PROMOTIONAL ACTIVITY AND ITS IMPACT ON CUSTOMER PREFERENCE (IN CASE OF FLOUR FACTORY IN GUBRE SUB CITY)

WOLKITE UNIVERSITY

COLLEGE OF BUSSINESS AND ECONOMICS

DEPARTMENT OF MARKETING MANAGEMENT

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BY

SHIBRIE GETACHEW

ADVISOR:

MULUKEN HAILU (MBA), MARKETING

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WOLKITE, ETHIOPIA

WOLKITE UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

UNDERGRADUATE STUDENT OF MARKETING

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PREPARED BY: SHIBRIE GETACHEW

APPROVED BY BOARD OF EXAMINERS

APROVAL SHEET

Name	Signature	Date
_____	_____	_____
(Advisor)		
_____	_____	_____
(Examiner1)		
_____	_____	_____
(Examiner 2)		

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Abstract

Promotion has the impact on customers to inform, persuade and remind toward buying product as well as increase sales volumes of the factory. The objective of this study is to assess the promotional activity and its impact on the case of flour Factory. The main purpose of this research is to answer the questions that are related to the promotional activity of the factory and to provide some significance for the users. The independent variables of this research were advertising, public relation, personal selling, sales promotion and publicity. And also the dependent variable of the research was customer preference. Among the types of research design, the researcher was selected descriptive type of research design. Because of the descriptive research was the description of state of the nature of affairs as it exists present. For this research purpose both primary and secondary data source was used. Data collection method was used questionnaires and interview for primary data and different published and unpublished written materials for secondary data. The method of sampling technique the researcher used in this study was non-probabilistic sampling. i.e. convenience sampling technique; because it involves including in the sample whoever happens to be available at time. Major finding of this study indicates that the promotional activity of flour factory in Gubre town has a great impact on customer's preference to inform, persuade, and remind towards buying a product as a result it increases sales volume of the factory. So the major recommendation of this study was the factory should try to use promotional activities widely in order to attract the new customer and retain the loyal customers. And advertisement should be effectively used by the factory to increase sales

***KEY WORDS**: Promotion,Advertising,Personal selling, Publicity, Sale promotion, Public relation*

CHAPTER ONE

1. INTRODUCTION

This chapter introduces the phenomenon under study. It consists of the background of the study, background of the organization, statement of the problem, research questions, and objectives of the study, scope of the study, significance of the study, limitation of the study, definition of core term and organization of the studies. The chapter finally outlines the structure of the report.

1. 1.Back ground of the study

Promotion is the means used by which business communication with their offering and persuades target customers to buy its products as well as to tell them about the company and its product. It is the function of informing, persuading and influencing the customer purchase decision and it is palatal element of the marketing mix because it informs the customer about the product benefit. J Stanton 1980.

Promotion must convince the target customer that the goods and service offered have differential advantage over the competitor. Differential advantage is asset of unique feature of the company and its product that are perceived by the target market as significant and superior to the competition. USA marketing philosophers.

Promotion has the impact on customers to inform, to persuade and to remind toward buying product as well as increasing sales volume and increase brand image by regular purchases of the product. Promotion is a very important part of the firm's marketing strategy. Promotion means to "move forward" and marketing promotion is a form of persuasive, reminding and informative way of communication promotion process within a person which creates motivation. Inter leading to a particular desired cause of action, after the company gain an understanding of the communication process and what to transmit, it is ready to develop and overall promotional plan. Such a plan consists of objectives, budgeting and promotional mix to its target segment. University of Colorado.

In selecting the appropriate promotional mix, Marketer must consider the target audience, the stage of product life cycle, characteristics of the product, decision state of the buyer, and the channel of distribution. Thus the study was attempt to discover the forms of promotional strategy that flour factory uses at different levels of product life cycle and characteristics of the product. It also attempts to find at

how the product and to find out the factory was overcome the problem associated with promotional activity and better position of its product in the market. Dr. Varma and Aggarwal 1986.

1.2. Background of the organization

Flour factory that is found in Gubre sub city is established in May of 2007 in guraghe zone with a stated capital of Birr 1,000,000(one million). Which is start work in June 2011 and it produce maximum in 300 tons per day. And it serves large number of customers with best quality products and services the factory has 31 employees currently, distributing and selling the company's product. The mission of the factory has been producing flour and distributing it to the society through wholesaler as well as retailer.

1.3. Statement of the problem

Promotional activity is one of the many responsibilities of marketing managers. The aim of the business organization to service in the environment or marketing is making a profit. To achieve its objectives it must be very interactive with the environment or customer. Today the organization face some problems including the declining of profit margin, reducing of sales volumes and market share, lack of potential to help enquiring new customers and handling the loyal customer become unsatisfactory. Promotional activities such as advertising, publicity and public relation, personal selling and sales promotion are so important marketing activities. That use to attract and hold customers. Effective promotional activities are the main variable that uses to get customer preference for give a product and service. So an organization works hard to get customer preference by using effective promotional activity to maximize market share and profit of the organization because customers are working to pay for such product and services.

Currently people are knowing to look for the best products and that's why their fluctuating mind may switch on to new brands with a simple stimulus. Now-a-days due to the introduction of modern machines in the production sector consumers are exposed to varieties of products and are required to select which of the products, from which company will give them optimum satisfaction. However, the reduction in sales, promotion and public relation activities caused by the recent economic depression affected the efforts of the company in the area of reaching out to its numerous customers and competing favorably in the market resulting in brand switching and low patronage (Michael Okoye-Chine, 2021).

