

MIDLANDS STATE UNIVERSITY



**THE EFFECTS OF SALES PROMOTION STRATEGIES ON COMPANY
PERFORMANCE: A CASE OF TELONE ZIMBABWE**

BY

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DEDICATION

This dissertation is dedicated to my Dad and Mum for their love and sacrifice.

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I thank the Almighty God the provider of knowledge and wisdom for seeing me throughout my studies and for enabling me to undertake my research successfully, without His grace I would not have made it. I extend my deep appreciation to my supervisor for the guidance and advice provided during the study that made it possible for me to successfully complete this report. I am greatly indebted to the staff and subscribers of TelOne for their valuable aid and cooperation in the provision of the needed information vital for this research. Special thanks go to my parents Mr. N. Dangaiso and Mr. 's S. Ncube for their parental love, sacrifice, and support may God bless you abundantly. I wish to express my sincere gratitude to all those who made tremendous contributions to this study my brothers, sisters and friends Efficiency, Neverson, Munyaradzi, Mercy, Aleck, Robson, Mr. 'sSherewa, Ms Rosemary Sande, Mr.Mago and Richard, I appreciate your encouragement and moral support. May Almighty Lord bless you abundantly.

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ABSTRACT

The study was to determine the effectiveness of sales promotion strategies on company performance with special reference to TelOne Zimbabwe. The aim of this study was to measure sales promotion strategies effectiveness in terms of profitability (ARPU), sales volume and market share in terms of subscriber growth. The study was guided by the following objectives, to determine the effects of contests and sweepstakes on profitability, to determine the effects of bonuses on subscriber growth and to establish the effects of price-offs on sales volume. Sales promotion was defined, its scope and objectives and effects of the techniques on company performance are presented in this study. The main sources of data used in the research are primary and secondary data. Two research designs were used which are explorative and descriptive research designs. A sample size was calculated using the Lucy model of determining sample size. The sample frame consisted of employees, management and key subscribers. Stratified random sampling was used in drawing samples from the target population. Questionnaires were administered to employees and key subscribers and management interviews were conducted. The results of the research tools indicated that sales promotion strategies were effective with contests and sweepstakes being the most effective and price discounts contributing a minimal of the three strategies employed. The study concluded that sales promotion induced subscribers to consume TelOne products on the market thus increasing consumption rate, profitability and sales volume. Major findings are that TelOne widely used contests and sweepstakes as the main promotion activities to stimulate their profitability, bonuses increased sales volume and lastly price discounts enhanced market share growth. It was also found that there is a very strong positive relationship between sales promotion activities and company performance measured in relation to growth to profitability, sales volume and market share. The study concluded that sales promotion activities induce customers to consume TelOne products on the market thus increasing consumption rate and the sales volume. The researcher recommended that TelOne need to understand the promotion activities and which media to communicate to consumers. It should put a lot of emphasise in planning promotional programs, set promotional goals and strategies. The company need to carryout period evaluation in the course of the sales promotion and control of promotion and make adjustments where possible. Public relations and advertising are further area of study are critical and give the organization a competitive edge in the ever evolving telecommunication sector.

CHAPTER ONE

GENERAL INTRODUCTION

1.0 Introduction

This section explains the background of TelOne Zimbabwe and the sales promotion tool that are being utilised in the telecommunication sector in Zimbabwe. Focus would be on the background of the study, research objectives, research question, significance of the study, assumptions, delimitation of the study and limitations.

1.1 Background of the study

TelOne formerly known as the Zimbabwe Post and Telecommunication Corporation (ZPTC), TelOne is the sole provider of fixed telephone facility operator in the country offering a wide range of products. The company started as Post and Telecommunication Corporation, the name was later disbanded and the company adopted TelOne as a new name. In 2000 the commercialisation of the corporation was introduced under the Postal and Telecommunication Act [12:05] which provided for the unbundling of Post and Telecommunication Corporation. As of July 2013, TelOne had 470 000 fixed lines and close to 500 000 subscribers, these include CDMA ,a mobile fixed line which can be used as a landline or mobile phone and the clients can access the internet via the same device. TelOne is a key player in the information communication technology ICT; the company's network provides the main back-bone network on which other players ride their services. TelOne owns a wide range of telecommunication equipment, varying from various exchange located in strategic areas, optical fibre networks and radio networks systems.

State Enterprises and Parastatals (SEPS) have been recording losses since the introduction of a multi-currency regime in the economy and TelOne is not an exception. The company's problem emanated from a debt inherited from the disbanded Post and Telecommunications Corporation, while an obsolete billing system compounded the situation. According to internal sources, TelOne has been posting operational losses since 2011 this is evidenced by a decline in average revenue per user (ARPU). The company has been affected by liquidity crunch, stiff competition posed by mobile operators, undercapitalisation, high overheads and lack of customer confidence. The above mentioned problems mainly attributed to failure to align cost to profit.

Table 1.1 TelOne Midlands Profitability Trend Analysis

Year	Actual Revenue	Actual Expenditure	Profit (Loss)
2009	3,968,572	5,549,261	(1,580,689)
2010	14,952,215	24,998,178	(10,045,963)
2011	12,567,303	24,450,340	(11,883,310)
Total	31,488,090	54,997,779	(23,509,689)

Source: Company sales journal, TelOne, Gweru branch

The Parastatals introduced a new internet service Asymmetrical Digital Subscriber Line (ADSL) as a turnaround strategy; it is not yielding much revenue as expected. This is because the service is installed where there is a fixed line and yet the number of working lines declined from 28,098 to 21,125 posting a negative variance of 6,973 during period under review. Of the 21,125 line, 48% are active and actually billing and generating revenue.

Since 2012, TelOne has been pumping millions of dollars in sales promotion strategies aimed at revamping the company's cash flows, sales volume and market share. Sales promotion expenditure increased remarkably from 2012 to 2013 the study dwell much on scrutinising the effects that has been brought about by the sales promotional strategies employed by the company in a bid to resuscitate profitable operations.

1.2 Justification of the study

The telecommunication sector is dynamic, highly competitive and fast-paced. The sector is churning out products and solutions at a pace that is faster than any industry has ever done in history. The scramble for the market and the passion to the coverage schema is addictive to players in this industry.

1.3 Statement of the problem

The continued drop in profitability, sales volume shrinkage and loss of market share up to 2011 is the problem faced by TelOne. Faced with this dilemma, TelOne implemented sales promotions strategy in 2012 up to 2013.

The strategy intrigued the researcher to find out the effectiveness of the sales promotional package on company performance. How have the sales promotional strategies, which TelOne Zimbabwe invested in, affected business performance.

1.4 Research Objectives

- To determine the effects of contests and sweepstakes on profitability (average revenue per user (ARPU))
- To determine the effects of bonuses on company market share (subscriber growth)
- To establish the effects of price-discounts on sales volume.

1.5 Research Questions

- Does product price-discount contribute to the increase of the sales volume?
- Does the involvement of more than two promotional strategies improve sales of the company products?
- How effective and efficient are the promotional techniques used by the company to promote the company's services and products?
- Does contests and sweepstake contribute to profitability?
- How effective are bonuses in contributing towards subscriber growth?
- What are the effects of discounts on market share growth?

1.6 Significance of the study

To the researcher

The research enhances the student's research intellectual abilities and getting an insight into the promotional strategies being employed by telecommunication sector players in Zimbabwe. The research compelled the student to read a wide array of telecommunication data and this gives adequate knowledge pertaining to the company under study, TelOne Zimbabwe, and industry as a whole. The research give the student the platform to analyse and gain knowledge on the basis of sales promotion strategy formulation and the rationale underlying the development of a multiple promotional strategies as a penetration strategy, positioning strategy and in enhancing average revenue per user (ARPU).

To the university

The research provides a source of secondary data to other fellow students, other researchers and lecturers at the university. The promotional packages and company performance knowledge pertaining to the Telecommunication industry in the Zimbabwean sector would be accessible from this research.

To TelOne Zimbabwe

The research aids TelOne management to support the promotional activities by embracing and appreciating sales promotion strategies as a tool to gain sustainable competitive advantage. The research findings assist the company in selecting promotional strategies that yield favourable and profitable results, rather than creating only short term sales or temporary brand switching, sales promotion should reinforce the products position and build long term customer relationship.

1.7 Assumptions

- TelOne Management cooperates and gives information which is vital in this research.
- Subscribers co-operate, give false-free and unbiased information pertaining to the organisation (TelOne Zimbabwe).
- All respondents of the research project give the reflections of their opinions, attitudes and feelings towards the company's sales promotion strategies.
- The researcher also assumed that the political, economic, legislative environment remain unchanged during the period of the research.

1.8 Delimitation of the study

- The research is confined by the geographical boundary that is, TelOne Zimbabwe, Gweru Branch.
- The respondents were the management, employees and key subscribers in Gweru.
- The secondary sources to be used are from January 2012 to December 2013
- Company journals and company public financial reports are source of secondary data.
- Literature scope is objective based that is effectiveness of sales promotion strategies (contests and sweepstakes, bonuses and price discounts) on company performance.
- Literature scope in relation to key words: sales promotional strategies in improving market share (subscriber growth), profitability and sales volume.

1.9 Limitations

- The sample representing the population under study may not be a true representation the whole population. The researcher selected samples which truly represent the population.
- Respondents may not be readily available. However the researcher makes prior appointments before visiting.
- The respondents might not be willing to give information due confidentiality clauses stipulated in the company policies leading to inaccurate information provision. The researcher provided an introductory letter from the university and approval letter from the company.

1.10 Definition of terms

Sales promotion-is defined as a key ingredient in marketing campaigns, consist of a collection of incentives tools mostly short term, designed to stimulate quicker or greater purchase of particular products or service by consumers or the trade.

Average revenue per user-is used to measure average revenue attributable to designated services on a per user basis.

1.11 Abbreviations

ARPU	Average Revenue Per User
ADSL	Asymmetrical Digital Subscriber Line
ICT	Information Communication Technology
SEPS	State Enterprises and Parastatals
ZPTC	Zimbabwe Post and Telecommunication Corporation
POTRAZ	Post and Telecommunication Regulatory Authority of Zimbabwe
MOU	Minute of Use
AMA	American Marketing Association

1.12 Chapter summary

The chapter elaborated factors that are vital in conducting a research study by laying a foundation of the confinements of the study. The background information is clear that TelOne is experiencing a decline in performance. Statement of the problem, objectives of the study, significance, delimitations of the study and limitations of the study were clearly explained. The following chapter focuses on the literature pertaining to sales promotion strategies that might be manipulated by an organisation in a bid to enhance performance.

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

Bell and Opie (2002) postulate that literature review requires sifting, selecting and ordering of material, including only important items and rejecting irrelevant or less significant items. This section gives an insight into the impact of sales promotion strategies on company performance. A number of author and scholars in the marketing fraternity are to be used in providing an insight into the concept of consumer-oriented sales promotion. The chapter dwell much on in-depth literature from scholars from a diverse marketing background in shaping out the field of sales promotion strategies. Definition of sales promotion, the nature and scope of sales promotion, objectives of sales promotion, types of sales promotion and other sales promotion techniques are discussed in this chapter. The effects of sales promotion strategies (contests and sweepstakes, bonus and price discounts) employed on company performances are analysed and their implications on respective objects in this study from diverse of scholars in the marketing field.

2.1 Defining sales Promotion

Sales promotion-is defined as a key ingredient in marketing campaigns, consist of a collection of incentives tools mostly short term, designed to stimulate quicker or greater purchase of particular products or service by consumers or the trade, (Kotler and Keller 2011).

Sales promotion is defined as a direct inducement that offers extra value or incentive for the product to the sales force, distributors, or the ultimate consumer with the primary objective of creating “immediate” sales. The definition dwells much on extra inducement beyond basic offer, acceleration tool and target different parties. The American Marketing Association (A.M.A 2010) defines sales promotions as “media and non –media marketing pressures applied for a predetermined time frame to different target audience, thus consumers ,retailers and wholesalers in order to stimulate trial, increase consumer demand and improve product viability, (American Marketing Association (2010).

Crosier and Bureau (1990), cited in Pick and Broderick (2005), sales promotion is a highly elastic term, embracing a host of marketing tactics. The scholars proposed a fundamental

distinction between economic –incentive sales promotions, such as free samples, premium offers, money-of deals and communication initiatives sales promotion such as product literature. Crosier and Bureau definition is hinged on the economic incentive element of sales promotion, but it neglects the communication initiative dimension which is a part of the work involved in merchandising and point of sale. The definition seems to be of the opinion that sales promotion is something undertaken by manufactures and service providers to encourage the trade and consumer s, but it excludes reference to huge amounts of sales promotion conducted by the trade itself.

Oyedepo et al (2012) postulate that sales promotion is an uninterrupted incentive that offers an extra value or incentive for the product to the sales force, distributor, or the final consumer with main objective of creating an immediate sale. Aham (2008) notion on sales promotion is hinged on that, sales promotion was developed as the response by manufactures marketers, and marketing tactics similar to find a short term solution to the problems of surplus stock of goods which can be presented in variables manufacturer’s storerooms but are not needed by customers and business.

Shimp (2000) defines sales promotion as a marketing communications activities used to encourage the trade and or end customers to purchase or take other relevant action by affecting the perceived value of the product being promoted or to otherwise motivate action to be taken. Shimp`s definition proposes a broader perspective to sales promotion, it permits incentivised and non-incentivised sales promotion and the opportunity for sales promotions to be undertaken by anybody.

