# THE ROLES OF SALES PROMOTION AND ADVERTISING IN THE PRODUCTION ORGANISATION (A CASE STUDY OF NIGERIAN BREWERIES PLC)

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A PROJECT IN THE DEPARTMENT OF BUSINESS ADMINISTRATION SUBMITTED TO THE POST-GRADUATE SCHOOL IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE AWARD OF THE DEGREE OF MASTERS OF BUSINESS ADMINISTRATION, AHMADU BELLO UNIVERSITY, ZARIA.

NOVEMBER 1998

**DEDICATION**

**TO**

MY ELDER BROTHER: MR. ONYEMAUCHE IGBOKWE

AND

MY BELOVED PARENTS: GODWIN AND JOSEPHINE IGBOKWE

"GOD GRANT ME THE SERENITY TO ACCEPT THE THINGS

I CAN'T CHANGE ..... THE COURAGE TO CHANGE THE THINGS

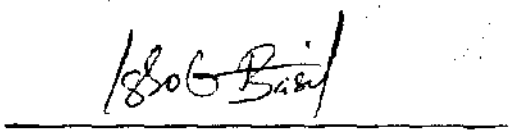
I CAN, AND. ..... THE WISDOM TO KNOW THE DIFFERENCE."

Postscript

## DECLARATION

I WISH TO DECLARE THAT, ASIDE THE USE OF JOURNALS, BOOKS FROM RELATED LITERATURE AND THE GENERAL REFERENCES MADE IN THE BIBLIOGRAPHY; ALL OTHER FACTS GATHERED WERE AT THE DISCRETION OF THE RESEARCHER

BASIL OBINNA IGBOKWE
NAME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## CERTIFICATION

This project report entitled: THE ROLES OF SALES PROMOTION AND ADVERTISING IN THE PRODUCTION ORGANIZATION ( A CASE STUDY OF NIGERIAN BREWERIES PLC.) BY IGBOKWE OBINNA, BASIL meets the regulations governing the award of the degree of MASTERS IN BUSINESS ADMINISTRATION of Ahmadu Bello University, Zaria and is approved for its contribution to knowledge and literary presentation.

Member, Supervisory Committee — Date: 22/01/01

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May Almighty God bless us all

November 1998

Obinna Basil Igbokwe

## ABSTRACT

The effective application of the duo of advertisement and sales promotions are assumed by marketing theory to have a direct consequential effect on annual level of turnover. Before this can be achieved, both advertisement and sales promotion arc expected play some positive roles directly or indirectly linked to motivating customers to increase their patronage.

It is in the light of this that the researcher sought to investigate the roles played by both elements using Nigerian Breweries Plc as a case study. Although Nigerian Breweries Plc is generally known to be the market leader in terms of its market share and sheer magnitude of it production facilities, it is very involved in both advertisements and sales promotion in the bid to continue to occupy this enviable position.

This study is carried out in five chapters. Chapter one which serves as an introduction covers the statement of the problem, objectives of the study, significance of the study, scope of the study, research methodology, statements of hypotheses, and the general definitions of major terms used in the course of this study.

Chapter two is a general review of related literature and touches on such areas as the communication process, the definition of sales promotion, the definitions of advertising, types of advertisements, types of sales promotion, and the roles of sales promotion and advertising.

Chapter three dwells much on the case study chosen, Nigerian Breweries Plc, touching on such areas as operations, corporate mission statement, an overview of the Nigerian brewing industry,

the brand profile of the company, the organisational structure of the company and the advertising and sales promotions activities.

Chapter four is a presentation of data and analysis carried out. The researcher was able to generate data covering such areas as the redemption capacity of sales promotions of the company, awareness of Nigerian Breweries adverts, influence of sales promotion on sales during and after sales promotions, influence of sales promotion in creating additional brand loyalists, and impact on youths to take to drinking alcoholic beverages. Also other areas covered by the research arc the perceived roles of advertising and sales promotion by the research population. All responses received were collated and analysed using the simple percentage point analysis.
Also there was a test of the hypotheses that both annual expenditure on sales promotion and advertisement are directly related to annual levels of turnover.

Chapter five contains summary of the research findings, recommendations and the conclusion of the study. Some of the major recommendations include that the company should begin the process of formulating new ways of advertising and sales promotion of its products especially in the face of a hostile social environment occasioned by the introduction of the new sharia legal system and a further research to de-emphasise both elements if necessary but to exploit the use of other elements of the marketing mix.

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# CHAPTER ONE.

## 1.1 INTRODUCTION.

The modern production and marketing of products calls for more than just developing a good product, pricing it attractively, and making it available to target customers. Therefore production firms must also communicate with their customers, and what they communicate should not be left to chance.

Advertising and sales promotion are just two of the promotional-mix elements, the others being personal selling and public relations. Philip Kotler and Gary Armstrong define advertising as any paid form of non personal presentation and promotion of ideas, goods or services by an identified sponsor while sales promotion means short term incentives to encourage the purchase or sale of a product or service.

Although marketers agree that both are great communication tools and are capable of assisting an organisation reach its marketing objectives, they contend that it is necessary to determine the actual roles of advertising and sales promotion in the scheme of things.

To be able to ascertain these roles, it might be needful to consider the administration of advertising and sales promotion in Nigerian Breweries Plc as a case study. This is the main thrust of this study.

## 1.2 STATEMENT OF THE PROBLEM.

Most wholly owned Nigerian firms tend to see advertising and sales promotion as a waste of scarce resources that could have been better utilized in the expansion of their business or some would suggest more productive uses such as price reductions or product improvements. Because of this singular reason they are not inclined to see whether there are any positive roles that advertising and sales promotion can contribute to a production firm.

They forget that a specific marketing mix design cannot satisfy people in a particular target market unless they are aware of the product or service and where to find it.

Marketers do not promote simply to inform, educate, and entertain, they communicate to facilitate satisfying exchanges. One long run purpose of promotion is to influence and encourage buyers to accept or adopt goods, services, and ideas. At times, an advertisement may be informative or entertaining, yet it may fail to get the audience to purchase the product. For example, some adverts for business computers seem to be weak in communicating benefits - they focus instead on getting customers to feel good about the product.

The problem here is that most firms do not realise that the ultimate effectiveness of advertising and sales promotion is determined by the degree to which it affects product adoption among potential buyers or increases the frequency of current buyer's purchases.

The transaction of the process of advertising and sales promotion to immediate sales of a firm's goods or services may not be instantaneous. This seems to be a problem with production or manufacturing firms as they get discouraged by not getting immediate results. They fail to understand that the acceptance of a product or service involves many steps. Although there are several ways to look at the product adoption process. One common approach is to view it as consisting of five stages: awareness, interest, evaluation, trial and adoption.

Marketers should not assume that because a person enters the adoption process, he or she will eventually adopt the new product. Rejection may occur at any stage, including adoption. Both product adoption and product rejection can be temporary or permanent.

A problem exists when advertisements greatly exaggerate the benefits of a product and the consumer becomes disappointed when the product does not meet expectations.

There is also a problem of designing a promotional campaign without first determining what stage of the adoption process a particular target audience is in before developing the message.

Although the combined advertising expenditure for Nigerian business is about 2.2 percent of the Gross National Product each year, advertising is so conspicuous to so many people that they tend to judge all businesses by advertising.

There is a general feeling among those who disapprove of our free enterprise and capitalistic society that advertising is blatant uneconomic and anti social as though advertising alone were responsible for what they consider as an undesirable state of affairs.

The general problem to contend with, seems not be how large is the cost of the promotional effort but how effective it has been. So for some companies, there is a real problem going into any form of promotion while others still, the question is not whether to communicate, but how much to spend and in what ways in order to assist the organisation reach its goals and objectives.

## 1.3 OBJECTIVE OF THE STUDY

The objectives of the study are as follows:

1. To investigate and bring to light the impact of sales promotion on organisational performance.

2. To also reveal the relationship between sales promotion and turnover of the production firm.
3. To reveal the relationship between Advertising and Annual Turnover/profit after taxes.
4. To reveal the type of advertising embarked upon by Nigerian Breweries Plc.
5. To highlight the types of sales promotion employed by Nigerian Breweries Plc.
6. To reveal any negative impacts of Nigerian Breweries products on the populace as a result of sales promotion and advertising.
7. To determine the purpose for which Nigerian Breweries Plc uses sales promotion and advertising.
8. To determine the advertising objectives of Nigerian Breweries Plc.

## 1.4 SIGNIFICANCE OF THE STUDY.

This study is important because it will reveal the precise roles of sales promotion and advertising in the promotion - mix.

This research is also important because it will help the researcher to determine by how much does advertising and sales promotion pay.

This study will be of interest to marketing practitioners, lecturers and students alike as a measure of contribution to scholarship.

This study will also be a reference point for other studies that will be conducted in future.

## 1.5 SCOPE OF THE STUDY.

The study of the roles of sales promotion and advertising is carried out only as it affects Nigerian Breweries Plc.

This study covers the period between 1988 to 1997 and only facts, data and any relevant materials to this study within this period is considered useful for analysis and to reach any general conclusions.

This study was restricted to Kaduna Metropolis as all results and interpretations thereof are derived from revelations in the conduct of this study in the area.

## 1.6 HYPOTHESIS.

Null Hypothesis Ho:

1. The advertising spending is not directly related to the annual turnover of the firm.
2. The cost of sales promotion is not directly proportional to the annual profit after taxes of the firm.

Alternate Hypothesis H1:

1. The advertising spending is directly related to the annual turnover of the firm.

2. The sales promotion expenditure is directly proportional to the annual profit after taxes of the firm.

1.7 RESEARCH METHODOLOGY

A research of this nature must make available authentic research data and employ various tools of statistical analysis to arrive at valid, reliable and consistent research results. Therefore, the method of data collection, administration and processing has to be also appropriate and genuine.

The research population for this study, the process of sample selection and the method of data analysis are explained.

(a) <u>THE RESEARCH POPULATION</u>

The entire research population for the study comprises of all retail points for all or any of the Nigrian Breweries Plc. products in Kaduna metropolis.

It is estimated that there are over two thousand retail anthers of this nature who sell Nigerian Breweries Plc, products. These retail outlets include hotels, drinking parlours, restaurants, provision stores, road side kiosks, night clubs, etc. in Kaduna metropolis.

