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**ABSTRACT**

*The general objective of this study was to evaluate the effect of strategic promotional activities on customer purchasing behavior in relation to Zuku, Kenya. The study adopted a descriptive research design to collect the views of the respondents on the variables: advertisements, price discounts, loyalty programs and giveaways and their effect on customer purchasing behavior. The target population in this study comprised of all subscribed Zuku customers, dealers and retailers in Kenya. Zuku had 300,000 subscribed customers, dealers and retailers in Kenya. The unit of analysis was customer, dealers and retailers registered as Zuku subscribers in Kenya. A sample of 342 Zuku customers, dealers and retailers was selected from the list of registered Zuku subscribers in Kenya, obtained from Wananchi Group, Zuku. Proportional allocation or Stratified random sampling was used to determine the sample size for each stratum. Primary data was collected through a self-administered semi-structured questionnaire and secondary data relevant to this study was collected from sales reports, call center reports, journals and various internet sources. The questionnaires were pre-tested with one customer and one dealer in Uganda (Zuku's second largest market), to ensure that the instrument was reliable. Data analysis using descriptive statistics was done using SPSS version 20 computer programme. All the measures of central tendency and measures of dispersion were utilized. In addition, multiple regression was used to explore the association between various elements in a variable and association between variables. The study established that strategic promotional activities had a significant impact on customer purchasing behavior in Zuku, Kenya. In specific, advertisements, price discounts, loyalty programs and giveaways explained 65.7 percent of the variance in customer purchasing behavior. The study recommended that Zuku, Kenya should in general employ a strategic mix of promotional activities to stimulate customer purchasing behavior. The study concluded that Zuku, Kenya should utilize giveaways as the main strategic promotional activity since they had the greatest effect on customer purchasing behavior, followed by loyalty programs, advertisement and finally price discounts in that order.*

**Key Words:** Advertisements, Price Discounts, Loyalty Programs, Giveaways, Customer Purchasing Behavior

## INTRODUCTION

Organizations in general aim at increasing sales and further maximizing profits and shareholder value; however, this is as a result of customers purchasing the organization's products or services. Today's customer purchasing behavior is quite complex due to increased consumerism hence it is now more vital than ever before for organizations to focus on understanding their target customer's buying behavior and respond to it with relevant strategic triggers or strategic marketing activities to influence purchase. Among the 4 P's of the marketing mix is a vital component; promotion (advertisements, price discounts, personal selling, sales promotion, giveaways and loyalty programs) that is known to assist in triggering a customer to purchase a product or service (Rong and Emine, 2014).

Promotion is fundamentally a tool to spread information about products and services available to customers (Gupta and Shallu, 2013). Today, promotion has evolved to encompass the coordination of all promotional activities (personal selling, advertising, sales promotion, publicity, public relation, point of purchase display, packaging, direct mail among other forms of Promotion) to produce a unified, customer-focused message (Ferrell and Hartline, 2008). Since promotions are one of the most noticed of marketing activities, promotion can greatly impact any organization's sales and overall sustainability. Strategic managers however, have frequently met the question 'how will this promotional activity influence the customer to purchase our product or service?' and in most cases, they are required to produce a rationale on choice of promotion activities and a projection on the possible effect on purchase. It is therefore imperative for Zuku, Kenya to understand the influence of its promotional activities on customer purchasing behavior.

Customer purchasing or buying behavior refers to the process of selecting, purchasing and disposing of goods and services according to the needs and wants of the consumers. It is the response or action that a consumer takes in making a purchase and strategic managers seek to encourage purchase as the final response (CIM, 2013).

The fundamental question for the strategic manager is; how do consumers respond to various marketing stimuli that the company might use? The stimulus-response model of buyer behavior postulates that marketing and other stimuli (4 P's; Product, Price, Place, Promotion and external environment forces; Political, Economic, Social, Technological, Ecological and Legal factors) enter the consumer's black box (special buyers' characteristics that strategic managers need to figure out) and yields certain responses (product choice, brand choice, dealer choice, purchase timing and purchase amount) (Kotler and Keller, 2006).

