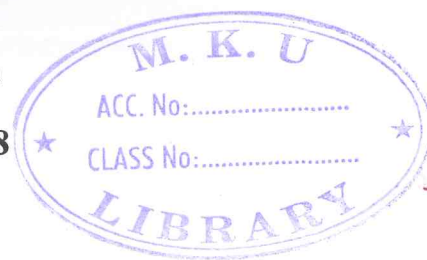


**THE IMPACT OF PRODUCT PROMOTION ON COMPANY'S SALES
PERFORMANCE: A CASE STUDY OF KENYA CO-OPERATIVE
CREAMERIES (NAIROBI)**

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ABSTRACT

The main objective of this study was to determine the relationship between product promotion and a company's sales performance with the specific objectives being to determine the promotional activities adopted by the New KCC Ltd, to evaluate the impact of promotional activities on the sales performance of the New KCC Ltd in addition to recommending the most effective promotional strategies to the New KCC Ltd. At present in this competitive business world, the milk industry in Kenya has more brands in the battlefield stiff competition in every segment's targeted. Even brand KCC is also facing stiff competition to retain its brand in the market. There are many players in the market in this industry and their own promotional strategies involve inducing the different consumer segment. Hence due to this, it is crucial to analyze the promotional strategies of new KCC and its competitors to penetrate the targeted market. Stratified simple sampling was used in this research where a target population of 60 employees from the top management and middle-level management. 30% of the respondents represented the top management whereas 70% were middle level managers. 100% of the respondents reported that New KCC Conducts product promotional activities with Both advertisement and sales promotion reported by 100% of the respondents as being used by the Company, public relations was cited by 40% of the respondents whereas personal selling was mentioned by 60% of the respondents. Other product promotion approaches listed by the respondents included Events promotion (12.5%), Discount Pricing (20.8%), Free samples (18.8%), Road shows (16.7%), Sales incentives (20.8%) and Merchandising (10.4%). Advertisement and sales promotional activities were reported to have 100% positive relationship with sales performance, 60% of the respondents gave a positive relationship between personal selling and sales performance whereas 40% believed that public relations enhanced sales performance. 35% of the respondents strongly agreed (SA) that personal selling influences sales performance of New KCC Ltd to a very large extent, 25% slightly agreed (SLA), 20% were Uncertain (UC) and 20% Slightly Disagreed (SLD). Additionally, 40% of the respondents strongly agreed (SA) that Advertisement influences sales performance of New KCC Ltd to a very large extent, 48% slightly agreed (SA) and 12% were Uncertain (UC). The modes of advertisement include Television, radio and billboards. Additionally, 40% of the respondents strongly agreed (SA) that Public Relations influences sales performance of New KCC Ltd to a very large extent, 24% slightly agreed (SA), 16% were Uncertain (UC) and 20% Slightly Disagreed (SLD). Finally, 40% of the respondents strongly agreed (SA) that Sales Promotion Activities influences sales performance of New KCC Ltd to a very large extent and 60% slightly agreed (SA). Therefore this implies that