(b) **RESEARCH SAMPLE**

A simple random sampling was conducted for all retail points for Nigerian Breweries Plc products in Kaduna. Out of the over 2,000 estimated retail outlets the researcher was able to randomly select a research sample of 50. This represents 2.5% of the entire research population. This may be regarded as significantly small but given the limited time and resources available for this research it may also be regarded as a fair sample size.

(c) **INSTRUMENTATION**

The major technique employed for gathering the required data for this research was the interview method. The interview method will now be discussed in greater details for its adoption.

(i) **THE PERSONAL INTERVIEW TECHNIQUE**

Some researchers employ the personal interview technique as a method of collecting data. It is often times referred to as the "Survey Method". Its usefulness derives largely from the fact that the researcher can determine the validity of what the respondent is saying. Thus, the researcher can serve as a judge to determine whether what the respondent was saying sounds right or not.

It has been found to be faster in obtaining relevant information from the respondent once granted the interview.

In the course of employing this technique in this study the researcher interviewed the salesmen and women or Barmen/Waiter/Waitresses as the case may be to obtain relevant data.

Where the proprietors/ proprietresses of these retail outlets were available they were interviewed as well.

(d) **SOURCES OF DATA**

The researcher employed both primary and secondary data in the course of carrying out this investigation.

(i) **PRIMARY DATA**

Primary data was gathered from respondents responses to the various questions posed to them by the researcher.

(ii) **SECONDARY DATA**

The researcher gathered secondary data from annual reports and accounts of Nigerian Breweries Plc and Nibrews an in house quarterly magazine of the company, textbooks, journals and other printed matters.

(e) **TOOLS OF DATA ANALYSIS**

The researcher used simple percentage point analysis to analyse the responses by respondents to questions posed to them by the researcher. This analytical technique is simple to comprehend and

explain even to the non mathematical reader especially in explaining research results and findings.

The researcher employed the use of simple correlation and multiple liner regression analysis to ascertain the impact of sales promotion and advertising on the annual turnover of Nigerian Breweries Plc. Also a correlation analysis was run using the Statistical Package for Social Sciences (SPSS) to determine the degree of correlation that exist between annual turnover and advertising spending/sales promotion expenditure.

A T-test was run to establish whether there exist any significant difference between the means of the expected turnover and actual turnover recorded over the period under review.

## 1.8 DEFINITION OF GENERAL TERMS

Certain terms or words which are technical in the context in which they have been used the researcher are defined below for proper understanding of this research work.

Production firms:- These are firms which basically involved in converting a combination of inputs to outputs which are finished products.

Advertising:- is a paid for type of impersonal mass communication in which the sponsor is clearly identified.

Sales Promotion:- is a direct inducement offering extra incentives all along the marketing route- from manufacturers through distribution channels to consumers-to enhance the movement of the product from the producer to consumer.

Communication: The process of establishing a commonness or oneness of thought between a sender and a receiver.

Communication mix: The strategic combination of advertising, personal selling, sales promotion and other promotional tools used in communicating with the market place.

Marketing Mix: This means the combination of elements necessary to the planning and execution of the total marketing operation.

Marketing: This is the management process responsible for identifying, anticipating and satisfying customer requirements profitably.

Annual Turnover: This refers to the annual gross sales level of a firm.

Retail outlet: Physical point or premises at which goods are sold to the general public.

# CHAPTER TWO.

## LITERATURE REVIEW.

### 2.0 THE COMMUNICATION PROCESS.

William J. Stanton reports that fundamentally, the communication process requires only four elements a message, a source of the message, a communication channel, and a receiver[1]. But in practice, however, important additional components come into play. The information that the sending source wants to share must first be encoded into a transmittable form. In marketing this means changing an idea into words, pictures, or both.

However, Schoell Guiltinan observes that communication is the process of influencing others' behaviour by sharing ideas, information, or feelings with them. He identifies two major participants in the communication process as the sender (source) and the receiver (destination or audience)[2]. Elaborating further, he said that the sender has a meaning and seeks to share it with one or more receivers and that the tools senders use to reach their intended receivers are called messages and channels. Thus he says, communication occurs when (1) a sender transmit a message, (2) a receiver receives that message and (3) the sender and the receiver have a shared meaning. And that the communication process itself involves performing the communication functions of encoding, decoding, receiving feedback, and coping with noise.

In illustrating the communication process, Stanton says the information source may be a marketing executive with a sales idea or proposition to

communicate.[3]After being encoded into transmittable message, such as an ad, a display, or a sales presentation, the idea is carried by a sales force or by advertising media (the communication channel) to the receiver - perhaps different target markets. These receivers decode the message in light of their frames of reference, experiences, and memories of similar messages. The message changes the recipients' knowledge, benefits or feelings in some ways and the recipients respond. In a successful marketing communication, the response might be interest in the product, a desire for it, or possibly the purchase of it. By evaluating the receivers' words or actions, often through marketing research, the sender gets feedback on the effectiveness of the communication.

However, he mentions that at various stages, the message is subject to interference or noise from competitors' messages, errors in transmission, or other distractions.

Schoell Guiltinan in taking a closer look at each element in the communication process, made the following observations.[4]

The sender.

He says the message sender can be an individual, a business organisation, or a non business organisation. Political candidates, Eko hospital, Nigerian Breweries Plc and the NigerianArmy Engineers corps are examples of message sources.

He stresses the importance of source credibility which is target receiver's perceptions regarding the sender's believability. The more believable the sender is perceived to be, the more likely the message will be perceived as credible.

Therefore source credibility influences how target receivers evaluate and react to any message.

Encoding.

Encoding is the process of putting meaning into symbols to be conveyed as messages in the communication process. These symbols must be chosen carefully, however, because the receiver will assign meaning to them (interprete or decode them) in light of personal experience and knowledge. Thus these symbols must be tied to some common point of reference between the sender and the receiver.

The Message.

Sources must first determine what change in receivers' behaviour they want to achieve and then develop a message to induce the change. A message is the combination of symbols representing objects or experience that a communicator transmits in order to induce a change in a receiver's behaviour. Most symbols, including words can have more than one meaning, so those selected for messages should be familiar to intended receivers and should be arranged in the simplest structure possible.

The content of some messages focuses on product beliefs, quality and performance. Ads for natural gas often stress the economy, dependability and performance characteristics of the product. Fear, guilt, pride, and moral responsibility are other examples of appeals that are often used in ads.

The Communication Channel.

A communication channel is anything that carries a message - a means by which the sender conveys or transmits a message to receivers. Schoell Guiltinan identifies two broad communication channels as interpersonal communication channels and mass communication channels.

He describes the interpersonal communication channel as a type of message carrier that provides direct contact between the sender and the receiver. Examples include sales person - to - prospect communication and word - of - mouth.[5]

Whereas the mass communication channel is a type of message carrier that provides contact between the sender and a large number of receivers simultaneously. Examples include print media (newspapers and magazines) and broadcast media (radio and television).

The Receiver.

A receiver, a potential customer perhaps is an active participant in communication who (1) on the basis of knowledge and experience, assigns meanings to (decodes) messages received; and (2) reacts to the decoded meaning by asking questions, making comments, and buying or not buying. The meanings a receiver assigns to a message depends on many factors, including attitudes, values, previous experience, timing, the receiver's needs and the interpretation of the message.

The factors that influence consumer and organisational buying behaviour are all relevant to developing a true understanding of the target audience. Some of these factors complicate the communication effort:

Decoding.

Just as the sender must encode the message, the receiver must decode it. Decoding is the process by which the receiver attempts to convert symbols conveyed by the sender into a message. Different receivers may decode, or interprete the message in different ways because of their individual characteristics, biases, and backgrounds. Whenever a receiver does not decode the meaning the sender encoded, the result is noise.

Feedback.

After a message has been sent, the sender is usually interested in securing feedback. Feedback is communication from receiver to the sender about the meaning they assigned to the message and how they reacted to it. In this reverse flow of communication, receivers encode their messages and send them to the sender. The sender must then decode the feedback message. The longer it takes the sender to receive and decode feedback the less valuable it becomes.

Feedback, however, generally is more frequent, more direct, and more immediate when the sender uses interpersonal communication channels such as personal selling rather than mass communication channels such as television and radio. Effective sales people are skilled in receiving feedback directly and immediately from their prospects and can adopt their sales presentations on the spot to fit the individual prospect's requirements. Even when feedback through mass communication channels does exist, it is usually indirect, slow, and hard to obtain.

Companies that include toll-free telephone numbers on their products labels and that invite customers to call for information about product usage or to express satisfaction or make complaints are actively encouraging customer feedback. So are restaurants, hotels, and hospitals that place questionnaire on tables and in guest and patients rooms.

Noise.

Schoell Guiltinan (  ) describes anything that interfere with the communication process so that the receiver gets a message that is different from the one the sender sent or gets no message as noise. Noise can came from many senders and can affect any or all elements of the communication process. Sometimes, noise can originate in the communication channel itself.[6]

The vehicle within a given medium (for example, Time in the magazine medium) that is chosen for a particular message may create noise if target receivers do not expect that message to be channelled through that vehicle.

Noise can originate in the actions and perceptions of the receiver too. TV viewers who leave the set to get something from the refrigerator or who switch channels during commercials or "zap" them create noise.

The general environment in which the effort to communicate occurs can also create noise. After an airline crash, for example, the airlines generally cancel ads for several days. It would make little sense to run commercials during heavy news coverage of an accident.

Noise may even originate in the message itself. Considerable noise originate in maiden bra and bikin ads that were targeted to professionals such as doctors, lawyers, and professors and featured a woman in undergarments along with fully dressed males.

## 2.1 SALES PROMOTION.

McDonald (1984) in bemoaning the state of confusion caused by the various definitions of sales promotions, stated that in practice, "sales promotion is a specific activity, which can be defined as the making of a featured offer to defined customers with a specific time limit".[7]

On the other hand, the Institute Of Sales Promotion defines sales promotion as a "range of tactical marketing techniques designed within a strategic marketing framework to add value to a product or service in order to achieve specific sales and marketing objectives".

