

## THE IMPACT OF TRADE PROMOTION ON SALES VOLUME IN THE BEER INDUSTRY

**Ndem, Samuel Etim**

Department of Marketing, Faculty of Management Sciences  
University of Calabar, Calabar, Cross River State, P.M.B.1115, Nigeria

**Ezekiel, Maurice Sunday (Ph.D)**

Department of Marketing, Faculty of Management Sciences  
University of Calabar, Calabar, Cross River State, P.M.B.1115, Nigeria

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**ABSTRACT:** *This study was on trade promotion and its impact on sales growth of the Guinness Plc Nigeria. The Nigeria beer industry is the second largest in Africa. The extensive use of trade promotions in industry does not have any corresponding research to show the potency of most of the tools used on sales volume. This gap represents the research interest that was predicted on three major objectives of trade promotion tool; buying allowance, sales contest and special allowance used in the industry. A survey research design was applied in the course of the study, with a well-designed questionnaire on the subject matter. A simple random sampling technique was used for sample selection. The analysis of 36 questionnaires from wholesaler and retailer of Guinness product, with a simple regression model on statistical package for social science (SPSS) indicated that sales contest, special allowance, and buying allowance impact on sales volume of Guinness products but with varying strength of prediction. It was concluded that the varying strength of the sales tools, should be given attention according to their predictive ability on sales volumes. Justice and equity should be at best practice in implementing trade promotion.*

**KEYWORDS:** trade promotion, sales volume, sales contest, special allowance, buying allowance.

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### INTRODUCTION

Trade promotions comprise a growing category of manufacturer incentives directed to channel members such as wholesalers and retailers, rather than to final consumers. These promotions are generally designed to influence resellers' sales and prices by providing various and sometimes, complex inducements to enhance their stock carrying capacity. Increasing global competition has made many companies to devise more innovative ways of selling their goods and services with an action of motivational inducement; every firm wants to look exceptional in their sales approach, which makes promotion beyond advertising. Therefore, the need to promote a product, service, or an idea cannot be overemphasized. This has largely contributed to the increased use of trade promotion to enhance sales revenue which leads to growth in terms of sales as well as firm's survival in a stiffly competed market as the beer industry in Nigeria.

Kotler and Armstrong (2010) define trade promotion as a sale promotion strategy used to persuade resellers to carry a brand, give it shelf space, promote it in advertising and push it to consumers. When

manufacturers produce goods, services or ideas, corresponding attempt is made to stimulate the distribution of such goods in the light of inducing quantum sales with specific trade promotion tools. Furthermore, trade promotion is a concept of distribution that stresses price related matters; the objective may be to encourage middlemen, to stock new items, buy in larger quantity, buy early or store a product of producer, thereby reducing inventory of finished product from manufacturers as well as increasing the carrying capacity of various wholesalers and distributors to stock and be rewarded for their individual effort accordingly (Perreant and McCarthy, 2002).

Trade promotion is crucial to the success of a brand. Without retailer's support, the product may not receive due attention to enhance sales in the presences of other competing brands that dominate the beer industry. The retailer may be regarded as a second promoter of a product (David et al, 1998). The most useful product or brand will be a failure, if consumers do not know about its practical availability. Distribution channels are often long, a product may pass through many hands between a producer and consumer. Hence, a producer must inform middlemen as well as the ultimate consumer or business users about their product. Wholesalers in turn must inform retailers, and retailers must inform consumers (William et al, 1994). Even though the consumers are aware of the product, it will definitely fail in the market place if the consumers cannot get the product when and where they are needed.

The promotion techniques under trade promotion are buying allowance, specialty, advertising allowance, display allowance, sales contest, dealer listing and special allowance (Esu,2012). Wildts et al (2006), specifically mentioned the following as the most commonly used trade promotion strategy such as bonuses, dealer loaders, buying allowance, advertising allowance, cooperative advertising, display allowance etc. Nevertheless, the applicability varies across product categories with respect to firms' budget on promotion activities.

