specific population, which can be proved or disproved by conducting an empirical study. In addition, for every hypothesis, expressed as  $H_0$ , there is an alternative hypothesis, expressed as  $H_a$  (Boyce, 2002:457). Moutinho and Evans (1992:77) state that the alternative hypothesis indicates what will happen if the null hypothesis is rejected. According to Parasuraman (1991:645), either the null hypothesis, or the alternative hypothesis can be accepted, thus if the one hypothesis is accepted, the other should be rejected. This study involves hypothesis testing of mean differences between dependent samples.

#### **3.9.4.1 Statistical significance testing of mean differences between dependent samples**

When conducting a study on two groups that are dependent samples, a t-test can be used for testing hypotheses (Dillon *et al.*, 1994:427). Malhotra (2010:504) states that with t-tests, it is assumed that the variables are normally distributed, as well as that the mean is known. According to Field (2009:256), there are two types of t-tests, namely independent-samples t-tests, where different participants are used, and paired-sample t-tests where the same participants are used in the study. Pallant (2007:237) adds that paired-sample t-tests could be used to evaluate the same person's reaction to two distinct questions.

According to Dillon *et al.* (1994:427), numerous statistical tests exist, although analysis of variance (ANOVA) is the most suitable test to use with an interval scale and with more than two groups, consisting of independent samples. ANOVA is a test used to determine differences among means (Bradley, 2010:322). Parasuraman (1991:736) states that the primary objective of ANOVA is to determine whether different independent variables have a significant impact on the dependent variable. According to Malhotra (2010:531), there are two types of ANOVA such as one-way ANOVA, where there is only one factor involved, and two-way ANOVA, where more than one factor is considered.

For the hypotheses testing of this study, paired-sample t-tests are used as well as one-way ANOVA.

#### **3.9.4.2 Practical significance testing of mean differences between dependent samples: Cohen's D-statistic**

Cohen's D-statistic is calculated to estimate the effect size when a statistically significant difference between two means is established (Pallant, 2007:208). This effect size is evaluated as follows:

- $0.20 \leq d < 0.50$ : there is a small effect that is practically non-significant
- $0.50 \leq d < 0.80$ : there is a medium effect that is moving towards practical significance
- $0.80 \leq d$ : there is a large effect that is practically significant

### **3.10 SYNOPSIS**

This chapter outlined the research methodology implemented for the empirical portion of this study with reference to the research design, research approach, sampling strategy, data collection method, pre-testing of the questionnaire, administration of the questionnaire, data preparation and statistical analyses. The results of the empirical study, including the pilot and main study will be reported on in the following chapter. The results will be tabulated, interpreted and discussed. Furthermore, the results relating to the demographic information, descriptive analyses and tests of significance are also discussed in Chapter 4. The results outlined in Chapter 4 will contribute to drawing conclusions and recommendations for this study that will be presented in the final chapter.

## CHAPTER 4

### ANALYSIS AND INTERPRETATION OF EMPIRICAL FINDINGS

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#### 4.1 INTRODUCTION

This chapter contains a discussion relating to the analysis and interpretation of the empirical findings acquired from the sets of data gathered from the main survey of this study. Section 4.2 relates to the results of the pilot testing of the questionnaire. The preliminary data analysis relating to the coding and tabulation is discussed in section 4.3. Section 4.4 relates to the descriptive analysis of the data with reference to the demographic information, reliability and validity of the scale, the descriptive statistics and respondents' attitudes towards sales promotion techniques. In Section 4.5, the various hypotheses for this study are formulated and tested by means of t-tests and ANOVA.

SPSS Version 20.0 for Windows was used to evaluate and perform the data analyses. The first stage of the data analyses entailed analysing the results of the pilot testing of the questionnaire and the second stage entailed analysing the main survey's findings. The data analyses involved in the pilot phase are discussed in the next section.

#### 4.2 RESULTS OF THE PILOT TEST

Before the pilot study was conducted, in order to ascertain face and content validity, the questionnaire was pre-tested by two experienced researchers, two academic staff members and one assisting staff member. The results obtained from the pre-test, to improve the wording and flow of the questions, were implemented. The questionnaire was then pilot tested in order to establish the reliability of the scale within the questionnaire. The pilot test was conducted on a non-probability, convenience sample of 43 full-time undergraduate students that did not form part of the sampling frame of the main study.

The Cronbach alpha coefficient was calculated to determine the reliability of the questionnaire. The six-point scale returned a Cronbach alpha value, for the entire scale, of 0.75, which is above the recommended level of 0.70 (Field, 2009:675). Although the average inter-item correlation of 0.137 for the entire scale falls slightly outside the recommended

range of 0.15 to 0.5 (Clark & Watson, 1995:316), it was decided to proceed with the study given that this can occur in the case of a small number of scale items (Pallant, 2007:98).

The original scale consisted of 20 variables. Through the process of pre-testing (refer to Section 3.6) and pilot testing, none of the variables were removed. Table 4.1 provides an overview of the descriptions of these variables and techniques. These 20 variables were then used to prepare the main survey questionnaire (refer to Annexure C), which was administered to a larger sample size.

**Table 4.1 Descriptions of variables and techniques**

<b>Code</b>	<b>Variables</b>	<b>Technique</b>
B1	Coupon induced brand switching.	Technique 1
B2	Coupon induced purchase acceleration	
B3	Coupon induced stockpiling	
B4	Coupon induced product trial	
B5	Coupon induced brand loyalty	
B6	Discount induced brand switching.	Technique 2
B7	Discount induced purchase acceleration	
B8	Discount induced stockpiling	
B9	Discount induced product trial	
B10	Discount induced brand loyalty	
B11	Free sample induced brand switching.	Technique 3
B12	Free sample induced purchase acceleration	
B13	Free sample induced stockpiling	
B14	Free sample induced product trial	
B15	Free sample induced brand loyalty	

**Table 4.1** Descriptions of variables and techniques (continued...)

<b>Code</b>	<b>Variables</b>	<b>Technique</b>
B16	BOGOF induced brand switching.	Technique 4
B17	BOGOF induced purchase acceleration	
B18	BOGOF induced stockpiling	
B19	BOGOF induced product trial	
B20	BOGOF induced brand loyalty	

### **4.3 PRELIMINARY DATA ANALYSIS**

It is recommended that preliminary data analysis should be conducted by means of coding and tabulation before the data set is analysed. The following section consists of a discussion relating to coding, tabulation and the data gathering process.

#### **4.3.1 Coding**

Coding can be regarded as the assigning of a code to each possible response for every question (Malhotra, 2010:454). In addition, the code is usually linked to a word or sentence, to group the information into themes (Struwig & Stead, 2010:169). The questionnaire employed for this study consists of two sections: Section A and Section B. Section A contains seven questions that relate to obtaining the respondents' demographic data. Section B consists of 20 questions, aimed at obtaining the information relating to the students' attitudes towards sales promotion techniques. Table 4.2 presents the variables and codes used in Section A and B of the final questionnaire.

**Table 4.2 Coding information**

<b>Section A: Demographic data</b>		
<b>Question</b>	<b>Variable</b>	<b>Code</b>
Question 1	Institution	A1
Question 2	Year	A2
Question 3	Age	A3
Question 4	Gender	A4
Question 5	Designated group	A5
Question 6	Living arrangements	A6
Question 7	Grocery expenses	A7
<b>Section B: Students' attitudes towards sales promotion techniques</b>		
<b>Question</b>	<b>Variable</b>	<b>Code</b>
Question 1	Coupon – Brand switching	B1
Question 2	Coupon – Purchase acceleration	B2
Question 3	Coupon – Stockpiling	B3
Question 4	Coupon – Product trial	B4
Question 5	Coupon – Brand loyalty	B5
Question 6	Discount – Brand switching	B6
Question 7	Discount – Purchase acceleration	B7
Question 8	Discount – Stockpiling	B8
Question 9	Discount – Product trial	B9
Question 10	Discount – Brand loyalty	B10
Question 11	Free sample – Brand switching	B11
Question 12	Free sample – Purchase acceleration	B12
Question 13	Free sample – Stockpiling	B13

**Table 4.2 Coding information (continued...)**

<b>Question</b>	<b>Variable</b>	<b>Code</b>
Question 14	Free sample – Product trial	B14
Question 15	Free sample – Brand loyalty	B15
Question 16	BOGOF – Brand switching	B16
Question 17	BOGOF – Purchase acceleration	B17
Question 18	BOGOF – Stockpiling	B18
Question 19	BOGOF – Product trial	B19
Question 20	BOGOF – Brand loyalty	B20

#### 4.3.2 Tabulation

After the data is coded, the next step is to tabulate the data. Tabulation involves processing raw data into required information by organising and summarising the findings in a way that will be helpful to the study's objectives (Struwig & Stead, 2010:151). Table 4.3 represents the frequencies obtained from the total sample, for Section B of the questionnaire, aimed at measuring the students' attitudes towards the sales promotion techniques (B1-B20).

**Table 4.3 Frequency table for students' attitudes towards sales promotion techniques**

<b>Code</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Slightly disagree</b>	<b>Slightly agree</b>	<b>Agree</b>	<b>Strongly agree</b>
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
<b>Technique 1: Coupon</b>						
B1	62	99	55	146	136	45
B2	66	113	90	132	93	49
B3	49	94	73	120	132	75

**Table 4.3** Frequency table for students' attitudes towards sales promotion techniques (continued...)

Code	Strongly disagree 1	Disagree 2	Slightly disagree 3	Slightly agree 4	Agree 5	Strongly agree 6
B4	126	134	82	100	78	23
B5	33	50	64	85	145	166
<b>Technique 2: Discount</b>						
B6	26	50	60	118	192	97
B7	32	77	76	136	147	75
B8	23	57	69	122	156	116
B9	88	110	102	127	85	31
B10	20	43	64	98	156	162
<b>Technique 3: Free sample</b>						
B11	24	41	43	98	149	188
B12	24	51	65	93	154	156
B13	19	39	60	112	155	158
B14	58	70	78	127	121	89
B15	29	41	58	91	134	190
<b>Technique 4: BOGOF</b>						
B16	27	29	39	83	164	201
B17	38	42	48	109	138	168
B18	23	33	47	92	142	206
B19	71	80	70	126	111	85
B20	25	44	52	74	111	237

### **4.3.3 Data gathering process**

As stated in Chapter 3, the final questionnaire consists of 27 items, grouped into two sections. The first section, consisting of seven items, measured the respondents' demographic data and the second section, consisting of 20 items, measured the respondents' attitudes towards each of the four sales promotion techniques. The final questionnaire consists of three pages, two pages for the questionnaire items and one page for the cover letter explaining the purpose of the study.

After the necessary permission was obtained, the questionnaires were distributed to the two pre-selected HEIs. The relevant academic staff members administered the questionnaires during one class period, whereby 543 questionnaires were successfully completed. The other 57 questionnaires were incomplete, or did not meet the requirements regarding age and designated group and therefore were deemed unusable. This gave the study a 90.5 percent response rate.

The following section, Section 4.4 provides an overview of the descriptive statistics computed in this study.

## **4.4 DESCRIPTIVE ANALYSIS**

Descriptive statistics are used to describe the samples' characteristics (Pallant, 2007:53). The subsequent section will report on the demographical information of the sample as well as the reliability and validity of the scale. Furthermore, a discussion regarding the descriptive statistics employed in this study, by using the data gathered from the main survey of this study and a discussion regarding the respondents' attitudes towards sales promotion techniques is included in this section.

### **4.4.1 Demographical information**

Kolb (2008:117) states that demographical information refers to the characteristics of the participating sample. Furthermore, the demographic characteristics required for the study will be outlined by the research questions. Weiers (1984:494) suggests that demographical

questions are valuable to use when doing research on topics relating to consumer buying behaviour. Frequency tables, pie charts, bar graphs and stack bars are used for representing the information acquired from the sample.

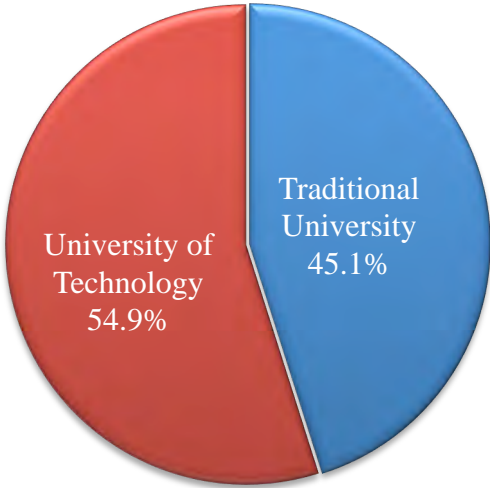
Section A of the questionnaire relates to the demographical information of the sample and refers to the respondents’:

- sample classification
- year of study
- age
- gender
- designated group
- living arrangements
- monthly grocery expenses

A discussion relating to the classification information of the sample in total will follow in Table 4.4.

**Table 4.4** Sample classification

	<i>f</i>	%
<b>Traditional University</b>	245	45.1
<b>University of Technology</b>	298	54.9
<b>N</b>	543	100.0

A pie chart illustrating the sample classification. The chart is divided into two segments: a red segment representing the University of Technology at 54.9% and a blue segment representing Traditional University at 45.1%.

The total sample (N) of respondents who participated in this study is one sample group made up of two HEIs. For a holistic representation, the aim was to achieve an even ratio of responses from the two HEIs. According to Table 4.4, the largest group of respondents was from a University of Technology, at 54.9 percent, and the second group represented 45.1 percent from a traditional university. The majority of the respondents were female, representing 61.9 percent and 37.9 percent of the sample were male. One respondent did not answer the question relating to gender, thus representing 0.2 percent of the total sample.

