

The Impact of Sales Promotions on Sales Turnover in Airlines Industry in Nigeria

James A. Adeniran¹, Thomas K. Egwuonwu¹ & Clara O. K. Egwuonwu¹

¹Department of Business Administration and Marketing, Babcock University, Ilishan-Remo, Ogun State, Nigeria

Correspondence: Thomas K. Egwuonwu, Department of Business Administration and Marketing, Babcock University. Tel: 234-81-0859-0633. E-mail: tkegwuonwu@yahoo.com

Received: May 2, 2016 Accepted: May 18, 2016 Online Published: May 24, 2016

doi:10.5539/ijms.v8n3p99 URL: <http://dx.doi.org/10.5539/ijms.v8n3p99>

Abstract

This study seeks to determine the impact of sales promotions on sales turnover in the airlines industry in Nigeria. Ex post facto and survey research design were adopted. Secondary data on average monthly passenger turnover covering a period of 25 years (1991-2015) were collected from the records of airport authority. A questionnaire was also administered to 450 air travellers to ascertain the extent to which sales promotions incentives stimulate them to travel by air within Nigeria. Frequency analysis, regression and t-Test methods of analysis were applied. The results show that sales promotions incentives significantly impacted sales turnover in the airlines industry; and air travellers prefer non-monetary sales promotional offers and off-line incentives to monetary and online offers. The study, therefore, recommends that the management of the airlines need to be more innovative in making promotion offers to air travellers so as to optimize the opportunity. Non-monetary and offline incentives offerings should be emphasized to meet the preference of air travellers. For future research, the study suggests that the focus can be on identifying other salient factors that motivate passengers to travel by air so as to boost industry sales.

Keywords: sales promotions, sales turnover, monetary incentives, non-monetary incentives, airlines

1. Introduction

Globally, the airlines industry is currently confronted with myriads of challenges, among which are intense competition, prevalence of powerful customers, fragile reputation, disruptive product innovation, increasing costs, security issues and so on (Riwo-Abudho, Njanja, & Ochieng, 2013). Over the years the airlines industry in Nigeria have been unable to grow, expand and be strong enough to attract more Nigerians to travel by air, and this has contributed to excess capacity (or performance below capacity) that leads to huge economic losses in terms of potential turnover (of air travellers) not captured as passengers by the airlines (Bankole, 2015). On the basis of this, airlines have been considering areas of differentiation such as sales promotion (Mbanuzuo, 2015) and other competitive advantage strategies that are available to drive sales turnover and profitability for survival in the industry. Expectedly, airlines operating in Nigeria are not left out in this global struggle for survival in the industry.

In the effort to attract more people to travel by air and expand to the international routes, airlines in Nigeria have been improving on the quality of their services by introducing modern aircrafts into their fleets, keeping to flight schedule (Suleiman, 2012) and using information communication technology that will facilitate online bookings and check-in (Shaffer & Zhang, 2002). In addition, the domestic airlines have also introduced low fares for flights booked well in advance to retain regular air travellers and attract new customers. They have also adopted and implemented various sales promotional strategies aimed at surviving the intensive competition, closing the gap created due to under-capacity utilization, and boosting sales turnover.

Sales promotions were not visible and notable among domestic air carriers in Nigeria until the year 2004, although it had been prevalent in other services and product industries within the country. The airlines in the country have now taken a cue from their foreign counterparts, by seriously employing available promotional gimmicks in an effort to enhance market share and sales turnover. This study, therefore, focuses on evaluating the contributions of sales promotions incentives to sales turnover in the airlines industry in Nigeria since 2004. This is done by looking into available data of air passenger movement at the airports as well as capturing the perceptions of passengers that travel with domestic airlines in the country to ascertain what and how promotional incentives have stimulated their decisions to travel by air. The importance of this is that, it will help airlines operators to identify promotional incentives that appeal most to travellers and the ones to improve upon to attract more sales in the future.

This study was therefore designed to look into different categories of promotional incentives which are applicable to the airlines industry generally and to ascertain the extent of their impact on sales turnover within the airlines industry in Nigeria.

1.1 Research Questions

The following research questions were generated for the study to answer;

What is the impact of promotional preference for monetary incentives on sales turnover in the airlines industry in Nigeria?