The study by Ismajli et al. (2013) in Kosovo conducted on 150 customers revealed that there was a significant positive correlation between promotional activities and customer purchasing behavior for both Bonita and Rugove water brands. Recommendations were made for the brands to employ advertisements through TV and radio since consumers were very much addicted to advertisement.

Yang (2009) conducted a study in Rama 2, Bangkok, Thailand on the Impact of Promotional Activities on Customer Purchasing Behavior at Tesco Lotus. The findings posited that Tesco Lotus employs various promotional activities including free samples, brochures, buy-one-get-one free, discount coupon, price-off, at the counter display, membership program, demonstration, cash-back, and bundled free trial promotions. Buy-one-get-one-free promotions were among the most liked and most successful of the promotion methods employed and sweepstakes and at the counter display promotions are among the

least liked and least successful of promotions employed, indicating that promotions which are most likely to influence consumer purchasing behavior are only those promotions which consumers like. The findings also indicated that there exists links between demographic characteristics and consumer purchasing behavior.

The PayTV and Telecommunication industry in Kenya is comprised of major competitors offering the same or similar products at the same or similar prices. It is therefore necessary for the various businesses in this sector to craft ways to gain a competitive edge and stand out from each other. With the recent and ongoing economic downturn, it is even more imperative that these organizations entice consumers into purchasing their products for them to maximize sales hence profits and shareholder wealth. It is therefore more important now that pay TV organizations, and in this case Zuku, Kenya, are able to deduce the effect that promotional activities have on customer purchasing behavior and how customers rank promotions relative to each other. Knowledge of how customers rank promotions relative to each other and how those promotions affect them will be useful in deciding which promotions need to be altered and which promotions should be employed and the frequency in which they should be run by organizations, strategic managers and business owners (Nielsen,2016).

### **Statement of the Problem**

Competition in many markets is fierce and the customer is king in a competitive market; hence businesses need to focus their attention entirely on the customer (Shamout, 2016). The main aim of strategic promotional activities is to ensure customers conduct exchanges (purchases) with the organization in a dynamic environment (Metin and Mustafa, 2015). There are some organizations that still do not believe in the power of strategic promotional activities in driving the purchase of its

products and or services. They therefore view strategic promotions as a waste of the organization's time and money and that strategic promotional activities do not at most times give the intended ROI (Rong and Emine, 2014). The finance function at Zuku, Kenya was usually at all times skeptical to issuing funds for strategic promotional activities by the organization as they struggle to decipher their effect on customer purchasing behavior (TNS, 2016).

The pay TV and Telecommunication industry in Kenya has undergone tremendous evolution over the last few years (Busayo, 2012). The Pay TV market in Kenya has traditionally been a hard nut to crack for players trying to break the dominance of well established brands like Multichoice (DStv) (Otieno, 2015). The cut-throat competition in the thriving Kenyan economy has forced pay TV and Teleco industry players to carry out substantial promotional activities to ensure their offering is the choice of the huge market in Kenya (Mogaka, 2014).

Several studies had been conducted on various promotional activities carried out by pay TV and Telecommunication companies, but none had specifically focused on determining the effect of promotional activities (advertisements, price discounts, loyalty programs and giveaways) on customer purchasing behavior in Zuku Kenya; hence this study sought to fill this research gap.

### **Objectives of the Study**

The general objective of this study was to assess the effect of strategic promotional activities on customer purchasing behavior in Zuku, Kenya. The specific objectives were:-

- To determine the effect of advertisements as a strategic promotional activity on customer purchasing behavior in Zuku, Kenya
- To examine the effect of price discounts as a strategic promotional activity on customer purchasing behavior in Zuku, Kenya

- To establish the effect of loyalty programs as a strategic promotional activity on customer purchasing behavior in Zuku, Kenya
- To assess the effect of giveaways as a strategic promotional activity on customer purchasing behavior in Zuku, Kenya

## LITERATURE REVIEW

### Theoretical Review

#### AIDA Theory

The phrase AIDA, in marketing communication was coined by American advertising and sales pioneer Elias. St. Elmo Lewis in the late 1800s. The model talks about the different phases through which strategic promotional activities lead a customer to go through before buying a product or service. According to him, most of the strategic managers follow this model to fetch more consumers for their product. Strategic managers use this model to attract customers to purchase a product. This model can be seen widely used in today's promotional activities.