A slightly different definition by Hackeley (2010) , is of the notion that any novelty that have a brand or name bearing on it is reckoned as a sales promotion. Hackeley (2010) defines sales promotion as a vast range of novelty items that can carry promotional messages or visual representation of the brand. Often these items such as coffee mugs, pens, bags, T-shirts, the element of goodwill is bound up with the brand when they are used by the consumer. Sales promotions also refers to in-store promotions such as two-for-the- price of one,10% off,free gifts, redeemable coupons, competition or money back for returning bottle top and self liquidating premium, (Hackeley ,2010). Convectional marketing wisdom holds that the major strength of sales promotion is that they can persuade people to try the brand. It is also being argued that some brands use perpetual sales promotion.

In essence, the scholar's view of sales promotion differs on the degree to which they define sales promotion and the spectrum of activities under the sales promotion banner. Kotler's notion on sales promotion dwell much on the aspect of incentive tools, short term in nature aimed at stimulating a sale, AMA perspective is hinged on the incentive tools ,time bound and targeted to a specific audience. Hackeley (2010) is of a different opinion as the author regards any novelty as sales promotion. The scholars are diverging on specifications of a sales promotion, as Hackeley regards novelty as sales promotion, the scholar, Hackeley, does not take into account the aspect of incentive, time frame and audience targeted by the promotion. The perspective of Hackeley is a generic meaning that can be attached to sales promotion whilst Kotler, Shimp and AMA definitions give a clear spectrum, elements and parameters demarcating sales promotion.

The key elements that a number of scholars agree upon with regard to sales promotion are ,involvement of an inducement to provide an incentive to buy, incentive is a corner stone in a promotional program, attempts to add value to the product or service by appealing to value and saving of money on the same quantity of a product or same service package, and sales promotion act as an acceleration device intended to drive up sales volume within a predetermined time frame, targeted at a diverse audience with different types and of incentives.

2.1.1 The scope of sales promotion

Brito & Hammond (2007), postulate that sales promotions have been labeled almost exclusively as short-term and tactical instruments. After presenting the main arguments sustaining that categorization, the scholars further states that several sales promotion characteristics evoking their complexity, such as sales promotion communicational traits, diversity of sales promotion tools, marketing affiliation, and the sale's promotion consumer behavior impact dimension. Firms seek to change the behaviour of consumers and trade customers in ways that increase sales and profits over time, though a promotion's short-term effect on profits will often be negative. There are multiple routes to sales and profit growth and many potential reasons for offering price promotions. Such programs might be aimed at affecting the behaviour of end users (consumers), trade customers (distributors or retailers), competitors, or even a firm's own salespeople. Although the goal of a promotion is often to increase sales, these programs can also affect costs.

Brito & Hammond (2007), further states that the exclusive labeling of sales promotion as short term techniques, though useful, start to appear rather restricted in their scope. The strategy versus tactical goals potentially associated with sales promotion tools is rooted not only in the marketing concept, but also in the Integrated Marketing Communication framework.

2.1.2 Objectives of sales promotion

According to Kotler and Armstrong (2006), sales promotion objectives vary widely. Sellers may use consumer promotions to increase short term sales or to help build long term market share. Objectives of trade sales promotion include getting retailers to carry new items and more inventory, getting them to advertise the product and give it more shelf space and getting them to buy ahead. Sales promotion for the sales force, Kotler states that the objectives include getting more sales forces support for current or new product or getting sales people to sign up new accounts. Sales promotions are usually used together with advertising, personal selling in an integrated marketing communication framework. Consumer sales promotions are usually advertised and can add excitement and adding power to advertising. Trade and sales force promotions support the personal selling process.

Mullin (2010) postulates that sales promotional strategies encompass of increasing volume, inducing trial, increasing repeat purchase, increasing loyalty, widening usage, creating interest, creating awareness, deflecting attention from price, giving intermediary support, discriminating among users, restoring brand perception on service failure. According to Koekemoer (2004), sales promotion goals are many, the following are some of the highlighted objectives that might be target by the firm; encourage sales people to intensify their efforts to sell a “slow –moving product in the range ,task sales people to sell more of a certain manufactured goods to existing customers ,encourage sales people to pinpoint and meet the requirements more prospects ,encourage sales people to set up more in store displays ,encourage sales people to train more distributor sales people ,encourage wholesalers to carry a specific product line ,persuade distributors to promote (push) a particular brand in their promotional activities ,persuade retailers to give a particular brand shelf space, encourage retailers to support a sales promotion campaign by carrying more inventory of a particular product and encourage retailers to sell old stock before the brand is re-launched.

The scholars converge on the aspect of the main objectives of the sales promotion. In general, rather than creating only short term sales or temporary brand switching ,sales promotions should aid in reinforcing the products position and build long term customer relationships. Increasingly marketers must avoid the ‘quick fit mentality’ but should be creative enough to foster promotions that enhance brand equity. In short, this is the analysis that the scholars are converging upon.

2.2 The growth of sales promotion

According to Pickton and Broderick (2005) the advertising to sales promotion ratio suggests that more money is spent on sales promotion activities than on all forms of advertising. Sales promotions have grown over the years to eclipse the money spent on advertising. This has happened for a very powerful reason—sales promotions are working with the habitual mind and advertising is often working against it. A consumer-directed sales promotion is designed to get an immediate reaction from the customer. Through trial and error, companies learn how to craft these promotions to trigger a response.

A number of reasons can be attributed to the significant growth attached to sales promotion activities. According to Smith (1993), price consciousness and the customer search for value for money offers propel the growth of the technique; spiralling advertising costs combined with the constant search for cost effectiveness force marketing managers look for more cost effective below the line tools such as sales promotion. Pickton and Broderick (2005) postulated that market fragmentation is the reason for the growth of sales promotion. The fragmentation of markets has reduced the effectiveness of the traditional mass media in reaching specifically defined audiences.

The author further state that increased brand parity and price sensitivity is another key element that has propelled the growth in sales promotion. There are fewer distinctions between brands so it is less rationale to favour one over the other. Customers have become price aware and price sensitive so that promotion featuring economic incentive has a greater role to play. Sales promotion has proliferated in consumer markets, customers have come to expect sales promotional offers and activities as part of the marketing communication effort and have become increasingly responsive to these activities hence making sales promotion an effective range of marketing communication, Pickton and Broderick (2005).

Reduced brand loyalty amongst consumers in the market has propelled the growth in sales promotion. Customers display brand switching behaviour and are not typically loyal to a single brand the reason being the similarity amongst brands. Sales promotion is an effective tool in encouraging switching behaviour from competitor's brands and discouraging switching to competing brands, Pickton and Broderick (2005).

2.3 Effect of Sales Promotion on Organizational Performance

According to Blattberg and Neslin (1989) cited in Brito & Hammond (2007) ,postulate that the nature and duration of the effects of sales promotion is still a topic of contention among marketing practitioners. The incremental, and usually temporary, effect of sales promotion on sales seems to be widely accepted, while the profitability of sales promotion is a more contentious issue, Wilkinson et al.,1982; Blattberg and Neslin, 1989; Fraser and Hite, 1989; Ehrenberg et al., 1994; Greenleaf, 1995 cited in Brito & Hammond. It has also been found that in the post-promotion phase an intense switching behavior (Zeelenberg and Putten, 2005) may occur, to a certain extent canceling out the extra sales obtained before. There is also evidence that increased promotional activity weakens brand loyalty, detracts brand quality image, and generates a short-term management orientation.

In the longer run, it is suggested that the main effect attributable to sale promotion, particularly to temporary price promotions, is in the increase in consumers' price sensitivity found that temporary price promotions affected both loyal and non-loyal consumers. It can be argued that consumers exposed to price promotions 'learn' to focus on price instead of on brand intrinsic characteristics. Therefore, sales promotion lower consumers' price so increasing their price sensitivity.

According to Odunlami and Ogunsiji (2011) postulated that in spite of the numerals sales promotion techniques available to many organizations, it is important to note that many organizations have not yet appreciated how to effectively and efficiently utilize these sales promotion techniques in attempting to enhance their organization performancethe effect that sales promotions have on theorganizational performance. A number of benefits are accrued from sales promotion if well implemented by the organisation.

Sales promotion encourages the purchase of a large quantity of a product or encourages consumers to consume more of a service offered by the service provider. Sales promotion consists of diverse collection of incentive tools, mostly short term designed to stimulate quicker or greater purchase of products or service by consumer. The use of premiums, product warranties stimulate consumer purchase in larger quantities (Rotimosho2003). Thus

contributes to the sales revenue generated by the organisation due to increased demand of the firm's product by customers.

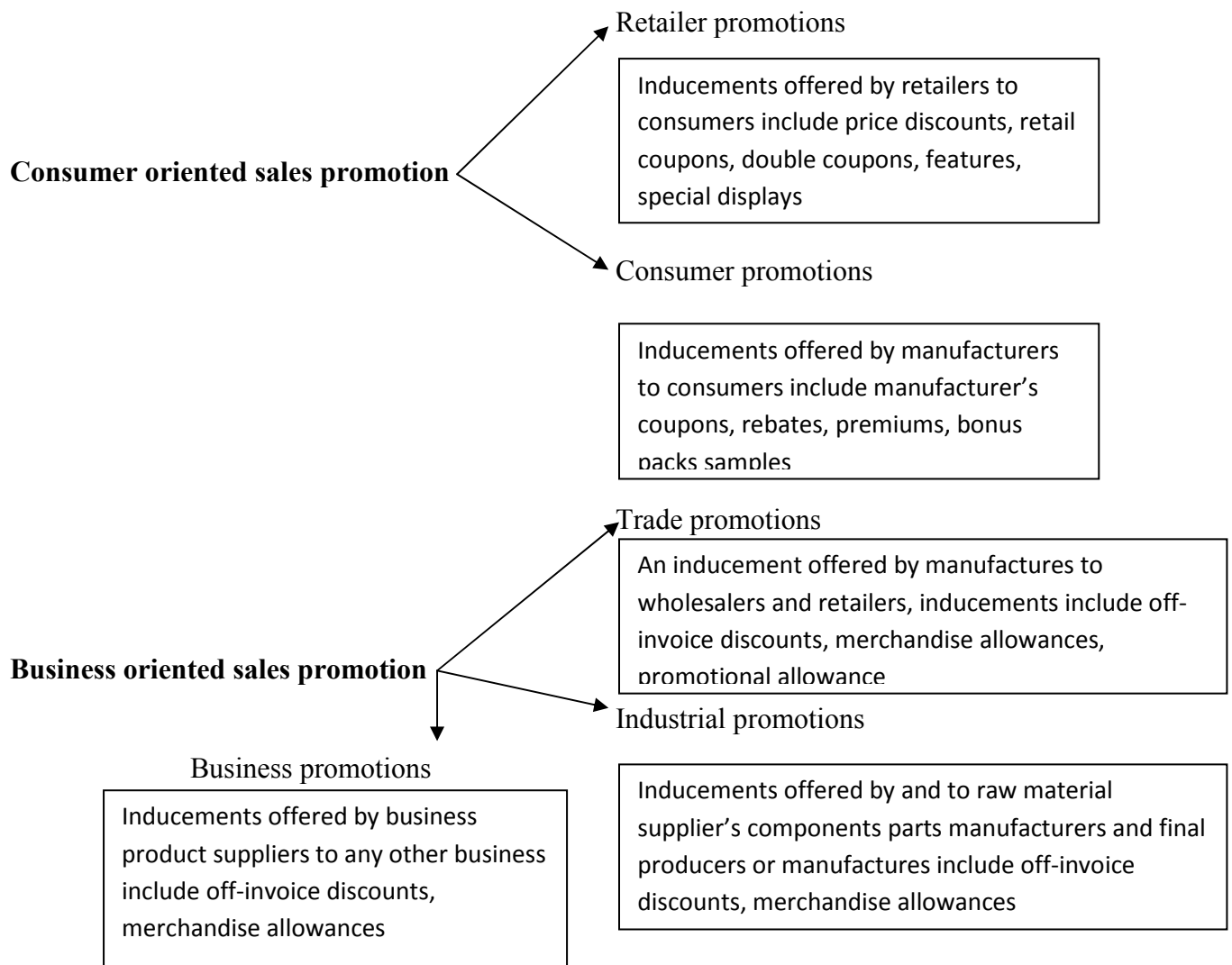
Sales promotion initiates trial of a product or service being offered by the organisation among non users through invitation of prospective purchasers to try the product without cost or little cost with the hope that they will buy the product. This implies that the number of clients who demand the firm's product increases significantly hence the organisation benefit from the increase in clientele base.

In essence, the scholar explained the benefits accrued from sales promotion from a different perspective. Odunlami and Ogunsiji (2011) the benefits of sales promotion by the author take a generic stances, it lack the critique part which is comprehensively elaborated by other authors namely Blattberg and Neslin (1989) cited in Brito & Hammond (2007). The authors converge on the aspect of short nature of the sales promotion and they diverge on the long term implications that the strategy might have on the customer's perceptions.

2.4 Types of sales promotion

There are two main types that anchor sales promotion which are consumer oriented promotion, pull strategy and business oriented promotion, push strategy.