**Table 4.5** Current year of study

	<i>f</i>	%
<b>1<sup>st</sup> Year</b>	177	32.6
<b>2<sup>nd</sup> Year</b>	166	30.6
<b>3<sup>rd</sup> Year</b>	181	33.3
<b>4<sup>th</sup> Year</b>	18	3.3
<b>5<sup>th</sup> Year</b>	1	0.2
<b>N</b>	543	100.0

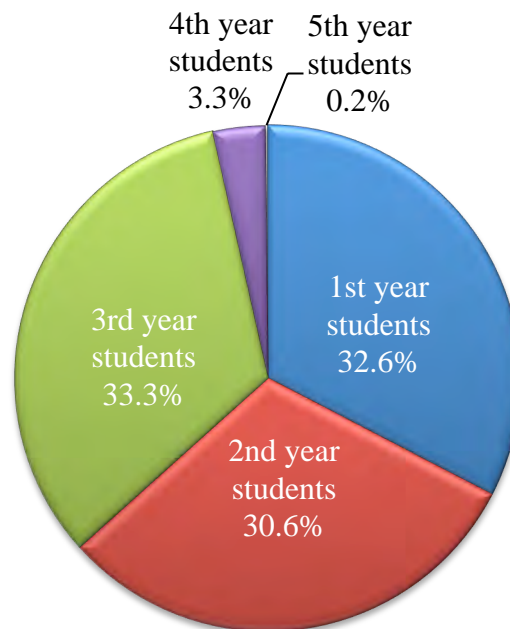
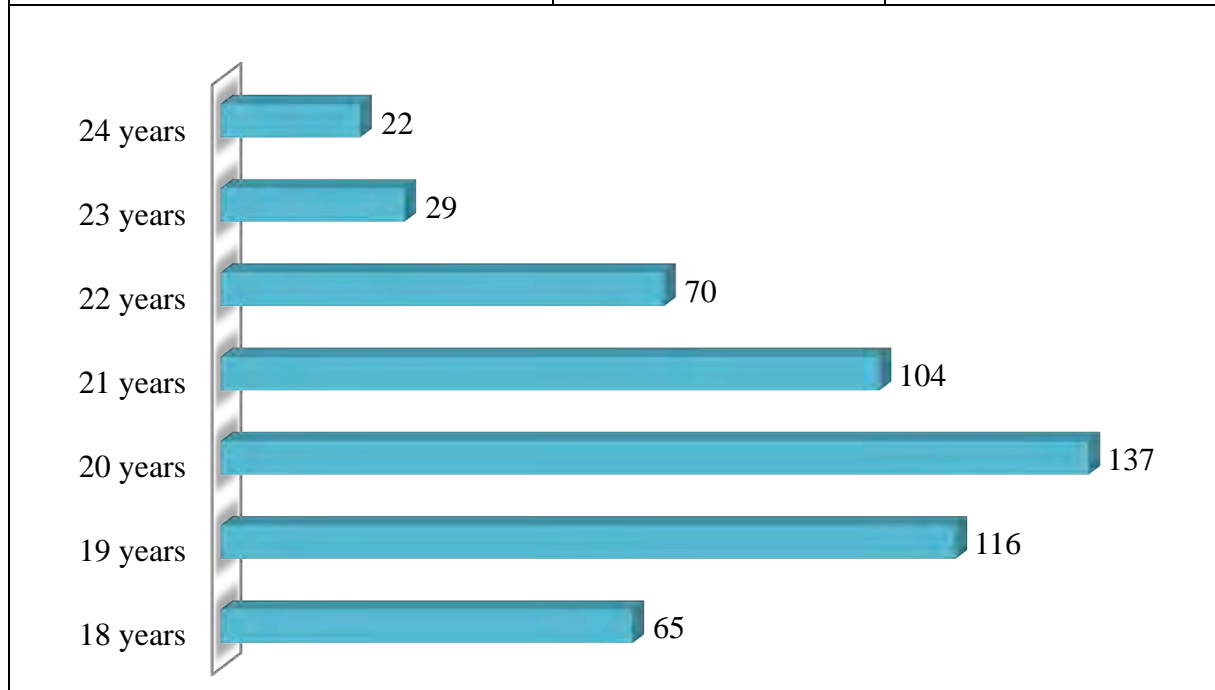


Table 4.5 exemplifies the classification information that relates to the respondents' current year of study. Again, in order to ensure a representative sample, respondents enrolled at different undergraduate levels (Years 1-3) were included in the sample. The largest portion of the sample was students in the third year of study, which represents 33.3 percent, closely followed by the students in the first year of study, with 32.6 percent. The third largest portion of the sample is the second year students, representing 30.6 percent. The historically fourth and fifth year students included in this sample were undergraduate students and therefore included in the total sample.

**Table 4.6** Age

	<i>f</i>	%
<b>18 years</b>	65	12.0
<b>19 Years</b>	116	21.4
<b>20 Years</b>	137	25.2
<b>21 Years</b>	104	19.2
<b>22 Years</b>	70	12.9
<b>23 Years</b>	29	5.3
<b>24 Years</b>	22	4.1
<b>N</b>	543	100.0



The classification information relating to the respondents' age is presented in Table 4.6. As in accordance with the topic of this study, the age of the respondents was used as a screening question to include only those respondents that form part of the Generation Y student sample as defined under the target population in Chapter 3 (refer to Section 3.4.1). As advised by Markert (2004:21), Generation Y consumers are those born between 1986 and 2005 and the student target market of this cohort typically range between the age of 18 to 24 years (Bevan-Dye *et al.*, 2009:180). As can be seen from Table 4.6 all respondents qualified to participate

in the study. The largest portion of the sample was 20 years of age, representing 25.2 percent. The question relating to the respondents' designated group, was used as a filter question to ensure that all the data of the respondents utilised in the study were from black Generation Y students. The data obtained from respondents that were classified under another designated group was discarded due to the nature of the research topic, which focused specifically on black Generation Y students.

**Table 4.7 Living arrangements**

	<i>f</i>	%
<b>On own</b>	64	11.8
<b>With parents</b>	122	22.5
<b>With other students</b>	160	29.5
<b>In the residences</b>	192	35.4
<b>Other</b>	4	0.7
<b>Missing</b>	1	0.2
<b>N</b>	543	100.0

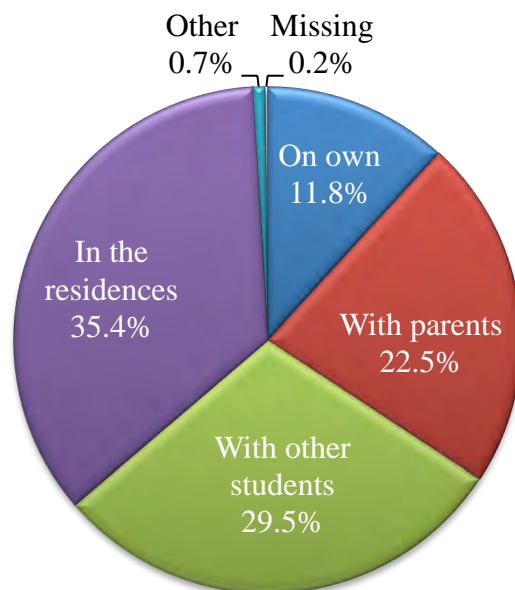
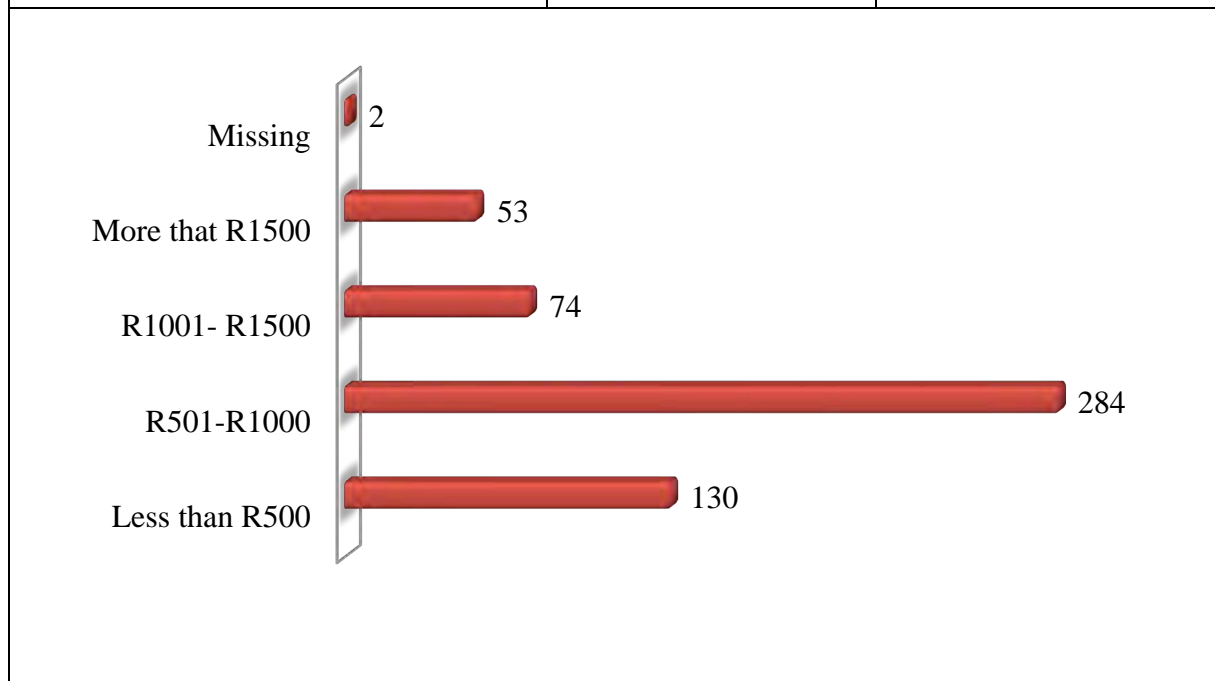


Table 4.7 depicts the classification information regarding the respondents' living arrangements. This question was included to determine whether the respondents differ in their attitudes towards different sales promotion techniques depending on their living arrangements.

The largest portion of the sample, 35.4 percent are staying in the residences, followed by the second largest portion, 29.5 percent, who live with other students. From the sample, 22.5 percent of the respondents indicated that they live with their parents. Furthermore, 11.8 percent indicated that they live on their own and 0.7 percent of the sample selected the 'other' category, which refers to an unlisted category within the survey. From this 0.7 percent, one respondent specified living with her husband, another respondent stated that she lives with her guardians and the other two respondents indicated living with their siblings. The 0.2 percent represents the missing category, of which the respondents did not answer this question.

**Table 4.8 Monthly grocery expenses**

	<i>f</i>	%
<b>Less than R500</b>	130	23.9
<b>R501 – R1000</b>	284	52.3
<b>R1001 – R1500</b>	74	13.6
<b>More than R 1500</b>	53	9.8
<b>Missing</b>	2	0.4
<b>N</b>	543	100.0



The sample's monthly grocery expenses are presented in Table 4.8. This question was included to determine whether the respondents differ in their attitudes towards different sales promotion techniques depending on their monthly grocery expenses. Furthermore, by determining the respondents' average monthly grocery expenses, specific marketing strategies can be developed for this target market. The majority of the sample's (52.3%) monthly grocery expenses fell into the low grocery-expenditure category that ranged from

R501 to R1000. The limited funds spent by this group on groceries may suggest an inability to purchase in large quantities and may indicate a need to rely on promotions in order to stay within a budget. The second largest category, representing 23.9 percent of the total sample includes monthly grocery expenses of R500 or less. Lastly, 0.4 percent of the respondents did not answer this question, which represents the missing category.

In the previous section, the biographical information regarding the sample group included in this study was discussed. The following section will consist of a discussion relating to the results of the reliability and validity of the questionnaire employed for the main survey.

#### **4.4.2 Reliability and validity of the scale**

Reliability measures were conducted to determine if the scale generates consistent results (Malhotra, 2010:318). Validity was calculated to determine whether the scale measures what it is intended to measure (Pallant, 2007:6). A Cronbach alpha value of 0.82 was computed for the overall scale. According to Malhotra (2010:319), a Cronbach alpha value of above 0.6 is acceptable. Nunnally (1978:245) concurs, stating that a value of 0.7 is recommended. As suggested by Pallant (2007:98), the mean average inter-item correlation for the overall scale for testing internal reliability and construct validity, was computed. The inter-item correlation value for the entire scale, 0.186, was within the recommended range of 0.15 to 0.50 (Clark & Watson, 1995:316). This implies that the research instrument used in this study, does measure the students' attitudes towards different sales promotion techniques in relation to LIP buying behaviour. The descriptive statistics on the data follows.

#### **4.4.3 Descriptive statistics**

According to Pallant (2007:53), descriptive statistics include statistics such as the mean, standard deviation, and skewness, used for describing the characteristics of a sample. Table 4.9 presents the descriptive statistics relating to the total sample of this study. The measures of central tendency, referring to the mean, measures of variability, referring to the standard deviation and measures of shape, referring to the skewness and kurtosis are calculated and presented in Table 4.9. The N indicates the number of completed questionnaires. Given that the six-point Likert scale used ranged from the minimum value, 1=strongly disagree to the

maximum value, 6=strongly agree, higher mean values are associated with favourable attitudes towards sales promotion techniques on low involvement products.