The acronym AIDA stands for Attention, Interest, Desire and Action. These are the four stages that a consumer goes through when interacting with a promotional activity or effort.

According to Lewis, first and foremost, the role of promotional activities is to attract the customers. Once the promotional activity grabs attention, it has to invoke interest towards the product-in the minds of the consumers. After creating an interest, the activity has to bring desire in consumers mind to use the product and finally the consumer has to take a favorable action towards the product by ultimately purchasing the product. The ultimate goal of promotion is to have the consumer purchase a product or service.

#### Theory of Reasoned Action

The Theory of Reasoned Action was developed by Martin Fishbein and Icek Ajzen (Fishbein and Ajzen, 1980). This theory explains precisely how consumers lead informed purchase behavior and that people often make decisions based both on personal; and social attitudes. It elaborates that an individual's decision is influenced by two factors namely; a customer's personal attitude towards purchasing and their subjective norm. A customer's positive or negative attitude or perception about a certain object and not only their general attitude affect purchase behavior.

Subjective norm involves the social influences that may lead a person to behave in a certain way for example friends, family and work mates expectations. The social pressures put on the individual determine whether to for example purchase a certain product or service or not.

This theory therefore guides strategists to use strategic promotional activities that associate a product or service with a positive result, and that result must be specific. In addition, this theory highlights the importance of moving the consumers through the purchase funnel. Strategists must understand that the longer it takes to move a customer from the intention to buy until the action of buying allows the customer plenty of time to consult from peers, talk to themselves out of the need to purchase or question the outcome of the purchase.

#### Engel, Kollat, Blackwell (EKB)

The EKB theory expands on the Theory of Reasoned Action and it has various distinct stages; the information input stage, the information processing stage, the decision process stage and the variables influencing the decision process. The information input stage is whereby the customer gets information from strategic marketing and non-marketing sources, which greatly influence the problem recognition stage. If the customer does not arrive to a specific



decision or experiences purchase dissonance, then they have to return to the search for information from external sources. The information processing stage comprises of a customer's exposure, attention, perception, acceptance and retention of information coming to them. The customer must first be exposed to the communication, create space for it, interpret stimuli, and retain the message by transferring the input to long-term memory. The decision process stage focuses on five basic decision-process stages: Problem recognition, search for alternatives, alternate evaluation (whereby beliefs may lead to attitude formation hence resulting in a purchase intention), purchase and outcomes. However, not all customers go through these stages; it depends whether it's a first or routine buying behavior. Variables influencing the decision process stage consist of individual (motives, values, lifestyle and personality) and environmental influences such as social (culture, reference groups and family) and situational influences (customer's financial condition) that affect all the previous five stages of the decision process. This theory explains that developers of strategic promotional activities are needed during the initial information stage and they must provide adequate and useful information to drive purchase. Strategic promotional activities are also needed in the face of external influences, that is, they need to make the product feel and look good even if it is not very different from the competition (Mbaknol, 2014).

### Motivation-Need Theory

This theory offer insight and knowledge into the motives of consumers. Abraham Maslow (1943) purported that people act to fulfill their needs based on a five-part priority hierarchy which include in order of importance: physiological (survival), safety and security, love and belonging, self-esteem and self-actualization. Dissatisfaction motivates the consumer (Tutorialspoint, 2010).

Physiological needs refer to basic needs like clothing, food, air, shelter. Safety or security needs come second to the basic needs. Once the basic needs are satisfied, consumers move to needs on the second level. Physical safety, security, stability and protection are the security needs. After the safety needs are satisfied, consumers now realize that they need to maintain themselves in a society and try to be accepted through friendships, sense of belonging and attachment.

Thereafter, esteem needs need to be satisfied and consumers in this stage want to rise above the general level; as compared to others to achieve mental satisfaction. The highest stage of the hierarchy posits that consumers or individuals try to excel in their field and improve their level of achievement hence becoming self-actualizers.