In discussing sales promotion Richard M. S. Wilson et-al agree that sales promotion can best be defined as any marketing communications other than personal selling, advertising and public relations.[8]

The American Marketing Association defines sales promotion as "those activities, other than personal selling, advertising, and publicity, that stimulate consumer purchasing and dealer effectiveness, such as displays, shows and expositions, demonstrations, and various non-recurrent selling efforts not in the ordinary routine".[9] This very broad definition embraces many kinds of activities, including in-store displays, sampling, coupons, contest, trading stamps, trade shows, price-

off deals, premiums, refund offers, sweepstakes, and rebates. Sales promotion is typically used at the point of purchase to motivate consumers to complete an exchange. It is therefore not a substitute for a promotional program; instead, it is used to supplement other promotional activities. Sales promotion, however, can go a long way towards creating awareness and favourable attitudes - generally the domain of advertising.

Alexander Hiam and Charles D. Schewe (1992) argue that sales promotion offers additional ways of reaching customers.[10] They stress the fact that it is generally used at infrequent intervals, since the response tends to diminish over times; this is called wear out. In further discussing this issue, they stated that advertising and personal selling on the other hand are used on a more continuous basis because sales promotion is usually intended to increase sales over a short period, while personal selling and advertising have a long term sales goal.

Schoell Gultinan discusses sales promotion as a means of communicating with target receivers in a way that is not feasible by using other elements of the promotion mix.[11] He defined sales promotion as any activity that offer an incentive for a limited period to induce a desired response from target customers, company sales people, or intermediaries. He went further to state that sales promotion activities add value to the product because the incentives ordinarily do not accompany the product. For example, consumer contests add value for consumers, and sales contests add value for sales people.

Countland L. Bovee defines sales promotion as direct inducement offering extra incentives all along the marketing route - from manufacturers through distribution channels to customers to enhance the movement of the product from the producer to the consumer.[12] He states that three important things should be remembered about sales promotion:

1. It is an acceleration tool designed to speed up the selling process.
2. It normally involves a direct inducement (such as money, prizes, extra products, gifts or specialized information) that provides extra incentives to buy, visit the store, request literature, or take some other action.
3. It may be used anywhere along the marketing route: from manufacturer to dealer, from dealer to customer, or from manufacturer to customer.

He further states that sales promotion is sometimes considered supplementary to advertising and personal selling because it binds the two together, making both more effective by increasing sales. He believes that in reality sales promotion is far more than supplementary since in contemporary times, marketers have started to shift emphasis from advertising to the promotion side of the mix such that promotion spending now represents a more significant proportion of the typical marketing budget than advertising.

From another dimension William J. Stanton views sales promotion as designed to supplement advertising and co-ordinate personal selling and that included in sales promotion are such activities as contests for sales people and consumers, trade shows, in store displays, samples premiums, and coupons.[13] Thus he believes that sales promotion is basically a function that can aid the effectiveness of other elements of the promotional mix.

Kolter and Armstrong (1997) state that sales promotion consists of short term incentives to encourage purchase or sales of a product or service.[14] They emphasize that whereas advertising offers reasons to buy a product or service, sales promotion offer reason to buy now. Example abound everywhere. The end - of - the aisle display in the local supermarket tempts impulse buyers with a wall of coke cartons. An executive buys a new compaq laptop computer and gets a free carrying case, or a family buys a new Taurus and receives a rebate check for #20,000.

They agree that sales promotion includes a wide variety of promotion tools designed to stimulate earlier or strange market response.

## 2.2 ADVERTISING DEFINED.

Richard M.S. 'Wilson et al define advertising as any non personal persuasive communication in media not owned by the company.[15]

Alexander Hiam et al define advertising as any impersonal form of communication about ideas, goods or services that is paid for by an identified

sponsor.[16] It is usually transmitted by mass media - newspapers, magazines, television, radio, direct mail, outdoor bill boards, and transit cards. They further assert that more than two thirds of all advertising employs such media; the remainder use things like match books, circulars, calendars, catalogue and special events and trade show advertising. They further emphasize that the message channel of advertising is not personal, and it is not as specifically targeted as other promotional methods. Consequently, advertising tends to use rather basic appeals - sex prestige, hunger, and social approval - to get the attraction of the receiver.

However, William J. Stanton et al define advertising as a paid - for type of impersonal mass communication in which the sponsor is clearly identified and that the most common forms are broadcast (television and radio) and print (newspapers and magazines).[17] Thus payment for this mode of communication distinguishes advertising from other elements of the promotional mix and that it also has to be personal in the presentation.

Bovee et al defined advertising as the non-personal communication of information, usually paid for and usually persuasive in nature, about products (goods and services) or ideas by identified sponsors through various media.[18] In trying to take this definition apart and analyse its components, it is immediately noticed that advertising is directed to groups of people, rather than to individuals and it is therefore non-personal. The groups, for example, might be teenagers who enjoy rock music or older adults who attend cultural events. In either case, advertising to these groups is not personal or face - to - face communication.

They also believe that in as much as direct mail advertising often attempts to personalize the message by inserting the receiver's name one or more times in the letter, direct mail is still non-personal in the sense that a computer inserted the name and that the signature on the direct mail advertisement is produced electronically.

In essence, most advertising is paid for by sponsors. Coca-cola, Paterson Zochenis, Lever Brothers and the local super market pay money to the media to carry the advertisements we read, hear, and see. But they state that some advertisements are not paid for by their sponsors. This means that there are hundreds of organisations whose massages are customarily presented by the media at no charge as a public service.

Most advertising is intended to be persuasive to win converts to a good, service or idea. A company usually sponsors advertising to convince people its product will benefit them. Some ads, though, such as legal announcements, are intended merely to inform and not to persuade.

In addition to promoting tangible goods such as suits, soap, and soft drinks, advertising also helps sell the intangible services of bankers, beauticians and bike repair shop. And increasingly advertising is used to sell a variety of ideas - economic political, religious and social.

They also contend that for a message to be considered, the sponsor must be identified. This seems natural and logical that the sponsor usually wants to be identified - or else why pay to advertise ?

Advertising reaches us through various channels of communication referred to as media. It is important to note that in addition to the traditional mass media - radio, television, news papers, magazines, and bill boards - advertising also uses direct mail, shopping carts, blimps, and video cassettes.

Similarly, Kolter and Armstrong, define advertising as any paid form of non personal presentation and promotion of ideas, goods, or services by an identified sponsor.[19] They say that while advertising is used mostly by business firms, it is also used by a wide range of non-profit making organisations, professionals and social agencies that advertise their courses to various target publics.

Schoell and Guiltinan prefer to define advertising as any paid form of non personal communication through the mass media about a good, service, or idea by an identified sponsor. Advertising, according to them, differs from news and publicity in that an identified sponsor pays for placing the message in the media.[20]

## 2.3 TYPES OF ADVERTISEMENTS.

Busch and Houston (1985) present several forms of advertisements according to the content and purpose of the advertisement, the target audience, and the sponsors of the advertisement.[21]

The first form of advertisement identified by them is product advertising. This type of advertisement is concerned with a product or service. Product advertising presents information and/or persuasive appeals about products and services.

The second type of advertisement is the pioneer advertising. This consists of messages about a product class and is designed to stimulate primary demand. The

need to stimulate primary demand exists when a new product class is introduced to the market.

The third is competitive advertising which consists of brand - oriented messages designed to stimulate selective demand. Competitive advertisements are the ones we see the most.

The fourth is comparative advertising which makes direct comparisons between the advertised brand and one or more competing brands, usually across several attributes.

Lincoln and Samli reviewed the research on the effectiveness of comparative advertisement and concluded that these are the most effective for convenience goods and for new brands.

The fifth type of advertisement is institutional advertising which seeks to enhance the overall image of and build goodwill for the organisation. Institutional advertisement are often directed at audiences other than buyers - investors and employees, for example. Institutional advertisement can also be used to retain an organisation's identity as it diversifies into new markets.

The sixth type is trade advertising. Consumer goods manufacturers face a dual marketing task: they stimulate demand for their products both from the consumer market place and from the resellers who distribute them. The stimulation of resellers demand - while in large part a task of personal selling - may also involve trade advertising. Trade advertising consists of messages directed at resellers that appear in specialised trade publications or are sent through the mail.

The seventh type is co-operative advertising. Co-operative advertising occurs when the costs of an advertising message are shared by more than one party. There are two major forms of co-operative advertising. Horizontal cooperative advertising occurs when a group of retailers sponsors a common advertisement for a brand of a product they carry. Horizontal cooperative advertising is not a common practice because most retailers compete with each other and carry multiple brands.

Vertical cooperative advertising on the other hand is more common. It occurs when advertising that is initiated and implemented by retailers is paidwhooly or in part by a manufacturer. It is usually part of an overall program of promotional support provided by manufacturer.

## 2.4 TYPES OF SALES PROMOTION.

Wilmshurst says sales promotion can takes a very wide variety of the forms[22]

1. Premium offers. The consumer receives a free gift, either with the purchase or by sending in packet tops, coupons and some similar devices. Self liquidating premiums are those where the consumer sends in money, which covers the marketing organization's cost of providing the gift, though that still represents a bargain to the consumer.
2. Money-off. A voucher or coupon can be used to obtain a reduction in price when the next purchase of the same product or another one

in the manufacturer's range. Sometimes there is a money off offer marked on the pack and relating to the immediate purchase.

3. Banded Packs. Two or more packs taped or wrapped together and offered at a reduced price are a variation on the theme.

4. Sampling. At point of sale or by door - to - door delivery, sampling is an obviously attractive way of introducing suitable new product or achieving wider recognition of existing ones.

5. Personality Promotions. `Resting' actors and actresses in appropriate costume are used as visiting personalities. They travel in decorated vehicles and visit various towns to draw attention to a particular product.

6. Competitions. They can be used to attract attention, provide a new advertising theme and relieve the boredom associated with a product. Their advantage is that the cost can be known in advance. Attractive prizes can be offered (e.g. holidays), probably at relatively little cost, as the supplier of the prize (e.g. the tour operator) also gains from the publicity and may therefore be prepared to negotiate special deals.