The total spending for trade promotions in the grocery industry alone rose from \$8 billion in 1990 to more than \$75 billion by 1998, nearly a tenfold increase in eight years (Maratou, Gomez and Just 2005; Merli, 1999). Researchers have evaluated the rapid growth of trade promotion and have determined the return on investment (Ailawadi, Farris 1999 and Tyadi 1999). Certainly, a balance between pull and push strategy is required to ensure that no target is neglected in accordance with equity theory of motivation. Growth in sales amongst other factors is foreseeable in firms' effort to advocate for increased sales growth required to meet the cooperative existence of a firm. Thus, this work will critically examine the extent to which promotional tools contributed to influence sales volume when applied in their various brands of product.

### **Statement of problem**

Trade promotion is a powerful tool that could have a multiplier effect, if executed with research follow up, its achievement may surpass the expected goal of the manufacturer. Monitoring of the input in accordance with the output becomes necessary to select the tool best to impact on sales growth. Williams, Babatunde and Jellel, (2012) report that sales promotion has significant effect on beverage drink in

Nigeria. Wamoni (2011) reports that sales promotion influence MTN in Uganda Sales volume in terms of their different products.

Accordingly, Cannondale Associate (2013) reported that manufacturers of consumers packaged goods (CPGs) had greatly increased use of trade promotion to distributors more than ever. Two decade ago, manufacturer allocated about 20% of their marketing budget to trade promotion; today this share has reached 70%. From 1997 – 2003, Trade promotion offered by US manufacturers of consumer-packaged goods to their distributors have increased eight-fold since 1996 and 2004 totaled about 80 billion dollars

Yuan, Gomez, and Rao (2008) conducted a research on the impact of horizontal and vertical market power on trade promotion budget and allocation in the US supermarket industry and concluded that vertical and horizontal power of manufacturers and retailers affects trade promotion outcome. The efficacy of trade promotion tools remain sparsely researched, scholars and experts have been wondering whether sales promotion and indeed trade promotion still serve its purpose (Ikem, 2011). Sales people research has received little attention by marketing researchers (Hart, Moncrief and Parasuraman, 1989) However, no statistical record exist to show how much organization spend on trade promotion and the result on sales in the heat of trade promotion in the beer industry in Nigeria. The structure of trade promotional components and their contribution to boast sales as intended by manufacturers remains a gap in the study of trade promotion as its contribution to sales growth, particularly, the beer industry in Nigeria. The study is justified on the premise that no empirical study exists to show how Sales contest, buying allowance, and display allowance as typical promotional tools used by beer industry have contributed to sales growth. To what extent have trade promotional tools contributed to influence sales, when applied in their various brand of product, represents the research interest that the study sought to accomplish.

### **Objectives of the study**

1. Examine the impact of buying allowance on sales volume of Guinness Plc
2. Examine the effect of sales contest on sales volume of Guinness Plc.
3. To evaluate the influence of special allowance on sales volume of Guinness Plc

### **Research questions**

The under listed hypotheses was stated for the purpose of this study:

1. Does buying allowance impact on sales volume of Guinness Plc?
2. Does sales contest have any impact on the sales volume of Guinness Plc
3. To what extent does special allowance enhance sales volume of Guinness Plc?

### **Hypotheses**

- H<sub>01</sub> There is no significant relationship between buying allowance and sales volume of Guinness Plc.  
 H<sub>02</sub> There is no significant relationship between sales contest and sales volume of Guinness Plc.  
 H<sub>03</sub> There is no significant relationship between special allowance and sales volume of Guinness Plc

