BINDURA UNIVERSITY OF SCIENCE EDUCATION

FACULTY OF SCIENCE AND ENGENEERING

AN ANALYSIS OF THE IMPACT OF LONGTERM PROMOTIONAL STRATEGIES (TERRIFIC TUESDAY) ON SALES GROWTH. A CASE OF PIZZA INN (SIMBISA BRANDS).

BY MOLEEN MACHIWENYIKA

B203041B

SUPERVISOR: MR D. KANJODO

(2024)

This Dissertation is submitted in Partial Fulfilment of the

Requirements of the Bachelor of Science Honors Degree in Statistics

and Financial Mathematics Degree

APPROVAL FORM

Candidate's Declaration

This is to attest that the research project is the result of my own research and does not include any stuff that has been taken verbatim from earlier sources without acknowledgment. When I have used someone else's work, I have properly credited it in the text. I further confirm that no part of this project has been submitted to this university or any other university for credit toward another degree.

Students Name: **MOLEEN MACHIWENYIKA**

Signature:  Date: 10 JUNE 2024

Supervisor's Name: **MR D. KANJODO**

Signature:  Data: 10 JUNE 2024

Chairperson's Signature:  Date: 10 JUNE 2024

DEDICATION

I extend my dedication for this research work to my family. I want to express a heartfelt appreciation to my caring parents, Mr and Mrs Machiwenyika, whose words of encouragement and unwavering support continue to inspire and motivate me.

ABSTRACT

Sales promotions play a vital role in the field of marketing, serving as an effective tool to expedite the selling process and maximize sales volumes. Statistical techniques were used in this study to examine how long-term promotional plans affected demand and sales growth. The objective was to examine how these strategies affect sales performance over time. The findings of this study indicate that the introduction of the Terrific Tuesday promotion had a positive influence on sales, as evidenced by a significant increase in turnover soon after its implementation. Specifically, sales on Tuesdays showed a noticeable upward trend following the promotion. However, this surge in sales on Tuesdays seemed to come at the expense of sales on Mondays and Wednesdays, resulting in what is known as a 'cannibalization effect.' Consequently, it can be inferred that prolonged implementation of long-term promotional strategies does not lead to a proportionate increase in sales. Instead, as the promotion continues, sales tend to decline.

This is a quantitative research design to analyze the impacts of long-term promotional strategies on sales growth. This design will allow me to collect and analyze numerical data to draw conclusions.

The sampling frame is the customer database of Pizza Inn. This database should include information about customers who have been exposed to the long-term promotional strategies, such as Terrific Tuesday, over a specific period of time. Also, I will be using a sampling period of four years before the introduction of the promotion and four years after the introduction of Terrific Tuesday.

ACKNOWLEDGEMENTS

I am filled with a sense of profound gratitude as I reflect on the immense debt of appreciation I owe for the completion of this thesis. First and foremost, I would like to express my heartfelt thanks to God Almighty, the source of knowledge and wisdom, for being by my side throughout my studies and empowering me to successfully carry out this research. Without His boundless love and grace, I would not have reached this milestone. I am grateful for the generous support and guidance extended to me by the lecturers in the Statistics and Financial Mathematics department, especially my project supervisor, Mr. D. Kanjodo. I would like to thank my friends Denford and Tinotenda, patronage and assistance were invaluable. Additionally, I am indebted to the cooperative staff at Simbisa Brands, who provided the necessary information for this research. I want to sincerely thank everyone who helped with this study, especially my classmates, who made major contributions. Their moral support and encouragement were truly uplifting. Above all, I want to express my deepest gratitude to my family for their unwavering love, sacrifices, and support. May the Almighty God shower His blessings upon you abundantly.

TABLE OF CONTENTS

LIST OF TABLES AND FIGURES

LIST OF TABLES

LIST OF FIGURES

CHAPTER 1

1.0 Introduction

The longer a sales promotion lasts, the more likely it will decrease the perceived value of the product (Stan Mack, 2005). Sales promotions optimistically influence short-term sales (Priya, 2004). According to Kotler (1988) and Blattberg and Neslin (1993), they are usually seen as transient incentives that promote trying out a good or service. Furthermore, according to Dang et al. (2005), it is a very significant instrument whose importance has increased noticeably over time. Furthermore, sales promotions have been said to incite buyers to hoard, which lowers the retailer's inventory costs (Kavas, 1984; Lichtenstein et al., 1997). Keller (1998) and Jorgensen et al. (2003) have cautioned about several drawbacks of sales promotions, including a decline in brand loyalty, an increase in brand switching, a reduction in the perception of quality, and an increase in price sensitivity. On the other hand, other researchers (Davis et al. 1992) assert that sales promotions can enhance brand preference.

1.1 Background

The fast-food restaurant industry in the United States originated as a business strategy to cater to busy employees, wage workers, and travelers who lacked time to wait for a meal. In 2020, the fastfood industry was valued at $636 billion and was projected to grow by 4% in 2021. McDonald's holds a significant market share within the fast-food industry. Technological advancements and the rise of e-commerce have had a notable impact on the fast-food industry, providing new opportunities and increasing sales volume. A significant portion of e-commerce transactions in the fast-food industry are conducted through mobile devices like phones and tablets. In 2015, the value of internet meal delivery sales surpassed $4 billion. In 2018, more than 35% of fast-food customers in the United States regularly utilized online food delivery services.

In 2019, the global sales of the online meal delivery market reached $107.4 billion, demonstrating the growing use of online platforms by the quick-service restaurant industry (Behr and Felix, 2021). E-commerce has become increasingly important to major fast-food restaurants like McDonald's and Subway in terms of increasing revenue. Online channels were essential for fastservice restaurants to keep servicing patrons when lockdowns and social distancing measures were implemented. The utilization of e-commerce platforms is a crucial commercial tool for quickservice restaurants to rapidly expand their customer base and subsequently increase sales (Angela and Zhang, 2020).

Fast-food outlets in India implement promotional strategies to create awareness and popularity for their brands. Their objective is to offer affordable and customized products that cater to the needs of consumers, thereby giving a significant boost to the Indian fast-food industry. These outlets utilize various sales promotion tools, including value meals or combo offers, which bundle menu items together at a reduced price compared to individual purchases. Value meals are commonly used to encourage bundling, up-selling, and price differentiation. Another strategy is price discounts, where a direct reduction is applied to the list price of each product within a specified timeframe.

Fast food marketers also heavily target children and adolescents through high advertising efforts. This focus on youth is driven by their purchasing power, influence, and future potential as consumers (Untaru and Ispas, 2013). Marketing channels such as television advertisements, the internet, and brand logos are used to reach this demographic. Internationalization is another strategy employed by fast-food chains, involving the customization of marketing strategies to suit different cultural, regional, and national contexts to reach specific target markets. Locational advantage is also leveraged, with fast-food outlets strategically placed in various locations such as highways, malls, airports, and metro stations (Negal, 2013).

The growth of the fast-food industry is driven by factors like globalization and increasing incomes worldwide (Michael & Combs, 2008). This growth trend is observed in South Africa as well, where the fast-food franchise market has experienced significant expansion. According to the Franchise Association of South Africa (FASA), 25% of the 845 franchised brands and over 40,528 franchised business outlets contribute 13.3% to the country's GDP. The fast-food industry has become increasingly complex and competitive, posing challenges for restaurant managers (Mhlanga, 2018).

In the current business landscape, restaurants are facing a challenging situation characterized by slowing sales, rising operating costs, increased competition, the emergence of substitute products, and more demanding and selective customers (Bhasin, 2018). This micro-environment presents a unique dilemma for restaurant managers: how to maintain profitability in a shrinking market while meeting the high standards and expectations of sophisticated customers by providing quality and efficient services.

For the previous 20 years, tourism has been acknowledged as a major economic driver in South Africa (Mhlanga & Machingambi, 2016). Tourism's direct contribution to the GDP of South Africa in 2017 was 2.9%, higher than agriculture, according to the Tourism Satellite Account for South Africa. Under the tourism industry in South Africa, restaurants are categorized as a subsector. Fast food restaurants in South Africa have a greater failure rate than small businesses overall, even with the growing demand for quick food; many of them close down in their first year of business. According to Maumbe (2012) and Swart (2017), fierce competition among industry players has affected the performance of fast-food establishments in South Africa.

In the competitive market, the importance of quality and customer satisfaction for success and survival cannot be overlooked. Extensive research has been conducted on these concepts, highlighting their significance. Satisfied customers not only contribute to a business through repeat purchases but also act as ambassadors, recommending the business to others. Customer retention is closely linked to profitability, as retained customers are more profitable and less costly than acquiring new customers (Reichheld and Sasser, 2000). Innscor Africa, the owner of the 'Inn' fast food chain, is expanding its business by converting various buildings into takeaway outlets in the central business districts of Zimbabwe.

Repeat purchase intention, which refers to a customer's decision to repurchase a service from the same provider, is influenced by factors such as the customer's present condition and emotional attachment to the service provider (Yap and Kew, 2007). Positive experiences and satisfaction play a crucial role in influencing customers' repeat purchase intentions, ultimately contributing to improved performance for the business (Chiu, 2010). This suggests that the services provided to customers indirectly influence their repeat purchase intentions and create favourable experiences (Park et al., 2010).

Innscor Africa Ltd is a Zimbabwean holding company involved in the fast-food services sector, as well as the manufacturing, distribution, and retailing of household commodities. The introduction of the fast-food sector aimed to establish a strong brand in Zimbabwe, where the food market was predominantly dominated by small, individually owned takeaway shops. This sector includes wellknown brands such as Creamy Inn, Pizza Inn, Chicken Inn, Fish Inn, and Baker's Inn. The parent company also diversified into master franchises from South Africa, including Nando's and Steers. Among these, Pizza Inn stands out as a popular chain of pizza restaurants and take-out establishments in Zimbabwe. Their menu offers a variety of options, ranging from traditional-style pizzas like pepperoni and margherita to American-style favourites like Hawaiian and BBQ Steak pizzas. Pizza Inn is known for their "Terrific Tuesdays" promotion, where customers can enjoy two pizzas for the price of one and a half. In 2015, the food outlet was rebranded as Simbisa brands.

Customers' intention to repurchase depends on the value they have experienced in their previous transactions. Understanding the specific customer segment, their needs, and finding ways to outperform competitors in delivering value becomes a crucial task (Okewu, 2005). Customers evaluate their future purchase intentions based on the value they have received in their past interactions, with relationship benefits serving as an indicator of their expectations for future benefits. Some researchers use the term "future behavioural intentions" or "customer retention" to describe the construct that represents a customer's propensity to continue or stay with a particular service provider (Ranaweera and Prabhu, 2003).

Customers' decisions to choose the same service provider and make repeat purchases are influenced by their past experiences. Repurchase intention is shaped by the individual's assessment of the firm's ability to satisfy their needs and their evaluation of the current service situation. It is considered a fundamental concept in marketing, representing customer loyalty and serving as a measure of customer constancy (Fornell, 2007). It provides insights into customer loyalty behaviour and is an important way to examine the loyalty of buyers.