7. Trading' Stamps (stamps issued with a purchase and redeemable against `gifts' where enough have been collected). These have the advantage that they are relatively cheap (and in any case represent a

fixed outlay), and the whole organisation is undertaken by the stamp company.

8. Sponsorship. This means contributing to sporting events, the arts etc, in order to gain `spin - off.' For example, advertising displays on football stadium fences, or on racing cars often get a good showing to wide audiences if the events is televised.

   Supporting the arts may cause the company to be mentioned in a favourable context in important media.

Kotler and Armstrong in addition to the above, add other forms below[23]:

Patronage Rewards: These are cash or other awards offered for the regular use of certain company's products or services. For example, airlines, offer "frequent flyer plans," awarding points for miles travelled that can be turned in for free airline trips.

Point-Of-Purchase (POP) promotions include displays and demonstration that take place at the point purchase or sale.

Contests, Sweepstakes, and games give consumers the chance to win something, such as cash, trips or goods, by luck or through extra effort. A contest calls for consumers to submit an entry - a jingle, guess, suggestions- to be judged by a panel that will select the best entries. A Sweepstakes calls for consumers to submit their names for a drawing. A game represents consumers with something being numbers, missing letters - every time they buy, which may or may not help them

win a prize. A sales contest urges dealers or the sales force to increase their efforts, with prizes going to the top performers.

Kotler and Armstrong have also highlighted the importance of trade promotion as it can persuade retailers or wholesalers to carry a brand, give it shelf space, promote it in advertising, and push it to consumers.[24] Manufacturers may offer free goods, which are extra cases of merchandise, to middlemen who buy a certain quantity or who feature a certain flavour or size. They may offer push money - cash or gifts to dealers or their sales force to "push" the manufacturer's goods. Manufacturers may give retailers free speciality advertising items that carry the company's name, such as pens, pencils, calendars, paper weights, matchbooks, memo pads, ash trays and yardsticks.

## 2.5 THE ROLE OF SALES PROMOTION

Wilmsherst also argues that sales promotion can play several roles.[25]

1. Sales promotion is often tactical. Sales promotion is designed to achieve a short-term and limited objective, possibly in a limited area or through certain outlets. For example, an introductory price cut or premium offer may be made, coupled with special discounts for dealers, in order to encourage dealers to stock and customers to sample a new product. The promotion would continue for a few weeks only.
2. Sales promotion is normally concentrated at point of sale. Sales promotion usually takes place in close association with the dealers who stock the product. Very frequently, the whole thing takes place `at the point of sale',

that is, the place where the customer buys the product. The customer gets the free beer mugs from the garage when you pay for the petrol that has just been put in the customer's tank or the entry forms from the supermarket check-out desk for the holiday competition being run by the makers of the jam the customer has just bought.

He also postulates that sales promotion can be in encouraging dealers to stock. Many retail dealers feel they already have for too many different products, and every new one means dropping an old one or having more capital locked up in stock. So they need considerable persuasion to take in a new line. They must be convinced it will be profitable for them, which means they must be convinced that customers will buy it in reasonable volume. Sales promotion activities can be used both to help this argument and provide direct cash incentives (e.g. by way of cash discounts or deals like the '13 bottle for the price of 12' used in the wines and spirits trade).

It also assists in encouraging customers to sample. With food products, confectionary etc. foe example, it is often crucial that customers try the new product - they are almost certainly already buying an alternative they find measureably satisfactory. They must be given an incentive to try something new. A special price offer, a 'two for one', or even an exciting display may tempt them sufficiently to make the test.

It plays the role of `Locking in' existing customers. Since sales promotion techniques encourage customers to stay loyal rather than to be constantly switching brands.

Sales promotion can also play the role of combating competition. A competitive situation such as some one else introducing a new product, may call for an intensive short-term promotion of an existing product to ensure that not too many present customers are wooed away, and that, if possible, some new ones are gained to fill any gaps in the ranks.

It can also be used to improve the distribution of a product. An existing product may have `patchy' distribution, and sales promotion techniques can be used to fill in the gaps and gain extra dealers in the poorly represented areas.

Sales promotion could also add to excitement. A well-established product may suffer from pure familiarity. Since most people are well aware of it, it can become boring. Sales promotion can liven it up again and revive interest in it.

However, Stanton et al see the role of sales promotion in the following areas.

1. To gain a trial for a new product or improved product.
2. To disrupt existing buying habits. A company offering a large discount might cause a consumer to switch brands of a product that is viewed as generic, such as motor oil.
3. To attract new customers. Financial institution have offered small appliances and other premiums to encourage consumers to open accounts.
4. To encourage greater use by existing customers.

5. To combat a competitors' promotional activity.

6. To increase impulses buying.

7. To get greater retailer co-operation.

Bovee and Arens also hold the view that sales promotion like all other marketing tools helps the company achieve its marketing objectives which may include - to maintain sales during off-seasons amongst others. They opine that the ultimate benefit of effective sales promotion is that it maximizes sales volume.

They have noted certain drawbacks associated with the use of sales promotion. A primary drawback of many sales promotions is that they rarely stimulate repeat purchases once the promotion ends. In fact some customers are so conditioned to respond to promotions they simply won't buy unless the product is promoted.

A second drawback is the cost. An analysis of promotions directed towards retailers for 65 different product categories revealed that only 16 percent of the promotion were profitable. In other words, for the majority of manufacturers, the promotion cost to generate an extra N1 of sales was greater than N1.00.

A third drawback of sales promotion is its tendency to draw the competition into a promotion war. When competitors constantly try to outdo each other's promotions, the result can be reduced sales increases for everyone and the elimination of profits altogether.

## 2.6 THE ROLE OF ADVERTISING

John Wilmsherst (1995) states that the relative importance of advertising as part of the promotional mix is determined by the following:[26]

1. The Circumstances: Advertising is more likely to be used in the following circumstances.

(a) There are many customers, widely scattered, for a low-cost product

(b) Many people need informing very quickly (e.g. about a new product, an improvement, a price change).

(c) The distribution chain is long and complex (ultimate customers are remote from the manufacturer).

(d) The opinions of many people are required in the buying decisions (often the case with capital goods).

(e) The potential customers are not easy to identify and advertising can be used to `flush them out'.

2. The Task. Advertising is particularly good at effecting some stages in the selling process (for example, arousing initial interest, creating brand awareness, giving post-purchase reassurance). It is less good at others (e.g. making a specific proposal, closing a sale. Whether advertising is the best means of communicating depends on what is being communicated and to whom.

3. The Product. Some products can be simply and easily explained in the short time available on radio or T.V, or in the limited space of a press advertisement, others needs discussion or specially designing to fit them to the customers' requirements.

4. *Economics:* It is all a matter in the end of cost-effectiveness. Advertising should be used if it enables more people to be given the right message more effectively than in any other way.

Wilmshurt also posit that because of its strengths, advertising is commonly used to carry out certain marketing tasks.[27]

1. Announcing new Products and Product-Changes.

   A new product is introduced, an existing one changed, a new pack or a different price is brought in, the distribution is increased to include new retailers, a special offer is available for a short period - Customers and potential customers must be made aware of these changes, and quickly.

2. Aiding the Sales person.

   In the consuming products field selling is made easier. If sales people call on retailers and other middlemen if they know the company and they have been informed in advance of the product it wants them to buy. Many retailers are reluctant to take in stocks of products unless they will be advertised to the ultimate consumers. A subsidiary effect of advertising can often be that it boosts the moral of the sales force.

3. Entering New Markets and Expending Old Ones.

   Retailers are generally not good at selling products especially new and untried ones, and normally act only as dealers, regarding it as the manufacturer's task to persuade customers to buy. Advertising has a job to do when a product has been a success in one area and is now to be

introduced to another. Secondly, when many buyers already exist but more must be found in the same area(s).

4. Keeping Existing Customers `Fold'. It is a mistake to think that, once a product is established in the market, it can simply be left to carry on. this is not so for three reasons.

First, customers who have bought a product need reassuring that it was a `wise-buy' in the light of all the alternative purchases they could have made.

Second, competitive or alternative products are constantly being offered; `our' customers are constantly exposed to advertising, displays in shops and other invitations to buy them. The advantages of `our' product need constant reiteration.

Third, established customers grow old and eventually die and the new generation has to be told about the product afresh.

5. Inviting Enquiries. Many businesses depend very largely on inviting enquiries. Such companies are as diverse as hoteliers, mail order traders and seed men advertising their catalogues.

6. Selling Direct. Some display advertising and much classified advertising aims to complete most of the selling process. Many classified advertisements expect to attract enquiries leading to sales that can be `clichéd' over the telephone.

7. Creating a Brand or Company 'Image.'

The way a product is viewed by customers and those who might become customers can be a very important influence on the level of sales. People

need to be able to 'relate' to a product, to be able to feel 'this one is for me'. So the way a product is presented, its personality must all be expressed in its 'brand image'. Advertising lends itself well to this task..

In the same vein, McCarthy and Perreault (1990) gave the roles of advertising as follows:[28]

1. Aid in the introduction of new products to specific target markets.
2. Help obtain desirable outlets.
3. Prepare the way for sales people by presenting the company's name and the merits of its products.
4. Provide ongoing contact with target customers - even when a sales person is not available.
5. Help "position" the brand by informing and persuading consumers about its benefits.
6. Get immediate buying action.
7. Help buyers confirm their purchasing decisions.

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## CHAPTER THREE

### 3.0 ESTABLISHMENT AND OPERATION OF NIGERIAN BREWERIES PLC.

Nigerian Breweries Plc was incorporated first as Nigerian Brewery Limited in 1946 and later as Nigerian Breweries Limited on the commencement of operations in a second Brewery at Aba in 1957. The name was further changed to Nigerian Breweries Plc in 1990 in accordance with the provisions of the Companies and Allied Matters Act Cap. 59, Laws of the Federation of Nigeria, 1990.

Nigerian Breweries Plc, the pioneer and largest brewing company in Nigeria recorded a landmark when the first bottle of STAR Lager Beer rolled off the bottling lines in its Lagos Brewery in June, 1949. This was followed by Aba Brewery which was commissioned in 1957, Kaduna Brewery in 1963 and Ibadan Brewery in 1982. In September 1993, the company acquired its fifth Brewery in Enugu. Thus from a very humble beginning in 1946, the company now has five breweries from which high quality products are distributed to all parts of Nigeria.

