

The Impact of Sales Promotions on the Performance of Auto-Mobile Industries in Ghana: A Case Study of PHC Motors (Accra-Ghana)

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Abstract

The purpose of the study was to assess the impact of sales promotion on organisational performance in the auto mobile industry in Ghana. The study was conducted at PHC Motors Ghana's Retail Outlet in Accra, Ghana. The objective of the study was to examine the relationship between sales promotion and organisational performance, to examine the effect of sales promotion in the automobile market, and to identify the challenges hindering sales promotions effectiveness. The study used descriptive research approach and the data was purely quantitative. In order to achieve this objective, thirty (30) respondents were selected using purposive and random sampling techniques. The Data was analysing using SPSS obtained from the field. The research revealed that the impact of sales promotion on organizational performance in PHC is intense. Also, from the management perspective most of the respondents agree that sale promotion provides extra incentives to purchase as well as stimulating resellers demand and effectiveness. The study devoted to conclude the relationship between sale promotion and the organizational performance, most sales promotion provide extra incentives to purchase as well as stimulating resellers demand and effectiveness. It revealed that effective sales promotion increase sales. The researcher therefore recommended that, management of PHC Motors should embark on more strategic sale promotion in order to increase their market share and profitability.

Keywords: Sales promotion, Auto mobile industry, Performance, Relationship, Ghana.

Introduction

The world's economy is becoming globalized. As a consequence, many firms are conducting international business operations (Ricky et al, 2005). Managements of organizations therefore strive to improve their organisational performances through marketing actions or activities such as promotional incentives (Pauwels et al., 2004). The reason had been that, consumers tend to buy products they have been informed about (Ricky et al., 2005). It is therefore not surprising that, marketers tend to use "sales promotion" to communicate information, position product brand, add value, and control sales volume (Pride, 1987).

A particular important facet of "promotion" is that, despite its pervasive use in marketing mix, there is no consensus in its meaning. The term has therefore been numerously defined. In one sense, it refers to the techniques for communicating information about a product (Ricky et al.; Blanchard et al, 1999).

It therefore mirrors the image of what marketers' call the buyers' customer solution, customer cost, customer convenience, and customer communication (Kotler, 2004). This is popularly called in marketing as the "4C's" which recently have been replaced by a more customer driven replacement of 4 Ps (Needham, 1996).

In short, promotion encompasses all efforts by an organisation to enhance the desirability of its products among potential buyers (Griffin & Pustay, 2007). From the foregoing, it can be deduced that, "sales promotions" are short term promotional activities designed to stimulate consumer buying or co-operation from distributors, sales agents, or other members of the trade.

This presupposes that, promotion's relevance in automobile product marketing cannot be overstated, as offers many advantages such as its ability to increase the likelihood that buyers will try products (Ricky, 2005).

It is recognising that, a number of multinational companies (MNCs) have been established to coordinate operations on several continents (Hubbard & O'Brien, 2010), including Africa. These MNCs include PHC Motors Company which deals in automobile products and services. In many cases, the commonly used sales promotional mix often used by these firms include, coupons, point-of-sale purchase displays, purchasing incentives, trade shows, and contests and sweepstakes (Griffin & Pustay, 2007; Ricky et al., 2005; Kotler, 2004; Blanchard et al, 1999).

Particularly, the flexible nature of sales promotion makes them ideal for a marketing campaign tailored to fit local circumstance (Griffin & Pustay, 2007). This invariably has some ramifications on organisational

performance. Thus defined, organisational performance refers to the actual output of an organisation measured against its set objectives (Richard et al., 2009).

In free-market systems such as Ghana, businesses use promotional methods to communicate information about itself and its products to consumers and industrial buyers (Ricky et al, 2004). Hence, it would not be surprising if PHC Motors Company as a multinational automobile firm will typically adopt one of four strategic alternatives in its attempt to balance the three goals of global efficiencies, multinational flexibility, and worldwide learning (Griffin &Pustay, 2007). However, the question remains as to whether; these goals would be achieved when sales promotions are used in its Accra Retail Outlet? This study was therefore designed in an attempt to unravel this puzzling question.

Statement of the Problem

Sales promotion clearly communicates; as a result, it is often put at the front-page in promotional mix (Blanchard, et al., 1999). This undeniably presupposes that, the growing importance of sales promotion in marketing of automobile products such as PHC Motors cannot be overstated.

Unfortunately, the seemingly uncontrollable effort for organizational performance by PHC Motors automobile competitors such as Mercedes-Benz and Nissan in modern day business has sometimes resulted in a strong downward pressure on prices and fearsome competition (Hubbard & O'Brien, 2010). Especially, it is evidenced that Nissan Motors, has out-produced demand and has created more inventory (Blanchard et al, 1999).

Similarly, Mercedes-Benz relies on its well-known brand name and its reputation for building well-engineered, luxurious cars capable of travelling safely at very high speed (Griffin &Pustay, 2007). It has therefore "chosen to exploit internationally, despite the fact that only a few countries have both the high income levels and high speed limits appropriate for its products.

Yet consumers in Asia, the rest of Europe, and the Americas, attracted by the car's mystique, eagerly buy it, knowing that they too could drive their new car 150 miles per hour, if only the local police would let them".(Ricky et al., 2005; Griffin et al.,2009)

The importance of this is that, clearly consumers of cars in Ghana, including those in Accra are generally low income earners. The city's police also permit low driving limits.

Another important facet of this development is that, how can the company's attempt of building new luxurious and high speed products similar to that of its brand, competitors can be promoted through sales promotion in Accra automobile market?

Moreover, available literature search and review indicate that, there is little or no direct study designed specifically to deal with sales promotion and organisational performance in PHC Motors Ghana's Retail Outlet in Accra. This tends to create a seeming gap in academic literature which needed to be filled.

This study was therefore designed as a means of finding answers to some baffling research questions such as: Is there a relationship between sales promotion and organisational performance? This current study therefore assessed the impact of sales promotions on organisational performance, using a case study of PHC Motors Ghana's Retail Outlet in Accra.

Justification of the Study

Sales promotion and organisational performance are key critical marketing issues that every organisation is confronted with on a daily basis. This study was therefore conducted using PHC Motors, Ghana's outlet in Accra. In short, the study appeared to be significant in that:

Subsequent researchers will use it as literature review. This means that, other students who may decide to conduct studies in this area will have the opportunity to use this study as available literature that can be subjected to critical review.

It has enhanced broader understanding of issues which involve sales promotions and organisational performance in the auto mobile industry in Ghana. That is, scholarly dimensions shown in this study tend to shed more light on some useful aspects of the marketing activities of sales promotions and organisational performance. This will save others the time needed to understand some aspects of the problem under study.

Invariably, the result of the study contributes immensely to the body of academic knowledge with regards to sales promotion and organisational performance in Ghana. This will go a long way to help companies and institutions to strategize well in sales promotion. This will help them to compete favourably with other brand competitors when it comes to sales promotional issues. It will serve as a guide to policy makers and other stakeholders to make informed decisions on sales promotions and organisational performance.

This study has engendered the researcher's attitude when it comes to research. That is, the rigorous analysis being undertaken by the researcher in the conduct of this academic study has really improved the analytical and research skills of the investigator and hired research assistants.

In all, it can be noted that, this current study has been, and or would be significant in that, it has; engendered research attitude and added to the body of academic knowledge. Moreover, the research has

highlighted the growing importance of sales promotion as a promotional mix item when it comes to marketing of automobile products in Ghana as PHC motors is a fair representation of the industry. In essence, this study will invariably aid policy makers in making informed decisions regarding the problem under study.

Scope of the Study

The scope of this study relates contextually to sales promotion and organisational performance in PHC Motors Ghana's Outlet located in Accra. This company is a multinational company which deals in automobile products, specifically PHC Motors brand products. As a means of reaching out to its consumers, it has established one of its "Retail Sale Outlet in Accra.

