

**EFFECT OF IN-STORE PROMOTION ON CONSUMER
PURCHASE BEHAVIOUR IN MULTINATIONAL
SUPERMARKETS IN NAIROBI CITY COUNTY**

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DECLARATION

This research project is my own original work and has not been presented to any other university, college or institution of higher learning for academic credit other than the University of Nairobi

Signed:

Date:.....

D61/71403/2008

SUPERVISOR

This research project has been presented for defense with my approval as the designated university supervisor

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DEDICATION

My project is dedicated to my family, especially my two sons Carlson Muchiri and Jeremy Gichohu who provided me with lots of happiness and joy during the entire time, they made it more fun to carry out this project. They have had to tolerate my absence and tight schedule – work and studies, which have been consuming significant time.

May God bless them!

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To all the above, I extend my earnest appreciation

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ABBREVIATIONS AND ACRONYMS

GDP Gross Domestic Product

CBD Central Business District

U.S.A United States of America

UK United Kingdom

Ltd Limited

4 P's Place, Price, Promotion, Product

POP Point of Purchase

ABSTRACT

Consumer purchase decision is influenced by different strategies. While these strategies exist, it is still questionable whether consumers base their buying intentions on them. This study sought to examine the effect of in-store promotion on consumer purchase decision. The study was supported by two marketing theories, namely, the theory of buyer behavior and market orientation theory. The researcher also conducted an empirical review on in-store promotion and consumer purchase behavior. The study adopted a descriptive research design. The target population included the five multinational supermarkets in Kenya: Carrefour, Choppies, Game Store, Shoprite, and Village Stores. The target sample size comprised 103 customers. The researcher used a questionnaire as the data collection instrument. A pilot study gave a Chronbach alpha of 0.896 thereby showing the instrument was reliable. Data was analyzed using descriptive and inferential statistics. The results revealed that in-store promotion and consumer purchase behavior have a significant effect on the consumer purchase behavior. Therefore, it is recommended that Multinational Supermarkets scraps off the non-functional promotional approaches and adopt up-to-date and effective in-store promotional strategies. Future studies should focus on assessing if Multinational supermarkets have adopted the recommended advice and explore its progress as far as performance is concerned.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

The contemporary business environment is highly dynamic and turbulent. Therefore, to acquire a competitive edge, grow and become profitable in the long run, firms and organizations have developed marketing strategies and plans to conquer, lead and dominate in the market (Brenes, Mena & Mulina, 2017).

Minama (2016) points out that marketing being a critical organization function focuses on the delivery of customer needs and wants by the management. Management of marketing therefore focuses on the fulfillment of needs and wants of customers through the provision of custom-made goods and services that offer satisfaction to the customers. Most supermarkets offer similar products and the levels of differentiation are very negligible. Consequently, it is important that the organizations develop marketing strategies that help them acquire a competitive edge.

Differentiation in the retail industry has become very critical in the current business environment. As a result, it is important to know the factors that influence customer purchase behavior in retail stores (Majundar & Kishore, 2012). Generally, the factors that influence consumer purchase decision include the product, price, place and promotion for example the display, store ambience and brand appeal. Nevertheless, in store promotion has grown to be a key differentiator in informing consumer purchase decisions.

The consumer purchasing model proposes that the purchase decision can be presented in a funnel approach usually characterized by problem identification, information search,

the assessment of alternatives, formulating the buy decision, actual purchase, and post-purchase evaluation (Lee, 2010). Though the consumer purchasing model is still relevant in this study, other factors are responsible for influencing the decision. Consequently, the analysis of the purchase decision-making process has become very complex in modern day business environment. In addition, the influencing factors have evolved are much more complex and not entirely captured in the traditional funnel model (Court *et al.*, 2010).

In their study Court *et al.*, (2010) found that over 60% of consumers nowadays rely on consumer feedback on the internet, evaluate different brands during evaluation and choose the product to purchase after the information collected is analyzed. Consequently, it has become imperative for marketers to carefully allocate their resources with special emphasis on word of mouth referrals and in-store promotions. Therefore, this study leverages on the consumer purchasing process theory in explaining the purchase decisions of consumers plus the efficiency of in-store promotion tools in the purchase process.

1.1.1 In-store Promotion

In-store promotion is a sales promotion strategy that is used to increase consumer purchases (Court *et al.*, 2010). In store promotion refers to sales promotion strategies undertaken at the point of purchase. In fact, in-store marketing resemble “billboard, creating the buying factors for shoppers and promoting low or high market share brands, for both regular users and nonusers” (Yang & Lee, 2016). In most cases, consumers are tempted to impulse buy impulse due to the influence of in-store promotion strategies and

activities. This is because in store promotion strategies are influential and have an appealing effect on the consumers (Yang& Lee, 2016). Consequently, the purchase decision of consumers is altered at the shopping point and thus the consumer does not necessary buy the original purchase intention. According to Yang and Lee (2016), there has been a consistent increase in the proportion of in store shopping due to consumer impulse buying.

There exists ample literature on sales promotion and its effect on consumer purchase behavior. This is with special focus on coupons and price discounts which are the most commonly used sales promotion strategies (Shamout, 2016). Mercer (2002) notes that promotion is a strategy utilized to temporary increase the attractiveness of goods and services with the view of encouraging increased purchase and consumer of goods and services for a limited period. This is similar to the propositions of Kotler (2002) who described sales promotion as a short-term activity designed to stimulate faster, and greater purchase by retailers, wholesalers as well as consumers with a view of increased sales. Brassington and Pettit (2000) describe sales promotion as the range of marketing methods created strategically to increase the value of a service or product beyond what is regarded normal in a bid to attain marketing and sales goals. Usually, the created extra value is short-term and tactical in nature or might be part of a prolonged franchise building program.

1.1.2 Consumer Purchase Behavior

Consumer purchase behavior refers to the process through which customers go through during the selection and purchase of products and services informed by the available resources and the need and wants of the consumers (Schiffman & Kanuk, 2014). The consumer purchase behavior is dynamic and complex and consequently to easily define due to the multiplicity of scholars and authors who have defined it differently (Blackwell *et al.*, 2006). Mukherjee (2012) notes that the purchase behavior is the sum total of all activities, which result in the purchase and use of a product based on the emotional, behavioral and mental needs of the consumers.

