# International Journal of Economics, Commerce and Management

United Kingdom http://ijecm.co.uk/ Vol. II, Issue 10, Oct 2014 ISSN 2348 0386

# AN ASSESSMENT OF SALES PROMOTION AS EFFECTIVE TOOL FOR CUSTOMER RETENTION IN TELECOMMUNICATIONS INDUSTRY OF GHANA

A CASE STUDY OF UNIVERSITY FOR DEVELOPMENT STUDIES, GHANA

Sakara, Ahmed 🔀



## Alhassan, Fatawu

Department of Hotel, Catering & Institutional Management, Tamale Polytechnic, Tamale, Ghana alhassanfatawu29@yahoo.com

#### Abstract

Sales promotion is one of the key promotional mix elements that is commonly employed by firms that find themselves in very competitive industries like the telecommunication industry. The rationale behind the research was to establish whether sales promotion to any extent retains customers and to identify the perception of consumers on the benefits associated with sales promotion in the telecommunication industry. Students of UDS (Wa campus) constituted the population of the study. A descriptive research design was employed and a simple random sampling to select two hundred (200) students. The results from the study discovered that sales promotion is capable of retaining customers in a telecommunication network through sales promotional incentives. It was found that Sales promotion encourages competition among Mobile Network service providers thereby compelling the players in the industry to provide quality service to customers resulting in a greater benefit for the consumer. This study concludes that if a telecommunication network business wants to enjoy good profits globally and Ghana in particular, it should work hard to increase customer retention through customer satisfaction, strong sales promotional activities, trustworthiness and competitive pricing in the market place. The recommends that further researcher be conducted on the determinants of brand loyalty in the telecommunication industry.

Keywords: Sales Promotion, Telecommunications industry, Customer retention, Ghana



#### INTRODUCTION

In recent times the concept of sales promotion has received the attention of both manufacturers and retail organisations and also from players in services industries from all over the world been it local or multi-national. The telecommunication industry of Ghana is not an exception from the trend. Sales promotion has grown substantially in recent years within the global and local telecommunication industries for the perceived fact that companies feel sales promotion is bait and plays an important role in the consumer decision making process. There are several reasons for this dramatic growth in sales promotion. First, consumers have accepted sales promotion as part of their buying decision criteria. It provides reluctant decision makers with an incentive to make choices by increasing the value offered by a particular brand. Second, the increasing tendency of businesses to focus on short-term results has helped spur growth in sales promotion, which can provide an immediate boost in sales. Product managers also tend to view sales promotion as a way to differentiate their brand from that of competitors in the short term. Third, the emergence of computer technology has enabled manufacturers to get rapid feedback on the results of promotions. Redemption rates for coupons or figures on sales volume can be obtained within days. Finally, an increase in the size and power of retailers has also boosted the use of sales promotion.

Sales promotion consists of diverse collection of incentives; mostly short-term designed to stimulate quicker and / or greater purchase of a particular product by consumers or the trade. Sales promotion includes tools for consumer promotion (for example samples, coupons, prizes, cash refund, warranties, demonstrations, contest); trade promotion (for example buying allowances, free goods, merchandise allowances, co-operative advertising, advertising and display allowances, dealer sales contests); and sales-force promotion (for example bonuses, contests, sales rallies). Sales promotion efforts are directed at final consumers and designed to motivate, persuade and remind them of the goods and receives that are offered. Sales persons adopt several techniques for sales promotion.

#### Statement of the Research Problem

Intense competition among the telecommunication networks in Ghana has led to the application of various marketing strategies and tactics to win a good share of the market. Sales promotion has been widely used by these networks in their attempt to outsmart their competitors. Mean while Sales Promotion which is a key ingredient in marketing campaigns and consists of a diverse collection of incentive tools is mostly short term designed to stimulate quicker or greater purchase of particular products or services by consumers but seen as lacking the capacity to retained customers. Against this backdrop, this research examines the extent to which sales promotion retains customers in the telecommunication industry in Ghana.

## **Research Objectives**

The main objective of this study is to find out effects of sales promotion on tertiary students' choice of telecommunication network. Specifically, the study seeks to:

- 1. Establish whether sales promotion to any extent retains customers.
- 2. Identify the perception of consumers on the benefits associated with sales promotion in the telecom industry.

#### **Research Questions**

In order to successfully achieve the objectives above, the research seeks to find out answers to the following questions;

- 1. Does sales promotion to any extent retains customers?
- 2. Do consumers perceive sales promotion as only as a tool for enhancing their (telecom firms) sales performance for the past two years?

## Limitations and scope of the study

The faced a number of limitations which include; Lack of cooperation from some of the respondents' was a challenge for the scope of the research as not all the selected respondents were willing to divulge information that is key to this study. To overcome this, the researcher issued an introductory letter indicating that the information collected will be treated with confidentiality and will be used for academic purpose.

The study does not look into the concept of the operations of telecommunication holistically. However, its scope is limited to the Sales Promotion and Customer Retention in the Telecommunication Network Industry in the University for Development Studies (UDS). Purchasing decisions are made in many products; therefore the study looks at the telecommunication products.