Among others, this sales outlet sells PHC Motors brand products including cars, spare parts to consumers who patronize PHC Motors products. It also offers after-sales service to users of PHC Motors cars. The company's branch outlet situated in Accra has a sizeable number of employees who are marketers, administrators, engineers, security guards and so forth. Related, a cursory observation in the city reveals sizeable number of PHC Motors car users.

Meanwhile, it must be noted that "PHC Motors Ghana Company Limited" was incorporated in Ghana in January 1998 by the investment of Marubeni Corporation, Japan and Marubeni Auto Europe S.A., Belgium and started operations in April 1998. And under the Ghana Government Divestiture Programme, PHC Motors Ghana acquired four assets of interest in "Ghamot Company Limited". The Company was registered with an initial stated capital of US\$3,000,000. It therefore represents the sole representative of PHC Motors Motor Corporation of Japan (TMC).

Consequently, its principal activity is the sale and distribution of new PHC Motors vehicles and spare parts and the provision of after-Sales support for the vehicles. It is towards achieving this principal goal that necessitated for the establishment of the Retail Outlet in Kaneshie a suburb of Accra.

Situated in the transitional forest zone, it is geographically 'about 270km north of the national capital, Accra. It is between latitude 6.35o – 6.40o and longitude 1.30o – 1.35o, an elevation which ranges between 250 – 300 metres above sea level with an area of about 254 square kilometres. It is composed of about 90 suburbs, many of which were absorbed into it as a result of the process of growth and physical expansion (GSS, 2000).

Brief Organisational Profile of PHC Motors, Ghana.

PHC Motors Limited has been at the heart of the motor industry in Ghana since 1968. Over the years, they have operated under the names of Leyland Motors, Leyland DAF and Land Rover Ghana. In 1998 the company's minority shareholders, the Peprah's, entered into share purchaser negotiations with the majority shareholders – Leyland Daf of Einhover, Holland. These negotiations were successful and by 1993 the Peprah's acquired the majority shares in the company and renamed it PHC Motors Limited. It thus became one of the few motor companies in Ghana to be solely owned and operated by Ghanaians. As far as the motor business is concerned, Mr. Kwabena Peprah involvement dates back to 1965 when he participated in the creation of Leyland Motors Ghana. In 1968 Kwabena Peprah became the first private individual to hold shares in a British Motor Corporation subsidiary. In the same year he was appointed by Lord Stokes (the Chairman of BMC) as the Chairman of the Ghanaian subsidiary.

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LITERATURE REVIEW

Introduction

This section aims at reviewing relevant aspects of current knowledge, including substantive findings in relation to the researchable issue of sales promotion and organisational performance in automobile firms such as PHC Motors. Sales promotion includes several communications activities that attempts to provide added value or incentives to consumers, wholesalers, retailers, or other organizational customers to stimulate immediate sales. These efforts can attempt to stimulate product interest, trial, or purchase

As a systematic process of presenting researchable issues, this particular section has been designed along the following outlined themes: The nature of sales promotion and organisational performance, the effects of sales promotion and organisational performance, and the challenges hindering sales promotion in automobile organisations.

In turn, the independent variable of "sales promotion" and the dependent variable of "organisational performance" have been conceptualised with the use of a conceptual framework that uses the idea of research model. Other spurious associations which tend to moderate the variables have also been indicated on the conceptual framework that concludes this specific chapter.

Below are the thematic and integrative literature review of the very useful independent variable, dependent

variable and spurious associations identified in this designed research study.

The Nature of Sales Promotion and Organisational Productivity

As more businesses move into global markets, it is becoming increasingly difficult to determine the best promotional approach (Wills et al., 1991) that an organisation can adopt. In many cases, the most highly visible promotional mix often used in marketing mix relates to sales promotion (Ricky et al, 2005).

Meanwhile, the term “promotion” means different things to many people depending on the context and discipline being used. That is, the concept is used ordinarily here to mean an element of a “marketing mix”. In one sense, it denotes any technique designed to sell a product (Ricky et al, 2005). To others, it refers to any attempt by a seller to influence a buying decision (Blanchard et al, 1999).

Clearly, the definition given by Ricky and others in 2005 as cited above, can be taken as a workable definition, in that, the definition appears quite brief, yet understandable as it reveals the real intent and growing importance of the use of promotion in marketing mix. This notwithstanding, Blanchard et al definition in 1999 can also be seen as relevant and as such must be regarded accordingly.

Like promotion, the marketing concept of “sales promotion” has also been numerously conceived by many scholars. Accordingly, Griffin et al (2004) describe marketing concept of sales promotion as “short-term promotional activities designed to stimulate consumer buying or co-operation from distributors and other members of the trade”.

Equally, Blanchard et al (1999) also opine that sales promotion as “the array of short-term promotional techniques that marketers use to stimulate an immediate purchase”. Likewise, sales promotion can be described as materials that act as a direct inducement, offering added value, or incentive for the product, to resellers’ sales persons or consumers. It is designed for immediate (short term) increase in product sales. Apparently, the above quoted scholarly definitions of the promotional mix concept of sales promotion are good definitions as any, and as such, both explanations can be regarded as workable expositions on the concept insofar as this discussion is concerned. The reason had been that, both definitions try to suggest that, sales promotional activities may be narrowly targeted to consumers.

In this sense, it can be argued that, sales promotion efforts are normally offered only a short time before being dropped or replaced with more permanent efforts. This flexible nature of sales promotions makes them ideal for a marketing campaign tailored to fit local customs and circumstances notes (Griffin & Pustay (2007).

In light of this, sales promotional activities which comprise specialised marketing efforts such as coupons, in-store promotions, sampling, direct mail campaign, cooperative advertising, and trade fair attendance (Griffin & Pustay, 2007).

Another important facet of this discussion relates to the growing importance of types of sales promotion efforts. Indeed, available literature indicates that, the best known sales promotions are “coupons, point-of-purchase displays, purchasing incentives (such as free samples, trading stamps, and premiums), trade shows, contests and sweepstakes (Griffin & Pustay, 2007; Ricky et al, 2004; Blanchard et al, 1999).

A particularly important fact to recognise is that, automobile firms may also develop cooperative advertising campaigns or provide advertising allowances to encourage the promotion of firms’ products. Thus, brand competitors including, PHC Motors Ghana, “Silver Star Company” that deals in Mercedes-Benz, Hyundai, Kia, Honda, and Nissan Corporation in the city can come together to organise trade shows where they can display their products amidst sales promotional efforts in Accra.

Sales Promotion Techniques

Undeniably, there are many examples of promotional efforts which Multinational Companies who deal in automobile products such PHC Motors Ghana can adopt in sales promotion. The most commonly used sales promotion techniques (Ricky et al, 2005; Shimp, 1993) by automobile firms include; coupons, point-of-purchase displays, purchasing incentives, trade shows, and contests and sweepstakes (Kotler, 2004; Blanchard et al, 1999). These sales promotion efforts for a multi-national company like PHC Motors may also comprise specialized marketing efforts involving, in-store promotion, sampling, direct mail campaign, and cooperative advertising (Griffin & Pustay, 2007). Some literature on these sales promotional techniques or efforts has been briefly reviewed thematically and interactively below:

Coupon

In most cases, one method of sales promotion featuring a certificate that entitles the bearer to stated savings off a product’s regular price is called in promotional mix as “couponing”.

It is argued that, this may be utilised to motivate customers to try new product, to attract customers away from competitors, or to induce current customers to buy more of a product (Ricky et al., 2005). This implies that, with the utilisation of promotional mix’s effort of couponing, product and service offering

companies such as PHC Motors can better be enabled to provide customers with certificates entitling them to a price reduction or a cash refund (Blanchard et al., 1999).

In essence, the sales promotional technique of “couponing” ensures development of brand loyalty. In that, as a technique, it ingeniously attracts customers from brand competitors. By so doing it induces current customers to buy more. This invariably develops customers’ recognition of, preference for and insistence on buying the product with same brand name.