Kotler and Armstrong (2015) argued that consumer behavior is a complicated purchase decision-making process, which the consumer undergoes through. The process often three phased involves: i. Consumers develop perceptions concerning a product and this forms an attitude leading to thoughtful choices. ii. Information Searching phase where the consumers seek information and reviews about the product iii. Where the consumer validates the decision to purchase and makes the actual purchase. According to Tawlar (2013), in cases where the consumer shows occasional or sustained buying of a product over time, then this leads to low product involvement commonly referred to as habitual purchasing behavior. When the habitual purchasing behavior is formed, the marketers often put little effort in product differentiation. Kotler and Armstrong (2015) nonetheless, note that when a variety seeking behavior is formed amongst consumers, there is a high propensity to switch purchase decisions based on the need of the consumer to sample different brands and products.

1.1.3 Retail Industry in Kenya

Supermarkets in Kenya fall under the retail industry. Their emergence and growth can be attributed to the growth in the GDP, changing consumer habits, and improved purchasing power. Historically, Uchumi and Nakumatt were the largest chains. The two had branches in almost all the large cities in Kenya such as Nairobi, Kisumu, Nakuru, and Mombasa among others. They mainly dealt with consumer goods. However, with time, others have emerged and taken over their leadership position. Currently, there are many supermarkets in Kenya both local and multinationals. Therefore, the competition is stiff and only the aggressive ones are able to survive. These include supermarkets like Naivas, Tuskys, and Ukwala to name but a few. These local retailers are normally placed at strategic locations in the CBD and major estates in Nairobi (Cyttonn, 2018). They are financially successful and have managed to compete against the old retailers like Uchumi and Nakumatt, which have been phased out of the market.

The major local and international supermarkets include Carrefour Kenya (Majid al Futtaim Group of the UAE are the owners), Tuskys, Nakumatt, Uchumi, Massmart (trading in Kenya as Game), Choppies (former Ukwala Supermarkets), Naivas, and many other local retailers like Mulley's, Eastmart, Quickmart and Cleanshelf. The entry of Carrefour, Game, and Choppies has been partly helped by the current issues facing Nakumatt and Uchumi (Cyttonn, 2018).

1.1.4 Multinational Supermarkets in Kenya

The entry of multinational chains has toughened the competition in the Kenyan market, thereby pushing the locals out of market. Although they have faced out major retailers like Uchumi and Nakumatt which were closed due to poor management and corruption, these multinationals have brought about convenience. Multinationals are better placed as compared to local retailers since they are able to borrow from their home nations at cheaper rates unlike the high borrowing rates in Kenya. Currently, there are five major multinationals: Carrefour, Choppies, Game Store, Shoprite, and Village Stores (Ngugi & Kariuki, 2018). Carrefour has six stores in the Kenyan capital city. They are located in major malls like Sarit Center, Thika Road Mall, and Two Rivers Mall among others. Choppies has spread across the nation since it has branches in Kisii, Nakuru, Bungoma, Kisumu, Kericho, and Nairobi. They first entered into the Kenyan Market in February 2015 in Kisumu and later spread to other counties. Game store has just one branch located at the Garden City mall. It is the only supermarket in that mall and hence it faces little rivalry. It gives regular promotions and it is spacious hence attractive to clients. There are three village stores, which are located along Limuru road. They are famous for delicious foods, home accessories, and kitchenware (Ngugi & Kariuki, 2018). These items are imported from various nations like the U.S. UK, and Canada among others. It is a place for people in love of class. Finally, Shoprite opened the first shop in Westgate Mall. It took up the space initially occupied by Nakumatt. The multinational has plans to open other branches in different places in Kenya. It had planned to open a branch at Garden City early this year.

1.2 The Research Problem

Consumer purchase decision is influenced by different strategies. While these strategies exist, it is still questionable whether consumers base their buying intentions on them. This is especially true for people who can afford whatever product they require without being influenced by adverts and marketers. For example, supermarkets use promotions more than any other method to market their goods. However, many customers do not recognize the presence of these promotions usually placed at strategic places in supermarkets. Many seem to shop from supermarkets that stock all what they need, those placed at strategic places for their personal convenience, and where they are offered reasonable prices. It is thus questionable if their buying behavior is affected by promotion. In light of this, this study aims at establishing whether in-store promotion influences consumer purchase behavior.

While there exists ample evidence in support of the efficiency and effectiveness of in store promotion as a customer attraction and consumer behavior changing strategy, limited studies in Kenya and the East African region have sought to analyze this relationship. Ngugi (2011) analyzed the relationship between promotion strategies and competitive advantage at Essar Telecom and found that sales promotion, direct marketing, as well as personal selling were instrumental in driving a competitive edge. Nevertheless, the study by Ngugi did not analyze the relationship using in store promotion strategies. Similarly, Nyambura (2009) did not see the effect of in-store promotion and advertising in commercial banks while analyzing the perceived effect of marketing promotion on brand equity.

These studies, therefore, shows that there exists a research gap in the analysis of the relationship between in store promotion and consumer purchase decision-making process. The limited research in the field has caused a scarcity of studies documenting the practice of in-store promotion and how it influences consumers. Consequently, a practice gap exists. These research and practice gaps are the key drivers of the research. This study sought to analyze the effect of in-store promotion strategies on consumer purchase decision. It was guided by the research question: What is the effect of in-store promotion on consumer purchase decisions in multinational supermarkets in Nairobi County?

1.3 Objective of the Study

The objective of this study was to examine the effect of in-store promotion on consumer purchase decisions in multinational supermarkets in Nairobi County.

1.4 Value of the Study

This study advances knowledge on in-store promotion strategies adopted by multinational supermarkets. The results of the study inform knowledge on locally utilized in-store promotion strategies and how they influence the consumer purchase decision. This is useful to the management of retail chains. Marketers can know the effectiveness of their strategies and areas where they can improve to entice more customers by influencing their behavior positively.

This study addressed key research gaps in the market. Consequently, the study is valuable to the academia as it adds to the body of knowledge. The findings of this study can be used in future studies. Therefore, this study acts as a source of literature for upcoming studies. The study uses scientifically-acceptable methodology that future researches can replicate to validate the outcomes or apply on their research variables.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

Chapter two reviews the existing empirical and theoretical studies on strategic marketing. It draws literature from books, journal articles and conference papers on marketing strategies adopted by various organizations. The chapter also presents the conceptual framework of the study.

2.2 Theoretical Framework

This section describes and discusses two theories related to the study namely the theory of buyer behavior and market orientation theory

2.2.1 The Theory of Buyer Behavior

The theory of buyer behavior was launched in the year 1969 by John Howard and Jagdish Sheth. The theory, which is commonly referred to as the consumer model, posits that consumer behavior can be explained through various input variables (stimuli) such as hypothetical constructs, exogenous variables and outputs (Hunt, 2002). According to the theory, input variables are domiciled in the external environment and subjected to the consumer or communicated. These then informs the purchase decision or the buyer behavior. Some of the variables include product price, product quality, product uniqueness, and distinctiveness (Munyoki, 2013). The interaction between the variables in the consumers' minds is referred to as the hypothetical variables.