Due to these assessing the promotional activity and its impact on customer preference of the organization has paramount impacts on the future overall success of the organization. Despite these facts there was limited study regarding to promotional activity of the flour factory and customer preference particularly in the study area. Beside these previous studies were conducted with inferential research design and by

using only primary source of data. Unlike the previous studies that use only descriptive methods of data analysis, in this study researcher use both demographic and descriptive methods of data analysis. In sampling technique this study use non-probability; convenience sampling technique and others previous studies use probability; simple random sampling technique.

Hence this study will be conducted with the aim of assessing the promotional activity and its impact on customer preference in case of flour factory in Gubre town, Southern Ethiopia.

1.4. Research Question

- How to evaluate the effectiveness of sales promotion at the factory?
- What are the impacts of publicity at the factory?
- What are the impacts of advertising on customer preference?

1.5. Objectives of the study

1.5.1. General Objectives

The overall objectives of the study could be conducted to assess promotional activities and its impact on customer preference of flour factory in Gubre sub city.

1.5. 2 Specific Objectives

- To evaluate the effectiveness of sales promotion at the factory.
- To identify the impact of publicity at the factory.
- To identify the impact of advertising on customer preferences.

1.6. Scope of the study

The scope of the study was surrounded to flour factory in Gubre town Administration in Guraghe zone specifically on the effect of promotional activities and its impact on customer preference. The researcher is going to assess the study at the given crashed time from December 2023 up to April 2023.In order to identify the best result of the study the research mainly would be use both qualitative as well as quantitative approach. More specifically data would be collected from the customers of the factory and employees. The geographical scope of the study is going to study only on the flour factory at Gubre town.

1.7. Significance of the study

The importance of effective promotional activities plays a great role in modern marketing. The objective of promotional activities in the factory would be demand or image oriented. The study assumed that the result would be provided hint for organization to consider the customer as well as to plan way of promoting its product and which type of promotional method it has to apply for the product in different life cycle.

- ✓ Furthermore, the finding of the study may help others who have intention to study the topic further.
- ✓ To create long term relation with customer as well as to increase market share and sales volume.

Finally, the researcher helped that suggestion and recommendation forward would be help full to the concern body by producing high light about promotion and its impact on customer preference

1.8. Limitation of the Study

During the preparation of this research the student researcher was constrained by various limitations. Among the limitation; lack of computer knowledge experience, lack of connection access, Inadequate time, Social factor, and Lack of experience and skill about the research practically.

1.9. Definition of core term

Promotion: - is the function of informing, providing and influencing the customer purchase decisions.

Advertising: - is any paid form on non-personal communication about an organization good, service or idea by identities sponsor.

Personal selling**:** - is defined as two-way flow of communication between a buyers and sellers designed to influence agers on or group purchase decision.

Publicity*:* - a non-personal indirectly paid presentation goods and service editorial or product announcement.

Sales promotion: - as hurt-term in delimit of value offered to arouse interest in building a good and service sales promotion is offered to intermediaries as well as ultimate customers.

Public relation: - refers to affirm communication and relationship with its various publics. These publics includes customers, suppliers stock holder employees, the government, the general public and the society in which the organization operates.

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1.10. Organization of the study

This study was composed of five chapters. The first chapter deals with the introduction that includes background of the study, statement of the problem, research question, objectives of the study, scope of the study, significance of the study and organization of the study. The second chapter deals with review related literature that consists of definition and concept of promotional activities. The third chapter deals with methodology of the study. And also chapter four deals about interpretation and analysis of data. Chapter five deal about summary, conclusion and recommendation. And lastly reference and appendix also involved.

CHAPTER TWO

RELATED LITERATURE REVIEW

2.1. Introduction

This section present literature which are very pertinent for the study. Literature in relation with among Impact of promotional activity on customer preference. This include concept of the research study, core term in relation to the study issue.

2.2. Definition and Concept of the research study

Definition of promotion

Promotion is a means of communication by marketers that used to inform, persuade and remind potential buyer of the product. It is a function of informing, persuading and influencing the consumer purchase decision (George E Belch, Michael, 2007:21)

2.3. Core terms in relation to the study issue

Promotion: - is the function of informing, providing and influencing the customer purchase decisions.

Advertising: - is any paid form on non-personal communication about an organization good, service or idea by identities sponsor.

Personal selling**:** - is defined as two-way flow of communication between a buyers and sellers designed to influence agers on or group purchase decision.

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Public relation: - refers to affirm communication and relationship with its various publics. These publics includes customers, suppliers stock holder employees, the government, the general public and the society in which the organization operates.

2.4 Theoretical Review

2.4.1. Nature of Promotion

Promotion is the means by which business communicate with their target customers about characteristics of their offering. Promote the consumers about this product benefit and positioning them in the market place.

Promotion must convince the target consumer that the goods and services offered have a differential advantage over the competition. A differential advantage is a set of unique features of a company and its product that are perceived by the competitors. It seeks to modify behavior through in some way and to reinforce existing behavior (ABELCH, Kerry Puranii 2007:21).

Basic tasks of promotion

There are three tasks for promotion

- ✓ Informative promotion: is generally more preventing the early stage of the product life cycle. When it can increase demand for a product category.
- ✓ Persuasion: is simply attempting to motivate a consumer to purchase a product persuasion normally become to primary promotional goals when the product is entering in the growth stage of the product life cycle.
- ✓ Reminder- is used to keep the product and brand name in the public eye (Georg Betch, Keyoor purani 2007;94)

2.4.2. Importance of Promotion

Promotion has social, business, and economic importance.

A. Social importance: promotion has an important factor in campaign aimed at achieving social oriented objectives such as stopping smoking, family planning, physical fitness and elimination of drug abuse.