- i. How has the promotional preference for non-monetary incentives impacted sales turnover in the airlines industry in Nigeria?
- ii. In what ways has promotional preference for offers made off-line impacted sales turnover in the airlines industry in Nigeria?
- iii. To what extent has promotional preference for offers made online impacted sales turnover in the airlines industry in Nigeria?
- iv. What is the degree of difference between the sales turnover in periods before and the periods during which sales promotion incentives offers were made in airlines industry in Nigeria?

2. Literature Review

There is a large body of research on consumer responses to sales promotions (e.g., Nagar, 2009; Ndubisi, 2006; Huff & Alden, 1998; Leone & Srinivasan, 1996; Blatterberg & Neslin, 1990; Bawa & Shoemaker, 1987, 1989) over the past few decades due to the growing relevance of this marketing concept in the marketing environment. However, not much study has been carried out as this concept relates to airlines industry.

The need for promotion arises from the intensity of competition, which requires sellers to attract customers' attention for increased sales, growth and survival in business (Encyclopedia of Small Business, 2007). This could result in either new customer acquisition or getting more business from existing customers (Zubairu, Idaomi, & Azubuike, 2014; Oyeniyi, 2011; Robinson, 2011). The function of sales promotion is not only to reinforce commitment of consumers but to encourage repeat purchases. The relevance of sales promotions in business is to solve the problem of excess capacity or performance below capacity. Aham (2008) is of the opinion that sales promotion emerged as a reaction by manufacturers' marketers, and as marketing strategies to find a short term solution to the problems of excess stock of goods which are available in various manufacturer's warehouses but are not demanded by consumers and organizations. This situation is similar to the challenge airlines do face when they fly sometimes with some empty seats without passengers to occupy them.

2.1 Sales Promotion

Sales promotion refers to many kinds of selling incentives and techniques intended to produce immediate or short-term sales effects (Totten & Block, 1994). Moreover, Blythe (2006) viewed sales promotion as any activity intended to generate a temporary boost in sales which includes several communications activities pursued in an attempt to provide added value or incentives to consumers, wholesalers, retailers, or other organizational customers (Cravens & Piercy, 2013) to stimulate immediate sales either by trial, or repeat purchase. However, it is not every promotional activity or efforts that can be converted into profitable customers (Nagar, 2009). The activities involved in sales promotions are controlled and integrated in nature (Zubairu et al., 2014) to influence consumers to patronize and become loyal to an organization's offering (Banabo & Koroy, 2011). It is specifically designed to boost quick sales and ultimately create customer loyalty.

2.1.1 Sales Promotion Incentives

The increasing level of competition in the global business market has pushed marketers all over the world to consider a variety of sales promotion incentives in order to stand out among their competitors (Jean & Yazdanifard, 2015). Sales promotion incentives are of two classifications - monetary and non-monetary (Santini, Sampaio, Perin, Espartel, & Ladeira, 2015) which are capable of effectively influencing consumer purchasing behaviour (Chandon & Wansink, 2000). However, the two classifications can be implemented and presented as offers to consumer through offline and online mediums.

2.1.2 Monetary Sales Promotion Incentives

Both rational and non-rational consumers do not hesitate to favour and embrace sales promotion (Liao, Shen, & Chu, 2009) especially when the incentives offered have monetary consideration as the preference for attraction (Huff & Alden, 1988) with ability to elicit purchase intentions (Luk & Yip, 2008; Kwok & Uncles, 2005).

Monetary promotions are considered the best alternative for short-term increase in sales, and these promotions play a key role in consumer choices and the quantity of goods purchased (Alvarez & Casielles, 2005). This assumption is reinforced by Blattberg & Neslin (1990) and Lee (2002), who argued that this promotion type satisfies consumers' desire for savings. Studies such as those of Davis, Inman, & McAlister (1992) and Taylor & Neslin (2005) indicated that consumers always respond to monetary promotion campaigns, as this promotion type is based on a transactional incentive, which provides immediate rewards and utilitarian benefits (Chandon et al., 2000; Luk et al., 2008; Kwok et al., 2005). Utilitarian benefits help the consumer to maximize the utility, efficiency or value-for-money of their purchase in terms of quality, convenience in shopping, savings in time and cost (Luk et al., 2008). Monetary incentives stimulate consumers to buy faster, buy more, and spend more (Mittal & Sethi, 2011). According to Jean et al. (2015) monetary sales promotion incentives also help firms to save money that would have been spent on advertisement, designed coupons, etc which are the components of non-monetary incentives. All the above notwithstanding, monetary sales promotions could have negative impact on brand preference and trust (Oyeniya, 2011). It can divert consumers' attention to financial incentives, which may encourage brand switching, increased price sensitivity and make quality criterion less important (Aaker, 1996; Manaled, Jose, & Zacharias, 2007). Monetary incentives could also lead to a price war if limit is not put into it (Rao, Bergen, & Davis, 2000) which can create economically devastating and psychologically debilitating situations that take an extraordinary toll on an individual, a company, and industry profitability.