The outputs in the buyer behavior model refers to the attitude or perception of the consumer towards the service or the product, the levels of consumer satisfaction based on the output variable of bias, stimulus ambiguity, information search which inform the output variables (Hunt, 2002). All these variables have a significant influence on the purchase choices made by consumers for various products and services (Munyoki, 2013).

This study therefore theorizes that the constructs under the consumer behavior model i.e. the inputs, hypothetical constructs and outputs are key in informing consumer purchase behavior. Consequently, the consumer is stimulated by in store promotion strategies thus taking into consideration the other inputs such as bias and information, then forms an attitude towards a product or service and ultimately makes the purchase decision. The model will therefore enable consumers to understand products and services stimulating the purchase decision.

2.2.2 Market Orientation Theory

Fundamentally, the market orientation theory, which was introduced in the 1990s, posits that firms must exploit their sales to maximize their organization goals. This is done through the position of products and services in the market place in a way that presents to the final customer or consumer that the product are unique, innovative and superior to those of the competitor (Felcman, 2012). Alternative, the firm can position its products and services as offering superior benefits that the competitors. Kotler (2003) defined this proposition as the unique selling proposition or differential.

Merlo (2011) argued that the market orientation theory establishes an effective culture for the generation of behavioral trends and patterns that form extended value to customers therefore enhancing the performance levels. Consequently, the marketing environment is characterized by customer, competitor and inter-functional orientation and coordination. Robert (1994), on the other hand, argues that the market orientation theory is a market intelligence focused theory that presents a link between current and future customer satisfaction levels. Consequently, it focuses on analyzing the needs through market intelligence, anticipating needs and providing goods and services that are responsive to these needs.

This theory posits that supermarkets influence consumer purchase decision through the use of in store marketing strategies that create perceptions and attitudes amongst consumers that the products and services of the retail store are unique, innovative and superior to those of the competitor (Felcman, 2012). Consequently, supermarkets create a competitive advantage through the development of unique in store promotion strategies and propositions of value to the consumer at the point of purchase.

2.3 In-store Promotion and Consumer Purchase Behaviour

Consumer behavior is a complex, dynamic concept that is influenced by multiple factors. Some of these factors include: cultural, psychological and personal. Cultural factors revolve around the sub culture, social class and purchasing culture (Tsao & Chang, 2010). Culture refers to “unique, innovative and superior to those of the competitor” (Kotler, 2011). The smaller sub sections and groups of culture, often referred to a sub cultures, directly influence the consumer purchasing behavior and decisions (Kacea &

Lee, 2000; Kotler, 2011). According to Kacea and Lee (2000) culture greatly influences consumer purchasing behavior individually or as a group. The effect of culture on purchase behavior is however different from one country to the other, one society to the other and one region to the other. Nevertheless, every society is influenced by its own culture. Developers of marketing strategies therefore must be cognizant to the cultural factors, groups and regions and develop appropriate products and services (Kotler & Armstrong, 2015).

Social factors are referent to societal factors and groupings such as family, status and role. These factors directly influence the consumer purchase decision. According to Brown (2006), reference groups influence purchase decisions amongst customers either directly or indirectly. This is done through the influence of personal attitudes, reference points and societal needs. For example, family members such as children, wives, husbands etc. play a critical role in influence the purchase decision. Brown (2006) notes that children, in particular, have a great influence on parents' purchase decisions.

Psychological factors refer to beliefs, practices, attitudes, learning and motivation (Brown, 2006; Wangari, 2018). Each individual is driven by a different motive that informs the purchase decision of particular products or services. When a need becomes a motive and is very pressing, then consumers require satisfaction to it. Consumers often have different attitudes towards products or services in which they derive and develop from the environmental factors. Consequently, brand perception greatly influences consumer purchase decisions and takes time to alter the perception from negative to positive (Kanuk, 2009).

Personal factors have a great influence on the consumer purchase decision making process. According to Wangari (2018), personal factors such as age and gender influence the consumer purchase decision directly. Zinkhan (2002) notes that other personal factors influencing the consumer purchasing decision include lifestyle, which informs the consumers' interaction with the environment. Personality also informs purchase decisions and is premised on the individual behavior of consumers.

2.4 Effects of In-Store Promotion

There exist various in store promotion strategies that firms can use with differing levels of efficiency. Nevertheless, there exists modern in store promotion strategies, which are gaining recognition. Zhou and Wong (2004) differentiated the in-store promotion strategies into two major categories: promotional effect which includes the stimulation of promotional discounts such as coupons, discounts and gifts and atmospheric effect which enhance the consumer experience in the store.

2.4.1 Promotional Effects

These refer to promotion effects such as coupons, multiple item discounts, gifts, cheaper prices which stimulate impulse behavior. Some of these strategies include in store advertising which enhances brand reinforcement through promotional effects. In-store advertising provides new chances for retailers to yield new revenues from supplier partnerships. According to Kiran, Majumdar and Kishore (2012), in store advertising influences 49% of total purchase decisions. This directly enhances sales generation.

Dennis *et al.* (2010) noted that digital signage is a critical in store promotion strategy. Nevertheless, Dennis *et al.* note that the huge expenditure on digital signage does not guarantee proper display or consistency in information discharge. Dennis *et al.* (2010) calls centralized, controlled signage that offers clients complete consistency on product data, discounts, pricing, as well as other promotion strategies instantaneous. Retailers can get to consumers and create awareness through the use of media rich personalized information throughout the purchase process. In-store broadcast should therefore help consumers learn about products and its attributes. This enhances cross and up selling as well as promote conversion rates for consumers.

Other in-store promotion strategies that can be used include free trial durations, small gifts from the mercantile and encouragement of customer interaction which enhances consumer trust. Media technology is suitable for this and promotes creation of new business areas and new customer groups. Consumers prefer a retail store that provides relevant and up to date information (Jarvenpa *et al.*, 2006). Information kiosks are also becoming very popular in store promotion strategies. According to Gagnon (2006), “customers are often frustrated with disconnected or interrupted shopping experiences where information is not readily available to enable them to easily complete their transactions, where Kiosk can help. An increasing number of retailers are differentiating themselves by offering internet-based interactive kiosks in stores to help customers make better buying decisions and to provide access to e-commerce sites. Self-service implementations in a retail environment have primarily consisted of informational wall-mounted kiosks or kiosk stations, as well as self-service checkout stands.”

