

THE EFFECT OF SALES PROMOTIONS ON YOUNG CUSTOMERS' SATISFACTION AND PURCHASING INTENT: A CASE STUDY OF MTN CUSTOMERS – CURRENT STUDENTS IN ADVENTIST UNIVERSITY OF CENTRAL AFRICA

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Abstract

In nowadays' business globe completion, customers are equated with kings. Surely, without its customers, business cannot exist. Customers exercise a high level of influence in the market with respect to the quality, price and the size of the product; since they have numerous choices to make among substitute products. That's why, in order to stay competitive, companies have to not only meet customers' needs, but to even exceed customers' expectations. One of the solution means is that, companies give promotions to their customers, since the purpose of promotion is to reach the targeted consumers and persuade them to buy. Therefore, the aim of this paper is to determine the effect of sales promotions on young customers' satisfaction and purchasing intent. This study used descriptive and correlation research design. The survey method was used in gathering information from the respondents. Simple random sampling was used to select a sample size of 100 young Adventist University of Central Africa (AUCA) students who are customers of mobile telephone network "MTN" Rwanda. Data collection was made using self-structured survey questionnaire and data statistical analysis was conducted with the aid of SPSS software version 22. As the results, the research found a significant relationship between MTN sales promotions and young customers satisfaction and purchasing intent, and this is based on a Pearson correlation coefficient of 0.940 ($p < .000$). On the other hand, weaknesses were found and relevant recommendations were given to MTN Rwanda.

Keywords: Sales promotion, customer satisfaction, purchasing intent

Introduction

Sales promotion consists of a variety of incentive tools, mostly short term, that are used to stimulate consumers and/or dealers to accelerate the purchasing process or to increase quantities of sales (Kotler & Armstrong, 2010). From that, Sales promotion includes tools for consumer promotion (for example samples, coupons, prizes, cash refund, warranties, demonstrations, contest); trade promotion (for example buying allowances, free goods, merchandise allowances, cooperative advertising, advertising and display allowances, dealer sales contests); and sales-force promotion (for example bonuses, contests, sales rallies). In fact, Sales promotion efforts are directed at final consumers and designed to motivate, persuade and remind them of the goods and receives that are offered (Sakara, 2014). According to Kotler (2002), sales promotion affects positively customer satisfaction. In the light of that, it is true that the main aspect of customer satisfaction is the emotions evoked by the customer experience

combined with the organization's strong reputation. Without that emotional bond which is essential to retain customers, customer loyalty will be impossible. Moreover, customer satisfaction is important to most companies because the cost of acquiring a new customer is greater than the cost of maintaining a relationship with a current customer. Thus, organizations need to retain existing customers while targeting noncustomers.

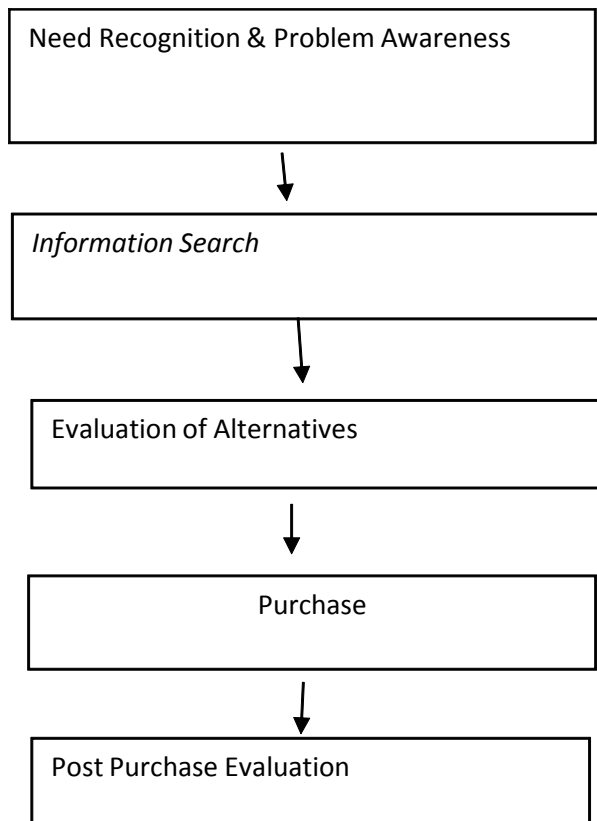
Customer satisfaction is a marketing measure measuring how products and services supplied by a company meet or surpass customer expectations. From that, measuring customer satisfaction provides an indication of how successful the organization is at providing products and/or services to the marketplace.