According to Kotler and Keller (2012), it is crucial for companies to monitor and enhance customer satisfaction levels as higher satisfaction leads to increased customer retention. In Zimbabwe, sales growth is attributed to customer satisfaction. Customer satisfaction can be defined as the extent to which a company's products and services meet or exceed customer expectations (D. J., 2010). It can also be measured by the number or percentage of customers who report having a positive experience with a firm, its products, or its services, surpassing specific satisfaction goals.

Many marketing managers find customer satisfaction metrics highly valuable for managing and monitoring their businesses, since it offers information on the loyalty and buying intents of consumers (Farris, Bendle, Pfeifer, 2010). Data on customer satisfaction is routinely gathered to assess market attitudes.

Promotions are another technique used to attract customers. Promotions involve various marketerinitiated methods aimed at influencing attitudes and behaviors of the target audience (Bearden et al., 2007). There are five major categories of promotion: advertising, public relations and publicity, sales promotion, personal selling, and direct marketing. Sales promotions, public relations, advertising, personal selling, and other forms of promotion are used to draw in clients. and encourage them to make purchases (Huang, 2011). Building a relationship with customers through promotional efforts is seen as an effective way to meet their needs and preferences (Kurniawan, 2010). Promotions also help alleviate feelings of guilt associated with product or service usage, leading to customer satisfaction (Myers, 1998).

Additionally, having a website is another important factor in driving customer retention. Web presence and utilizing the internet for promotion play a significant role in creating awareness among consumers and satisfying their needs (Schefter, 2000).

1.2 Problem Statement

The fast-food industry is dynamic and fiercely competitive. This has caused stiff competition, which has resulted to low market share and declining sales volumes. Pizza Inn implemented "Terrific Tuesday," a long-term sales promotion plan. This has piqued the interest of the researcher to analyse the effect of such a long-term promotional strategy on sales growth and looking into the possibility that these tactics could unintentionally cannibalize sales, lowering customer repurchase intention. For business practitioners, this information is essential since it shows how to maintain business operations, generate money in the future, and eventually make a profit. Emotional ties that customers have, such as loyalty and commitment, to a service provider often impact their intentions to make repeat purchases, which leads to higher turnover rates. A number of critical factors determine whether the fast-food sector succeeds or fails, including the cost of goods, their quality, customer services, promotions, consumer expectations, brand, physical distribution, store location, and product flavour.

1.3 Objectives

1. To analyse the effects of Long-term promotional strategies to the company's turnovers.
2. To investigate the impact of independent days in terms of turnovers. 3. To investigate the effects of promotion induced cannibalisation on sales of other days.

1.4 Research Questions

1. What are the effects of long-term promotional strategies on turnovers?
2. How does Terrific Tuesday impact the turnovers of independent days? 3. What are the effects of cannibalisation on sales of other days?

1.4.1 Hypothesis

H_0: Terrific Tuesday promotions at Pizza Inn contribute to increased sales growth and customer loyalty.

H_1: Terrific Tuesday promotions at Pizza Inn does not contribute to increased sales growth and customer loyalty**.**

1.5 Scope of the Study

The practice of lowering a product's price or adding value also known as price promotions is the subject of the study on sales promotions. The most common strategy for drawing clients and boosting sales is price promotion (Millin & Cummins, 1989). The food and beverage business is the one under consideration. Profit margins, customer retention rates, and sales growth are the company KPIs under consideration. Certain brands are preferred by certain consumers over others; this is a fascinating topic in marketing that provides a solid foundation for creating a long-lasting competitive advantage. The industry's degree of rivalry is taken into account, and the geographic scope is limited to a small area**.**

1.6 Significance of Study

Students' research capabilities are strengthened by the research. The student was required by the research to examine a variety of fast-food data, which provided sufficient knowledge about Pizza Inn (Simbisa Brands), the company that is the subject of the study. Using statistical and mathematical methods, the research provides the learner with a platform to critically analyse Terrific Tuesday. As such, this research gives the investigator the chance to hone mathematical abilities that could be applied in any field. Furthermore, the study offers a source of secondary data to university professors, researchers, and other students. This research would provide access to the corporate performance information and promotional packages related to the fast-food industry in Zimbabwe. Additionally, it helps the business choose marketing tactics that produce positive and profitable outcomes rather than just generating transient brand switching or short-term sales. Sales campaigns should strengthen a product's positioning and foster enduring relationships with customers.

1.7 Assumptions

The management of Simbisa Brands provided me with information that is essential to this research alone. Additionally, the researcher assumed that during the research period, the political, economic, and legislative environments would stay unaltered. The chosen outlets will be an authentic embodiment of the Pizza Inn brand.

1.8 Delimitation

Data was gathered from only a few stores in Zimbabwe, and it will serve as a representation of the brand's overall performance. Purposive sampling frequently exhibits bias based on the researcher's assessment. Since the data was collected for specific purposes, using secondary data might not be the best idea. State the period that the data used was collected.

1.9 Limitations

Some data was difficult to collect because of system shifts. There were financial limitations because the study requires a sizable lump sum to be put in it, including both travel and stationary costs.

1.10 Definition of Terms

Promotion

Promotion is a marketing strategy in which a business briefly lowers the price of a product to increase demand and sales.

Sales Growth

Is used to describe the rise in sales or income that a company generates over time. This is sometimes expressed as the percentage change from one period to the next, such as from year to year.

Long-term

Refers to a duration of time that is longer than the usual short-term (quarterly or annual) timeframe in the context of sales growth. There is need to include citations for the definition.

Turnover

It is the total amount of money made during a specific time period, like a year or a quarter. It is sometimes referred to as gross revenue or gross sales.

1.11 Chapter Summary

The study was chosen because the researcher has a personal interest in the sales promotion methods that are being discussed, particularly in the fast-food industry. The majority of this chapter focused on the study's introduction, which skilfully presented a broad viewpoint in light of the research's objectives. The research gap was also noted in this chapter, highlighting the importance of the investigation. The next chapter will focus on Literature review, I have formulated the research questions and justified the choice of my research methodology.

CHAPTER 2

Literature Review

2.0 Introduction

Numerous hypotheses have been put out to explain how brand switching, stock stacking, and purchase quantity are all impacted by sales promotions and ultimately result in higher sales. It has long been accepted that consumers make the final decision on what to buy, and it is still unclear how promotions influence purchases (Blattberg, 1995). Sales promotions have a negative impact on product preferences, particularly over time, even if they are seen to be an effective approach for increasing buy quantity and income (Neslin, 2003).

A key element of marketing campaigns, sales promotion, according to Keller (2011), comprises of a range of temporary incentive strategies used to persuade clients or business owners to buy particular products or services sooner. The employment of incentives to persuade customers to purchase the products, hence increasing demand, is referred to as "sales promotion". Sales promotion is defined by the American Marketing Association (AMA) as pressure from the media and non-media utilized for a certain period of time to encourage trial, boost demand from customers, or enhance product availability. The AMA provides this definition in their Web-based Dictionary of Marketing Terms. Promotional sales are usually seen as transient inducements to try a product or service (Kotler, 2013). Second, discounts on sales encourage customers to purchase unpromoted goods (Mulhern, 1995). Sales promotion is an event in marketing that is actionoriented and aims to influence consumer behaviour.

Boddewyn (2009) offers a somewhat different definition, stating that any novelty displaying a brand or trademark is considered a sales promotion. Sales promotion, according to Hackeley (2010), is any of a wide range of novelty products that can bear a visual representation of the brand. When consumers use these products—coffee mugs, pens, purses, and T-shirts, for example—the brand's goodwill is frequently associated with them. In-store promotions including two-for-one, 10% discount, freebies, redeemable coupons, contests, money-back incentives for returning bottle tops, and premium self-liquidating products are also referred to as sales promotions (Blattberg 2013). Conventional marketing wisdom holds that one of sales promotion's main advantages is its ability to convince consumers to try the brand. Furthermore, some brands are said to engage in ongoing sales marketing (Neslin, 1993).

Sales promotions can take many different forms, including free and reduced products, premium offers of all kinds, coupons and samples, provided trade tramples, price-related promotions adding additional incentives, and humanitarian endeavours (Leardi, 1989).. A specific percentage of the price is discounted from the list price during a price off promotion. Offering goods or services at a discounted rate from their usual price while they are on promotion is known as a price off promotion. A key finding of this literature is that temporary price reductions have a high initial impact that varies significantly among consumer segments and is reflected in short-term (contemporaneous) changes in sales (Neslin, 2002). For instance, price elasticity is observed to be higher for heavy users than for light users, and price elasticity is higher for non-loyal consumers than for loyal consumers (Krishnamurthi, 1991). Additionally, more than any other kind of promotional technique, price reductions are a very powerful strategy for influencing customers and drawing them to fast food restaurants (Abdelhamied, 2001).

According to Assuncao (1993), consumption is an endogenous decision variable that is influenced by stockpiling that is brought on by promotion and forward-looking behaviour. Additionally, they are linked to buy acceleration in terms of a rise in the quantity acquired and, to a lesser degree, a reduction in the interval between purchases (Hastak, 2015). Promotions have been linked to the decision to switch brands, according to researchers examining brand choice (Laroche, 2002).

2.1 Theoretical Framework

2.1.1 Factors to consider to carry-out a Sales Promotion

Kotler (2001) advises that in order for a promotion to be successful, it is first required to determine the size of the incentives. Furthermore, a substantial incentive will result in a higher response rate. In addition, if the sales campaign lasts too little, a large number of prospects who might not be making purchases at that time would miss it. If the promotion lasts for too long, some of the bargain's impact will be lost (Meyer, 2019). For example, the Pizza Inn Terrific Tuesday promotion is lengthy enough for everyone to be able to take part. Marketing management is responsible for overseeing the sales promotion programs, just like they are with any other marketing activity, according to Cronje (1993). The procedures that need to be followed for managing sales promotion are described. Commandments for sales marketing:

- You must first identify objectives and finances before you can create a sales promotion.
- You must only choose the most effective sales promotion strategies to meet predetermined goals.
- You must target the intended audience with your sales pitch.
- You must refrain from using intricate, perplexing consumer copy.
- You must not be avaricious in what you want from customers.

- You must not put off planning until the last minute. • Always get advice from a promotional specialist before making plans.

Source modified from Aillon Charas D (1984)

2.1.2 Objectives of Sales Promotions

Sales marketing objectives differ greatly, according to Kotler and Armstrong (2006). Some may utilize promotional methods to increase profits, some to increase short-term sales, and others to gain long-term market share.

In order to increase sales, promotional strategies for sales can be used to increase volume, encourage trial purchases, boost loyalty, increase usage, create interest, raise awareness, deflect attention from price, offer intermediary support, discriminate between users, and restore the brand's reputation for poor service. (Mullin, 2010). There are many different sales promotion goals. Here are a few of the more notable ones that the company might aim to achieve: motivate salespeople to work harder to close a slow-moving product in the range; assign salespeople the task of closing more sales of a particular manufactured good to current clients, encourage salespeople to find additional prospects' wants and meet them; Motivate sales representatives to install extra in-store displays and to provide training for more distributor salespeople. Convince wholesalers to carry a specific product line, retailers to give a specific brand shelf space, distributors to push a specific brand in their promotional campaigns, retailers to support a sales promotion campaign by carrying more inventory of a specific product, and retailers to sell off old stock before the brand is relaunched. (Koekemoer, 2004).