## LITERATURE REVIEW

## **Overview of Sales Promotion**

According to Kotler (2003), Sales Promotion is a key ingredient in marketing campaigns and consists of a diverse collection of incentive tools, mostly short term designed to stimulate quicker or greater purchase of particular products or services by consumers. Sales promotions programmes are those activities other than stimulate consumer purchase. Whiles Haugh (1983)



defined sales promotion as "a direct inducement that offers an extra value or incentive for the product to the sales force, distributors, or the final consumer with the primary objective of creating an immediate sale".

Achumba (2002) considered sales promotion as those marketing activities, other than personal selling, advertising and publicity that stimulate consumer purchasing and dealer effectiveness, such as displays, shows and expositions, demonstration etc. Sales promotion has been defined as a direct inducement that offers an extra value or incentive for the product to the sales force, distributors or the ultimate consumer with the primary objective of creating an immediate sale (George, 1998). Sales promotion is one of the ways used by firms to communicate with intended target market. Sales promotion is unique in that it offers an extra incentive for action (Adrian Palmer, 2004). Sales promotion refers to those promotion activities other than advertising, publicity and personal selling that stimulate interest, trial or purchase by final customers or others in the channel (Bagavathi, 2007). Gilbert and Jackaria (2002) stated that sales promotion consists of a wide variety of short-term tactical promotional tools aimed at generating a desired response from customers. Sales promotion has been defined as a "direct inducement that offers an extra value or incentive for the product to the sales force, distributors or the ultimate consumer with the primary objective of creating an immediate sale" (Schultz and Robinson, 1982). The term" sales promotion" has been used to represent at least three different concepts: (1) the entire marketing mix, (2) marketing communications (Anderson, 1982),(3) a catch-all for all communication instruments that do not fit in the advertising, personal selling or public relation subcategories (Van Waterschoot and Van den Bulte, 1992). Brassington and Pettitt (2000) provide a revised definition for sales promotions when they defined it as a range of marketing techniques designed within a strategic marketing framework to add extra value to a product or service over and above the "normal" offering in order to achieve specific sales and marketing objectives. This extra value may be a short-term tactical nature or it may be part of a longer-term franchise-building program.'

Sales promotion has been defined as a "direct inducement that offers an extra value or incentive for the product to the sales force, distributors or the ultimate consumer with the primary objective of creating an immediate sale" (Schultz and Robinson, 1982). The term" sales promotion" has been used to represent at least three different concepts:(1) the entire marketing mix, (2) marketing communications (Anderson, 1982),(3) a catch-all for all communication instruments that do not fit in the advertising, personal selling or public relation subcategories( Van Waterschoot and Van den Bulte, 1992).

## Relevance of sales promotion

Kotler (2002) Promotion is now more accepted by top management as an effective sales tool; more product managers are qualified to use sales promotion tools; and product managers are under greater pressure to increase current sales. In addition, the number of brands has increased; competitors use promotions frequently; many brands are seen as similar; consumers are more price-oriented; the trade has demanded more deals from manufacturers; and advertising efficiency has declined because of rising costs, media clutter, and legal restraints. Syeda and Sadia (2011) argued that Sales promotion has become a valuable tool for marketers and importance of it has been increasing rapidly over the past few years. They further advocated that many researchers have proven the short term impact of sales promotion has an increase in sales for the respective period. The long term impact of sales promotion as well, i.e. the increase in the brand loyalty of the customer which will ultimately increase the customer lifetime value of the company and thus the company's profitability. Gedenk and Neslin (1999) argued that "promotion is more than a short-term sales tool". Promotions have long-term effects on purchase event feedback and consequently on future purchasing as well. Purchase event feedback is the "effect of current purchases on future brand preference" and it "is concerned with what consumers learn from the consumption experience". Huff and Alden (1998), Chandon et al. (2000) Stated that Sales promotion provide utilitarian benefits such as monetary savings, increased quality (higher quality products become attainable), and convenience, as well as hedonistic benefits such as entertainment, exploration, and self-expression.

Sales promotions are comparatively easy to apply, and are likely to have abrupt and considerable effect on the volume of sales (Hanssens, Parsons and Schultz 2001). Resultantly, according to Currim and Scheinder (1991) the finances of companies regarding the marketing increase constantly. Research conducted by Ailawadi and Neslin (1998) had revealed that consumer promotions affect the consumers to purchase larger amount and consume it faster; causing an increase in sales and ultimately profitability. Oyeniy (2011) mentioned that to retain consumers in the face of keen competition, service providers must develop marketing strategies that will not only win customer but help to retain them. Sales promotion plays an important role in retaining old consumers and attracting new ones. Parts of the essence of a business existence are to produce goods and services that will be required by customers and to make profit from such activity. Enough sales must be generated for profit to be made. Sales estimate is the foundation in budgeting or profit planning process (Ayanwale et al, 2005). Sales promotional tools such as coupons, discount, and free samples used strategically in various industries not only increase brand awareness, but also encourage consumers to try new products. For example, a manufacturer might utilize coupon incentives to encourage consumers

to try a new product, enabling the trial at a discounted price, instead of buying the same flavour they normally do at full price. Therefore, this incentive may reduce consumers' perceived risk associated with trying a new, less-familiar product for the first time (Blackwell et al. 2001). Blackwell and colleagues argued that new products are more apt to succeed when consumers can experiment with or try the idea on a limited basis, with limited financial risk. Therefore, sales promotion such as sampling, couponing, and trial-sized products are useful to induce the trial of products. Dama (2010) clearly identified that every organisation has specific group of customers it is serving, each of them has different needs and expectations. The very need of each of the target determines the nature of incentives or tactics to be used. The practice of telecommunication firms as far as sales promotion is concern seem universal and not on specific target groups within the segment. Tertiary students as an economic segment need to be targeted by players in the industry with specific incentives taking into accounts their level of economic dependence but that seem not to be the case. Still on the importance and effectiveness of sales promotion, Palmer (2005) stipulates that although it can be used to create awareness, sales promotion is usually used for the later stages of the buying process, that is, to create interest, desire and -in particular- to bring about action. He added that sales promotion can successfully complement other tools within the promotion mix, for instance by reinforcing a particular image or identity developed through advertising.