## LITERATURE REVIEW

### **The concept of trade promotion**

Trade promotion is a sales promotion tool targeted at resellers and an indirect link to motivate consumers meant to buy a particular producer brands. From a broader perspective, Doyle (2002) defined trade promotion as promotions undertaken by manufacturers to incentivize retailers and wholesalers. According to Nwielaghi (2013), trade promotion is an aspect of sales promotion which creates incentives for channel members to share with consumers and create sales for manufacturers merchandise; it is also called “dealer” or push strategy. Trade promotions can be targeted toward retailers, distributors, wholesalers, brokers or agents. It is a two steps process; the first step is convincing the channel members to stock the product, and the second is to convince the channel members to push the product (Lascu, 2007). The essence is to encourage the channel members to stock the product, provide strategic shelf space for it and encourage consumers to buy from their outlets. The ultimate gauge of a successful trade promotion is whether sales increases, if it does not, a research is required to unveil possible reasons. Trade promotion expenditure continues to grow as channel member continue to use trade promotions to push their products through to consumers. Non-packaged goods manufacturers spent more than \$4000 billion or ten percent of sales on trade promotion in 1994, up from \$ 10 billion dollars or only 4 percent on sales in 1979 (Business Week, 1996). In the US, CGP manufacturers have increased their trade promotion to wholesalers and retailers eight fold between 1996 and 2004 (Joyce, 2005). Trade promotion techniques tools include: price discounts, buying allowance, sales contest, special allowance etc. Trade promotion is an incentive to get retailers to stock and support or merchandise a brand. It also includes obtaining or maintaining product distribution, increasing sales volume and encouraging retailer’s advertising. Trade promotion is a relationship builder instrument in the community of channel members to encourage them to sell the firm’s products. The shock ability of a firms’ product by wholesalers and retailers brings the product very close to the final consumer who purchases such products without which the products will lay idle in the warehouses of respective manufacturers incurring cost and damage.

### **Theoretical framework**

The expectancy and goal setting theories explained to a great extent the behaviour of the middlemen in response to trade promotion. Williams, Peter and Neil (2004) posit that expectancy theory has the ability to motivate an individual if at the end; expectation of the individual is achieved. The expectancy theory was introduced in management in the 1970 (Oliver, 1994). Goal setting theory provides a means of analyzing the motivational aspects of certain promotional activities targeted towards the middlemen (Hart, Moncriet and parasuraman, 1989). Locke’s theory of goal setting explains the goal set by various manufacturers for their middlemen and a reinforcement of such behavior with various sales incentives (Kim, 1984).

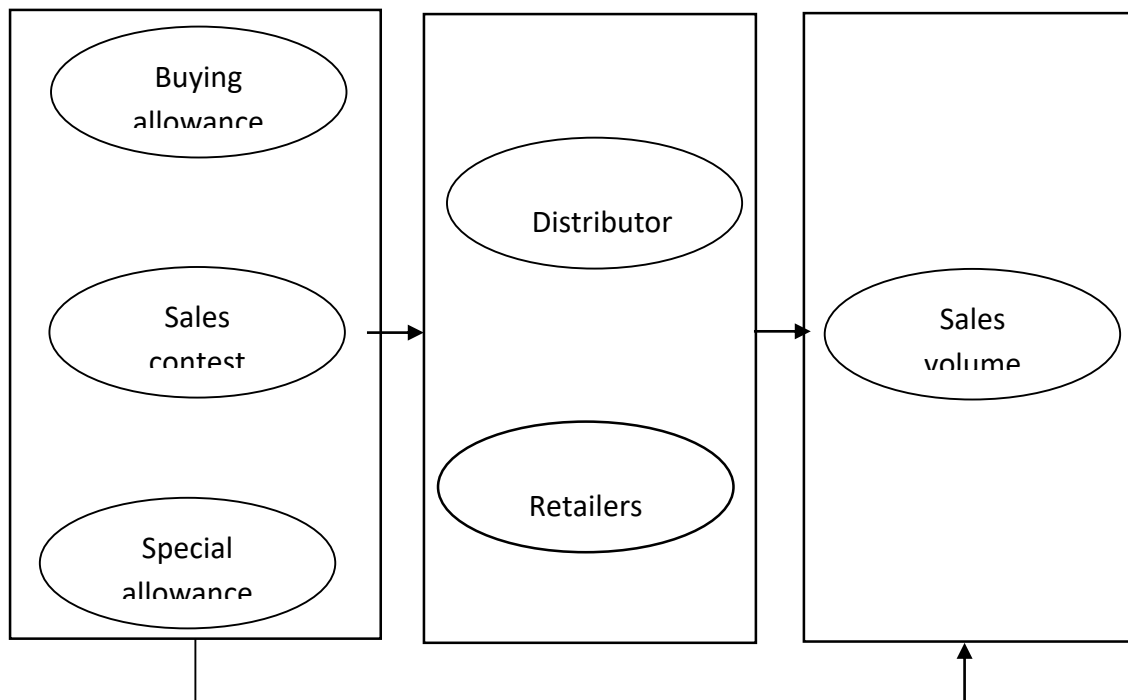
The theories seek to explain the behavior of the middlemen in responses to various trade promotional tool(s); sales contest, buying allowance, cooperate advertising, in store demonstration etc and the expected change in the behavior of the middlemen when the manufacturer apply them to the middlemen to motivate them and boost their sales with corresponding incentives to complement their effort.