2.1.3 Types of Sales Promotion

Bonus Pack

According to Strydom (2003), a bonus pack is an extra quantity of a product offered to customers at a higher cost than the standard size. Customers who purchase the standard size at its usual price are given an additional product for free when they participate in a bonus pack campaign. When a product is sold in banded bonus pack form, two or more units are typically sold for less than the usual price of a single unit. Bonus packs are often used to incentivize repeat purchases and attract new customers, although they may have limited appeal to consumers who prefer competitive brands. While bonus packs are commonly associated with increasing transactions, they can also serve as a brand-building tool. However, there are advantages and disadvantages to using bonus packs for both transaction building and brand building strategies. For transaction building, bonus packs can provide added value to new customers, However, the disadvantage is that they might mainly draw in brand loyalists who would have bought the product anyhow, or promotion-sensitive buyers who would not (Belch, 2004; Guerreiro, 2004).

Price reductions

Price discounting has a significant impact not only on brand profitability but also on brand equity (Kumar, 2009). When two major detergent brands significantly reduce their prices, it creates an impression on consumers that is important from a marketing perspective. Some scholars define price-offs as reductions in a brand's regular price (Kou, 2004). Price reductions or price-offs refer to a decrease in the brand's normal regular price. Both the marketer and the consumer benefit from these price reductions, with the marketer aiming to establish a pattern of repeat purchases after an initial trial. Different authors have varying perspectives on the effectiveness of sales promotion price-offs, with some suggesting that national price reduction strategies require the support of all intermediaries (Strydom, 2004).

Rebate and Refunds

Some scholars remarked that a rebate is just a financial discount provided by marketers to customers as confirmation of purchase (Chen and Monre, 2017). A marketer's promise to reimburse a certain sum of money for a product purchased either by alone or in combination with other products is known as a refund or rebate program. (Belch, 2004).

Coupons

A coupon is a document that offers discounts to customers for particular products. Others point out that coupons are certificates given to customers by producers that they can use at retail establishments to obtain certain price breaks on specific products (Cronje, 1993). Coupons, when given for redemption at the moment of purchase, provide discounts on a limited number of products, according to both authors. Nonetheless, some detractors contest the usefulness of coupons. Belch (2004) contends that using coupons can be inefficient and could even raise the cost of goods for consumers. Belch goes on to say that it's hard to affirm or refute the effect of coupon charges.

Premiums

A premium is a monetary payment, or incentive, made in exchange for carrying out a particular task, usually making a purchase. If not, the premium is substantially less than the going rate (Zikmond, 1996). The premium might even be free. Receiving an extra product such as a cereal box, a free glass with detergent purchase, or a free atlas with insurance purchase is considered a premium. Regarding the definition of premiums, Belch (2004) concurred with Zikmond (1996). He goes on to say that another kind of free stuff used in sales promotions is premium or "giveaway" things. According to him, premiums are not the same as samples or free products since, although there may be a connection, they usually don't include the real thing.

2.1.4 Sales Promotion and Customer Response

To increase sales, market share, and brand loyalty, fast food companies utilize price-oriented promotions including coupons, discounts, and price reductions. According to Shea (1996), nonprice promotions that provide brands with excitement and value include contests, frequent user clubs, and premiums. These strategies have the ability to boost brand loyalty. Additionally, they offer hedonic rewards like entertainment, discovery, and self-expression in addition to utilitarian benefits like cost savings, increased value, higher quality, and convenience (Laurent and Wansink, 1997).

In particular, customers typically react favourably to price promotions because they see them as a price gain. On the other hand, they consider it as a price reduction and are less inclined to buy the brand if the promotional offer is cancelled. Alternatively, rather than real declines in the purchase probabilities of individual consumers following a promotional purchase, statistical aggregation may be the cause of the phenomenon of lower repeat purchase rates following promotional purchases (Neslin and Shoemaker, 1989). Put another way, if a promotion draws a large number of customers who would not normally have a high likelihood of purchasing the brand without the promotion, then their low likelihood on subsequent purchase occasions may lower the average repurchase rate among promotional.

The continued employment of sale promotion tactics has an impact on product image, as customers may develop the opinion that things supplied through sales promotions are pricey and of low quality. For example, according to the questionnaires, some Pizza Inn consumers are switching to Pizza Slice because they associate Terrific Tuesday with bad quality. Sales promotions have disadvantages such as diminished brand loyalty, increased brand switching, lower quality perceptions, and more price sensitivity (Keller, 1998; Jorgensen, 2003).

According to some authors, promotions have the potential to harm brand equity by excessively emphasizing price in the minds of consumers (Aaker, 1996). This can be better understood through the concept of Price Elasticity of Demand. Price elasticity of demand measures the responsiveness, or elasticity, of the quantity demanded for a product or service to changes in its price. When the Price Elasticity of Demand (PED) is less than one (in absolute value), the demand for a product is considered relatively inelastic, indicating that variations in price have little effect on the quantity demanded. Conversely, when the PED exceeds one (in absolute terms), the product's demand is deemed moderately elastic, signifying that variations in price have a comparatively substantial impact on the amount demanded.

Price Elasticity of Demand (PED)

Price elasticity of demand refers to the responsiveness of the quantity sought of a commodity or service to a change in price while keeping all other parameters constant. The effectiveness and financial gain of sales promotions can be evaluated by closely observing specific sales data, such as those pertaining to acquired goods (Lambin, 2007). The deal responsiveness of customers within a particular product category determines how effective sales promotions are. Sales promotions, for instance, are inevitably unprofitable if customers are not responsive to offers or if they are a little hypersensitive to them. This is because, during a sales campaign, the per-unit revenue margin decreases, and the increased sales volume is not enough to offset the declining profit margin. The formula for calculating price elasticity of demand is:

Equation 1. $Demand\ Elasticity\ at\ a\ Price = \frac{\%\ Change\ in\ Demanded\ Quantity}{\%\ Change\ in\ Price}$

A product is considered elastic (or sensitive to price changes) if there is a significant change in quantity demanded along with a slight change in price. On the other hand, if there is just a slight shift in the quantity demanded together with a significant change in price, the product is said to be inelastic. Demand is totally inelastic—that is, it does not alter in response to changes in price when its price elasticity equals zero. When the percentage change in demand is less than the percentage change in price, it is said that demand is inelastic, and values between zero and one reflect this. Lastly, demand is perfectly elastic if the value is bigger than one, meaning that price changes will have a stronger impact on demand.

According to Neslin (1985), price elasticity is higher for heavy users compared to light users, and it is higher for non-loyal consumers compared to loyal consumers (Krishnamurthi and Raj, 1991). Price-off promotions have been demonstrated by Abdelhamied (2001) to be the most effective way to influence and draw customers to fast food establishments. Customers who see price promotions "learn" to value price more than the core characteristics of a brand. Customers' price elasticity increases as a result of sales promotions.

2.2 Empirical Literature

2.2.1 Impacts of Sales Promotions on Sales

Positive Impacts of Sales Promotions on Sales

According to Brito and Hammond (2007), there is ongoing dispute among marketing experts on the nature and duration of the effects of sales promotion (Blattberg and Neslin, 1989). Although opinions on the profitability of sales promotion are divided, it is generally accepted that sales promotions have a small and often temporary positive impact on sales (Wilkinson, 1982).

According to several experts, the dimensions of sales promotions have a positive effect on sales volume (Oyedapo, 2012). Product trial and sales promotion dimensions are correlated, and this results in higher sales volumes (Wayne, 2002). According to several studies, sales volumes are impacted over time by the dimensions of sales promotions (Pauwels et al., 2002).

Sales promotion promotes customers to buy a significant quantity of a product or to use the service provider's service more frequently. Sales promotion is a broad set of incentive tactics, most of which are short-term in nature and aimed to encourage consumers to acquire items or services more quickly or in larger quantities. Premiums and product warranties encourage consumers to buy in bulk (Rotimosho, 2003). As a result, higher client demand for the product contributes to a company's sales revenue.

Due of the growing demand, sales promotions help firms become more visible and generate more cash. In addition to offering fresh perspectives for consumer behaviour theorists looking to comprehend the impact of various environmental cues on consumer behaviour, a deeper comprehension of the various consumer reactions to promotions can assist managers in creating successful promotional campaigns (Blattberg, 2001). According to Churchill (1995), the goal of sales promotions is to generate instant effects that will increase sales and, over time, result in a loyal client base.

Foster (1996) suggests that the impact of sales promotion is short-term in both concept and reality. For instance, it can assist in launching a new product, revive demand, or boost sales during peak periods. Chardon (2000) points out that refunds are meant to entice consumers to "load up" on the goods by increasing the amount or frequency of purchases. By forcing customers out of the market, this strategy might momentarily lessen competition and encourage the purchase of durable items like large appliances. Additionally, it promotes unique displays on store shelves, which generate enthusiasm. This implies that sales volumes will surely rise if clients "load up" on things and make purchases frequently.

Chardon (2000) describes prize deals as strategies typically used to encourage trials of new products, extend product lines, attract new buyers to mature products, and persuade existing customers to purchase multiple units. These tactics can boost sales volume during promotional campaigns.

Negative Impacts of Sales Promotions on Sales

Sales promotions do not have a consistent or lasting impact on a firm's sales volume; instead, they tend to diminish and return to the initial level after the promotion ends (Pauwels, 2002). However, it is not mandatory for sales promotions to contribute to the long-term growth and profitability of the brands they are designed for (Kopalle, Mela, and Marsh, 1999). Research by Ailawadi and Neslin (1998) indicates that sales promotions motivate customers to make immediate purchases and positively influence consumption volume. Some researchers have labeled sales promotions as primarily short-term and tactical tools. Price discounts, for example, have a short-term effect on sales promotions, often resulting in a temporary increase in sales followed by a decline as both loyal and non-loyal buyers respond to the discounted prices (Shi, Cheung, and Prendergast, 2005), thereby negatively impacting sales growth. It has also been observed that after the promotion ends, there may be a significant switching behaviour that partially offsets the additional sales obtained during the promotion phase (Zeelenberg and Putten, 2005). Increased promotional activity has been found to weaken brand loyalty, detract from brand quality image, and foster a short-term management focus.

According to Kelly (2003), sales may temporarily decline following the sales promotion time before finally rising back to normal levels when new users are brought on board. Sales promotion is primarily a short-term strategy aimed at motivating consumers to try a brand or switch brands, leveraging the added value provided by the promotions (Fill, 2005). Some authors suggest that sales promotions can actively encourage switching behaviour, leading to decreased levels of loyalty (Papatia and Krishnamurthi, 1996). Ineffectiveness in sales promotion can harm a brand's image, sales, and cash flow. While price reductions like coupons, buy one get one free, or percentage discounts can increase sales through sales promotions in the short term, they can damage a brand's reputation over time. A sales promotion's propensity to lower the product's perceived worth increases with its duration (Stan Mack, 2005).

2.2.2 Evaluating the Effectiveness of a Sales Promotion

Assessing the effectiveness of a sales promotion is a challenging task (Cronje, 1993). Sales promotional methods are typically part of a broader marketing communication campaign and often involve a range of different tactics. Despite these complexities, it is important to make genuine efforts to determine the effectiveness of sales promotion. Prior evaluations of sales promotion methods should be conducted to identify potential issues before implementing a full-scale campaign. These evaluations can also help in selecting appropriate methods, often through the use of panel discussions and focus groups.