Fig 2.1 Source: adopted from Trellis (1998)



2.4.1 Consumer-oriented sales promotion

The promotion is targeted on to the final user of the product or the consumer of a service. Due to the nature of services, inseparability, the end user has to be in direct contact with the service provider to benefit from the sales promotion. The main objectives of sales promotion is to, trial and or repurchase, increase consumption enhancing advertising and other marketing efforts. According to Pickton and Broderick (2005) consumer sales promotion (along with other consumer targeted marketing communication) are pull promotional activities designed to encourage demand by end users or customers that will pull products through the distribution chain. The scholar agree on the view that customer focused sales promotion activities are directed targeted at the end users, in a bid to induce demand for the product or service.

2.4.2 Trade oriented sales promotion

The promotion is targeted to channel distributor's members. The main objectives being to maintain trade support for established or new brands encourage retailers or wholesalers display and promote brand, brand retailers or wholesaler inventories. Trade promotions are promotions presented by manufacturers to sellers or other trade bodies (Blattberg and Neslin, 1990). Pickton and Broderick (2005) states that when using intermediaries , trade sales promotion aid in "pushing" products through the distribution chain by encouraging channel members to stock and sell to end users. The manufacturers in most instances direct trade its promotion to the retailers.

2.5 Sales promotional techniques

According to Koekemoer (2004), the following sales promotion techniques can be implemented: premiums, sales contests and sweepstakes, coupons, free samples ,on pack immediate price reduction ,money- off voucher –immediate price reduction ,money- off -voucher for next purchase, money off -voucher for other products ,computer – generated immediate price reduction ,computer –generated vouchers (current purchase' and future purchases),Trading allowances and Cooperative advertising.

Table 2.1 Sales Promotion Techniques

Monetary incentive (direct)	Goods	Services
Price reduction	Free goods	Group participants
Cash refunds	Samples	Guarantees
Loyalty schemes	Premiums	Free services
Bonus	Free gifts	Training
Commission		Demonstration
Monetary incentive (indirect)	Goods	Services
Coupons vouchers	Vouchers	Cooperatives advertising
Contests	Coupons	Vouchers for services

Source: Kobate (2000)

2.5.1 Contests and Sweepstakes

Contests and sweepstakes are two forms of sales promotions which attract consumers by offering them the chance to win valuable prizes. Kumar, (2002), postulate that a great deal of confusion existed pertaining to the meaning attached to the terms contests and sweepstakes. Belch, (2004) and Straydom, Santos and Winer (1999), states that a contest requires the entrant, in order to be deemed a winner, to perform a task for example, draw a picture, write a poem that is then judged.

Koekoemoer, (2004), posits his own perspective of contests and sweepstakes. Contests normally require the participant to perform some type of activity and the winner is selected based on who performs the best or provides the most correct answers. Sweepstakes entice consumers to submit free entries into drawings of chance (not skill) that are tied to the product or service wherein the featured prizes are given away by sponsoring companies. Sweepstakes and contests both allow marketers to interact with and gain a better understanding of their target audience and leave customers with a positive image of the company and its products.

According to Grewal and levy (2010), a contest refers to a brand –sponsored competition that requires some form of skill of effort. A sweepstake is a form of sales promotion that offers prizes based on a chance drawing of entrant`s names, sweepstakes do not require the

entrant's to complete a task or a form. The key benefit of sweepstakes is that they encourage current consumers to consume more if the sweepstake is placed inside a product.

The scholars in their diverse views with regards to contests and sweepstakes have a common area of agreement which is hinged on that a contest requires a judging process and a sweepstake is not confined to subjective judgement. The researcher's main intention is to analyse the effects of contests and sweepstakes on organisational performance in terms of profitability thus average revenue per user and sales volumes increase in the telecommunication sector.

2.5.2 Effectiveness of Contests and Sweepstakes

Blattberg and Nelson, (1990) postulate that contests and sweepstakes enhance sales through brand switching. They also argue that by offering a contest and sweepstake, promotions intensify the consumer's overall attitude towards buying the brand on sale. The degree to which this occurs depends on the size of the prize which influences the consumer's belief that the brand on sale is generally attractive. Sales promotion techniques such as contests and sweepstakes attempt to create a transaction by initiating excitement pertaining to the brand of the company. Further, he postulates that the techniques are designed to lure new customers to the organisation. The scholar states that purchasing patterns change slightly as a result of the technique.

The scholars differ in their perspective regarding the magnitude of the techniques (contests and sweepstakes). Blattberg and Nelson, (1990) is of the opinion that contributions of the techniques towards sales increase are vital, assessing the profitability of promotional efforts remains key but there is a need to make an analysis of the sales patterns and buying patterns for the brand after the deal has been retracted.

A larger percentage of conducted contests and sweepstakes draw and attract new customers to the organisation. Blattberg, (1990), states the increase is short-lived as brand switchers may remain loyal just for the mere fact of benefiting from the deal and will move to the next deal that is offered in the market, this leads to a drop in the sales previously acquired by the sales promotion technique. Tellis (1998) shares the same notion that sales may also increase as a result of existing customers purchasing more products (stockpiling) or accelerating purchases.

Generally contests and sweepstake enhance a number of elements that are beneficial to the organisation. Contests and sweepstakes create a buzz about a product or service. The rise of social media, word of mouth marketing aid in enhancing a product, events such as contests and sweepstakes encourage people to talk about the company's service or product portfolio, this extend advertising reach for the organisation.

The above analysis is a clear evident that contests and sweepstake promotional strategies increases profitability and enhance clientele base, in the short run. The same concept can be applicable to the telecommunication sector in Zimbabwe where profitability and subscriber growth can be set off by contests and sweepstakes promotional strategies.

2.6 Price offs (discounts)

With the freebies and discount culture spreading widely in the Zimbabwean telecommunication context, brands should take into consideration the possible implications before embarking on a discount strategy either for the long or short term. Price discounting not only affects the profitability of brands but also the equity of the concerned brand. For example, the kind of impression that would be conveyed to consumers when two major brands of detergents cut their prices by significant levels is an important implication from the viewpoint of marketing, Kumar (2009).

Chen, Monre and Kou (1998) and Koekemoer, (2004) postulate that a price reduction or price off is a reduction in the brand's normal regular price. The others share the same notion that a price discount is a short term reduction of the listed price of a service or product when buyers are equally eligible for the price reduction. Straydom, *et al*, (1999), and Koekemoer, (2004) have the same perspective on the benefits accrued by both parties thus the marketer and the consumer. The marketer establishes a repeat purchase pattern after an initial trial. Stoner, Freeman and Gilbert differ in their perspective of sales promotion price-offs, the authors are of the opinion the effectiveness of a national price reduction strategies require the support of all intermediaries.

2.6.1 Effects of Price Offs on sales volumes

Service products require a systematic scheme of setting the price off in order to avert from possible negative consequences in the long run, for example brand switching. Shi, Cheung, and Prendergast (2005) postulate that price discounts have a short term effect on sales

promotion which can be elaborated by a “sale bump”, both brand-loyal and non-loyal buyers responds to a discount promotion.

The effects of a price off on sales promotion are explained further by an analysis of baseline sales, incremental sales, and sales promotional lift. Estimates of baseline sales establish a benchmark for evaluating the incremental sales generated by specific marketing activities. This baseline also helps isolate incremental sales from the effects of other influences, such as seasonality or competitive promotions. The following equations can be applied for defined periods of time and for the specific element of the marketing mix that is used to generate incremental sales.

The justification of marketing spending almost always involves estimating the incremental effects of the program under evaluation. However, because some marketing costs are often assumed to be fixed (for example, marketing staff and sales force salaries), one rarely sees incremental sales attributed to these elements of the mix.

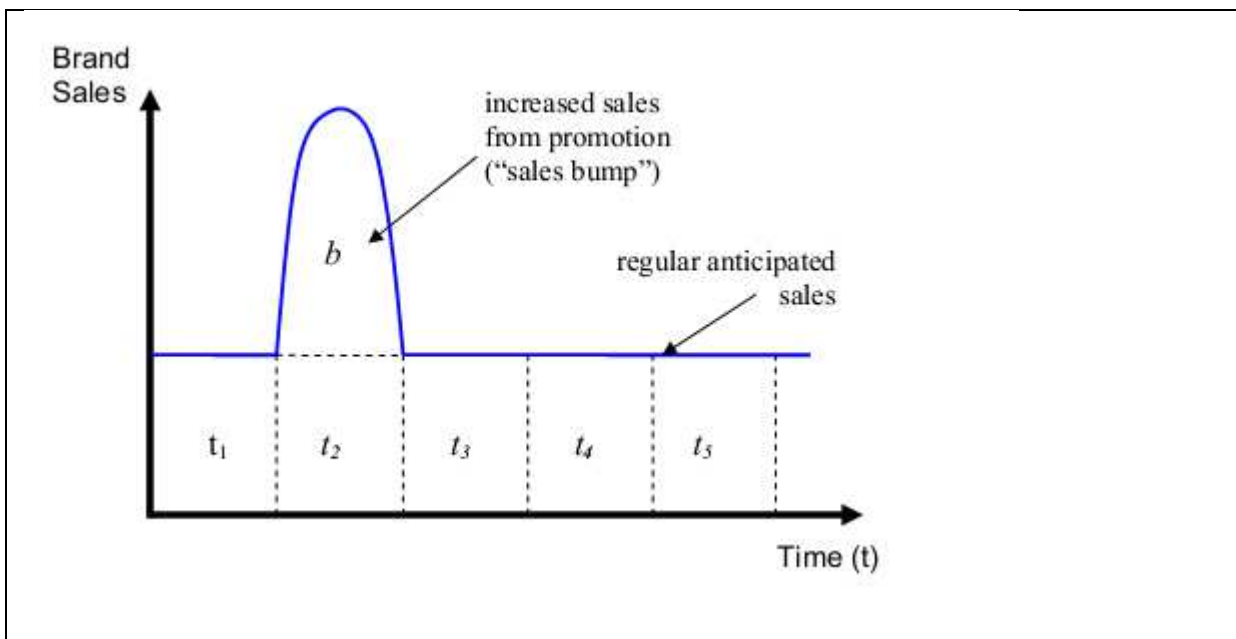


Fig 2.2: The “Sales Bump” from Promoted Brands (adapted from Tellis 1998)

The sales promotion curve propounded by Tellis (1998) for a consumer oriented promotion shows that for the promotion to be profitable ,the increase in profit attributed to the promotion must exceed the profit that would have occurred had the promotional offers not been made. The sales at (t_2) represents the bump caused by the promotion. The area above the regular sales line (b) represents the additional sales from the promotion, t_1 represents thetime of trading of regular anticipated sales.

The most powerful framework for evaluating temporary price promotions is to partition sales into two categories: baseline and incremental. Baseline sales are those that a firm would have expected to achieve if no promotion had been run. Incremental sales represent the “lift” in sales resulting from a price promotion (*b*). By separating baseline sales from incremental lift, managers can evaluate whether the sales increase generated by a temporary price reduction compensates for the concomitant decrease in prices and margins. Similar techniques are used in determining the profitability of coupons and rebates.

2.6.2 Effects of price discounts on Market Share

Massy and Frank (1965) cited in Hoek and Roelants (1991) investigated the short term effects of temporary price discounts and found that both brand-loyal and non-loyal buyers responded to a discount promotion. Hinkle (1965) argued that a brand's age may influence the extent to which a price discount can increase its share. He postulated that price discounts were most effective with new brands, which tended to achieve higher gains with smaller price reductions than more established brands. Dodson, Tybout and Sternthal (1978) cited in Hoek and Roelants (1991) corroborated Hinkle's findings and concluded that price discounting increased the market share of the promoted product, at least in the short term. Furthermore, they suggested that a high discount led to a greater increase in market share than a low discount.

Although the short-term effect of a price promotion is almost invariably measured by its increase in sales, over longer periods management becomes concerned about the percentage of sales on deal and the percentage of time during which a product is on deal. In some industries, list price has become such a fiction that it is used only as a benchmark for discussing discounts.

2.7 Bonus Packs

Bonus packs are simply packages containing an extra amount of the product but sold at the price of a regular sized package. Bonus packs offer the consumer an extra amount of a product at the regular price by providing larger containers or extra units. Bonus packs result in a lower cost per unit for the consumer and provide extra value as well as more products for the money. There are several advantages to bonus pack promotions. First, they give marketers a direct way to provide extra value without having to get involved with complicated coupons

or refund offers. The additional value of a bonus pack is generally obvious to the consumer and can have a strong impact on the purchase decision at the time of purchase.

2.7.1 Effects of bonus packs on market share

Bonus packs can also be an effective defensive maneuver against a competitor's promotion or introduction of a new brand. By loading current users with large amounts of its product, a marketer can often remove these consumers from the market and make them less susceptible to a competitor's promotional efforts. Bonus packs may result in larger purchase orders and favorable display space in the store if relationships with retailers are good. They do, however, usually require additional shelf space without providing any extra profit margins for the retailer, so the marketer can encounter problems with bonus packs if trade relationships are not good. Another problem is that bonus packs may appeal primarily to current users who probably would have purchased the brand anyway or to promotion-sensitive consumers who may not become loyal to the brand, Guerreiro et al (2004).

According to Belch et al (2004), bonus packs are most typically associated with transaction building, but may serve brand building purposes as well. For both strategies, bonus packs have their pros and cons. For transaction building, consumers new to the brand may appreciate the extra value a bonus pack provides. However, for some product categories, consumers unfamiliar with a brand may hesitate from purchasing a bonus pack because the extra quantity represents a slightly larger purchase commitment to an untried brand.

