

# Promotional Strategies and Business Performance of Nile Breweries Uganda Limited

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**Abstract** : This study sought to establish the impact of promotional strategies on business performance of Nile Breweries Uganda Limited. The specific objectives of the study were to establish the impact of trade fairs; to evaluate the role of trade discounts and to evaluate the influence of visual merchandising on the business performance of Nile Breweries Uganda Limited. The study employed a descriptive research design where it targeted the directors, sales and distribution, quality assurance and marketing employees at the company. A probability (simple random) and non-probability (purposive) sampling techniques were used to select study participants. The minimum sample size for the study was 73 from a total population of 90. The questionnaire was the main data collection tool where the researcher administered it to respondents. Interviews were also conducted using the interview guide. Data was analyzed both descriptively (mean, frequencies, percentages, and standard deviation) and inferentially (correlation and regression) using Statistical Package for Social Sciences (SPSS v.20). Analyzed data was presented descriptively in form of tables, graphs and pie charts. Findings on the first objective revealed that the effect of trade fairs on business performance was found to be at an R Squared coefficient of 0.385 (n=73, p=0.000). For the second objective, the effect of trade discounts on business performance was estimated to be at an R Squared coefficient of 0.287 (n=73, p=0.000). Analysis of the final objective estimated the R Squared coefficient relating to the effect of visual merchandising on business performance to be at 0.355 (n=73, p=0.000). It was concluded that promotional strategies of Nile Breweries Uganda Limited were not up to expectations and more can be done in this regard to facilitate the enhancement of business performance. Recommendations suggested the company should organize its own private trade fairs, revise its discount policies, and deploy marketing staffs in m: **Promotional Strategies; Business Performance; Nile Breweries Uganda Limited; Business; Performance**

## 1.1 Introduction

This part discusses the background of the study historically and conceptually from the global perspective to regional and contextual. Promotional strategies in this study is conceived as the independent variable while business performance as the dependent variable.

## 1.2 Background of the Study

### 1.2.1 Global Context

Global promotional marketing is one of the many challenges international companies face in the new world of economy (Assaf *et al.*, 2015). International economy gives a much wider picture of how different countries are doing economically, how they design their marketing strategies and successfully sell most of their products and services with huge profits. The rapid development in technology has reduced the distance factor in different countries and brought about increased sales and profitability in business (Bhanot, 2013).

In the global beer industry, marketers find it challenging to effectively reach potential customers around the globe and position their products and services appropriately in the context of different cultures (Bhanot, 2013). Although promoting a beer label is not that difficult currently because mediums such as the internet, television, radio and many more have made the larger world appear smaller (Buijzen & Valkenburg, 2013). The notion of distance does not bother beer marketers much in the present day context. Advertisements of products meant for sale are put up at multiple places especially in the public.

In most first world countries, promotion of beer labels and other alcoholic substances is allowable at any time during the day thus creating a reduction in sales volumes (Ochieng, 2014). Creating product awareness has become extremely easy these days simply because marketers need to make use of appropriate strategies for large variety of cultures so as to maximize sales (Shkurkin *et al.*, 2016). Every field of human activity has a tough competition and in order to sustain that competitive spirit, very effective methods of approaching the potential customers have to be designed. Beer marketers have had to hook their customers with effective strategies like that of Heineken like producing customized beer thus boosting their profitability (Loy & Glauben, 2015).

Firms marketing internationally are aware of how domestic policies help or hinder foreign trade activities in the beer market (Ochieng, 2014). There may be uncertainties in the business or legal environment of the host country which need to be sustained by the internationally marketing firms so as to improve on the business performance of the companies. For example, beer firms are rarely allowed in Islamic majority countries such as Saudi Arabia and Iraq, this has hindered sales of the firms. Laws, politics, economy and competition are the four important issues which may influence a business firm in the beer industry and if synthesized well, it leads to better performance of a firm (Buijzen & Valkenburg, 2013).

### 1.2.2 Regional Context - East African Community

The integration of East African Community (EAC) came into force in July, 1999 with the objective of establishing a custom union which was enforce in 2005, common market in 2009, monetary union and political federation of the states (Eyster, 2014). It includes countries like Uganda, Burundi, Rwanda, Kenya, Tanzania and also South Sudan which came on board in 2016, this integration has brought about, free trade from one country to another with less restrictions on both imports and exports, as well as creation of employment opportunities thus economic growth and development (Sitati, 2015). The Beer Industry has benefited in this integration through infrastructure developments, limited trade barriers, diversified financial solutions (Eyster, 2014).

Uganda has the highest pure alcohol per capita consumption in the EAC at nearly 24 litres, followed by Rwanda and Burundi each registering each at 22 litres, Kenya at nearly 19 litres and Tanzania at 18 litres (World Health Organization, 2014). This makes Uganda to be the biggest consumer of beer followed by Rwanda, Burundi, Kenya and lastly Tanzania (Wanjala, 2014). Substantial amounts of beers are also reportedly consumed in the South Sudan according to the World Health Organization (WHO).

However, the Kenyan market is rather unique from its stringent rules regarding the consumption of beer during the day. Pubs, clubs, and other drinking places are often opened in the evening and closed at around 2:00 am during weekdays. On weekends, they have the entire night to serve customers. The same can be said about advertising beers on mass media. Kenya has public policies where Television and Radios are discouraged from promoting beer brands and other alcoholic products during the day (Ochieng, 2014). This has affected the performance of beer firms in terms of sales, profitability simply because of the limited time given to them to market their products.

Generally, there is a disparity between these countries but the overall trend suggests that the countries prefer locally brewed beer as opposed to the one imported (Mbogo, 2013). Companies such as Heineken face a rather stiff competition from regional brands. The difference is that the locally brewed beer brands engage in localized and tailored advertising and promotional techniques. These techniques seem to be more appealing to customers as it impacts on the business performance in terms of liquidity, sales, profits and many more as opposed to globally standardized advertisements (Mbogo, 2013). This is quite different from the soft drink industry where the giant Coca-Cola engages in globally standardized advertisements and still performs well in local markets in the region. This fact makes the East African beer market unique to itself (Mbuthia & Kariuki, 2016).

### 1.2.3 National Context

The general beer industry is currently composed of East African Breweries Limited (EABL), Nile Breweries and many more (Lobo, 2016). The formal beer industry dates in Uganda as far as 1951 when Nile Breweries Limited (NBL) started as a singled brewery in Jinja and nationalized in 1972 (Kadama, 2017). In 1997, South Africa Breweries bought 40 percent share in the brewery and was raised to full ownership in 2001 (NBL, 2016). NBL has a beer market share of 56 per cent, with its rival Uganda Breweries Limited (UBL) 54 per cent after making gains of about 3 percentage points in 2016 (Muhumuza, 2017). Production capacity of both Uganda Breweries and NBL is about 3.3 million hectolitres per annum of beer, Nile Breweries accounting for more than half of this figure from its plant in Jinja which in 2010 was expanded to produce 1.8 million hectoliters annually (Kadama, 2017).