H₀₁: Promotional preference for monetary incentives has no significant impact on sales turnover in the airlines industry in Nigeria.

2.1.3 Non-Monetary Sales Promotion Incentives

On the other hand, the benefits of non-monetary promotions do not always translate to short-term increase in sales (Ndubisi & Moi, 2005). Sales promotions, such as loyalty programs and prize contests, are more related to entertainment and other actions that aim for long-term effects, such as brand strengthening (Chandon et al., 2000; Kwok et al., 2005). Mantaner, Chernatony, & Buil (2011) argue that non-monetary incentives are preferable by the consumers as the quality of the gift could be worth more than the price discount. Non-monetary incentives tend to provide hedonic benefits which relate to intrinsic motivations such as fun, entertainment or self-esteem (Chandon et al., 2000). Non-monetary incentives encourage consumers to try out a product for the first time (Mittal et al., 2011). Price reduction, instead of attracting consumers to buy more could sometimes have negative influence on them (Kalaiselvan, 2013; Lichtenstein, Ridgway, & Netemeyer, 1993) thinking the product is of a low quality for it to have been offered at a low price (Jean et al., 2015).

H₀₂: Promotional preference for non-monetary incentives has no significant impact on sales turnover in the airlines industry in Nigeria.

2.1.4 Sales Promotion Incentives Online Offering

It is now virtually impossible to avoid exposure to some types of online sales promotion or the other when browsing on the Internet (Crespo-Almendros, Barrio-Garcia, & Alcantara-Pilar, 2015). Among the key drivers and active users of online sales promotion is tourism and travel sector (puromarketing.com, 2014). Ever since airlines began implementing the online booking system, the majority have also been offering added benefits such as short-term sales promotions (Law & Leung, 2000) through the online platforms. However, while doing online sales promotion, marketers must know who their target market is (Alexander & Ganesan, 2015). Whichever way, past experience of using the Internet is one of the key moderators of online behaviour (Frias et al., 2008; Kaplanidou & Vogt, 2006; Thorbjornsen & Supphellen, 2004) as it has a major impact on the consumer's preferences and evaluations of brands and products (Castañeda, Frias, Muñoz-Leiva, & Rodríguez, 2007; Nysveen, 2003), and above all, on the perceived risk associated with online purchasing (Nysveen, 2003). Aside this concern, online sales promotions can facilitate the purchase decision-making process for those customers who are well experienced in the use of internet as well as increase client satisfaction (Zhao, Liu, Bi, & Law, 2014). Other benefits of making sales promotions offers online are convenience in booking and payment for air travel ticket (Bai & Law, 2008) and user friendliness (Law & Leung, 2000). Online technologies provide the consumer with access to up-to-date information and the option of making their booking in a matter of seconds, minimizing many of the costs and disadvantages of traditional methods.

H₀₄: Promotional preference for offers made online has no significant impact on sales turnover in the airlines industry in Nigeria.

2.1.5 Sales Promotion Incentives Offline Offering

Offline channels are part of the fragmented medium by which consumers also have an increasing touch points for travel transactions (Travel Consumer, 2015). However, the physical point of sale for both product and service plays a key and strategic role (Faria, Ferreira, Carvalho, & Assuncao, 2013) being one of the main points of contact between the brands and the consumers.

H₃: Promotional preference for offers made off-line has no significant impact on sales turnover in the airlines industry in Nigeria.

2.1.6 Historical Data of Airlines Sales Promotions and Passenger Turnover in Nigeria

Some of the airlines in existence before now but which are no longer in operations in the country are—ADC Airline, Sosoliso Airline, Albakar Airline, Chanchangi Airline, EAS Airline, Air Nigeria, Amongst the early entrants into the airlines industry in Nigeria is Aero Contractors airline, and it is still in existence till the period of this study. New entrants in the last one decade, which have remained in operation to date include Arik Air, Dana Air, First Nation, Air Peace, and Azman Air. In view of the exit of most of the earlier airlines and the entry of new ones operating in the country during the period covered in this study, it was difficult for the researchers to have access to documents that will provide sales turnover in financial terms for the airlines that have exited the industry long ago. As a result, the study scope is limited to turnover in number of passengers' movement from 1991 to 2015 as per records of the statistics department of the airport authority. Summary of the data is provided in Table 9 which forms the basis for hypothesis 5.