As at 1997, the principal activities of the company remained the brewing and marketing of lager beer, stout and non-alcoholic malt drinks and the bottling of the Schweppes range of soft drinks. By November, 1997, the company's pursuit and resolve to be a respectable player in the Nigerian Soft Drinks market was further

strengthened by the introduction of the Crush Orange Soft drink in the Lagos Sales Area and the East Sales Area.

## 3.1 CORPORATE MISSION STATEMENT OF NIGERIAN BREWERIES PLC.

"TO REMAIN THE LEADING BEVERAGE COMPANY IN NIGERIA, PRODUCING HIGH QUALITY BRANDS, TO MEET THE NEEDS OF IDENTIFIED VIABLE SECTORS IN THE MARKET"

## 3.2 *THE BREWING INDUSTRY.*

Over the last decade, there has been a steady decline of brewed products market. This is compounded by the ripple effect of the advice socio-economic environment. The impact has been most severe in the lager sector where volumes declined in 1996 by 12% over 1995 as against 10% for the non-alcoholic malt-drinks sector. Overall the total brewed products market (lager, stout and non-alcoholic malt drinks) declined in volume by 10% relative to 1995.

Capacity utilization in the industry has also declined considerably and high inventories remain a major constraint to profitability in the sector.

- Margins surely have to improved if operators are to maintain the substance of their businesses. As it is impossible these days to achieve any improvement in margins through price increases, operators have carried out extensive and elaborate cost reduction exercises. Unfortunately , these are not enough to improve margins to

the desired levels. As at 1997, low margins were due to the fact that as much as forty percent of lager sales were paid out as excise duty over which the company could not influence. This high excise duty seems too much of a burden for a struggling industry.

In spite of these difficulties, the brewing industry has remained a very important player in the Nigerian economy and has continued to make meaningful contributions to the overall development efforts of country as an employer of labour and as a significant contributor to government revenue. For instance, in 1996 alone, Nigerian Breweries Plc made a total contribution of about ₦4.6 billion to Government revenue by way of taxes and excise duty.

## 3.3 BRAND PROFILE OF NIGERIAN BREWERIES PLC

Nigerian Breweries Plc has a portfolio of six high quality brands: Star Lager Beer (1949); Gulder Lager Beer (1970); Maltina (1976); Legend Extra Stout (1992); Amstel Malta (1994); and the Schweppes range of Carbonated Soft drinks (Schweppes Bitter Lemon, Schweppes Tonic and Schweppes Soda Water) launched in December 1996. Their outstanding quality and consumer franchise compliment other company values and capabilities to set Nigerian Breweries Plc apart as the house of quality.

One of the brands of Nigerian Breweries Plc, GULDER originated from indications from research that a significant number of consumers would prefer a more bitter tasting beer than either of the existing NB Plc lagers (STAR and HEINEKEN). The company immediately recognized this as a viable market gap, having a good potential of volume growth overtime.

GULDER has its origin in the heart of Europe, the home of the Art and Science of brewing. GULDER offers to its numerous consumers a rare combination of a truly European Pedigree and international quality standards.

The secret of the distinctive character of GULDER lies in the use of specially selected ingredients. The result is a crisp, full-bodied beer of the colour of refined gold with a pleasant bitter taste. The extra long maturation process and its international recipe give the beer that rare feeling of enhanced vigour and strength.

The GULDER brand name is masculine (strong self confident and international) Written in the Gothic logotype that is distinctive. This reinforces the brand's non-populist nature as well as its strength of character.

To further consolidate its strength in the carbonated soft drinks market, Nigerian Breweries Plc has added another soft drinks brand, Crush to its growing profile of

non-alcoholic beverages. Crush, the natural orange tasting drink was introduced to the trade in Lagos at various zones in the state.

Crush is prepared by carefully blending all the essential ingredients of a world class orange carbonated soft drink and is the largest orange brand worldwide within the international Cadbury Schweppes Group. Since it was reintroduced into the Nigerian market by Nigerian Breweries Plc, it has continued to enjoy large patronage as more and more people are identifying with its natural goodness and high quality formulation.

Another NB Plc brand that has recorded so much success is the STAR lager beer. The brightness property has set STAR apart from other lagers over the years. The secret is the unique process of COLD FILTRATION, largely responsible for the characteristic STAR sparkles and the refreshing feeling after every bottle of COLD STAR.

STAR stands for the celebration of life.

Maltina is another brand which is so lively and so refreshing. More and more, wherever there is action, Maltina is the thing. It is made from pure malt, and it is the number one non-alcoholic malt drink, rich, dark and bubbling over with life. Maltina has a taste that is so refreshing and so irresistible; it's out of this world. In fact its just sheer pleasure.

Heineken lager is the number one international beer brand in the world. Nigerian Breweries accorded it this status while introducing it into the Nigerian market, complete with all the excitement.

Heineken is a beer brand with a pedigree of perfection and international roots

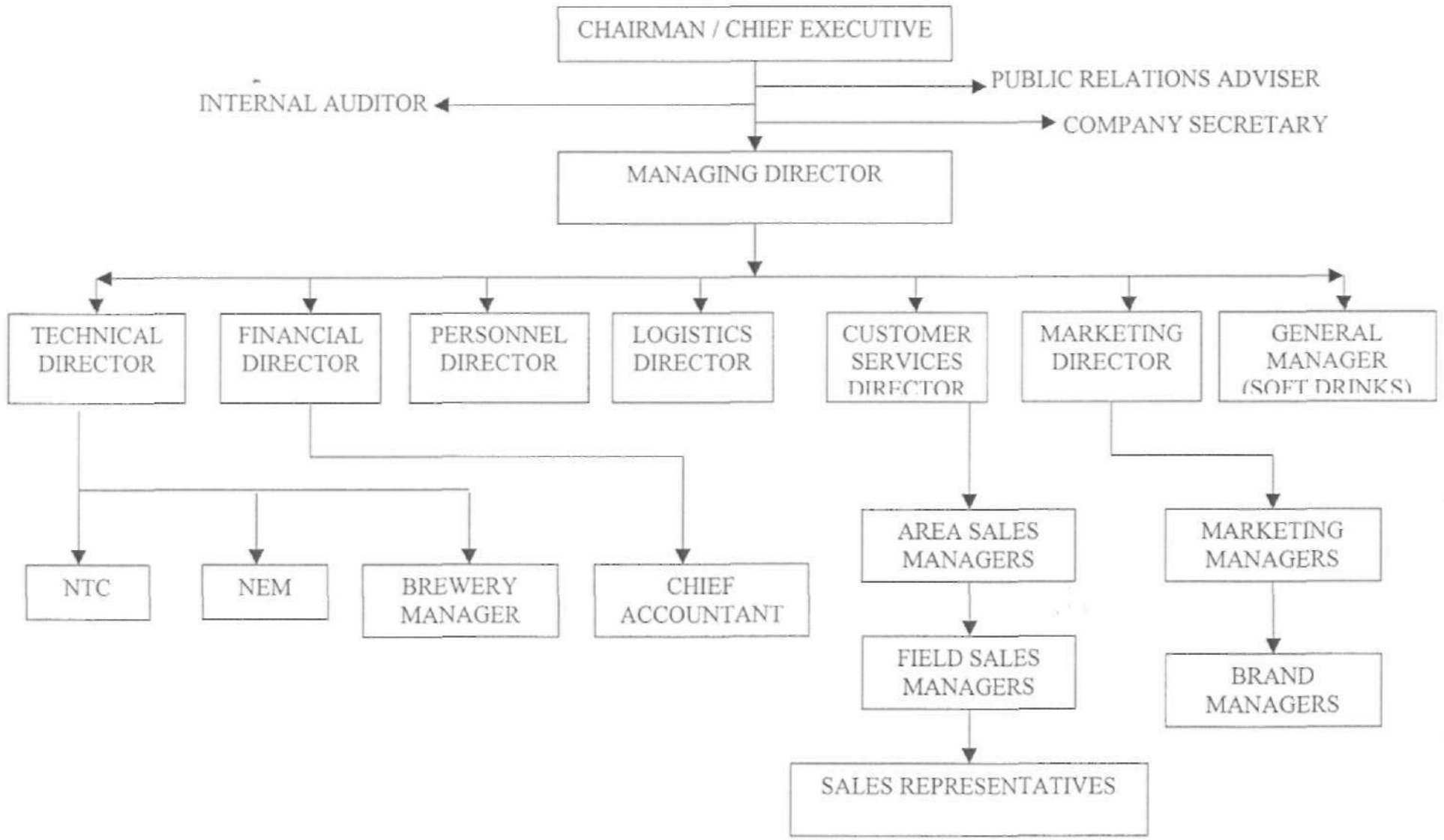
## 3.4 ORGANISATIONAL STRUCTURE OF NIGERIAN BREWERIES PLC

The company has a unique organizational structure. Nigerian Breweries Plc is headed by the Chairman and Chief Executive and directly reporting to him is the Managing Director.

The following staff, Public Relations Adviser and the Internal Auditor report to the Chairman.

Directly reporting to the Managing Director are Directors and Heads of Department of Technical, Financial, personnel, customer service, logistics, marketing and General Manager (soft drinks) who have equal status.

The Brewery Managers of each of the plant located around the country report to the Technical Director at the Head office.


CHAIRMAN / CHIEF EXECUTIVE
INTERNAL AUDITOR
PUBLIC RELATIONS ADVISER
COMPANY SECRETARY
MANAGING DIRECTOR
TECHNICAL DIRECTOR
FINANCIAL DIRECTOR
PERSONNEL DIRECTOR
LOGISTICS DIRECTOR
CUSTOMER SERVICES DIRECTOR
MARKETING DIRECTOR
GENERAL MANAGER (SOFT DRINKS)
NTC
NEM
BREWERY MANAGER
CHIEF ACCOUNTANT
AREA SALES MANAGERS
FIELD SALES MANAGERS
SALES REPRESENTATIVES
MARKETING MANAGERS
BRAND MANAGERS

The Area Sales Managers report to the Customer Services Director. The Field Sales Managers report to the Area Sales Managers in charge of different sales territories. The Sales Representatives work under the supervision of the Field Sales Managers.