Evaluation takes place when the entire sales promotion program is reviewed to assess its effectiveness (Cronje, 1993). This includes determining whether the objectives have been achieved, evaluating cost-effectiveness, and assessing the coordination of the sales promotion efforts. According to some studies, one way to assess the success of a sales campaign is to look at the sales "bump" that occurs during the promotion period—a rise in sales brought on by customers switching brands (Gunipta, 1998).

Researchers have also proposed the use of sales data from company-provided scanners for sales data analysis. Marketers can examine the kinds of customers who benefited from the promotion and track how they behaved toward the promoted brand as well as other companies afterward. For instance, the acquisition of new customers is shown if a company's market share rises from 6% to 10% during the campaign and then levels out at 7% in the post-promotion phase (Kotler, 2003).

Surveys of consumers are also used to find out how well they remember the marketing effort (Perreault, 2000). Measuring sales before, during, and after a promotion is the most popular way to assess a sales campaign. A successful program should result in increased sales during the campaign. While sales may taper off at a certain point, the hope is that they will stabilize at a slightly higher rate than before the campaign. The results of these evaluations are crucial in guiding future sales promotion programs.

2.3 Research Gap

Understanding the effects of long-term promotional methods on Pizza Inn (Simbisa Brands) sales growth is lacking in studies. Few studies examine the long-term consequences, with the majority concentrating on the short-term effects, such as higher sales during the promotion time.

There is a shortage of study because consumer loyalty in this market is reliant on recurring purchases over time. Customer satisfaction and competitive pricing are important aspects for Simbisa brands because if they are favourable, customers are more likely to return, resulting in an increase in turnover.

Another research gap is the absence of investigation into the moderating elements that influence the efficacy of promotional methods. Customer demographics, product kind, and brand strength can all have an impact on how effective a campaign is. Understanding these elements may help marketers modify their strategy to be more effective.

2.4 Proposed conceptual model

Sources of Data

The researcher utilized both primary and secondary data sources to gather the necessary information for the research objectives. Primary data refers to firsthand data collected directly from the targeted population to address the research objectives and questions. This data is obtained through questionnaires and interviews conducted with Pizza Inn. In order to evaluate the efficacy of the promotion, the researcher obtained direct information from the respondents through primary data.

Conversely, secondary data pertains to historical information that has been previously gathered and compiled for study objectives unconnected to the present circumstances. (Shiu, 2009). It can be obtained from sources such as sales revenue journals, financial statements, and the internet, including company websites. Secondary data serves as a comparative and contextual source of information that can lead to new discoveries (Bryman, 2003).

Examining the complete program to ascertain whether the goals have been met, whether the campaign was financially viable, and whether the coordination of the sales promotion activities was successful is part of assessing the efficacy of sales promotion (Cronje, 1993). According to some experts, examining the sales "bump" that occurs during the promotion period—a rise in sales brought on by brand switching—can help determine how effective a sales campaign is (Gunipta, 1998).

Methods such as sales data analysis, consumer surveys, and evaluating sales before, during, and after the promotion are commonly used to evaluate sales promotion effectiveness (Kotler, 2003; Perreault, 2000). Sales data analysis involves using scanners to analyse sales data, while consumer surveys assess the level of consumer recall of the promotion campaign. Evaluating sales before, during, and after the promotion helps determine if the program was successful in increasing sales.

Data Analysis Methods

Descriptive statistics were run on the independent variables to start the data analysis process by summarizing and characterizing the collected data. When analysing quantitative data, there are three major steps to consider: Step 1: Coding; Step 2: Data Entry; Step 3: Tabulation and Statistical Analysis (Wilson, 2003). Qualitative analysis typically entails expanding data categories, assigning units of original data to appropriate categories, identifying relationships within and between data categories, and developing and testing hypotheses to produce a well-supported summary (Saunders, 2003). Independent t-tests and two-factor factorial experiments were performed to explore for significant differences in turnovers as a result of Terrific Tuesday.

2.5 Chapter Summary

In a nutshell, this chapter explained the literature with regards to sales promotional strategies. l have used marketing gurus scripts to this research on the area of sales promotions. The researcher was able to evaluate the gaps in knowledge between the different authors' points of view. The focus of the next chapter is the methodology and how data was gathered.

CHAPTER 3

Methodology

3.0 Introduction

This chapter primarily focuses on the procedures and methods used in the collection, processing, and analysis of primary and secondary data. Throughout the research process, it covers issues related to study design, problem formulation, research quality, and ethics. The researcher elucidates how the gathered data and information pertains to the research questions and objectives.

3.1 Research Design

Crafting the study design for this research involved adopting a meticulous approach to align the methodologies with the specific objectives of the impacts of long-term strategies (Terrific Tuesday) using Time Series analysis within Simbisa Brands landscape. Research design is the overall plan for connecting the conceptual research problems to the pertinent and achievable empirical research and inquiry which provides specific direction for procedures in research (Creswell, 2014). Data was collected from internal sources such as sales records, promotional materials, and customer feedback from 2009 to 2012 before the introduction of Terrific Tuesday and 2019 to 2022 after the introduction. External sources such as industry reports, academic research, and case studies also provided valuable insights. The population for this research are

Pizza Inn customers and staff.

3.2 Instruments used to collect data

The researcher obtained the necessary data for the accomplishment of the research's objectives by using primary data and secondary data from the "GAAP system." First-hand information obtained from the intended population to fulfil the goals and inquiries of the research is referred to as primary data. Primary data is the source of unprocessed information that is gathered directly from the site of the action.

Through the use of interviews and questionnaires, Pizza Inn supplied information. The researcher may determine the success of the campaign with the help of this kind of data, which gives them first-hand information from the respondents. According to Shiu (2009), secondary data are historical data structures of variables that have already been gathered and organized for a research problem or opportunity scenario different from the one that exists right now. Secondary data, as proposed by Bryman (2003), is a feasible substitute source of information that offers contextual and comparison data that may lead to further discoveries.

Secondary sources include the following: financial accounts, sales journals, and the company website on the internet, which provides current, easily available information that is updated on a regular basis. These are examples of internal sources. External sources are published materials that are ready for general access. They can typically be found in libraries or offered by a range of different organizations, including trade associations, government agencies, and professional associations. Additionally, a statistical program called Python was implemented for the modelling and data analysis.

3.3 Population and Sampling technique

3.3.1 Target Population

The target population for this research on long term promotional strategies within Pizza Inn in Zimbabwe encompasses various stakeholders who stand to benefit from the study’s findings and insights. The primary target population includes customers who have visited Pizza Inn outlets and have been exposed to the Terrific Tuesday promotion. This includes individuals of various demographics, such as age, gender, income level, and geographic location.

The secondary target population includes staff and management members of Pizza Inn outlets who are directly involved in the design, implementation, and monitoring of the Terrific Tuesday promotion. This may include employees at different levels, from frontline staff to marketing managers.

3.3.2 Sample and Sampling techniques

Sample Frame

The sample frame comprises the entire list of the population of interest, from which the researcher selects individuals to include in the study (Wilson, 2003). It is a master list of all the population, according to certain academics' theories (Burns and Bush, 2010). i.e., Pizza Inn customers make up the researcher's sample frame.

3.4 Sampling Procedure

The target Population are the customers of Pizza Inn who have been exposed to the long-term promotional strategies. The Sampling Technique I used is random sampling. Data Collection was done through surveys, interviews and also by accessing the company's sales data. After collecting the data, l analysed it using appropriate statistical techniques to determine the impacts of the longterm promotional strategies on sales growth. I compared sales data before and after the implementation of the promotional strategies, conducting time series approach.

3.5 Data Analysis Procedures

3.5.1 Analytical Model

Time Series Plot and the law of Diminishing Returns

A time series plot is a type of graph that is useful for analysing trends and patterns in data across time. Utilizing a time series plot, the researcher looked at the effects on sales both before and after Terrific Tuesday on a daily basis. The researcher used the time series plot of consecutive groups to show sales before Terrific Tuesday and sales after Terrific Tuesday promotion. The below time series plot explains the law of diminishing returns

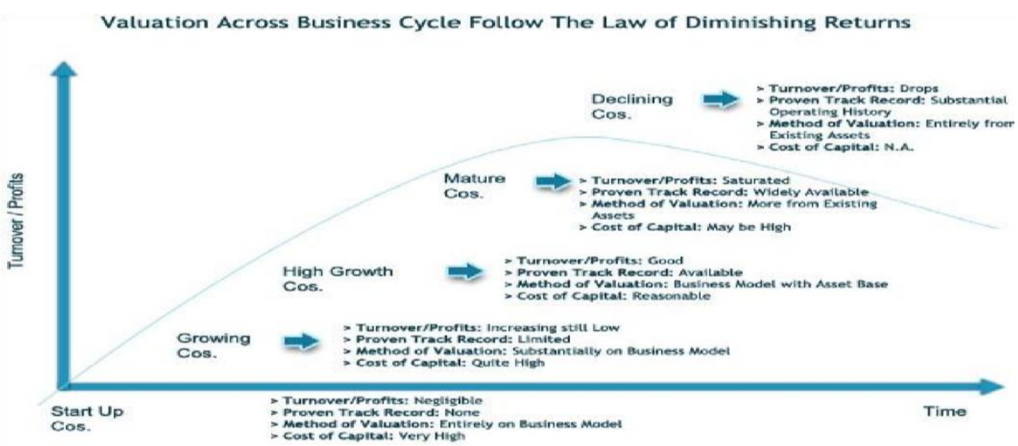


Figure 1 Diminishing Returns

Time series model is comprised of 3 elements, that is seasonal component, trend cycle and an irregular error. For an additive model we have:

Equation 2. $Y_t = S_t + T_t + E_t$

And a multiplicative trend is given by:

Equation 3. $Y_t = S_t * T_t * E_t$

Where Y_t is the data at period t, S_t is the seasonal component at period t, T_t the trend-cycle component at period t and E_t irregular or error component at period t.

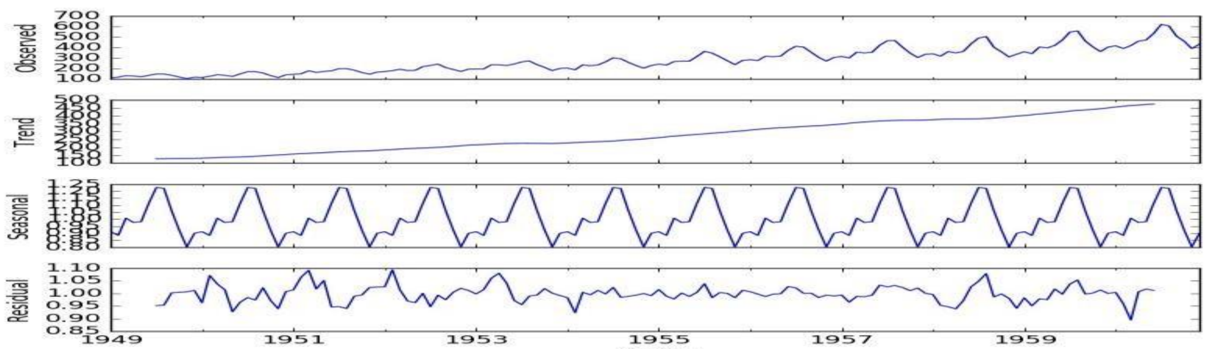
Forecasting

Figure 1 Time series values of Turnovers

Time series forecasting is a technique for predicting future values using previous data points that are arranged in time. It is a useful tool in a variety of disciplines, including business, economics, finance, and meteorology. Time series forecasting can provide insights for decision-making and predict future outcomes by evaluating data patterns and trends.