Nile Breweries has for long dominated the higher alcohol content beer category with its Nile Special Lager, but also since 2011 when the Ministry of Finance, Planning and Economic Development in its budget announced a 40 % remission in excise duty for beer that is made from locally grown products, the company has increased production and grown sales volumes in this market segment (Lobo, 2016).

The fight for market share in the beer industry in 2013 shaped up the leading companies in counter moves to dominate the market and grow consumption figures. This came on the back of a tough year, marked by high inflation and unstable electricity supply, which saw the industry register a 5-6 per cent drop in consumption figures, forcing beer companies to rethink strategy (Barigaba, 2013). Inflation, however, has since been brought down to single digit and power supply improved; factors that beer companies promised to change the industry's fortunes in forthcoming financial periods (Kalungi, 2016).

From 2012 to date, East African Breweries Limited came out strongly to promote and market its leading brands, but it didn't anticipate the strength of Tusker Lager which was previously not preferred in Uganda. In a short period, Tusker Lager gained visibility in the market place, even threatening some of its sister brands that were produced locally. Nile Breweries Limited, on other hand, continues to lead, with a market share standing at about 52-56 per cent, as a result of its strong locally produced brands (Kadama, 2017). The company currently produces brands such as Nile Special, Nile Gold, Castle Lite , Club Pilsner, Eagle Lager, Castel Milk Stout, Eagle Extra, Eagle Dark, Redd's , Chairman's ESB and the one locally brewed Chibuku plus two imported lagers Castle Lager and Grolsch, and also purifies drinking water (Rwenzori Mineral Water) which was acquired recently NBL Annual Report (2014). Kulabako, (2016) reports that in 2016, AB Inbev acquired ownership of NBL from its parent company SABMiller's with an approved deal of over \$ 100 billion. In Uganda, cheap and none premium beers are sold in rural areas than urban due to the pricing strategies (WHO, 2004).

Much as NBL contributes to the largest share in the beer market, it has been facing issues related to sales partly attributing to the negative promotion of "Alcohol consumption may be harmful to your health and consumption of alcohol is limited to those below 18 years of age" (NBL, 2014). More so, increased importation costs of raw materials rising by 10%-15% annually thus affecting company's performance. The above issues may be key to the increased poor performance of NBL. It upon this background that the study sought to find out the impact of promotional strategies and business performance on Nile breweries.

## 2.0 Literature Review

### 2.1 Promotion Strategies

Promotion strategies refer to marketing activities that are executed in retail between two partners. Promotion strategies is a marketing technique aimed at increasing demand for products in retail stores based on special pricing, display fixtures, demonstrations, value-added bonuses, no-obligation gifts, and more (Bhanot, 2013) In this study, trade fairs, trade discounts, and visual merchandising are investigated.

#### 2.1.1. (a) Trade Fairs

Bart *et al.*, 2014 considers trade fairs as an encapsulated market place that enables the trade show exhibitor accomplish both selling and non-selling functions, servicing present customers, identifying prospects, introducing new and modified products, gathering information about competitor's new products, taking product orders and enhancing the company's image. Trade fairs will entail customer meetings, social media engagement and attendance as its indicators launched with the intention of sensitizing the public about the availability of different brands at Nile Breweries (Kadama, 2017). An estimated 4,800 trade shows were conducted in the United States and Canada with 1.3 million companies and 140 million attendees. Trade shows are even greater in Europe than in North America with an approximately 13 percent of marketing communications budget allocated to trade shows; and companies annually spending more than \$15 billion and generating more than \$70 billion in sales annually from trade show exhibiting in US alone (Bart *et al.*, 2014).

Trade shows are used to provide future benefits to the company (RTSI) or Return on Trade Show Investment which provide both tangible and intangible benefits accrue to the organization (Bart *et al.*, 2014). The trade fairs shall be measured by how many Customer meetings one has had, Social Media Engagement by both exhibitors and the customers via internet, Attendance or visiting times of customers.

### **2.1.1. (b) Trade Discounts /Allowances**

Trade allowance strategy is used by manufacturers to reward wholesalers and retailers for performing activities in support of the manufacturer's labels. Also called trade deals, it encourages retailers to stock, discount the product's price to consumers, feature it in advertising, or provide special display or other point-of-purchase support (Buijzen & Valkenburg, 2013). Manufacturers can use it to compensate retailers for real costs of taking a new Stock-Keeping Unit; increase forward buying; identify growth opportunities; target consumers, implement strategy, evaluate results, and plan merchandise (Buijzen & Valkenburg, 2013).

Lobo (2016) agrees that the strategy is equally used to provide customized promotional and advertising activities to retailers and pay for all or some of the advertising costs undertaken by the reseller through offering samples, coupons and contests. The retailer can also support the manufacturer through Vendor Support Programs 'VSPs'. However, De Feo and Wilson (2012) averse that they are often not passed on to consumers and may induce the trade to stock-pile a product in order to take advantage of the temporary price reductions, which usually shifts business from the future to the present.

### **2.1.1. (c) Visual Merchandising**

Canduela *et al.*, (2014) observe that visual merchandising features are promotional fixtures in retail stores with indicators of inventory turnover, conservation rate of the consumers and visiting hours. Variations of in-store displays include Point-of-Sale (POS) Displays, which are located near cash registers to encourage impulse buying; Floor Stickers, or advertisements for products on the walkway of a store; Feature Displays, which can be located at the end of an aisle to draw attention to a product; and Special Racks, or manipulation of a store shelf to make more space available for a product or bring attention to the promoted product. In-store Displays can be perceived as more visually appealing to consumers than product alone on a retail shelf.

Consistent with Canduela's (2014) view, Ochieng (2014) opines that many consumers believe they are purchasing products when they shop, but in fact they are often purchasing the experience of shopping. The way products are displayed and promoted can have a major impact on consumer reactions to them and on how much merchandise is sold. By displaying products in ways that are appealing, accessible and attractive, retailers can increase sales and improve profit margins (Ochieng, 2014).

## **2.2 Business Performance**

Organizations measure the effectiveness of their trade sales promotion strategies in order to be able to ascertain the activities that are successful through performance evaluations of the product market, market share, sales turnover (Shkurkin *et al.*, 2016). They may also measure it in terms of accomplishment of a given task; optimal goals of the organization; contribution to goals and objectives and specifically through marketing performance (Assaf *et al.*, 2015); return on equities and return on investments; profit, sales, market share and cash flows; financial measures such as sales metrics (Iheanachor & Ogbechie, 2016). However, this study will rely on the financial measures of sales turnover, market share and profitability.