According to Jobber (2004) sales promotion boosts sales during the promotion period because of the incentive effect. This is followed by a small fall in sales to below normal level because some consumers have stocked up on the product during the promotion. He stipulated that the long-term sales effect of the promotion could be positive, neutral or negative. If the promotion has attracted new buyers, who find that they like the brand, repeat purchases from them may give rise to positive long-term effects. Alternatively, if the promotion (e.g money off) has devalued the brand in the eyes of consumers, the effect may be negative. Where the promotion has caused consumers to buy the brand only because of its incentive value, with no effect on underlying preferences, the long-term effect may be neutral. Also, he said certain promotions by their nature encourage repeat purchase of a brand over a period of time.

#### **Sales Promotional Tools**

BMSR Group (2010) identified the main popular sales promotion tools to include the following as shown below:

Direct price-off / discount - A price discount is a temporary reduction of the listed price of the product.

- ➤ Coupon (including printed coupon, e-coupon, and m-coupon) Printed coupon, which are available in magazines and newspapers or at the point-of-purchase, or electronic / mobile coupon, which may be downloaded from the internet or email, or via 'push' or 'pull' SMS, entitle the customer to a reduction of price on certain products.
- ➤ Bonus pack / discount for a package- Provide additional quantity of product at the regular price in an enhanced package or offer a separate package of product at a discounted price.
- > Buy-one-get-one-free offer One more item is offered for free if the customer buys one item of a product at regular price.
- > "Buy-two-get-one-free" and "buy-three-get-one free" are similar tools under the same deployment rationale.
- > Free premium / gift / advertising specialties Gift / item offered free in return for the purchase of one or more products.
- > Joint / tie-in promotion Another product is offered for free or at a discount upon purchasing of a particular product.
- > Stamp redemption Stamp accumulations from repeat purchasing for discount, collectible premium or gift.
- Contest, game and sweepstake Games, activities, competitions and lucky draws are offered upon purchase of a certain product or arriving at a certain amount of values.
- Membership program Discount or free product rewards are offered upon joining the membership program; members are later on entitled to certain privileges (such as additional discounts or priority services, etc).
- > Patronage rewards from credit card Points accumulations on credit card for discount, gift redemption, or cash refunds.
- Patronage rewards from Octopus card Points accumulations on Octopus card for discount, gift redemption, or cash refunds.
- > Free sample Provides consumers a free small portion of a product, usually new to the market, for trial.

#### **Trend of Sales Promotion in Recent Times**

Over the last few years there has been a rapid increase in the use of sales promotion, for a number of reasons. Internally there has been a greater acceptance of the use of sales promotion by top management and more people are now qualified to use it. In addition, there is greater pressure today to obtain a quick sales response, something which sales promotion is good at achieving.



There has been a general proliferation of brands with increased competitive pressure. As a result of this and the changing economic environment, consumers are more 'deal orient' and this has led to pressure from intermediaries for better incentives from manufacturers and service principals. It has been argued by many that advertising efficiency is declining due to increasing costs and media cluster.

New technology in targeting has resulted in an increase in the efficiency and effectiveness of sales promotion (Palmer, 2005), Peattie and Peattie equally explain in Jobber (2004) the reasons for the increasing growth of sales promotion in recent times as follows: Sales promotions are becoming respectable: through the use of promotions by market leaders and the increasing professionalism of the sales promotion agencies.

Increased impulse purchasing: the retail response to greater consumer impulse purchasing is to demand more sales promotions from manufacturers. Competitor activities: in some markets, sales promotions are used so often that all competitors are forced to follow suit.

Measurability: measuring the impact of sales promotion is easier than for advertising since their effect is more direct and, usually short term. The rising cost of advertising and advertising clutter: these factors erode advertising's cost effectiveness. Cravens and Piercy (2006) seem to contradict this as they indicated that sales promotions expenditure in recent times is increasing more rapidly than adverting in many companies. The reasons for the increasing importance and usage rate of sales promotion in the telecommunication services industry do not differ from the view point of Peattie and Peattie above. Over the past two decades the popularity of sales promotion has been increasing. Two reasons for this increased popularity are undoubtedly the increased pressure on management for short-term results and the emergence of new purchase tracking technology (Peter and Donnelly, 2003).

## RESEARCH METHODOLOGY

## **Research Design**

A descriptive survey research design was used for the study. This design serves as a programme guide for the entire research work. Obeng (2003) holds the view that research design is an overall programme guide a researcher uses in the process of data collection, analyses and presentation.