B. Business importance: promotional strategy has become increase important to both large and small business enterprise. The well documented long term increase in fund spent promotion certainly at tests to management faith in the ability of promotional and additional sales.

C. Economic Importance: Promotion has assumed degree of economics importance. If for no other reason because it provides employment for thousands of people more importance, however effective promotion has allowed society to drive benefit not otherwise available (William F. arens 2006. 7).

2.4.3. Promotional mix

The promotional mix is a combination of promotional tools marketers use to communicate with their target audience. It is an essential component of marketing.

The four major elements of the promotion mix are Advertising, Sales Promotion, Personal Selling, and Public Relations.

A. Advertising

Advertising is a form of impersonal one-way mass communication paid for by the sponsor. It may be transmitted via many different media and does not provide direct feedback or any paid form of non-personal presentation and promotion of idea, goods and service by an identified sponsor (BELCH keyorr purani 2007:27).

A carefully severity of the above definition the following point emerge.

Advertising is a paid form and hence commercial in nature

- Advertising is a non-personnel unlike personnel selling advertising is done in non-personnel manner through intermediaries
- Advertising complement or mass substitute for personal selling (William f.arens 2006:7)
- Advertising promote ideas, goods and service although most advertising is designed to help the sale of good and service.
- Advertising it identifiable with its sponsoring authority or advertiser. It identifies the sources and ideas it present.

Two ways of advertising function

1. As tools of marketing and
2. As a means of communication and persuasion
    1 ***As tools of marketing*** – it is used as a tool for selling the product, Idea and service of the identified sponsor i.e. advertising through non-personal intermediaries or media.
    2 ***Advertising as a means of communication and persuasion***: advertising present and promote the idea, good and service of the identified advertiser. In presenting and promoting a item it inform the perspective buyer and user about the product and the producer (philp kotler 2006).

2.4.4. Types of Advertisement

Advertisements are prepared for different purpose but they basically consists two type, product advertisement and institutional advertisement (William f.arens).

A) Product advertisement

It focused on selling a good or service product advertisement takes three forms.

- ***Pioneering (information)***
- ***Competitive (Persuasive*)**: Advertising that promote specific brand feature and benefit is competitive the objective of the message is to persuade the target market to select the firm brand rather than competitors.
- ***Reminder advertising*:** is used to reinforce previous knowledge of product reminder advertising is good for product that have achieved well organized position and are in the mature phase of their product life cycle.

B) Institutional advertisement

The objective of institution advertisement is to build on image for organization rather than promote specific product or service. Often this form of advertising is used to support the public relation plan or counter advertise publicity. Four alternatives form of institutional advertisement are often used.

1. Advocacy advertisement states the position of the company on an issue.
2. Pioneering institutional advertisements are used for anew announcement about what a company is what it can do or where it is located.
3. Competitive institutional advertisement promotes the advantage of one product class over other or is used in market where different product classes compete for the same buyer.
4. Reminder institutional advertisements like the product form simply bring the company's name to attention of the target market again.

2.4.5. Developing the advertising program

Because media costs are high advertising decision must be make carefully using a systematic approach. The advertising decision process is divided into executing and evaluating the advertisement program.

Development of the advertising program focus on the four questions,

- Who is the target audience?

- What are the advertising objectives?
- What are the amounts of money that can be budgeted for the advertising program?
- What are the kinds of copy to use?

A. Identifying the target audience

The first decision in developing the advertisement program is identifying the target audience. To the extent that time and money permit the target audience for the advertising program is the target market for the firm product. Which is identified from marketing research and market segmentation study? The more a firm knows about is target audience profile including the life style, attitude and values profile the easier to make advertising decision. If a firm wants to reach you with advertisement. It would need to know what TV shows you watch and what magazine you need. Company also recognize the consumer receiver communication and accept idea and product at different time.

B. Advertising Objectives

Consumer can be said to respond in terms of a hierarchy of effect, which is the sequence of stages a perspective buyer goes through from initial awareness of a product to adoption action. Awareness the consumer ability to recognize and remember the product or brand name interest an increase the consumer's to learn about some of the feature of the product or brand. Evaluating the consumer appraisal of how he or she feels about the product or brand. Trial the consumers actually first purchase and use or the product or brand. Finally adoptions the consumer actually adopt the product or brand through favorable experience on the first trial, the consumer repeated purchase and use of the product or brand.

Advertising objective should possess three qualities they should;

1. Be designed for a well-defined target audience

2. be measurable and

3. Cover specific time period. (Phil kilter 2006:568)12th edition.

C. Setting Advertising budget

After setting the advertising objectives a company must be decide on how much to spent. Determining the idea amount for the budget is difficult because there is no precise way to measure the exact result or spending advertisement money. A common budgeting method this approach is often stated in terms of such as "our advertising budgeting for this year is 3 percent of last year gross sales. The advantage of this obvious, it is simple and provides financial safeguard by trying the advertising budget to sales.

A second common approach is matching the competitor absolute level of spending or the properties on per unit market share. This approach has also been referred to as matching competitor or share of market. It is important to consider the competition in budgeting consumer response to advertisement so it a competitor runs 30 radio advertisement rich week it may be difficult a firm to get its message across with only five messages. The competitor budget level however should not be the only determinant in setting a company budget. The competition might have very different advertising objective which require different level of advertising expenditure (philpkotler 2006; 568-569) 12 editions.

2.4.6. Selecting the right media

Every advertisement must decide where to place its advertisement the alternative are the advertising media that means by which the message id communicated to the target audience, newspaper, magazine radio & TV are example of advertising media. These media section decision is related to the target audience, type of product, nature of the message, campaign objectives, available budget, and the cost of alternative media.