The rationale underlying the framework is that trade promotion impact on growth of sales volume. We considered trade promotion among middlemen which are wholesalers and retailers and we assume that trade promotion tools affect the wholesaler and retailer in terms of their quantity purchases. All these promotional strategies are directed to the middlemen or distributors which further affect the organizations growth by creating additional demand for a firm's product. Consequently, a recent study found sales growth to be the most commonly identified measure of overall organizational growth (Hibband and Bromiley, 1995). In supporting this view, Inyang (2005) is of the opinion that organization growth can be represented by increase in scale such as sales volume, profit or number of employees. There are many parameters a company can use to measure its growth. The most meaningful yardstick is one that shows progress with respect to an organization's stated goals. Guinness spent significant funds each year to attract young men and women to consume more of Guinness brand. They implement an integrated promotional effort in order to attain its objectives.

### **Conceptual framework**

Sales volume is a measure of growth embedded in the adoption of a particular marketing strategy adopted by a firm, expressed in unit or quantity of what is sold. A company's ability or its managerial power is expressed by sales volume. According to Marquis (2015), the strength of a company is expressed in sales volume among other parameters.

Birley and Westhead (1990) opined that organizational growth is inherently a dynamic measure of change overtime which creates an opportunity for researchers to use several different formulas even when examining only one concept such as sales volume. Some organizations measure growth in terms of net profit, revenue, and other financial data, other business owners may use one of the following criteria for accessing their growth; sales, number of employees, physical expansion, success of a product line, or increased market share. Sales volume is the sum total of factors including gross sales returns. Sales volume can likewise be measured in terms of margin, profit, numerical distribution. Nevertheless, trade promotion was a measure of sales inducement based on buying allowance, sales contest, and special allowance which are regarded as potent tools to bring the middlemen to a deeper commitment to manufacturer's products and brands. The consumption of beer has become a norm in the southern Part of Nigeria, Nigeria Breweries just commissioned an expand brewery in Aba, Abia State that gulp about N18b, it prospect in the beer industry, can only be accomplished through sales in terms of volume (Adejuwon, 2015). Trade promotion is a dominant practice with the capacity to sustain manufacturers' turnover and profit earning over a long period of time.