In addition to that, Familmaleki, Aghighi, and Hamidi (2015) argued that Sales promotions are structured marketing efforts that reward, and therefore encourage, customer purchasing intent. From that, the following figure was designed to show the



process by which a consumer makes a decision on what to buy and on which quantity.

Purchasing Intent



As shown in the figure above, customers go through the five-stage decision making process in any purchases made. However, customers may sometimes skip some of the stages because of different reasons. This buying process begins with need recognition

resulting from attractiveness of the product advertised. From that, the customer is moved on the next stage of searching information about the appreciated product. On that, the customer may get information from many resources such as family, friends, specialist magazines, etc. Then the next stage is the evaluation where the customer chooses the alternatives or substitute available in the market. After gathering all necessary information now it is for the customer to decide either to buy the product or not. Sometimes the customer makes the purchasing intent but never concludes it because of other related situation.

MTN Rwanda Promotions

MTN Rwanda is one of the three telecommunication companies currently operating in Rwanda. From 1998 up to 2008, MTN was a single Rwandan telecommunication company. On all those 10 years (1998-2008), it was the only one telecommunication company controlling the market; but in some few years later “TIGO (2009) and AIRTEL (2012)” were started and they began to seriously compete with MTN and thus sharing customers. From that time, due to that broom competition, MTN Rwanda, trying to stay competitive, it came up with many types of sales promotions, as shown in figure 1:

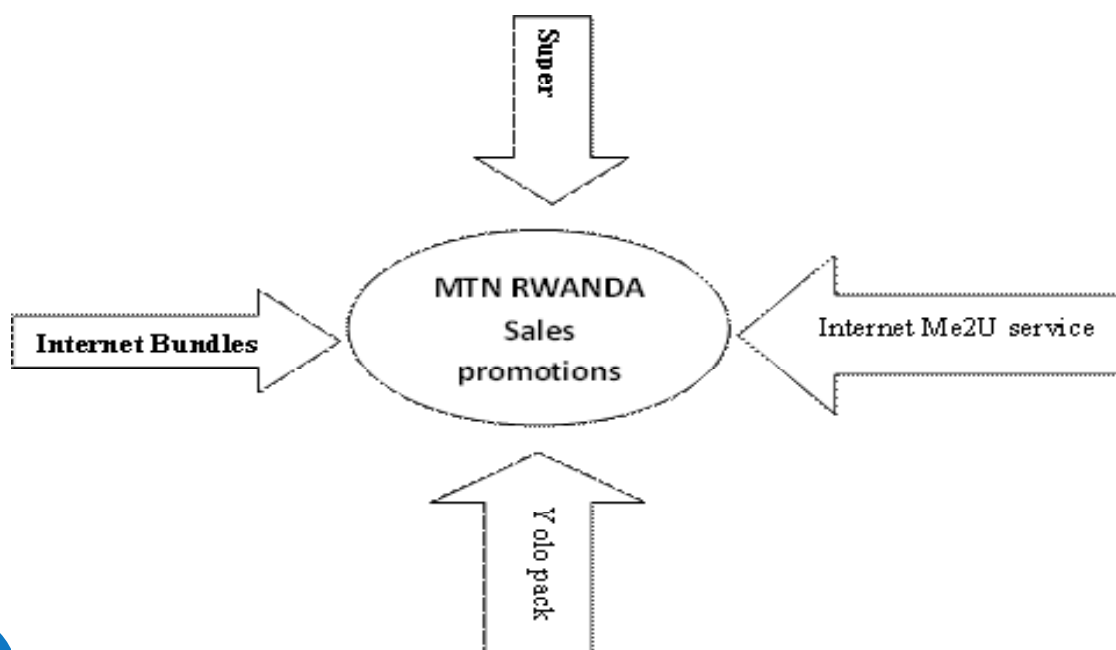


Figure 1. MTN Rwanda sales promotions in the year 2018

MTN Internet Bundles

MTN Internet bundles & packs are used specifically for internet. Bundles give a specific capacity of data that can be used for a long period. However, the purchased data capacity may get exhausted earlier depending on the customer usage. Currently (in the year 2018, while the exchange rate of \$ 1= Rwf 870), the cheapest internet bundle is set at Rwf 50 and gives 5MB which is daily and the highest is Rwf 30,000 that gives 3GB/Day for the whole month; but all those bundles are available for pre-paid customers only. The validity of daily bundles is 24 hours. The validity of 500MB is 7 days and 3GB is 30 days. This means that if a customer buys a 500MB bundle and they do not use it up within 7 days, it will be deactivated and they will have to buy another bundle or use the out of bundle rate. Notice that to buy a bundle, a customer must have sufficient airtime.

On the other hand, Internet Packs are subject to a fair use policy of 1GB per day, 1.5GB per day and 3GB per day. Once customers have fully exhausted their daily data limit, they will be notified and be charged from their main account. Bundles/Packs Offers do not apply to Blackberry handsets.

MTN Supa Packs

These are Local (on net) supa pack MTN to MTN, MTN to Airtel/Tigo and International supa pack. For Local (on net) supa pack MTN to MTN, generally, with only 100 Rwf you get ten minutes and ten sms, with 150 Rwf you get twenty minutes and twenty sms, with 350 you get sixty minutes plus twenty-five sms and with 500 Rwf you get hundred minutes and twenty sms ; at eight hundred Rwf they give you one hundred ninety minutes and thirty sms, with one thousand you get three hundred and twenty minutes and fifty sms, at one thousand and five hundred you gain five hundred minutes and sixty sms, all those packs last for twenty-four hours.

For Local (off net) supa pack MTN to Airtel/Tigo, at one hundred fifty Rwandan francs you get five minutes, at three hundred you get eleven minutes and with five hundred they give you nineteen minutes. All those packs last for twenty-four hours and they are for MTN via Airtel and Tigo.

While for International supa pack, at five hundred Rwandan francs you obtain twenty minutes and you can call in China, USA, Canada and India. At five

hundred you get ten minutes and you call in France, Germany, Sweden, Spain, Belgium, UK and Netherlands. At one thousand you get fifty minutes to call in China, USA, Canada and India. At one thousand you get twenty-five minutes to call in France, Germany, Sweden, Spain, Belgium, UK, and Netherlands all the above packs are for twenty-four hours. At five thousand you get two hundred and forty minutes to call in USA, China, Canada and India. At five thousand you get one hundred twenty minutes to call in France, Germany, Sweden, Spain, UK, Belgium and Netherlands, those packs of five thousand last for one month.

Internet Me2U service

MTN internet me2u service ensures that no one ever runs short of mobile internet. With this innovative service, subscribers can now gift or ask for internet bundles from their friends or family when in need anytime and anywhere. To Gift Internet means you can transfer Internet bundles to your friend.

There are no charges for receiving Internet bundles. Gifted Internet is valid as per the defined validity. This will be credited in a dedicated account and not in the main account. Internet bundles once Gifted cannot be returned. But, you can ask your friend you gifted to send it back to you and he/she will have it deducted from their airtime balance. If the receiver is not an MTN Rwanda subscriber, the transaction will be unsuccessful and your airtime balance will not be deducted.