Often advertiser uses a mix of media form and vehicles to maximize the exposure of message to the target audience which at the sometime minimizing cost.

The selecting of the media budget includes;

Reach: - refers to the number of different people exposed at advertisement.

Rating*:* - is the percentage of household in markets that are turned to a particular TV show or radio station.

Frequency*:* - the average number of times an individual is exposed to an advertisement.

Table2.1. the advantages and disadvantages of promotional tools

Medium	Advantage	Disadvantage
Television	Reaches extremely large audience, and motion for effective can target specific audience	High cost of prepare and runs advertisement short exposure time and perishable message, difficult to convey complex information
Radio	Low cost; can target specific audience advertisement can be placed quickly can use sound humor and intimacy effectively	No visual excitement short exposure time and perishable message, difficult to convey complex in formation.
Magazine	Can target specific high quality color long lite of advertisement, advertisement can be clopped and saved can convey complex information	Long time need to place advertisement limited control of advertisement position, relatively high cost, compete for attention with other magazine feature.
Newspaper	Excellent coverage of local market. Advertisement can be placed and changed quickly advertisement can be saved quickly consumer response low cost	Advertisement complete for attention with other newspaper feature can't control advertisement position on page. Short life span cannot target specific audience
Direct mail	Best for targeting specific audience very flexible advertisement can be saved measurable	Relatively high cost audiences often see it as "junk mail" no competition matters.

B. Personal selling

Personal selling involves a planned face to face presentation to one or more perspective purchase for the purpose of marketing a sale personal selling conducted over the phone is called tale marketing. Personal selling is more prevalent in the industrial good filed.

Personal selling means personal communication b/n buyer and seller by or through the preventative of seller. It is thus sales promotion activity conducted by the agent or representative of the firm. It involves two way communications between buyer and seller. Both advertising and salesmanship sales (personal selling) are designed to achieve the same objective i.e to promote the sales. One cannot replace the other rather they may use as complementary to each other.

However, personal selling differs from advertising and the following points of difference may be noted carefully (George, Belch, Michael Belchi 2007; 745)

i) Personal selling on appeal is mode through persons while advertising is an impersonal and indirect method of selling.

ii) Personal selling activities are mainly controlled by the company itself but the advertising method except mail advertising are generally owned and controlled by many author agencies such as radio television, newspaper etc. and the company pays for the services.

iii) Advertising is addressed to the mass while salesmanship (personal selling) is concerned with individual come in his contact.

iv) The purpose of advertising to influence and appeal group of person where as a sales man talk to person before him.

v) Since a sales man talk to the person concerned he understands the sales man whether he is educated or not. He can remove any doubt while talking to the sales man but it is not possible expect in certain case an appeal made in an advertisement copy need not necessary be followed by the masses.

vi) In order to make sales effective through sales man it is necessary to maintain a big sales force which is very costly needed but advertising is not so costly moreover it is most convenient and simple device to make sales a peal over wide area and many audiences.

vii) The ultimate purpose of sales man ship and advertising is the same i.e. increase in sales volume thus both are complementary to each other. Advertising support the salesmanship and vice versa.

C. Sales promotion

Sales promotion has been defined as “a direct inducement that offer an extra value of or incentive for the product to the sales force. Distributes or the ultimate consumer with the primary objective of creating

on immediate sales (source of internet market environment H+M) .Sales promotion involves some type of inducement that provides on extra incentive to buy incentive is usually the key element in a promotional program. It may be a coupon or price reduction. The opportunities to enter a contest or sweep stakes a money back refund or rebate or an extra amounts a product. Sales promotion can also prove an inducement to marketing intermediaries such as wholesalers and retailers. Attract allowance or discount gives retailers financial incentive to stalk and promote manufacturer's products. Sales promotion is essentially an acceleration tool designed to speed up the selling process and maximum sales volume. By providing an extra incentive, sales promotion techniques can motivate consumer to purchase a larger quality of a brand or shorten the purchase cycle of the trade or consumer by encouraging them to take more immediate action. Sales promotion attempts to maximize sales volume by motivating consumer who have not responded to advertising (Gorge, E BRICH, Michael, A Belch, Keyoorpurani 2007; 640)

D. Public relation

Public relation is a firm communication and relationship with publics. These public includes the organization customer, suppliers, shareholder, employees, the government, the general public and the society in which the organization operates public relation program can be either formal or informal.

The criteria point is that every organization; whether or not it has a formalized organized program need to be concerned about its public relations. (Philip Kotler, (2006; 593), 12 edition. In comparison to personal selling advertising and even sales promotion expenditure for public relation are usually low in most firms. Therefore, publicity concerning a company's proud rest or affairs is an important part of an effective public relation effort. Publicity means dissemination of information about a company or product by personal or non-personal means and is not directly paid by the organization and the organization is not identified as the source of information (Philip kilter 592, 12th edition).