Point-of-Purchase Displays

In order to draw attention of many customers to a particular product’s brand, many business organisations employ the use of “point-of-purchase” (POP) technique. This is a type of sales promotion in which a “product display” is so located in a retail store so as to encourage consumers to buy the product (Ricky et al., 2005).

This implies that, POP displays and demonstrates products (such as PHC Motors cars and accessories) at the point where it can be purchased. This is usually done in retail stores such as that of PHC Motors Ghana’s Retail outlet located in Accra.

More important, in this day of advancement in technology, this can be equally achieved with the use of the internet. Here, the Retail outlet can open a web site where prospective customers can view new displays from time to time.

The implication here is that, customers do not necessarily have to personally visit retail stores before they can have access to products being displayed for the first or continuous times.

Premium

This is a method of sales promotion in which some items are offered free or at a bargain price to customers in return for buying a specified product such as PHC Motors cars or spare parts. This technique therefore offers a product for free or at a lower price to induce the customers to buy. Mostly, the effective premiums are closely tied to the product or brand being sold (Blanchard et al., 1999).

In some instances, free samples of the product are offered free to customers in order to enable them try the product. They may be given out at local retail outlets (Ricky et al, 2005). It must however be noted that, “premiums” may not work as well as originally hoped, since some customers may switch to a competitor’s brand to get the premiums that company is offering”.

Trade shows

Trade show is a variant of sales promotion, and periodically, industries sponsor trade shows for their members and customers (Griffin et al, 2004). They therefore promote products to marketing intermediaries. Trade shows are common in electronics industries, to name a few (Griffin & Pustay, 2007; Blanchard et al, 1999).

More importantly, trade shows are relatively inexpensive and are very effective, since the buyer comes to the seller already interested in a given type of product, as a result international trade shows are becoming more important (Ricky et al, 2004).

In a sense, PHC Motors Company’s retail outlet in Accra can utilise this variant of sales promotion, as it tends to reduce cost in a substantial manner. If compared to other techniques, one can realise that, this technique appears more favourable, more especially, in automobile industries where customer’s decision to purchase a product is more rational (Hubbard & O’Brien, 2010).

From the above discussion, it is recognised that there are many sales promotional techniques at the disposal of the organisations. However, each comes with its advantages and disadvantages. It is therefore incumbent on the organisation in question to take due diligence when it comes to the issue of which sales promotional technique to use.

It must be emphasised moreover that, apart from the above mentioned techniques, one can also employ sweepstakes, contests and loyalty programmes (Ricky et al, 2005; Blanchard et al, 1999). All are sales promotional techniques that can have effect on organisational performance be it financial, market share and shareholder returns (Richard et al, 2009).

Organisational Performance

It is recognising that sales promotion as a promotional activity occurs within an organisational context. Organisational performance relates to the actual output or results of an organisation as measured against its intended objectives. It embraces three specific dimensions, namely, financial performance, product market performance and shareholders’ return (Richard et al., 2009).

The financial dimension concerns issues in respect of profit margins, return on asset and on investment. In contrast, the product market performance also addresses issues with regards to sales and market shares. The third dimension basically deals with issues such as total shareholder return, and economic value added.

More importantly, many organisations have attempted to manage organisational performance using the

“balanced scorecard” methodology where performance is tracked and measured in multiple dimensions such as financial performance, customer service, social responsibility, and employee stewardship (Richard et al., 2009).

It can be discerned that organisational performance entails three specific dimensions including financial, product market performance and shareholder return (Richard et al, 2009). These are very useful aspects of any organisation. In this sense, any application of sales promotion must be done in a well-coordinated manner, so as to ensure the desired effect it is intended to attain.

The Effects of Sales Promotion on Organisational Performance

It could be recalled that sales promotion describes short term promotional activities designed to stimulate consumer buying or co-operation from distributors, sales agents, or other members of the trade (Ricky et al, 2005). This definition presupposes that, sales promotions have very important effects on organisational performance.

To begin with, sales promotion has the effect of increasing the likelihood that buyers will try products (Ricky et al, 2005). For instance, the use of sales promotional technique of couponing tends to “encourage customers to try new products”. This is because sales promotional techniques tend to motivate present users to buy larger sizes, as it discourages current users from buying competitor’s products (Ricky et al, 2005; Blanchard et al, 1999).

Essentially, it can be said that sales promotion induces consumers to buy brand extensions (Blanchard et al, 1999). In other words, sales promotion enhances product recognition and can increase the size and amount of product which consumers patronise in a certain organisation. This leads to the development of brand loyalty.

This means that, sales promotion helps the effect of developing customers who, when they need a particular item, will go back to the same brand and buy the company’s product (Ricky et al, 2005). This best describes the marketing concept of brand loyalty that refers to “customers’ recognition of, preference for, and insistence on buying a product with a certain brand name”.

The implication here is that, sales promotion can be used as a technique in order to ensure brand recognition, preference and insistence on PHC Motors products in the metropolis. Here, the sales promotional technique of loyalty programmes (Blanchard et al, 1999) can be adopted towards the achievement of this desired aim.

The reason had been that, such a programme tends to strengthen the relationship with good customers and thereby encourage them to purchase more of the company’s product.

In fact, this has proven to be effective as a survey conducted in Canada found that, companies including, Wal-Mart and Black & Decker that apply loyalty programmes as sales promotional techniques are still viewed positively (Strauss, 2003) when it comes to brand loyalty.

Moreover, it must be noted that consumers form very strong opinion about products as a result of conversations with friends and acquaintances (Ricky et al, 2005). It can therefore be inferred that the use of good sales promotional techniques will position the company’s brand in the minds of its customers.

Particularly, if ‘word of mouth’ from the loyal customers confirms that PHC Motors brand is good, higher sales are likely to rise. That is, studies have found that “Big Rock Brewery” does no advertising, but relies on word of mouth to expand its market share, and as such its exports to the United States are increasing rapidly (Ward, 1993).

In essence, a well implemented sales promotional technique develops loyal customers who have positive view of the brand that they enjoy. This translates into a “word of mouth” as manifested in “conversation with friends and acquaintances”. This tends to promote sales thereby increasing the market share of the company in question. In effect, sales promotion has the tendency of impacting on the organisational performance, as it tends to increase market share (Ward, 1993) of organisations.

In conclusion, it can be noted that as a variant of promotional mix, the marketing activity of “sales promotion” appears to have quite significant effects on organisational performance. They are important because they increase the likelihood that buyers will try products. They also enhance product recognition and can increase purchase size and amount (Ricky et al, 2005).

These effects have consequential effects on the financial, market share and shareholders, return of organisations that effectively and efficiently utilise sales promotion as a marketing technique. This will enable the organisation to achieve the actual output or results as measured against its intended set goals.

The challenges hindering sales promotion in organisational performance

The world’s economy is becoming globalized and more and more firms (including PHC Motors Company) are conducting international operations (Ricky et al, 2005) amidst competitive global market (Hubbard & O’Brien, 2010).

In fact, nowhere is this rapidly growing global orientation more evident than in marketing promotions (Ricky et al, 2005), especially “sales promotion”. That is, a truly global perspective means designing products for multinational appeal-that is, genuinely global products (Keegan, 2002).

It is only few brands such as Mercedes Benz that have become truly global brands (Ricky et al, 2005).

This poses some challenge to new emerging brands such as PHC Motors. These challenges are business environment related as discussed subsequently.

First, sales promotions have traditionally been heavily regulated in many nations. As a point of illustration, the United Kingdom formerly operated under a resale price maintenance regime in which manufacturers could legally dictate the minimum resale price for virtually all goods.

This practice was abolished in 1964 (Stuart, 2005). Equally, Germany is notorious for having the strictest regulations “car wash” was barred from giving free car washes to regular customers and a baker who could not give a free cloth bag to customers who bought more than 10 rolls (Economist, 2000).