3.6 Time Series Decomposition

Figure 2



During the decomposition process, the trend and seasonal components are estimated and removed from the original time series. The residuals are then obtained by subtracting the estimated trend and seasonal components from the original data. These residuals represent the part of the data that cannot be explained by the identified trend and seasonality.

3.7 Components of Decomposition

3.7.1 The trend component

Illustrates the long-term alterations or trends found in the time series over a period of time. It shows the overall direction of the data's movement. The recurring patterns or fluctuations that happen on a regular basis, like weekly, monthly, or annual cycles, are captured by the seasonality component. The fluctuations that are erratic or unpredictable and cannot be accounted for by seasonality or trends are represented by the residual component.

3.7.2 Seasonal decomposition

In time series refers to the process of breaking down a time series into its constituent components, which typically include trend, seasonality, and residual (or noise) components. The decomposition helps in understanding and analysing the underlying patterns and fluctuations in the data.

3.7.3 Residuals

The residuals refer to the component that represents the unexplained or random variation in the data after accounting for the trend and seasonality components. They capture the variability that cannot be attributed to the underlying patterns or structures in the time series.

3.8 Paired T-Test

The paired t-test examines the difference between population means for a set of random samples with nearly normal distributions. Subjects are frequently tested before and after, or with as many like subjects as possible. The paired t-test determines if the differences between two observations are zero.

Consider two paired sets, Xi and Yi, with i = 1, 2, …, n. Their paired difference is independent, identical, and normally distributed. The paired t-test determines whether they significantly differ from one another.

The difference between the values of a single pair, or one subtracted from the other, is the basis of the Paired T-test. This difference is represented by the letter d in the paired t-test calculation. The sum of the differences between each pair divided by the square root of n times the sum of the squared differences less the sum of the squared differences, overall n-1, is the formula for the paired t-test.

The formula for the paired t-test is given by:

$$t = \frac{\sum \mathrm{d}}{\frac{\mathrm{n}(\sum \mathrm{d}^2) \ - \mathrm{n}(\sum \mathrm{d})^2}{\mathrm{n} - 1}}$$

Where d: difference per paired values n: number of samples

3.9 Ethical Consideration

In conducting this study based on secondary data, ethical considerations remained a cornerstone of the research process (Zeybek and Ulengin, 2017). While no direct interaction with participants occurred, ethical principles were upheld through rigorous adherence to privacy and confidentiality measures thus avoiding unnecessary risks and ensuring that the benefits of the research outweigh any potential harm. Data was anonymized or de-identified whenever possible, and access to sensitive information was limited to authorized personnel only. By validating these ethical standards, the study aims to uphold the integrity and trustworthiness of the research process while contributing valuable insights to the field of long-term promotional strategies in food organisation.

3.10 Chapter Summary

This chapter covered the methods and techniques that were used to gather and dissect primary and secondary data. It managed to label questions of research design, formulation of research problems, quality in research, and ethics throughout the research process. Generally, this chapter gives detailed information about model formulation, data collection procedures and also data analysis methods. The next chapter will focus on…….

CHAPTER 4

Data Analysis and Discussions

4.0 Introduction

The examination and debate of the information gathered from Pizza Inn are presented in this chapter. The analysis aims to investigate the impact of long-term promotional strategies on sales growth, specifically the "Terrific Tuesday" promotion. The chapter begins with descriptive statistics, followed by inferential statistics and data visualization.

4.1 Descriptive Statistics

Descriptive statistics provide an overview of the data's central tendency, dispersion, and distribution. The statistics are presented in Table 4.0 and Table 4.1 for the two periods: 2009-2012 and 2019-2022.

Table 1 Turnover Statistics (2009-2012) in USD

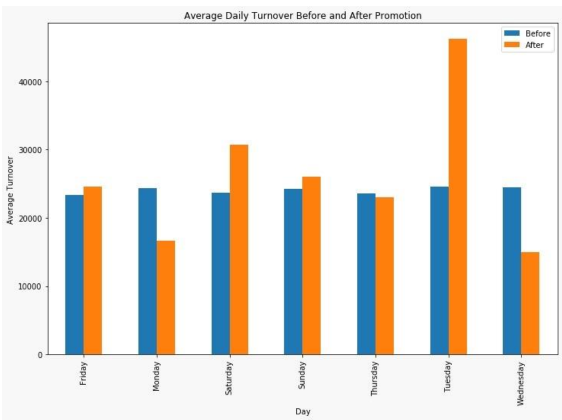
Statistic	**Value**
Count	1461.00
Mean	24037.21
Minimum	4003.72
25th Percentile	13409.12
Median	23437.73
75th Percentile	33038.21
Maximum	65073.81
Standard Deviation	12154.78

Table 2 Turnover Statistics (2019-2022)

Statistic	**Value**
Count	1461
Mean	26022.60
Minimum	2794.07
25th Percentile	12732.73
Median	20098.21
75th Percentile	32968.41
Maximum	148878.89

Standard Deviation	NaN (Not a Number, due to the presence of outliers)

The descriptive statistics suggest that the turnover has increased over the two periods, with a higher mean and median in the second period. The standard deviation is higher in the first period, indicating greater variability in the data. This could be attributed to the initial introduction of the "Terrific Tuesday" promotion, which may have caused fluctuations in sales. The minimum value in the second period is significantly higher than in the first period, indicating a possible increase in customer loyalty and retention.



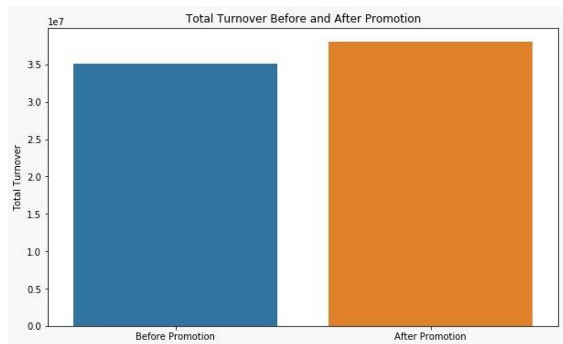
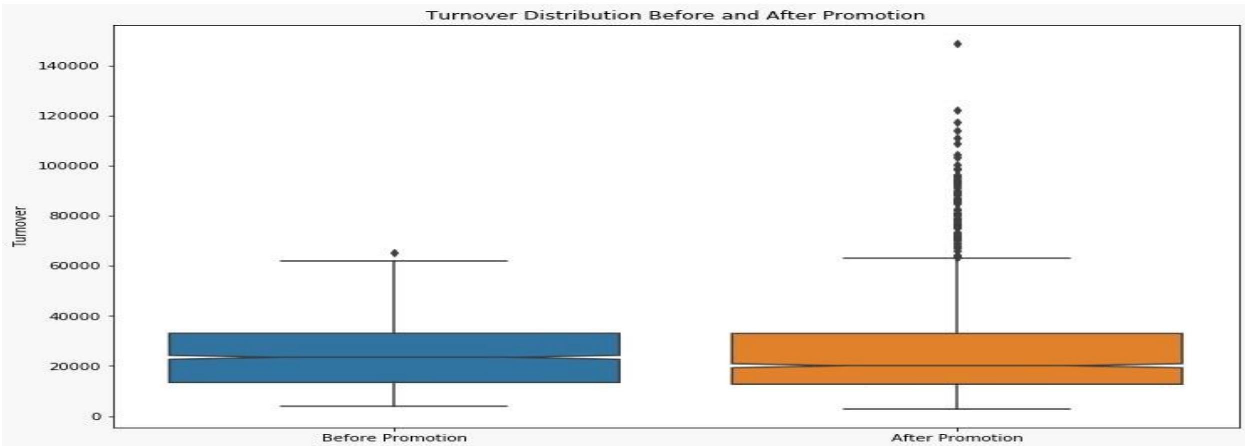


Figure 4

The descriptive statistics suggest that the turnover has increased over the two periods, with a higher mean and median in the second period. The standard deviation is higher in the first period, indicating greater variability in the data. This could be attributed to the initial introduction of the "Terrific Tuesday" promotion, which may have caused fluctuations in sales. The minimum value in the second period is significantly higher than in the first period, indicating a possible increase in customer loyalty and retention.

Figure 3



In the context of the research objectives, the increase in mean turnover suggests that the long-term promotional strategy of "Terrific Tuesday" may have had a positive impact on sales growth, aligning with Objective 1. However, the high standard deviation in the first period raises questions about the consistency of this impact, which will be further investigated in the inferential statistics section.

The increase in median turnover and the higher minimum value in the second period may indicate an increase in customer repurchase intention, aligning with Objective 3. This could be attributed to the emotional attachment and loyalty developed among customers through the consistent promotional strategy. Tuesday turnovers are affecting the non-Tuesday turnovers, Mondays and Wednesdays therefore leading to cannibalization, aligning to objective 3.

4.2 Time Series Decomposition Analysis

The time series decomposition is a powerful tool that separates a time series into several components, each representing underlying patterns in the data. The analysis consists of the three main components.