POP displays are growing in their importance as in store promotion strategies. The display of products and services on POP is growing in importance and efficiency in informing consumer purchase decisions. Other display factors that are influencing consumer purchase decisions include: store planning and layout e.g. pathway plan, curved plan, straight plan, varied plan, diagonal plan, or Geometric plan. Audio video broadcasts are also critical forms of displays that inform consumer purchase decision (Williams, 2005; Fitzgerald, 2004).

Tendai and Crispen (2009) noted that in store coupons and sampling is an effective and efficient strategy towards influencing consumer behavior. In store coupons refer to surprise coupons intended for use in the shopping period aimed at driving sales. In store coupons together with innovative packaging has been identified as key drivers of consumer purchase decisions.

2.4.2 Atmospheric Effects

Atmospheric effects that influence the consumer purchase decision include: the background music that evokes complex effective and behavior change in consumers. Music influences the length of stay of customers in a show and how much they buy (Mattila & Wirtz, 2001). In store display is a critical aspect of in store displays and helps understand customer habits and perceptions. According to Terraza (2006), strategic displays help increase sales especially through impulse buying. For example, complimentary products are commonly displayed wide apart so that consumers can get time to view other products and most probably purchase. For example, milk and bread are placed at opposite sides of the store so that consumers can walk when purchasing the

products and see other products in display with the aim of stimulating impulse buying (Terrazas, 2006).

Sales people play a critical role in enhancing purchase decisions. Consumers prefer shopping experiences supported by receptive and friendly shop assistants. Consequently, sales people have an influence on the customer experience while in the store. While consumers prefer an attendant who is near and can help, they dislike overbearing attendants (Jones, 1999). Other factors that influence consumer purchase decision include shop congestion and density. Consumers dislike crowding and perceive it as an unpleasant shopping experience. Consumers adjust to shopping densities by increasing shopping time during low density hours and reducing their shopping time during high density areas.

2.5 Empirical Literature

The relationship between in store promotions and consumer purchase behavior has been widely interrogated by scholars. Nevertheless, the relationship has been rarely analyzed in the regional and local set up. Therefore, most of the studies reviewed have focused on the international setting.

Clark (2008) noted that overall 30% of all consumers in a retail store made the purchase decision at the in store. Consequently, in-store marketing created a suitable environment and enhanced the buying experience informing the purchase decision of the consumers. Most of the traditional purchasing funnels were not included in modern day touch points

for consumers. Consequently, there is need for the redefinition of the linear purchasing funnel.

Yang and Lee (2016) analyzed the In-Store promotional mix as well as the impact on female consumer purchasing decisions as it relates to cosmetic products. The study utilizing two cosmetic salesmen groups interviewed using focus groups found that there was a direct relationship between instore promotion strategies and consumer purchase behavior. According to the study, different in store promotion strategies had different levels of inducement on psychological feelings and purchase behavior.

Kiran, Majumdar and Kishore (2012) studied innovation in-store promotions and their impact on consumer buying decisions in India noted that in store promotion was critical in informing consumer purchase decision. The study found that a strong relationship existed between consumer purchase decisions and in store promotions. According to the study, the high levels of competition has necessitated innovations in product marketing which inspire and attract customer loyalty. In store promotions provide an innovative strategy towards creating differentiation as well as a store experience which provides for fun, interactive tools that provide information for decision making. Kiran, Majumdar and Kishore (2012) singled out the open in store media as useful in providing manufactures with a platform to advertise using informative, easy to use retail experiences. Furthermore, these mediums provide for an information platform for pricing, location, availability, and advice for targeted promotions without the need of waiting for store associates.

Cooke (2008) in the study on why in-store promotion is important noted that 30% of consumers made the product purchase decision at the store. According to the study backed up by findings from Ogilvy group premised on a total of 14,000 customers interviewed worldwide across 700 stores, every three of ten shoppers around the world made the product purchase decision when they got into the store. This validates the fact that retail stores must invest in in store promotion and marketing strategies. According to Szczech (2011), in store promotion often referred to as point of purchase display (POP) is critical in creating brand or product recall. This therefore helps introduce new products, promotion of sales and creates awareness amongst consumers.

Patalinghug (2015) analyzed how advertising as well as in-store promotions affect the demand for chocolates in USA and found that in store advertising and promotion had a strong positive effect on demand for chocolates. Similarly, Volle (2001) scrutinized the effect of short-term, in store promotion strategies using flyers and display and noted that the relationship enhanced customer purchases and sales. Consequently, the two studies concluded that in store advertising was critical in informing and influencing consumer purchase decisions.

Ngugi (2011) analyzed the promotion strategies employed by Essar Kenya Ltd. Though the study was not focused on in store promotion strategies, it found that promotion strategies had a positive influence on consumer purchase decision. Promotion strategies increased customer purchases and sales. Similarly, Wangari (2018) noted that promotional strategies as part of the 4 P's was instrumental in creating positive customer behavior towards purchase of products and services. Consequently, Wangari concluded

that promotion strategies were instrumental in enhancing sales and increasing purchases by consumers. However, it is key to note that both studies by Ngugi and Wangari were not focused on in store promotion strategies.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter details the research methods applied in the study. It clearly presents the research design, target population, data collection, and analysis methods.

3.2 Research Design

Neumann (2016) defined a research design as a detailed, systematic outline and plan of how a researcher will conduct a study. A research design presents a clear blue print, action plan and systematic strategies that a researcher will utilize in the study (Bryman & Bell, 2015). The research design defines the conduct of a study. The purpose of a study informs the choice of a research design. The purpose of this study was to analyze the effect of in store promotion on consumer purchase decisions. Therefore, a descriptive research design was appropriate and justified for use in the study. In a descriptive research design, the researcher collects, gathers and brings together data to describe an event, phenomena or trend (Bryman & Bell, 2015). This study used a descriptive research design to describe the in-store promotion strategies and their effect on consumer purchase decisions.

3.3 Target Population

A target population refers to the total number of cases that a researcher seeks to analyze (Bryman & Bell, 2015). The population for this study included customers from the multinational supermarkets in Nairobi. There are five multinational supermarkets according to the Cytonn Investments Research of 2018: Carrefour, Choppies, Game Store, Shoprite, and Village Stores. Since there is a large population of customers who

visit supermarkets, it was a challenge to identify the actual numbers who visit supermarkets in Nairobi.