H₅: There is no significant difference in sales turnover of periods before and during periods in which offers were made of sales promotion incentives in airlines industry in Nigeria.

2.2 Theoretical Review

The theoretical review for this study was based on the Prospect Theory developed by Kahneman & Tversky (1997). Many studies of consumer perception use this Theory as a theoretical basis for their research. The relevance of this theory to this study is that, every sales promotion incentive presented to consumers is a prospect until it is experienced in real terms. These promotional promises will have to compete with the consumers' perception of expected product/service quality and benefits and the extent to which it supports an individual's goals (Brendi & Higgins, 1995). This leaves the consumers with choices as to whether to remain loyal to already known brands or to switch to the brand currently on sales promotional campaigns. This suggests that, the key to competing effectively for customer loyalty is to align rewards as well as information about them with customer needs and objectives in order to create an attractive value proposition (Daryanto, Ruyter, & Martin-Patterson, 2010). However, this will in turn trigger the purchase decision-making process where risk of either gaining more or losing values will be considered. As much as businesses in general and airlines in particular will expect sales promotional campaigns to have positive impact on turnover, it should also be noted that, consumers' response will involve purchase decision-making which will require them to weigh the probability of gains and losses that may arise both in monetary and non-monetary terms. There have been a number of researches on the different reactions consumers put up when identifying prices in sales promotions, and how they affect their purchase decisions (Ailawadi, Beauchamp, Donthu, Gauri, & Shankar, 2009; Palazon & Delgado, 2009).

3. Methodology

The ex post facto and survey research design were adopted for the study. Primary data were therefore collected from air passengers based on their experiences with regards to sales promotion in the airlines industry, while secondary data were obtained from the statistics department of the Airport authority with regard to passenger movement for a period before sales promotion strategies were implemented by domestic airlines in Nigeria (1991-2003) and the period during which the implementation has been on going (2004-2015). Most of the airlines operating in the country during this study period are no longer in existence, and this has made it difficult for the researcher to have access to documents that will provide sales turnover in financial terms. As a result, the study scope is limited to turnover in number of passengers' movement from 1991 to 2015 as per records of the statistics department of the airport authority. The population of the study comprised all the air passengers that travel through Murtala Muhammed Airport in Lagos to and from other airports with domestic airlines in Nigeria. The sample points were the various terminals at the airport in Lagos. The research instruments were a questionnaire administered to air passengers and secondary data obtained from the Airport statistics department. From the available data, the average domestic passenger movement at the Murtala Muhammed Airport in Lagos monthly is 300,000 (Federal Airports Authority of Nigeria [FAAN] Statistics, 2013) which represents the study finite population. The sample size is 399 as derived from Taro Yamani (1967) formula. A total of 450 copies of the

questionnaire were administered out of which 350 were returned. A five point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree) was used for the constructs' dimension. Frequency distribution was used to analyse the demographic data of respondents. To analyse the data from the questionnaire, regression analysis was applied and it enabled the researchers answer the research questions and confirm the proposition in hypothesis 1 to 4; while t-test statistic was used to analyse data from the statistics department of the airport to enable the researchers test hypothesis 5.

4. Data Analysis, Results and Interpretations

The 350 copies of the questionnaire returned out of the 450 administered to respondents represent 77.8%. Male respondents were 212 (i.e., 60.57%), while 138 respondents (i.e., 39.43%) were female. In order to ensure that data were collected from matured air travellers who could understand clearly the subject of the study within the country, the age bracket for the respondents was set at 21 years and above. Those within 31 and 60 years old were 82.3% (i.e., 288 out of the 350 respondents). Moreover, in order to ensure that the data are received from air travellers who have been flying over the years, the minimum number of flying years was set at 1 year. Respondents who have flying experience between 6 years and 21 years represent 72% while those with flying experience between 1 to 5 years are 28%. Frequency of respondents travel during sales promotions by airlines ranged weekly, monthly, quarterly, bi-annually and annually. Those who fly between monthly and quarterly were 64% while those who fly between bi-annually and annually were 36%. The implications of the above analyses is that the experience of the respondents in terms of age and knowledge of the airlines industry in Nigeria is reliable.