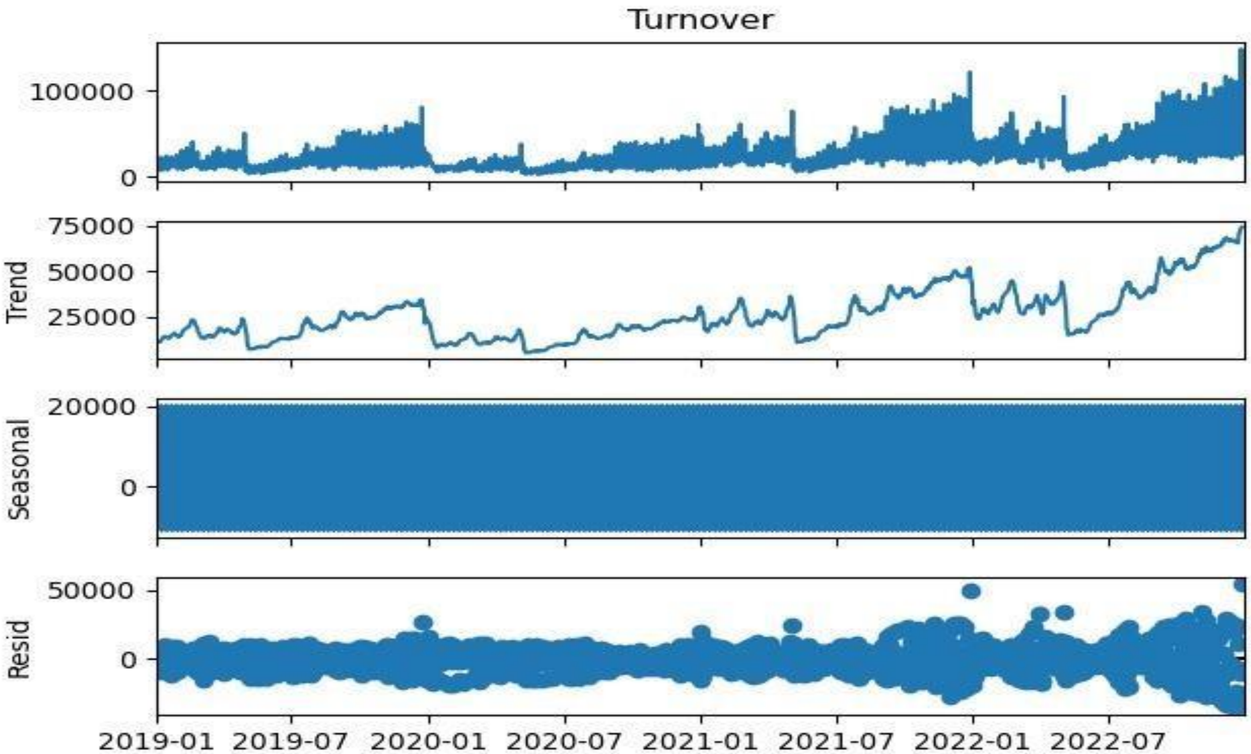
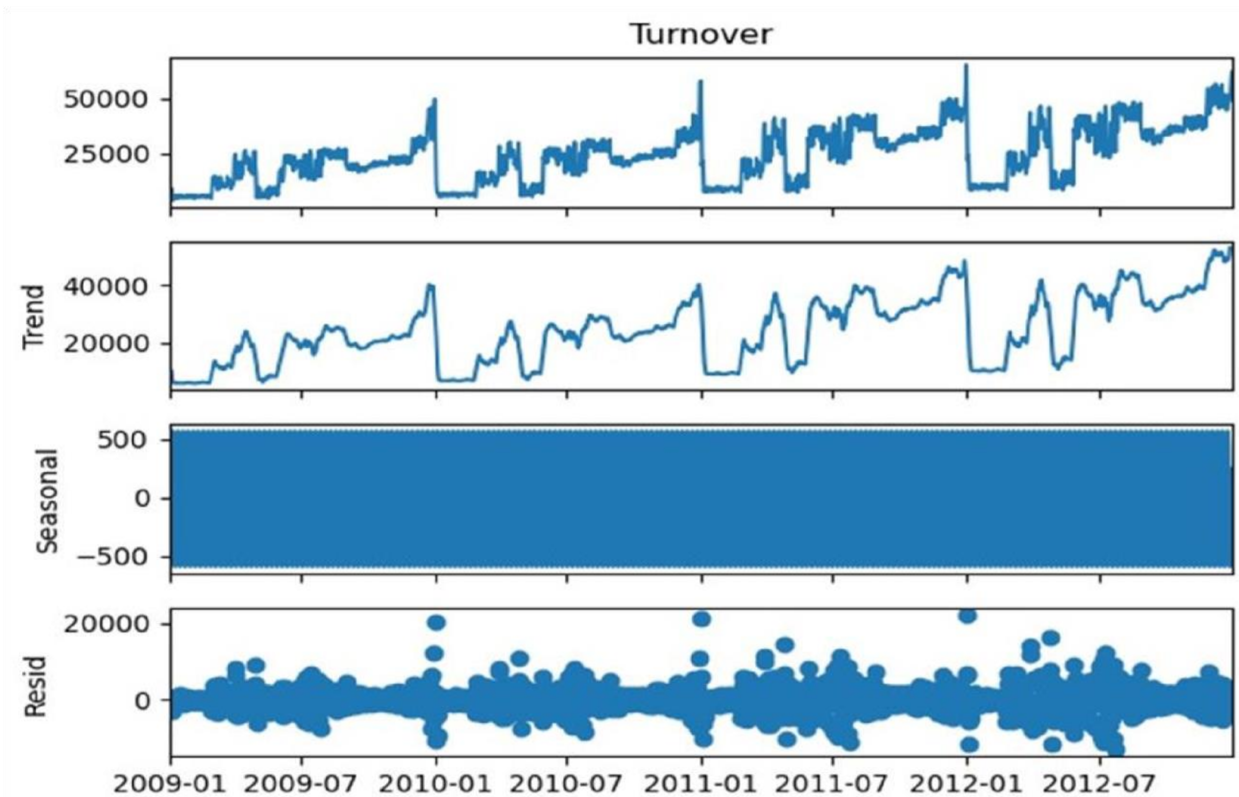

Turnover
100000
0
75000
50000
25000
Trend
20000
0
Seasonal
50000
0
Resid
2019-01
2019-07
2020-01
2020-07
2021-01
2021-07
2022-01
2022-07

Figure 4


Turnover
50000
25000
40000
20000
Trend
500
0
−500
Seasonal
20000
0
Resid
2009-01
2009-07
2010-01
2010-07
2011-01
2011-07
2012-01
2012-07

Trend

The trend components, each representing underlying patterns in the data. The analysis in the image consists of three main components.

The trend component, as shown in the top graph, indicates a clear upward trajectory in turnover over time. This suggests a general increase in sales, which could be attributed to the successful implementation of the "Terrific Tuesday" promotion and possibly other factors contributing to the overall growth of Pizza Inn.

Seasonality

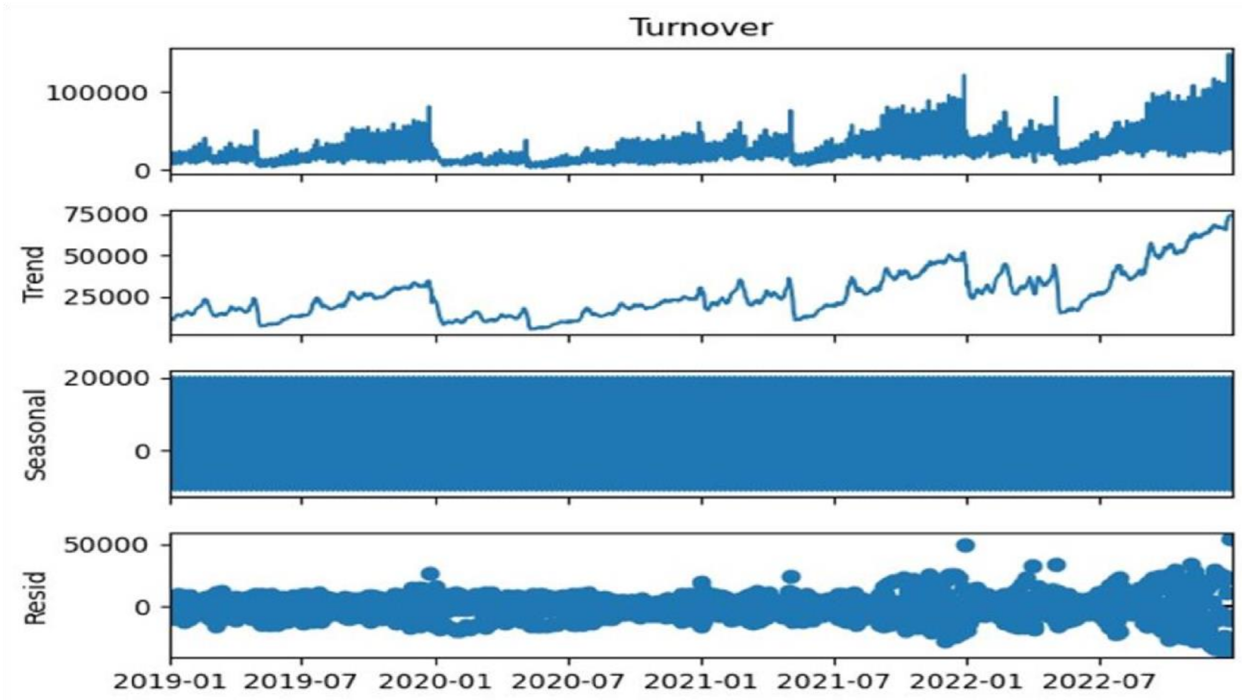
The middle graph illustrates the seasonal fluctuations within the data. These regular patterns, likely corresponding to weekly cycles, underscore the impact of the "Terrific Tuesday" promotion. The peaks in turnover align with the promotional days, indicating a significant boost in sales on Tuesdays.

Residuals

The bottom graph displays the residuals, which are the differences between the observed values and the values predicted by the trend and seasonal components. The scattered points around zero suggest that the trend and seasonality components have captured most of the variability in the data, leaving no apparent pattern in the residuals. The decomposition graphs provide a comprehensive view of the sales data, highlighting the effectiveness of the promotional strategy. The upward trend and pronounced seasonality align with the research objectives, suggesting that the "Terrific Tuesday" promotion has positively influenced sales growth and customer repurchase intention.

The lack of pattern in the residuals indicates that the model has accounted for the significant factors influencing sales, allowing for a more accurate interpretation of the promotion's impact. The time series decomposition analysis not only confirms the findings from the descriptive statistics but also offers a deeper insight into the dynamics of sales growth. It supports the hypothesis that the "Terrific Tuesday" promotion has been a driving force behind the increased turnover, contributing to the long-term success of Pizza Inn.

Figure 5



4.2 T- test

Table 3

Test	***Statistic***	***p-value***	***Df***
Total Turnover	*-3.320569*	*9.093847e-04*	*2920.0*
Tuesday Turnover	*-10.842503*	*2.58260e-24*	*415.0*
Non-Tuesday Turnover	*2.324352*	*2.018629e-02*	*2503.0*

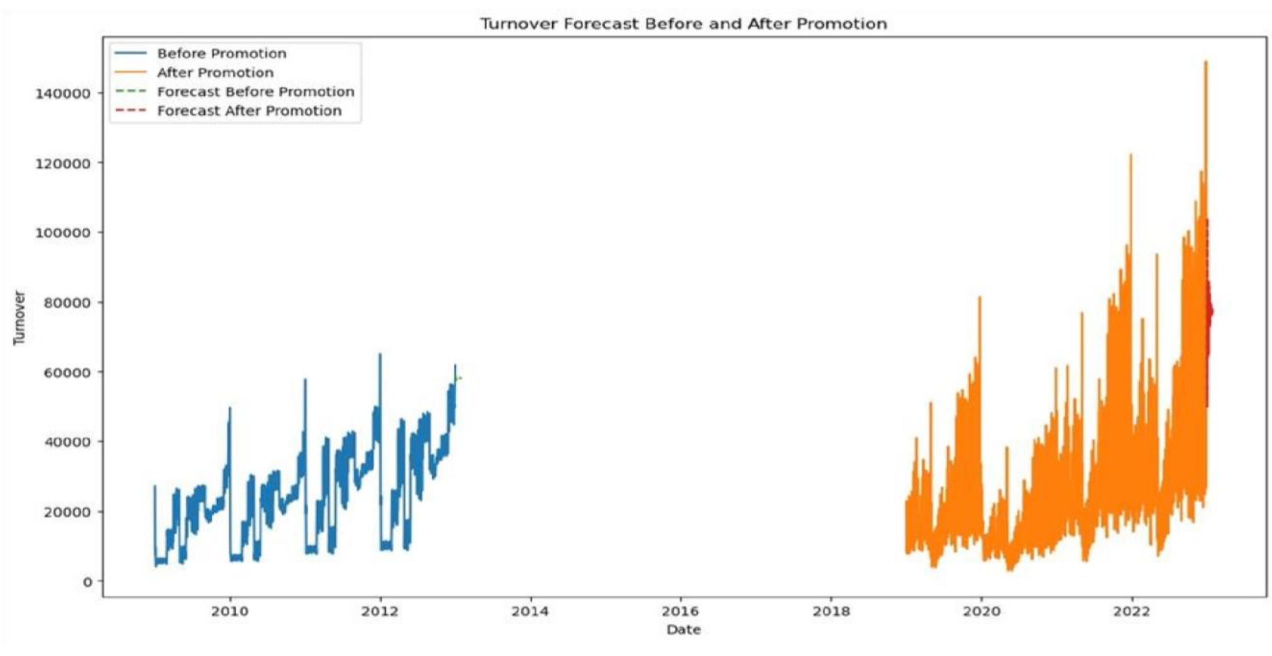
The T-test results for the total turnover, Tuesday turnover, and non-Tuesday turnover provide a statistical examination of the differences in sales figures on promotional days versus nonpromotional days, as well as an overall assessment of the turnover before and after the implementation of the "Terrific Tuesday" promotion.