3.4 Sampling Size and Design

The researcher utilized judgmental sampling in choosing the sample element. This is a non-probability sampling method wherein the researcher picks the units to be sampled on the basis of his or her professional judgment and knowledge. This approach is also referred to as authoritative or purposive sampling (Thompson, 2012). The sample population comprised four international supermarkets in Nairobi County: Carrefour, Choppies, Game Store, and Shoprite. Since these supermarkets have different number of branches, the researcher used his judgment to decide the number of customers to pick from each branch. There are seven carrefours in Nairobi County; the researcher interviewed five customers from each, thereby implying a total of 35 customers (Maishah, 2019). Then from the two Shoprite stores, 10 customers were interviewed from each. From the four Choppies, seven customers from each supermarket were picked. Lastly, 10 customers were interviewed from the two Game supermarkets in Nairobi. These gave a total sample size of 103 customers. The inclusion criteria entailed choosing every fifth customer who entered the supermarkets during the time of data collection as shown in Table 3.1

Table 3.2 Sample Size Calculation

Supermarket	Branches in Nairobi County	No. of customers from each branch	Sample
Carrefour	7	5	35
Shoprite	2	10	20
Choppies	4	7	28
Game	2	10	20
Total Sample Population			103

3.5 Data Collection

Data collection refers to the methods and strategies used to gather data for analysis. This study utilized primary data. Primary data was collected using a questionnaire. A questionnaire is a data collection instrument that opens qualitative and quantitative data. This study utilized quantitative data collected using closed ended questions in the questionnaire. Furthermore, 5-point Likert scale questions was utilized in the study. A questionnaire is justified for use in the study since it offers convenience and it is cheaper to administer and collect.

The questionnaire had three sections. Section A will collect data on customer attributes and demographics, Section B will collect data on in store promotion strategies and Section C will collection data on the effect of instore promotion strategies on consumer purchase decisions. The questionnaire was tested to ensure validity and reliability of data collected. First the questionnaire was pilot tested using five respondents for clarity of questions, effectiveness in collecting needed data and for errors and gaps in the questionnaire. The aggregate value was 0.896, implying that the data instrument was reliable since the Cronbach Alpha was above 0.7 as presented in Table 3.2.

Table 3.2: Reliability Results

Variable	Cronbach's Alpha	Comment
In-store promotions	0.906	Reliable
Consumer purchase behaviour	0.886	Reliable
Aggregate	0.896	Reliable

Source: Pilot Data (2019)

3.6 Data Analysis

The data collected for this study was inspected upon collection, edited, and assembled prior to examination. The data was analyzed with the help of descriptive statistics. According to Gingery (2019), descriptive statistics refer to basic measures that are employed in describing survey data. The questionnaires will be checked for completeness and then classified on the basis of similarity and then tabulated. Analysis was done using descriptive statistical measures: mean and standard deviation. The outputs were then presented in percentage forms, pie charts, frequency tables, as well as histograms. Inferential statistics helped the researcher draw conclusions from the data depending on the relationships found. Gingery (2019) posits that inferential statistics provide powerful analyses that can include relationships between variables, cause-effect relationships, and how properly the sample represents a larger population. The researcher utilized inferential statistics to describe the relationships between the dependent and independent variables.

CHAPTER FOUR: DATA ANALYSIS, RESULTS, AND DISCUSSION

4.1 Introduction

This section presents the findings of the study. Specifically, it presents an analysis of the demographic data, in-store promotion, and consumer purchase behavior data. Descriptive and inferential statistics were used to analyze the data. The resultant data was presented in charts, figures, and tables.

4.2 Response Rate

A sum of 103 questionnaires was distributed to the respondents who had given their consent. Out of this number, 75 questionnaires were filled successfully as shown in Table 4.1. This represented a 72% response rate. It was sufficient for data analysis as it aligns with Mugenda and Mugenda (2003) requirement that a response rate of 70% or more is adequate.

Table 4.1 Response Rate

Outcome	Frequency	Percentage
Response	75	72%
Non-response	28	28%
Total	103	100%

Source: Survey Data (2019)

4.3 Background Information of the Respondents

The demographic information considered in the study included gender, citizenship, education, marital status, monthly income, and religion. The results are as follows:

4.3.1 Gender

The Figure 4.1 presents the computed demographic data regarding the distribution of the respondents by gender in percentile figures. The findings reveal that most of the respondents were female 60 (80%) whereas the males were 15 (20%).

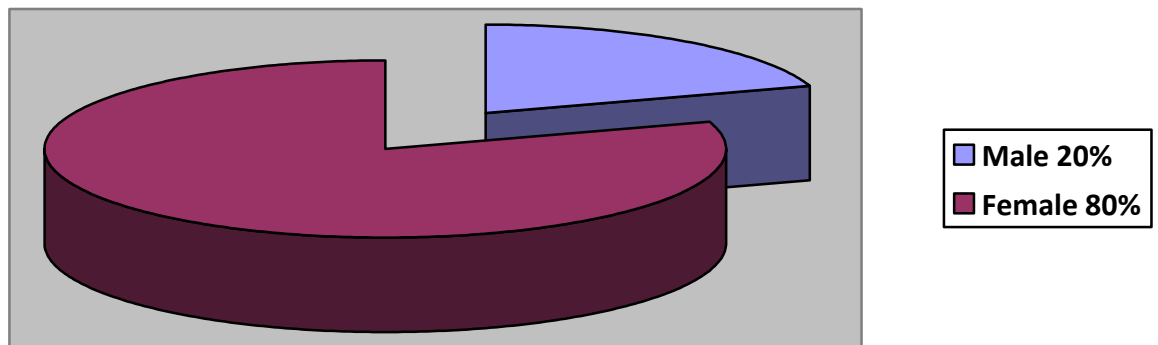


Figure 4.1 Gender

Source: (Author, 2019)

4.3.2 Citizenship

The researcher sought to explore the distribution of the participants by citizenship. The results showed that 98% were Kenyan and 2% non-citizens as depicted in the Figure 4.2.

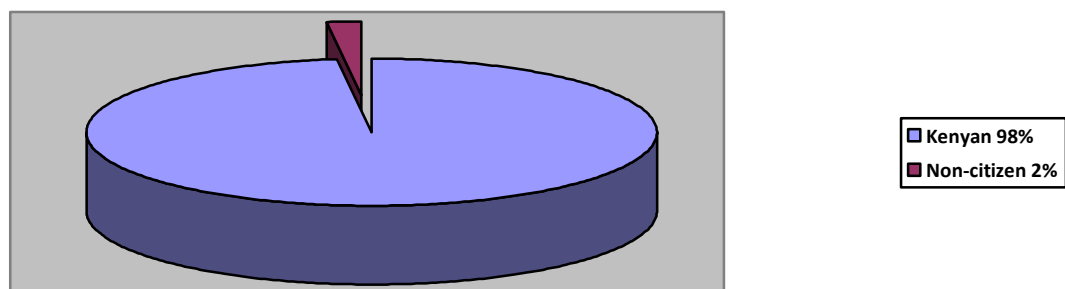


Figure 4.2 Citizenship Source: (Author, 2019)

4.3.3 Education

The researcher sought to explore the distribution of the participants by their levels of education. The results showed that 2.67% possessed secondary, 13.33% diploma, 53.33% Degree, 24% Masters and 6.67% PhD as in the Table 4.2.