## **Sources and Types of Data**

The study used both primary and secondary data for the study. The Primary data for the study were obtained from the views of respondents expressed in the questionnaire. According to Amedahe (cited in Yieri, 2006), primary sources of data allow more informed judgment about

the quality and usefulness of information a researcher intends to use. Secondary collected from an assortment of sources. These comprise scholarly journals (through the internet and available hard copies), research reports, educational guides, textbooks and newsletters from the various telecommunication companies in the country. Data from magazines and websites of telecommunication firms as well as websites of organisations that do business with the telecom firms were also used.

## Sampling Technique and Sample Size

The researcher employed simple random sampling technique to choose four departments (Integrated Business Studies, Education, Integrated Community Development and Planning) out of the existing departments that run tertiary programmes in the UDS. Convenient sampling technique was then used to sample two hundred (200) students with each department getting a quota of forty (50) participants comprising both male and female students. Therefore the choice of this combination of techniques is for the minimizing of the level of bias and easy access to respondents.

#### **ANALYSIS & FINDINGS**

## **Gender of Respondents**

The study found there are more males as 124 out 200 representing 62% than (38%) representing 78 females pursuing tertiary programmes in the Wa campus of UDS (Table 1). It was realised by the researcher that men dominated because women are constrains in various ways and are the minority in all academic pursue in the country; especially those in northern Ghana where the study was conducted. Most of the females who strive to get higher education opt for teacher training Colleges with the idea that the teaching profession will give them a lot of time to still maintain their strong family life.

Table 1: Sex Distribution of Respondents

| Sex |        | Frequency | Percentage (%) |   |
|-----|--------|-----------|----------------|---|
|     | Male   | 124       | 62             | _ |
|     | Female | 76        | 38             |   |
|     | Total  | 200       | 100            |   |

The results clearly indicate that majority of the tertiary students are men (62%) and minority group is automatically female which constituted 38%. For that matter, the responses were dominated by the male gender in the University for Development Studies.



## **Age Distribution of Respondents**

The study also found that majority of the respondents 118 (59%) fell within the age range of 18-25 years and least of the respondents 4(2%) fell within 40 years and above. The youngest respondent is 17 years which was not captured in the questionnaire as demonstrated in figure 1.

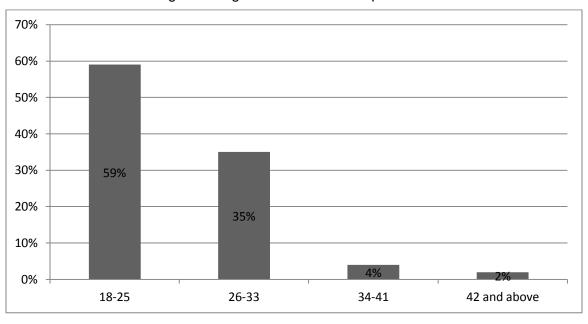


Figure 1: Age Distribution of Respondents

From the age distribution of tertiary students as indicated in figure 1:, it's clear that tertiary institutions are now dominated by student in their early stages of life as 118 out of 200 respondents fell within 18 and 25 years of age. That gives an indication of their level of economic dependence and sensitive they can to promotional incentives.

## Relationship between Sales Promotion and Consumer Buying Decision

Analyses of the field data obtained from the respondents revealed that sales promotion had positive influence on the choices that tertiary students make in the telecom industry. For example, the results of the field data indicated that 44% of the respondents agreed that sales promotion is a key determinant in their choice of network(s) in the study area even though 49% disagreed that they will never subscribe to the services of network(s) that do not roll-out consumer promotions.

As to whether sales promotion constitute an important part of tertiary students' definition of quality of network, their responses in Table 2 clearly spells it all. On the other hand, as majority of the respondents (36%) said they disagree with the view that sales promotion is an

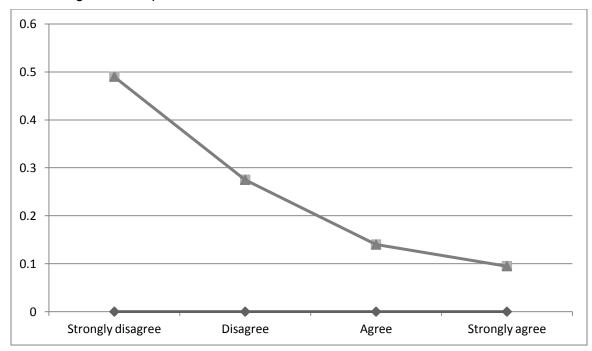
important part in their definition of quality and only 14% agreeing to the assertion. Table 2 represents the frequencies and percentages of responses.

Table 2 Sales Promotion as Part of Respondents' Definition of Quality for a Telecom network

| Variable                      | Frequency | Percentage (%) |  |
|-------------------------------|-----------|----------------|--|
| Strongly Disagree<br>Disagree | 61<br>72  | 30.5<br>36.0   |  |
| Agree                         | 39        | 19.5           |  |
| Strongly Agree                | 28        | 14.0           |  |
| Total                         | 200       | 100.0          |  |

Evidently, it can be seen that customers in their definition of a telecommunication network's quality do not consider sales promotion as so important. This could be for the fact that if the best of incentives are given to the customer but no reliable network and no effective customer care, they will feel dissatisfied with the service. The quality of a network like beauty lies in the eye of the beholder. It is only the customer who can give best definition for a good or service. The responses of the respondents in table 2: indicates clearly that only 14% against 36% respectively said they strongly agree and disagree with the assertion that sales promotion an important part of their definition of quality.