**Figure 1: The conceptual model of the impact of trade promotion on firm's sales volume**

Source: Authors' model (2015)

### Buying allowance and sales volume

Buying allowance is a discount for the purchase of a promoted product during a specific period of time based on the purchase of certain minimum quantity of products/brand by resellers (D&B, 2010). Quantity discounts have a high capacity to influence coordination mechanism to increase market share through price reduction that would motivate major distributor to exceed target with volume purchase (Jeuland and Shugan 1983, and Moorthy, 1987). This trade incentive is often used to gain more distribution or to maintain the existing, and create new distributors and wholesalers. The quantity of crates of beer brand of Guinness purchase by distributors and wholesaler could be a function of the incentive of buying allowance. Buying allowance could be a dominant practice of trade promotion owing to the quantity purchase effect. The consumption of beer products may have increased in Cross River State, particularly in Calabar Metropolis. The evidence may not be too clear, but the number of beer joints has increased exponentially over the years. Buying allowance could be one of the trade promotional tools required to build and cement distributors, wholesalers and retailer relationships for quantum purchase. For example Guinness may offer to give its middlemen who purchase up to 200 crates of its brands discounts of N100.00 per crate. Some retailers may buy more than what is required during such promotion to be sold later at regular prices (Kalaiselvan, 2011).

**Sales contest and sale volume**

Futrell (1981) defined sales contest as a special sales program offering sales people incentives to achieve short-term goals. The incentives may include items that indicate recognition of achievement (e.g. certificates, cash merchandise, or travel) and are given in addition to regular compensation. Contests normally require the participant to perform some type of activity, like being the best company customer with the highest stock buyer within a said period. Trade contest rewards are given to brokers, retail sales people, wholesalers, agents or other channel members for achieving a specific goal. The goal could be achieving the highest sales within a specific time period, or it could be for all channel members to reach a minimum target level (Kotler and Keller, 2009). For example, Guinness manufacturer can run a contest among its distributors and offer a grand prize to distributor with the highest sales, with second and third place prizes for runners up. Money or prizes awarded in trade contests are known as spiff money, the rewards may be cash or items or a trip to an exotic place. Contest can be held at any level of distribution channel. Positive impact of sales contest include increasing motivation and morals of sales people, leading to great effort and resultant performance improvements on targeted goals, revenue generation and contributions to sales profit (Urbanski, 1986; Wild et al, 1980; Wotruba and Schoel, 1983). According to Murphy and Dacin (1998), 'trade contest (sales contest) is an important tool to motivate sales people to achieve goals that surpass those associated with normal compensation. Bettramini and Kenneth (1998) argued that contest enhances overall job satisfaction, it also increase corporate profit and could be very successful (Eisenberger and Cameron, 1999). There may include cash merchandise and travels. Cash represents 70% of award type being given to sales people. This is due to the belief that cash better motivate people (Colletti et al 1988; Urbanski 1986 and Ford et al, 1985). Tour can be advantageous to African especially Nigerians, that have flare to tour other countries but may not be able due to poor economic circumstance (Hastings, Kiely and Watkins 1988). Kalaiselvan (2013) reports that Cepacol mouthwash offered supermarket managers cash prizes matched to the percentages by which they exceeded the sales quota, plus a vacation to Bermuda for the manager who achieved the highest percentage. This target and accomplishment on the part of the organization will ever remain a source of motivation on the part of the supermarket managers.

Sales contest can increase sales volume and profits, but since it has winner and losers, contest may result in jealousy and antagonism among sales person and middlemen (Ebitu, 2012). Warner and Spencer (1991) added that many media sales organizations hold sales contest in an attempt to increase revenue and motivate sales people. All these are focused at increasing sales volume and organization's growth

**Special allowance and sales volume**

Special allowances are short term reduction in retail prices of a particular product. The small discount intended to stimulate middlemen to stock up the product. They are to an extent discriminant in nature (Esu, 2012). Manufacturers can use it to compensate retailers for real cost of taking a new stock keeping unit (Hoyt, 1997). The special is a hybrid of trade allowance as manufacturers may use it to reduce the cost of holding the inventory of finished products. It may new brand of products to be replaced in the warehouses while awaiting distribution. The transfer of responsibility to key distributor who may incur

additional cost to carry the product is compensated. Special allowance can lead to stock-up and forward buying on the part of retailers. Trade promotion given can serve as equilibrium means by manufacturer to weaken brand level competition in a highly competed beer industry in Nigeria (Nanda et al, 2001; Chun (1994) and Lal, Little and Villas-Boas (1996).