Table 4.2 Education

Education	Frequency	Percent
Secondary	2	2.67%
Diploma	10	13.33%
Degree	40	53.33%
Masters	18	24%
PhD	5	6.67%
Total	75	100

Source: Author (2019)

4.3.4 Marital Status

The researcher sought to explore the distribution of the participants by their marital status. The results showed that 49.33% were unmarried, 42.67% married, 8% living with partner, and no separated and divorced cases as shown in the Table 4.3.

Table 4.3 Marital Status

Marital Status	Frequency	Percent
Unmarried	37	49.33%
Married	32	42.67%
Living with partner	6	8%
Separated	0	0%
Divorces	0	0%
Total	75	100

Source: Author (2019)

4.3.5 Age

The researcher sought to explore the distribution of the participants by their ages. The results showed that 81.33% were between 18 and 40 years, 18.67% were between 41 and 50 years and 0% above 55 years as shown in the Table 4.4.

Table 4.4 Age

Age	Frequency	Percent
18-40 years	61	81.33%
41-50 years	14	18.67%
55 and above	0	0%
Total	75	100

Source: Author (2019)

4.3.6 Monthly Income

The researcher sought to explore the distribution of the participants by their monthly incomes. The results showed that 26.67% were 0-40,000, 9.33% 80,000-120,000, 29.33% 120,000-160,000, 34.67% 160,000 and above, and no 40,000-80,000 cases as shown in the Table 4.5.

Table 4.5 Monthly Income

Monthly Income	Frequency	Percent
0-40,000	20	26.67%
40,000-80,000	0	0%
80,000-120,000	7	9.33%
120,000-160,000	22	29.33%
160,000-above	26	34.67%
Total	75	100

Source: Author (2019)

4.3.7 Religion

The researcher sought to explore the distribution of the participants by their religion. The results showed that 97.33% were Christians, 2.67% were Muslims, and the others were 0% as shown in the Table 4.6.

Table 4.6 Religion

Religion	Frequency	Percent
Christianity	73	97.33%
Islam	2	2.67%
Hinduism	0	0%
Atheist	0	0%
Others	0	0%
Total	75	100

Source: Author (2019)

4.4 Descriptive Statistics

4.4.1 Descriptive Statistics for In-store Promotion

The respondents were asked to indicate how in-store promotions influence their purchases decision in a 5-point Likert scale. They were to mark inside the blank boxes indicating their choices ranging from no extent (1) to very great extent (5). The results are shown in the Table 4.7.

Table 4.7: Descriptive Statistics for In-Store Promotion

Questions	Mean	SD
Free samples	2.59	1.08
In-store visibility	2.99	0.85
Discount coupons	3.42	1.01
Price-off promotions	3.77	1.00
Membership programs	2.92	0.94
Cash-back promotions	3.17	0.93
Demonstration	3.04	0.90
Free trial product upon purchasing another product	3.03	0.86
Buy-one-get-one free promotions	3.35	1.03
Sweepstakes	3.38	0.98
At the counter display promotions	3.25	1.01
In store promoters	3.58	0.97

On analyzing the standard deviation, free samples had the highest deviation of (1.09). The implication is that there was a greater variation between those who had a great extent, little extent, and moderate. Additionally, in-store visibility had the least deviation (0.85) meaning that little variation existed between respondents who had a great extent, little extent, and moderate.

Regarding mean analysis, majority of the respondents reported a great extent to which discount coupons (3.42), price of promotions (3.77), cash-back promotions, demonstration (3.04), free trial product (3.03), buy-one-get-one free promotions (3.35),

sweepstakes (3.38), at the counter display promotions (3.25), and in-store promoters (3.58) influence their purchase intentions and decision. The results also showed that the respondents had a little extent to which free samples (2.59), in-store visibility (2.99), and membership programs (2.92) influence their purchase decisions.

4.4.1 Descriptive Statistics for Consumer Purchase Behaviour

The respondents were asked to indicate how price reduction, in-store promoters, and in-store visibility influenced their decisions to buy in a 5-point Likert scale. They were to mark inside the blank boxes indicating their choices ranging from no extent (1) to very great extent (5). The results were as follows:

Table 4.8: Descriptive Statistics for Customer Purchase Behavior

Questions	Mean	SD
Price Reduction Extent you are likely to buy more of a product when there is a price reduction promotion.	2.62	0.93
Extent to which price determine your purchase behavior	3.24	0.82
Extent to which you would buy a substitute product if the price is lowered	3.00	1.21
Extent to which you would stick to your brand even if the price of substitute product is lowered	3.21	0.92
Extent to which you would consider the value of the product over the price	3.18	1.27
In-store promoters Extent to which promoters at supermarkets influence your purchase behavior of a product	3.45	0.98
Extent to which you buy more when there is a promotion to win something	3.63	0.99
Extent to which you buy a product when there is a free item to try with the product	3.68	0.97
Extent to which you are willing to purchase more of a product if you will receive a free gift	3.82	0.95
In-store visibility Extent to which you buy something because you have seen it (I see it, I buy it)	2.79	0.89
Extent to which you buy now and think about what you bought	3.14	0.76
Extent to which items visibility influences your purchasing intentions	3.08	1.08
Extent to which you buy a product because it has a sale sign	3.46	1.01
Extent to which you are likely to buy a product when you see an interesting offer sign	3.25	0.98
Extent to which you enter a supermarket because it has an eye-catching window display or a promotional signage	3.45	0.98

Concerning mean, the findings revealed that majority of the respondents had a great extent to which price determined their buying decision (3.24), buying a substitute product if the price is lowered (3.00), stick to their brand even if the price of substitute product was lowered (3.21), consider the value of the product over the price to a (3.18), buy if promoters are provided at supermarkets (3.45), buy more when there is a promotion to

win (3.63), would buy more when there is a free item to try with the product (3.68), willing to purchase more of a product if a free gift is involved (3.82), buy now and think about what they bought (3.14), purchase depending on the way items are visible (3.08), buy a product because it has a sale sign (3.46), buy a product when they see an interesting offer sign was (3.25), and enter a supermarket because it has an eye-catching window display or a promotional signage (3.45). The findings also showed that respondents had little extent to make a purchase decision when there is a price reduction promotion (2.62) and buy something because they have seen it (2.79).