The Marketing Managers report to the Marketing Director at the Headquarters.

The Brands Managers of each of the company's brands report to the Marketing Managers.

The diagram of the present organizational structure is represented in Figure 1

## 3.5 ADVERTISING AND SALES PROMOTIONS OF NIGERIAN BREWERIES PLC

As one of the strategies for sustaining the long-term objective of steady increases in sales, Nigerian Breweries Plc places a lot of emphasis on advertising it's various brands of products through a thoroughly researched media mix. The various media are used to reach it's prime customers all over Nigeria.

The company uses billboard adverts to reach the various customers who travel by road. Almost all the brands of the company's products are advertised by the use of billboards. Nigerian Brewery products especially the non-alcoholic brands are advertised through the electronic media such

as radio and television portraying them as highly refreshing beverages. They are also presented as useful products for celebration of success.

Sales promotion offers by Nigerian Breweries come in various forms and size depending on the kind of brand and its position in the market. The company uses the avenue of sports sponsorship to project its brands to consumers. Winners of these competitions win usually fabulous prizes. The final and closing ceremonies (that is the presentation of awards is aired on television to give these events a lot of coverage. Sports competitions sponsored by NB PLC. Include the annual Star Jaji Golf Open Championship, the annual Nigerian Breweries Lawn Tennis Tournament, Legend Extra Stout Tournament, Legend Squash Tournament, and the Star Boat Race. Other sports competition sponsored by Nigerian Breweries Plc are the Star Table Tennis Championship and the Maltina Super Bike Cycling competition. Most of these competitions, which are annual events, cost NB PLC several millions of naira.

Another sales promotion tool used by NB PLC is trade fair exhibitions at all the international trade fairs organised around the country. Usually, Nigerian Breweries pavilion at any of these fairs is a centre of attraction for fun loving visitors. The company's pavilion is usually divided into two sections- the bar and the corporate areas. Customers purchase products,

drink, dance and are entertained at the bar, while at the corporate display area, a beautiful display of the company's range of products mounted beautifully. Lucky consumers usually win branded umbrellas, T-shirts, openers, beach caps and almanacs at Ad-hoc promotions run by the company at such trade fairs. Instant prizes is one method of sales promotion adopted by the company in pursuance of its objective of increasing the degree of customer loyalty. If nothing else, the company sees it as an approach of rewarding it's very loyal customers.

Examples of this kind of promotion include the following:

(i) LEGEND WISE MEN PROMOTION

Over 3 million prizes including N6 million cash were won between August and October, 1999.

These prizes include:

1. 600,000 cash prizes of N10
2. 10,000 Legend Trays
3. 600,000 bottles of small legend
4. 120,000 legend biros
5. 20,000 Address books
6. 20,000 spiral memo pads.
7. 20,000 Leather wallets

(ii) MALTINA MULTI FRUITY GOODNESS BONANZA

This sales promotion for maltina was run between August to October 1999, and the prizes included the following:

1. 1,000,000 free drinks
2. 15,000 T-shirts
3. 15,000 base ball caps
4. 200,000 biros
5. 5,000 Lunch boxes
6. 6,000 wrist watches
7. 6,000 school bags
8. 200,000 Exercise Books
9. 60,000 Pencils

**(iii) STAR 50TH ANNIVERSARY PROMOTION (AUGUST TO OCTOBER, 1999)**

The instant prizes included:

1. 10,000 Umbrellas
2. 20,000 T-shirts
3. 20,000 Caps
4. 50,000 mugs
5. 100,000 Openers
6. 100,000 Pens

7. 2,400,000 Free Star

In all these promotions, which ran concurrently, the method of winning the prizes is basically the same.

The consumer must buy the brand and remove the crown. What the consumer sees under the crown cork is what is won instantly. The general impression created is that the more of these products the customer buys, the greater the chances of winning.

Another advertisement tool of NB PLC is the placement of beautifully designed posters of all the range of brands on the walls of Beer drinking parlours and bars of all hotels. These colourful posters have the ability to create lasting impressions in the minds of consumers who visit such places to have a drink.

Yet another recently introduced technique is the introduction of advert logos of Star brand on drinking tables supplied by Nigerian Breweries to large drinking bars. The logo is colourful and attractive on the plastic table. Most plastic tables over time begin to look dirty even with the best of washing and cleaning. These logos help these plastic tables to clean and fine, and thus attract the customer's attention. Before this approach was adopted, there was the widespread use of colourfully printed brand logos on tablemats.

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   51st Arinual General meeting

   By F.O.A OIIIWERE

   Wednesday 25th, June 1997.

# CHAPTER FOUR

## 4.0 DATA PRESENTATION AND ANALYSIS

## 4.1 ESTIMATING THE REDEMPTION CAPACITY OF NIGERIAN BREWERIES PLC SALES PROMOTIONS.

The need to determine the redemption capacity of Nigerian Breweries Plc is borne out of the fact that sometimes the consumers feel that producers and marketers are not honourable enough to redeem prizes, which are won by them during a sales promotion. To this extent, it would be natural for a consumer who wins a prize and it cannot be redeemed to avoid the products of that company during any future sales promotion programme. It was in this context that the researcher found out the general feeling about the observed ability of Nigerian Breweries to redeem prizes that were won.

Table 4.1 below shows the proportion or percentage of respondents who believe that is high, moderate or low.

Table 4.1 Perceived redemption capacity Nigerian Breweries Plc sales promotion factor.

| Redemption Capacity | No. Of Respondents | Percentage |
|---|---|---|
| HIGH | 40 | 80% |
| MODERATE | 10 | 20% |
| LOW | - | - |
| TOTAL | 50 | 100% |

## 4.2 ESTIMATING THE PERCEIVED AWARENESS GENERATED BY ADVERTISEMENTS OF NIGERIAN BREWERIES PLC IN KADUNA METROPOLIS

The researcher in a bid to estimate the perceived level of awareness created by the various kinds of advertisements employed by Nigerian Breweries Plc, interviewed the respondents and the following results show their assessments in Table 4.2.

**Table 4.2 ESTIMATION OF THE PERCEIVED LEVEL OF AWARENESS BY ADVERTISEMENTS OF NIGERIAN BREWERIES PLC**

| Perceived level of Awareness | No. of Respondents | Percentage |
|---|---|---|
| HIGH | 30 | 60% |
| MODERATE | 15 | 30% |
| LOW | 5 | 10% |
| TOTAL | 50 | 100% |

## 4.3 ESTIMATING THE INFLUENCE OF SALES PROMOTION ON SALES DURING PERIODS OF SALES PROMOTION.

The researcher believed that sales of any sales product might rise significantly during the sales promotion and drop thereafter.

Based on this assumption, the researcher sought the opinions of the respondents on what has been their general observation about Nigerian Breweries Plc experience. The results are presented in Table

4.3 below.

**Table 4.3 INFLUENCE OF SALES PROMOTION ON LEVEL OF SALES DURING THE PERIOD OF SALES PROMOTION**

| Level of Influence on sales | No. Of Respondents | Percentage |
|---|---|---|
| HIGH | 45 | 90% |
| MODERATE | 5 | 10% |
| LOW | - | - |
| TOTAL | 50 | 100% |

## 4.4 INFLUENCE OF SALES PROMOTION ON LEVEL OF SALES AFTER THE SALES PROMOTION.

The researcher sought to find out the respondents observed level of sales after any sales promotion by Nigerian Breweries Plc. The outcomes are collated in table 4.4 below.

**TABLE 4.4**

**Observed level of sales after sales promotion by Nigerian Breweries Plc.**

| Level of Influence on sales. | No. Of Respondents | Percentage |
|---|---|---|
| HIGH | 20 | 40% |
| MODERATE | 25 | 50% |
| LOW | 5 | 10% |
| TOTAL | 50 | 100% |

## 4.5 INFLUENCE OF SALES PROMOTION IN CREATING ADDITIONAL BRAND LOYALISTS OF NIGERIAN BREWERIES PLC PRODUCTS.

It is generally believed that effective sales promotion has the capacity to increase the number of brand loyalists over time. This is because if sustained there may be observed brand switchers and even new loyalists. Thus the researcher sought from the respondents the level of influence sales promotion has had in creating additional brand loyalist for products of Nigerian Breweries Plc. The response of the respondents is presented in table 4.5.

TABLE 4.5

**OBSERVED INFLUENCE OF SALES PROMOTION IN CREATING ADDITIONAL BRAND LOYALISTS FOR PRODUCTS OF NIGERIAN BREWERIES PLC.**

| Level of Influence. | No. Of Respondents | Percentage |
|---|---|---|
| HIGH | 15 | 30% |
| MODERATE | 20 | 40% |
| LOW | 15 | 30% |
| TOTAL | 50 | 100% |

## 4.6 IMPACT OF ADVERTISING AND SALES PROMOTION ON YOUTHS TO TAKE TO DRINKING ALCOHOLIC BEVERAGES.

The researcher sought to find out if the respondents have observed any negative social influence of advertising and sales promotion by Nigerian Breweries Plc. efforts. The result is presented is table 4.6 below.

**Table 4.6**
**IMPACT OF ADVERTISING AND SALES PROMOTION ON YOUTHS TO TAKE TO DRINKING ALCOHOLIC BEVERAGES**

| Level of Observed Impact | No. of Respondents | Percentage |
|---|---|---|
| HIGH | 36 | 72% |
| MODERATE | 14 | 28% |
| LOW | 0 | 0% |
| TOTAL | 50 | 100% |

## 4.7 ROLE OF ADVERTISING ON NB PLC PRODUCTS.

The researcher sought to determine the roles of advertising by presenting to the respondents the various assumed roles of advertising from available marketing theory. Out of the 50 respondents, only the numbers of positive

respondents were indicated and their relative percentage determined. This is presented is table 4.7 below.