**Table 4.9** Descriptive statistics

Item	Valid N	Mean	Standard deviation	Skewness	Kurtosis
B1	543	3.61	1.513	-0.284	-1.052
B2	543	3.41	1.508	0.013	-1.037
B3	543	3.77	1.544	-0.256	-1.054
B4	543	2.89	1.519	0.330	-1.072
B5	543	4.39	1.540	-0.728	-0.567
B6	543	4.27	1.381	-0.738	-0.251
B7	543	3.95	1.436	-0.394	-0.781
B8	543	4.25	1.418	-0.578	-0.556
B9	543	3.19	1.481	0.082	-1.020
B10	543	4.50	1.415	-0.772	-0.307
B11	543	4.60	1.441	-0.944	-0.012
B12	543	4.42	1.468	-0.716	-0.494
B13	543	4.51	1.381	-0.783	-0.180
B14	543	3.83	1.573	-0.323	-0.963
B15	543	4.53	1.504	-0.838	-0.318
B16	543	4.71	1.417	-1.145	0.508
B17	543	4.42	1.532	-0.809	-0.342
B18	543	4.69	1.423	-1.010	0.158
B19	543	3.70	1.625	-0.233	-1.103
B20	543	4.68	1.525	-0.951	-0.249
Technique 1: Coupon	543	3.613	0.871	-0.226	-0.169
Technique 2: Discount	543	4.032	0.801	-0.263	-0.006
Technique 3: Free sample	543	4.378	0.947	-0.550	0.273
Technique 4: BOGOF	543	4.441	0.923	-0.567	0.183

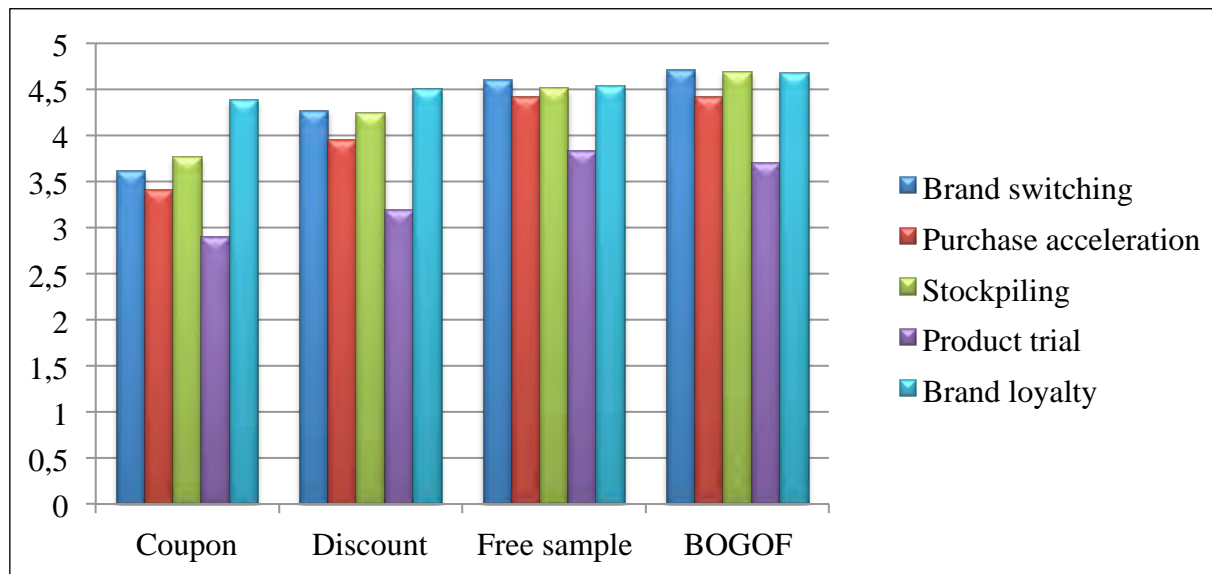
It is evident from Table 4.9; the data for this scale may be classified as normally distributed data since the skewness values fall within the -2 or +2 range. Regarding the peakedness of the data distribution, the kurtosis values indicate a relatively flat distribution. The means for 19 of the 20 items were above three, indicating that the students' attitudes were positive to all four sales promotion techniques. Within the overall scale, BOGOF ranked highest for inducing brand switching (B16) (mean = 4.71), followed by its effect on inducing stockpiling (B18) (mean = 4.69) and inducing brand loyalty (B20) (mean = 4.68). Respondents' attitudes towards free sampling ranked fourth for inducing brand switching (B11) (mean = 4.60), followed by its effect on inducing brand loyalty (B15) (mean = 4.53) and inducing stockpiling (B13) (mean = 4.51). Coupon ranked lowest for inducing product trial (B4) (mean = 2.89), followed by discount's effect on inducing product trial (B9) (mean = 3.19) and coupon's effect on inducing purchase acceleration (B2) (mean = 3.41).

The lowest standard deviations, indicating a lesser dispersion of agreement concerning respondents' attitudes towards the technique, were recorded on the effect of a discount on inducing brand switching (B6) and a free sample inducing stockpiling (B13) (Std. Dev. = 1.381) followed by a discount inducing brand loyalty (B10) (Std. Dev. = 1.415). Higher standard deviations, indicating more dispersion of agreement concerning respondents' attitudes towards the technique, were recorded on the effect of a BOGOF promotion (B19) (Std. Dev. = 1.625) and free sampling (B14) (Std. Dev. = 1.573) on inducing product trial followed by a coupon inducing stockpiling (B3) (Std. Dev. = 1.544).

The means for all four techniques were above three, indicating that the students' attitudes were positive to all four of the sales promotion techniques. Technique 4 (BOGOF), was ranked the highest with a mean value of 4.44, indicating that the respondents' attitudes are most favourable towards this sales promotion technique. Technique 3 (free sample), was ranked the second highest, with a mean of 4.38, followed by Technique 2 (discount) with a mean rating of 4.03. Technique 1 (coupon), was ranked last, with a mean value of 3.61.

Interestingly, when looking at the combined effect of each technique on overall LIP buying behaviour, the standard deviation values recorded are lower than 1, indicating that the respondents are relatively homogenous in their overall attitudes towards these techniques. Technique 3 (free sample), experienced the highest standard deviation (Std. Dev. = 0.947)

and Technique 2 (discount), experienced the lowest standard deviation (Std. Dev. = 0.801) of the four techniques. These low standard deviation values suggest that overall there was a strong agreement amongst the respondents regarding their attitudes towards these sales promotion techniques on low involvement products. The differences between the mean scores of the respondent's attitudes towards different sales promotion techniques effect on consumer buying behaviour are graphically represented in Figure 4.1.



**Figure 4.1 Summary of respondents' attitudes towards sales promotion techniques**

Regarding Technique 1 (coupon) and Technique 2 (discount), respondents' attitudes towards the effect of a coupon (mean = 4.39) and a discount (4.50), on inducing brand loyalty is ranked the highest, while the effect of a coupon (mean = 2.89) and a discount (mean = 3.19) on inducing product trial is ranked the lowest. Regarding Technique 3 (free sample) and Technique 4 (BOGOF), respondents' attitudes towards the effect of a free sample (mean = 4.60) and BOGOF (4.71), on inducing brand switching is ranked the highest, while the effect of a free sample (mean = 3.83) and a BOGOF (mean = 3.70) on inducing product trial is ranked the lowest.

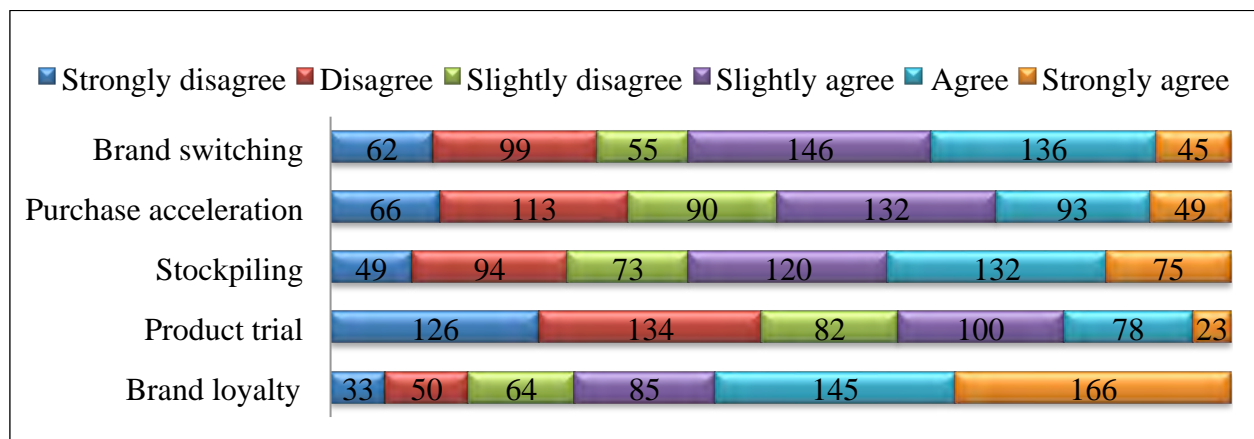
Therefore, in relation to the respondents' attitudes towards the various sales promotion techniques, based on the mean differences presented in Figure 4.1, BOGOF is the most likely sales promotion technique to induce brand switching (mean = 4.71), stockpiling (mean = 4.69) and brand loyalty (mean = 4.68). BOGOF together with free sample offers are the techniques most likely to induce purchase acceleration (mean = 4.42), and free sampling by

itself, is the most likely technique to induce product trial (mean = 3.83). Of all the possible consumer buying behaviour effects induced by sales promotion techniques (refer to Section 2.5.9), product trial was the buying behaviour rated the lowest, and therefore is the least likely to be stimulated. Whereas brand loyalty was the buying behaviour rated the highest, and therefore is the most likely to be stimulated by the sales promotion techniques.

The following section will consist of a discussion relating to the respondents' attitudes towards the different sales promotion techniques.

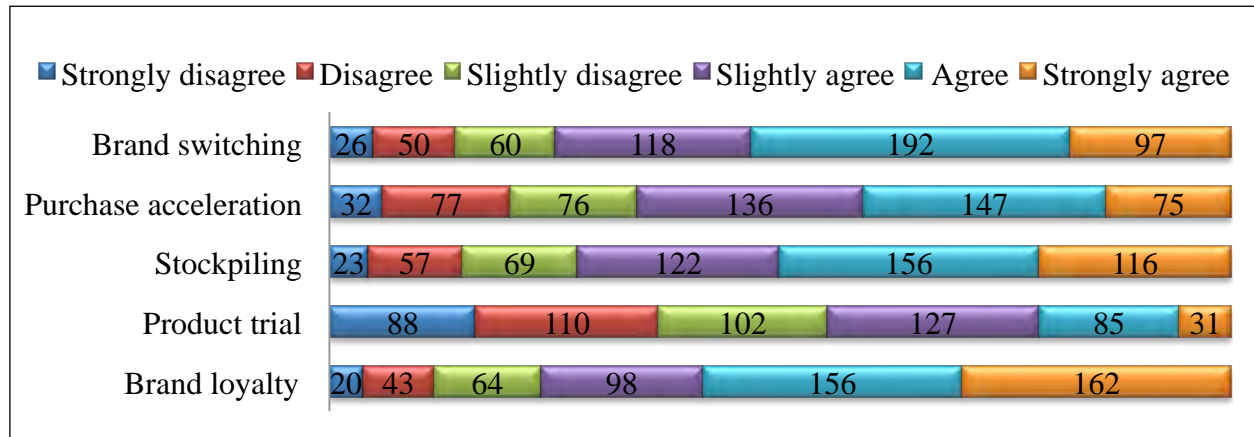
#### 4.4.4 Respondents' attitudes towards sales promotion techniques

In this section, the students' attitudes towards the sales promotion techniques are discussed with reference to the five different consumer buying behaviours (brand switching, purchase acceleration, stockpiling, product trial and brand loyalty).



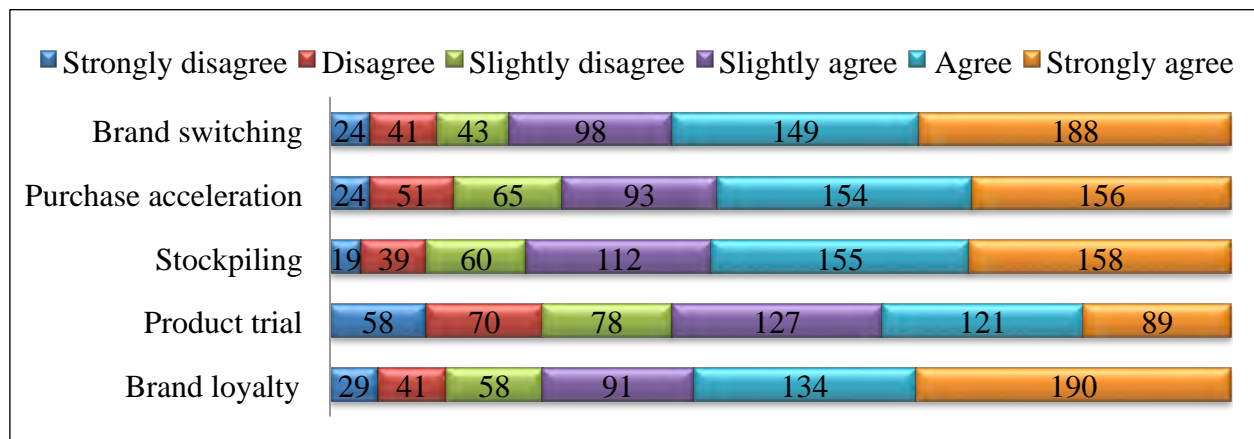
**Figure 4.2** Technique 1: coupon

According to the first empirical objective stated in Chapter 1 (refer to Section 1.3.3), students' attitudes towards using coupons as a consumer sales promotion technique is perceived to be relatively positive. In Figure 4.2 the respondents illustrated that providing coupons will affect their buying behaviour, particularly inducing brand loyalty. Respondents' attitudes towards offering coupons in order to induce product trial, rated the lowest.