### Conceptual Framework

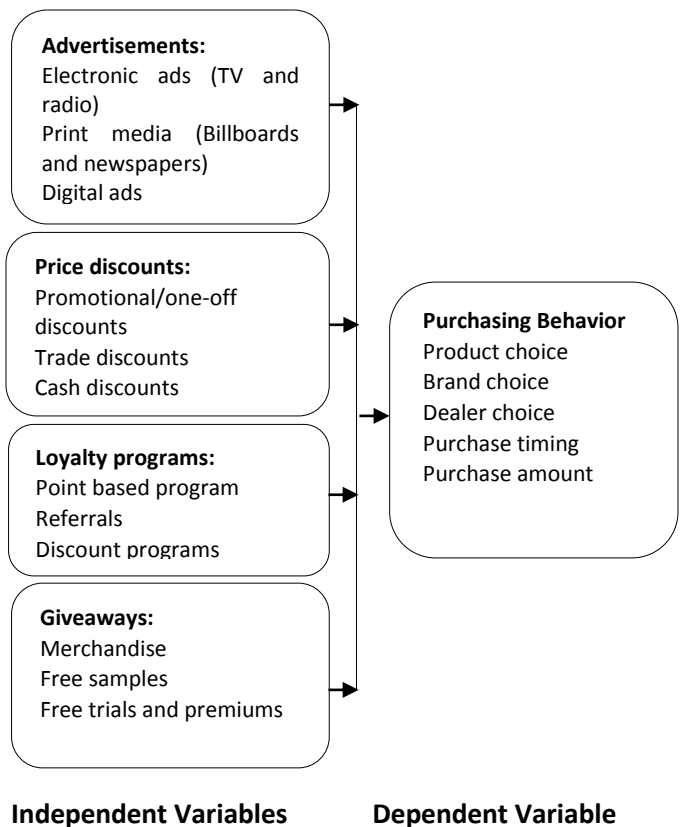


Figure 1: Conceptual Framework

### **Advertisements as strategic promotional activities**

There are many communication tools available to organization and strategic managers in specific. When used together, these tools make up the promotional mix. The mixing of the promotional activities generates competitive advantage for an organization. The first promotional activity in this study is advertisements; which refers to paid non-personal communication inserted in a medium (Blythe, 2005). The author further argues that, the proportion of promotional spending on advertising is higher under the following conditions: the product is standardized, rather than produced to order, there exists many end users, the typical purchase amount is small and sales are made through channels intermediaries rather than direct to users.

### **Price Discounts as strategic promotional activities**

The second promotional activity; price discounts or on sales pricing, is one of the most powerful sales promotion techniques in which prices are drastically reduced for a short duration to help increase demand of the product and attract new customers. There exists a rationale behind promotional pricing; that is, any loss experienced would be compensated by the increase in sales volume and the addition of new loyal customers (Mbaskool, 2017).

Price discounts are on one hand seen to bring in customers that only buy the product when there is a promotional offer (Yang, 2009). On the other hand however, price discounts increase volume and trial. Increasing trial increases the volume of customers purchasing a product or service. Price discounts ensure the product receives additional attention from the customer compared to when there is no price discount available for that particular product or service (Yang, 2009).

### **Loyalty Programs as strategic promotional activities**

The third promotional activity; loyalty programs refers to programs designed to lower the turnover among potential purchasers and users of a product or

a service by rewarding a customer with incentives or other benefits for remaining a customer. It comprises of various features and reward schemes (Investorwords, 2017). Loyal customers are few and rare to find; most customers are promiscuous and polygamous in their relationships with brands and they often make opportunistic purchases and the customers' loyalty lasts as long as the campaign or loyalty program runs (Kotler & Keller, 2006). In a situation where every customer benefits from a loyalty program, it imposes a cost to the company, and little benefit (Kotler & Keller, 2006). The main purpose of loyalty programs is to move the customer or potential purchaser through the various stages of the loyalty ladder (prospect –purchaser-client-supporter-advocate-partner) as well as also retain existing customers (CIM, 2013).

### **Giveaways as strategic promotional activities**

The fourth promotional activity; giveaways are free goods or services given to prospective customers by a business to promote its brand and boost sales (intuit, 2017). Offering product-related or product-unrelated freebies yields high response and purchase of the product or service since customers and prospects don't always understand the value of a business's offering until they have tried it. Moreover, humans like free things hence products with giveaways end to attract them more (intuit, 2017). According to Bukusi (2016), free merchandise or giveaways are a good way to encourage purchase among customers.