**TABLE 4.7**
**OBSERVED RATES OF ADVERTISING ON NIGERIA BREWERIES PRODUCTS**

| Observed Role of Advertising | Number of Positive Respondents | Percentage of Observed Role |
|---|---|---|
| a. Good medium of announcing a new product. | 35 | 70% |
| b. Aids the Sales Person | 25 | 50% |
| c. Reminds existing Customers | 45 | 90% |
| d. Invites other brand consumers to switch over | 20 | 40% |
| e. Improves brand and company image. | 40 | 80% |
| f. Stimulates initial trial | 20 | 40% |

## 4.8 NOTICEABLE KINDS OF ADVERTISING OF NIGERIAN BREWERIES PRODUCTS IN KADUNA METROPOLIS.

Here the respondents were interviewed to determine the various advertising tools of Nigerian Breweries. The number of positive respondents and relative percentages are expressed in table 4.8.

**TABLE 4.8**

**OBSERVED PERCENTAGE OF KINDS OF ADVERTISING FOR NB PRODUCTS**

| Kind of Advertising | Positive Respondent | Percentage |
|---|---|---|
| 1. Television advert for alcoholic products. | 0 | 0% |
| 2. Television advert for non alcoholic products | 45 | 90% |
| 3. Radio advert for alcoholic products | 0 | 0% |
| 4. Radio advert for non-alcoholic products. | 46 | 92% |
| 5. Bill board advert on alcoholic products | 25 | 50% |
| 6. Pasted logos of products at sales points. | 50 | 100% |
| 7. Non-alcoholic brand logos on company vehicles | 50 | 100% |
| 8. Alcoholic brand logos on company vehicles. | 0 | 0% |
| 9. Brands displayed in transparent refrigerators at sales point. | 20 | 40% |

## 4.9 OBSERVED SALES PROMOTION TOOLS BY NIGERIAN BREWERIES PLC

The respondents were interviewed to determine the observed sales promotion tools of Nigerian Breweries Plc and the number of positive respondents was expressed as a relative percentage of the 50 respondents. These results are presented in table 4.9 below.

**TABLE 4.9**
**OBSERVED PERCENTAGE OF SALES PROMOTION TOOLS FOR NIGERIA BREWERIES PRODUCTS.**

| Tools | No. of Positive Respondents | Observes percentage |
|---|---|---|
| 1. Sports sponsorship | 25 | 50% |
| 2. Drinking Tables and Chairs with products logos | 30 | 60% |
| 3. Coolers with product logos | 27 | 54% |
| 4. Refrigerators and coolers with product logs | 15 | 30% |
| 5. Sweep takes | 50 | 100% |

## 4.10 TEST OF HYPOTHESES

One of the statements of hypotheses postulated in this study is that the mean value of expected annual turnover of Nigeria breweries Plc is equal the mean value of actual turnover. The values of expected and actual turnover between 1985 and 1997 were extracted from the marketing department of the firm

and subjected to a t-test to verify this claim in statistical terms. These values are given in table in table 4.10

**Table 4.10:**

**ANNUAL EXPECTED TURNOVER AND ACTUAL TURNOVER LEVELS**

| YEAR | EXPECTED TURNOVER | ACTUAL TURNOVER |
|---|---|---|
| 1985 | N 128,000,000 | N 125,326,000 |
| 1986 | N 160,000,000 | N 148,558,000 |
| 1987 | N 250,000,000 | N 272,075,000 |
| 1988 | N 400,000,000 | N 412,399,000 |
| 1989 | N 700,000,000 | N 609,419,000 |
| 1990 | N 760,000,000 | N 804,722,000 |
| 1991 | N 970,000,000 | N 1,045,234,000 |
| 1992 | N 2,500,000,000 | N 2,898,969,000 |
| 1993 | N 3,500,000,000 | N 4,992,353,000 |
| 1994 | N 5,500,000,000 | N 7,142,601,000 |
| 1995 | N 9,500,000,000 | N 10,768,180,000 |
| 1996 | N 11,5000,000,000 | N 12,256,731,000 |
| 1997 | N 12,000,000,000 | N 10,886,950,000 |

Source: Marketing department of Nigeria Breweries Plc.

Results of T-Test carried out on table 4.10 are shown on appendix I.

The correlation coefficient between expected turnover and actual turnover is very high at 0.987.

The significant t value is .000. The mean of actual turnover is 4027962385. The mean of expected turnover is 3682153846.2. The standard derivation of actual turnover is 4659455413 and that for expected turnover is 4483912388.

The second hypothesis postulated is that there is a linear correlation between annual turnover on one hand and sales promotion expenditure and advertising expenses on the other hand. The researcher used the statistical package for social sciences (SPSS) to run a correlation and multiple linear regression analysis on the data extracted from available records of the marketing department. This data is presented is table 4.11.

TABLE 4.11

**TABLE SHOWING ANNUAL TURNOVER EDVERTISING SPEND AND SALES PROMOTION EXPENDITURE OF NIGERIAN BREWERIES PLC.**

| YEAR | ANNUAL TURNOVER **N** | ADVERTISING SPEND ₦ | SALES PROMOTION EXPENDITURE ₦ |
|---|---|---|---|
| 1985 | 125,326,000 | 3,133,150 | 1,253,260 |
| 1986 | 148,552,000 | 3,268,144 | 2,228,280 |
| 1987 | 272,075,000 | 5,713,575 | 2,992,825 |
| 1988 | 412,399,000 | 9,897,576 | 6,185,985 |
| 1989 | 609,419,000 | 18,282,576 | 7,922,447 |
| 1990 | 804,722,000 | 10,461,386 | 10,059,025 |
| 1991 | 1,045,234,000 | 14,633,276 | 10,452,340 |
| 1992 | 2,898,969,000 | 57,979,380 | 37,686,597 |
| 1993 | 4,992,353,000 | 49,923,530 | 20,123,567 |
| 1994 | 7,142,601,000 | 71,426,010 | 36,245,822 |
| 1995 | 10,768,180,000 | 53,840,900 | 27,997,226 |
| 1996 | 12,256,731,000 | 81,711,540 | 32,667,567 |
| 1997 | 10,886,950,000 | 87,095,600 | 43,228,798 |

**Source: Marketing department of Nigerian Breweries Plc.**

The Multiple linear regression model of the form.:

$Y = a + b_1 X_1 + b_2 X_2$ was used to test the data in table 4.11

## RESULTS OF CORRELATION AND REGRESSION ANALYSIS

The correlation coefficient between annual turnover and advertising expenditure is 0.9092. The correlation coefficient between annual turnover and sales promotion expenditure is 0.8279.

The result of the regression analysis is given as

$Y = 239.85 X_1 - 230.04 X_2 - 363240465$

a = constant = -363240465

$b_1 = 239.85$

$b_2 = -230.04$

Where Y = Annual Turnover

$X_1$ = Advertising expenditure

$X_2$ = Sales promotion expenditure

The regression model is reliable and significant because significant F = 0.0000 indicating that we reject Ho: $B_1 = B_2 = 0$.

The $R^2$ value of 86% also means that the variables $X_1$ and $X_2$ are responsible for 86% of the change or variations observed in Y.

The contribution of $X_2$ is suspect because the significant T value of 0.1254 suggests that we accept its: $B_2 = 0$; which can be interpreted to mean that the contribution of $X_2$ may not be very significant. These results can be seen in appendix ii and iii, which is the SPSS output of the regression analysis.

## 4.11 INTERPRETATIONS OF RESEARCH RESULTS:

The perceived redemption capacity of Nigerian Breweries Plc sales promotions is adjudged to be relatively high. This seems to create a high level of confidence the 80% of the sample population have for Nigerian Breweries Sales promotion.

About 60% of the sample population generally believe that a high level of awareness is created by advertisements of Nigerian Breweries products, which 30% were of the opinion that it is moderate. Just 10% believe it is low. This seems to suggest that most consumers in the area generally are aware of the Nigerian Breweries brands of products.

A very high percentage of the sample population (90%) hold the opinion that there is a high influence of sales promotion on sales while it is in season. Only 10% seem to believe that it has moderate influence on sales. This means that the sample population has observed over time that sales promotion has a serious impact on sales during the time interval it is carried out as most consumers would wait to try their luck at wining any of the prizes at stake. Thus it has always been an avenue of instigating consumers to try out Nigerian Breweries brands of products.

The reverse seems to have been observed after the expiration of sales promotion. Only 40% of the research population have continued to observe that sales promotion influences sales even after the expiration of the programme. While 50% seem to notice a moderate impact and 10% believe the impact has been low after the sales promotion exercise.

About 30% of the sample population are of the opinion that sales promotion has a high impact of creating additional brand loyalists, 40% believe it is moderate while 30% hold that the impact is quite low. This means that the sample population believes in the general ability of sales promotion to create more brand customers except that they vary in the degree to which the influence has been observed.

About 72% of the research sample hold that advertising and sales promotion of alcoholic beverages has the propensity to stir the youths into indulging in alcoholic drinks consumption while only 28% assess the effect as just been only moderate while none of the them would want to agree that there is simply no existing relationship.

This means in effect that while advertising and sales promotion activities carried by the firm seem to have the ability to increase sales, it has an anti-social effect of turning our youths whose minds are highly vulnerable to

indulge in this habit of drinking alcoholic beverages knowing fully well that it poses a health hazard to them.

About 70% of the research population agreed that advertising is a good medium of announcing a new product. 50% hold that it has the efficacy to aid the sales person in his sales function.

About 90% admit that advertising serves the purpose of reminding existing customers while 40% agree that advertising can serve to convince other brand drinkers to switch over to Nigerian Breweries brands of products. About 80% believe that advertising has also served to improve the brand and company image of Nigerian Breweries Plc through the employment of various modes of advertising.

The entire research population has not observed the advertisement of alcoholic beverages on television. That the social environment cannot permit this is not in doubt. About 90% of the sample has observed television advertisement of non-alcoholic drinks. About 0% of the sample have heard radio adverts for alcoholic beverages while 92% have heard adverts of non-alcoholic drinks.

About 50% of the sample has seen billboard adverts of Nigerian Breweries on alcoholic beverages. Also 100% of the research sample has noticed pasted logos of products at sales points of Nigerian Breweries products.

100% of them have also noticed that the company's vehicles in Kaduna area all carry logos of non-alcoholic brands. About 40% have observed the display of the company's brands in transparent refrigerators at sales point. It is obvious that the company's advertising is very responsive to the kind of social environment that exists in Kaduna.