Figure 2: Respondents' Resistance to Firms without Attractive Incentives



In order to unearth the degree to which customers of telecom firms amongst university students can desire sales promotion and will resist companies that do not give incentives, it was revealed (as shown in figure 2.) that a relatively great number (49%) of the respondents disclose that they strongly disagree with the view that they will never patronize the services of firms that do not roll-out sales promotions. This implies that to them their choice do not rest on sale promotional packages. Only 9.5% of the students strongly agreed never to subscribe to the services of telecom firms that do not roll-out sales promotions. On the whole, what is very clear is that sales promotion in one way or the other is influential in the buying decision of consumers of telecommunication firms.

The researcher therefore concluded by looking at customers most preferred telecommunication network in terms of sales promotion. As shown in figure 3, expresso had the least preference of 7 (3.5%) and on the contrary, Vodafone had the highest preference of 64 responses representing 32%. Airtel and MTN per views of the respondents were second 56 (28%) and third 46 (28%) respectively. Glo that is a late entrant into the Ghanaian telecom industry had more preference responses 11(5.5%) than expresso in terms of sales promotion.

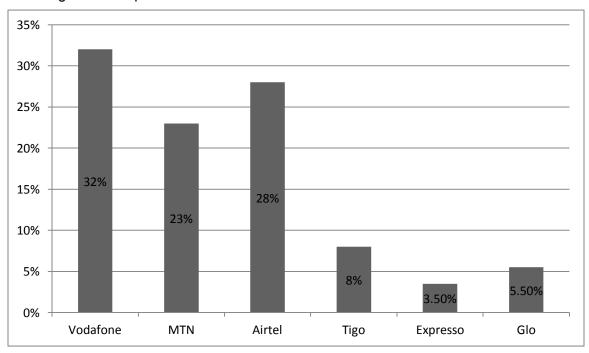


Figure 3: Respondents' Most Preferred Network in Terms of Sales Promotion

It can be deduced from the figure 3 that in relation to sales promotion, most of the respondents (32%) expressed in favor of Vodafone as the most preferred network in terms of sales promotion. What is very interesting about these results is that, MTN is the leading network in

terms of market share it's not the most favored in terms of sales promotion. In this regard, MTN was not even the second favored but rather airtel.

## Sales Promotion and its Ability to Attract and Retain Customers

This section dwelled on sales promotion's ability to attract and retain customers. This section is important for the fact that marketing strategists are of the view that sales promotion is only a short-term strategy used to achieve sales targets. Gilbert and Jackaria (2002) stated that sales promotion consists of a wide variety of short-term tactical promotional tools aimed at generating a desired response from customers. This view of Gilbert and Jackaria rightly supports the respondents' views in table3 as almost all the respondents said they can be influenced by sales promotions to switch from one network to another.

Table 3. Whether Sales Promotional Incentives Can Cause a Network Switch

| Variable | Frequency | Percentage (%) |
|----------|-----------|----------------|
| Yes      | 140       | 70             |
| No       | 60        | 30             |
| Total    | 200       | 100.0          |

Clearly from table 3, it can be deduced that sales promotion greatly has the ability to influence customers to switch from their 'mother' networks to different networks as 70% of the respondents responded yes to indicate that they caused move to different even though the effect may be short-term. Also, only 30% of the respondents said no to indicate that they cannot switch to other network as a result of sales promotion. If sales promotion can cause customers to switch from a network to another as stipulated by Gupta (1988) that 84% of the sales increases due to promotion come from brand switching, while purchase acceleration accounts for less than 14% and stockpiling/consumer loading accounts for less than 2% of sales increases, one will want to know whether it retains the brand switchers into the long-term.

As provided by Brassington and Pettitt (2000) in their revised definition for sales promotions when they defined it as a range of marketing techniques designed within a strategic marketing framework to add extra value to a product or service over and above the "normal" offering in order to achieve specific sales and marketing objectives. This extra value may be a short-term tactical nature or it may be part of a longer-term franchise-building program.' Therefore, figure 4 spells out the response of the respondents below. The responses point out to the fact majority (75.5%) of the respondents view sales promotion as a tool that can retain them in a network into the long-term. This revelation is against several view points of so many scholars in academia and industry but conforms to those who hold that it has long-term positive effect on customers' choice. Sakara and Alhassan (2014) in a study into the effects of sales promotion on polytechnic student's choice of telecommunication network in Ghana posits that sale promotion have the potential to retain customers. Gedenk and Neslin (1999) also argued that "promotion is more than a short-term sales tool". Promotions have long-term effects on purchase event feedback and consequently on future purchasing as well.