The tools of publicity

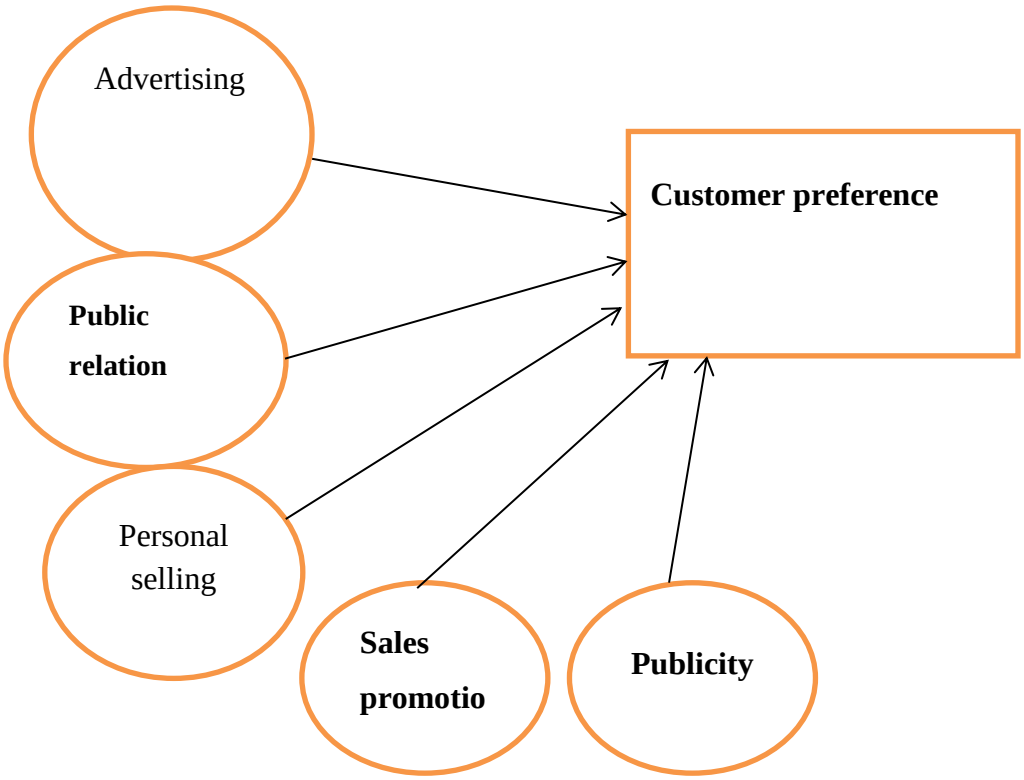
Many companies frequently use the news release consisting of an announcement regarding changes in the company or the product line. The objective of a news release is to inform a newspaper, radio station or the medium of idea for a story.

Second common publicity tool is the news conference representative of the media are all invited to an informational meeting and advance material regarding the content are sent No profit organization rely heavily on public service announcement, which are free space or time donated by the media (Burnett, promotion management 2002).

2.5. Conceptual Framework of the study.

Independent variable **Dependent variable**

Promotional mix



***Source*; Own survey (2033)**

Figure 2.1: Conceptual Framework

CHAPTER THREE

METHODOLOGY OF THE STUDY

3.1. Introduction

This chapter concerned with understanding of the research methodology the study includes description of study area, research approach, research design , target population of study , sampling technique and sample size determination, source of data collection, data collection instrument, data collection procedure, method of data analysis and ethical consideration.

3.2. Description of the study area

The study was focused in flour factory found in Gubre sub city that is located in southern nation**s,** nationalities, and people's region in south guraghe zone at distance of 165 km Away from Addis Ababa. Its astronomical location is Latitude, 8° 11' 42.59"N ; Longitude, 37° 47'32.56"E**.**

3.3. Research Approach

This study employed mixed research approach. The researcher would be use qualitative method to analyse the information collect from representative of gubre flour factory, because I cannot express customer preference and motives in numbers so, the researcher would be use qualitative method. And employed the quantitative approach to compute information that acquired through questionnaires from target population, because when the researcher needs to express the data in numbers so, the researcher would be use quantitative method.

3.4. Research design

There are three types of research design: descriptive research, exploratory research, and causal research (Gilbert A Churchill Jr...1992). Among the types of research design, the researcher was selected descriptive type of research design. The reason that the researcher was motivated to by this type of research design is my study concerns with relationship of the factory and customer practice that prevail, belief, perspective or attitudes that to hold practices that will be undertaken.

3.5. Target population of the study

This study was conducted at customer of flour factory in gubre sub city and surrounding in Wolkite, so the target population of this study was customer of the flour factory and employees of the factory. According to the data from the factory states, there were 2000 customers of the factory and 31 employees in the factory.

3.6 Sampling technique and Sample Size determination

3.6.1 Sampling technique

A sample refers to the group surveyed any time. The survey is not administered all members of the population. The process of selecting a sample group of people from the total population which it is drawn is called sampling (WrennB, et al, 2002). This study would use one of non-probability sampling method known as convenience sampling technique.

The method of sampling techniques used in this study was non- probabilistic sampling techniques. Non-probability sampling is a subjective procedure in which the probability of selection for each population unit is known beforehand. From non-probability sampling technique the researcher was used convenience sampling technique to collect the data. Because convenience sampling technique involves including in the sample whoever happens to be available at time.

3.6.2 Sample size determination

The study population was 2000 customers and 31 employees in flour factory that found at Gubre town. From this targeted population the researcher was collected data from 95 out of 2000 customers, and 24 out of 31 employees of flour factory that is found in Gubre town. The number of sample was needed for the study; the researcher was determined based on the general formula projected by *Yamane (1967).*

Where: n=Total sample size

N=Total population

e=Measure of error

e= the error of 10% points

By using Yamane's formula of sample size with an error term 10% and confidence coefficient of 90% the sample is calculated as follows.