## **Empirical Review**

### **Advertisements as strategic promotional activities**

Generally, promotional activities are seen to influence purchase. Advertising in general has good audio and visual impact, has a wide reach, speed of getting information to consumer is fast, has long life cycle and can be targeted (CIM, 2013). This therefore is expected to encourage purchase for the advertised product or service. The literature reviewed so far has focused mostly on the positives of the promotional

activities to purchase behavior, however, according to CIM (2013), there is also a negative side of the promotional variables for example; advertising is costly for organizations, measurement is hard to achieve, somewhat intrusive and high advertisement clutter makes 'standing out' of adverts hard.

#### **Price Discounts as strategic promotional activities**

Price discounts are seen to drive incremental volume of product or service sold, increases revenue, steals share from competitors, generates trial for the brand, increases customer traffic, increases retention and loyalty and increases value perception, hence customers are likely to purchase the product or service. There exists however, downsides of promotional pricing; for example, the average price is decreased, price can be matched by competition, excessive use can cause a price orientation in customers, product devaluation when promotional pricing is overused and existing customers feel ignored (Kokemuller, 2008).

Darko (2012) conducted a study on the influence of sales promotion on consumer buying behavior in the Telecom industry and focused on Vodafone, Ghana. The study showed that sales promotional strategies guide consumer decision making. Recommendations for this particular study include the fact that telecom operators need to intensify use of sales promotion as consumers have shown to be highly influenced by sales promotion activities. Providers also need to do continuous follow ups with clients since sales promotions have short term effect.

#### **Loyalty Programs as strategic promotional activities**

Loyalty programs such as points programs, rebate programs and discount programs offer key advantages for businesses that use them which include; the fact that they encourage initial purchase, drive repeat purchase, are cost effective and are fairly easy to implement. There arises various cons depending on the incentive offered such as they might be costly to the business, copying of the

program by competition may arise and system faults may arise hence agitating a customer when they do not benefit from the loyalty program as promised (Continuity Programs, 2012).

Behrens (2015) analyzed the effect of loyalty programs on customer purchase behavior and found out that the inclusion of tier levels within the reward structure causes members to increase, on average, their expected transaction size. He further posited that frequent fliers in the highest quartiles of flying benefit the most, while light buyers are less affected by loyalty programs.

#### **Giveaways as strategic promotional activities**

Giveaways or free merchandise as a promotional activity to influence purchase behavior increases brand recognition, reaches out easily to several customers to encourage loyalty, attracts new buyers, creates a buzz, increases perceived value of the product and can generate referrals. The downside of giveaways is that the items may be expensive, it's difficult to find items that appeal to all users and there is risk of pilferage (Soriano, 2012).

Shamout (2016) studied the impact of promotional tools on consumer buying behavior in retail market and found out that customers get attracted to freebies since they come at no cost. Customers view giveaways as a great deal and they value them a lot. Bonus packages without cost that comprise of a variety of giveaways inspire the customer buying behavior to purchase the product.

## **METHODOLOGY**

### **Research Design**

This study employed a descriptive research design to assess the effect of strategic promotional activities on customer purchasing behavior in relation to Zuku, Kenya. The major purpose of descriptive research is to describe the state of affairs as it exists at present;



which is what this study required (Kothari, 2004). The study targeted all subscribed Zuku customers, dealers and retailers in Kenya which were 300,000 in number (Wananchi Group, 2017). The unit of inquiry was customer, dealers and retailers registered as Zuku subscribers in Kenya. The study relied on both primary and secondary data sources. Primary data was collected using a self-administered semi-structured questionnaire, with both close-ended and open-ended questions, to ensure accurate responses from the respondents. A pilot study was conducted to pretest the questionnaires it before the main data collection. SPSS version 20 was used to analyze data using descriptive statistics. In addition, multiple regression analysis was used to determine the relationship between dependent and independent variables. The regression model in this study was:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

Whereby Y= Customer purchasing behavior in Zuku, Kenya

$\beta_0$ = the regression constant

$X_1$ = Advertisements

$X_2$ = Price discounts

$X_3$ = Loyalty Programs

$X_4$ = Giveaways

## RESULTS

### Regression Analysis of Advertisements on Customer purchasing behavior

The study sought to establish the magnitude and direction of the effect of Advertisements on customer purchasing behaviour using objective 1 as stated below:

**Objective 1:** To determine the effect of Advertisements as a strategic promotional activity on customer purchasing behaviour in Zuku, Kenya. The regression results were as shown in table 1.