### **Sales growth (volume)**

Sales growth can be achieved by a firm by increased market share, through capturing sales held by other competitors by means of the use of trade promotions to maximize shelf space in retail outlets. Some businesses are able to secure significant sales growth by tapping into new market (Encyclopedia of Small Business, 2012). Creating additional demand for a firm's product or service, especially in a market where competition is yet to fully develop can spur phenomenal growth for a small company to greater growth level. A Nielsen study on trade promotion practices further buttresses this concern. The study found that 90% of manufacturer listed trade promotion as an important issue relative to 86% for category management, 78% of new product introduction and 73% for understanding consumers (Nielsen, 1998). Sales growth introduces vitality to a firm, especially resellers' organization in the beer industry. The turnover rate is dependent on the level of sales generated by the middlemen, whom have strong relationship with the final consumers than the manufacturers themselves.

### **The Nigerian beer industry performance**

In the face of the challenging business climate with increased competition from other players in the industry, particularly Nigeria breweries, Guinness Nigeria PLC was able to distinguish itself by maintaining its position as well as boosting its revenue and delivering good return to all stakeholders of the company. Turnover increased from N6227bn in 2007 to N123.66bn in 2011, representing a CAGR of 8.71% and increased by 13.07% between 2010 and 2011, the growth in turnover was primarily a result of major improvement in the company's brands and capacity expansion (Guinness Nigeria, 2011). According to a report from Beer Global Industry Guide, The global beer market had total revenues of \$514.6bn in 2013, representing a compound annual growth rate (CAGR) of 2.7% between 2009 and 2013. Market volume increased with a CAGR of 2.1% between 2009 and 2013, to reach a total of 172.8 billion liters in 2013.

The performance of the market is forecast to accelerate with an anticipated CAGR of 3.4% for the five-year period 2013 - 2018, which is expected to drive the market to a value of \$607.8bn by the end of 2018.

According to corporate Nigeria (Na) Nigeria's beer industry continues to thrive. The Nigeria has the second largest beer market in Africa, after South Africa, and with the largest population in Africa, a growing middle class and a large number of drinking-age consumers, the brewing multinationals are jockeying for position in a market that shows plenty of room for expansion and progressive consumption occasion by celebrity shows and persuasive promotion targeted towards all classes of consumers, may have contributed to unabated consumption. 'All celebrations and festival have recognized the important of making beer product a sure drink for the able people'. Nigeria is regarded as the **second** largest beer market in Africa. The beer market in Nigeria grew in value of 21.8% in 2009, making it worth USD2.7



billion. It is reported that Nigerians consume just 10 liters of beer per head of population, the market has plenty of room to continue expanding: analysts project growth in value sales of 16.8% in 2010, and average annual growth of 23.45% between 2011 and 2014. Drinking alcohol is a social activity in Nigeria; Beer is the most popular alcoholic drink in the country, making up about 96% of all alcohol sales. Nigerian Breweries is the market leader, with an estimated market share of about 65% of beer sales in the country for 2009, progressively over the years.

## MATERIAL AND METHOD

This study adopted a descriptive and survey design; using a well-structured questionnaires. A simple random sampling technique was used to survey respondents. The sample size of the study was obtained using the Taro-Yamane formula (1973). This was done to reduce the population to a representative sample size.

The formula is given as:

$$n = \frac{N}{1 + N(e)^2}$$

Where, n = sample size  
 N = Total population  
 E = Tolerable error margin  
 1 = Constant  
 =  $\frac{42}{1 + 42(0.05)^2}$   
 =  $\frac{42}{1 + 42(0.0025)}$   
 =  $\frac{42}{1.105}$   
 n = 38.