The T-test for Total Turnover yields a statistic of -3.320569317059295 and a p-value of 0.0009093846850831683, with degrees of freedom (df) at 2920.0. The negative T-statistic indicates that the mean turnover post-promotion is significantly lower than the pre-promotion period and the p-value, being less than 0.05, suggests that this result is statistically significant, implying a real difference in turnover before and after the promotion was introduced. The T-test for Tuesday

Turnover shows a statistic of -10.842503170574327 and an even more significant pvalue of 2.758260149290428e-24, with df at 415.0. This result is highly significant and indicates that the mean turnover on Tuesdays during the promotion period is substantially higher than on Tuesdays before the promotion started. The large negative T-statistic further emphasizes the strong impact of the promotion on increasing sales on Tuesdays. Lastly, the T-test for Non-Tuesday Turnover presents a statistic of 2.3243518715555855 and a p-value of 0.020186292721271055, with df at 2503.0. The positive T-statistic here suggests that the mean turnover on non-Tuesday days post-promotion is higher than on non-Tuesday days pre-promotion, and the p-value indicates that this finding is statistically significant, though less so than the Tuesday results. This could mean that while the promotion has a pronounced effect on Tuesday sales, there is also a residual positive effect on other days of the week, possibly due to increased overall brand awareness or customer loyalty generated by the promotion. In summary, these T-test results provide strong statistical evidence that the "Terrific Tuesday" promotion has had a significant positive impact on sales, particularly on Tuesdays, which supports the promotional strategy's effectiveness in driving sales growth and aligns with the research objectives outlined in the previous sections of the analysis.

4.4 Turnover Forecast

Figure 6



The line graph titled "Turnover Forecast Before and After Promotion" provides a compelling visual representation of the impact of promotional strategies on Pizza Inn's turnover. The graph plots two forecast lines one for the period before the promotion (in blue) and another for after the promotion (in orange) against a timeline from 2010 to beyond 2022. The blue line exhibits a steady increase in turnover with minor fluctuations, while the orange line, representing the period after the promotion was introduced, shows a marked spike in turnover post-2020. This significant increase in turnover aligns with the research objectives, which aim to evaluate the effectiveness of long-term promotional strategies like “Terrific Tuesday.” The graph effectively illustrates that the promotion has had a substantial and positive effect on business performance, as evidenced by the higher forecasted turnover after its implementation, supporting the hypothesis that such promotional activities can lead to enhanced sales growth and potentially improved customer retention over time.

4.5 Chapter Summary

The empirical results of Pizza Inn’s “Terrific Tuesday” promotion provide the consensus in the existing literature about the effectiveness of long-term price promotion strategy in sales growth. The recorded improvement in mean and median turnovers after the promotion is a clear backing of the assertion that price promotions will not only make a difference in sales but will have significant impacts on the performance of the sales (Zeybek & Ülengin, 2021). This aligns with the brand-level model which states that own price and promotion depth impact sales, which is evidenced by the ARDL bounds test method used in the study. Meanwhile, the higher standard deviation in the first period of the promotion, which implies a higher variability, may be because of the initial changes in sales impacted by the novelty of the promotion. It is commonly reported in literature that short-term peak sales arise due to a variety of customer responses to the promotion at hand such as brand switching and increased consumption among others (Zeybek & Ülengin, 2021). The significant improvement in the minimum value in the second period indicated an improvement in customer loyalty and retention, which is a fundamental contributor to success in fast food because of the impact that emotional attachment and repurchase intentions have on turnovers (Robledo, 2022).

In addition, the decompositioned time series provides the graphical confirmation of the components in the trend and seasonality, which further also validate the strength of the promotional strategy. High seasonality peaks coinciding with promotional days confirm the importance of “Terrific Tuesday” in making sales, a result further supported by the literature that notes the direct and indirect impact of retailer promotion on sales (Zeybek & Ülengin, 2021). Residuals are pattern less, which implies that factors influencing sales significantly have been taken into account and the promotion result would be interpreted more objectively. The approach taken is fully supported by the literature, which further underlines the importance of breaking down promotion by clear components for interpretation by decision-makers (Herrala, 2018). The T-test analysis revealed, with a high degree of significance, that promotional and non-promotional day sales are different. The result is in sync with similar studies that conclude sales promotion impacts positively on shortrun sales and could have a high significant effect on sales aggregate as well as stockpiling (Akanbi & Ajagbe, 2012). The residual positive impact on non-Tuesday is a confirmation of a much broader brand awareness or general customer loyalty effect promoted by the strategy, a well-developed theory in the literature (Akanbi & Ajagbe, 2012).

Summing up, the analysis of Pizza Inn's "Terrific Tuesday" promotion provides a deep understanding of the impact of long-term promotional strategies on sales growth. The findings resonate with existing literature and go a long way in fostering the point that promotions, when organized well, can lead to growth in sales and customer loyalty and retention, which become key to the very profitability of business operations within the very competitive fast-food sector. The success of such promotions lies in the aspects of price, quality, and taste of the products as well as the effectiveness of the promotional strategy itself (Robledo, 2022). Insight from this analysis not only adds to the existing academic literature on sales promotion but also offers practical implications for business practitioners in enhancing their promotional strategies and, therefore, turnarounds.

CHAPTER 5

Recommendations and Conclusions

5.0 Introduction

In this last chapter, we integrate the findings from the extensive sequential study performed in chapter 4, where attention has been paid to Pizza Inn's special offer "Terrific Tuesday". The recommendations are hereby highlighted in Chapter 5 of this study that utilises the empiric evidence and the statistical data provided to do so before concluding by reflecting on the opportunities and challenges for Pizza Inn and the fast-food segment in general. Based on the crucial role of promotional activities as a determinant of sales and customer loyalty, this chapter explores strategic proposals as to how Pizza's Inn approaches and effectiveness can be enhanced. With the help of the conclusions, it is possible to build further on Pizza Inn's strengths and respond to the weaknesses to remain Strong and functional in the market. Pizza Inn succeeded in various aspects that can be built on and on the other side faced some challenges that have to be worked on.

5.1 Research Summary

This research work is focused on examining the effectiveness of Pizza Inn's 'Terrific Tuesday' promotional strategy on sales increase and customer loyalty in the fast foods segment. Chapter 1 is the preparatory chapter In this chapter, there is a clear overview of the research topic which discusses the importance of promotional strategies in enhancing business performance and customer loyalty. The chapter outlines the research objectives as part of the overall study goals: to assess the efficiency of the established promotional campaign and its impacts likely to be recorded on the volume of pizza sales and customer willingness to reorder pizza from Pizza Inn and other similar businesses.

Chapter 2 aims at providing a literature review of the area of interest and as such presents a literature review of the existing literature on sales promotion, customer retention and the fast food industry. Theoretically, this chapter discusses the theory of promotional activities while further supporting it with the results of empirical research to illustrate their ability to alter consumers' behavior and the subsequent impact on business performance. Chapter 2 integrates various sources of literature and establishes the approach that will be employed in the analysis of the research findings.

The third chapter provides a description of the methods used in executing the research including the strategy of data collection, data analysis methods and statistical techniques used in the research study. In this chapter, advanced quantitative analysis and statistical modeling effectively demonstrate how the scientific evaluation approach was used to examine Pizza Inn's sale trend and assess the 'Terrific Tuesday' promotion. Thus, using stricter procedures for selecting the methods, the study provides high reliability and validity and allows drawing practical conclusions. Finally, the fourth chapter deals with the analysis and discussion of the data gathered from the Pizza Inn concerning effects of "Terrific Tuesday" promotion on sales increase and customer loyalty. As a result, this chapter implements descriptive analysis, time series decomposition analysis, T-tests, as well as turnover forecasts to establish the efficacy of the specified promotion in enhancing business performance. Consummating the approach to the results in Chapter 4, this chapter situates the study findings in relation to the research objectives and marketing scholarship to provide Pizza Inn and the fast-food sector with strategic overviews for promotional strategies before presenting concrete recommendations and concluding thoughts in Chapter 5.

5.2 Conclusions

From the research study conclusions as highlighted in the findings, the researcher has made the following conclusions; In support for the hypothesis, the findings validate consumer-assumed long-term promotional strategies, namely the Pizza Inn's Terrific Tuesday promotion eligibility, which greatly impacts sales performance and mere customer repurchase intention. The results presented here demonstrated the following uplifts, now on their way to translate into improved sales: Turnover and median values after promotion. This supports current research that points to price promotions as successful approaches to demand pull in consumer consumption and revenue boost for sellers (Zeybek & Ülengin, 2021).

In addition, the analyses carried out in this study descriptive analyses, time series decomposition analysis, and T-tests enhance credibility of the promotion as a desirable tool that enhances the sale of the product especially on the promotion days. That the number of sales dramatically rises during certain quarters of the year, and specific corresponding spikes that fall within "Terrific Tuesday' promotional periods helps corroborate the direct influence of the promotion on sales figures. A store or the company's promotions data align with existing literature on the direct and indirect selling impacts of retailer promotions (Zeybek & Ülengin, 2021).

Further, the results showed that there was a positive impact even on the non-promotional days therefore implying that the promotion was not only effective in setting its promotional days but also created a positive influence to other days hence bringing more customer loyalty and brand recognition. This view is consistent with the literature where the long-term effects of promotional activities to customer loyalty and brand patronage are embraced by consumers (Akanbi & Ajagbe, 2012). The ongoing promotion has led to improved sales, and consequently, firm profitability through making customers develop an emotional connection and a commitment to buy the business' products in the future.

Therefore, the conclusion drawn from this study is that strategic promotional activities play a critical role on the promotion of sales and on the development of customer loyalty in the fast-food industry. Through integration with all the prior works and findings of other studies, this research offers the practical solution to Pizza Inn and other organizations to improve their promotion strategies, as well as their positions in the competition field. In the future, the management should maintain and build on the marketing promotion strategies while improving operational efficiency and delivering superior value to consumers, to ensure the sustainability oft drying and growth in fast-food industry.

5.3 Recommendations

- The researcher recommends that Pizza Inn expands its promotional offerings beyond "Terrific Tuesday" by introducing additional themed days or offers throughout the week. This strategic move will cater to diverse consumer preferences and sustain engagement beyond a single promotional day, thereby driving sustained sales growth.