4.1 Result of Hypothesis 1

Ho₁: Promotional preference for monetary incentives has no significant impact on sales turnover in the airlines industry in Nigeria.

Table 1. Regression model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.279 ^a	.078	.073	.974

Table 2. ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	27.789	2	13.894	14.641	.000 ^b
	Residual	329.308	347	.949		
	Total	357.097	349			

The regression equation with the predictors used for monetary incentives (i.e., ticket price reduction and excess baggage price reduction) was significantly related to turnover by $r = .279$; $p = 0.000$ ($p < 0.05$). With the p-value result less than 0.05, the null hypothesis 1 is rejected. This implies that promotional preference for monetary incentives has significantly impacted sales turnover in the airlines industry in Nigeria.

4.2 Result of Hypothesis 2

Ho₂: Promotional preference for non-monetary incentives has no significant impact on sales turnover in the airlines industry in Nigeria.

Table 3. Regression model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.490 ^a	.240	.231	.887

Table 4. ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	85.751	4	21.438	27.257	.000 ^b
Residual	271.346	345	.787		
Total	357.097	349			

The regression equation with the predictors used for non-monetary incentives (i.e., gift items, mileage bonus, coupon, and raffle draw) was significantly related to turnover by $r = .490$; $p = 0.000$; $p < 0.05$). Considering the p-value result which is less than 0.05, the null hypothesis 2 is rejected. From this result, it can be inferred that promotional preference for non-monetary incentives has significantly impacted sales turnover in the airlines industry in Nigeria.

4.3 Result of Hypothesis 3

Ho₄: Promotional preference for offers made online has no significant impact on sales turnover in the airlines industry in Nigeria.

Table 5. Regression model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.251 ^a	.063	.060	.981

Table 6. ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	22.510	1	22.510	23.412	.000 ^b
Residual	334.587	348	.961		
Total	357.097	349			

The regression equation with the predictors used for offers made online (i.e., special ticket price for online booking) was significantly related to turnover by $r = .251$; $p = 0.000$; $p < 0.05$. Judging from the p-value result of less than 0.05, the null hypothesis 3 is rejected. By implication, the promotional preference for offers made online have a significant impact on sales turnover in the airlines industry in Nigeria.

4.4 Result of Hypothesis 4

Ho₃: Promotional preference for offers made off-line has no significant impact on sales turnover in the airlines industry in Nigeria.

Table 7. Regression model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.438 ^a	.192	.182	.915

Table 8. ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	68.473	4	17.118	20.462	.000 ^b
Residual	288.624	345	.837		
Total	357.097	349			

The regression equation with the predictors used for offline offers (i.e., point-of-sales, special pick-up and drop-off transport, boarding preference for frequent flyers and check-in preference for frequent flyers) was significantly related to turnover by $r = .438$; $p = 0.000$; $p < 0.05$. Being that the result indicates a p -value of less than 0.05, the null hypothesis 4 is rejected. Also, this implies that promotional preference for offers made off-line have significantly impacted sales turnover in the airlines industry in Nigeria.

4.5 Result of Hypothesis 5

Ho₅: There is no significant difference in sales turnover in periods before and during periods for offers of sales promotion incentives in airlines industry in Nigeria.

Table 9. Monthly average air passenger turnover trend in Nigeria (1991-2015)

Years Before	Monthly Average passenger turnover('000)	Years After	Monthly Average passenger turnover ('000)
1991	338	2004	516
1992	375	2005	515
1993	370	2006	490
1994	302	2007	472
1995	339	2008	655
1996	323	2009	792
1997	215	2010	894
1998	194	2011	942
1999	240	2012	848
2000	257	2013	793
2001	302	2014	843
2002	392	2015	832
2003	454		

Source: Field Survey, 2016.

Table 9 indicates the average air passenger turnover on a monthly basis in all the airports in Nigeria within some years (1991-2003) prior to the period in which sales promotions became widely adopted among the airlines in Nigeria (2004-2016). The data are further presented graphically in Figure 1 to clearly demonstrate the upward swing in the average air passenger turnover within the period under study.