### **2.2.2 (a) Sales Turnover**

Also described as sales volume by Loy and Glauben (2015), it is said to be increased almost during the period of a coupon offering or price-off deal; and consumers are highly responsive to deals, especially when they are advertised. It is also viewed as a marketing performance measure which shows the rapidity with which sales are procured through trade sales promotion strategies. Sales turnover is guided by the generalization that a promotion will result in temporary price reductions that can substantially increase sales (Loy & Glauben, 2015).

### **2.2.2 (b) Market Share**

Ndungu & Machuki (2016) describes market share as an indicator of market competitiveness showing how well a firm performs against its competitors; or the breaking up of market size in percentage terms, to help identify the top players, the middle and 'minnows' of the market place based on the volume of business conducted; or the ability of business performance management in assessing the extent to which consumers patronize a given product in the market environment. However, a major assumption regarding market share as a measure of marketing performance is that higher market share brands are less deal elastic (Ndungu & Machuki, 2016).

### 2.2.2 (c) Profitability

Panigrahi (2013) defines profitability as total revenue less all cost (implicit and explicit); the latter including normal profit to the management. And without profitability, the business cannot survive in the long run. This is why measuring past, present and future profitability is important to the firm. Also, for a particular trade sales promotion strategy to be profitable, the increase in profits due to the promotion must exceed the profits that would have occurred than the promotional offer not been made (Panigrahi, 2013). In this case am considering whether promotion strategies will more money than not having the promotion. The simple logic regarding profitability and trade sales promotion is that putting a brand on deal is unprofitable if the market is composed of either promotion-insensitive consumers or stock-piling loyalists (Iheanachor & Ogbechie, 2016).

### 2.3 Trade Fairs and Business Performance

Bagariba (2014) argues that exhibitions are an enormously important part of the marketing activities of most types of business, ranging from the largest multinationals to small family businesses. Studies have provided some evidence to the effect that opportunities to get face-to-face with customers and potential future clients remain an incredibly valuable tool for developing new business (Bagariba, 2014). Even in this day and age of exciting multi-channel and internet-based communication, the need for personal interaction has never been more important (Buijzen & Valkenburg, 2013). There is a significant value of meeting with clients and future customers in person, experiencing that business is conducted between “real” people and moreover based on trust. The combination of exhibitions and virtual marketing are essential components to any company's communications strategy and ideally go hand in hand (Assaf *et al.*, 2015).

According to Mbagi (2015), of all the marketing instruments, trade fairs easily have the widest range of functions: they serve to develop and the cultivate customer relations, search for partners and personnel, and to position the company as a whole (Mbagi, 2015). Trade fairs are test markets for new products and hence also function as market research instruments. Trade fairs also serve to increase public awareness of One’s Company, to analyze the market situation and to prepare the ground for selling products and services (Canduela *et al.*, 2014). For new companies in particular it is important to gain an overview of competitors, their performance and their products. Often a visit to a trade fair is all that is needed at an early stage of entering a market (Buijzen & Valkenburg, 2013).

From another perspective, Musia (2013) considers trade fairs as time- and (often) sector-defined marketing events at which the fundamental products and innovations of an industry or sector are exhibited by a variety of companies referred to as exhibitors and which are targeted at interested buyers and industry participants. These trade fairs are usually organized by government, chambers, industry associations, or by specialized exhibition companies. Trade fairs represent a real-time, interactive environment bringing together supply and demand in a certain industry. The author argues consistent to the claims of Bagariba (2014) that trade fairs promote the formation and growth of markets and market segments and one can distinguish three economic functions of trade fairs, namely the exchange of goods, the sharing of information and the promotion of products and organizations.

Using the Porter’s model of firm competitiveness, it appears that trade fairs are a form of promotional activity that makes a company more competitive than another. This is because it creates entry barriers for those firms that cannot afford promotional fees which are usually hefty. Another fact is that promotional activities tend to inform the public of the availability of substitute products as offered by rivals. In the end, the more a firm advertises its products, the bigger advantage it gets over its rivals. In that way, they enhance its business performance.

### 2.4 Trade Allowances / Discounts and Business Performance

According to Mbatia (2015), an effective technique to increase sales is to offer certain products at a steep discount, which are called loss leaders. The importance of loss leaders is the ability to draw new customers into the store. Most customers not only buy products that are steeply discounted, but also other products that are selling for regular price. Loss leaders are effective for selling overstocked items, increasing traffic into the store and building awareness (Mbatia, 2015). Running loss leader campaigns on a regular basis will lead to customers regarding your store as a place that always has good deals. Mugwe, (2012) also agrees with this notion and also adds that one should inquire with the manufacturers of products they sell to ensure that offering a steep discount is an available option (Abhishek, Gong, & Li, 2014).

Mugwe, (2012) argues from the perspective that discounts offered to promote a product to certain persons may improve its reputation in the industry. He claims that a business that offers discounts to certain groups of people, such as the elderly or those enlisted in the military, may improve its reputation but when a business gives discounts to people who are in difficult situations or who may have financial troubles from a lack of income, that business shows it is making an effort to help people. Many people regard businesses as money-hungry, so any deviation from that perception can improve reputation (Mugwe, 2012).

Shkurkin (2016) agrees with Mbatia (2015) on the fact that discounts help in facilitating higher sales. This is so because people prefer buying things on sale, discounts serve as a ploy to attract more people to one’s store. If your discount is only good for a certain amount of days, mention that when you advertise the discounted items. People are more likely to rush in and look around if they

know they only have a few days to do so. The store will experience more traffic, so the business may need to schedule more employees during the discount period so service is smooth.

## 2.5 Visual Merchandising and Business Performance

Iheanachor & Ogbechie (2016) found out that promoting a product in multiple venues is a key element in sales success. Visual merchandising needs to encompass advertising, window display, shop design and packaging appearance and placement. By using a consistent visual theme that runs through all of these contexts, a business can increase awareness of the product in the consumer's mind and increase the chances that it will be bought (Iheanachor & Ogbechie, 2016). Repetition is a key element in lodging a message in the brain. By presenting a repeating product theme in the front window of a store, in the interior displays and on the product packaging itself, the business creates a powerful and persuasive message.

Mbuthia & Kariuki (2016) noted that staging is the most important in visual merchandising. Staging is the art of presenting a product in an appealing light. Sometimes this is done literally by setting up special lighting that makes an indoor-display more appealing (Mbuthia & Kariuki, 2016). Staging is most obvious in television commercials, where products are idealized to perfection in a way that doesn't exist in the real world. Staging is most common for higher-end purchases such as jewelry or cars. Consumers who are seeking a buying experience as much as the product itself respond well to staging because it increases the pleasure that they have in buying something.

Finally De Feo & Wilson (2012) are of the opinion that while familiar themes and triggers are important for getting consumers to buy, it is also effective to maintain an element of uniqueness within the retail environment. Particularly for customers who regularly visit venues, new products or arrangements will catch their attention. Even if a store's physical layout is changed while offering the same products, many customers will respond with renewed interest (De Feo & Wilson, 2012). The authors feel that when new products are introduced, they should be emphasized by setting them up on a prominent display in the front of the store. This will increase their sales, because customers cannot miss them when they enter the store.