One important challenge which normally hinders the smooth implementation of sales promotion in organisational settings concerns legal regulations.

Likewise, in Ghana, companies cannot engage in sales promotion of products which tend to harm the health status of customers. A typical case in point is the use of cigarette products (Ghana Food and Drugs Board, 2013).

Arguably, this appears to be a constraint, yet it does not directly affect the sales promotion of PHC Motors products such as cars being offered on the Ghanaian market. But, this regulation can be seen in the area of imposition of import duties which tend to make the price of PHC Motors products more expensive.

As a consequence, this reduces the number of customers who want to enjoy PHC Motors products in the country. This is compounded by low levels of remunerations generally given to Ghanaians by employers including the central government who employs over five hundred thousand workers in Ghana.

More importantly, other scholars also note some common challenges that tend to hinder sales promotion proposition. Among others, these challenges relate to the issues of “cultural receptiveness” and “image differences” (Ricky & Pustay, 2007; Ricky et al, 2005) which have been reviewed subsequently.

Cultural receptiveness

There are a lot of variations and approaches across nations regarding the sales promotion of some sensitive products (Ricky et al, 2005). Thus, culture may affect product policy in many ways. For example, studies indicate that, foreign automobile makers have learned that Japanese consumers are extremely quality-conscious, in that, for many Japanese consumers an automobile is more a status symbol than a mode of transportation (Ricky & Pustay, 2007).

In effect, a Japanese customer may reject a car if the paint underneath the hood is uneven or the gas tank cover fits loosely (Wall Street, 1995). This means that the way a car looks is often influenced by the culture of the prospective customers who intend to drive the car.

In Ghana for instance, automobile products like vehicles from PHC Motors is simply not a product but a social status symbol just like how the Japanese see automobile products as Ricky & Pustay (2007) have noted. This calls for customization of the product to suit local taste, which is sometimes difficult to achieve when it comes to international brands such as PHC Motors car products.

Image differences

There are variations in the brand image of companies who deal in sales promotion of specific products on the international market, and for that matter, on the local market.

Regardless of any advertising appeals for universal recognition, some automobile companies have good product brand image than others. It could be recalled that few brands such as Mercedes Benz have become truly global brands (Ricky et al, 2005).

This puts “PHC Motors Ghana Limited” in a disadvantaged position when it comes to brand image. And, may affect the organisational performance of the company’s Retail Outlet situated in Accra if not well addressed.

These notwithstanding, it is worth noting that the best combination of promotional mix depends on many factors. The most crucial is the “target audience” (Clow & Baack, 2002). This concept and its ramifications in sales promotion have been explored subsequently.

Difficulty in Targeting the Audience in Buyers’ Decision Process

Accordingly, in establishing a sales promotional mix, marketers match promotional tools with the five stages in the buyers’ decision process (Griffin & Pustay, 2007). This is not an easy task to accomplish due to the glaring differences in consumer preferences for a particular product (Hubbard & O’Brien, 2010).

The reason had been that, buyers must first recognise the need to make a purchase. However, this requires marketers to make sure that, consumers are aware of their products which involve costs that tend to increase operational costs. More so, buyers want to learn more, compare products, choose product and purchase them, and this calls for the use of sales promotion or personal selling (Ricky et al, 2004).

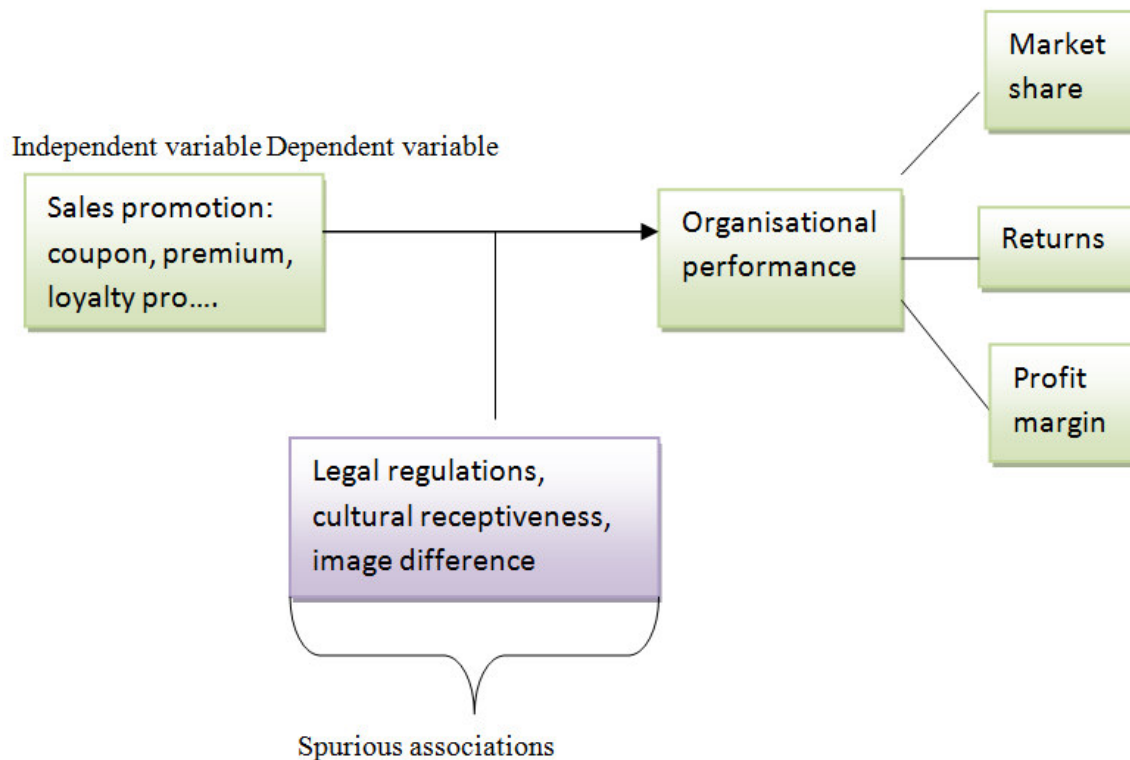
Likewise, these consumers tend to evaluate products after purchase. Hence, advertisement or even sales promotion is sometimes used to remind consumers that, they made wise purchase (Clow & Baack, 2002). In

essence, the process of achieving problem need recognition, information seeking, and evaluation of alternatives, making purchase, and post-purchase evaluation of the consumer appears to be a daunting task one must reckon with. This therefore tends to pose greater difficulty to marketers when it comes to the use of sales promotions.

Conceptual framework

The ideas and abstract principles which have been reviewed and discussed above have been finally modelled with the aid of a conceptual framework shown below that has been labelled figure 2.1

Figure 2.1 Conceptual Framework



Source: Fieldwork, 2014

Figure 2.1 above illustrates a conceptual framework that models a unilateral relationship between the independent variable of “sales promotion” and the dependent variable of organisational performance. It further shows an interception of a unilateral causal relationship by spurious associations which result from business environment related challenges including legal regulations, cultural receptiveness and image differences.

It also shows how this unilateral relationship affects organisational performance in terms of market share, shareholders’ returns and profit margin.

METHODOLOGY AND QUESTIONNAIRE DESIGN

This study used a quantitative field social survey which conveniently selected thirty research respondents for the assessment of the impacts of sales promotion and organizational performance in PHC Motors Ghana’s Retail Outlet situated in Accra. It used structured self-administered questionnaires for the collection of a cross section of relevant data which have been analyzed to determine the patterns of associations existing between independent and dependent variables. It used a parametric statistical model.

This study used questionnaires as the main method of data collection. Primary and Secondary data were used.

Source of Data

The relevant data regarding sales promotion and organizational performance were sourced from both primary and secondary sources. The primary data were obtained from responses that were collected with the aid of the structured self-administered questionnaires. These research instruments were personally distributed to respondents during data collection on the field.