For brand building, consumers loyal to a particular brand may view the bonus pack like a small premium – a thank you for being good customers. However, the effects of bonus packs on the value of a brand among brand loyal consumers are not known. Promotion managers could logically assume that bonus packs may slow sales among brand loyal consumers.

2.8 Other Consumer Sales Promotions Techniques

2.8.1 Refunds and Rebates

Mercer, (1998) and Belch, (2004), states that a refund or rebate promotion is an offer by a marketer to return a certain amount of money when the product is purchased alone or in combination with other products.

2.8.2 Coupons

According to Kotler and Armstrong (2006) a coupon is a certificate that gives buyers a saving when they purchase specified products. Koekoemoer (2004) and Zikmond, (1996), states that a coupon is promotional devices that provide a cash savings to customers when redeemed by the costumers. Coupons produced by manufacturers for use by consumers are called manufacturers' coupons and they remain very much a part of the consumer promotion landscape. The authors agree, coupons grant specified savings on selected products when presented for redemption at the point of purchase. A number of critics are present for coupons effectiveness, Belch and Belch (2004) argues that coupons are not only wastefully but may actually increase the price of the consumer product. Belch further argues that charges are difficulty to deny or confirm, Koekoemoer, (2004) have a different perspective, he argue that, despite the real high cost of coupons, their extensive use suggests that they are effective.

2.8.3 Premiums

Premiums are goods offered either free or at low cost as an incentive to buy a product ranging from toys included in children products to phone cards and CDs. Zikmond, (1996), defined a premium as a tangible compensation, an incentive, given for rendering a particular deed, usually buying a product. The premium may be free, or, if not, the cost is well below the usual price. Getting a bonus amount of the product is a premium, as is receiving the prize in a cereal box, a free glass with a purchase of detergent, or a free atlas with a purchase of insurance. Belch, *et al.*, (2004), has his own view of premiums which is similar to that of Zikmond, (1996). He states that another form of sales promotion involving free merchandise is premium or "give-away" items. He further propounds that premiums differ from samples and free product in that these often do not consist of the actual product, though there is often some connection. For example, a cell phone manufacturer may offer access to free downloadable ringtones for those purchasing a cell phone.

2.9 Review of Empirical Studies on Sales Promotions

Previous research has suggested that sales promotion can be seen as detrimental to a brand's consumer franchise/equity as, in the long term, sales promotion deteriorates brand value. While there has been extensive research on sales promotions (Blattberg and Neslin, 1989), states that the nature and duration of the effects of sales promotion is still a topic of

contention among marketing practitioners. Empirical studies on consumer-oriented sales promotion, in essence utilised a diverse array of approaches based on consumer perception towards sales promotions adopted by companies in the telecommunication sector. The studies carried out were hinged on consumer perception of the organisation after the sales promotion and few have focused on business performance after the promotion.

2.10 Chapter Summary

This chapter explained literature with regards to sales promotion from a number of scholars in the marketing field, marketing gurus' scripts were used in moulding a research on the area of sales promotion. The author's differing perspectives aided the researcher to have diverse views on definition of sales promotion, scope of sales promotion, objectives of sales promotion, the rationale behind the growth of sales promotion and types of sales promotion techniques that can be employed by an organisation. The researcher managed to identify and analyse the knowledge gaps amongst the various author's perspective. The next chapter focal point hinges on how the research was conducted, data collection and administering procedures.

CHAPTER 3

RESEARCH METHODOLOGY

3.0 Introduction

This chapter mainly focuses on different types of method and techniques that were used to gather information and data from the respondents. The researcher used different research methods as stipulated by different aspects of the topic in question. Furthermore, this chapter gives detailed information on research design used in carrying out the study, justification for the use of specific research instruments, data collection procedures, sampling methods, sampling procedures and sample size are highlighted in this chapter.

3.1 Research design

Burns and Bush (2010), is a set of advance decisions that make up the master plan specifying the methods and procedures for collecting and analysing the needed information. Research design is a blue print, a frame-work for conducting a study, control over factors that may interfere with the validity of the findings. It is a plan that describes how, when, and where data are to be collected and analysed. The blue print is for collection, measurement and analysis of data. Research design comprises of three types of research design namely the exploratory, descriptive and casual. After an in-depth examination regarding the suitability of the above mentioned research design, the researcher resolved to explorative and descriptive were the most appropriate.

3.1.1 Explorative research design

Burns and Bush (2010) propounded that exploratory research design as mostly unstructured, informal research that is undertaken to gain background information about the general nature of the research problem. The design is to be employed so as to investigate and discover the real state of the market. Exploratory research is undertaken when a new area is being invested or little is known about the area of interest. It is used to investigate the full nature of the phenomenon and other factors related to it. Data can be gathered from a diverse sources ranging from company's marketing database or reviewing magazines, journals and newspaper articles on the subject. Then the researcher might approach experts inside and outside the company to discuss the problem in greater depth. The explorative research design is complemented with the use of secondary data.

3.1.2 Descriptive Research

Descriptive research design according to Shiu, Hair, Bush and Ortinau (2009) aims to identify meaningful relationships, determine whether true difference exist, or verify the validity of relationships between the marketing phenomena. It can be used to identify and classify the elements or characteristics of the subject. This type of research often follow explorative research because the researcher has to appreciate the problem at hand to be able to conduct research that will describe it in greater and clearer details. In this case the research design uttered had to draw a sample of management, employees and key subscribers with the primary motive being to gain an insight into the effects of sales promotion strategies in the telecommunication sector in Zimbabwe. The rationale behind the use of descriptive design in this study is that it makes generalised, inductive and probabilistic interferences about the defined target population as a whole.

The research design was utilised as it assisted the researcher to get the most up to date and comprehensive data in order to get a vivid picture of the impact of sales promotional techniques on company performance.

3.2 Target population

According to Shiu et al (2009), postulate that target population is a set of elements identified for investigation based on the evaluation of research objectives, feasibility and cost-effectiveness. In essence, a target population is a specified group of people or objects for which questions can be asked or observations made to obtain required data structures and information.

Malhotra and Dash (2010) defined target population as the collection of elements or objects that possess the information sought by the researcher and about which inferences are to be made. In the study, the target population was 160 consisting of employees, management and key clients (subscribers) from Gweru market.

3.3 Sampling methods and techniques

3.3.1 Sample frame

According to Shiu et al (2009) a sample frame is a list of all eligible sampling units. Sampling frame is the set of sources material from which the sample is selected. Burns and Bush and Burns (2010), postulates that it is a master list of the entire population. Therefore

the sample frame comprise of TelOne Management, employee's and key customer (subscribers).

3.3.2 Sample procedure

Shiu et al (2009) postulate that probability is a technique of drawing a sample in which each sampling unit has a known probability of being included in the sample used. Non probability sampling is a sampling process where the probability of selecting each sampling unit is unknown. There are two sampling methods which are probability and non-probability sampling. Probability sampling is a sampling procedure in which each element of the population has a fixed probabilistic chance of being selected for the sample. The researcher made use of sampling techniques that fall under probability sampling, that is, stratified sampling.

3.3.2.1 Stratified sampling

The researcher used stratified random sampling because the target population under study contains well defined strata; this implies that the nature of the target population allows for strata formulation based on homogeneity, mutually exclusive and exhaustive. Malhotra (2010) defined stratified sampling as a probability sampling technique that uses a two step process to partition the population into subpopulations or strata. Elements are selected from each stratum by a random procedure. The strata should be mutually exclusive and collectively exhaustive in that every population element should be assigned to one and only one stratum and no population elements should be omitted. In this research the heterogeneous strata comprises of management, employees and key account subscribers who form the target respondents. Simple random sampling was conducted in each stratum in gathering an array of data. This technique gives each element within each stratum, an equal probability of being selected.

3.3.3 Sample size

According to Shiu et al (2009) it is the determined total number of sampling units needed to be representative of the defined target population; that is the number of elements (people or objects) that have to be included in a drawn sample to ensure appropriate representation of the defined target population.

3.3.3.1 Determining sample size

According Lucy (2006) 10 % of the target population is sampled when the population is above 200 and 40 % of the population is sampled when the population is below 200. In this

research the researcher's targeted population is 160 respondents, therefore the sample size is be (thus 40% of 160). In this research the sample size which the researcher used is 64 respondents.

Table 3.1: **Sample size**

Elements	Sample size
Marketing department	4
Operation department	2
Finance department	2
Front office personnel	5
Back office personnel	5
Key account clients	46
Total	64

3.4 Data sources

Primary and Secondary sources were employed in coming up with the data needed for the achievement of objectives of the research.

3.4.1 Secondary data

Shiu et al (2009) defines secondary data as historical data structures of variables previously collected and assembled for some research problem or opportunity situation other than the current situation. Secondary data is a viable alternative source of information which provides comparative and contextual information that can result in other discoveries.

The secondary sources consulted include:

3.4.1.1 Internal sources

Complain records, sales revenue journal, financial statements, subscriber data base information and key subscriber statistics record from the period of interest (2012-2013).

Internet (the company's website) up to date information is easily accessible and the website is constantly updated.

3.4.1.2 External Sources

Published Sources are those prepared for public distribution and are normally found in libraries or provided by variety of other entities such as trade associations, regulatory bodies,

professional organisations or companies. POTRAZ (Post and Telecommunication Regulatory Agency of Zimbabwe) provide the statistics pertaining to the ARPU and other related statistics in relation to profitability of the telecommunication sector in Zimbabwe.

Syndicated Services data are provided by firms that collect data in a standard format and make them available to subscribing firms. IH Securities (a Zimbabwean brokerage and research advisory firm) which has compiled a report studying the state of the country's telecommunication sector.

External Databases are databases supplied by organisations outside the firm.

Secondary data consolidated primary data obtained from personal interviews. This generally combines theory and practice to come up with a well balanced research on the sales promotion strategies in the telecommunication fraternity in Zimbabwe.

Secondary data can be obtained quickly, conveniently and a relative lower cost as compared to primary data collection. Secondary data acts as a benchmark and guide of the research in question. Familiarity with secondary data aids the researcher to discern deficiencies and gaps and enhances first-rate comparison with primary data.

3.4.2 Primary data

Primary data is original data gathered from the field of interest of the research, gathered to satisfy the purpose of the research objectives and question. Questionnaires and interviews were administered to solicit information from management, employees and key contract subscribers. Data obtained would be first hand obtained from the period of the sales promotion.

Primary data reflect the contemporary environmental factors and time frame. This entails that primary data does not only dwell on historical happenings but is actually search for the real forces at play at present. It basically appreciates that circumstance and situations change, from time to time, the environment is very dynamic and unpredictable.

Primary data is the platform for raw data, data collected from the actual ground where the activity is taking place, thus the market itself. Primary data provides the researcher with first hand information from respondents with regards to the area of the study.

3.5 Research instruments

According to Bell (1992), research instruments are tools that are employed in collecting indispensable data from respondents. Research instrument is a logical model that guides the researcher in the process of collecting; analyzing and interpreting data. The research will use questionnaires and personal interviews.

3.5.1 Questionnaires

Malhotra (2010) postulated that a questionnaire is a structured technique for data collection that consists of a series of questions, written or verbal, that a respondent answers. Shiu et al defined a questionnaire as a formalized framework consisting of a set of questions and scales designed to generate primary data. A series of questions make up the questionnaires so as to gather all the relevant information from respondents for the purpose of making investigation and conclusion of the problem under study. The researcher utilised both closed-end and open-end questions in designing the questionnaire. The primary motive of having structured questions is to save the respondent amount of thinking and effort.

According to Shiu et al (2009), structured questions offer the researcher an opportunity to have control over the thinking of the respondents in order to answer the question. Open ended questions required respondents to answer in their own words and do not restrict the respondents this widening their scope of response. Unstructured question offer the respondent the opportunity to give more information other than that which is confined within the structure parameters. Questionnaires give the respondent ample time to give the required information in the provided document, hence it assures high rate of response. Questioning is also faster and cheaper research instrument as the resources consumed by the instrument are minimal.

The researcher designed questionnaires addressed to subscribers and employees to get an insight into sales promotion strategies employed by the company. The use of questionnaires make easy for respondents to develop confidence due to the secrecy clause on the questionnaire hence employees express themselves at will without fear of persecution.

3.5.2 Interviews

Shiu et al (2009) defined an interview as a formal process in which a trained interviewer asks a subject a set of predetermined and probing questions usually in a face-to-face setting. Kothari (2004) defines an interview as encompasses presentation of oral-verbal stimuli and reply in terms of oral-verbal answers. Interviews facilitate the revelation of more information

through the recording and taking down of notes from respondents. More qualitative and reliable data is disclosed as questions can be clarified for a better understanding by the respondents

3.5.2.1 Justification of Conducting Personal Interviews

The researcher is given the platform to guide the interview, explore issues and probe respondents. Personal interviewing is very flexible as a result it allows the researcher to collect large amounts of information from the respondents. Personal interviews helped the researcher to observe gestures from management and elaborate further on the questioning should there be a need and this proved extremely informative.

3.5.2 Document Analysis

Internal sales journals were used when the researcher was seeking for details of different key subscribers and to acquire information aligned to sales performance of the company. The information considered is that aligned with performance measurement derived from quarterly performance reports, past sales reports, profit analysis documents and company sales promotion journals.

3.6 Data Collection Procedure and Administration

The researcher obtained a letter from the university to use for introductory purposes in carrying out the research. The researcher was issued with a certifying document from TelOne to carry out the research, the document to be used in administering questionnaires to employees so that they can give data pertaining to the organisation. The questionnaires were revised by the management before they were administered to other employees, the primary motive being to honour the confidentiality clause that stipulate that not all information is available for public consumption. The researcher issued employees questionnaires and interviewed management. Key account subscribers were issued questionnaires to respond to. The questionnaires were collected immediately after completion by the respondents.