## 2.6 Empirical Literature

Several studies have been conducted outside the African continent, and are pertinent to the context of this study. Assaf, Josiassen, Mattila, & Cvelbar (2015) and De Feo & Wilson (2012) are some of the main authors in these studies. De feo & Wilson (2012) investigated the impact of product designations on innovation, a case study of breweries in the united kingdom, using Protected Geographical Status (PGS), Protected Geographical of Origin (PGO), Protected Geographical Indication (PGI), Traditional Speciality Guarantee (TSG), the results revealed that there has been limited analysis as to the possible impact of such interventions on the ability of enterprises to enhance their competitiveness through investment in innovation.

Assaf et al. (2015) also investigated whether advertising spending improves sales performance, the researcher used a comprehensive framework in incorporating the moderating effects of hotel size and star ratings via dynamic, stochastic frontier modelling using the longitudinal data from a sample of slovenian and croatian hotels, the study thus revealed that advertising spending has a positive impact on hotel sales performance.

In both cases, arguments made indicate that trade promotions are inherently important in improving the performance of businesses. De Feo and Wilson (2012) seems to have concentrated more on visual merchandising while Assaf, Josiassen, Mattila, & Cvelbar (2015) focused on trade fairs. For these reasons, this evidence gives the impression that outside the African continent, these two forms of promotional marketing are quite common.

In Africa, studies on promotional strategies and business performance have been conducted although not extensively as in the western world. Some of the studies have been selected to be presented in this research include, Mugwe, (2012) who carried out research on competitive strategies adopted by firms in beer brewing industry in Kenya. The target population was the managerial staffs working in the marketing department. The study adopted a cross sectional survey research design and found out that heavy distributional costs, increasing advertising costs, many brands in the market, heavy costs of production, low market penetration, old machinery of production, low profits, low market share, low sales were the most significant challenges that beer companies faced in marketing their products.

Mbatia, (2015) also in his study of the effects of marketing strategies on performance of the Heineken brand in Nairobi Central Business district, used a descriptive cross sectional survey research design and also cluster sampling survey method, the findings indicated that sales performance of Heineken in Nairobi was affected by rebates, digital space management, online shoppers and public relations. It was revealed that sales promotion, reliability and availability of the product affected the performance but to a small extent. Findings presented in the two studies supported the use of visual merchandising for promotional marketing.

There were also studies on trade fairs from Mbaga (2015) who investigated the role of sales promotion in consumer buying behavior, the study adopted the descriptive research design, a sample size of 100 respondents was selected, Data collection was done through the use of questionnaires, interviews and observation and the study found out that strong brands, image, quality of products reputation positively influenced consumer behaviors. Musia, (2013) carried out research on factors influencing competitive advantage by East African Breweries, using a case study design, the researcher collected data using a self-administered interview guide and the study

revealed that attaining market leadership position through production of quality and superior alcoholic and non-alcoholic products, effective distribution and marketing enable the companies to be market leaders thus influencing achievement of competitive advantage. All those studies were conducted in Kenya and they were in full support of trade fairs as a means of promotional marketing that can feasibly improve the odds of a business to perform better.

Gbolagade, Adesola & Oyewale (2013) also carried out research on the impact of marketing strategies on business performance in Nigeria, a survey research design was used in this study, closed ended questionnaires were used, the results showed that the marketing strategies (place, product, price, promotion, packaging and after sales) were significantly joint predictors of business performance in terms of profitability, market share, return on investment and expansion. They all underscore the relevance of these methods of promotional marketing in the management of business performance in African commercial entities.

In Uganda, studies on promotional strategies and business performance are still scanty. Some of the studies that have been conducted are discussed below; Bagariba (2014) undertook a study to examine the effect of trade fairs and exhibitions in businesses. Its findings indicated a positive relationship between the two and therefore implies that trade fairs are quite prevalent in the local market.

Eustace *et al.*, 2016 examined the marketing strategies and market performance of M-Sente a mobile money product of Uganda Telecom Limited. The study adopted a cross-sectional design, sampled 120 respondents including members from the marketing team and revealed that there was a positive relationship between marketing strategies and market performance.

Kadama, 2017, examined the employee commitment on performance of Nile Breweries Limited; the study adopted a cross section research design, and collected data from 188 respondents from sales and distribution staffs, administrative staffs, management committee members among others. The study reviewed that employee commitments towards their jobs highly influenced the performance of the firm in terms of growth and liquidity.

The shortage of Uganda specific studies was one of the major motivation for this specific topic of study. Considering the relevance of promotional activities in the beer market, more studies ought to be carried out in order to find out Uganda specific dynamic.

### 3.0 Methodology

#### 3.1 Research Design

A research design is defined as a scheme, outline or plan that is used to generate answers to the research problem (Orodho, 2000). It constitutes a blueprint for collection, measurement and analysis of data (De Vaus, 2001). This study was descriptive in nature. This research design describes the characteristics of a particular individual or a group within a single entity and also deals with the relationship between the variables, testing of hypothesis and development of generalizations. Additionally, the descriptive design facilitates an in-depth analysis between variables by answering questions like who, what, where and how (Newman, 2014:38).

#### 3.2 Study Population

Ssentamu (2015) defines a study population as the entire group of people, events, or things of interest that the researcher wishes to investigate. The study population was 90. This figure included employees who were working at Nile Breweries Limited headquarters in Jinja and Kampala branches. This population had: 5 Directors, 15 Quality assurance team, 50 Sales and Distribution team, and 20 Marketing officers as stated in the Nile Breweries Report, 2016.

#### 3.3 Sample Size

A sample is a proportion of the population whose results can be generalized to the entire population as defined by Kothari (2003, pp.35-39). The sample size of the study was estimated to be 73. This was reached through calculations using the Slovene's formula because the researcher knows nothing about the behavior of the population and it's illustrated below;

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

Where;

- n is the desired sample size
- N is population of the study.
- e, is the confidence interval of the study (5%).

#### Equation 3. 1: Slovene's Formula for Sample Size Calculation

$$n = \frac{90}{1 + 90(0.05)^2}$$

$$n = \frac{90}{1.225} = 73.46938776 \cong 73 \text{ respondents}$$

Table 3. 1: Population and Sampling Summary

Category	Population	Sample	Sampling Technique	Instrument to be used
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Directors	5	4	Purposive	Interview Guide
Quality Assurance Team	15	6	Simple Random	Questionnaire
Sales & Distribution Team	50	44	Simple Random	Questionnaire
Marketing Officers	20	19	Simple Random	Questionnaire
<b>Total</b>	<b>90</b>	<b>73</b>		

The sample size from each category was gotten and modified from Slovene's formula as indicated above.