They were given to representative sample respondents who were a conveniently selected sample of employees and accidentally chosen customers of “PHC Motors Ghana Company Limited’s” Retail Outlet

situated in Accra. In another vein, secondary data were also obtained from noted sources. These secondary sources include books, journals, and articles. That is, business related books written by scholars including Griffin et al, (2007) and Blanchard et al (1999) were judiciously utilized. Internet also proved to be useful in this exercise, as a lot of information were gleaned from numerous internet sites

The researcher administered questionnaires personally. This was to ensure that the right persons were drawn for the research and also enabled the researcher to have personal links with the respondents. The research instrument is the tool used to gather information from respondents. For this study, the instruments used were documents, interview schedules and questionnaires. The researcher approached the management and employees of PHC Motors Ghana Limited and explained the purpose of the research to them. Necessary information was then made available to the researcher. Some were documents, data and journals.

Target Population

The targeted population of the study comprised fifty (50) employees who work at PHC Motors retail outlet situated in Kaneshie, a commercial suburb of Accra Metropolitan Area. This also comprised a number of customers who routinely patronize the services of the Retail Outlet.

A sample size of sixty respondents was drawn from the representative sample frame which consisted of employees and customers of PHC Motors Ghana's Retail Outlet in Accra. That is, about ten (10) of the selected samples were drawn from the employees' population of twenty (20), while, the rest of the twenty (20) respondents were also drawn from the estimated customers' population of five hundred and fifty (550). In sum, thirty respondents were drawn to serve as a representative sample of the study.

The study's sample respondents were made up of (N =30) who consisted of employees and customers of PHC Motors Ghana company's retail outlet located in Accra.

The non-probability sampling techniques of convenience and accidental samplings were adopted in this study. A section of the staff of the organization was conveniently sampled. The rest of the sample made up of customers was accidentally selected by the researcher. This was used because, these customers were unevenly distributed and hard to locate. Hence, some convenient and accidental criteria were used in selecting the respondents.

The data that was collected from the field have was analysed by the utilization of a computer software programme designed for social scientists, known as SPSS- That is "Statistical Package for Social Sciences, also known as "Statistical Product and Series Solution". It adopted descriptive statistics in presentation and interpretations of data. This data has been neatly summarized in the form of statistical frequency distribution tables, bar and pie charts.

Limitations of the study

In most cases, a significant number of the respondents were reluctant to assist in the administration of the structured questionnaires since most of them claimed that they do not have enough time to spare. Management of the company were not all that upbeat in giving out information despite seeking consent and assurance of confidentiality and anonymity. This affected the time envisage for collecting the needed data for analysis and also restricted the researcher from obtaining all the needed factors that could have made the study compact. Another weakness was that there was not adequate information on the company's website regarding the activities of their retail outlet in Accra, Ghana which could have served a good purpose in for the literature.

DATA ANALYSIS, PRESENTATION AND DISCUSSION

Introduction

This section deals with the analysis and interpretation of responses from questionnaires administered for the study. The section therefore gives detailed information of the textual data collected and the results obtained from the study. Relevant information pertaining to the study was retrieved from all 30 respondents through interview and questionnaires. Respondents included 20 customers and 10 management members of the company.

Analysis of Demographic Characteristics of Respondents

In every research, there is the need for certain personal information regarding respondents who took part in the study. This information helps readers of a particular research to have a fair idea of the category of respondents who took part in the study. This therefore helps policy makers in decision making. Following this, the research elicited information from the respondents concerning their ages, status of respondents in the company as well as their educational levels.

Table 4.1 Demographic characteristics of respondents

VARIABLES	FREQUENCY (F)	PERCENTAGE (%)
Status of respondents in the company		
Management staff	3	10
Senior staff	3	10
Junior staff	4	13.3
Customers	20	66.7
Total	30	100.0
Gender		
Male	20	66.7
Female	10	33.3
Total	30	100.0
Educational level		
Degree	7	23.3
HND	11	36.7
Diploma	8	26.7
Secondary	4	13.3
Total	30	100.0

Source: Researchers Field Survey, 2014

Status of Respondents in the Company

The statuses of respondents in the company were found to be many per the study conducted. These included management staff, senior staff, junior staff and customers. From table 4.1, it is inferred that majority of the respondents are customers and they constituted about 66.7% of the total respondents. Also, management staff and senior staff constituted 10% each of the total respondents interviewed during the field survey. Lastly, junior staff accounted for 13.3% of the respondents.

The sex distribution as shown in table 4.1 indicated that 66.7% of the respondents were males while 23.3 % were females. It can be inferred that there is vast a different between the sex distribution, and for that matter it is not a reflection of the national trend as there are more females in Ghana than males.

From the results in table 4.1, it can be seen that most of the respondents have had some form of formal education. Thus, the educational levels of respondents were found to be high. Numerically, about 33.3% of the respondents are HND holders and they constituted the majority of the respondents. Also, 26.7% of the respondents are diploma holders whereas 23.3% of the respondents are first degree holders.

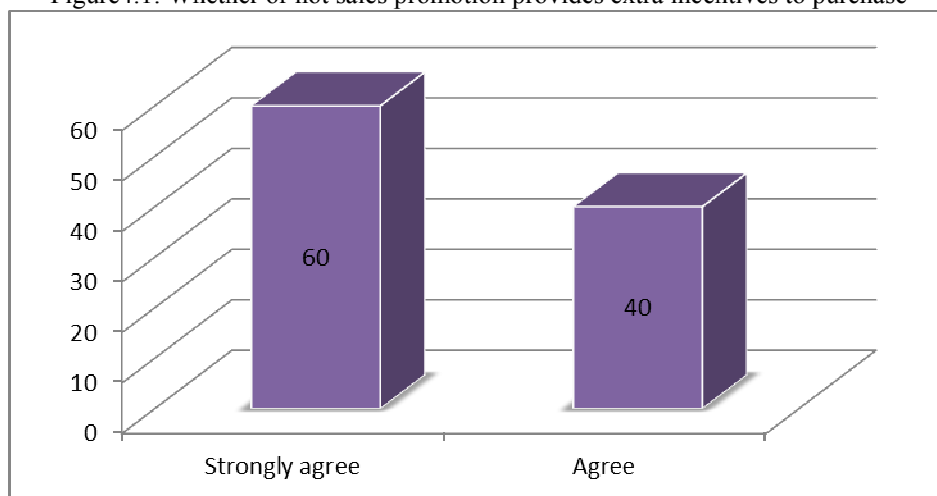
Analysis of the Objectives of the Study from the Management Perspective

This section examines the relationship between sales promotion and organizational performance, effect of sales promotion in the automobile market as well as the challenges hindering sales promotions effectiveness in the automobile markets.

Relationship between Sales Promotion and Organizational Performance

The relationship between sales promotion and organizational performance is very essential in the field of marketing. In order to bring out this relationship, it became prudent during the field survey to elicit information from the respondents whether sales promotion provides extra incentives to purchase. Figure 4.1 gives details of it.

Figure4.1: Whether or not sales promotion provides extra incentives to purchase



Source: Researchers Field Survey, 2014

Majority of the respondents strongly agree that sales promotion provides extra incentives to purchase. Percentage wise, they constituted about 60% of the total respondents whereas 40% of the respondents further agree that sales promotion provides extra incentives to purchase. Cumulatively, almost all the respondents either strongly agree or agree that sales promotion provides extra incentives to purchase. The general indication therefore is that sales promotion provides extra incentives to purchase in automobile market.