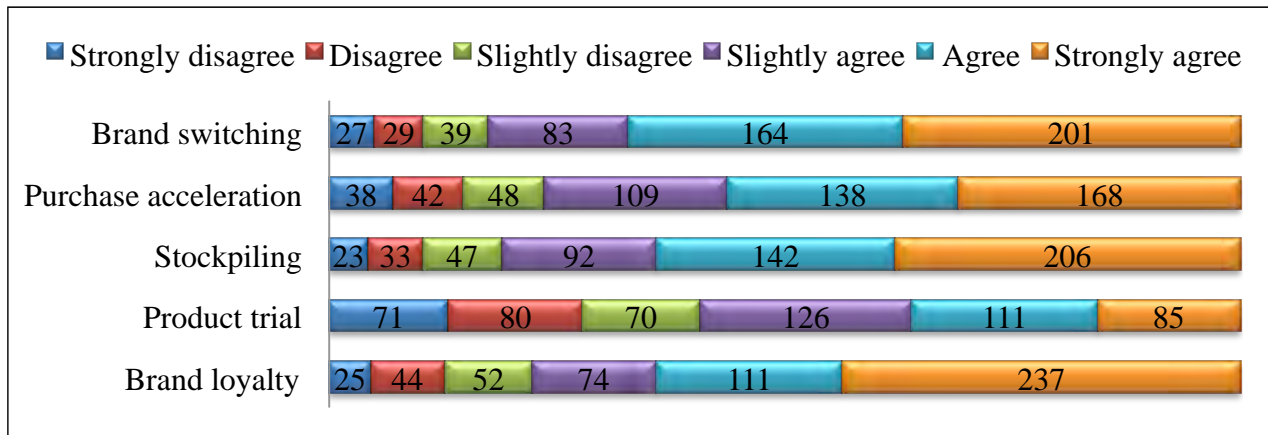
**Figure 4.3** Technique 2: discount

The second empirical objective stated in Chapter 1 (refer to Section 1.3.3), concerning the students' attitudes towards using discounts as a consumer sales promotion technique is perceived to be more favourable than towards coupons. The respondents' attitudes, illustrated in Figure 4.3, indicate that providing discounts will affect their buying behaviour, especially inducing brand loyalty. Respondents' attitudes towards offering discounts in order to induce product trial rated the lowest.



**Figure 4.4** Technique 3: free sample

In accordance with the third empirical objective stated in Chapter 1 (refer to Section 1.3.3), students' attitudes towards using free samples as a consumer sales promotion technique is perceived to be more positive than towards discounts. In Figure 4.4, the respondents' attitudes indicate that providing free sample offers, will affect their buying behaviour, especially inducing brand switching. Respondents' attitudes towards offering free samples in order to induce product trial rated the lowest.



**Figure 4.5**     **Technique 4: BOGOF**

As stated in Chapter 1 (refer to Section 1.3.3), the fourth empirical objective regarding the students' attitudes towards using BOGOF as a consumer sales promotion technique is perceived to be the most popular technique among all the sales promotion techniques in this study. The respondents' attitudes, illustrated in Figure 4.5, indicate that providing BOGOF will affect all their buying behaviour, specifically inducing brand switching. Respondents' attitudes towards offering BOGOF in order to induce product trial rated the lowest.

In the previous section, the descriptive statistics were discussed to determine whether the data was distributed normally. A discussion relating to the reliability and validity analysis, and students' attitudes towards sales promotion techniques was also included. The next section will relate to the hypotheses testing conducted in this study.

## 4.5            HYPOTHESES TESTING

A hypothesis is a statement made regarding a specific population, which will be tested by means of an empirical study and then be accepted or rejected (Boyce, 2002:455). The hypotheses testing thus involved a comparative analysis, in the form of t-tests, conducted in order to determine the degree of difference, or no difference on the respondents' attitudes towards sales promotion techniques inducing consumer buying behaviours. Significance tests were used to determine whether the results obtained from this study's sample are consistent with the hypotheses outlined.

The level of significance, for significant testing is regularly set at 5 percent, signified as  $\alpha = 0.05$  (Kolb, 2008:259; Malhotra, 2010:492). The decision rules applicable as outlined by Pallant (2007:235), are used and are as follows:

If P-value  $> \alpha$ , then conclude  $H_0$

If P-value  $\leq \alpha$ , then conclude  $H_a$

In addition to the significance tests undertaken, Cohen's D calculations were computed in order to determine whether there were any practically significant differences in the means between the students' attitudes towards the different sales promotion techniques on consumer buying behaviour. The guidelines suggested by Pallant (2007:208) are employed for the purpose of determining the strength of the various effect sizes:

- $0.20 \leq d < 0.50$  – small effect, practically non-significant;
- $0.50 \leq d < 0.80$  – medium effect, points towards being practically significant;
- $0.80 \leq d$  – large effect and the results are practically significant.

The subsequent sections represent the results obtained from the tests undertaken for determining the statistical significant differences and practical significant differences among the students' attitudes towards four sales promotion techniques. Paired sample t-tests were used to examine if there is a difference between students attitudes towards four sales promotion techniques influencing five buying behaviours.

#### **4.5.1 Mean differences between sales promotion techniques inducing brand switching**

This section analyses whether there are significant statistical and practical differences between respondents' attitudes towards different sales promotion techniques (coupon, discount, free sample, BOGOF) on LIPs concerning brand switching. The hypotheses are formulated as follows:

*Ho1:* There is no significant difference between students' attitudes towards (a) coupons, (b) discounts, (c) free samples, and (d) BOGOF, on LIPs concerning brand switching.

*Ha1:* There is a significant difference between students' attitudes towards (a) coupons (b) discounts, (c) free samples, and (d) BOGOF, on LIPs concerning brand switching.

Table 4.10 reports on the findings regarding the statistical and practical significance differences between the respondents' attitudes towards the different sales promotion techniques (coupon, discount, free sample, BOGOF) inducing brand switching.

**Table 4.10: Mean differences: brand switching**

	Technique	Mean	Technique	Mean	Std. Deviation	T statistic	N	p-value	Cohen's D
Pair 1	Coupon	3.61	Discount	4.27	1.503	-10.305	543	0.000*	0.44**
Pair 2	Coupon	3.61	Free Sample	4.60	1.823	-12.733	543	0.000*	0.66***
Pair 3	Coupon	3.61	BOGOF	4.71	1.633	-15.791	543	0.000*	0.73****
Pair 4	Discount	4.27	Free sample	4.60	1.692	-4.564	543	0.000*	0.23**
Pair 5	Discount	4.27	BOGOF	4.71	1.362	-7.560	543	0.000*	0.31**
Pair 6	Free Sample	4.60	BOGOF	4.71	1.654	-1.556	543	0.120	*****

\* Statistically significant at  $p < 0.05$   
 \*\* Small effect, practically non-significant  
 \*\*\* Medium effect and moving toward practical significance  
 \*\*\*\* Large effect, practically significant  
 \*\*\*\*\* Cohen's d-statistic not calculated as the variable was not statistically significant

Table 4.10 reflects statistically significant differences between students' attitudes towards being offered a coupon and a discount (Pair 1), a coupon and a free sample (Pair 2), a coupon and a BOGOF promotion (Pair 3), a discount and a free sample (Pair 4), and a discount and a BOGOF promotion (Pair 5) for inducing brand switching ( $p=0.000<0.05$ ) on LIPs. For these pairs the null hypothesis ( $H_0$ ) is rejected and the alternative ( $H_a$ ) is concluded. For BOGOF and free sample (Pair 6), the null hypothesis cannot be rejected, as there is no significant statistical difference between students' attitudes when offered a free sample and a BOGOF promotion in encouraging brand switching. This indicates that the students are in agreement and thus suggests that BOGOF and free sample promotions are suitable for inducing brand switching on LIPs among the black Generation Y student target market.

Cohen's D calculations were computed for determining the practically significant differences in the attitudes towards sales promotion techniques for inducing brand switching. There is a medium effect, moving toward practical significance on offering a coupon and a free sample (Pair 2) ( $D=0.66$ ) and a coupon and a BOGOF promotion (Pair 3) ( $D=0.73$ ). For the remaining items, relating to possibly inducing brand switching, the differences between the mean scores of the different promotional techniques are practically non-significant and the null hypothesis cannot be rejected for these items.

#### **4.5.2 Mean differences between sales promotion techniques inducing purchase acceleration**

This section analyses whether there are significant statistical and practical differences between respondents' attitudes towards different sales promotion techniques (coupon, discount, free sample, BOGOF) on LIPs concerning purchase acceleration. The hypotheses are formulated as follows:

*H<sub>02</sub>*: There is no significant difference between students' attitudes towards (a) coupons, (b) discounts, (c) free samples, and (d) BOGOF, on LIPs concerning purchase acceleration.

*H<sub>a2</sub>*: There is a significant difference between students' attitudes towards (a) coupons, (b) discounts, (c) free samples, and (d) BOGOF, on LIPs concerning purchase acceleration.

The findings regarding the statistical and practical differences between the respondents' attitudes towards the different sales promotion techniques (coupon, discount, free sample, BOGOF) inducing purchase acceleration are presented in Table 4.11.

**Table 4.11: Mean differences: purchase acceleration**

	Technique	Mean	Technique	Mean	Std. Deviation	T statistic	N	p-value	Cohen's D
Pair 1	Coupon	3.41	Discount	3.95	1.412	-8.935	543	0.000*	0.36**
Pair 2	Coupon	3.41	Free Sample	4.42	1.657	-14.241	543	0.000*	0.67***
Pair 3	Coupon	3.41	BOGOF	4.42	1.711	-13.823	543	0.000*	0.66***
Pair 4	Discount	3.95	Free sample	4.42	1.497	-7.337	543	0.000*	0.32**
Pair 5	Discount	3.95	BOGOF	4.42	1.414	-7.801	543	0.000*	0.31**
Pair 6	Free Sample	4.42	BOGOF	4.42	1.507	-0.028	543	0.977	*****

\* Statistically significant at  $p < 0.05$   
\*\* Small effect, practically non-significant  
\*\*\* Medium effect and moving toward practical significance  
\*\*\*\* Large effect, practically significant  
\*\*\*\*\* Cohen's d-statistic not calculated as the variable was not statistically significant

Table 4.11 reflects statistically significant differences between students' attitudes towards being offered a coupon and a discount (Pair 1), a coupon and a free sample (Pair 2), a coupon and a BOGOF promotion (Pair 3), a discount and a free sample (Pair 4), and a discount and BOGOF (Pair 5) for inducing purchase acceleration ( $p=0.000<0.05$ ) on LIPs. For these pairs the null hypothesis ( $H_0$ ) is rejected and the alternative  $H_a$  is concluded. This suggests that offering a BOGOF promotion and a free sample (Pair 6) is suitable for inducing purchase acceleration on LIPs among the black Generation Y target market. For these two techniques (Pair 6), the null hypothesis cannot be rejected as there is no significant statistical difference between offering a free sample and BOGOF in encouraging purchase acceleration.

Cohen's D calculations were computed for determining the practically significant differences found in the attitudes towards sales promotion techniques concerning purchase acceleration. There is a medium effect, moving towards practical significance on offering a coupon and a free sample (Pair 2) ( $D= 0.67$ ) and a coupon and a BOGOF promotion (Pair 3) ( $D=0.66$ ). The differences between the mean scores of the remaining items, possibly inducing purchase acceleration, are practically non-significant and the null hypothesis cannot be rejected for these items.

### 4.5.3 Mean differences between sales promotion techniques inducing stockpiling

This section analyses whether there are statistically significant and practical significant differences between respondents' attitudes towards different sales promotion techniques (coupon, discount, free sample, BOGOF) on LIPs concerning stockpiling. The hypotheses are formulated as follows:

*Ho3:* There is no significant difference between students' attitudes towards (a) coupons, (b) discounts, (c) free samples, and (d) BOGOF, on LIPs concerning stockpiling.

*Ha3:* There is a significant difference between students' attitudes towards (a) coupons, (b) discounts, (c) free samples, and (d) BOGOF, on LIPs concerning stockpiling.

Table 4.12 reports on the findings regarding the statistical and practical significant differences between the respondents' attitudes towards the different sales promotion techniques (coupon, discount, free sample, BOGOF) inducing stockpiling.

**Table 4.12: Mean differences: stockpiling**

	Technique	Mean	Technique	Mean	Std. Deviation	T statistic	N	p-value	Cohen's D
Pair 1	Coupon	3.41	Discount	4.25	1.328	-8.468	543	0.000*	0.31**
Pair 2	Coupon	3.41	Free Sample	4.51	1.486	-11.612	543	0.000*	0.48**
Pair 3	Coupon	3.41	BOGOF	4.69	1.642	-13.016	543	0.000*	0.59***
Pair 4	Discount	3.95	Free sample	4.51	1.358	-4.423	543	0.000*	0.18**
Pair 5	Discount	3.95	BOGOF	4.69	1.335	-7.588	543	0.000*	0.31**
Pair 6	Free Sample	4.42	BOGOF	4.69	1.312	-3.140	543	0.002*	0.12**

\* Statistically significant at  $p < 0.05$

\*\* Small effect, practically non-significant

\*\*\* Medium effect and moving toward practical significance

\*\*\*\* Large effect, practically significant

\*\*\*\*\* Cohen's d-statistic not calculated as the variable was not statistically significant

Table 4.12 reflects statistically significant differences between students' attitudes towards all four sales promotion techniques, namely a coupon and a discount (Pair 1), a coupon and a

free sample (Pair 2), a coupon and a BOGOF promotion (Pair 3), a discount and a free sample (Pair 4), a discount and a BOGOF promotion (Pair 5) ( $p=0.000<0.05$ ) and a free sample and a BOGOF promotion (Pair 6) ( $p=0.002<0.05$ ) for inducing stockpiling on LIPs. For these pairs the null hypothesis ( $H_0$ ) is rejected and the alternative ( $H_a$ ) is concluded. This suggests that the respondents differ significantly in their attitudes towards all of the four sales promotion techniques for inducing stockpiling on LIPs.

Cohen's D calculations were computed for determining the practically significant differences found in the attitudes towards the sales promotion techniques for inducing stockpiling. There is a medium effect, moving towards practical significance on students' attitudes towards being offered a coupon and a BOGOF promotion (Pair 3) ( $D=0.59$ ). For the remaining items possibly inducing stockpiling, the differences between the mean scores of the different promotional techniques are practically non-significant and the null hypothesis cannot be rejected for these items.