Thus, at 10% error and 90% of confidence coefficient;

$$n = N/1+N(e)^2$$

$$n = 2000/1+2000(0.1)^2$$

$$n = 2000/21 = 95$$ from customers and

$$n = N/1+N(e)^2$$

$$n = 31/1+31(0.1)^2$$

$$n = 31/1.31 = 23.66 \sim 24$$ from employees

Total sample size, n=95+24=119

3.7. Source of data collection

To conduct this study, the researcher was used both the primary and secondary sources of data. The primary sources of data were collected from employees, and customers. Data from the secondary sources were collected from exist documents, published or unpublished materials and from website.

3.8. Data collection instrument

The data was collected by using questionnaires from employees, and customers. Both close ended and open-ended questionnaires are used by the researcher to collect the data. Closed ended questions are questions that have predetermined answers for respondents to choose form. In some cases, closed ended questions can be answered by a simple one-word like; yes or no, true, or false. Open-ended questions are questions that cannot be answered with a simple yes or no, and instead require the respondent to elaborate on their point and it help you see things from customers perspective as you get feedback in their own words instead of stock answers.

3.9 Data collection procedure

The study was used the following procedures for data collection. Prepare questionnaires; Questionnaires were distributed to the employee and customer, Collect the response to each question. Determine the wording of each question, coding it for analysis and then interpret the result.

3.9. Methods of data analysis

The variables of the study were promotional activity promotional mixand customer preference. promotional activitypromotional mix is the independent variable and customer preference is the dependent variable.

The researcher was used two types of data analysis; demographic analysis and descriptive analysis. Under demographic analytical part analysis the demographic characteristics or demographic factors like; age, sex, educational status of the respondents respond to analyze the data gathered. After the relevant data are collected the researcher would be used descriptive analysis of data. Finally, the data are become analyzed and interpreted by using different mechanisms or tools like table,percentage, to discuss and summarize data.

3.10. Ethical consideration

The study was appreciated to use information from Gubre sub city. Thus, the study acknowledges the fact and cautions that the data to be obtained from Gubre sub city. Solely used for academic purposes. Having noted this, the study advises that use of the findings without expert advice, is at the peril of the user. The researcher was keeping a high level of confidentiality and integrity throughout the field work and afterwards. Further the study was treating the responses from the respondents with confidentiality it deserves. The researcher pledges that the data and information was solely used for academic purpose.

CHAPTER –FOUR

INTERPRETATION AND ANALYSIS OF DATA

Introduction

In this chapter the data obtained from respondent has been analyzed using table and percentage. All questionnaires were collected in April 2023. During data collection total of 119 questionnaires were distributed to the respondents and out of the 119, 95 were customer of the factory, and 24 were the employees of the factory. Out of these 119 questionnaires 90 were collected. Out of this 70 were from customers and 20 were from employees of the factory.

Part I Presentation and interpretation of data analysis that are obtained from customer through questionnaires'

Table 4.1.Demographic information of respondents

Profile	Category	Frequency	Percentage
Sex	Male	25	35.7%
	Female	45	64.3%
	Total	70	100%
Level of Education	Below Secondary	30	42.86%
	Diploma	20	28.57%
	Degree	20	28.57%
	Total	70	100%
Occupation	Government	25	35.7%
	Private	26	37.1%
	NGO	9	12.9%
	Student	10	14.29%

	Total	70	100%
Age	Below 30 Yrs.	25	35.7%
	31-40 Yrs.	15	21.4%
	41-50 Yrs.	15	21.4%
	More than 50Yrs	15	21.4%
	Total	70	100%
How Long using the product	1-12 month	20	28.57%
	1-2 Yrs.	20	28.57%
	2-3 Yrs.	10	14.29%
	Above 3 years	20	28.57%
	Total	70	100%

***Source*; Questionnaire (2023)**

According to Table4.1 Demographic profiles of respondents show that the personnel who participated in questionnaire 25 customers (35.7%) were men and 45 customers (64.3%) were women, 30 customers (42.86%) were below secondary school, 20 customers (28.57%) have a diploma,20 customers (28.57%) have degree,25 customer (35.7%) were employed in government office 26 customers (37.1%) were private servant, 9 customers (12.9%) were NGOs, 10 customers (14.29%) were students, 25 customers (35.7%) were below 30 Yrs., 15 customers (21.4%) were 31-40 Yrs.),15 customers (21.4%) were 41-50 Yrs.,15 customers (21.4%) were more than 50 Yrs.,20 customers (28.57%) were using the product 1-2 month, 20 customer (28.57%) were using the product 1-2

Yrs.,10customers(28.57%) were using the product 2-3Yrs and20 customers (28.57%) are used the product above 3 years respectively.

Table 4.2 do you get free sample from the factory or not.

Particular	No of respondents	%
1. do you get free sample from the factory		
Yes	0	0
No	70	100
Total	70	100

***Source*; Questionnaire (2023)**

According to table (4.2). 70 respondent (100%) of the respondent said that No. this indicates that customer did not have free sample from the factory. In other word the factory did not provide free samples for customers.

Table 4.3 does the factory provide price off or not

Particular	No of respondents	%
7. does the factory provide price off promotion		
Yes	45	64.3%
No	25	35.7%
Total	70	100%

***Source*; Questionnaire (2023)**

According to table (4.3). Depicts that 45 respondent(64.3%)of the respondent said that **yes** whereas 25 respondent(35.7%)of the respondent said that **No** as responded by 64.3% of the respondent, the factory provide price off promotion for customers and the rest said that the factory do not provide price off promotion for customers. The researcher concluded that the factory provide price off promotion to more customers.