Table 4.2: Whether or not sales promotion stimulates resellers demand and effectiveness

Sales promotion stimulate resellers demand and effectiveness	Frequency	Percent
strongly agree	3	30.0
Agree	4	40.0
Neutral	3	30.0
Total	10	100.0

Source: Researchers Field Survey, 2014

It can be deduced from table 4.2 that 30% of the respondents strongly agree that sales promotion stimulates resellers demand and effectiveness. Also, 40% of the respondents agree that sales promotion stimulates resellers demand and effectiveness whereas about 30% of the respondents are neutral about whether sales promotion stimulates resellers demand and effectiveness. A clear picture of the findings means that cumulatively about 70% (constituting those who strongly agree and agree) believed that sales promotion stimulates resellers demand and effectiveness. Based on majority decision, one would therefore be right to say at this juncture that sales promotion stimulates resellers demand and effectiveness.

Table 4.3: Whether or not sales promotion supports brand image

Sales promotion supports brand image	Frequency	Percent
strongly agree	6	60.0
Agree	3	30.0
Neutral	1	10.0
Total	10	100.0

Source: Researchers Field Survey, 2014

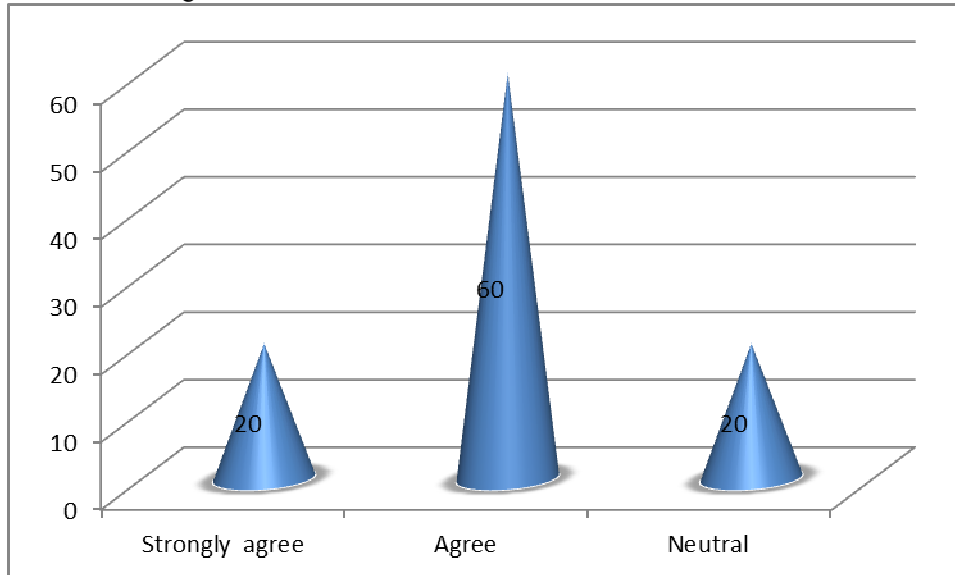
Table 4.3 shows that 60% of the respondents strongly agree that sales promotion supports brand image whereas 30% agree that sales promotion supports brand image. However, 10% of the respondents were neutral, meaning that they do not know whether sales promotion supports brand image or not. On the whole, most of the respondents constituting those who strongly agree and agree articulated their concerns that sales promotion supports brand image.

Effect of Promotion on Sales in the Automobile Market

There are a number of reasons why sales promotion is carried out in the automobile market. This, according to a reliable source is to increase sales of cars, profit in the organization and increase shareholder returns. When a question was asked about whether trade shows increase sales of cars, several responses were given by

respondents. Most of the respondents constituting the majority agree that trade shows increase sales of cars. These respondents accounted for 60% of the total respondents. Meanwhile, 20% of the respondents openly indicated that they are neutral to the claim that trade shows increase sales of cars. Meaning they cannot tell whether trade shows increase sales of cars or not. Regardless of these responses, a conclusion can be drawn that trade shows increase sales of cars.

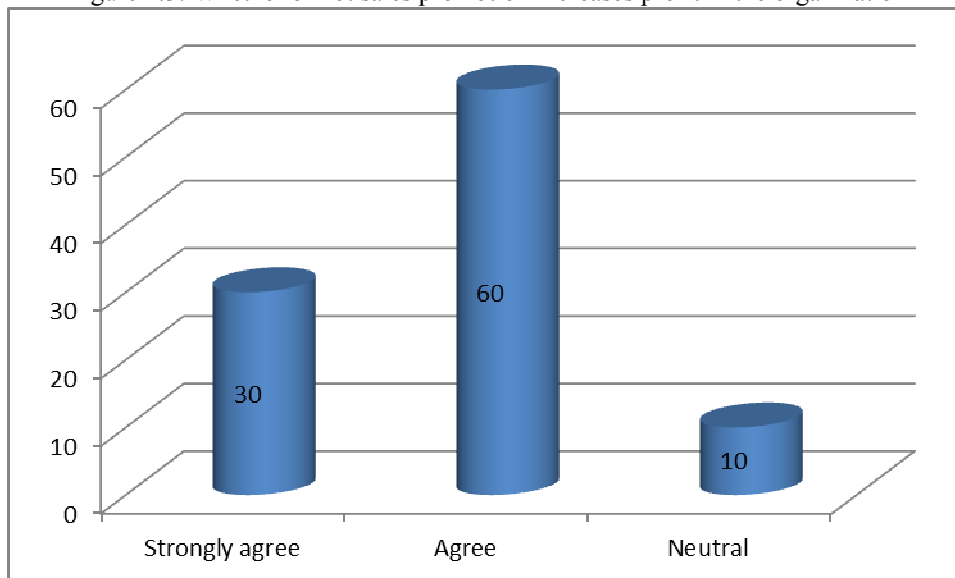
Figure 4.2 Whether or not trade shows increased sales of cars



Source: Researchers Field Survey, 2014

The question of whether sales promotion increases profit in an organization needs a lot of clarification. Most of the respondents constituting 60% of the respondents agree that sales promotion increases profit in an organization. Also, 30% of them strongly agree that sales promotion increases profit in the organization. Meanwhile, 10% of the respondents remained neutral to the question asked.

Figure 4.3: Whether or not sales promotion increases profit in the organization



Source: Researchers Field Survey, 2014

The general indication is that sales promotion increases profit in an organization.

Following this, it became imperative to determine whether sales promotion increases shareholders returns. In view of this, most of the respondents agree that sales promotion increases shareholders returns. This was confirmed by 40% of the respondents following the field survey. Figure 4.3 gives further description of the views expressed by respondents on whether sales promotion increases shareholders returns.

Table 4.4: Whether or not sales promotion increases shareholders returns

	Frequency	Percent
strongly agree	3	30.0
Agree	4	40.0
Neutral	3	30.0
Total	10	100.0

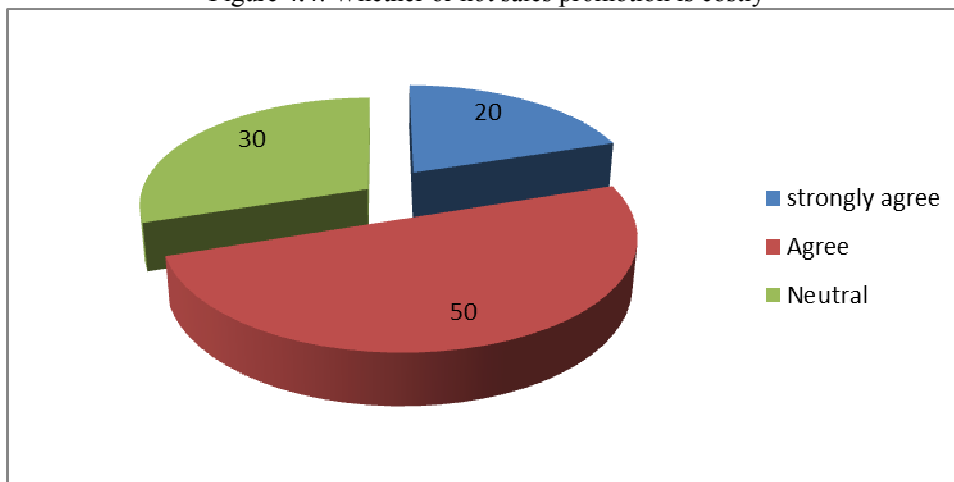
Source: Researcher’s Field Survey, 2014

It can be inferred from table 4.4 that 30% of the respondents strongly agree that sales promotion increases shareholders’ returns. Also, 30% of the respondents remained neutral about whether sales promotion increases shareholders’ returns. The research found cumulatively 70% of the respondents alluding positively to the fact that sales promotion increases shareholders’ returns. From the foregoing responses, I must be quick to say that sales promotion increases shareholders’ returns.