**Table 1: Regression analysis of Advertisements and Customer purchasing behavior**

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.575 <sup>a</sup>	.330	.322	.66646		
ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.872	1	16.872	37.985	.000 <sup>b</sup>
	Residual	34.201	304	.444		
	Total	51.073	305			
Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.325	.364		3.638	.000
	Advertisements	.666	.108	.575	6.163	.000

The regression results in table 1 showed that the effect of strategic advertisements on customer purchasing behaviour was significant. With R =0.575 and R<sup>2</sup> = 0.330, the model implied that about 57.5% of advertisements accounted for customer purchasing behaviour. The F test was significant with a p value =0.000 which was less than the standard p value of 0.05 and this meant that the model was significant.

Since p value p=0.000 and was lower than p=0.05 (p value 0.000<0.05), then the contribution of advertisements to Customer purchasing behavior was significant. The coefficient for ( $\beta$ ) was also significant ( $\beta = 0.666$ , t = 6.163, p = 0.000<0.05) indicating that Customer purchasing behaviour increased by about 0.666 units due to advertisements.

**Regression Analysis of Price Discounts on Customer purchasing behavior**

The study sought to establish the magnitude and direction of the effect of Price discounts on Customer purchasing behaviour using objective 2 as stated below.

**Objective 2:** To examine the effect of price discounts as a strategic promotional activity on customer purchasing behavior in Zuku, Kenya. The regression results were as shown in table 2.

**Table 2: Regression analysis of Price Discounts and Customer purchasing behavior**

<b>Model Summary</b>						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.415 <sup>a</sup>	.172	.161	.74097		
<b>ANOVA</b>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	8.797	1	8.797	16.023	.000 <sup>b</sup>
	Residual	42.276	304	.549		
	Total	51.073	305			
<b>Coefficients</b>						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.452	.280		8.761	.000
	Price discounts	.373	.093	.415	4.003	.000

The regression results in table 2 showed that the effect of strategic price discounts on customer purchasing behaviour was significant. With R =0.415 and R<sup>2</sup>= 0.172, the model implied that about 41.5% of price discounts accounted for Customer purchasing behaviour.

The F test was significant with a p value =0.000 which was less than the standard p value of 0.05 and this meant that the model was significant. Since p value p=0.000 and was lower than p=0.05 (p value 0.000<0.05), then the contribution of price discounts to customer purchasing behaviour was significant.

The coefficient for (β) was also significant (β = 0.373, t = 4.003, p = 0.000<0.05) indicating that Customer

purchasing behaviour increased by about 0.373 units due to price discounts.

**Regression Analysis of Loyalty Programs on Customer purchasing behavior**

The study sought to establish the magnitude and direction of the effect of Loyalty Programs on Customer purchasing behaviour using objective 3 as stated below.

**Objective 3:** To establish the effect of loyalty programs as a strategic promotional activity on customer purchasing behavior in Zuku, Kenya. The regression results were as shown in table 3.

**Table 3: Regression analysis of Loyalty Programs and Customer purchasing behavior**

<b>Model Summary</b>						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.603 <sup>a</sup>	.364	.355	.64969		
<b>ANOVA</b>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	18.572	1	18.572	44.000	.000 <sup>b</sup>
	Residual	32.501	304	.422		

Total		51.073	305			
<b>Coefficients</b>						
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	1.921	.252		7.617	.000
	Loyalty programs	.549	.083	.603	6.633	.000

The regression results in table 3 showed that the effect of strategic Loyalty programs on customer purchasing behaviour was significant. With  $R = 0.603$  and  $R^2 = 0.364$ , the model implies that about 60.3% of Loyalty Programs accounted for Customer purchasing behaviour. The F test was significant with a p value = 0.000 which was less than the standard p value of 0.05 and this meant that the model was significant. Since p value  $p = 0.000$  and was lower than  $p = 0.05$  (p value  $0.000 < 0.05$ ), then the contribution Loyalty programs to customer purchasing behaviour was significant. The coefficient for ( $\beta$ ) was also significant ( $\beta = 0.549$ ,  $t = 6.633$ ,  $p = 0.000 < 0.05$ ) indicating that

Customer purchasing behaviour increased by about 0.549 units due to Loyalty Programs.