Table 4. 4. If the company gives premium or bonus for customers

Particular	**No of respondents**	**%**
8. Does the factory give premium or bonus offers for customers?		
Yes	20	28.57%
No	50	71.43 %
Total	70	100%

***Source*; Questionnaire (2023)**

According to Table (4.4). 20 respondent (**28.57**%) of the respondents said that **yes** whereas 50 respondent (71.43%) of the respondent said that **No**. this implies that more number of the customers does not premium or bonus from the factory. While some of the customers got premium or bonus from the factory. Based on question number 8 some number of customers are responds as they can get on pack or in pack premium or bonus from the factory among different types of premium. Generally, from this interpretation the researcher can conclude that the factory provides in pack and on pack premium for loyal or repeated buy purchased customers.

Table4. 5 types of the promotional tool that is used by the company

Particular	No of respondents	%
9. what type of promotional tools used by the company		
Advertising	25	35.7%
Sales promotion	20	28.57%
Personal selling	10	14.29%
All	15	21.4%
Total	70	100%

Source; **Questionnaire (2023)**

As the researcher shows on tables(4. 5) About 25 respondent(35.57%)of respondents said that the factory uses advertisement ,20 respondent(28.57%) of the respondents said that the factory uses sales promotion,10 respondent(14.29%)of respondents said that the factory uses personal selling, and the rest 15 respondent(21.4%) of the respondent said that all advertising, sales promotion and personal selling to promote its products generally the researcher concluded that the factory paid its promotional effort on advertising relative from other tools.

Table4. 6 impacts of advertising on customer

Particular	No of respondents	%
10. what is the impact of advertising on customer		
Excellent	0	0%
V. good	35	50 %
Good	20	28.57%
Bad	15	21.4%
Total	70	100%

***Source*; Questionnaire (2023)**

According to Table (4.6) reveal that 0 respondent (0%) of the respondent said that the impact of advertising on customer is excellent, 35respondent (50%) of the respondent said that very good, 20 respondent (28.587%) of the respondent said that good and 15 respondent (21.4%) of the respondent said that bad. Therefore, on understand that the impact of advertising on customer relatively very good as well as good.

Part II Interpretation and presentation of data that are obtained from employees through questionnaire.

Table 4.7 do you get free when you purchase in bulky?

1. Do you get free goods when you purchase in bulky?		
Yes	0	0%
No	20	100%
Total	20	100%

***Source*; Questionnaire (2023)**

According to table (4.7) 20 respondent (100%) of the respondents said that **No** from this the researcher can concluded the retailers purchase in Bulky

Table 4.8 does the factory provide credit or not?

Particular	**No of respondents**	**%**
2. Does the factory provide credit to you?		
Yes	8	40%
No	12	60%
Total	20	100%

***Source*; Questionnaire (2023)**

According to table 4.8) 8 respondent (40%) of the respondents said that **yes** whereas 12 respondent (60%) of the respondent said that **No,** the researcher concluded that most of the respondents does not have credit from the factory.

Table 4.9 does the factory provide discount or not

Particular	No of respondents	%
3. Does the factory provide discount when you purchase during a stated period?		
Yes	5	25%
No	15	75%
Total	20	100%

***Source*; Questionnaire (2023)**

From the above analysis of table (4.9) 5 respondent(25%) of the respondent said that **yes** while 15 respondent(75%) of the respondent said that **No**. Generally one can understand from this interpretation most of the respondents do not got discount when they purchase during the stated period but some of the respondent have got discount when the purchase during a stated period.

Table 4.10 flour factory consider your preference than others or not

Particular	No of respondents	%
4.Do you think Flour factory consider your preference than other company Yes No	14 6	70% 30%
Total	20	100%

***Source*; Questionnaire (2023)**

According to table (4.10), 14 respondent (70%)of the respondent said **yes** whereas 6 respondent(30%) of the respondent said no. the researcher concluded that the company keeps most retailers preference rather than other company when producing of the products.

Table 4.11 quality of the product

Particular	**No of respondents**	**%**
5. what is the quality of the product ?		
A. Excellent	4	20%
B. V. good	8	40%
C. Good	8	40%
D. Bad	0	0%
Total	20	100%

***Source*; Questionnaire(2023)**

According to Table (4.11) reveal that 20% of the respondent said that the product quality is excellent, 40% of the respondent said that very well and 40% of the respondent said that good. Therefore on can understand that the quality of the factory's product relatively very good as well as good.

Table4.12 types of advertising media used by the factory

Particular	**No of respondents**	**%**
6. What type of advertising media used by the factory?		
TV	5	25%
Radio	8	40%
Newspaper	4	20%
Magazines	3	15%
Direct mail	0	0%
Total	20	100%

***Source*; questionnaire (2023)**

The above table shows that the factory is using more of radio for advertise its product because 40% of the respondents inform that radio is the first media used by the factory 25% of the respondent said that TV is the means of advertising the factory's product. The other 20% of the respondents said that newspaper is the way of purchasing the factory's product to the market. The rest 15% of the respondent said that magazine is the type of advertising media used by the company. But no respondent give their respondent on direct mail that means that the factory doesn't use direct mail to make its product worldwide. Generally from the above data analysis most of the time the factory uses radio &Newspaper to promote their product.

Table 4.13 who is benefited from advertising

Particular	**No of respondents**	**%**
7. who is benefited from advertising		
Manufacturer	8	40%
Sales man	4	20%
Consumer	6	30%
Dealers	2	10%
Total	20	100%

***Source*; Questionnaire (2023)**

According to table (4.13) the highest beneficiary of advertising is manufacturer. Because 40% of the respondent said that most of the time manufacturer benefited from advertisement. Even through it uses 30% of the respondents said that consumers are benefited from advertisement and 10% of the respondent said that dealers are the second beneficiary of advertisement. One can deduce from the above respondent's response 40% of the manufacturer 30% of the consumer 20% of the sales men and 10% dealers this indicates that manufacture and consumer are the most beneficial of the factory's advertisement than sales men and consumers.