Challenges Hindering Sales Promotion’s Effectiveness

It is an undisputable fact that sales promotion increases sales of cars, profits of owners as well as increasing shareholders’ returns. Despite all these blessings associated with sales promotion, certain challenges also work against the effectiveness of sales promotion especially in automobile industries in Ghana. One major challenge hindering sales promotion’s effectiveness is cost. When respondents were asked to determine whether sales promotion is costly, most of the respondents agree that sales promotion is costly and because of that it hinders its effectiveness. This was noted by 50% of the respondents following the field survey as indicated in figure 4.4

Figure 4.4: Whether or not sales promotion is costly

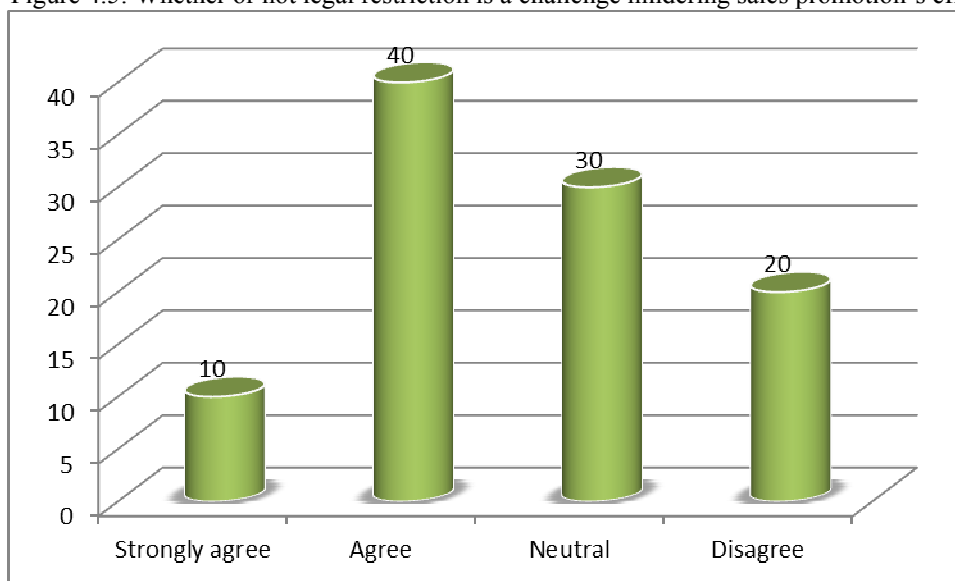


Source: Researchers Field Survey, 2014

Also, 20% of the respondents strongly agree that sales promotion is costly. In totality, about 70% of the respondents (constituting those who strongly agree or agree) confirmed that sales promotion is costly. Based on the findings, it can be said that sales promotion is costly.

Another challenge hindering sales promotion’s effectiveness is legal restrictions. About 40% of the respondents agree that sales promotion is being hindered by legal restrictions. Respondents argued that legal restrictions serve as a major challenge to sales promotion in automobile industries. Figure 4.5 gives further details of it.

Figure 4.5: Whether or not legal restriction is a challenge hindering sales promotion's effectiveness



Source: Researcher's Field Survey, 2014

However, 20% of the respondents disagree that legal restriction hinders sales promotion. Meanwhile, 30% of the respondents are neutral as to whether legal restrictions hinder sales promotion in the automobile industry. About 40% of the respondents constituting the majority strongly agree that image differences of brand competitors hinder sales promotion's effectiveness. The table gives a clear picture of the responses of respondents.

Analysis on the Objectives of the Study from the Customers Viewpoint

This section takes into consideration the views of customers with regard to the problem under study. Thus, it examines the relationship between sales promotion and organizational performance, effect of sales promotion in the automobile market as well as the challenges hindering sales promotion's effectiveness in the automobile markets.

Relationship between Sales Promotion and Organizational Performance

The relationship between sales promotion and organizational performance is very essential in the field of marketing. In order to bring out this relationship, it became prudent during the field survey to elicit information from the respondents whether sales promotion attracts brand switchers. Table 4.6 gives details of it.

Table 4.6: Whether or not sales of promotion attracts brand switchers

	Frequency	Percentage
strongly agree	8	40.0
Agree	10	50.0
Neutral	1	5.0
Disagree	1	5.0
Total	20	100.0

Source: Researchers Field Survey, 2014

It is inferred from table 4.6 that about 40% and 50% of the respondents strongly agree and agree respectively that sales promotion attracts switchers. Interestingly, only 5% of the respondents disagree to this claim. From the responses of the respondents, it can be deduced that sales promotion attracts brand switchers.

It is an established fact that sales promotion attracts new clients. This is because during sales promotion, new customers are attracted to try a new product. When respondents were asked about whether sales promotion attracts new clients, almost all the respondents articulated their concerns that sales promotion attracts new clients. Table 4.7 gives details of the responses of respondents.

Table 4.7: Whether or not sales promotion attracts new clients

	Frequency	Percent
strongly agree	6	30.0
Agree	12	60.0
Neutral	1	5.0
Disagree	1	5.0
Total	20	100.0

Source: Researcher's Field Survey, 2014

It can be seen that 30% of the respondents strongly agree that sales promotion attracts new clients whereas 60% agree that sales promotion attracts new clients. However, only few of the respondents failed to acknowledge this fact. This category respondent constituted 5% of the total respondents.

One major relationship between sales promotion and organisational performance is that it rewards loyal customers. When a question was asked about whether sales promotion rewards loyal customers, several responses were given by respondents. Some respondents were quick to strongly agree and others also could not wait to agree to the claim that sales promotion rewards loyal customers as indicated in table 4.8

Table 4.8: Sales promotion rewards loyal customers

	Frequency	Percent
strongly agree	5	25.0
Agree	12	60.0
Neutral	3	15.0
Total	20	100.0

Source: Researcher's Field Survey, 2014

Numerically, 25% of the respondents strongly agree that sales promotion rewards loyal customers whereas 60% of the respondents were quick to agree that sales promotion rewards loyal customers. A critical analysis of the above responses reveals that almost 85% of the respondents either strongly agree or agree that sales promotion rewards loyal customers.

Effect of Promotion on Sales in the Automobile Market

When respondents were made to determine whether premiums increase demand for cars, most of the respondents did indicate that they strongly agree that premiums increase demand for cars as indicated in table 4.9.

Table 4.9: Whether or not premiums increase demand for cars

	Frequency	Percent
strongly agree	10	50.0
Agree	5	25.0
Neutral	5	25.0
Total	20	100.0

Source: Researchers Field Survey, 2014

Statistically, 50% of the respondents strongly agree that sales promotion increase demand for cars. Again, 25% of the respondents agree that premiums increase demand for cars. In general, about 75% of the respondents either strongly agree or agree that premiums increase demand for cars. Thus, premiums increase demand for cars based on a majority decision.

Subsequently, it became prudent to find out from the respondents whether coupons attract new clients. In the light of this, respondents were made to rate the extent to which coupons attracts new clients in automobile markets. Table 4.10 gives details of it.

Table 4.10: Whether or not coupons attract new clients.