The data collected was examined accordingly in each segment of the questionnaires to observe if it is relevant and suitable to the study. Data validity and reliability was conducted to ascertain applicability of the data to the study.

3.7 Validity and reliability of findings

Shiu et al (2009) postulated that, validity is the degree to which a research instrument serves the purpose for which it was constructed; it also relates to the extent to which the conclusions drawn from an experiment are true. Validity determines whether the research truly measures that which it was intended to measure or how truthful the research results are.

Joppe (2000) defines reliability as the extent to which results are consistent over time and an accurate representation of the total population under study is referred to as reliability and if the results of a study can be reproduced under a similar methodology, then the research instrument is considered to be reliable. In this research to ensure validity of the instrument, the researcher worked closely with the supervisor to ensure that all the data gathered through interviews, questionnaires and document analysis must be directed at addressing the research question for the research problem under study.

Reliability was enhanced by the use of simple English in questionnaires, pre-testing the questionnaire, and confidentiality was done. In a bid to enhance validity and reliability of collected data the following process were conducted.

3.7.1 Triangulation.

Becket and Turner (2009) postulates that triangulation is the solicitation and grouping of more than one research viewpoint in the study of the same phenomenon. Combining multiple observers, theories, methods, and empirical materials, researchers can hope to overcome the weakness or essential biases and the problems associated with single-method, single – observer, and single theory studies. It involves cross examination of evidence through procurement data from more than single source, associating and opposing one account with the other. Triangulation is frequently used to designate that more than one technique was used in the study with the opinion to twin or triple check the results. This method was employed in confirming results and to demonstrate reliability and validity of the gathered data. The researcher used interview, questionnaire and secondary material to collect pertinent data.

3.7.2 Pilot study

Bell and Opie (2002) states that a pilot study involves respondents who are different from, yet as close as possible to, those who are to be requested to complete the final versions of the questionnaire. The researcher utilised pilot study to reveal deficiencies in the design of a projected experiment or process so the deficiencies can be dealt with before time and

resources are expended on a large scale. Pilot study provided the researcher with ideas, approaches, insights and clues that may not have been foreseen before engaging the pilot study. The questionnaires were pre-tested using students at the campus who did not form part of the targeted population. The pilot study proved to be of importance to the research as it enhanced quality and designing of the questionnaire. The researcher made corrections to the data collection tools (questionnaires and interviews).

3.8 Data analysis and presentation tools

Data collected from the respondents was presented, deduced, and analyzed through descriptive narration, graphs, tables and pie charts. Descriptive narration was used to examine the qualitative data collected from respondents whilst graphs, tables and pie charts were used to present, interpret and analyze the quantitative data collected from the respondents.

Chapter summary

The chapter presented details pertaining to research methodology, research design and research instruments. The research target population, sample size and the sampling procedures were highlighted in this chapter. Data sources, data collection instruments and data collection procedure were also embark upon as well. The following chapter is endowed with the data presentation, analysis and discussion of findings.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSIONS FINDINGS

4.0 Introduction

The chapter presents data collected during the research on the effectiveness of sales promotion strategies on company performance. The chapter primary motive is to present, analyses and interpret and present research findings of how contests, discounts (price-offs) and bonuses promotion strategies influence business performance in relation to profitability, sales volume and market share. Pie charts, graphs and tables are utilised in illustrating the data collected from the field.

4.1 Response Rate from the target population

The researcher issued out a total of 45 questionnaires to TelOne key account subscribers and received a response of 40 responses. There was an 89% response rate from key customer subscribers. This percentage accrued is as a result of pick and drop of questions during the administration of the questionnaire. The researcher issued a total of 14 questionnaires to employees and interview schedules to management. There was a 71% response rate from the management interviews and also 100 % response from the employees. A high response rate is attributed to good relations between the researcher and the employees and management.

Table 4. 1: summary of response rate

Target population	Research instrument	Target sample	Number of respondents	Response rate
management	Interviews	5	5	100%
employees	Questionnaire	14	10	71%
Clients	Questionnaire	45	40	89%

4.2 Sales promotion strategies employed by TelOne

The research sought to establish the resources consumed by the sales promotion strategies employed by the company. The responses gathered are presented on fig 4.2 below

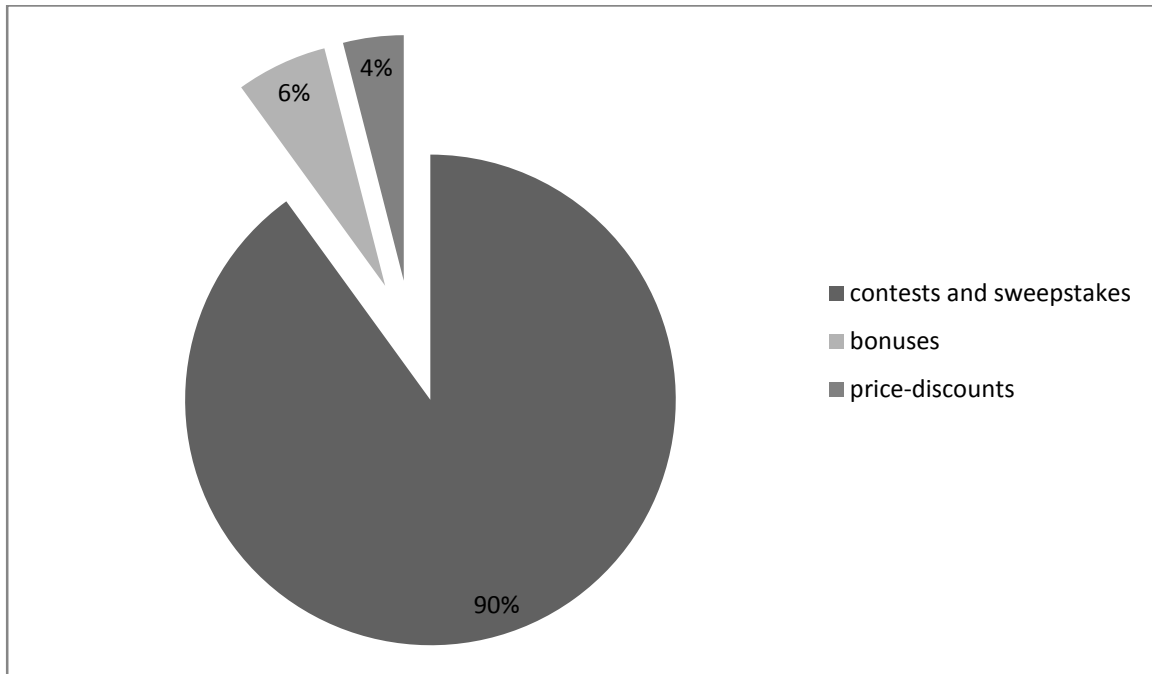


Fig 4.2 the sales promotion strategies conducted by TelOne

As shown in fig 4.2 the researcher found out that contests and sweepstakes are the most effective sales promotion strategies, as contests and sweepstakes garner a 90% in relation to popularity amongst subscribers and employees, bonuses 6% signify that the strategy has little impact and price discounts garnered 4%.The information was gathered from the management of TelOne. The management stated that the resources were channelized towards sales promotion, contests and sweepstakes consumed a larger percentage.

4.3 Sales, profitability and subscriber growth trends as a result of implementing the sales promotion strategies.

The research sought to establish the general trends as a result of implementing the sales promotion. The responses gathered are presented on fig 4.3 below

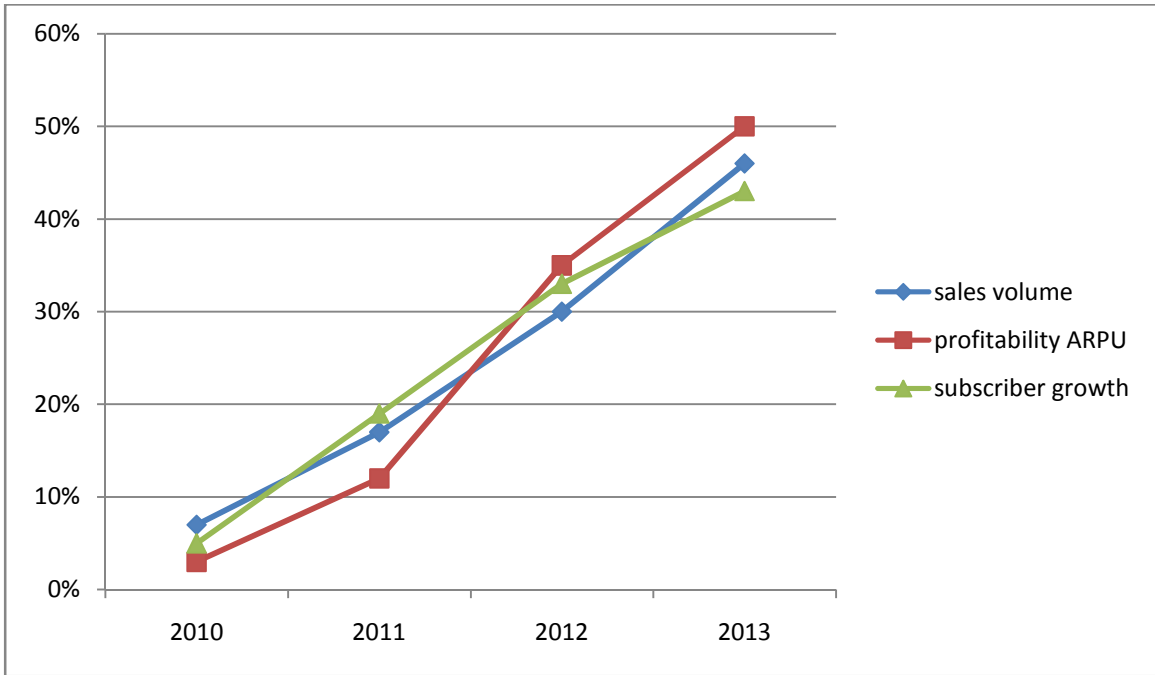


Fig 4.3 the general trends of profitability, sales volume and market share.

The fig above shows that profitability increased steadily from 2010 below 10%, to 12% in 2011, 35% in 2012 after the launch of the sales promotion and 50% in 2013. Subscriber growth increased from 5%, to 19% in 2011, 33% and 43% in 2013. Sales volume increased 7%, to 17% in 2011; in 2012 a 30% increase in sales volume was recorded and 46% in 2013. A significant growth in sales volumes, profitability (ARPU) and subscriber growth was from the information gathered from management through interviews; the general trends signify that sales promotion enhanced growth of the variables. The main reason that the management attached to the growth was hinged on the ability to channelize resources towards the most contributing factor of marketing, thus sales promotion.

4.4 Contributions of contests and sweepstakes to profitability (ARPU)

The research sought to establish the contributions general trends as a result of implementing the sales promotion. The responses gathered are presented on fig 4.4 below.

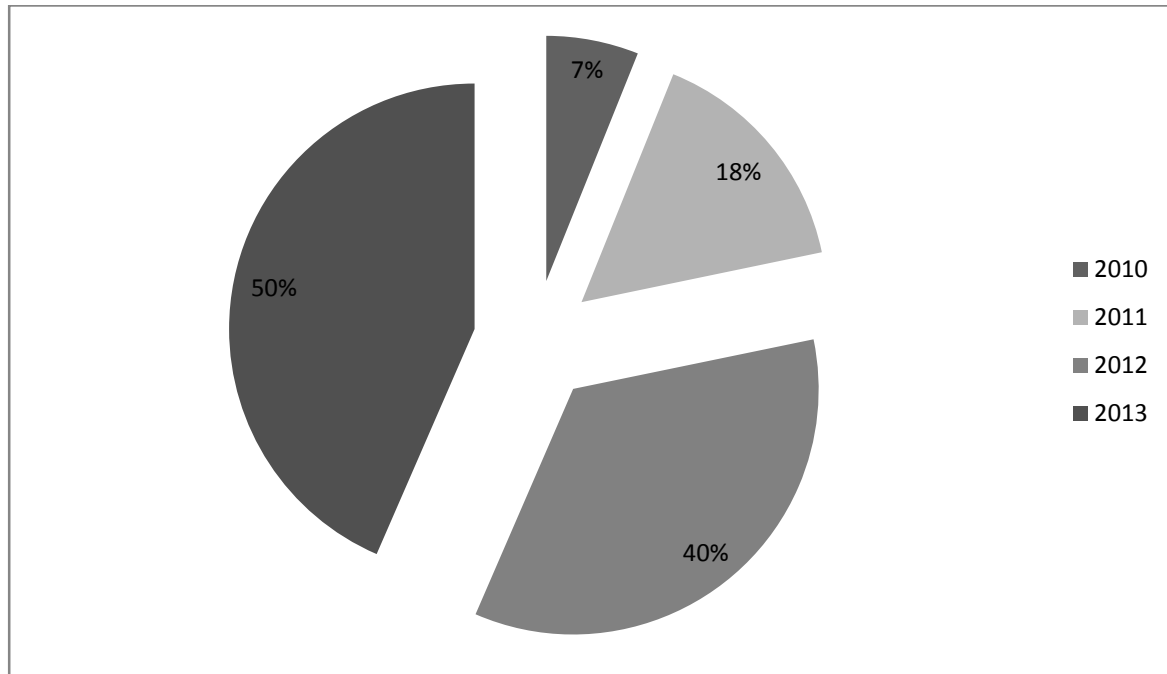


Figure 4.4 contributions of contests and sweepstakes towards profitability.