#### **Regression Analysis of Giveaways on Customer purchasing behavior**

The study sought to establish the magnitude and direction of the effect of giveaways on Customer purchasing behaviour using objective 4 as stated below.

**Objective 4:** To assess the effect of giveaways as a strategic promotional activity on customer purchasing behavior in Zuku, Kenya. The regression results were as shown in table 4.

**Table 4: Regression analysis of Giveaways and Customer purchasing behavior**

<b>Model Summary</b>						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.630 <sup>a</sup>	.397	.389	.63227		
<b>ANOVA</b>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	20.292	1	20.292	50.760	.000 <sup>b</sup>
1	Residual	30.782	304	.400		
	Total	51.073	305			
<b>Coefficients</b>						
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	.033	.495		.066	.947
	Giveaways	1.295	.182	.630	7.125	.000

The regression results in table 4 showed that the effect of strategic giveaways on customer purchasing behaviour was significant. With  $R = 0.630$  and  $R^2 = 0.397$ , the model implied that about 63% of giveaways accounted for Customer purchasing behaviour. The F test was significant with a p value = 0.000 which was less than the standard p value of 0.05 and this meant that the model was significant.

Since p value  $p = 0.000$  and was lower than  $p = 0.05$  (p value  $0.000 < 0.05$ ), then the contribution of giveaways to customer purchasing behaviour was significant. The coefficient for ( $\beta$ ) was also significant ( $\beta = 1.295$ ,  $t = 7.125$ ,  $p = 0.000 < 0.05$ ) indicating that Customer purchasing behaviour increased by about 1.295 units due to giveaways.

**Multivariate Results**

The results of the multiple regression analysis are shown in table 5.

**Table 5: Results of multiple Regression between customer purchasing behavior (dependent variable) and the combined effect of the selected predictors**

<b>Model Summary</b>						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.811 <sup>a</sup>	.657	.639	.48630		
<b>ANOVA</b>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	33.574	4	8.393	35.493	.000 <sup>b</sup>
	Residual	17.500	301	.236		
	Total	51.073	305			
<b>Coefficients</b>						
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	
	B	Std. Error	Beta			
1	(Constant)	1.029	.426		2.412	.018
	Advertisements	.249	.103	.215	2.413	.018
	Price discounts	.238	.064	.265	3.736	.000
	Loyalty programs	.233	.082	.256	2.825	.006
	Giveaways	.879	.154	.427	5.702	.000

$$Y = 1.029 + 0.249 X_1 + 0.238 X_2 + 0.233 X_3 + 0.879 X_4$$

The coefficient of determination (percentage variation in the dependent variable being explained by changes in the independent variables)  $R^2$  equals 0.657, that is, advertisements, price discounts, loyalty programs and giveaways explained 65.7 percent of the variance in customer purchasing behaviour. With  $R = 0.811$  and  $R^2 = 0.657$ , the model implied that about 81.1% of strategic promotional activities accounted for Customer purchasing behaviour. The F test was significant with a p value = 0.000 which was less than the standard p value of 0.05 and this meant that the model was significant. Since p value  $p = 0.000$  and was lower than  $p = 0.05$  ( $p$  value  $0.000 < 0.05$ ), then the contribution of advertisements, price discounts, loyalty programs and giveaways combined to customer purchasing behaviour was significant. The coefficient for  $(\beta)$  was also significant ( $\beta = 1.029$ ,  $t = 5.702$ ,  $p = 0.000 < 0.05$ ) indicating that Customer purchasing behaviour increased by about 1.029 units due to

advertisements, price discounts, loyalty programs and giveaways (strategic promotional activities).