#### **4.5.4 Mean differences between sales promotion techniques inducing product trial**

This section analyses whether there are significant statistical and practical differences between respondents' attitudes towards the different sales promotion techniques (coupon, discount, free sample, BOGOF) on LIPs concerning product trial. The hypotheses are formulated as follows:

*H<sub>0</sub>4:* There is no significant difference between students' attitudes towards (a) coupons, (b) discounts, (c) free samples, and (d) BOGOF, on LIPs concerning product trial.

*H<sub>a</sub>4:* There is a significant difference between students' attitudes towards (a) coupons, (b) discounts, (c) free samples, and (d) BOGOF, on LIPs concerning product trial.

The findings regarding the statistical and practical differences between the respondents' attitudes towards the different sales promotion techniques (coupon, discount, free sample, BOGOF) inducing product trial are presented in Table 4.13.

**Table 4.13: Mean differences: product trial**

	Technique	Mean	Technique	Mean	Std. Deviation	T statistic	N	p-value	Cohen's D
Pair 1	Coupon	3.41	Discount	3.19	1.265	-5.599	543	0.000*	0.20**
Pair 2	Coupon	3.41	Free Sample	3.83	1.571	-13.956	543	0.000*	0.60***
Pair 3	Coupon	3.41	BOGOF	3.70	1.666	-11.386	543	0.000*	0.50***
Pair 4	Discount	3.95	Free sample	3.83	1.432	-10.368	543	0.000*	0.40**
Pair 5	Discount	3.95	BOGOF	3.70	1.406	-8.454	543	0.000*	0.31**
Pair 6	Free Sample	4.42	BOGOF	3.70	1.427	2.075	543	0.039*	0.08**

\* Statistically significant at  $p < 0.05$   
\*\* Small effect, practically non-significant  
\*\*\* Medium effect and moving toward practical significance  
\*\*\*\* Large effect, practically significant  
\*\*\*\*\* Cohen's d-statistic not calculated as the variable was not statistically significant

Table 4.13 reflects statistically significant differences between students' attitudes towards all four sales promotion techniques, namely a coupon and a discount (Pair 1), a coupon and a free sample (Pair 2), a coupon and a BOGOF promotion (Pair 3), a discount and a free sample (Pair 4), a discount and a BOGOF promotion (Pair 5) ( $p=0.000<0.05$ ), and a free sample and a BOGOF promotion (Pair 6) ( $p=0.039<0.05$ ) for inducing product trial on LIPs. For these pairs the null hypothesis ( $H_0$ ) is rejected and the alternative ( $H_a$ ) is concluded. This suggests that the respondents differ significantly in their attitudes towards all of the four sales promotion techniques for inducing product trial on LIPs. This is consistent with the results on the possible consumer buying behaviour effects induced by sales promotion techniques, where product trial is the buying behaviour rated the least likely to be stimulated by the various sales promotion techniques (refer to Section 4.4.2).

Cohen's D calculations were computed for determining the practically significant differences found in the attitudes to sales promotion techniques for inducing product trial. There is a medium effect, moving towards practical significance on offering a coupon and a free sample (Pair 2) ( $D=0.60$ ), and a coupon and a BOGOF promotion (Pair 3) ( $D=0.50$ ). For the remaining items, relating to possibly inducing product trial, the differences between the mean scores of the different promotional techniques are practically non-significant and the null hypothesis cannot be rejected for these items.

#### 4.5.5 Mean differences between sales promotion techniques inducing brand loyalty

This section analyses whether there are significant statistical and practical differences between respondents' attitudes towards the different sales promotion techniques (coupon, discount, free sample, BOGOF) on LIPs concerning brand loyalty. The hypotheses are formulated as follows:

*Ho5:* There is no significant difference between students' attitudes towards (a) coupons, (b) discounts, (c) free samples, and (d) BOGOF, on LIPs concerning brand loyalty.

*Ha5:* There is a significant difference between students' attitudes towards (a) coupons, (b) discounts, (c) free samples, and (d) BOGOF, on LIPs concerning brand loyalty.

Table 4.14 reports on the findings regarding the statistical and practical differences between the respondents' attitudes towards the different sales promotion techniques (coupon, discount, free sample, BOGOF) inducing brand loyalty.

**Table 4.14: Mean differences: brand loyalty**

	Technique	Mean	Technique	Mean	Std. Deviation	T statistic	N	p-value	Cohen's D
Pair 1	Coupon	3.41	Discount	4.50	1.264	-1.901	543	0.058	*****
Pair 2	Coupon	3.41	Free Sample	4.53	1.525	-2.054	543	0.040*	0.09**
Pair 3	Coupon	3.41	BOGOF	4.68	1.578	-4.243	543	0.000*	0.19**
Pair 4	Discount	3.95	Free sample	4.53	1.276	-.572	543	0.568	*****
Pair 5	Discount	3.95	BOGOF	4.68	1.319	-3.252	543	0.001*	0.12**
Pair 6	Free Sample	4.42	BOGOF	4.68	1.244	-2.864	543	0.004*	0.10**

\* Statistically significant at  $p < 0.05$

\*\* Small effect, practically non-significant

\*\*\* Medium effect and moving toward practical significance

\*\*\*\* Large effect, practically significant

\*\*\*\*\* Cohen's d-statistic not calculated as the variable was not statistically significant

Table 4.14 reflects statistically significant differences between students' attitudes towards being offered a coupon and a free sample (Pair 2) ( $p=0.04 < 0.05$ ), a coupon and a BOGOF

promotion (Pair 3) ( $p=0.000<0.05$ ), a discount and a BOGOF promotion (Pair 5) ( $p=0.001<0.05$ ), and a free sample and a BOGOF promotion (Pair 6) ( $p=0.004<0.05$ ) for inducing brand loyalty on LIPs. For these pairs the null hypothesis ( $H_0$ ) is rejected and the alternative ( $H_a$ ) is concluded. This suggests that offering a coupon and a discount (Pair 1) and a discount and a free sample (Pair 4) is suitable for inducing brand loyalty among the black Generation Y student target market. For these techniques (Pair 1); (Pair 4), the null hypothesis cannot be rejected as there is no significant statistical difference between offering a coupon and a discount (Pair 1); and a discount and a free sample (Pair 4) in encouraging brand loyalty. This is consistent with the results on the possible consumer buying behaviour effects induced by sales promotion techniques, where brand loyalty is the buying behaviour rated the most likely to be stimulated by the various sales promotion techniques (refer to Section 4.4.2).

Cohen's D calculations were computed for determining the practically significant differences in the attitudes towards sales promotion techniques concerning brand loyalty. For all the items possibly inducing brand loyalty, the differences between the mean scores of the different promotional techniques are practically non-significant and the null hypothesis cannot be rejected. The following section discusses the statistical analyses undertaken to determine the attitude differences among students with different living arrangements and different monthly grocery expenses.

#### **4.5.6 One-way analysis of variance**

The extent to which the aforementioned differences in mean scores among students with different living arrangements and different monthly grocery expenses are significant, was investigated by undertaking an analysis of variance (ANOVA). One-way ANOVA was applied to investigate differences in the means of numerous dependent categories and one independent category (Malhotra, 2010:532). One-way ANOVA was used to determine whether there are any differences between students' attitudes towards sales promotion techniques among the different categories of monthly grocery expenses and the students' living arrangements, at a confidence level of 95 percent.

#### 4.5.6.1 ANOVA and effect of living arrangements on students' attitudes

This section analyses whether there is a significant difference regarding respondents' attitudes towards different sales promotion techniques and their effect on different buying behaviours based on the respondents' different living arrangements. The hypotheses are formulated as follows:

*Ho6:* There is no significant difference between students with different living arrangements' attitudes towards (a) coupons, (b) discounts, (c) free samples and (d) BOGOF and their effect on different LIP buying behaviours.

*Ha6:* There is a significant difference between students with different living arrangements' attitudes towards (a) coupons, (b) discounts, (c) free samples and (d) BOGOF and their effect on different LIP buying behaviours.

Table 4.15 reports on the findings regarding the statistical differences between the respondents' attitudes.

**Table 4.15: Effects of living arrangements on buying behaviour**

Technique		Sum of Squares	df	Mean Square	F-ratio	Sig
Coupon (B1)	Between Groups	7.322	3	2.441	1.059	0.366
	Within Groups	1231.139	534	2.306		
	Total	1238.461	537			
Discount (B6)	Between Groups	9.946	3	3.315	1.731	0.160
	Within Groups	1022.889	534	1.916		
	Total	1032.835	537			
Free sample (B11)	Between Groups	2.440	3	.813	.393	0.758
	Within Groups	1104.915	534	2.069		
	Total	1107.355	537			
BOGOF (B16)	Between Groups	7.007	3	2.336	1.156	0.326
	Within Groups	1079.337	534	2.021		
	Total	1086.344	537			
Coupon (B2)	Between Groups	4.308	3	1.436	.629	0.597
	Within Groups	1219.357	534	2.283		
	Total	1223.665	537			
Discount (B7)	Between Groups	3.803	3	1.268	.612	0.608
	Within Groups	1106.524	534	2.072		
	Total	1110.327	537			

**Table 4.15: Effects of living arrangements on buying behaviour (continued...)**

Technique		Sum of Squares	df	Mean Square	F-ratio	Sig
Free sample (B12)	Between Groups	3.873	3	1.291	.602	0.614
	Within Groups	1145.800	534	2.146		
	Total	1149.673	537			
BOGOF (B17)	Between Groups	17.513	3	5.838	2.492	0.059
	Within Groups	1251.054	534	2.343		
	Total	1268.567	537			
Coupon (B3)	Between Groups	12.937	3	4.312	1.819	0.143
	Within Groups	1265.741	534	2.370		
	Total	1278.678	537			
Discount (B8)	Between Groups	.606	3	.202	.100	0.960
	Within Groups	1079.515	534	2.022		
	Total	1080.121	537			
Free sample (B13)	Between Groups	4.764	3	1.588	.842	0.471
	Within Groups	1007.585	534	1.887		
	Total	1012.349	537			
BOGOF (B18)	Between Groups	12.498	3	4.166	2.078	0.102
	Within Groups	1070.664	534	2.005		
	Total	1083.162	537			
Coupon (B4)	Between Groups	5.867	3	1.956	.846	0.469
	Within Groups	1235.094	534	2.313		
	Total	1240.961	537			
Discount (B9)	Between Groups	4.461	3	1.487	.672	0.569
	Within Groups	1180.820	534	2.211		
	Total	1185.281	537			
Free sample (B14)	Between Groups	6.936	3	2.312	.933	0.424
	Within Groups	1323.341	534	2.478		
	Total	1330.277	537			
BOGOF (B19)	Between Groups	2.182	3	.727	.273	0.845
	Within Groups	1425.433	534	2.669		
	Total	1427.615	537			
Coupon (B5)	Between Groups	1.032	3	.344	.144	0.933
	Within Groups	1274.246	534	2.386		
	Total	1275.279	537			
Discount (B10)	Between Groups	8.558	3	2.853	1.416	0.237
	Within Groups	1075.935	534	2.015		
	Total	1084.493	537			
Free sample (B15)	Between Groups	13.799	3	4.600	2.054	0.105
	Within Groups	1195.881	534	2.239		
	Total	1209.680	537			
BOGOF (B20)	Between Groups	10.941	3	3.647	1.571	0.195
	Within Groups	1239.342	534	2.321		
	Total	1250.283	537			

\* Significant at  $p < 0.05$

The respondents that did not provide an answer to the demographic question relating to the living arrangements, or selected the 'other' category were excluded when conducting the ANOVA on the effect of living arrangements. As represented in Table 4.15, there was found to be no significant difference between the groups with different living arrangements, with  $p\text{-values} > 0.05$ . Therefore,  $H_{a6}$  is rejected and  $H_{o6}$  concluded. This suggests that students with different living arrangements do not have significant attitude differences towards the four sales promotion techniques inducing the five buying behaviours.

#### 4.5.6.2 ANOVA and effect of monthly grocery expenses on students' attitudes

This section analyses whether there is a significant difference concerning respondents' attitudes towards different sales promotion techniques and their effect on different buying behaviours based on the respondents' monthly grocery expenses. The hypotheses are formulated as follows:

*H<sub>o7</sub>*: There is no significant difference between students with different monthly grocery expenses' attitudes towards (a) coupons, (b) discounts, (c) free samples and (d) BOGOF and their effect on different LIP buying behaviours.

*H<sub>a7</sub>*: There is a significant difference between students with different monthly grocery expenses' attitudes towards (a) coupons, (b) discounts, (c) free samples and (d) BOGOF and their effect on different LIP buying behaviours.

Table 4.16 reports on these findings regarding the statistical differences between the respondents' attitudes.