Yolo pack

“Yolo, go be great,” the campaign targets for the age 25 & below group, offering them access to a unique platform that includes an exciting voice and data offering called the Yolo Pack. The campaign and the offer tied to it, aims to create an enhanced user-experience for the youth segment. The value behind Yolo is that MTN is able to give the Youth flexible packages to live in a digital world with the affordable packs, and to connect to anyone at any time due to the extensive network. From that, it is true that Yolo isn't just about fun. By providing this service MTN promises to the youth their journey of discovery, in being who they want to be, in establishing their greatness and embracing their future. MTN is the enabler for an enhanced lifestyle helping young people both advances their journey to progress and live fuller, brighter



lives.

On Yolo pack, MTN provides two services: Voice offer and Data offer. **On voice offer**, with one hundred Rwandan francs you get twenty-five minutes for calling and fifteen sms; this pack last twenty-four hours. And with five hundred Rwandan franc you obtain a hundred minutes and twenty-five sms that are used in seven days, meaning in one week.

On data offer, With fifty Rwandan francs you get twenty MBs and ten sms; with one hundred you get fifty MBs and fifteen sms, and all those packs are for twenty-four hours. At five hundred you get two hundred MBs and twenty-five sms for the whole week. With one thousand you get six hundred MBs and thirty sms that are used for the whole month. You can buy more than one yolo pack since the talk time minutes and data MBs are cumulative. As mentioned above yolo is a product designed for the youth from the age of 25 and below, meaning, anyone above 25 years of age is not eligible to use or consume Yolo packs.

Objectives of the Study

1. To examine the effect of MTN Rwanda sales promotion schemes on customer satisfaction with reference specific of young customers who are students at AUCA.

2. To find the effects of sales promotion schemes on customer purchasing intent as influenced by their satisfaction

Research Methodology

Research Design and Sample Size

The design of the present study is descriptive and correlational in nature. The sample size is 100 MTN Rwanda customers, and it comprised of the young respondents (not above 25 years old) who are students at the Adventist University of Central Africa (AUCA).

Data Collection

The questionnaire is split into three sections. First section deals with demographic profile, Second section is related to sales promotion factors and the last section deals with customers' satisfaction and their purchasing intent. The questionnaire is a five point scales rating from strongly disagree, Disagree, Neutral, Agree, and Strongly Agree. The data was collected from 100 students who are customers of MTN and they were chosen randomly at Adventist University of Central Africa.

Findings

Table 1

Age and Marital Status of Respondents

		Frequency	Percentage
Age	Less than 20	42	42
	20-25 years	58	58
Marital status	Single	88	88
	Married	12	12

Table 1 shows the age group of respondents, 42% was below 20 years old, 58% were between 20-25 years. The result indicates that all the selected respondents were young students (less than 25 years old) who are customers of MTN Rwandacel Ltd. And the data showed that 88% of them were single, while 12% were married.

Table 2

Perception of Respondents on Internet Bundles

Statements	Mean	SD	Comment
Internet bundles provided by MTN are on the affordable cost.	3.99	0.36	Very strong Homogeneity
In our days MTN is improving its services on internet bundles.	3.98	0.24	Very strong Homogeneity
I am satisfied with how quick the internet bundles provided by MTN is.	2.17	1.035	Weak Heterogeneity
Overall	3.38	0.54	Strong Homogeneity

Note on mean: 1.00-1.49=very weak, 1.50-2.49=weak, 2.50-3.49=strong, 3.50-5.00=very strong.

Table 2 gives a summary of the respondents' perception on internet bundles delivered by MTN Rwanda. Even though the table shows an overall mean of 3.38 on internet bundles; the sub-items with the highest mean is that MTN performs provide promotions that are affordable, "strong mean of 3.99" and SD of 0.36 which is homogeneity, followed by the statement saying MTN is still improving its services on internet bundles with a strong mean of 3.99 and SD of 0.24 which is homogeneity. But finally customers showed a weakness in the quickness of internet connection MTN provides to customers. And this is supported by a found weak mean of 2.17 and SD of 1.035 which is heterogeneity.