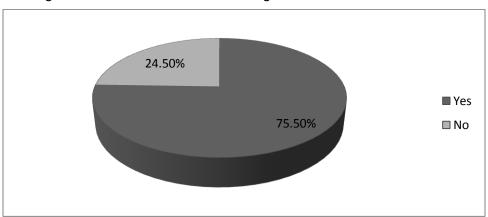


Figure 4: Customer Retention through Networks Sales Promotion

The short and long-term effects of sales promotion have been revealed and this can clearly be seen from the responses represented by figure 4. It can be observed that a few (24.5%) Said they cannot be retain in a telecommunication through sales promotion which emphasises the short –term nature of sales promotion as also proposed by Keller (2008) that sales promotion has several limitations including decreased brand loyalty, and increased brand switching, decreased quality perception and increase price sensitivity. On the contrary Hoyer and McInnis (1997) contradicted these views by saying brand loyalty can also be cultivated through sales promotions and I can confidently say that this research finding confirms that of Hoyer and McInnis but seriously against the views of Keller (2008) and several others. This research opposes the views that sales promotion cannot retain customers.

Considering the seeming importance of sales promotion either in long or short-terms in determining respondents' choice of telecommunication network(s) the study deem it necessary carrying out analysis on how unattractive a telecom firm can be in the eyes of respondents if that telecom company does not roll-out adequate sales promotion for consumers. Figure 5 obviously shows that majority(43%) and (32.5%) of the respondents respectively either agreed or strongly agreed that due to economic benefits of sales promotion to consumers, telecom firms that do not roll-out adequate packages look unattractive to customers.

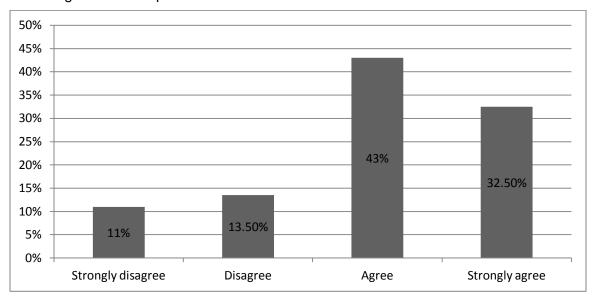


Figure 5: Inadequate Sales Promotional Incentives Make Firms Unattractive

Just a few of the respondents as indicated above (figure 5) disagreed (13.5%) or strongly disagreed (11%) that that telecommunication firms that do not roll-out adequate sales promotional packages appear unattractive.

#### **Benefits Associated with Sales Promotion**

Analyses of field data obtained from the respondents revealed that all the respondents Network service providers had sales promotion and this have positive influence on the respondents 'choice of Network. The results of the field data also indicated that 36% of the respondents agreed that they benefit greatly from Sales promotion. The results are shown in Figure 6.

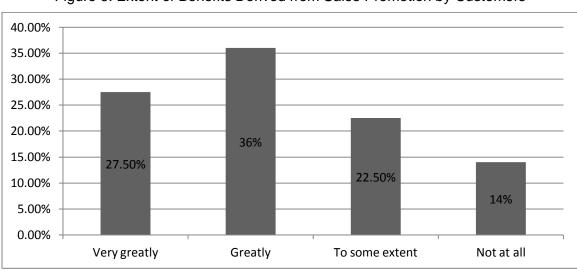


Figure 6: Extent of Benefits Derived from Sales Promotion by Customers

Further analyses of the data indicated that 27.5% of the respondents said they benefit greatly from sales promotion, 22.5% said they benefit from sales promotion to some extent while the remaining 14% they do not benefit from sales promotion at all. From the data presented above, it is clear that consumers benefit from sales promotion in various forms it further influences the network choice of most consumers.

In addition, the study elicited views of respondents on the type of sales promotion they dislike from their service providers. Analyses of the data obtained from the respondents revealed that some sales promotion packages provided by some service providers are dislike by the consumers and the results are presented in the Figure 7. Statistically, 22.5% of the respondents selected for the study agreed that they dislike the idea of strict limitation to same network.

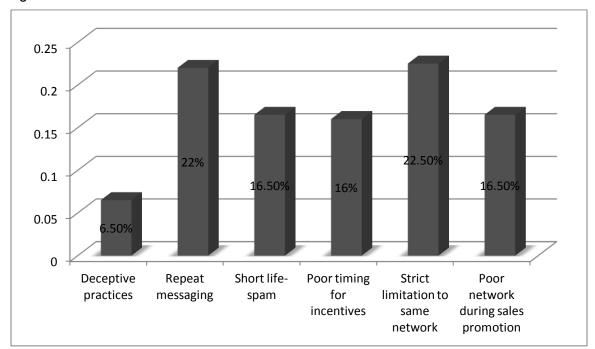


Figure 7: What Customers Detest Most about Telecom Firms' Sales Promotional Activities

Similarly, 22% of the respondents also indicated they do not like the repeat messaging promotion, 16.5% each indicated they do not like short life span and 16% said poor network during sales promotion are among the things they dislike, while the remaining insignificant of the respondents who constituted 6.5% held the view that they dislike deceptive practices market. In effect, it could be deduced that market sales promotion has the tendency of encouraging competition among Mobile Network providers thereby compelling the players in the industry to

provide quality service to customers. This therefore serves as a positive effect on the performance of these service providers resulting in a greater benefit for the consumer.

Furtherance on the benefits of sales promotion to consumer on the Wa campus of UDS, the study again found from respondents how long the sales promotion packages embarked by their particular Network last. Owing to this, it was revealed that sales promotions among the various Networks do last for a reasonable period which encourages customer loyalty and enhances customer benefits of the usage of the Network. As illustrated in Figure 8 below, it could be seen that when asked how long the sales promotion package could last the respondents provided the following responses. 29.5% and 27.5% of the respondents indicated 4-6 months and '7 months-1year' respectively.