**Table 4.16: Effects of monthly grocery expenses on buying behaviour**

Technique		Sum of Squares	df	Mean Square	F-ratio	Sig
Coupon (B1)	Between Groups	10.086	3	3.362	1.470	0.222
	Within Groups	1228.398	537	2.288		
	Total	1238.484	540			
Discount (B6)	Between Groups	4.894	3	1.631	.853	0.465
	Within Groups	1026.618	537	1.912		
	Total	1031.512	540			
Free sample (B11)	Between Groups	7.987	3	2.662	1.279	0.281
	Within Groups	1117.569	537	2.081		
	Total	1125.556	540			
BOGOF (B16)	Between Groups	18.858	3	6.286	3.197	0.023*
	Within Groups	1055.996	537	1.966		
	Total	1074.854	540			
Coupon (B2)	Between Groups	6.421	3	2.140	.940	0.421
	Within Groups	1222.481	537	2.277		
	Total	1228.902	540			
Discount (B7)	Between Groups	4.740	3	1.580	.771	0.510
	Within Groups	1100.196	537	2.049		
	Total	1104.935	540			
Free sample (B12)	Between Groups	8.278	3	2.759	1.284	0.279
	Within Groups	1153.788	537	2.149		
	Total	1162.067	540			
BOGOF (B17)	Between Groups	23.384	3	7.795	3.384	0.018*
	Within Groups	1236.835	537	2.303		
	Total	1260.218	540			
Coupon (B3)	Between Groups	14.898	3	4.966	2.100	0.099
	Within Groups	1269.590	537	2.364		
	Total	1284.488	540			
Discount (B8)	Between Groups	2.457	3	.819	.405	0.750
	Within Groups	1086.353	537	2.023		
	Total	1088.810	540			
Free sample (B13)	Between Groups	6.996	3	2.332	1.220	0.302
	Within Groups	1026.198	537	1.911		
	Total	1033.194	540			
BOGOF (B18)	Between Groups	10.322	3	3.441	1.711	0.164
	Within Groups	1079.508	537	2.010		
	Total	1089.830	540			
Coupon (B4)	Between Groups	4.285	3	1.428	.618	0.604
	Within Groups	1241.497	537	2.312		
	Total	1245.782	540			
Discount (B9)	Between Groups	4.917	3	1.639	.745	0.526
	Within Groups	1181.705	537	2.201		
	Total	1186.621	540			

**Table 4.16: Effects of monthly grocery expenses on buying behaviour (continued...)**

Technique		Sum of Squares	df	Mean Square	F-ratio	Sig
Free sample (B14)	Between Groups	8.311	3	2.770	1.117	0.341
	Within Groups	1331.357	537	2.479		
	Total	1339.667	540			
BOGOF (B19)	Between Groups	6.170	3	2.057	.776	0.508
	Within Groups	1423.719	537	2.651		
	Total	1429.889	540			
Coupon (B5)	Between Groups	1.629	3	.543	.228	0.877
	Within Groups	1281.077	537	2.386		
	Total	1282.706	540			
Discount (B10)	Between Groups	3.828	3	1.276	.635	0.593
	Within Groups	1079.421	537	2.010		
	Total	1083.250	540			
Free sample (B15)	Between Groups	4.773	3	1.591	.702	0.551
	Within Groups	1217.973	537	2.268		
	Total	1222.747	540			
BOGOF (B20)	Between Groups	7.882	3	2.627	1.134	0.335
	Within Groups	1244.698	537	2.318		
	Total	1252.580	540			

\* Significant at  $p < 0.05$

The respondents that did not provide an answer to the demographic question relating to their monthly grocery expenses were excluded when conducting the ANOVA on monthly grocery expenses. As indicated in Table 4.16, statistically differences were found among BOGOF, inducing brands switching (B16) ( $p=0.023<0.05$ ) and purchase acceleration (B17) ( $p=0.018<0.05$ ), thus rejecting  $H_0$  and supporting  $H_a$ . For the remaining items, the null hypothesis ( $H_0$ ) cannot be rejected, as there are found to be no statistically significant differences. The statistical differences found among BOGOF in inducing brand switching and purchase acceleration were investigated further with a Tukey HSD test. The purpose of using the Tukey HSD test was to determine where the specific variances lay.

The Tukey HSD test (Annexure D) indicates that in the case of BOGOF's effect on inducing brand switching and purchase acceleration, statistically significant differences were found between two demographic categories with significance values of  $p<0.05$ . This indicates that there are attitude differences towards BOGOF concerning brand switching (B16) ( $p=0.04<0.05$ ) and purchase acceleration (B17) ( $p=0.02<0.05$ ), between students with

monthly grocery expenses of less than R500 and those with a monthly grocery expenditure of between R501 and R1000. The demographic category of students with monthly grocery expenses of less than R500, account for the majority of the variance in students' attitudes towards BOGOF for both brand switching and purchase acceleration.

#### **4.6 SYNOPSIS**

This chapter embodied the results obtained from the empirical portion of the study. Section 4.2 depicts the results relating to the pilot test of the study with reference to reliability and validity analysis. The following section, Section 4.3, consists of preliminary data analysis with reference to the coding, tabulation and data gathering process. The descriptive analysis was presented in Section 4.4, with reference to the demographic information, reliability and validity of the scale, descriptive statistics and the respondents' attitudes towards sales promotion techniques.

In Section 4.5, T-tests and ANOVA were used to test the hypotheses developed for this study. For the measurement of students' attitude differences between four sales promotion techniques concerning five buying behaviours, T-tests were employed. ANOVA was used for the measurement of attitude differences towards different sales promotion techniques and their effect on different buying behaviours, based on the respondents' living arrangements and monthly grocery expenses.

The subsequent chapter, Chapter 5, provides an overview of the study with reference to the contributions of the study, recommendations, limitations and opportunities for future research. It also includes an overall conclusion regarding this study.

## CHAPTER 5

### RECOMMENDATIONS AND CONCLUSIONS

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#### 5.1 INTRODUCTION

Sales promotion activities have increased over time due to a highly competitive market. Marketers and retailers are forced to increase their sales promotion expenditure to compete for distribution channel power and retail shelf space. Retailers and manufacturers further experience increased pressure to attract consumers in order to maintain or increase their market share. An increased selection of products and brands available on the market, has further led to a market of consumers who are price sensitive, tend to focus on value seeking, and therefore respond favourably to sales promotions that offer value saving opportunities (Chapter 2).

Retailers and manufacturers aim to increase profit through sales, whereby different retailers and manufacturers have to compete for the same consumers, thus requiring effective marketing strategies. With the FMCG sector being one of the largest industries worldwide, and manufacturers and retailers becoming aware of the fierce competition in the retail sector, marketers are continuously challenged to implement competitive marketing strategies with the view of improving brand awareness and brand loyalty. In order to be successful in a highly competitive market, marketers should have a clear understanding of consumers' expectations and needs (Section 1.1). In addition, marketers need to know what will influence consumer buying behaviour, of which sales promotions prove to be an effective technique. Achieving promotional objectives, requires retailers and manufacturers to focus on combining the right product and sales promotions as they may influence the growth rate in market demand. Determining and implementing the preferred sales promotion techniques is critical to achieving the company's promotional objectives, therefore the retailer or manufacturer should determine and invest in those techniques deemed valuable to the specific target segment.

The various sales promotion techniques and the recommended uses of each, for inducing specific consumer buying behaviours are presented in Section 5.4. In Section 5.5, the

contributions of the study are discussed, followed by an outline of the study's limitations and future research opportunities (Section 5.6), and the concluding remarks (Section 5.7). Included in this chapter are an overview of the study (Section 5.2) and the main findings of the study (Section 5.3).

## **5.2 OVERVIEW OF THE STUDY**

Insights derived from the previous four chapters are required in order to provide impartial recommendations on the study. The primary objective of the study, as formulated in Chapter 1, is reviewed in Section 5.2.1, followed by the theoretical objectives in Section 5.2.2 and the empirical objectives in Section 5.2.3.

The purpose of Chapter 1 was to introduce the study as well as to outline the problem statement. Furthermore, the objectives and the design of the study were formulated in Chapter 1.

The objectives of the study were as follows (Section 1.3):

### **5.2.1 Primary objective**

The main purpose of this study was to analyse black Generation Y students' attitudes towards different sales promotion techniques in relation to LIP buying behaviour.

### **5.2.2 Theoretical objectives**

In order to achieve the primary objective, the following theoretical objectives were formulated for the study:

- Outline the fundamental principles of marketing
- Conduct a review of the relevant literature pertaining to marketing communication
- Conduct a review of the relevant sales promotion literature
- Conduct a review of the different types of sales promotion techniques
- Gain an understanding of the factors influencing the sales promotion strategy

- Acquire an understanding of the effect of sales promotion techniques on consumer buying behaviour
- Conduct a literature review pertaining to the Generation Y cohort.

### **5.2.3 Empirical objectives**

In accordance with the primary objective of the study, the following empirical objectives were formulated:

- Determine black Generation Y students' attitudes towards coupons as a consumer sales promotion technique
- Determine black Generation Y students' attitudes towards price discounts as a consumer sales promotion technique
- Determine black Generation Y students' attitudes towards free sample offers as a consumer sales promotion technique
- Determine black Generation Y students' attitudes towards BOGOF as a consumer sales promotion technique
- Determine black Generation Y students' preferred consumer sales promotion techniques
- Determine black Generation Y students' attitudes towards different sales promotion techniques concerning brand switching, purchase acceleration, stockpiling, product trial and brand loyalty
- Determine whether black Generation Y students with different living arrangements differ in their attitudes towards different sales promotion techniques concerning different buying behaviours.
- Determine whether black Generation Y students with different monthly grocery expenses differ in their attitudes towards different sales promotion techniques concerning different buying behaviours.

Chapter 2 consisted of a discussion relating to the theoretical objectives that were formulated in Chapter 1. The theoretical objectives include a definition of marketing (Section 2.2.1), promotion (Section 2.3.1), and sales promotion (Section 2.4.1) as well as the classification of

the marketing mix elements (Section 2.2.2). The reasons for the increased usage of sales promotions (Section 2.4.2), benefits (Section 2.4.3), and limitations of sales promotion (Section 2.4.4) were discussed, followed by an evaluation on the effectiveness of sales promotions (Section 2.4.5). Furthermore, it contains a discussion on the target markets of sales promotions (Section 2.4.6), consumer sales promotion techniques (Section 2.5), the factors influencing sales promotions (Section 2.5.8) and the effect of sales promotion techniques on consumer buying behaviour (Section 2.5.9). Lastly, Generation Y (Section 2.6), the target market of this study was discussed.

Chapter 3 described the research methodology used within this study, relating to the research design (Section 3.2), the research approach (Section 3.3), the development of the sampling strategy (Section 3.4), the data collection method (Section 3.5), and pre-testing of the questionnaire (Section 3.6). Furthermore, the administration of the questionnaire (Section 3.7), preliminary data analysis (Section 3.8) and statistical analyses (Section 3.9) were discussed. Chapter 4 relates to the analysis and interpretation of the empirical findings of the study, which are in accordance with the empirical objectives of this study (Section 5.2.3).

With regard to the primary objective, the students had different attitudes towards the different sales promotion techniques, but a conclusion could be reached relating to the most preferred sales promotion technique with respect to each of the different buying behaviours.

## **5.3 MAIN FINDINGS OF THE STUDY**

The main findings of this study in accordance with the empirical objectives formulated in Chapter 1 are as follows:

### **5.3.1 Black Generation Y students' attitudes towards coupons as a consumer sales promotion technique**

The first empirical objective set out in Chapter 1 was to determine black Generation Y students' attitudes towards coupons as a consumer sales promotion technique. Although the students' attitudes were positive towards all four promotional techniques, as is evident from Figure 4.1, coupon (Section 2.5.4) was the least popular sales promotions technique on LIPs

among the black Generation Y segment (Section 4.4.3). This finding is consistent with the study done by Gilbert and Jackaria (2002). Figure 4.2 (Section 4.4.4) illustrates that providing coupons will not induce product trial (Section 2.5.9.4) among the black Generation Y students.

### **5.3.2 Black Generation Y students' attitudes towards price discounts as a consumer sales promotion technique**

The second empirical objective aimed at determining black Generation Y students' attitudes towards price discounts as a consumer sales promotion technique. As is evident from Figure 4.1, discount (Section 2.5.5) was ranked as the third favourite sales promotion technique on LIPs among the black Generation Y students (Section 4.4.3). This finding is contradictory with the findings of MVA Hong Kong (2010); and Osman *et al.* (2011), as they found discounts to be the most favourable sales promotion technique. Figure 4.3 (Section 4.4.4) illustrated that brand loyalty (Section 2.5.9.5) is the buying behaviour that is most influenced by discounts.

### **5.3.3 Black Generation Y students' attitudes towards free samples as a consumer sales promotion technique**

The third empirical objective outlined in Chapter 1 was to determine black Generation Y students' attitudes towards free samples as a consumer sales promotion technique. As Figure 4.1 shows, free samples (Section 2.5.6) as a sales promotion technique, was found to be the second favourite sales promotion technique (Section 4.4.3) and the most influential for inducing product trial (Section 2.5.9.4), which is consistent with the primary objective of offering a free sample. Furthermore, free sample together with BOGOF is also the most influential for inducing purchase acceleration (Section 2.5.9.2). This is consistent with a number of previous studies such as Kautish (2011); Gilbert and Jackaria (2002); Ndubisi and Moi (2006) who found that free sampling is effective for encouraging product trial. Figure 4.4 (Section 4.4.4) illustrates that offering a free sample will affect black Generation Y students' buying behaviour on LIPs, particularly inducing brand switching (Section 2.5.9.1).

### **5.3.4 Black Generation Y students' attitudes towards BOGOF as a consumer sales promotion technique**

The fourth empirical objective focused on determining black Generation Y students' attitudes towards BOGOF as a consumer sales promotion technique. As illustrated in Figure 4.1, this study revealed that BOGOF (Section 2.5.7) offers are overall the most popular technique (Section 4.4.3) amongst the black Generation Y students on LIPs, which is consistent with the findings of Gilbert and Jackaria (2002); and Sathish and Naachimuthu (2011), where offering a BOGOF promotion was found to be the most effective technique in the FMCG sector. However, MVA Hong Kong (2010) found that BOGOF offers are only amongst the top three sales promotion techniques and Osman *et al.* (2011) found that BOGOF was the second most favourable technique in their study. Figure 4.5 (Section 4.4.4) illustrates that offering a BOGOF promotion will affect black Generation Y students buying behaviour on LIPs, particularly inducing brand switching (Section 2.5.9.1), which is consistent with some of the similar studies done, such as Osman *et al.* (2011), and Gilbert and Jackaria (2002) who found that BOGOF was also the most influential for inducing brand switching.

### **5.3.5 Black Generation Y students' preferred consumer sales promotion techniques**

The fifth empirical objective formulated in Chapter 1 was to determine black Generation Y students' preferred consumer sales promotion techniques. As discussed in Section 4.4.4 and shown in Figure 4.1 (Section 4.4.3), a BOGOF promotion (Section 2.5.7) is the black Generation Y students' most preferred consumer sales promotion technique, followed by free sampling (Section 2.5.6), then discount (Section 2.5.5) and then coupon (Section 2.5.4). This suggests that black Generation Y students are more likely to respond when offered a BOGOF than when offered a coupon.