Table 3 gives a summary of the respondents'

Perception of Respondents on MTN Sales Promotions

The respondents were asked to give their views on MTN Sales promotions and the results are given below:

perception on MTN supa pack promotions. The table shows an overall mean of 3.99 on supa pack. The sub-items with the highest mean is that the supa pack is a good sales promotion customers really appreciate with a strong mean of 4.04 and SD of 0.28 which is homogeneity. Again customers are satisfied with the fairness of supa pack promotion given by MTN with a strong mean of 3.97 and SD of 0.30 which is homogeneity; and finally the customers agreed that the cost of supa pack is affordable with a mean of 3.96 and SD of 0.40 which is homogeneity. Meaning that, basing on the above findings, the respondents agreed that they don't have any problem with MTN supa pack promotion.



Table 3

Perception of Respondents on SupaPpack

Factors	Mean	S.D	Comment
MTN SUPAPACK is a good sale promotion that I appreciate.	4.04	0.28	Very strong Homogeneity
I am satisfied with the fairness of Supapack promotion given by MTN Rwanda.	3.97	0.30	Very strong Homogeneity
The cost of MTN SUPAPACK is affordable.	3.96	0.40	Very strong Homogeneity
Overall mean of supa pack	3.99	0.32	Very strong Homogeneity

Note on mean: 1.00-1.49=very weak, 1.50-2.49=weak, 2.50-3.49=strong, 3.50-5.00=very strong.

Perception of Respondents on Internet Me2u

gives a summary of the respondent's responses on internet me2u as a contribution to customer satisfaction.

Internet me2u is a promotion provided by MTN on an internet for sharing with friends. Table below

Table 4

Perception of Respondents on Internet Me2u

Factors	Mean	S.D	Comment
MTN Internet me2u is the most promotion that is appreciable.	3.95	0.29	Very strong Homogeneity
I am satisfied with the fairness of internet me2u promotion provided by MTN Rwanda.	4.01	0.17	Very strong Homogeneity
Overall mean of internet me2u	3.98	0.23	Very strong Homogeneity

Note on mean: 1.00-1.49=very weak, 1.50-2.49=weak, 2.50-3.49=strong, 3.50-5.00=very strong.

Table 4 gives a summary of the respondents' responses on internet me2u promotion for satisfying customers of MTN Rwanda. The table shows an overall mean of 3.98 on internet me2u. The sub-items with the highest mean is that the internet me2u is a fair promotion that satisfies customers with a strong mean of 4.01 and SD of 0.17 which is homogeneity, and finally customers agreed that they really appreciate the internet me2u promotion given by MTN with a strong mean of 3.95 and SD of 0.29 which is homogeneity. Based on the above findings, respondents agreed that they are

satisfied with and really appreciate the MTN internet me2u promotion.

Perception of Respondents on Yolo pack

Yolo pack is promotion provided by MTN to young people who are under 25years old on calls, sms and internet. Table 3 gives a summary of the respondent's responses on Yolo pack as a contribution to customer satisfaction.

Table 5

Perception of Respondents on Yolo pack

Factors	Mean	S.D	Comment
YOLO pack is the cheapest sales promotion to young people that I appreciate.	3.99	0.26	Very strong Homogeneity
I am satisfied with the reliability of yolo pack promotion given by MTN Rwanda.	3.97	0.38	Very strong Homogeneity
I am satisfied about how MTN cares young people through yolo pack.	3.98	0.31	Very strong Homogeneity
Overall mean of Yolo pack	3.98	0.31	Very strong Homogeneity

Note on mean: 1.00-1.49=very weak, 1.50-2.49=weak, 2.50-3.49=strong, 3.50-5.00=very strong.