### 3.4 Sampling Techniques & Procedure

Sampling is the process of choosing the research units of the target population, which are to be included in the study Sekaran (2003). The researcher employed two sampling techniques which were simple random and purposive sampling. In using simple random sampling, the strategy adds credibility to a sample when the potential purposeful sample is larger than one and also handle whereby it uses small sample sizes, thus the goal is credibility, not representativeness or the ability to generalize (Patton, 2001). In using the simple random, the researcher first identified the respondents and after that the respondents were picked at random. This method was used to establish which respondents would take part in the study from the categories of quality assurance team, sales and marketing team, and accounting officers. This ensured that all the respondents are given an equal chance of being selected thus minimizing bias and simplification of the results.

The second technique used was purposive / judgmental sampling for determination of business performance. *Purposive sampling* involved identifying and selecting individuals or groups of individuals that were knowledgeable about or experienced with a phenomenon of interest (Cresswell & Plano, 2011). This sampling technique provided a wider range of non-probability techniques that focuses on the units under investigation with the intention of generalizing. This method was used to identify members to take part in the study from the directors.

### 3.5 Data Collection Methods

The study employed questionnaire survey and interviews. The survey was opted because larger amounts of data are collected from a large group of people in a shortest period of time and is cost effective (Denscombe, 2014); while interviews provided an in-depth information on the study variables. Both qualitative and quantitative approaches were adopted.

### 3.6 Research Instruments

The researcher employed two research instruments which were; questionnaires, and the interview guide to collect information from both the qualitative and quantitative data,

### 3.7 Validity and Reliability

Vogt (2007) defines validity as "the truth or accuracy of the research". Validity of a research instrument is the extent to which the instrument helps to collect relevant data to fulfill the goals and objectives of the study. In this case, the questionnaire was subjected to this test whereby; expert judgment (from supervisor) was heavily relied upon to offer his assessment on the instrument. Content Validity Index was calculated and the results determined whether the instrument was valid or not.

$$CVI = \frac{K}{N}$$

Where;

CVI = Content Validity Index

K = Total number of items rated by all respondents

N = Total number of items in the questionnaire

From the calculation above, the initial questionnaire had 40 questions, 36 of them deemed necessary for retainment as follows:

$$CVI = \frac{\text{Total number of items rated by all respondents}}{\text{Total number of items in the questionnaire}} = \frac{36}{40} = 0.9$$

The total CVI was 0.9 thus making the tool valid as suggested by Sekaran (2003:308) who put the CVI threshold at above 0.7. Nonetheless, the questions which deemed unnecessary were dropped.

Reliability is a measure of how consistent responses or results will be obtained from respondents using the instruments in question (the questionnaire). Test and retest method was employed where the questionnaires were distributed to 20 respondents, and then retrieved after being filled and then redistributed to the same respondents after two weeks. The results were entered into SPSS and reliability tests using the Cronbach's Alpha was run. In this method, scores of a single test were done on a sample subject, where a score on 1 item is correlated with those from other items in the instrument. According to Kothari (2003, pp.70-78), an alpha of 0.7 or higher is sufficient to show reliability; implying that the closer the alpha to 1, the higher the internal consistency reliability. In the end, the ultimate Cronbach's Alpha was computed to be 0.93, which was considered to be reliable because it was above 0.7.



### **3.8 Data processing and analysis**

The researcher used both qualitative and quantitative styles of data analysis; Qualitative data process and analysis was done through the use of an interview guide and the questionnaire as offered in the appendix. Using the qualitative method, the study findings were coded, analysed and presented in percentages and graphs. Descriptive information was evaluated as respondents gave answers to the questions. Direct quotations were presented according to the framework of analysis. Quantitative data was analysed using Statistical Package for Social Sciences (SPSS) to get descriptive statistics which were used to describe the basic features of data. There were also measures of central tendencies such as mean, standard deviation as well as rank. Statistical significance between variables was established using the Pearson correlation coefficient and regression modelling. Data was presented in the form of tables and pie charts.

### **3.9 Ethical Considerations**

The aim of ethics in research is to ensure that no one suffers confrontational consequences from the research activities (Cooper and Schindler, 2001:112). The researcher's aim was to protect the rights of the respondents by:

- Hiding respondent's names during the research exercise.
- Ensuring that the purpose of the study is specifically for academic use
- Making sure the respondents are selected without force
- Ensuring respect, privacy and confidentiality of the respondents

#### 4.0 Data Presentation, Analysis and Interpretation

##### 4.1 The Impact of Trade Fairs on the Business Performance of Nile Breweries Uganda Limited

The second objective of the study sought to examine the impact of trade fairs on the business performance of Nile Breweries Uganda Limited. Descriptive statistics were used in carrying making this determination.

##### 4.1.1 Descriptive Statistics

The descriptive statistics used in this regard were the mean, standard deviation, and ranks. For this and subsequent analysis of descriptive statistics in this report, the following scale of mean interpretation in Table were be used.

**Table 4. 5: Scale of Mean Interpretation**

Range	Legend	Interpretation
1.00-1.80	Strongly Disagree	Very Low/Very Poor
1.81-2.60	Disagree	Low/Poor
2.61-3.40	Not Sure	Average
3.41-4.20	Agree	Good/High
4.21-5.00	Strongly Agree	Very Good/Very High

Table below presents findings made regarding the strength of trade fairs employed by Nile Breweries Limited in the name of promoting their business.

**Table 4.6: Descriptive Statistics on Trade Fairs**

Question/Statement	Mean	Std. Deviation	Rank
Does the company participate in trade fairs and promotions	3.0274	1.45270	2
Is there a good turn-up of the participants	3.1111	1.50638	1
Is there a positive impact on sales	2.9306	1.41746	4
Does the company follow up on its customers after the fairs	2.6250	1.46737	5
Has brand awareness been able to improve	3.0137	1.39934	3
<b>Trade Fairs</b>	<b>2.9370</b>	<b>.98086</b>	

Source: Primary Data

The table above shows that the mean for trade fairs promotional strategy to be average as it was computed to be 2.937. The standard deviation of 0.981 suggests that the responses were not that dispersed. The top evaluated statement was that “Is there a good turn-up of the participants” which scored a mean of 3.111 and therefore interpreted as average. The lowest evaluated statement was that “Does the company follow up on its customers after the fairs” as its mean was calculated at 2.625 and was interpreted as being marginally average.

Interview responses were also evaluated and analyzed. They were mostly supportive of the findings established in the responses from the questionnaires as presented above. They specifically corroborated the fact that trade fairs were being approached with ineffective strategies. This and other statements are as highlighted in the sample responses compiled hereunder.