The researcher administered 38 questionnaires to distributors of Guinness products in Calabar (the capital of Cross River State. The products selected for this study includes Guinness beer brand which ranges from extra smooth, Guinness stout, snapp, harp, Smirnoff ice etc. as there are sold by various distributors. The study constructed a questionnaire based on Likertscale of five point sranging from: strongly agree, Agree, Undecided, disagree and strongly disagree on the following variables: sale contest, buying allowance and special allowance to measure the impact of trade promotion on their sales growth. Simple regression analysis statistical tool was used to test for the set hypotheses with aid of Statistical Package for Social sciences(SPSS version 21).Reliability test conducted on ten distributors showed that the research instrument was valid at cronbacha alpha value of .758 on 5 items. Nunnally (1978) the cronbach alpha procedure is an estimate of reliability based on the average correlation between items within each factor. The value of 0.6 and above is regarded to sufficient (Sekaran, 1992).

**Presentation of results****Table 1.1: Coefficients<sup>a</sup>; Regression Results Showing the Relationship between buying allowance and the of sales volume of Guinness brands of Beer**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	12.567	2.915		4.312	.000
	Buying Allowance	.640	.238	.429	2.687	.011

a. Dependent Variable: Sales Volume.

The results shows a significant relationship between buying allowance and sales volume of Guinness Plc Brand of Beer ( $B = 0.640$ ,  $P < 0.05$ ). Tables above further reports a significant F statistic, indicating the model's strong prediction strength ( $F = 7.222$ ,  $R^2 = 18.4\%$ ,  $P < 0.05$ ) The result shows a significant relationship between the two variables to the extent that buying allowance contribute about 18 per cent change in the quantity of Guinness product purchase by distributors.

**Table 1.2: Coefficients<sup>a</sup>; Regression Results Showing the Relationship between sales contests and sales volume of Guinness brands.**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	15.424	1.691		9.119	.000
	Sale Contest	.461	.156	.476	2.962	.006

a. Dependent Variable: sales volume

The results shows a significant relationship between sales contest and of sales volume ( $B = 0.461$ ,  $P < 0.05$ ). The analysis further reports a significant F-statistic, indicating the model's strong prediction strength ( $F = 8.771$ ,  $R^2 = 22.6\%$ ,  $p < 0.05$ ). The result shows significant relationship between the two variables, the R-square showed that 22% of change in sales volume of Guinness brands is accounted for by sales contest. Others may be extraneous variables not considered by the model.

**Table 4.3: Coefficients; Regression Results Showing the Relationship between special allowance and sales volume of Guinness brands**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	15.112	1.887		8.010	.000
	Special Allowance	.482	.170	.447	2.828	.008

a. Dependent Variable: sales volume.

The result above showed that there is a significant relationship between special allowance and sales volume ( $B = 0.482$ ,  $p < 0.05$ ). The table further reports a significant F-statistics, indicating the model's strong prediction strength ( $F = 7.996$ ,  $R^2 = 20\%$ ,  $p < 0.05$ ). The result shows significant relationship between the two variables. However, special allowances contribute 20% of the entire sales volume of Guinness Plc brand of beer products.

## DISCUSSION AND CONCLUSION

The result of the first hypothesis revealed that significant relationship exist between buying allowance and the sales volume of Guinness brands by distributors of the product.