About 50% of the sample has noticed that Nigerian Breweries engages in sports sponsorship as one way of sales promotion. Thus from time to time, Nigerian Breweries is been in the forefront of sponsoring cycling tournament, polo and golf tournaments.

About 60% of the sample has now observed that some drinking tables and chairs now carry product logos of Nigerian Breweries.

About 54% of the respondents hold that they have observed coolers wearing brand logos of Nigerian Breweries brands.

Just 30% have seen refrigerators and coolers wearing product logos. While 100% have realized that Nigerian Breweries uses sweep takes as a major tools of carrying out sales promotion.

The general trend observed here is that Nigerian Breweries have continued to evolve new ways of sales promotion to stimulate high-levels of turnover knowing that it is only by this means can they be the respected leader in the beer, malt and soft drinks market segments.

## CHAPTER FIVE:

### 5.1 SUMMARY OF RESEARCH FINDINGS

The researcher having carried this research work quite extensively has been able to reach certain conclusions which are enumerated below:-

1. That Nigerian Breweries Plc is the market leader in the beer and malt segments of brewery industry.
2. This position has been achieved through some serious emphasis of advertising and sales promotion efforts on the part of the company.
3. Nigerian Breweries carries out the following types of advertising:-
   (i) Television advertisements of its non-alcoholic products in Kaduna State and those alcoholic beverages are not advertised through television medium. This is a reflection of the likely reaction of the social environment.
   (ii) Radio advertisements for its non-alcoholic range of products in Kaduna metropolis.
   (iii) Billboard adverts for both alcoholic and non-alcoholic beverages alike at strategic locations along the major roads leading in and out of Kaduna town.
   (iv) The company pastes logos of non-alcoholic beverages on its range of sales vans and cars as a way of advertising these products.
4. The company pastes logos of non-alcoholic beverages on its range of sales vans and cars as a way of advertising these products.

5. The company supplies transparent refrigerators wearing product logos to retailers who in turn display the various brands of the company's products, which forms interesting viewing scenery to the customer.
6. The company has generally been identified to engage in the following types of sales promotion:-
    (i) Sports sponsorship of Polo, Golf and Cycling tournaments thereby assisting in promoting the image of the company and its products. This it does, by giving participants in these competitions, T-shirts, Face caps, towels etc as gifts.
    (ii) The company supplies drinking tables and chairs wearing brand logos at drinking spots in town serving as a constant reminder to its customers even as they approach these locations to have a drink.
    (iii) The company employs the use of sweepstakes as a major sales promotional tool as it is evidenced by all the respondents who say they have observed it.
    (iv) Another sales promotional tool utilized by firm is that of provision of refridgerators and coolers to retail points. This ensures that these products remain cool or cold depending on the form in which it best provides satisfaction for its customers.
5. The correlation coefficient between annual turnover and advertising expenditure was determined to be very high at 0.9092.
6. The correlation coefficient between annual turnover and sales promotion expenditure was determined to be 0.8279.
7. The result of the regression analysis run using the Statistical Package for the Social Sciences (SPSS) is as follows:

$Y = 239.85X_1 - 230.04X_2 - 363240465$

Where Y represents annual turnover

$X_1$ = advertising expenditure

$X_2$ = sales promotion

8. Because the contribution of $X_2$, that is sales promotion, is insignificantly related to changes observed in annual turnover, we accept that sales promotion has no observable relationship with annual turnover.
9. Advertising expenditure has a significant relationship with changes is annual turnover and because this value is investment, this means higher levels of investment is advertising will invariable lead to higher levels of turnover.
10. The T-test run indicates that these is a significant variance between the means of the expected turnover and the actual turnover. This implies that the projections are way off the work.
11. The general feeling shown by respondents that Nigerian Breweries Plc is a responsible corporate organization by the high level of its redemption capacity for its sales promotion programmes. Thus with this level of confidence exhibited by the consuming public, level of acceptance is usually very high as winners are rest issued they would redeem prizes that are won.
12. One major role revealed by this research is that the advertising carried out by Nigerian Breweries Plc is a constant reminder to its loyal customers and the mere fact that turnover over the period was rising constantly, proves a point that it also serves the purpose of encouraging brand switchers from other company products.

13. Another perceived role of advertising is that it has constantly increased the image of the brands and company at large.
14. To a lesser degree it has also been found that advertising has stimulated initial trial by new consumers of the product.
15. About fifty percent of the respondents agree that the advertising activities assist the sales representatives who cover their area. Thus this invigorates the effort of the sales person.
16. Although the advertising and sales promotional efforts of Nigerian Breweries Plc. have contributed immensely to the continued annual increases in annual turnover and profit after tax, all other elements of the marketing mix have also been combined at reasonable levels to achieve this results.
17. Although the roles played by advertising and sales promotion may seem to be enormous to Nigerian Breweries Plc, there are some anti-social consequences caused by these activities.

    One of them is that a lot of our youths are constantly been encouraged to drink alcoholic beverages due to this constant advertisements and sales promotion programmes. Of course, the youths seem to be the target group judging by the fact that youths in their style of dancing and setting are recruited to play vital roles in both electronic and billboard advertisements.

## 5.2 RECOMMENDATIONS

The recommendations by the researcher are as follows:-

1. Nigerian Breweries should continue to invest in advertisements and sales promotion as a way of sustaining it position as the market leader in the beer and malt segment of the brewery industry. The is instructive

following the fact that competition is getting stiffer and nothing should be left to chance.

2. Nigerian Breweries Plc should endeavour to ensure that all prizes won during a sales promotion programme are redeemed for only then will future efforts in that direction gain far reaching effects.

3. The company will probably have to investigate why the impact of sales promotion seem not to be felt on annual turnover. This stems from the fact that statistical analysis reveal a negative relationship between the variables, which may be for from the desired objective of the firm. Thus sales promotion effort, although may have some complementary effect on advertisements, it should at least be seen to positively affect turnover.

4. The process of establishing projected annual turnover targets for the marketing department should be made more realistic to depart from the past where projections are extremely way off actual values.

5. A constant research into other elements of the marketing mix is required so that their complementary effect can be increased and sustained on an annual basis.

6. The firm should begin to formulate new ways of advertising and promoting its products especially in the face of a hostile social environment generated by new sharia legal system been introduced by some states of the Nigeria.

7. Sports sponsorships should be expanded to include football which is a major international sport understood by almost everyone. That way the impact of sports sponsorships may become even wider.

## 5.3 CONCLUSION

Advertising and sales promotions are great marketing tools if properly aligned. Nigerian Breweries Plc utilizes both of them to some very high degree as attested to by respondent responses in the course of carrying out this research. One cannot be sure if both of them do not really complement themselves. To this extent, this may negate the point that sales promotion does not have any existing relationship with the annual turnover of Nigerian Breweries Plc.

However, this study has proved the important roles played by advertising and sales promotion to include: Stimulating initial trial of the brands of Nigerian Breweries Plc; encouraging brand switching from other brands of same products; doubling and even tripling sales during periods of sales promotions and constantly maintaining and expanding levels of patronage for each of these brands.

The point is that all these roles have tremendous impact on sales and profit and therefore the survival of the firm.

However, the firm should also undertake some positive ventures of health hazards created by the consumption of its alcoholic beverages. For only in so doing that the society at large will see Nigerian Breweries Plc, as been socially responsible.

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# OUTPUT OF THE T-TEST CARRIED OUT ON TABLE MARKED "CASE1"

07 Sep 00 SPSS for MS WINDOWS Release 6.0



- - - t-tests for paired samples - - -

| Variable | | Number of pairs | Corr | 2-tail Sig | Mean | SD | SE of Mean |
|---|---|---|---|---|---|---|---|
| ACTUAL | actual turnover | | | | 4027962384.6 | 465945513 | 1.292E+09 |
| | | 13 | .987 | .000 | | | |
| EXPECT | expected turnover | | | | 3682153846.2 | 448391238 | 1.244E+09 |

| Paired Differences | | | | | | |
|---|---|---|---|---|---|---|
| Mean | SD | SE of Mean | t-value | df | 2-tail Sig | |
| 3.46E+08 | 761921513 | 211319006 | 1.64 | 12 | .128 | |
| 95% CI (-1.1E+08, 8.06E+08) | | | | | | |

# OUTPUT OF THE CORRELATION AND MULTIPLE LINEAR REGRESSION ANALYSES CARRIED OUT ON THE TABLE MARKED "CASE3"



* * * * M U L T I P L E R E G R E S S I O N * * * *

Listwise Deletion of Missing Data

Equation Number 1 Dependent Variable.. ANTURN annual turnover

Block Number 1. Method: Enter ADVERT SAPRO

Variable(s) Entered on Step Number

1.. SAPRO sales promotion expenditures

2.. ADVERT advertising expenses

Multiple R .92979

R Square .86452

Adjusted R Square .83742

Standard Error 1878745201.0

Analysis of Variance

| | DF | Sum of Squares | Mean Square |
|---|---|---|---|
| Regression | 2 | 2.252294616404E+20 | 1.126147308E+20 |
| Residual | 10 | 3.529683530464E+19 | 3.529683530E+18 |

F = 31.90505 Signif F = .0000

---------- Variables in the Equation ----------

| Variable | B | SE B | Beta | T | Sig T |
|---|---|---|---|---|---|
| ADVERT | 239.850959 | 65.961821 | 1.636168 | 3.636 | .0046 |
| SAPRO | -230.040306 | 137.536715 | -.752600 | -1.673 | .1254 |
| (Constant) | -363240465.1 | 839716455.1 | | -.433 | .6745 |

- - Correlation Coefficients - -

| | ADVERT | ANTURN | SAPRO |
|---|---|---|---|
| ADVERT | 1.0000 | .9092 | .9660 |
| | ( 13) | ( 13) | ( 13) |
| | P= . | P= .000 | P= .000 |
| ANTURN | .9092 | 1.0000 | .8279 |
| | ( 13) | ( 13) | ( 13) |
| | P= .000 | P= . | P= .000 |
| SAPRO | .9660 | .8279 | 1.0000 |
| | ( 13) | ( 13) | ( 13) |
| | P= .000 | P= .000 | P= . |

(Coefficient / (Cases) / 2-tailed Significance)

" . " is printed if a coefficient cannot be computed