- The researcher recommends that Pizza Inn harnesses digital channels such as social media platforms and online ordering systems to amplify the reach and impact of its promotional campaigns. By leveraging targeted advertising, interactive content, and real-time customer engagement, Pizza Inn can enhance visibility and gather valuable feedback to refine its promotional strategies effectively.

- The researcher recommends that Pizza Inn implements a structured customer loyalty program to incentivize repeat purchases and foster brand loyalty among its clientele. By offering rewards, discounts, and personalized incentives tailored to customer preferences and purchase history, Pizza Inn can deepen its connections with customers and encourage long-term patronage.

- The researcher recommends that Pizza Inn enhances its operational efficiency by optimizing its supply chain and investing in staff training and development. Strengthening inventory management, distribution channels, and supplier relationships will ensure consistent product availability and quality, particularly on promotional days. Additionally, comprehensive training programs for frontline staff will empower them to deliver exceptional customer service, thereby enhancing the overall dining experience and maximizing the effectiveness of promotional offers.

5.4 Area for further research

The researcher identified the possibility within literature of a gap in the evaluation and analysis of sophisticated promotional elements in relation to the impact which they have on consumer behavior and entrepreneurial performance in the fast-food industry. Further research could examine the long-term impacts of promotion decisions on the market in the long run, focus on the moderation of various forms of promotions, consider demographic factors and the effects of using digital technology or conduct a cross-sectional analysis with other markets or geographically different areas. Since such research activities would promote the purpose of enhancing the understanding of various aspects of promotional activities, such attempts would be useful in serving the academic field while offering applicable evidence for the quick-food sector so as to gain a competitive edge within the highly dynamic world of marketing.

5.5 Chapter summary

In summary, the findings of this research reveals the significance of carry out the “Terrific Tuesday” promotion to improve the sales volume and generate greater customer loyalty for Pizza Inn, a competitive fast-food chain. The statistical test results and turnover data agree with prior research, definitively indicating that the promotion has a positive and significant effect on the target variables, including turnover and customer repurchase intention. The suggestions given which involve increasing promotional products, engaging Internet communications, developing and bringing in a customer reward plan, and improving the process, give tangible ways on how Pizza Inn can make over its promotions. In addition, the identification of areas that may be explored in relation to the present study due to the continuing change in the mode of promotion and the consumer profile is a clear indication that the industry is dynamic. Further studies can be done on the duration of the implementation of the strategy, synergies between implementing different strategies simultaneously, and variations depending on the demographic and geographic market and area. All in all, it is an academic work that aids in the existing literature pertaining to the competition, for any business-oriented organizations that want to succeed in today’s competitive environment.

REFERENCES:

Akanbi, P. A. & Ajagbe, M. A. (2012). Impact of Sales Promotional Strategies on Organizational Performance. Journal of Emerging Trends in Economics and Management Sciences (JETEMS), 3(5), 495-503.

American Marketing Association (AMA)

Belch et al, 2004: Advertising and Promotion: An Integrated Marketing Communications Perspective, 6th Edition, McGraw Hill, New York, USA

Blattberg et al. 1995, Promotion Effect on Endogenous Consumption (2005) by Baohong Sun

Blattberg, C. R., and Neslin, S. A. (1990) Sales Promotion, Concepts, Methods.

Blattberg, R. and Neslin, S.A. (1989) Sales promotion: the long and short of it, Marketing Letters, 1(1), pp. 81-97.

Boddewyn and Leardi (1989):Impact of Sales Promotion on Organizations, journal-archieves8

Brito, Quelhas, Hammond and Kathy (2007): Strategic versus tactical nature of sales promotions, journal of marketing communications, Volume 13,number 2, Routledge, Taylor and Francis group

Brussell, D.E. 2004. A medicinal plant collection from Montserrat, West Indies. Economic Botany 58:S203-S220.

Chen, Monre and Kou, 1998 and Koekemoer, 2004: The effects of framing price promotion messages on consumers perceptions and purchase intentions,Journal

Cronje (1993): Source adapted from Aillon charas D (1984)

Cronje, J, and Genna, T, (1993), Marketing Management, 2nd edition, Creda Press, South America.

Davis et al. 1992, Cooperative Advertising for Competing Manufacturers: The Impact of LongTerm Promotional Effects

Delang, C.O. 2005. The market for medicinal plants in Sapa and Hanoi, Vietnam.

Guerreiro et al, 2004:, A., da SilveiraGisbrecht, J.A. and Ong, B. (2004), ”Cost implications of bonus pack promotions versus price discounts”, American Business Review, June, pp. 72-81.

Guerreiro, R., Santos, A., da SilveiraGisbrecht, J.A. and Ong, B. (2004), ”Cost implications of bonus pack promotions versus price discounts”, American Business Review, June, pp. 72-81.

Gupta,S. Impact of Sales Promotions on When, What, and How Much to Buy. Journal of Marketing Research Vol. XXV (November 1988), 342-55.

Hackeley C (2010) Advertising and Promotion: An integrated Marketing Communication Approach, 2nd edition, Cornwall, Great Britain.

Herrala, O. (2018). Evaluating cannibalization between items in retail promotions. Aalto University.

Jobber D (2004) principle and practices of marketing 4th Edition ,McGraw-Hill companies, Berkshire ,Britain

Jobber D and Lancaster G (2009), Selling and sales management, 7th edition, Darling Kindersky, New Delhi, India.

Kelly, G, (2003), Strategic Marketing, 6th edition, Prentice, India

Koekemoer L (2004) Marketing Communications, Juta companyLansdowne, South Africa

Kotler P and Armstrong (2006), Principles of Marketing, 13th Edition. Pearson Education

Kotler P and Keller K.L (2011) Marketing Management, 14th edition, Prentice Hall, New Jersey, USA.

Kotler, (2001): Marketing Management 11th edition , Prentice -Hall if India

Lucy F (2006) sampling techniques, 3rd Edition ,John Wiley and Sons

Marketing Communications Perspective, 6th Edition, McGraw Hill, New York, USA

Massy W and Frank R (1965). Short-term price and dealing effects in selected market segments. Journal of Marketing Research, 2, 175-185.

Mullin Roddy (2010) ’Sales promotion’, Kogan Page, 5th edition

Neslin S; Henderson C and Quelch J (1985). Consumer promotions and the acceleration of product purchases. Marketing Science, 2, 147-165.

Odunlami IB, Ogunsiji A (2011). Effect of sales promotion as a tool on organizational performance. J. Emerg. Trends in Economics and Management, Science.(JETEMS).

Robledo, M. (2022). Customer satisfaction benchmarks and strategic insights for fast food restaurants. The American Customer Satisfaction Index.

Schiffman, L. G. and Kanuk, L. L. (2004).Consumer Behavior.8th Edition, Prentice-Hall of India

Shimp and Kavas, 1984 ; Lichtenstein et al., 1997: Hany Hosny Sayed Abdelhamied (hanyhosny96@hotmail.com) Faculty of Tourism and Hotels, Menufia University, Egypt and College of Administrative Sciences and Tourism, Umm Al Qura University, Kingdom of Saudi Arabia.

Shimp, T A. (2003).Advertising, Promotion, and Supplemental Aspects of Integrated Marketing Communications.6th Edition United States of America: Thomson South-Western

Shiu, Hair, Bush and Ortinau, 2009,

Stan Mack,2005 : Advertising and Marketing Strategies

Strydom, J, and McCormack, B, (2003), Marketing Management, 4th edition, Zebra Publications, South Africa

Zeybek, Ö. & Ülengin, B. (2021). Sales Promotion Effectiveness: The Impact of Category - Brand Level Price Promotions on Sales Performance of a Large Retailer. Springer.

Zikmound W. G, (1996): Marketing, West Publishing Company, New York Edgars P., 2003, Simple and complex market inefficiencies: Integrating efficient markets, behavioral finance and complexity, Journal of Finance, Vol. 12(2), pp 202-224 of Retailing, 74(3), 353-372.

APPENDIX :

```
import matplotlib.pyplot as plt
from statsmodels.tsa.arima.model import ARIMA import
pandas as pd

# Assuming 'before_promo' and 'after_promo' are your DataFrame names #
Convert 'Date Before' and 'Date After' to datetime format
before_promo['Date Before'] = pd.to_datetime(before_promo['Date Before'])
after_promo['Date After'] = pd.to_datetime(after_promo['Date After'])

# Fit ARIMA model for before promotion model_before =
ARIMA(before_promo.set_index('Date Before')['Turnover Before'], order=(5, 1,
0)) model_fit_before = model_before.fit()
# Fit ARIMA model for after promotion model_after =
ARIMA(after_promo.set_index('Date After')['Turnover After'], order=(5, 1, 0))
model_fit_after = model_after.fit()

# Forecast future values forecast_before =
model_fit_before.get_forecast(steps=30) forecast_after =
model_fit_after.get_forecast(steps=30)

# Get confidence intervals for the forecasts
conf_int_before = forecast_before.conf_int() conf_int_after
= forecast_after.conf_int()

# Plot forecasts plt.figure(figsize=(14,
8))
plt.plot(before_promo['Date Before'], before_promo['Turnover Before'],
label='Before Promotion')
plt.plot(after_promo['Date After'], after_promo['Turnover After'],
label='After Promotion')
plt.plot(forecast_before.predicted_mean.index, forecast_before.predicted_mean,
label='Forecast Before Promotion', linestyle='--')
plt.plot(forecast_after.predicted_mean.index, forecast_after.predicted_mean,
label='Forecast After Promotion', linestyle='--')
plt.fill_between(forecast_before.predicted_mean.index, conf_int_before.iloc[:,
0], conf_int_before.iloc[:, 1], color='gray', alpha=0.3)
plt.fill_between(forecast_after.predicted_mean.index, conf_int_after.iloc[:,
0], conf_int_after.iloc[:, 1], color='gray', alpha=0.3)
plt.xlabel('Date') plt.ylabel('Turnover')
plt.title('Turnover Forecast Before and After Promotion') plt.legend()
plt.show()
```

```
import pandas as pd import numpy
as np from scipy import stats
import matplotlib.pyplot as plt
import seaborn as sns

# Load the dataset file_path =
'C:/Users/thinkpad/Desktop/Molee.csv' data =
pd.read_csv(file_path)

# Split the data into before and after promotion before_promo = data[['Date
Before', 'Day Before', ' Turnover Before ']].dropna() after_promo = data[['Date
After', 'Day After', ' Turnover After ']].dropna()
# Rename columns for consistency
before_promo.columns = ['Date', 'Day', 'Turnover']
after_promo.columns = ['Date', 'Day', 'Turnover']
# Convert Date columns to datetime with day first before_promo['Date'] =
pd.to_datetime(before_promo['Date'], dayfirst=True) after_promo['Date'] =
pd.to_datetime(after_promo['Date'], dayfirst=True)
# Convert Turnover to numeric (remove commas if any) before_promo['Turnover'] =
before_promo['Turnover'].str.replace(',',
'').astype(float) after_promo['Turnover'] =
after_promo['Turnover'].str.replace(',', '').astype(float)

# Check for any missing values print(before_promo.isnull().sum())
print(after_promo.isnull().sum())
```