The strength of buying allowance has been revealed to have a significant effect. The manufacturers have found the effect of buying allowance to sale patronage, the extent of competition in the beer industry with the raise of Nigeria Breweries, regarded as giant in the beer industry has raised the tempo of trade and consumer promotion in the beer market. Most products whether new or old, are regularly reinforced with various trade promotions and simultaneously with sales promotion. Lascu(2007) stated that when manufacturers provide trade allowances to a retailer, they would like to see that price reduction are passed on to consumers so it will stimulate sales of their brand and increase turnover which further increases organization's sales volume and profitability. The study also explained Jeuland and Shugan(1983), and Moorthy,(1987) study on the impact of quantity discounts purchase or buying allowance on market coverage of a manufacturer. Cost reduction due to quantity purchase, implies that many costs can be absorbed with a reasonable margin left as profit. The cost of government taxes and running expenses of micro business in Calabar, is on the high side. The extent to which trade allowance has contributed to the sales volume of beer brands of Guinness stems from the price reduction enjoyed by distributors received from Guinness Plc. The implication of the result to the management may involve monitoring of the price reduction offered to major distributors and as well set a feedback mechanism of ensuring such incentives are as well offered to retailers by the wholesalers. A proper marketing audit should be carried by independent consultant to ensure equity and fairness between the major distributors and their downlink retailers. Often times it becomes extremely difficult to rely on the provision of incentives in the hands of key distributors.

The result of hypothesis 2 reported that there is a significant relationship between sales contest and sales volume. Contest most times could be of greater reward, it makes the middlemen be very active to promote the product in contest in order to induce sales from the customers so as to eventually win. The study has confirmed Warner and Spencer (1991) report that many media sales organizations hold sales contest in an attempt to increase revenue and motivate sales people. Beltramini and Kenneth (1998), noted that that sales contest enhances overall job satisfaction and it increases corporate profit. Sales contest can increase sales volume and profits (Ebitu, 2012). Organizations can use sales contest that reflect preferences of the average salesperson. The cash reward has impact more than other forms of reward offered; this is because it can be ploughed back to middlemen's capital base for their businesses expansion. The other form of vacations abroad may not appeal to Nigerian's distributor, because tourism and leisure may be seen as a lazy Man's activities. Policy recommendation should hold that all that participates in contest should not be left without consolation prizes in line with equity and fairness best business practice.

The test of hypothesis 3 showed that there is a significant relationship between special allowance and sales volume of Guinness brands of beer products. Special allowance as the name implies may not be general incentives to all key distributors but only to dealers who may be venerable in the large amount of inventory induced by manufacturers to carry. The relationship may come from an informal but formal relationship. The company makes provision for compensation to enhance their profit level beyond the conventional profit margin. The study aligns with the position of Hoyt (1997) 'Manufacturers can use special allowance to compensate wholesalers and retailers for real cost of taking a new stock and in large quantity. The position of the author has found relevance in the result of the study with corresponding impact on sales volume of Guinness brand of beer product. This may as well serve as a distinct advantage to manage key distributors with high volume purchase. Guinness Nigeria PLC and manufacturing organizations generally, may engage in more promotional strategies, and also tend to be creative towards middlemen; this in turn would enhance and boost sales revenue.

## **ISSUES/ GAP AND OUTCOME**

This work has an apparent gap to fill; thereby making a sustained contribution to academic knowledge. The exploration can give a meaningful contribution to increase sales volume in beer industry through utilization of proper promotional tools. The study is justified on the premise that no empirical study exists to show how Sales contest, buying allowance, and display allowance as typical promotional tools used by beer industry have contributed to sales growth. The literature so far researched by other scholars has not shown the contribution of trade promotion elements on sales volume in the beer industry clearly. These trade promotion tools have potentials to influence the target audience to patronize a particular brand product thus, increasing its sales volume. Though various promotion activities such as raffle draws, price pack, free items such as free face-caps, t-shirt, and pens are sometimes used by the beer industry to increase its sales volume, other promotional strategies like sponsoring of various activities such as football matches and use of celebrity are rarely explored. The study also emphasized on the need for buying allowances, sales contest and special allowances which were not effectively considered by other authors.

Thus, this study recommends that beer industry should continuously ensure the introduction of new products and packaging innovation to lure customers given the current competitive environment. In this regard companies that are able to enhance and quicken their product development cycle will clearly have a competitive advantage. As beer drinkers increasingly seek different styles and more complex or varied flavour profile, beer industry would need to keep innovating constantly.

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