When it comes to standard deviation, the extent to which respondents would consider the value of the product over the price possessed the greatest deviation of (1.27). The meaning of this is that a bigger variation existed between those who had a great extent, little extent, and moderate. Then, the extent to which price determine respondents' purchase behavior had the least deviation of 0.82 implying that little variation existed between those who had a great extent, little extent, and moderate.

4.5 Inferential Statistics

For inferential statistics, the researcher utilized the chi square test to answer the question what is the effect of in-store promotion on consumer purchase decisions in multinational supermarkets in Nairobi County? The calculations were done using excel. In interpreting the data, a higher chi result shows greater variation between the expected and observed responses. The researcher used a 0.05 significance level implying that just a 5% chance that the statistical significance emerged from random chance. Therefore, with P value greater than or equal to 0.05, then the researcher concluded that the in-store promotion

variable had a significant influence on the consumer purchase decision. The results are tabulated as follows:

Table 4.9 Chi-square Test Results for In-store Promotions

Variable	Mean	P-Value
Free samples	2.59	0.001
In-store visibility	2.99	4.230
Discount coupons	3.42	1.137
Price-off promotions	3.77	0.0001
Membership programs	2.92	0.217
Cash-back promotions	3.17	0.022
Demonstration	3.04	0.440
Free trial product upon purchasing another product	3.03	0.005
Buy-one-get-one free promotions	3.35	6.904
Sweepstakes	3.38	9.400
At the counter display promotions	3.25	0.884
In store promoters	3.58	0.039

From the Chi-square test analysis, majority of the respondents had a little extent to make a purchase decision due to free samples (0.001634), discount coupons (1.13674E-05), price-off promotions (0.000103628), membership programs (0.217044), cash-back promotions (0.02189), and demonstration (0.43488). The results also showed that the respondents had a great extent to make a purchase decision due to in-store visibility (4.23E-05), buy-one get-one free promotions (6.9039E-13), and sweepstakes (9.39791E-05).

Table 4.10 Chi-square Test Results for Customer Purchase Behavior

Questions	Mean	P-value
Price Reduction Extent you are likely to buy more of a product when there is a price reduction promotion.	2.62	7.77E-05
Extent to which price determine your purchase behavior	3.24	1.41499E-10
Extent to which you would buy a substitute product if the price is lowered	3.00	0.001745
Extent to which you would stick to your brand even if the price of substitute product is lowered	3.21	5.76324E-10
Extent to which you would consider the value of the product over the price	3.18	7.58264E-09
In-store promoters Extent to which promoters at supermarkets influence your purchase behavior of a product	3.45	0.002755
Extent to which you buy more when there is a promotion to win something	3.63	0.003868
Extent to which you buy a product when there is a free item to try with the product	3.68	0.039
Extent to which you are willing to purchase more of a product if you will receive a free gift	3.82	0.005581
In-store visibility Extent to which you buy something because you have seen it (I see it, I buy it)	2.79	0.44606
Extent to which you buy now and think about what you bought	3.14	1
Extent to which items visibility influences your purchasing intentions	3.08	0.007526
Extent to which you buy a product because it has a sale sign	3.46	0.123485
Extent to which you are likely to buy a product when you see an interesting offer sign	3.25	2.061E-05
Extent to which you enter a supermarket because it has an eye-catching window display or a promotional signage	3.45	0.009823

The chi-test results revealed that majority of the respondents had a little extent to which price determined their purchase behavior (1.41499E-10), promoters at supermarkets influenced their' purchase behavior of a product (0.002755), they were likely to buy more when there is a promotion to win something (0.003868), buy a product when there is a

free item to try with the product (0.039), willing to purchase more of a product if they received a free gift (0.005581), buy something because they have seen it (I see it, I buy it) (0.44606), buy now and think about what they bought (1), the way items are visible influenced their purchasing intentions (0.007526), buy a product because it had a sale sign (0.123485), and enter a supermarket because it has an eye-catching window display or a promotional signage (0.009823). The findings also showed that respondents had a great extent to buy more of a product when there is a price reduction promotion ($7.77E-05$), stick to their brand even if the price of substitute product was lowered ($5.76324E-10$), consider the value of the product over the price ($7.58264E-09$), and buy a product when they saw an interesting offer sign ($2.061E-05$).

4.6 Discussion

The objective of the study was to assess the effect of in-store promotion on consumer purchase decisions in multinational supermarkets in Nairobi County. With the help of descriptive and inferential statistics, the researcher explored the effect of in-store promotion on consumer purchase intentions. The results were described as follows:

4.6.1 Effect of In-store Promotion on Consumer Purchase Behaviour

The descriptive results revealed that in-store promotion strategies had different effects on consumer purchase behavior. For instance, buy-one get-one free promotions had the greatest effect on consumer purchase behavior since most of the respondents said they had a very great extent of making a purchase decision if they would get a free product after buying one. Demonstrations had the least effect on consumer purchase decision because majority had a moderate response. Then, Sweepstakes had the greatest no effect

on the consumer purchase intentions since majority of the respondents reported they had no extent of purchasing a product when sweepstakes are provided.

In reference to inferential statistics, the researcher had postulated that results showing a P value more or equal to 0.05 would mean the variable had a significant effect on the purchase intention/behavior. In agreement with the descriptive statistics, buy-one get-one free had a significant and positive effect on the on consumer purchase decision by a P value of 6.9039E-13, which is far greater than 0.05. Sweepstakes had the greatest P-value, though negative effect with 9.39791E-05. In-store visibility also had a significant effect with a p-value of 4.23E-05. At the counter promotions (0.884028), discount coupons a P value of (1.13674E-05), and membership programs (0.217044) also had significant influence on the respondent purchase intentions. However, free samples had a 0.001634, price-off promotions 0.000103628, membership programs 0.217044, in-store promoters 0.039, and free trial product upon purchasing another product 0.004631 had no significant effect on respondents' purchase decision. These results are consistent with Yang and Lee (2016) who found that in-store promotion strategies had different levels of inducement on purchase behavior. The findings also agree with Kiran, Majumdar and Kishore (2012) who noted that in store promotion was critical in informing consumer purchase decision.

4.6.2 Effect of Price Reduction, In-Store Promoters, and In-Store Visibility on Purchase Decision

Concerning consumer purchase behavior, the researcher investigated three variables including price reduction, in-store promoters, and in-store visibility. The descriptive findings revealed that most of the respondents had a very great extent of making a purchase decision given a price reduction. Specifically, what influenced the respondents' purchase behavior most was the presence of a price reduction promotion since majority of the respondents reported a very great extent to making a buy decision. Unfortunately, many had a moderate extent if the price of a substitute product is lowered. The researcher also found that with the presence of in-store promoters, most of the respondents had a moderate reaction. In fact, majority had no extent of buying due to the presence of promoters in the supermarkets. With in-store visibility, majority of the respondents said they had a great extent to make a purchase. However, a considerable number that cannot be ignored had a moderate extent of buying due to in-store visibility.