*“We participate in all major relevant trade shows such as national and international ones. Very few times would we do not show up for such exhibitions. The problem is that year in year out, we use the same approach to a market that is gradually changing...I feel there is more we can do in a way to adapt to the changing trends in trade fairs such as organizing our own...the competitions that are the hallmark of trade fairs at Nile Breweries Uganda Limited’s stall are a bit stale....we surely need to revamp our strategies in this regard to match market dynamics...”*

#### 4.3.2 Regressing Business Performance on Trade Fairs

It was deemed necessary for the study to articulate the nature of the causal relationship that the variables under study had. This was done by carrying out regression analysis whereby the dependent variable of business performance was regressed on the independent variable of trade fairs. Table was obtained and summarized after running the procedure with SPSS.

**Table 4. 7: Regression Test Results for Hypothesis #1**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.620 <sup>a</sup>	.385	.376	.68271

a. Predictors: (Constant), Trade Fairs

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.713	.254		6.751	.000
	Trade Fairs	.547	.082	.620	6.666	.000

a. Dependent Variable: Business Performance

Source: Primary Data

From the table, it can be noted that the R Squared was computed at 0.385, which is considered to be low. The R Squared value of 0.385 means that trade fairs have an influence of 38.5% on the business performance at Nile Breweries Uganda Limited. The rest of the influence on business performance comes from other factors. From the coefficients section of the table, it is observed that the p value of trade fairs was estimated to be at 0.000. This value is below the threshold of significance set at 0.05. For this reason, the null hypothesis stating that trade fairs have no significant effect on business performance is hereby rejected in favor of the alternative hypothesis. Enough evidence has been gathered to suggest that trade fairs have a causal effect on business performance, though minimal.

#### 4.4 The Role of Trade Discounts on Enhancing Business Performance of Nile Breweries Uganda Limited

The second objective of the study sought to examine the effect of trade discounts on enhancing business performance of Nile Breweries Uganda Limited. Descriptive statistics were used in carrying making this determination.

##### 4.4.1 Descriptive Statistics

The descriptive statistics used in this regard were the mean, standard deviation, and ranks. Table 4.8 below presents findings made regarding the strength of usage of trade discounts as promotional tools by Nile Breweries Limited.

**Table : Descriptive Statistics on Trade Discounts**

Question/Statement	Mean	Std. Deviation	Rank
The firm offers good discounts to the customers	2.3472	1.42572	5
Our customers are happy about the discounts we offer them	3.0548	1.30054	1
Our customers act as references in the market	2.8611	1.49464	4
It has enhanced organizational relationship with customers	2.9589	1.45715	3
Our sales volume has steadily increased	3.0274	1.36395	2
<b>Trade Discounts</b>	<b>2.8521</b>	<b>.87116</b>	

Source: Primary Data

Findings indicate that the mean for trade discounts was found to be at 2.852, which was interpreted as average. The standard deviation of 0.871 suggests that the responses were not that dispersed. The top evaluated statement was that "Our customers are happy about the discounts we offer them" which scored a mean of 3.055 and therefore interpreted as average. The lowest evaluated statement was that "The firm offers good discounts to the customers" as its mean was calculated at 2.347 and was interpreted as low. The

implication of these findings is that the company is yet to properly invest in the power of discounts to customers as a promotional strategy.

Interviews were also resourceful in providing insights into understanding the dynamics of trade discounts at Nile Breweries Uganda Limited. The overall consensus was that trade discounts were retrogressive if employed as the main promotional tool. Some of them however considered them to be important in beating market competition.

*“As a company we offer some discounts to our customers, who are distributors and retailers, but they are not that substantial...most of the discounts offered to customers are quantity discounts because the company seeks to encourage bulk buying from distributors and some retailers...When you rely on discounts as a promotional strategy, it becomes a retrogressive approach of marketing and promotion...some customers ask for discounts because others have been given the discounts, it can create chaos...”*

#### 4.4.2 Regressing Business Performance on Trade Discounts

Even for this objective, it was deemed necessary for the study to articulate the nature of the causal relationship that the variables under study had. This was done by carrying out regression analysis whereby the dependent variable of business performance was regressed on the independent variable of trade discounts. Table was obtained and summarized after running the procedure with SPSS.

**Table 4. 9: Regression Test Results for Hypothesis #2**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.536 <sup>a</sup>	.287	.277	.73508

a. Predictors: (Constant), Trade Discounts

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.803	.296		6.085	.000
	Trade Discounts	.532	.099	.536	5.346	.000

a. Dependent Variable: Business Performance

Source: Primary Data

Findings indicated that the R Squared was computed at 0.287, which is considered to be low. The R Squared value of 0.287 means that trade discounts have an influence of 28.7% on the business performance of Nile Breweries Uganda Limited. The rest of the influence on business performance comes from other factors. From the coefficients section of the table, it is observed that the p value of trade discounts was estimated to be at 0.000. This value is below the threshold of significance set at 0.05. Just like it was the case with trade fairs, the null hypothesis stating that trade discounts have no significant effect on business performance is hereby rejected in favor of the alternative hypothesis. Enough evidence has been gathered to suggest that trade discounts have a significant causal effect on business performance of Nile Breweries, though minimal.

#### 4.5 The Influence of Visual Merchandising on the Business Performance of Nile Breweries Uganda Limited

The third objective of the study sought to examine the influence of visual merchandising on the business performance of Nile Breweries Uganda Limited. Descriptive statistics were used in carrying making this determination.

##### 4.5.1 Descriptive Statistics

The descriptive statistics used in this regard were the mean, standard deviation, and ranks. Table 4.10 below presents findings made regarding the strength of visual merchandising as practiced by Nile Breweries Limited.

**Table 4. 10: Descriptive Statistics on Visual Merchandising**

Question/Statement	Mean	Std. Deviation	Rank
Do you use display signs	3.5342	1.13140	1
Are the displays attractive to customers	3.1806	1.28179	2
Do they increase sales	3.1233	1.44285	3
Are the stock levels decreasing	2.8630	1.42707	4
<b>Visual Merchandising</b>	<b>3.1678</b>	<b>.94194</b>	

Source: Primary Data

The table above shows that the mean for visual merchandising practices to be average as it was computed at 3.168. The standard deviation of 0.94 suggests that the responses were not that dispersed. The top evaluated statement was that “Do you use display signs” which scored a mean of 3.534 and therefore interpreted as high. The lowest evaluated statement was that “Are the stock levels decreasing” as its mean was calculated at 2.863 and was interpreted as being average.

From the interviews conducted, it was clear that visual merchandising was not an integral part of Nile Breweries’ marketing strategy. Most of the comments made indicated dismal performance in this regard. Sampled statements recorded during the interviews are as highlighted hereunder.

*“It is not really in the culture of beer producing companies to engage in visual merchandising but we do it from time to time during special occasions...is that what we do? I don’t think so. Remember we are producers and not retailers...I can say that it is a marketing strategy that we are yet to explore in its entirety, we do very little of that...”*

#### 4.5.2 Regressing Business Performance on Visual Merchandising

In order to establish the final objective of the study, it was vital that the study articulates the nature of the causal relationship that the variables under investigation had. This was done by carrying out regression analysis whereby the dependent variable of business performance was regressed on the independent variable of visual merchandising. Table was obtained and summarized after running the procedure with SPSS.