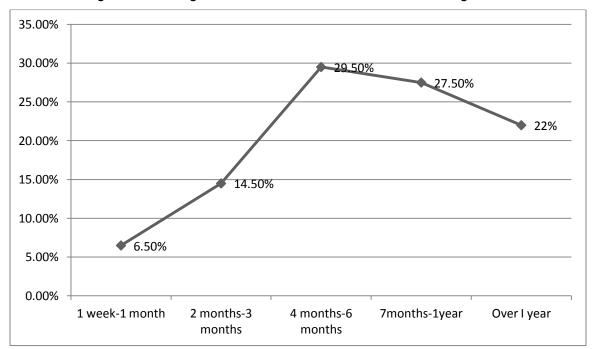


Figure 8: Average Duration Networks' Promotional Packages last

On the other hand, 22% of the respondents indicated the promotion last from only one (1) year whiles an insignificant percentage of respondents indicated the promotion last for one week-one month. The results is, therefore, conclusive that sales promotion last for a reasonable period of time and had positive effect on the consumer choice of Network among the consumer in the University for Development Studies as it encourages various providers to improve their services in order to stay in business. With this, customers become the eventual beneficiaries of these promotion packages as each Network try to roll-out the best mix of promotion packages.

The last aspect of the respondents' opinion was mainly about whether consumers are satisfied with the time duration of the various sales promotion packages among users in the UDS, Wa campus. The essence of this was to achieve the collective objective of ascertaining the benefits of sales promotion among users of mobile phone in the UDS, Wa campus and the results are illustrated in Figure 9.

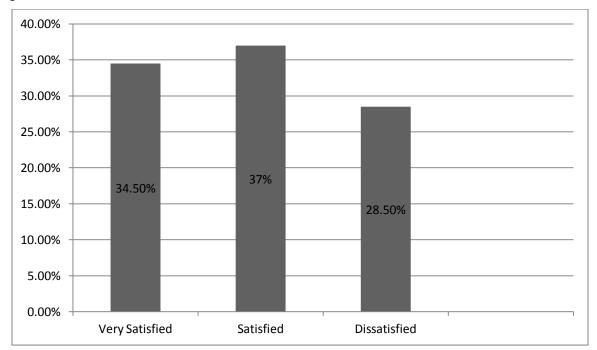


Figure 9: Customers' Level of Satisfaction for Current Duration of Sales Promotional Activities

The results showed that sales promotion leads to an improvement in the usage of Mobile phone services in the UDS campus. For instance, 37% of the respondents agreed that they are satisfied with the time duration of various sales promotion packages provided by the service providers.34.5% of the respondents indicated they are very satisfied with the time duration of the sales promotions.

Conversely, only 28.5% of the respondents indicated 'dissatisfied' to mean that they are not satisfied with the time durations of the sales promotion. The responses is an indication that most users of Mobile phone services in the Wa Campus of UDS are happy with the time duration of the sales promotion that is roll-out by the service providers this possibly leads to customer loyalty and therefore reduce the rate at which the customers switch Network.

#### **SUMMARY OF MAIN FINDINGS**

The results from the study found there are more males than females pursuing tertiary programmes in the University for Development Studies. Men dominated because women are constrains in various ways and are the minority in all academic pursue in the country; especially those in northern Ghana where the study was conducted. Most of the females who strive to get higher education opt for teacher training Colleges with the idea that the teaching profession will give them a lot of time to still maintain their strong family life. The study also found that majority of the students fell within the age range of 18-25 years and least of the fell within 40 years and above.

The results indicate sales promotion had positive influence on the choices that tertiary students make in the telecom industry. The field data indicate sales promotion is a key determinant in their choice of network(s) in the study area even though some disagreed that they will never subscribe to the services of network(s) that do not roll-out consumer promotions.

The study also found that customers in their definition of telecommunication network's quality do not consider sales promotion as so important. This is because if the best of incentives are given to the customer but no reliable network and no effective customer care, they will feel dissatisfied with the service. The quality of a network like beauty lies in the eye of the beholder. It is only the customer who can give best definition for a good or bad service.

The study revealed that customers choice of telecommunication network do not rest on sale promotional packages alone. However, sales promotion in one way or the other is seen as an influential factor in the buying decision of consumers of telecommunication firms in Ghana. The Customers most preferred telecommunication network in terms of sales promotion in the study area was found to be Vodafone. What is very interesting about these results is that, MTN is the leading network in terms of market share it's not the most favored in terms of sales promotion. In this regard, MTN was not even the second favored but rather airtel in terms of sales promotion.

The researchers also deduced that sales promotion greatly has the ability to influence customers to switch from their 'mother' networks to different networks. The respondents view sales promotion as a tool that can retain them in a network into the long-term. This revelation is against several view points of so many scholars in academia and industry but conforms to those who hold that it has long-term positive effect on customers' choice. Gedenk and Neslin (1999) and Sakara and Alhassan (2014) argued that "promotion is more than a short-term sales tool". Promotions have long-term effects on purchase event feedback and consequently on future purchasing as well.