CHAPTER FIVE

SUMMERY, CONCLUSION AND RECOMMENDATION

5.1. Summary

This study was conducted on Flour Factory which is found in Gubre sub city. The factory has 31employees currently. The mission of the factory has been providing Flour and distributing to the society through retailers and personal selling. The objective of this study was to assess the promotional activity and its impact on the customer preference and to answer the questions that were related to promotional activity of the factory and to provide some importance for the company. Promotion is the function of informing, persuading and influencing the customer's purchase decision and it is a vital element of marketing mix to promote the product. The factory focuses more on advertisement and personal selling activity to persuade and remind the customers. The instrument that would be used in collecting the data for this study was questionnaire through convenience sampling method. Among the various types of methodology, the researcher was selected descriptive method of research. The main purpose of the research was to answer the question like what are all the promotional mix that the factory used, and how promotional activity produce an impact on the customer preference. Some of the objectives of this study were to evaluate the effectiveness of a present advertising activity of the factory and to understand the impact of sales promotion on customer preference. The total sample population were to out of which 119,95 were customers, 24 were retailers, and the most cost-effective media is TV and radio. According to the analysis the factory did not discount from the factory. The quality of the factory is product is relatively very good and good. Advertisement has benefits from manufacturers, salesmen, consumers, dealers, and the society also benefited from advertisement in different aspects.

5.2. Conclusion

- To promote the product the factory focuses more on advertisement and personal selling activity to persuade and remind customers.
- Promotion has impact on customers to inform, persuade, and remind towards buying product as well as increase the sales volume.
- The factory did not give free sample for the customer.
- Ultimate customers were not got coupon for the factory.
- Most of the customers do not get premium or bonus for the factory.
- The factory does not give price off promotion to all customers.
- The factory uses more of advertising which involve 3 mass media.
- Advertisement was not effectively used by the factory.
- Retailers were not given free goods when they purchase in bulky and the factory did not give credit to retailers as well as discounts.
- The product quality of the factory is relatively very good.
- Among the different types of advertisement media radio is the first media used by the factory.
- The highest beneficiary of advertisement was manufacturers.
- Most of the benefits of advertisement to the society were generating gain full employment.

5.3. Recommendation

- The factory should give free sample for customers to promote the product.
- Advertisement should be effectively used by the factory to increase sales volume
- The factory should give credit to retailers to motivate them and increase sales volume
- The factory should give price-off promotion to all customers.
- The company should create valuable impact on the customer preference so as to be coupons, premiums, contest trade shows.
- The factory should advance the provision of incentives for the customers so as to attract new customer.
- The factory should try to use promotion widely in order to attract the new customer and retain the loyal customers.

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Appendix

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Part I. Questionnaires given by customer.

Dear respondents!

The following question are prepared for research purpose to be under on the promotional activity and its impact on customer preference in the case of Gubre town by Shibrie Getachew

The researcher would like to thank you for your willingness to fill this questionnaires format and each of your response is very useful for the study. Therefore please go through each question.

Instruction:-

- For fulfillment of the purpose of this paper you are kindly requested to answer the entire following questions appropriately as per the requirement listed below.
- No need to write your name.
- Please indicate your option Yes or No on the appropriate space Provide by using

Part I: **Demographic characteristics**

Sex Male □ Female □

Age A. below 30 Years C. 41-50Years

B. 31-40 Years D. More than 50 □

Education level A. below 10^{th} grade □

B. 10^{th} or 12^{th} grade completed □

C. Diploma □

D. Degree □

4. Occupation A. Government □ C. NGO □

B. Private □ D. Student □

5. How long you have been using the product of the factory?

A. 1-12 month □ C. 2-3 Years □

B. 1-2 years□ D. above 3 Years

Instruction I. Say Yes or No

6. Do you get free sample from the factory?

A. Yes □ B. No □

7. Does the factory provide price off promotion?

A. Yes□ B. No□

8. Does the factory give premium or bonus offer for customers?

A. Yes □ B. No□

Instruction II. choose

9. What type of promotional tool used by the factory?

Advertising □ C. personal selling □

Sales promotion □ D. all□

10. What is the impact of advertising on customer?

Excellent □ C. Good □

Very good □ D. Bad□

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Department of marketing management

Part II. Questionnaires to be filled by employees of the factory.

Dear respondents!

First and for most the researcher would like to thank in advance for your willingness to fill this questionnaire format and each of your response is very useful for the study. Therefore, please go through each questionnaire tolerantly.

Instruction: -

- For fulfillment of the purpose of this paper you are kindly requested to answer the entire following questions appropriately as per the requirement listed below.
- No need to write your name.
- Please indicate your option Yes or No on the appropriate space Provide by using.

Instruction I. Say Yes or No

1. Do you get free goods when you purchase in bulky?

   A. Yes □ B. No□

2. Does the factory provide credit to you?

   A. Yes □ B. No□

3. Does the factor provide discount when you purchase during a stated period?

   A. Yes □ B. No□

4. do you think Flour factory consider your preference than other companies?

   A. Yes □ B. No□

Instruction II. Choose

5. What is the quality of the factory's product?

A. Excellent □ C. Good □

B. Very Good □ D. Bad□

6. What type of advertising media used by the factory?

A. TV □ C. Newspaper □

B. Radio □ D. Magazine □ E. Credit mail □

7. Who is benefited from advertising?

A. Manufacturer □

B. Sales Men □

C. Customers □

D. Dealers