The fig above shows ARPU indicates that profitability increased sharply during the two years (2011-2013) of the sales promotion. An increase from 18% of 2011 to 40% in 2012 is a sign that the sales promotions were effective since inception. An increase of 10% in 2013 signifies that the sales promotions were reaching maturity but they remained a force to reckon with in propelling profitability.

The above information was obtained from the management, gathered through interview conducted to get an insight into the effects of contests and sweepstake on profitability. Empirical studies postulate that, normally the ARPU should go down in line with tariffs. However, in these instance consumers increased usage with the price cut and the increased chances of earning a valuable price, hence average minutes of use (MOU) go up thereby supporting revenue. The above data was obtained from TelOne Midlands regional management, Gweru.

From these figures shown above, it implies that contests and sweepstakes promotional strategy contributed significantly towards ARPU of TelOne. The above statistics pertaining to ARPU was drawn from the interview conducted with management. This information is based

on the key subscriber's accounts that management consulted at the peak of the ARPU was recorded. A key indicator in the telecommunication sector is profitability measure on increase in average revenue per user (ARPU). Average revenue per user is a measure of value proposition undertaken by the organization is effective or ineffective.

ARPU is used to measure average revenues attributed services on a per user basis. ARPU is calculated by dividing various items included in operating revenues such as monthly charges, voice transmission charges and packet transmission charges from designated service, by the number of active subscribers to the relevant services. This ratio provides the company with a granular view per user or unit basis and allows it track revenue sources and growth.

The analyzed internal sales journals from TelOne compared the Average revenue per user before the launch of the contests (Surf, Win big promotion) and after the launch. This was in a bid to ascertain and check whether the promotional strategy increased profitability.

4.5 Contribution made by contests and sweepstake promotions towards minutes of use

4.5.1 Minutes of Use per Subscriber

The fig below sought to show the contributions made by contests and sweepstakes towards minutes of use. A minute of Use Per Subscriber (MOU) is another performance indicator in establishing the contributions of sales promotion strategies in the telecommunication sector. The following responses were obtained from the key subscribers.

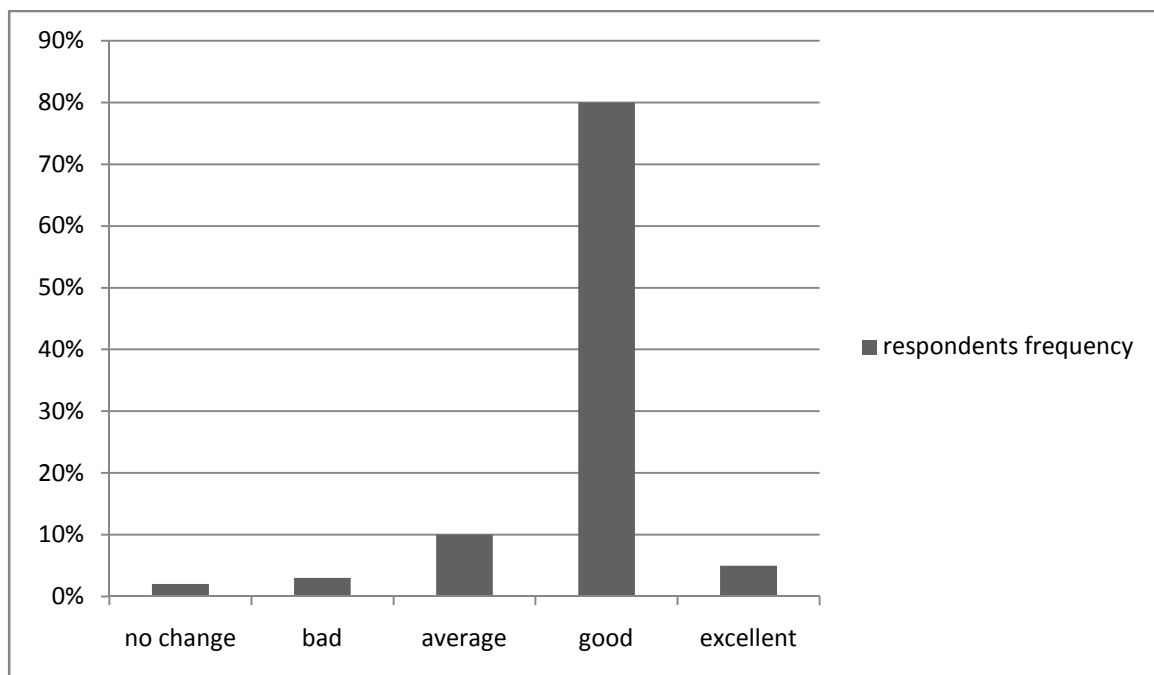


Fig 4.5.1: Contribution made by contests towards M.O.U

From the results shown in Fig 4.5.1, The majority of respondents (80%) stated that there increased their spending as a result of contests and sweepstake. 10% responses indicated an increase was average, 5% stated that they increased their spending excellently and the other 3%% showed a decrease in spending and a mere 2% did not change their spending patterns. it is evident that contests and sweepstake contributed significantly towards the growth of MUO per subscriber. This is evidenced by the number of respondents (key account subscribers) who increased their spending as a result of the contests conducted by the organization. The information was gathered from the subscribers and from the management subscriber tracking sales records.

This indicated that contests and sweepstakes contributed to the growth of MUO, the number of minutes consumed by the subscribers increased significantly stimulated by the contests and sweepstakes.

4.5.2 Total Minutes of Use

The research sought to find out the contributions made by contests and sweepstakes towards total minutes of use per key subscriber. Figs 4.5.2 are the responses from key subscribers of the company.

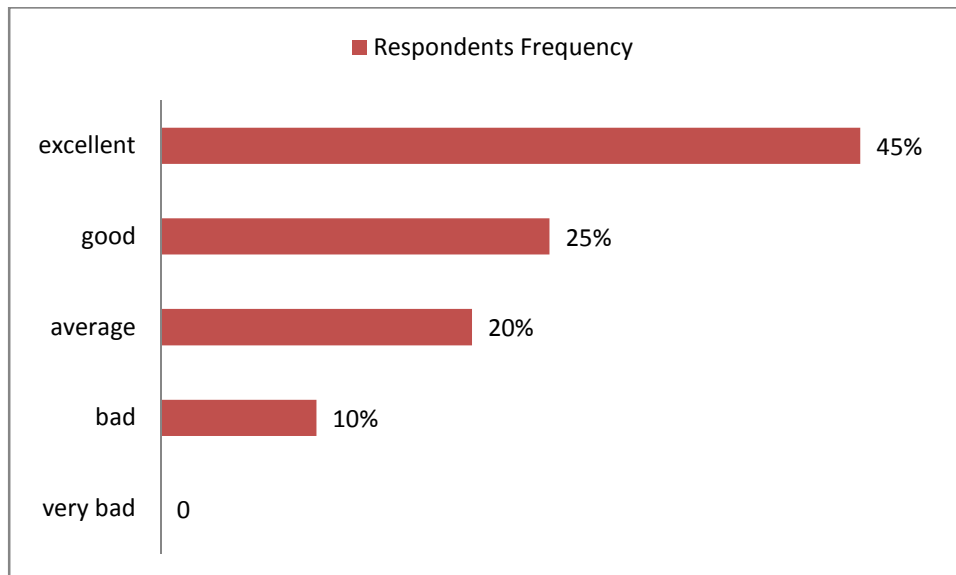


Fig 4.5.2: Contribution made towards Total Minutes of Use to sales volume

A 45% response attached to excellence in total minutes of use increase, 25% stated that the increase was good, 20% said that there was an average increase and a mere 10% stated that the increase was bad and 25%, this is a clear indication that the minutes increase significantly. The result above is evidence that the total minutes of use per subscriber increased as a result of contests and sweepstakes

4.6 Contributions of bonuses on market share (subscriber growth)

The research sought to establish the contributions of bonuses to market share. The fig 4.6 below shows the responses gathered from respondents.

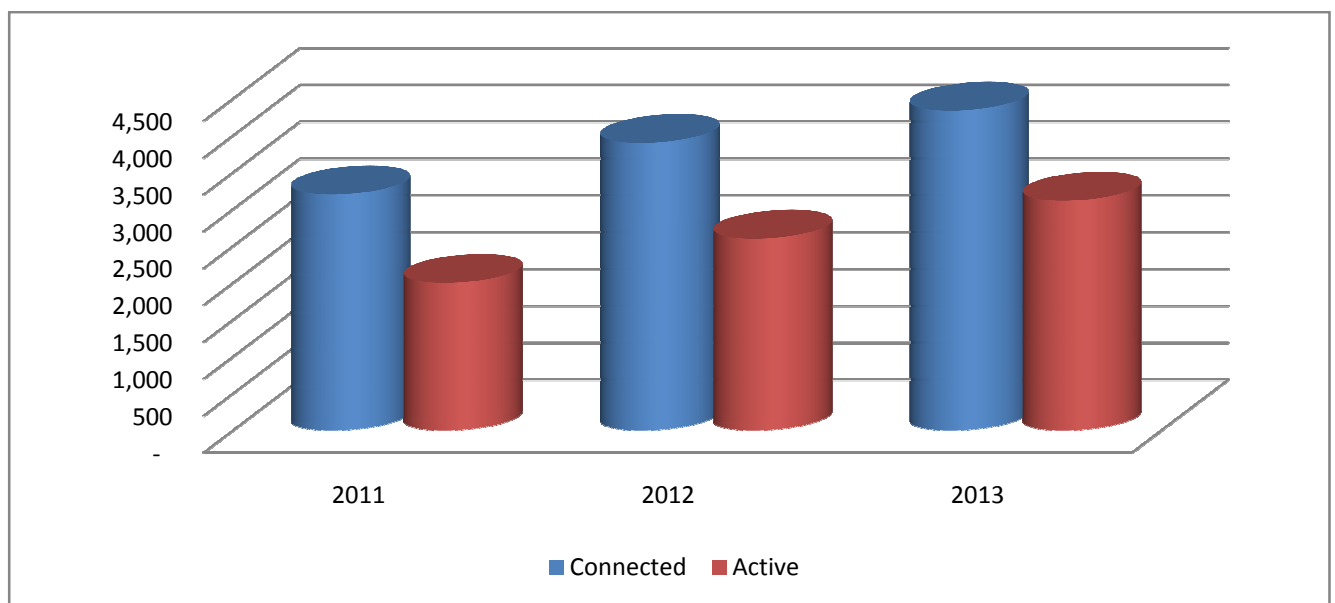


Fig 4.6: Subscriber Growth trends

The above graphical presentation, it shows that since 2012 up to 2013 when the company invested in sales promotion strategies, there has been a significant increase in subscriber growth in relation to both connected and active base. What intrigues the researcher is the propelling force behind this increase in growth of subscribers, other value propositions are may also be behind the growth. The research embarked on a survey to check whether bonuses can be attributed the growth of both connected and active subscribers. The key performance indicator in the telecommunication industry is subscriber growth. This variable is used to measure whether the strategy employed is yielding any increase in subscriber base. The statistics gathered from internal sources compare the subscribers before the launch of the bonuses and after the launch of the bonus. The following data was obtained from internal sales journals of TelOne.

4.6.1 Connected Subscribers Growth

Connected subscriber growth is a variable that was used to measure the effects of bonuses employed by TelOne. The following data was obtained from management, secondary from company sales records.

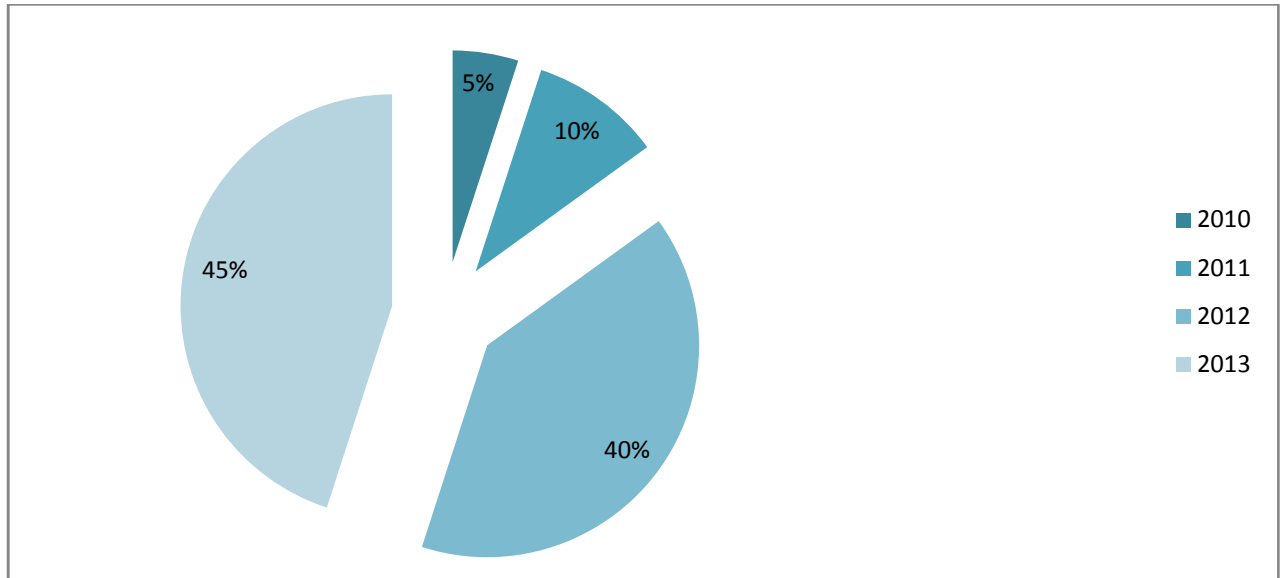


Fig 4.6.1 Connected subscriber growth

Fig 4.6.1 above shows that 45% of connected subscribers in 2013, 40% in 2012, 10% in 2011 and 5% in 2010. The results shown above is evident that bonuses contributed significantly towards connected subscriber base since the majority of responses state that there was increase on connected subscriber base due bonuses strategies.