### **5.3.6 Black Generation Y students' attitudes towards different sales promotion techniques concerning brand switching, purchase acceleration, stockpiling, product trial and brand loyalty**

The sixth empirical objective set out in Chapter 1 was to determine black Generation Y students' attitudes towards different sales promotion techniques concerning different buying behaviours. Paired sample t-tests and Cohen's D calculations were used to examine if there is a difference between students' attitudes towards the four sales promotion techniques concerning five buying behaviours for which 10 hypotheses were formulated. Hypotheses (*Ho1* and *Ha1*) were formulated to determine whether there is a statistical and practical significant difference between respondents' attitudes towards different sales promotion techniques (coupon, discount, free sample, BOGOF) on LIPs concerning brand switching. As indicated in Table 4.10, black Generation Y students' attitudes towards BOGOF offerings and free sampling on LIPs had no statistically significant difference on inducing brand switching, making these techniques most suitable for inducing brand switching among this target market (Section 4.5.1). Previous research also found BOGOF offerings suitable to induce brand switching (Gilbert & Jackaria, 2002; Mittal & Sethi, 2011; Osman *et al.*, 2011; Shi *et al.*, 2005).

Hypotheses (*Ho2* and *Ha2*) were formulated to determine whether there is a significant statistical and practical difference between respondents' attitudes towards different sales promotion techniques (coupon, discount, free sample, BOGOF) on LIPs concerning purchase acceleration. As indicated in Table 4.11, black Generation Y students' attitudes towards BOGOF offerings and free sampling on LIPs also had no statistically significant difference on inducing purchase acceleration, making these techniques most suitable for inducing purchase acceleration among this target market (Section 4.5.2). Previous research also found BOGOF offerings suitable to induce purchase acceleration (Gilbert & Jackaria, 2002; Mittal & Sethi, 2011; Shi *et al.*, 2005).

Hypotheses (*Ho3* and *Ha3*) were formulated to determine whether there is a significant statistical and practical difference between respondents' attitudes towards different sales promotion techniques (coupon, discount, free sample, BOGOF) on LIPs concerning stockpiling. As indicated in Table 4.12, black Generation Y students' attitudes towards all

four sales promotion techniques on LIPs indicated statistically significant differences on inducing stockpiling (Section 4.5.3). The significant attitude differences concerning stockpiling appears to be due to students' insufficient funds or storage space or even due to the low discount margin granted, making the promotion less attractive and thus not induce stockpiling.

Hypotheses (*Ho4* and *Ha4*) were formulated to determine whether there is a significant statistical and practical difference between respondents' attitudes towards different sales promotion techniques (coupon, discount, free sample, BOGOF) on LIPs concerning product trial. As indicated in Table 4.13, black Generation Y students' attitudes towards all four sales promotion techniques on LIPs indicated statistically significant differences on inducing product trial (Section 4.5.4). The significant attitude differences concerning product trial might originate from the students' attitude of wanting to discover the products themselves, instead of being pressured into buying a specific product by means of sales promotions.

Hypotheses (*Ho5* and *Ha5*) were formulated to determine whether there is a significant statistical and practical difference between respondents' attitudes towards different sales promotion techniques (coupon, discount, free sample, BOGOF) on LIPs concerning brand loyalty. As indicated in Table 4.14, black Generation Y students' attitudes towards discounts and coupons, and free samples and discounts on LIPs had no statistically significant difference on inducing brand loyalty making these techniques most suitable for inducing brand loyalty among this target market (Section 4.5.5). Previous research also found discount offerings suitable to induce brand loyalty (Sathish & Naachimuthu, 2011).

Cohen's D calculations indicated a medium effect, moving toward practical significance on offering a coupon and a BOGOF promotion concerning stockpiling, and for both, offering a coupon and a free sample, and a coupon and a BOGOF promotion concerning brand switching, purchase acceleration and product trial. Cohen's D calculations indicated for all of the items concerning brand loyalty, practical non-significance.

### **5.3.7 Black Generation Y students living arrangements' differences in attitudes towards different sales promotion techniques concerning different buying behaviours**

The seventh empirical objective focused on determining whether black Generation Y students' with different living arrangements differ in their attitudes towards different sales promotion techniques concerning different buying behaviours. One-way ANOVA was used to determine empirically the outcome of this objective. Hypotheses ( $H_{06}$  and  $H_{a6}$ ) were formulated to determine whether there is a significant difference concerning respondents' attitudes towards different sales promotion techniques and their effect on different buying behaviours based on the respondents' different living arrangements. As indicated in Table 4.15 there was no statistically significant difference found between the groups with different living arrangements (Section 4.5.6.1), suggesting that the respondents' different living arrangements do not have an influence on their attitudes towards the four sales promotion techniques inducing the five buying behaviours.

### **5.3.8 Black Generation Y students' attitudes towards different sales promotion techniques concerning different buying behaviours based on monthly grocery expenses**

The eighth empirical objective focused on determining whether there are any differences between black Generation Y students' attitudes towards sales promotion techniques relative to their monthly grocery expenses. One-way ANOVA was used to determine empirically the outcome of this objective. Hypotheses ( $H_{07}$  and  $H_{a7}$ ) were formulated to determine whether there is a significant difference concerning respondents' attitudes towards different sales promotion techniques and their effect on different buying behaviours based on the respondents' monthly grocery expenses. As indicated in Table 4.16, statistically significant differences were found between the groups with different monthly grocery expenses, towards BOGOF inducing brand switching and purchase acceleration (Section 4.5.6.2), which were investigated further with a Tukey HSD test. The Tukey HSD test indicated significant attitude differences between students with monthly grocery expenses of less than R500 and those with expenditure of between R501 and R1000, where the students with monthly

grocery expenses of less than R500, account for the majority of the variance in students' attitudes towards BOGOF for both brand switching and purchase acceleration.

## **5.4 RECOMMENDATIONS**

The following recommendations are based on the contributions of the previous chapters, which include a literature review on sales promotions (Chapter 2) as well as the statistical analysis of the feedback obtained from the students. Based on the findings of this study, discussed in Chapter 4, the majority of the black Generation Y students had a positive attitude towards all four of the sales promotion techniques. This study shows that a BOGOF promotion is the most popular promotional technique for targeting the black Generation Y cohort, followed by free sampling and then discounts, with coupons ranked last. The most influential type of behaviour that consumers of the black Generation Y cohort seem to exhibit when offered a BOGOF promotion, free sample, discount or coupon, is brand switching, purchase acceleration, stockpiling and brand loyalty. The following recommendations, pertaining to each of these sales promotion techniques, should be considered by marketers and retailers targeting the black Generation Y cohort.

### **5.4.1 Coupon**

This study concluded that although coupon, as a sales promotional technique, is not currently providing the same appeal as the other techniques, it does appear to have a beneficial impact on inducing brand loyalty more than inducing brand switching, stockpiling and purchase acceleration and least suitable for inducing product trial. It is recommended that marketers or retailers should combine coupon offerings with other sales promotion techniques in order to increase their effectiveness for inducing specific buying behaviour.

The low appeal of coupons might be due to the students' unfamiliarity with this sales promotion technique. It is recommended that marketers and retailers should implement this technique more extensively in order to increase the familiarity of the technique and the awareness of the benefits of this technique. Frequently consumers are discouraged to make use of coupons due to the effort required, inconvenience involved with the collection of coupons and the fact that it is time consuming for consumers to utilise (Section 2.5.4). This

study suggests that in order to overcome impediments regularly associated with this technique, such as the need to cut out, keeping track of, and redeeming coupons, marketers should utilise other promotional vehicles, such as offering coupons on a website, via mobile phone, or even placing them on the shelf or on the product packaging, to increase their effectiveness. Additionally, when the coupons are available in magazines or newspapers, it requires the consumer to purchase the magazine or newspaper in order to access the coupons, which results in spending money in order to gain the promotion and ultimately save money. Therefore, if the savings granted by the coupon are viewed by the consumer as insignificant or as less valuable than the cost associated with obtaining it, the success rate of the promotion decreases significantly, whereby the marketer should re-evaluate the promotional vehicle.

Often the discount amount offered by the coupon is viewed as of too little value, resulting in consumers not utilising the promotion. Care should be given to the discount amount granted, in order to make the promotion valuable for the consumer and maximise the promotion's chance of success. Frequently coupons have restrictions, such as a minimum purchase quantity per customer before the coupon may be redeemed, making it difficult for the consumer to make use of the coupon due to insufficient funds to purchase larger quantities or insufficient space to stock up on large quantities. Therefore, to increase the success of offering coupons, it is recommended that marketers and retailers should have a clear knowledge of the target market, their average disposable income, and the quantity the target market will be able to purchase.

#### **5.4.2 Discount**

This study found that although discount, as a sales promotional technique, is not currently as appealing as a BOGOF promotion or free sampling, it appears to still have a beneficial impact on inducing brand switching and stockpiling, most suitable for inducing brand loyalty and least suitable for inducing product trial. This is consistent with literature relating to discounts, indicating that consumers find discounts generally attractive due to the simplicity of the technique and that it is then uncomplicated to compare the price of the product with the price of other brands or products (Section 2.5.5). A factor to take into account, which might be the cause of the low preference amongst the black Generation Y students, is that the discount promotions are frequently of little value (such as a 10 percent discount). The low

discount value then reduces the attractiveness of the promotion when compared to BOGOF or free sample offers. It is recommended that the margin of the discount should be increased in order to make the discount more attractive to the consumer and increase sales of the specific product.

Even though discounts are not the preferred sales promotion technique, discounts are a hassle free technique, and can be implemented in a short time period. Thus, when sales need to increase urgently, it is recommendable to implement this technique, as it is simple and quick to implement. Discounts could also be implemented as they enable the manufacturer to obtain off-shelf display space that allows the manufacturer to gain more retailer exposure. Additionally, it is recommended that discounts should be implemented more irregularly to prevent consumers from predicting the time of the next promotion. This will also reduce delayed purchases, as the consumers will have to purchase the products during periods where no sales promotions are offered.

### **5.4.3 Free sampling**

This study found that free sampling is currently appealing to the respondents and appears to be suitable for brand switching, stockpiling, brand loyalty, and the most preferred technique for product trial, as well as together with BOGOF the most preferred technique for inducing purchase acceleration. What makes a free sample attractive is merely the fact that the consumer receives an extra item for free (Section 2.5.6). A free sample is an attractive offer specifically for inducing product trial, due to the reduced risk when trying the product. It also increases credibility as it allows the consumer to experience the product and it is therefore recommendable to use free samples when encouraging trial of a new brand or product.

In order for marketers to increase the effectiveness of offering a free sample, the product features should be clear and distinct in order to attract consumers' attention. Caution should also be taken when distributing the free samples in order to ensure that the target consumer receives the free sample and thus maximises the chance of purchase. Furthermore, with products where the benefits are not immediately visible, the free sample should be large enough so that the consumer can identify or experience the product's benefits. However, if this is not possible, another sales promotion technique should be considered.

#### 5.4.4 BOGOF promotion

This study found that offering a BOGOF promotion is currently more appealing than free sampling, discounts and coupons. As BOGOF offers are suitable for product trial, it is the most preferred sales promotion technique for inducing brand loyalty, brand switching and stockpiling, of which brand switching seems to be the most influential type of behaviour exhibited by this technique. Additionally, BOGOF offers, together with free samples are the most popular technique for inducing purchase acceleration. It is recommended that when targeting black Generation Y students to specifically switch brands, accelerate purchases, encourage stockpiling and ensure brand loyalty, that the BOGOF offers should be among the first techniques to be considered when planning to implement a sales promotion technique.

BOGOF offers are attractive due to the immediate reward and lower per unit cost (Section 2.5.7), which is in line with South-Africans' being attracted to value saving opportunities, therefore this technique is suggested when targeting the black Generation Y segment. It is recommended that retailers place the regular pack alongside the promotion pack, as that will increase the awareness and credibility of the promotion, which may lead to an increase in the success of the promotion. It is also recommended that the marketer should implement creative BOGOF offers to capture the consumers' attention, as well as to implement a minimum quantity per customer, as this will create the impression of exclusivity and consumers will be more motivated to make a purchase. Similarly to discounts, BOGOF offers allow the manufacturer to acquire more shelf space, which increases the awareness of the brand. It is therefore recommended to implement BOGOF offers, as the manufacturer gains more exposure and this technique is preferred by the black Generation Y segment.

Figure 5.1 represents an illustration of the sales promotion techniques that effectively influence specific consumer buying behaviours among black Generation Y students.