The inferential statistics revealed that price reduction had a significant influence on the respondents' purchase decision by an average P-value of 4.51(>0.05). They also showed that in-store promoters had no significant effect on respondents' purchase behavior since the average P-value was 0.013, which was below the significance level of 0.05. In-store promotion had a significant effect on the respondents' purchase behavior since the average P-value was 0.611 (>0.05). These findings are consistent with Ngugi (2011) who found that promotion strategies increased customer purchases and sales and Wangari (2018) who noted that promotional strategies as part of the 4 P's was instrumental in creating positive customer behavior towards purchase of products and services.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the study's findings. Recommendations are also given for the multinational supermarkets and for future studies. The chapter also presents the limitations of the study.

5.2 Summary

The objective of the study was to assess the effect of in-store promotion on consumer purchase decisions in multinational supermarkets in Nairobi County. Specifically, the researcher was interested in determining how different promotions including free samples, in-store visibility, discount coupons, price-off promotions, membership programs, cash-back promotions, demonstration, free trial product, buy-one get-one free, sweepstakes, at the counter display, and in-store promoters influenced respondents' consumer purchase intentions. The researcher also investigated how price reduction, in-store promotion, and in-store visibility affect consumer purchase behavior. The researcher used theoretical and empirical review to study the background of consumer purchase decision and behavior. With the help of descriptive and inferential statistics, the researcher explored the effect of in-store promotion on consumer purchase intentions in multinational supermarkets in Nairobi County. The findings revealed that in-store promotion has a significant effect on in multinational supermarkets in Nairobi County.

5.3 Conclusion

Concerning in-store promotion, multinational supermarkets should capitalize on the use of buy-one get-one free promotions. This is because most of the respondents said they had a very great extent of buying when given free items after making a purchase. By leveraging on buy-one get-one free promotions, multinational supermarkets can increase their customer base, raise their volumes of sales, and ultimately make more profits. In reference to demonstrations, better strategies should be put in place to make them attract such that they can catch the attention of the customers. This will make those who feel moderately influenced to make the purchase decision. Concerning sweepstakes, multinational supermarkets can consider scrapping them off since most respondents claimed that they had no extent of making a purchase in this regard. Maybe they can do away with sweepstakes and use the resources on buy-one get-one free promotions. Regarding consumer purchase behaviour, it can be concluded that price reductions influence consumers into making purchases, both from descriptive and inferential statistics.

5.4 Recommendations

This study recommends that; multinational supermarkets can capitalize on reducing prices, especially when introducing new products into the market or when trying to promote slow moving products. Since consumers did not seem to be moved to substitute prices if their prices are lowered, multinational supermarkets can just concentrate on other promotions that seem to be working like price reductions. Given that many had not made up their minds regarding in-store promoters, multinationals can capitalize on this

decision and strategize to make the undecided consumers to move to the very great extent of making a purchase decision. Multinational supermarkets can also improve their in-store visibility to ensure their displays are attractive enough. The moderate group can also be wooed to join the very great extent group through provision of better visibility to new products and items on high demand.

5.5 Limitations

The major limitation of the study was concentration on only multinational supermarkets and not the local ones. However, given that the researcher had conducted a background search, then the results can be generalized to the local supermarkets. The other limitation was that some respondents did not fill the questionnaires whereas others filled them wrongly such that they were disqualified. Again, the fact that Choppies has had challenges operating in the Kenyan market affected data collection since it was hard finding customers who shop there to get their views.

5.6 Suggestions for Further Studies

Future studies can study the effect of in-store promotion on consumer purchase decision among local supermarkets. In future, researchers can concentrate on one variable such as the in-store visibility and get an in-depth understanding of its influence on consumer buying intentions. Furthermore, researchers conduct a similar study but change the methodology; for instance, they can use explanatory research design instead of the descriptive one.

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APPENDICES

APPENDIX I: QUESTIONNAIRE

The following questionnaire is aimed at establishing the effect of in-store promotion on consumer purchase behavior in multinational supermarkets in Nairobi County. It is divided into three sections and will consume about 10 minutes or less of your time. The information you give will be used for the purpose of this research alone and will not be shared. The respondents will be anonymous. Any answer you give will be helpful in this research.

Section A: Demographic Information

1. Gender Male Female
2. Citizenship Kenyan Non-citizen
3. Age
18-40 years , 41-50 years , 41-50years , 55+ years
4. Education
Secondary Diploma Degree Masters PhD
5. Marital status
Unmarried Married Living with Partner Separated Divorced
6. Monthly Income
0-40,000 40,000-80,000 80,000-120,000 120,000-160,000 160,000 and above
7. Religion
Christianity Islam Hinduism Atheist Others

Section B: In-Store Promotion

To which extent does each of the following promotion influence your purchases decision.
Tick appropriately.

	No Extent	Little Extent	Moderate	Great Extent	Very Great Extent
Free samples					
In-store visibility					
Discount coupons					
Price-off promotions					
Membership programs					
Cash-back promotions					
Demonstration					
Free trial product upon purchasing another product					
Buy-one-get one-free promotions					
Sweepstakes					
At the counter display promotions					
In store promoters					

Section C: Consumer Purchase Behavior

This section asks you to tell the extent to which the following factors influence your decision to buy. Tick appropriately.

	No Extent	Little Extent	Moderate	Great Extent	Very Great Extent
Price Reduction To what extent are you likely to buy more of a product when there is a price reduction promotion?					
To what extent does price determine your purchase behavior?					
To what extent would you buy a substitute product if the price is lowered?					
To what extent would you stick to					

your brand even if the price of substitute product is lowered?					
To what extent do you consider the value of the product over the price?					
In-store promoters To what extent do promoters at supermarkets influence your purchase behavior of a product?					
To what extent do you buy more when there is a promotion to win something?					
To what extent do you buy a product when there is a free item to try with the product?					
To what extent are you willing to purchase more of a product if you will receive a free gift?					
In-store visibility To what extent do you buy something because you have seen it (I see it, I buy it)?					
To what extent do you buy now and think about what you bought?					
To what extent is the way items are visible influences your purchasing intentions?					
To what extent do you buy a product because it has a sale sign?					
To what extent are you likely to buy a product when you see an interesting offer sign?					
To what extent do you do you enter a supermarket because it has an eye-catching window display or a promotional signage?					