4.6.2 Active Subscribers Growth

The research sought to establish the contributions made by bonus to the growth of active users. In order to measure sales promotion strategy effectiveness, there is need to measure the percentages of those active (subscribers) on the network. One can conclude if the sales promotion strategies contributed to subscriber growth or not. In essence, the researcher measured the effectiveness of the strategy using the active subscriber statistics. The fig below shows the responses from key subscribers:

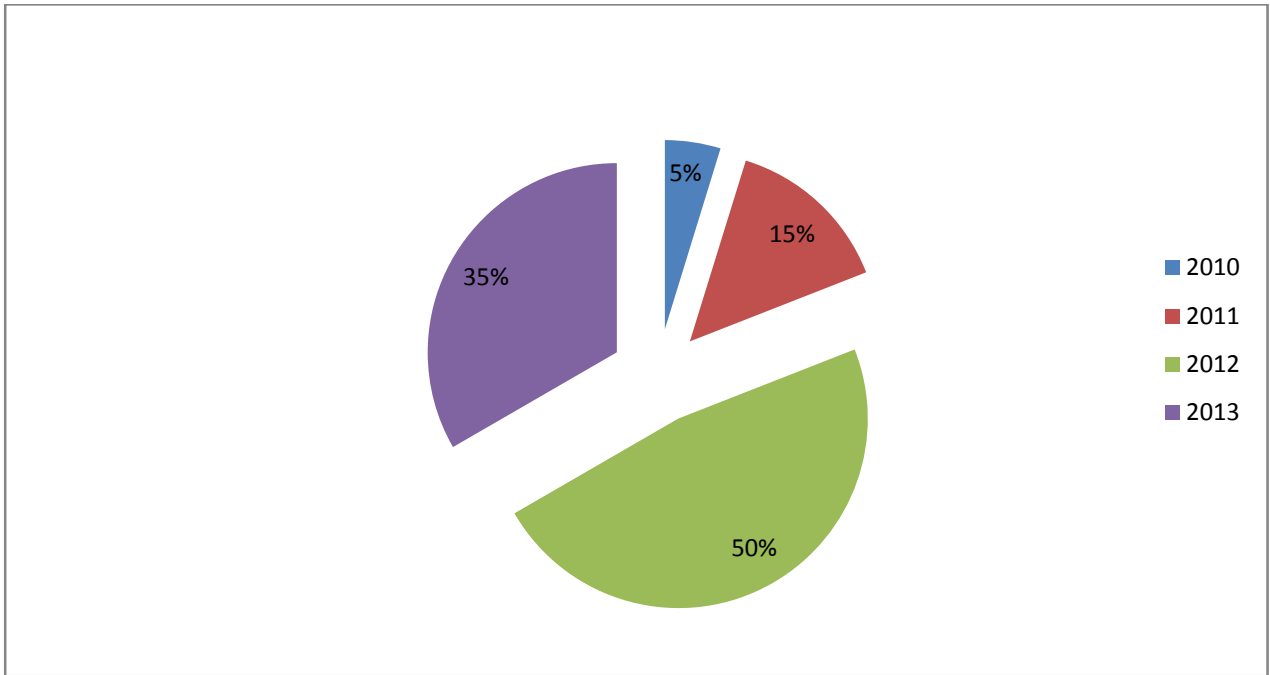


Fig 4.6.2: Active Subscriber Growth – Source: Primary data

The above fig shows that in 2010 the active subscribers stood at 5%, in 2011 it rose slightly to 15%, in 2012 it rose sharply 35% and in 2013 it rose to 50%. The results above indicate that bonuses contributed significantly in increasing the active subscriber base. The degree to which sales promotion enhances subscriber growth is based on connected and active subscriber’s analysis as both elements have an implication in drawing conclusion regarding the sales promotion strategies. The data below was collected from employees and management in line with the contribution made by sales promotions strategies towards active subscriber base.

4.7 Contribution made by discounts (price-off) towards sales volume

The research sought to establish the contributions made by price discounts sales volume. Sales volume is an indicator to determine the effects of a sales promotion strategy, sales volume per exchange is used to measure the value proposition attached to the strategy. The following information was collected from the management.

The data below shows effects of price discounts towards sales revenue. The data presented show the percentage increase of sales volume due to the sales promotion strategy. The data below was collected from management, and the secondary sources which included sales journal and accounting records.

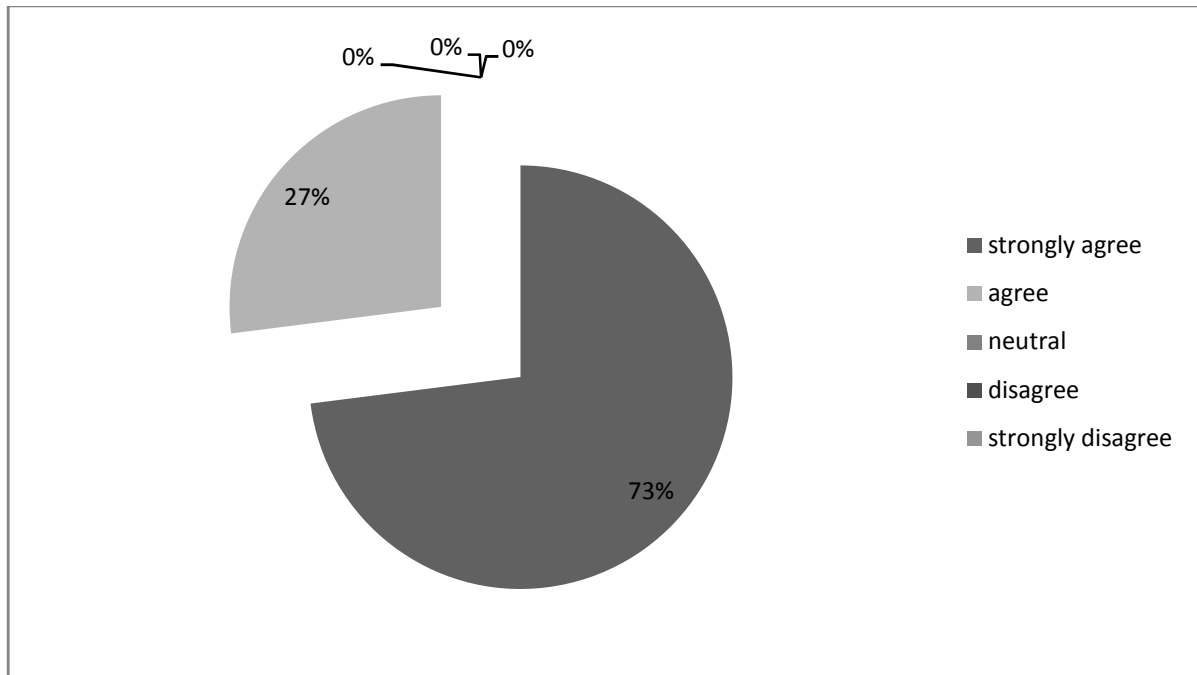


Fig 4.7.1: Contribution made by discounts towards influencing subscribers to join the TelOne clientele base.

The fig above shows that 73% of respondents stated that price-discounts contributed to the growth of sales revenue of the company, 27% agreed to the notion that price discounts contributed to sales revenue growth. Employees were asked to express their view on discounts offered by the company whether it had an influence in subscribing to TelOne. The figure 4.7 below shows the responses of subscribers on the influence of discounts on encouraging registration with the service provider.

The results shown above in fig 4.7, shows that the subscribers agree that price reduction influence the purchase of the company’s services and products.73% strongly agree and 27% agree showing positive influence on customers purchase decision .They were none who disagree, strongly disagree and neutral.

The results illustrate that the technique of price off has a positive impact on subscriber’s decision when making a purchase of the company’s service. Price discount strategy contributed significantly towards influencing subscribers to subscribe to the service provider.

4. 8 Employees responses on the effects of sales promotion strategies on market share

The research sought to establish employee's responses on the effects of sales promotion strategies on market share. The figure 4.8.1 below shows the responses from TelOne employees on the contribution of sales promotion to the growth of market share.

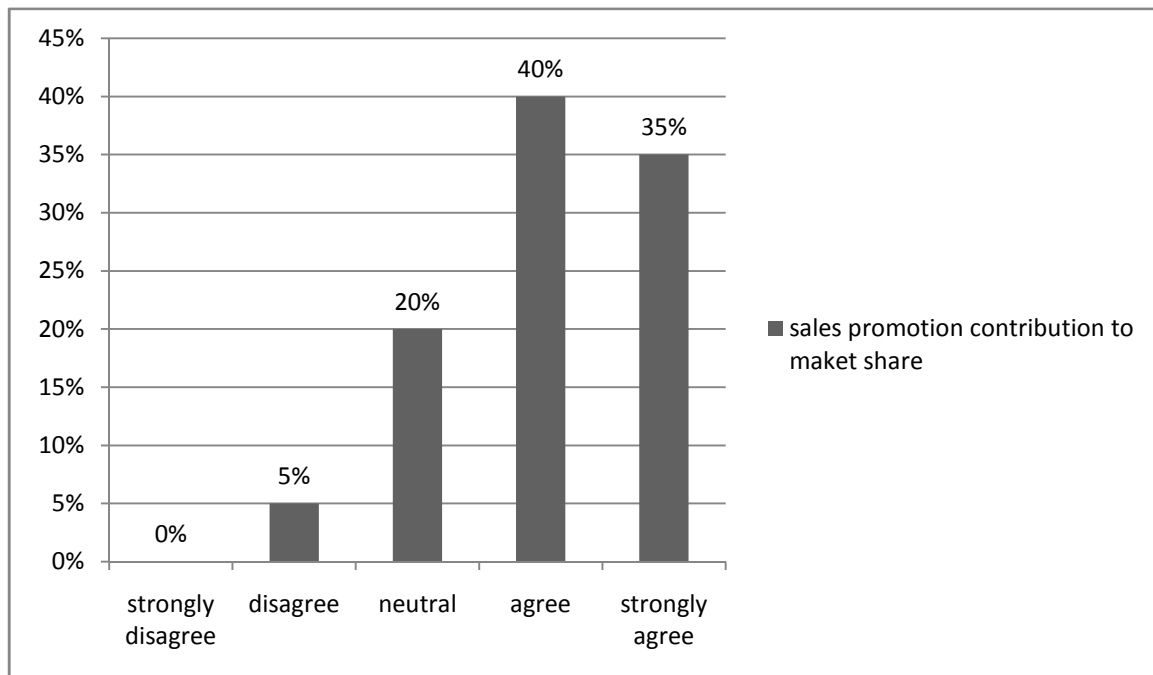


Fig 4.8.1 illustrates the contribution of sales promotion strategies on the market share of the company.

The diagram fig (4.8.1) above illustrates the contribution of sales promotion strategies on market share of the company. The researcher analyzed the contribution of sales promotion strategies on market share, the employees provided responses to either they agree or disagree with the assertion that sales promotion enhanced market share. TelOne staff show that 35% strongly agree and 40% agree to the assertion that sales promotion strategies contributed to market share growth in the past two years since the inception of the strategy. This indicates sales promotion strategies enhanced a positive growth in market share. Only 20% were neutral, 5% disagree and none strongly disagree.

4.9 Efficiency of sales promotional techniques employed by TelOne in promoting its products

The research analyzed the efficiency of the sales promotional strategies employed by the company and the key subscribers were asked to express their views whether the employed techniques are efficient or inefficient.

The table below 4.4 shows the efficiency rating of the sales promotional strategies utilized by TelOne

Table 4.4 *illustration of the efficiency rating of TelOne sales promotions*

Efficient rating	% response
Extremely inefficient	0%
Inefficient	0%
Neutral	11%
Efficient	34%
Extremely efficient	55%

It was established that 55% of TelOne sales promotions are extremely efficient, 34% are efficient and 11% are neutral to the degree of efficiency attached to sales promotion activities of the company. This shows that these strategies employed by the company are efficient and are conducted in a manner that pleases the subscribers.

4.10 Chapter Summary

This chapter concentrated on data presentation, analysis, interpretations and discussions. This chapter has discussed the results, interpreting them and outlining the major findings of the study. It has also been instrumental in answering the research objectives and research questions. The next chapter looks at the summary, recommendations and conclusions of the study.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary

Sales promotions strategies are a vital element in the ever evolving telecommunication sector in Zimbabwe. The market continues to shrink under the twin forces of a biting liquidity crunch and dropping disposable income, the scramble for local market has become so aggressive that companies need to embrace promotion strategies and rebutting the rival's pay-off line, all in a desperate attempt to retain market share and fend-off competition.