Table 5 gives a summary of the respondents' perceptions on yolo pack promotion for satisfying customers of MTN Rwanda. The table shows an overall mean of 3.98 on yolo pack. The sub-items with the highest mean is that the yolo pack is the cheapest promotion to young people with a strong mean of 3.99 and SD of 0.26 which is homogeneity, followed by that customers are satisfied with the reliability of yolo pack promotion given by MTN with a strong mean of 3.97 and SD of 0.38 which is homogeneity, and finally the customers agreed that they are satisfied with how MTN cares young people with a mean of 3.98 and SD of 0.31 which is homogeneity. From that, basing on the above findings, respondents are satisfied with yolo pack promotion offered by MTN Rwanda.

Perception of Respondents on Customer Satisfaction and Purchasing Intent

This part analyzes the research questions focusing on customer satisfaction. The questions deal with the perception of the surveyed respondents on the effect of MTN Rwanda sales promotions provision on customer satisfaction. Hence the results are documented in the subsequent tables.

Perception of Respondents on Customer Satisfaction (Loyalty and Commitment)

Table 6 gives a summary of the respondents'



responses on customer loyalty as a determinant of customers' satisfaction.

Table 6

Perception of Respondents on Customer Loyalty

Factors	Mean	SD	Comment
I will always use MTN services because of its customer focus.	3.95	0.35	Strong Homogeneity
I continue to encourage others to become MTN customers because of its incomparable sales promotion.	3.90	0.14	Strong Homogeneity
I am very attracted by MTN Rwanda because of bonuses that they provide to me.	4.04	0.19	Strong Homogeneity
Overall mean of customer loyalty	3.99	0.22	Very strong Homogeneity

Note on mean: 1.00-1.49=very weak, 1.50-2.49=weak, 2.50-3.49=strong, 3.50-5.00=very strong.

Table 6 gives a summary of the respondents' perception on customer loyalty. It shows the average mean of 3.99. The sub-item with the highest mean is that customers agreed that they are loyal because of bonuses they gain from MTN and this is supported with a strong mean of 4.04 and SD of 0.19. The second items which is the incomparability of MTN promotions and this scored a strong mean of 3.98 and SD of 0.14 which is homogeneity; on the last item it was found that customers are loyal to MTN because of their customer focus, and this scored a strong mean of 3.95 and SD of 0.35 which is homogeneity. Based on the above findings, the respondents agreed that they are loyal to the

MTN Rwanda because of their sales promotions. And this is very nice since as supported by Zairi (2000), a satisfied customer is six times more likely to repurchase a product and share his experience with five or six other people. From that it is true that, with higher customer satisfaction the level of loyalty increases.

The following table gives a summary of the respondent's responses on customer commitment as a determinant of customer satisfaction. The sub-items of accessibility looked at the depth of satisfaction to customers; therefore, the results in terms of mean scores are presented and interpreted.

Table 7

Perception of Respondents on Customer Commitment

Factors	Mean	SD	Comment
I will always use MTN services because of its fair sales promotions.	4.01	0.17	Very strong Homogeneity
I am committed to MTN because of its affordable services costs.	2.09	0.96	weak Heterogeneity
Overall mean of customer commitment	3.05	0.56	strong Homogeneity

Note on mean: 1.00-1.49=very weak, 1.50-2.49=weak, 2.50-3.49=strong, 3.50-5.00=very strong.

Table 7 gives a summary of the respondents' perceptions on customer commitment as a determinant of customer satisfaction through sales promotions. The table above shows an average strong mean of 3.05 on customer commitment. The sub-items with the highest mean is that customers are committed to MTN because of the fairness of its sales promotions, this is scored with a mean of 4.01 and SD of 0.17 which is homogeneity, but finally customers highlighted a weakness of high costs MTN charges while providing services. This is supported by a weak mean of 2.09 and SD of 0.96

which is heterogeneity. This may even be the reason why as observed, all targeted respondents apart from the MTN Sim card they having, they also have Sim cards of other Telecommunication companies they are using to access cheaper services.

Perception of Respondents on Purchasing Intent

Table below gives a summary of the respondents' perception on customer trust as one of determinants of customers' satisfaction.