**Findings Summary**

With regards to the effect of advertisements as a strategic promotional activity on customer purchasing behavior in Zuku, Kenya, the study found that increase in advertisements (electronic, print and digital) is a factor that affects customer purchasing behavior in Zuku, Kenya. Customers get to know about Zuku offers through advertisements. This study found that Zuku advertises its products largely to persuade potential buyers to purchase and advertisements encourage customers to buy Zuku Kenya products among other factors. Advertisements came third among the four independent variables that affect customer purchasing behavior in this study.

From the study findings on the effect of price discounts as a strategic promotional activity on customer purchasing behavior in Zuku, Kenya, the study found that increase in price discounts

(promotional or one-off discounts, trade discounts and cash discounts) was a factor that affects customer purchasing behavior in Zuku, Kenya. This study found that Zuku utilized price discounts mostly in order to encourage customers to buy Zuku Kenya products, to bring in customers that cannot afford the product at the original price and because competition is also offering price discounts among other factors. Price discounts come fourth among the four independent variables that affect customer purchasing behavior in this study.

On the effect of loyalty programs as a strategic promotional activity on customer purchasing behavior in Zuku, Kenya, the study found that increase in loyalty programs (point-based, referrals and discount programs) was a factor that also affected customer purchasing behavior in Zuku, Kenya. This study found that Zuku had loyalty programs in place more often than not to persuade buyers to purchase, to distract customers from competing offers or prices and to encourage brand loyalty among other factors. Loyalty programs came second among the four independent variables that affect customer purchasing behavior in this study.

The findings on the effect of giveaways as a strategic promotional activity on customer purchasing behavior in Zuku, Kenya, the study posited that increase in giveaways (merchandise, free samples and free trials and premiums) is a factor that affects customer purchasing behavior in Zuku, Kenya. This study established that Zuku offered giveaways in order to increase perceived value of its products, to create brand awareness and to encourage customers to purchase Zuku products to a great extent among other factors. Giveaways came first among the four independent variables that affected customer purchasing behavior in this study.

From the study findings on customer purchasing behavior in Zuku, Kenya, the study showed that increase in promotional activities encourage

customers to purchase Zuku at certain times, their purchase quantity for the Zuku product had been triggered by Zuku promotional activities and promotional activities led them to making Zuku their product of choice among other factors.

## **CONCLUSION**

The study concludes that strategic promotional activities have significant effect on customer purchasing behavior in Zuku, Kenya. Specifically, advertisements, price discounts, loyalty programs and giveaways explain 65.7 percent of the variance in customer purchasing behavior. Giveaways have the greatest effect on customer purchasing behavior followed by loyalty programs, advertisements and finally price discounts.

Such a study assessing the effect of strategic promotional activities on customer purchasing behavior in Zuku, Kenya has not been carried out before; hence this research contributes to filling this gap.

## **RECOMMENDATIONS**

The study recommends that Zuku, Kenya should in general employ a strategic mix of promotional activities to stimulate customer purchasing behavior. In specific, Zuku, Kenya should use giveaways mostly because the study reveals that they largely affect customer purchasing behavior.

The study established that loyalty programs take second position in affecting customer purchasing behavior. Zuku, Kenya should therefore use the various loyalty programs second to giveaways in order to stimulate customer purchasing behavior for its products.

The study revealed that advertisements come third in affecting customer purchasing behavior; hence Zuku, Kenya should utilize various forms of advertisements to encourage customer purchasing behavior.

Zuku, Kenya should also utilize various price discounts since they come fourth and are also seen to affect customer purchasing behavior.



### Areas of Further Research

The study sought to assess the effect of strategic promotional activities on customer purchasing behavior in Zuku, Kenya. The study found that  $R^2$  equals 0.657, that is, advertisements, price discounts, loyalty programs and giveaways explain 65.7 percent of the variance in customer purchasing behaviour. With  $R = 0.811$  and  $R^2 = 0.657$ , the model implies that about 81.1% of strategic promotional activities

accounted for Customer purchasing behaviour. The study recommends that similar studies should be carried out in other firms that provide internet and TV services in Kenya. The study further recommends that similar studies to be carried out in other industries or sectors in Kenya and beyond. In addition, the study recommends the study of other strategic promotional activities and their effect on customer purchasing behavior.

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