	Frequency	Percent
Strongly agree	8	40.0
Agree	10	50.0
Neutral	2	10.0
Total	20	100.0

Source: Researcher's Field Survey, 2014

About 40% of the respondents strongly agree that coupons attract new clients and 50% of the respondents agree that coupons attract new clients. Since most of the respondents agree to this claim, it can be deduced that the rate at which coupons attract new clients in automobile markets is very high.

Most respondents strongly agree that direct marketing increases purchase of cars. This was confirmed by 40% of the respondents following the field survey. Besides, 30% of the respondents agree that direct marketing increases purchase of cars as indicated in table 4.11

Table 4.11: Whether or not direct marketing increases purchase of cars

	Frequency	Percentage (%)
strongly agree	8	40.0
Agree	6	30.0
Neutral	3	15.0
Disagree	1	5.0
strongly disagree	2	10.0
Total	20	100.0

Source: Researchers Field Survey, 2014

However, 10% of the respondents strongly disagree that direct marketing increases purchase of cars. Juxtaposing, those who strongly agree that direct marketing increases purchase of cars with those who strongly disagree that direct marketing increases purchase of cars, it can be seen that those who strongly agree to the claim far exceed those who strongly disagree that direct marketing increases purchase of cars. At this juncture, one would be right to say that direct marketing increases purchase of cars.

Challenges Hindering Sales Promotion's Effectiveness

About 20 % of the respondents agree that some products are inferior because of incentives attached to the product as shown in table 4.12.

Table 4.12: Whether or not customers perceive that products are inferior because of incentives attached to the products

	Frequency	Percentage
Strongly agree	4	20.0
Agree	5	25.0
Neutral	5	25.0
Disagree	5	25.0
strongly disagree	1	5.0
Total	20	100.0

Source: Researchers Field Survey, 2014

Also, 25% of the respondents agree that some products are inferior because of incentives attached to the products. However, about 25% of the respondents constituting majority of the respondents disagree on the ground that because some products are inferior, some incentives are attached to the products. Meanwhile, 25% of the respondents were neutral to this claim. Meaning, they do not know that because some products are inferior, some incentives are attached to the products.

When a question was asked about whether low cultural receptiveness is hindering sales promotion's effectiveness in automobile markets, most of the respondents were neutral. This means that they do not know whether low cultural receptiveness is hindering sales promotion's effectiveness in automobile markets as

indicated in table 4.13

Table 4.13: Whether or not Low cultural receptiveness hinders sales promotion effectiveness

	Frequency	Percent
strongly agree	3	15.0
Agree	4	20.0
Neutral	9	45.0
Disagree	4	20.0
Total	20	100.0

Source: Researcher's Field Survey, 2014

Numerically, about 45% of the respondents remained neutral to the question asked. Also, 15% of the respondents strongly agree that low cultural receptiveness is hindering sales promotion's effectiveness in automobile markets. Besides, 20% agree that low cultural receptiveness is hindering sales promotion's effectiveness in automobile markets. However, 20% of the respondents disagree that low cultural receptiveness is hindering sales promotion's effectiveness in automobile market. Looking critically at the various responses given by respondents, it can be said that low cultural receptiveness is not a major hindrance to sales promotion's effectiveness in automobile markets.

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

The survey conducted on the impact of sales promotion on organizational performance in PHC motors, Accra has helped to achieve the specific objectives of this research which include the following:

Summary of findings from management viewpoint

Relationship between sales promotion and organizational performance

The relationship between sales promotion and organizational performance is very essential in the field of marketing. Majority of the respondents strongly agree that sales promotion provides extra incentives to purchase (see figure 4.1).The general indication therefore is that sales promotion provides extra incentives to purchase in automobile markets.

Most of the respondents agree that sales promotion stimulates resellers demand and effectiveness (see table 4.4). Based on majority decision, it was said that sales promotion stimulates resellers demand and effectiveness.

The study found out that majority of the respondents strongly agrees and agree that sales promotion attracts switchers. It was thus concluded that sales promotion attracts brand switchers. Others agree also to the claim that sales promotion rewards loyal customers (see table 4.10)

With regard to whether or not sales promotion supports brand image, most of the respondents, constituting those who strongly agree and agree articulated their concerns that sales promotion supports brand image.

Effect of sales promotion on sales in the automobile market

Most of the respondents, constituting the majority (60%) agree that trade shows increase sales of cars (see table 4.2). Also, most of the respondents constituting the majority (60%) agree that sales promotion increases profit in an organization. The general indication is that sales promotion increases profit in an organization. With regard to whether sales promotion increases shareholder's returns, most of the respondents (40%) agree that sales promotion increases shareholders' returns. In view of this, the researcher was quick to say that sales promotion increases shareholders' returns.

Also, majority of the respondents strongly agree that coupons attraction of new clients in automobile market is very high. Apart from that, most respondents strongly agree that direct marketing increases purchase of cars.

Challenges hindering sales promotion effectiveness

Most of the respondents agree that sales promotion is costly and because of that it hinders its effectiveness. Pertaining to whether sales promotion is being hindered by legal restrictions, most of the respondents agree that sales promotion is being hindered by legal restrictions. They argued that legal restrictions serve as a major challenge to sales promotion in automobile industry. Hence the general indication is that legal restriction hinders sales promotion in the automobile industry. Not only are these challenges experienced but also, most of the respondents strongly agree that image differences of brand competitors hinder sales promotion's effectiveness. It was finally found that low cultural receptiveness is not a major hindrance to sales promotion's effectiveness in automobile markets.

Conclusions

The thrust of the study was to assess the impact of sales promotion on organizational performance in PHC motors, Accra where the problem was intense.

The research revealed that the impact of sales promotion on organizational performance in PHC is intense. First, the study revealed strong relationship between sales promotion and organizational performance. For instance, from the management perspective most of the respondents agree that sales promotion provides extra incentives to purchase as well as stimulating resellers demand and effectiveness. With regard to the effects of sales promotion, most of the respondents agree that trade shows increase sales of cars. They agree again that sales promotion increases profit in the organization as well as increasing shareholders' returns. Despite all these positive impacts associated with sales promotion in automobile market, most of them agree that sales promotion is costly and thus hinder its effectiveness.

From the customers' perspectives, most of them agree that sales promotion attracts brand switchers as well as attracting new tiers. With regard to the effect, most of the respondents agree that premiums increase demand for cars and also coupons attract new tiers. However, respondents stressed that certain challenges such as low cultural receptiveness; low income levels of customers and inferior products hinder sales promotion's effectiveness. However, most of the respondents were neutral to all these challenges hindering sales promotion's effectiveness in automobile market. Hence, the researcher conceptualizes that though these challenges exist in automobile market; however, they are not intense in the automobile markets and for that matter, they are least likely to hinder sales promotion effectiveness. Even if the case studied has been chosen because it is a representatives of similar businesses in the industry and the main limitation for this research is that it is focused on one auto mobile company. This researcher plans in the very near future to make other quantitative analysis of the other auto mobile companies to do a comparative analysis to get a broader view of the subject another study in similar auto mobile companies.

Recommendations

Strategic Sales Promotion Increases Market

From the management perspective most of the respondents agree that sale promotion provides extra incentives to purchase as well as stimulating resellers demand and effectiveness. It is therefore recommended that, management of PHC Motors should embark on more strategic sales promotion in order to increase their market. The study revealed that sales promotions are costly. Therefore, management of PHC motors should plan a strategic sales promotion campaign based on the company's objective to avoid misuse of resources.

Sales Promotion Attracts Brand Switchers

Customers' strongly agree that sales promotion attracts brand switchers as well as new clients in the research. Hence, PHC motors should adopt well designed sales promotion strategy to build a strong good brand at the maturity stage in the product cycle in order to attract brand switchers or new clients. Based on the analysis obtained, there is a strong correlation between sales promotion and brand image, since 60% of the respondents strongly agreed that effective and efficient sales promotion support brand image. Based on these facts, the researcher recommends that, management of PHC should embark on effective and efficient sales promotions to enhance the brand of PHC products.

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