Table 8

Perception of Respondents on Intention to Repurchase

Factors	Mean	SD	Comment
Due to the satisfaction I gain from MTN promotions I will continue to purchase their services.	4.0	0.20	Very strong Homogeneity
I will always enjoy MTN sales promotions by buying their services.	4.0	0.14	Very strong Homogeneity
The fairness of MTN services encourages me to always repurchase their services.	3.98	0.20	Very strong Homogeneity
Overall mean of intention to repurchase	3.99	0.18	Very strong Homogeneity

Note on mean: 1.00-1.49=very weak, 1.50-2.49=weak, 2.50-3.49=strong, 3.50-5.00=very strong.



Table 8 gives a summary of the respondents' perception on the intention to repurchase MTN services. The overall strong mean on customer trust is 3.99. The sub-item with the highest is the satisfaction that customers gained from MTN promotions, which scored a mean of 4.0 and SD of 0.20 which is homogeneity. On the second item, the respondents agreed that they will always enjoy MTN services by buying their services. This scored a strong mean of 4.00 and SD of 0.14 which is homogeneity. And finally customers agreed that the fairness of MTN's sales promotions encourage them to repurchase their services, with a mean of 3.98 and SD OF 0.20. Based on the above findings, the majority of respondents agreed that they will continue to buy MTN services because they are satisfied with their sales promotions.

Test of Relationship

Correlation was tested to provide the measure of

Table 9

Correlation of Variables

Factors		Sales Promotion	Customer satisfaction and Purchasing Intent
Sales promotions	Pearson Correlation	1	.940**
	Sig. (2-tailed)		.000
	N	100	100
Customer satisfaction and purchasing intent	Pearson Correlation	.940**	1
	Sig. (2-tailed)	.000	
	N	100	100

****.** Correlation is significant at the 0.01 level (2-tailed).

Conclusion

The main purpose of this study was to find out the effect of MTN Rwanda sales promotions on its customers' satisfaction and purchasing intent. The study was conducted in young students of AUCA who are customers of MTN Rwanda. After analyzing the data collected, the findings revealed that MTN Sales promotions contribute effectively to their customers' satisfaction and purchasing intent. The respondents perception shows that because of sales promotions: such as Internet

relationship between Independent Variables (Internet bundles, Supa pack, Internet me2u, Yolo pack) and Dependent Variables (customer commitment, customer loyalty and intention to repurchase). The information retrieved from data was inputted in SPSS.

After relating MTN sales promotions (Internet bundles, Supa pack, Internet me2u, Yolo pack) with customer satisfaction and purchasing intent (Customer Commitment, Customer Loyalty and Intention to repurchase); the results indicated that at MTN Rwanda, sales promotions have a positive correlation on their Customers' satisfaction and Purchasing intent (supported by a Person correlation of 0.940**). And basing on the sig of .000 which is less than 0.01, the found correlation is significant. And from that, it is true that MTN Rwanda sales promotions have a significant role in their customers' satisfaction and purchasing intent.

bundles, Supa pack, Internet me2u and Yolo pack; MTN Rwanda customers are committed, loyal and they have the intention to repurchase their products. This was supported by the found positive Pearson correlation .940** together with a Sig. (2-tailed) of .000, highlighting a significant relationship among MTN Rwanda sales promotions with their customers' satisfaction and purchasing intent.

On the other hand, some weaknesses were found in MTN Rwanda. Based on the results from findings, the internet offered by MTN is not quick as

wished by their customers. In addition to that, respondents don't afford the MTN services due to higher cost MTN Rwanda charges comparing to other Rwandan Telecommunication companies. It from that reason as observed, all the 100 customers who responded on the questionnaire, had other telecommunication companies' Sim-cards their use when it comes to need of quick network connection or to services which seems to be cheaper comparing to the ones of MTN.

Recommendations

As mentioned, MTN Rwanda sales promotions have a significant relationship on their customers' satisfaction and purchasing intent. However, for remaining competitive, MTN Rwanda should do all their best to increase the speed of the internet connection they are offering to their customers. In addition to that, MTN Rwanda should reduce the cost of their services as possible as they can.

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