**Table 4. 11: Regression Test Results for Hypothesis #3****Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.596 <sup>a</sup>	.355	.346	.69929

a. Predictors: (Constant), Visual Merchandising

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.588	.289		5.495	.000
	Visual Merchandising	.547	.087	.596	6.247	.000

a. Dependent Variable: Business Performance

Source: Primary Data

Findings indicated that the R Squared was computed at 0.355, which is considered to be low. The R Squared value of 0.355 means that visual merchandising has an influence of 35.5% on the business performance of Nile Breweries Uganda Limited. The rest of the influence on business performance comes from other factors. From the coefficients section of the table, it is observed that the p value of visual merchandising was estimated to be at 0.000. This value is below the threshold of significance set at 0.05. Just like it was the case with trade fairs and discounts, the null hypothesis that visual merchandising has no significant effect on business performance is hereby rejected in favor of the alternative hypothesis. Enough evidence has been gathered to suggest that visual merchandising has a significant causal effect on the business performance of Nile Breweries Uganda Limited, though minimal.

#### 4.6 Findings on the General Purpose of the Study

The general purpose of this study was to establish the impact of promotional strategies on the business performance of Nile Breweries Uganda Limited. Before this is determined, it was necessary that the variable of business performance is examined descriptively as it done in the next subsection.

##### 4.6.1 Descriptive Statistics on Business Performance

Even here, the descriptive statistics used in this regard were the mean, standard deviation, and ranks. Table 4.12 below presents findings made regarding respondents' statements on the business performance as attained by Nile Breweries Uganda Limited.

*Table: Descriptive Statistics on Business Performance*

Question/Statement	Mean	Std. Deviation	Rank
We have had good sales trends over the past financial years	3.4507	1.21642	1
We expect that our sales volume will continue to increase with time	3.3425	1.29335	4
The market has a high potential for growth	3.3889	1.34851	2
Financial position of our firm has greatly improved	3.2917	1.28301	5
We command a bigger market share	3.3562	1.36799	3
Payments of salaries, expenses and suppliers is always on time	3.2877	1.28538	6
Does the business performance of NBL in terms of sales, profitability and market share greatly declined for the last 6 years from 2012-2017	3.1370	1.23957	7
<b>Business Performance</b>	<b>3.3195</b>	<b>.86445</b>	

Source: Primary Data

Findings indicate that the business performance of Nile Breweries Uganda Limited was average as its mean score was computed to be at 3.3120. The standard deviation of this mean was found to be 0.864, which is an indication that the responses gathered for this variable were not far apart. The highest ranked statement/question was "We have had good sales trends over the past financial years" which had a mean score of 3.451, and interpreted as high. The lowest ranked statement/question was "Does the business performance of NBL in terms of sales, profitability and market share greatly declined for the last 6 years from 2011-2017" which had a mean score of 3.137, and interpreted as average.

Interview responses corroborated the fact that the business performance of Nile Breweries Uganda Limited was not as good as it ought to have been. The major issue of contention was that financial performance was low for the past few financial years. Below are some of the most significant and outstanding statements made in this regard.

*"Our financial performance has been unstable for the past few years...there is no telling whether it will increase or decrease with each passing year....profitability and market share are affected by the promotional techniques we use in marketing, and I think there is much more we can do to improve the performance..."*

##### 4.6.2 Multiple Regression Test

In order to establish the overall purpose of this study, a multiple regression test was conducted, and which included all the three independent variables that have been analyzed separately in the specific objectives of the preceding sections of this chapter. Table shows the summarized output tables for the test carried out in SPSS.

*Table: Multiple Regression Test Results*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.679 <sup>a</sup>	.460	.437	.64862

a. Predictors: (Constant), Visual Merchandising, Trade Discounts, Trade Fairs

Coefficients <sup>a</sup>						
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	1.185	.297		3.996	.000
	Trade Fairs	.295	.113	.334	2.600	.011
	Trade Discounts	.156	.119	.157	1.311	.194
	Visual Merchandising	.261	.113	.284	2.315	.024

a. Dependent Variable: Business Performance

Source: Primary Data

The overall R Squared coefficient denoting the effect of all the three variables on business performance of Nile Breweries Uganda Limited was found to be at 0.460, which is slightly below average. With respect to the coefficient section of the table, two variables (trade fairs and visual merchandising) had a significant impact on business performance, while trade discounts' effect was found to be insignificant when all the variables are combined. Trade fairs had a p value of 0.011 and visual merchandising scored 0.024; both of which are within the tolerance limits of 0.05. Trade discounts were however found to have 0.194 as its p value, which is outside the tolerance of 0.05 required for tests conducted at 95% confidence level.

## 5.0 Discussions, Recommendations and Conclusions

### 5.1 Discussion of Findings

The section on discussion of findings was organized into three subsections with respect to the objectives of the study as they were analyzed in the fourth chapter of this report

#### 5.1.1 Trade Fairs and Business Performance

Analysis of findings related to the effect of trade fairs on the business performance of Nile Breweries Uganda Limited revealed that the company's engagement in this promotional strategy was average. The company participates in trade fairs mainly in the form of exhibitions that are hosted by the government and the brewery's industry. According to Mbaga (2015), almost 75% of all trade fairs are exhibitions and it is therefore not surprising that Nile Breweries settled to adopt this approach in promoting their sales. The company's average participation in trade fairs is an indication that it does not necessarily consider it as a formidable means to boosting their sales. Musia (2013) advises that even when there are limited opportunities for trade fairs organized by the industry and government institutions, firms could also organize their own trade fairs where only their products will be showcased. This model is effective in popularizing a firm's products since there will be no competing or substitute products to worry about.

The effect of trade fairs on the business performance at Nile Breweries Uganda Limited was found to be significant but limited. These findings have sufficient evidence to convince management of the relevance of trade fairs in contemporary marketing efforts. According to Bagariba (2014), the effectiveness of promotional techniques is dynamic and it is important to keep track of what works and what does not. Each company, market, product, industry, and time period have their specific promotional strategies that would work and those that would not work. The task of management is to enforce the implementation of workable promotional techniques and limit the implementation of those that are less effective. For the case of Nile Breweries, it seems that trade fairs are a workable solution to the current promotional needs that the company has in boosting sales for its beer products. The findings are consistent with the study carried out by Canduela *et al.* (2014) where it was determined that trade fairs have a significant impact on the business performance of a company.

The application of trade fairs in the promotional model of Nile Breweries seems to be limited because of the few number of trade fairs organized by the industry. As Buijzen & Valkenburg (2013) find, the organization of most trade fairs is a collective effort by industry players. It is a costly initiative that might be too much of a burden if it is left to a single company to organize. It is for this reason that a caucus of firms in an industry pulls resources together. Such demise seems to have befallen Nile Breweries Uganda Limited because it has had few trade fairs. The fact that findings in this study have suggested a strong link between participation in trade fairs and the resultant business performance in a firm should be enough to propel management at Nile Breweries Uganda Limited to consider more participation in this regard.