State enterprises parastatals continued drop in profitability and the competition posed by the private sector, for the parastatals, TelOne to remain buoyant in the telecommunication adopted sales promotion as a strategies in a bid to revamp dropping sales volume, market share and ARPU. The company's turnaround strategies dwell much on promoting its product portfolio sales promotion has a long run implication that the organisation benefit from the strategies.

State Enterprises and Parastatals (SEP) have been performing dismally since the introduction of the multi-currency regime, TelOne is an outstanding performance among the SEP. This is evident of an achievement and market orientated company. TelOne continued success story is hinged on a number of sales promotion strategies the company adopted in the period between 2012 and 2013. This is the period under study and the results generated are based on the findings of this research.

It is evident in this research that TelOne invested resources to revamp its position in the telecommunication sector. This research analysed the effectiveness of sales promotion strategies invested financial resources in a bid to churn subscriber to enhance subscriber growth, ARPU, and sales volume in all exchanges.

- The sales promotion contests which TelOne embarked contributed significantly towards profitability (ARPU). These contests influenced subscriber growth by making 50% - 75% increase towards the connected subscriber base and active subscriber base. As result of this, the active base to connected base ratio has also increased during the period of the sales promotion strategies.

- Sales volume increased significantly as a result of price-off (price discounts) by 25% after the company launched a massive price-discount. The strategy influenced an increase in the minute of use by the subscriber TelOne serves with its products. These price-offs on which the company embarked on increased the total minutes of use and the minutes of use per subscriber by about 75%.
- TelOne increase in subscriber base is also attributed to the contribution of bonuses. These bonuses contributed a 56% growth in subscriber growth. This is evidenced by the number of subscribers registering for the ADSL modem and those clients seeking a reconnection or those seeking an initial connection for free.

TelOne a company on the verge of collapse employed an integrated sales promotion by employing a combination of strategies in a bid to remain afloat in the ever competitive telecommunication sector. The performance by the parastatals is a point of reference on the contributions that sales promotion strategies have on the overall success of the business in terms ARPU, subscriber growth, sales volume and minutes of use.

5.2 Conclusion

This study expose that sales promotion has an important role and effects in marketing management of the telecommunication sector in Zimbabwe, empirical studies are in line with findings of this research. The short nature and the economic incentive notion is a point that sharp the nature of sales promotion. In essence, sales promotion is a useful tool for survival, sustenance and expansion of companies in the telecommunication sector in Zimbabwe. Sales promotion strategies should be developed aligned to customers' needs and satisfaction. The focal point of the sales promotion strategy must be hinged explicitly on the firm long run competitive advantage and long term reciprocal relationship between a firm, clients, competitors and other stakeholders. Furthermore, the telecommunication sector in Zimbabwe should appreciate and take advantage of sales promotion opportunities and continue to change the techniques to be on equal footing with the ever changing business environment. After scrutinizing the data in chapter 4 gathered from TelOne management, employees, subscribers and secondary data the research makes the following conclusions:

5.2.1 Profitability (ARPU)

An analysis in the previous chapter is evident that contests and sweepstakes contributed positively towards the increase in profitability (ARPU). The responses from management and employees and the secondary data from the company's sales journal indicated that a significant contribution can be aligned the contest (win big promotion). In conclusion, sales promotion contests and sweepstakes conducted by the company yielded a positive contribution to organisation performance. This is a clear indication that sales promotion contests have an impact on the overall success of the organisation in line with profitability.

5.2.2 Subscriber Growth

In line with the analysis in the previous chapter, it is evident that bonuses offered to customers (subscribers) led to a significant increase in subscriber growth. 85% of the employee and management response rate stated that the bonuses promotional tools made 50% to 100% increase towards the subscriber growth of TelOne. This is evident that the promotional tool was effective in enhancing business performance.

Fig 4.7.1, shows that the subscribers agree that price reduction influence the purchase of the company's services and products. 73% strongly agree and 27% agree showing positive influence on customers purchase decision. They were none who disagree, strongly disagree and neutral.

Conclusively, the results illustrate that the technique of price off has a positive impact on subscriber's decision when making a purchase of the company's service. Price discount strategy contributed significantly towards influencing subscribers to subscribe to the service provider.

5.2.3 Sales volume

Basing on the findings in chapter 4, price discounts (price-off) contributed significantly towards the sales volume generated by the company. This is evidenced by the 73% of subscribers strongly agree, this entail that price-off contributed significantly towards sales volume generated per exchange. As quoted in literature review, Blattberg and Nelson, (1990) postulate that contests and sweepstake enhance sales through brand switching. This is aligned to the analysis made in the last chapter; contests and sweepstake enhance sales volume growth.

5.2.4 Minutes of Use

From the results shown in Fig 4.5.1, it is evident that contests and sweepstake contributed significantly towards the growth of MUO per subscriber. This is evidenced by the number of respondents (key account subscribers) who increased their spending as a result of the contests conducted by the organization. The majority of respondents (80%) stated that there increased their spending as a result of contests and sweepstake. 10% responses indicated an increase was average, 5% stated that they increased their spending excellently and the other 3%% showed a decrease in spending and a mere 2% did not change their spending patterns. The information was gathered from the subscribers and from the management subscriber tracking sales records.

This is a clear indication that the minutes of use increased significantly hence the need to accredit sales promotion in inducing an increase in minutes of use which further increases revenue into the organization.

5.2.5 Market share

Fig (4.8.1) illustrates the contribution of sales promotion strategies on market share of the company. TelOne staff show that 35% strongly agree and 40% agree to the assertion that sales promotion strategies contributed to market share growth in the past two years since the inception of the strategy. This indicates sales promotion strategies enhanced a positive growth in market share. Only 20% were neutral, 5% disagree and none strongly disagree. The above statistics lead the researcher to the conclusion that sales promotion contribute significantly towards the growth of market share of the organization.

5.3 Recommendations

In view of the findings, the following recommendations are necessary:

5.3.1 It is evident basing on the findings in the previous chapter; TelOne should channelize more resources towards contests and sweepstakes promotional strategies as they have a significant contribution to business performance.

5.3.2 The company should minimise its emphasis on contests and sweepstakes and price offs sales promotional strategies. The strategies are being over-used in the telecommunication sector in Zimbabwe. There is need to venture into other sales promotional techniques such as coupons, rebates and premiums. There is need for the company to conduct a formalised consumer opinion research as parastatals are viewed as poor market performers. The primary

objective would be gather data on perception of customers towards the company. The company should not base its business strategies on integrated marketing communication only, but it should invest also technological innovation, increasing its capacity so as to enjoy economies of scales, as the above strategies are corner stone in supporting integrated marketing communication.

5.3.3 TelOne should have a decentralized sales promotion draws, these can be under regional sales promotion so as to increase the chances of attracting more subscribers due to increased probability of winning in a contests or sweepstake. TelOne need to set up a more effective sales promotion department with qualified staff who are innovative and creative in coming up with ideas on effective sales promotion.

5.3.4 The competitive nature of the telecommunication industry in Zimbabwe, TelOne need to analyze the promotional activities and the media to use to disseminate information to target audience. Planning promotional programs in an appropriate, feasible, comprehensive, time bound manner and periodically evaluating the program is key.

5.4 Areas for further research

In the process of conducting the research on effects of sales promotion on company performance, the researcher found areas which are beyond the scope of the research that could be researched using the same research instruments and the same organization.

The researcher found the following areas for further research: public relations and advertising are critical areas that might give the organization a competitive edge in the ever evolving telecommunication sector.

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APPENDIX A

Questionnaire for TelOne Zimbabwe Subscribers

My name is Dangaiso Paul Tinashe student at Midlands State University studying BCom Marketing Management Honors degree. I am carrying out an academic research on: **The effectiveness of sales promotion strategies on company performance: A case of TelOne Zimbabwe.** I kindly ask for your participation in completing the following questions. The information gather is primary for academic purposes, confidentiality clauses are honoured.

Instructions for completion

Tick in the appropriate box provided below:

1. What motivated you to join the TelOne Zimbabwe family?

- Contests price discounts
 Bonuses loyalty schemes
 Other

2. Has your average spending per month on TelOne services increased as a result of the sales promotion contests?

- No increase 1% -25% increase 26% -50% increase
 51% - 75% increase 76%- 100% increase

3. Has your average spending per month on TelOne services increased as a result of the sales promotion bonuses?

No increase 1% -25% increase 26% -50% increase
 51% - 75% increase 76%- 100% increase

4. Has your average spending per month on TelOne services increased as a result of the sales promotion price discounts?

No increase 1% -25% increase 26% -50% increase
 51% - 75% increase 76%- 100% increase

5. Have the TelOne sales promotion contests made you increase your average minutes per month you spent.

No increase 1% -25% increase 26% -50% increase
 51% - 75% increase 76%- 100% increase

6. The sales promotion by TelOne, are they efficient?

efficient neutral inefficient
 extremely inefficient extremely efficient

7. Have the TelOne sales promotion bonuses made you increase your average minutes per month you spent.

No increase 1% -25% increase 26% -50% increase
 51% - 75% increase 76%- 100% increase

8. Have the TelOne sales promotion price-discounts made you increase your average minutes per month you spent.

No increase 1% -25% increase 26% -50% increase
 51% - 75% increase 76%- 100% increase

9. Would you recommend someone join TelOne family as a result of sales promotion contests?

Recommend strongly recommend
 Do not recommend indifferent

Would you recommend someone to join TelOne family as a result of sales promotion bonuses?

Recommend strongly recommend
 Do not recommend indifferent

10. Would you recommend someone to join TelOne family as a result of sales promotion price discounts?

Recommend strongly recommend
 Do not recommend indifferent

11. Would you recommend someone to join TelOne family as a result of price discount?

Recommend strongly recommend
 Do not recommend indifferent

APPENDIX B

Questionnaire for TelOne Zimbabwe Employees

I am Dangaiso Paul Tinashe student at Midlands State University studying BCom Marketing Management honors degree. I am carrying out an academic research on **the effectiveness of sales promotion strategies on company performance: a case of TelOne Zimbabwe**. I kindly ask for your participation in completing the following questions. The information gather is primary for academic purposes, confidentiality clauses are honoured.

Instruction for completion

Tick in the appropriate box provided:

1. Do the sales promotions contests (win big in the talk, surf and win promotion) implemented by TelOne enhance profitability (ARPU)?
 Yes No
2. Are these sales promotions strategies done by TelOne making any significance contributions towards market share growth?
 Yes No
3. Do these sales promotions carried by TelOne enhancing sales volumes for the company?
 Yes No
4. How has the sales promotions strategies launched by TelOne in the past two years influenced its revenue?
 Yes No

5. Have the sales promotions launched TelOne in the past 2 years promoted minutes of use across all exchanges?

Yes No

6. Does increase in the promotional budget justifiable to the increase in market share, sales volume and average revenue per user?

Yes No

How effective do you think contests are in enhancing profitability (ARPU)

a) Every effective ineffective neutral

Effective very effective

b) How effective do you think sales promotion price discounts are in enhancing market share growth?

Every effective ineffective neutral

Effective very effective

c) How effective are sales promotion bonuses are in enhancing sales volume?

Every effective ineffective neutral

Effective very effective

7. What other form of support do you think you require from management that can help you to effectively implement sales promotional program:

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

Thank you

APPENDIX C

Interview Guide for TelOne Zimbabwe Management

My name is Dangaiso Paul Tinashe, student at Midlands State University studying for BCom Marketing Management Honors degree. I am carrying out an academic research on: **The effectiveness of sales promotion strategies on company performance: A case of TelOne Zimbabwe**. I kindly ask for your participation in answering the following questions.

All responses will be used for academic purposes only and confidentiality clause is honoured.

- 1 Which sales promotion strategies has TelOne implemented from 2011 to 2013?
- 2 Were the sales promotion strategies effective?
- 3 What impact did the strategies have on:
 - Profitability
 - Sales volume
 - Subscriber growth
 - Market share
- 4 What changes was visible on sales, profitability and subscriber growth trends as a result of implementing the strategies?
- 5 Which problems did the company face during the implementation of the sales promotion strategies?
- 6 Did contests and sweepstakes contributed to profitability?
- 7 Did contests and sweepstakes contributed towards minutes of use by key subscribers.
- 8 Did bonuses contributed to subscriber growth in the last two years?

- 9 Are these sales promotions strategies done by TelOne making any significance contributions towards market share growth?
- 10 Do these sales promotions carried by TelOne entrenching sales volumes for the company?
- 11 How has the sales promotions strategies launched by TelOne in the past two years influenced its subscriber growth?
- 12 Have the sales promotions launched TelOne in the recent years promoted minutes of use across all segments?

APPENDIX D

Application for research letter

Midlands State University

Department of marketing

P bag 9055

Gweru

05 November 2013

The Marketing Manager

3rd floor Runhare House

Corner 4th street and Kwame Krumah

TelOne

Gweru

Dear sir /madam

RE: Permission to carry a study research on TelOne Zimbabwe

I am a male student at Midlands State University, currently studying Bcom Degree in Marketing Management. As a request for the completion of my study, I am carrying out a project entitled:**A study on the effects of sales promotion strategies on company performance.**

I am kindly requesting for your assistance and permission to carry out the research study using TelOne as a case study. All information is guaranteed to remain confidential and will be used specifically for academic purposes by the researcher.

Your assistance is kindly appreciated in advance

Regards

Dangaiso Paul Tinashe (R103909H)