Analyses of field data revealed that all the Network service providers utilise sales promotion and this have positive influence on the respondents 'choice of Network because of the benefits that are associated with sale promotion. Sales promotion encourages competition among Mobile Network providers thereby compelling the players in the industry to provide quality service to customers resulting in a greater benefit for the consumer.

#### **CONCLUSIONS**

Sales promotion is of prime importance for business organizations and the customer. Results of the current study conclude that factors such as age, reliable network and effective customer care play a very important role in strengthening customer retention in the telecommunication network industry. Long-term success and sustainable reputation of an organization depends on customer retention. This study supports the view that sale promotion, customer satisfaction and price should remain prime focus for an organization to maintain market share in today's competitive business environment. The business whose customers are not loyal with them cannot enjoy a respectable position in the market. From the data analysis we can conclude that today's customer have much awareness of whether sale promotion is giving some sort of value to them or not. To retain the customer for longer period telecommunication businesses should focus on how to increase the sale promotional offerings of their customers. A customer who is satisfied with the offerings and services would be the most loyal customer of the product.

A business which gives importance to relationships with customers always enjoys long term customer retention. Image of a particular firm's products in the market also plays significant role in promoting customer retention in the telecommunication industry.

Based on this study, promotional incentive and network quality have the highest rating as determinants of customer retention in telecommunication industry. The analysis indicated that sale promotion has a positive influence on the purchasing behavior of the customers and customers are likely to purchase products of networks which offer promotion. The analysis also indicated that customers were more willing to switch to networks with sale promotion but are more particular about network quality as the main factor that will influence their choice.

This study concludes that if a telecommunication network business wants to enjoy good profits globally in general and in Ghana in particular, it should work hard to increase customer retention through customer satisfaction, strong sale promotional activities, trustworthiness and competitive pricing in the market place. It will help the business to increase customer retention and decrease the customer defection.

#### RECOMMENDATIONS

This research was based in the Wa campus of University for Development Studies. A further research can be extended to other parts of the country to also establish the determinants of customer retention in telecommunication industry in those areas. The study can also be carried out on other determinants of customer retention in other sectors. A further study can also be done on customer satisfaction and service quality by examining aspects of quality service. The researcher can also carry out a research on determinants of brand loyalty in the telecommunication industry. The researcher can also carry out a research on brand loyalty among phone users. The study can also be carried on determinants of customer loyalty and the association between brand awareness and brand loyalty.

Operators in the telecommunications industry of Ghana need to reconsider how they view and employ sales promotion. The use it only for short-term purposes but the study revealed that Sales Promotion can ensure customer retention which is long-term in nature. Marketing managers in that industry can begin exploring all the long-term potentials in sales promotion.

#### REFERENCES

Achumbalheany, I.(2002), Sales Management Concepts, Strategies and Cases, I-Mark Education Research.

Palmer, A. (2004), Introduction to Marketing Theory and Practice; 2nd Edition, United State: Oxford University Press Inc.

Ailawadi, K. And Neslin, S. (1998), The Effect of Promotion on Consumption: Buying more and consuming it faster.

Anderson, P. F. (1982), "Marketing, Strategic Planning and the Theory of the Firm," Journal of Marketing, vol. 46: Spring, pp. 15-26.

Sakara, A. and Alhassan, F. (2014), A study into the effects of sales promotion on polytechnic student's choice of telecommunication network in Ghana, The International Journal of Business & Management (ISSN 2321 - 8916) www.theiibm.com.

BagavathiPillai R. S. N. (2007), Modern Marketing; Revised Edition. New Delhi: S. C hand and company

Blackwell, R.D., Miniard, P.W. and Engel, J.F. (2001) Consumer Behaviour, 9th ed. Fort Worth, TX: Harcourt College Publishers.

Brassington, F. and Pettitt, S. (2000: pp 642-685) Sales Promotion In: Principles of Marketing; 2nd ed. FT Prentice Hall. Harlow.

Chandon P., Wansink, B., & Laurent, G. (2000: pp 65-82), Benefit Congruency Framework of Sales Promotion Effectiveness; Journal of Marketing.

Cravens, W.D. and Nigel F. P. (2006), Strategy Marketing; 8th Ed.

Dama, E. (2010), Effective Marketing Planning.

Gedenk, K., Neslin, S.A. and Ailawadi K.L. (2006) Sales promotion. In: Kraft, M. &Mantrala, M.K., eds. Retailing in the 21st century: current and future trends, Springer,345-359.



Hanssens, P.L. J., & Schultz, R. L. (2001), Market Response Models, 2nd Edition. Boston: Kulwer Academic Publisher.

Haugh, L.J. (1983), "Defining and redefining", Advertising Age, February 14: p. 44.

Jobber, D. (2004) Principles and Practice of Marketing;4th Edition.

Kotler, P. and Armstrong, G. (2002), Principles of Marketing, Ninth edition, Prentice-Hall.

Kotler, P. (2002), Marketing Management; Prentice Hall Publication.

Syeda, N. Z. and Sadia, M. (2011), Impact of Sales Promotion on Organisations' Profitability and Consumer's Perception in Pakistan, Lecturer IBIT, University of the Punjab, Lahore, Pakistan.

Van Waterschoot, and Van den Bulte, C. (1992), The 4P Classification of the Marketing Mix Revisited.