### 5.1.2 Trade Discounts and Business Performance

For the second objective, it was found that the effect of trade discounts is significant but very low. What these findings mean is that trade fairs could only improve business performance in limited ways. The company itself averagely engaged its customers with trade discounts, probably because of the unreliability or lack of effectiveness of the promotional strategy in enhancing the performance of the firm. According to Mugwe, (2012), discounts do not necessarily lead to more sales because the value that is written off is usually insignificant to push a customer to buying more of a certain product. The source is against the reliance of firms on discounts and other quantitative promotional techniques because they seem not to work in the end. For the case of Nile Breweries Uganda Limited, it is even more pronounced because end consumers do not feel the effect of these discounts. In other words, these discounts tend to benefit only retailers, and they therefore do not lead to increased sales since customers are being subjected to the same prices.

The findings of the study are however inconsistent with those made in Mbatia (2015) where it was determined that discounts are a reliable promotional strategies that can boost sales for a business. The inconsistency comes from the fact that the study in focus does not strongly advocate for the use of discounts. It should however be noted that the cited study dealt with retailers and not producers. Discounts to consumers by retailers improve sales because they push the actual consumers to buy more. Discounts to retailers from producers do not necessarily lead to more sales because the actual consumer is not involved in this mode unless the discount is significant enough to be reflected in the ultimate price to be charged on them. This seems to have been the case with Nile Breweries Uganda Limited, hence the limited effect on business performance as found in this study.

According to Shkurkin (2016), using discounts compels an organization to disregard its interest in profitability for purposes of popularizing its products. The danger with discounts is that when they stop, their effect on sales may also drop. It is for this reason that many businesses do not seem to be convinced in the power of discounts. For the case of Nile Breweries, it is possible that the retailers buying products from the company will shun its products once these discounts are taken off the deal. Now that there are many competing brands, the one with the biggest discount will win the day. Such price wars are not healthy for the industry or the players therein because there will be no end to them. When the supremacy battle is fought on discount rates for products, the outcome is a market filled with substandard products because of the continuous need to bring down the cost of production.

### 5.1.3 Visual Merchandising and Business Performance

Visual merchandising was also investigated and its effect on business performance is well documented in the previous chapter as being slightly below average but highly significant. The company was however found to be averagely engaging in this promotional tool. According to Iheanachor & Ogbechie (2016), the use of visual merchandising is still less understood by firms because of the presence of other simpler and well understood promotional tools. This seems to have been the case at Nile Breweries Uganda Limited hence leading to the low levels of its practice. The fact that it has a significant effect on business performance shows just how much the company is missing out in this regard. It is possible that the company would be reaping big from just this one promotional strategy. Mbuthia & Kariuki (2016) also add that it is a promotional strategy that can be aligned with other strategies without sabotaging their respective success rates.

It is quite surprising that visual merchandising is not being fully exercised by Nile Breweries when it is known for its economic advantages. According to the research by De Feo & Wilson (2012) where comparisons were made between various promotional strategies, visual merchandising was found to be the least costly. In most cases, it would entail the organization of inventory in stores and creating a unique visual display that encourages customers to stop by. It is however understandable why the company fails to apply this strategy because they are not directly responsible for selling merchandise to consumers. Instead, they sell to distributors and some retailers who may then decide to apply visual merchandising for these products. As a counterargument, it is not unheard of for a company to deploy some marketing staffs at a retail store for purposes of ensuring that the shelves having its products appear in a certain way.

The findings regarding the role of visual merchandising on business performance is supported by the study conducted in De Feo & Wilson (2012), where it was established that it contributes highly to profitability. The source agrees with the study in focus that when merchandise is properly shelved and presented to customers, it is more likely to attract purchases than when it is poorly organized. Nile Breweries rarely deploys such staffs to retail shops. Instead, such marketing staffs are majorly deployed in streets to carry out surveys and interact with consumers. While this is crucially important in order to close the information gap between consumers and producers, there needs to be a balance in activities within the marketing department so that visual merchandising is accommodated too. This notion was contended by Gbolagade, Adesola & Oyewale (2013) where it similarly established that visual merchandising has a considerable effect on the buying behavior of customers especially on fast beverages.



## 5.2 Conclusion

The study sought to establish the role played by promotional strategies on the business performance of Nile Breweries Uganda Limited. The first objective was achieved where it was determined that trade fairs had a significant effect on business performance of the company. It is however piteous to note that this strategy was not well utilized to promote products manufactured by Nile Breweries Uganda Limited. More can be done in this regard and consequently the business performance of the firm can be improved.

The second objective entailed the determination of the role played by trade discounts on enhancing business performance of Nile Breweries Uganda Limited. It was found that even though the role was significant, it was rather low. In fact, of all the three promotional techniques investigated, trade discounts were found to be the least effective in positively influencing the business performance of Nile Breweries Uganda Limited. It is possible that when their policies in this regard are improved, there will be some improvement in the business performance of the entity, though limited.

The third and final objective of the study involved the examination of the effect that visual merchandising has on the business performance of Nile Breweries Uganda Limited. Findings suggested that the effect was substantial and statistically significant, though it was found to be slightly below average.

Visual merchandising was the most effective strategy among the three promotional tools investigated in this study. It was however found to be less put into practice by the company. For this reason, it seems that it has a good potential of positively influencing business performance if it is well done.

## 5.3 Recommendations

The study hereby seeks to make some recommendations that are likely to facilitate the eradication of the problem of substandard business performance at Nile Breweries Uganda Limited.

### 5.3.1 Organization of Private Trade Fairs

It was found that the company participates in very few trade fairs in a year because it relies on trade fairs that are organized by the industry and the government. Nile Breweries Uganda Limited is a big company that has the financial muscle to host several trade fairs around the country. This move will position the company as the most popular and hence customers will be attracted to its products.

### 5.3.2 Revision of Discount Policies

It has been found in this study that the effect of trade discounts on business performance is not only low but also short lasting. It is prudent that the company does away with most of these policies or downgrades their engagement in them. Their level of significance when all the three promotional strategies are applied is too low to warrant any attention. Revising these discounts downwards will also positively contribute to higher revenue from sales since the prices would not have been slashed. This additional revenue could be used on more important purposes such as research on how to improve the quality of beers produced by Nile Breweries Uganda Limited.

### 5.3.2 Deployment of Staffs in major Retail Stores for Visual Merchandising

Visual merchandising was found to be the most significant promotional strategy to affect business performance. The company however does very little in this regard. It is hereby recommended that the firm should deploy some of its marketing staffs to major retail outlets for purposes of managing the display of its products. Customers should find this model more appealing than before hence they will be willing to purchase the products rather than those offered by rivals.

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