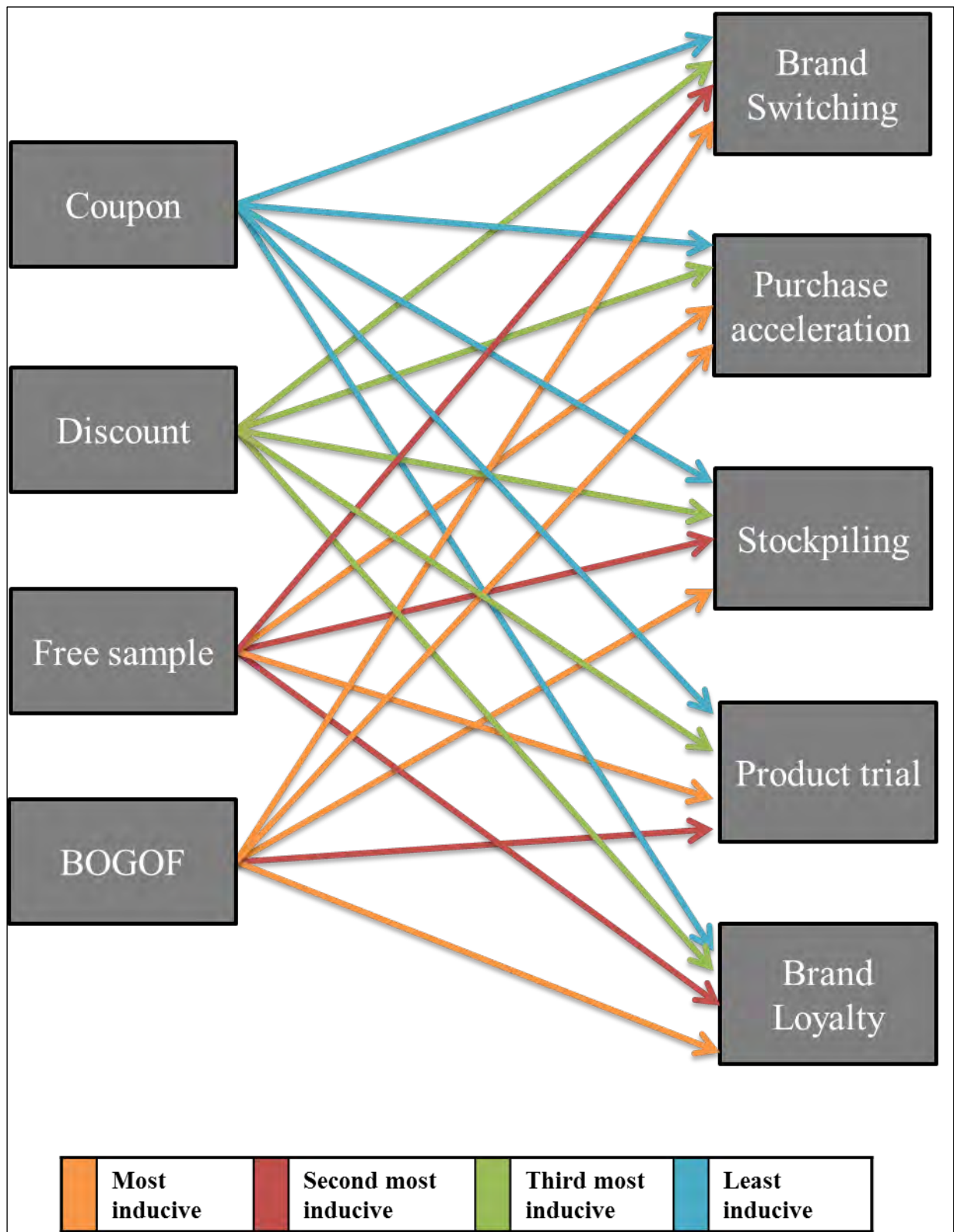


Figure 5.1 Sales promotion techniques inducing consumer buying behaviours

#### **5.4.5 Recommended implementation approach**

It is crucial for both marketers and retailers to implement the sales promotion techniques that are preferred by the specific target segment. The implementation approach can be recommended at micro level (retailer) and macro level (manufacturer). From the buying behaviours researched within this study, at the micro level, the most common consumer buying behaviours encouraged by the retailer are to increase sales through encouraging purchase acceleration and stockpiling. BOGOF offers are the most preferred sales promotion technique for inducing stockpiling, and together with free sample, the most effective for inducing purchase acceleration. This study recommends that BOGOF should be implemented when encouraging stockpiling, and either BOGOF or free sample should be implemented when encouraging purchase acceleration amongst black Generation Y students.

At the macro level, all five buying behaviours researched within this study, are buying behaviours that manufacturers will want to stimulate. For encouraging competitors' consumers to switch brands, stockpile or to encourage your current customers to be brand loyal, the BOGOF offers are most preferred by the black Generation Y students, and could be implemented. For encouraging black Generation Y students to sample a new product or brand, the free sample offers could be implemented, as they are the preferred technique amongst this segment for the specific buying behaviour. Lastly, for encouraging black Generation Y students to accelerate their purchases, either BOGOF or free sample could be implemented.

### **5.5 CONTRIBUTIONS OF THE STUDY**

Retail companies experience a significant amount of competition in the retail market as the amount of retail outlets increase. Consequently, marketers continuously have to implement strategies to attract consumers and discourage them from purchasing from competing retailers or brands. Promotion is used to communicate a product's benefits to the consumers, of which sales promotion techniques are significantly effective and achieve high recall rates. Owing to sales promotion techniques being highly effective, marketers should recognise the specific target markets' preferred promotional technique.

The black Generation Y students are the potential future ‘Black Diamonds’, which make them a significantly attractive target market. Through measuring the black Generation Y students’ attitudes towards sales promotion techniques on LIPs, marketers and retailers are able to understand the students’ attitudes towards the different sales promotion techniques (coupon, discount, free sample and BOGOF) by identifying the target markets’ preferred techniques and the possible buying behaviour induced by each of the techniques.

Findings from this study provide insight into the understanding of South African black Generation Y students’ preferred promotional techniques and the possible buying behaviour induced by these techniques. The results of this study have important implications for marketing practitioners and retailers involved in the management of sales promotional techniques. Marketers and retailers could use the results of this study as a guide for implementing sales promotion techniques which will attract current black Generation Y students or planning future strategies to attract the prospective ‘Black Diamonds’. A major contribution of this study is that manufacturers and retailers can increase their sales by offering the preferred promotional techniques to attract the black Generation Y cohort and induce specific buying behaviour. The proposed recommendations based on the students’ attitudes, can assist marketers or retailers to achieve the company’s promotional objectives.

## **5.6 LIMITATIONS AND FUTURE RESEARCH OPPORTUNITIES**

This study was conducted by means of the quantitative research approach. The results provide the reader with an assessment of the students’ attitude towards different sales promotion techniques. This study did not examine the reasons why the students have these specific attitudes towards each sales promotion technique. In addition, a qualitative research approach could be undertaken to determine why the students have the specific attitudes. The focus of the study was students’ attitudes towards sales promotion techniques specifically on LIPs. As the study was done only on LIPs, thus excluding HIPs, opportunities exist to measure the students’ attitudes towards sales promotion techniques on HIPs. Moreover, this study was limited to only four sales promotion techniques, providing the opportunity to measure consumers’ attitudes on other sales promotion techniques not measured within this study, such as rebates, scorecards or sweepstakes.

Within this study, only two HEIs were used and the HEIs were situated in the same province. The same study could be conducted in other HEIs, within other provinces, to examine those students' attitudes. Furthermore, a comparison could be made to determine whether the students' attitudes vary across the different provinces. Similarly, this study could also be conducted in different countries, and a comparison made to determine whether the South African students' attitudes differ from the international students' attitudes.

This study is limited in that only full-time undergraduate students' attitudes were examined. Opportunities exist to evaluate part-time and post-graduate students' attitudes, which might uncover differences due to the students being older, and employed, thus earning their own money, and might have to make use of sales promotions to stay within their budget. Furthermore, the students used within this study, were restricted by age, as they had to fall within the Generation Y cohort. In other words, this study is limited to only Generation Y. There are opportunities to measure older consumers' attitudes within another generation and who do not form part of the Generation Y cohort.

Black Generation Y students were the target population for this study, excluding any other ethnic groups. This study could be adapted to determine the attitude of consumers that form part of another ethnic group. Additionally, comparisons can be made to examine whether any differences exist among the different ethnic groups. Furthermore, each type of sales promotion technique was investigated in isolation. Future studies can be conducted investigating combined sales promotional offerings rather than separately so that the interactions among the different techniques could be better understood.

## **5.7 CONCLUDING REMARKS**

Sales promotions are amongst the most effective techniques influencing consumer buying behaviour and persuading consumers to purchase a specific product or brand. Owing to sales promotions being extremely influential, it is essential for any retailer, manufacturer or marketer to understand the different target markets' needs and preferred sales promotion techniques. With South-Africans leaning towards bargain hunting, retailers and manufacturers should be prepared to provide consumers with valuable incentives in order to encourage consumers to support a specific product or brand.

For retailers and manufacturers to thrive in a competitive industry, they should successfully implement effective marketing strategies and continuously measure which sales promotions are preferred by the different target segments. When the consumers do not value the sales promotions, retailers and manufacturers should be sure to redirect the promotional spending towards techniques that are valued by the consumers. The fundamental step in this process, and the one addressed by this study, is to determine and implement the desired sales promotion technique for the specific target segment, which in this study are the black Generation Y students.

Within this study, comparisons could be made such as the different buying behaviours encouraged by one specific sales promotion technique, as well as the effectiveness of the various sales promotion techniques in encouraging a specific buying behaviour. In addition, retailers, manufacturers or marketers can use the findings from this study to determine which sales promotion techniques are preferred and are most likely to encourage the specific buying behaviour amongst the consumers in the specific target segment.

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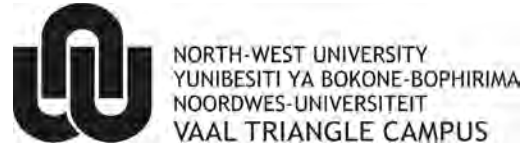
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**ANNEXURE A**

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**Cover letter**



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Dear Full-Time Undergraduate Student

I am conducting a research project, under the supervision of Dr N. De Klerk, as part of the requirements for completing my MCom: Marketing Management at the North West University (Vaal Campus).

The purpose of this research project is to evaluate African Generation Y students' attitudes towards sales promotion techniques on low involvement products.

It would be greatly appreciated if you could assist me by completing the attached questionnaire. The questionnaire is user-friendly and should take approximately 10 minutes to complete. All responses are anonymous and confidential and the results will only be used for research purposes, outlined in the form of statistical data.

Your assistance and contribution will be highly appreciated.

Heleneze Marais  
North West University (Vaal Campus)  
School of Economic Sciences & IT  
Department of Marketing & Business Management

**ANNEXURE B**

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**Survey questionnaire – Section A**

**Black Generation Y students' attitudes towards sales promotion techniques on low involvement products.**

**Section A: Demographical information**

Please mark each question with a cross (X) or write down your answer.

1. Name of Institution:

North-West University	Vaal University of Technology
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2. Indicate your current year of studies (e.g. 2<sup>nd</sup> year): \_\_\_\_\_ year.

3. Indicate your age at your last birthday: \_\_\_\_\_ years.

4. Gender:

Male	Female
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5. Designated group:

African	White
Coloured	Asian
Other (specify):	

6. I am currently staying:

On my own	With my parents	With other students
In the residence	Other (specify):	

7. Estimated monthly grocery expenses:

Less than R 500	R501 – R1000	R1001 – R1500	More than R1500
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ANNEXURE C

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**Survey questionnaire – Section B**

**Section B: Please mark each question with a cross (X).**

**When a retailer offers a promotion on a low involvement product (i.e. washing powder, long-life milk, toilet paper, etc.), such as a coupon (voucher to claim price reduction), discount (reduction on normal price), free sample (small portion of a product) or buy one get one free, what will your response be towards each of the following sales promotion techniques?**

**Please indicate your response with each the following on a scale of 1 – 6, with 1 being strongly disagree and 6 being strongly agree.**

	When I am offered a:	Coupon					Discount					Free sample					Buy one get one free														
		Strongly disagree	Disagree	Slightly disagree	Slightly agree	Agree	Strongly agree	Strongly disagree	Disagree	Slightly disagree	Slightly agree	Agree	Strongly agree	Strongly disagree	Disagree	Slightly disagree	Slightly agree	Agree	Strongly agree	Strongly disagree	Disagree	Slightly disagree	Slightly agree	Agree	Strongly agree						
1	I will buy the brand on promotion even though I do not normally buy that brand.	1	2	3	4	5	6	1	2	3	4	5	6	1	2	3	4	5	6	1	2	3	4	5	6	1	2	3	4	5	6
2	I will buy the product on promotion even though I had not originally planned to buy it right then.	1	2	3	4	5	6	1	2	3	4	5	6	1	2	3	4	5	6	1	2	3	4	5	6	1	2	3	4	5	6
3	I will buy more quantities of the product if it is on promotion.	1	2	3	4	5	6	1	2	3	4	5	6	1	2	3	4	5	6	1	2	3	4	5	6	1	2	3	4	5	6
4	I will buy the product on promotion even if I have never tried it before.	1	2	3	4	5	6	1	2	3	4	5	6	1	2	3	4	5	6	1	2	3	4	5	6	1	2	3	4	5	6
5	I stick to buying my regular brand even though other brands are on promotion.	1	2	3	4	5	6	1	2	3	4	5	6	1	2	3	4	5	6	1	2	3	4	5	6	1	2	3	4	5	6

**THANK YOU!**

**ANNEXURE D**

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**Multiple comparisons – Tukey HSD**

Dependent Variable		(I) A7_ Grocery	(J) A7_ Grocery	95% Confidence Interval		Mean Difference (I-J)	Std. Error	P Value
				Lower Bound	Upper Bound			
B16 (BOGOF)	Tukey HSD	1	2	-.77	-.01	-.390	.148	.044*
			3	-.55	.51	-.019	.204	1.000
			4	-.65	.53	-.058	.229	.994
		2	1	.01	.77	.390	.148	.044*
			3	-.10	.84	.371	.183	.180
			4	-.21	.87	.332	.210	.390
		3	1	-.51	.55	.019	.204	1.000
			2	-.84	.10	-.371	.183	.180
			4	-.69	.61	-.039	.252	.999
		4	1	-.53	.65	.058	.229	.994
			2	-.87	.21	-.332	.210	.390
			3	-.61	.69	.039	.252	.999
B17 (BOGOF)	Tukey HSD	1	2	-.89	-.06	-.475	.161	.017*
			3	-.67	.47	-.099	.221	.970
			4	-.96	.32	-.322	.247	.562
		2	1	.06	.89	.475	.161	.017*
			3	-.13	.89	.376	.198	.230
			4	-.43	.74	.153	.227	.907
		3	1	-.47	.67	.099	.221	.970
			2	-.89	.13	-.376	.198	.230
			4	-.93	.48	-.223	.273	.846
		4	1	-.32	.96	.322	.247	.562
			2	-.74	.43	-.153	.227	.907
			3	-.48	.93	.223	.273	.846
* Significant at $p < 0.05$								