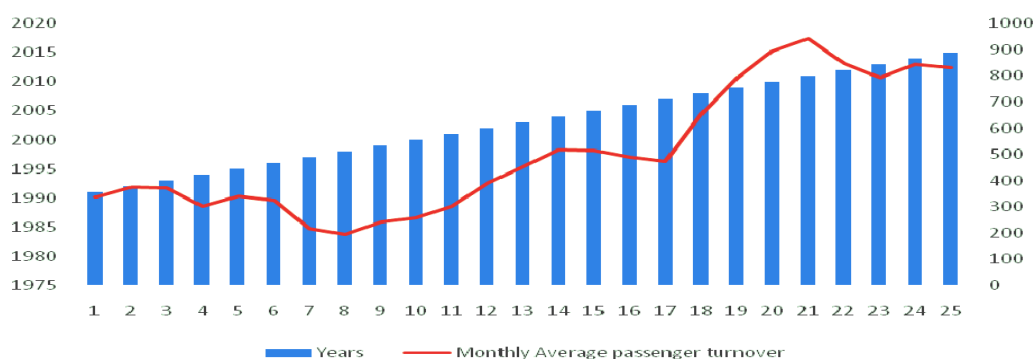


Figure 1. Monthly average air passenger turnover trend in Nigeria (1991-2015)

Source: Field Survey, 2016.

Result of the t-Test for two samples is as shown in the table below:

Table 10. T-test result

	Before	After
Mean	315.4615385	716
Variance	5584.102564	30564.36364
Observations	13	12
Hypothesized Mean Difference	0	
Df	15	
t Stat	-7.341514988	
P(T<=t) one-tail	1.21961E-06	
t Critical one-tail	1.753050325	
P(T<=t) two-tail	2.43922E-06	
t Critical two-tail	2.131449536	

Source: Field Survey, 2016.

From the perspective of a two-tail test, the above result, shows that **t-Stat** which is minus **7.341514988** is less than **-t Critical** of **-2.131449536**. This indicates that the **t-Stat** result falls into the critical (rejection) region, which in

this case means to reject the **null hypotheses 5**. This implies that there is a significant difference in sales turnover between the period before sales promotion incentives were adopted in Nigeria's airlines industry and the period after. The mean figure in the above table also confirms this result showing 126% increase in the turnover since the industry began to implement sales promotion compared to turnover in the years before that period. The p-value result for two-tail test in the above table also support the rejection of the null hypotheses 5 since 0.00000243922 is less than **0.05** by the decision rule.

5. Discussion of Findings

The coefficient of determination, R Square in Table 1 is 7.8%. This implies that close to 8% of the variations in sales turnover in the airlines industry in Nigeria is explained by promotional preference for monetary incentives. This is in response to research question 1, which seeks to find out what the impact of promotional preference for monetary incentives is on sales turnover in the airlines industry in Nigeria. That is, the combined contributions of ticket price reduction and discount for excess baggage to sales turnover in the airlines industry in Nigeria. Moreover, the result of hypothesis 1 with p -value of 0.000 shows that the above contributions of ticket price reduction and discount for excess baggage are significant enough to conclude that promotional preference for monetary incentives have impact on sales turnover in the airlines industry in Nigeria. The test result of hypothesis 1 aligns with the thoughts in studies such as those of Davis, Inman, & McAlister (1992) and Taylor & Neslin (2005) which indicate that consumers always respond to monetary promotion campaigns, as this promotion type is based on a transactional incentive, which provides immediate rewards and utilitarian benefits (Chandon et al., 2000; Luk et al., 2008; Kwok et al., 2005).

In Table 3 the coefficient of determination, R Square is 24%. This suggests that about 24% of the variations in sales turnover in the airlines industry in Nigeria are explained by promotional preference for non-monetary incentives. This pertains to research question 2, which seeks to find out how promotional preference for non-monetary incentives has impacted sales turnover in the airlines industry in Nigeria. These categories of incentives comprise gift items, mileage bonus, coupon and raffle draw. The result of hypothesis 2 with p -value of 0.000 shows that the above contributions of gift items, mileage bonus, coupon and raffle draw are significant enough to conclude that promotional preference for non-monetary incentives have impact on sales turnover in the airlines industry in Nigeria. The thoughts and arguments of Mantaner, Chernatony, & Buil (2011) that non-monetary incentives are preferable by the consumers as the quality of the gift could be worth more than the price discount is in congruence with the findings in this study indicating that non-monetary incentives (of gift items, mileage bonus, coupon and raffle draws) contributed more to sales turnover compared to monetary incentives in the airlines industry in Nigeria.

The coefficient of determination, R Square in Table 5 is 6.3%. In this case, it can be understood that about 6% of the variations in sales turnover in the airlines industry in Nigeria are explained by promotional preference for offers made online. This is in response to research question 3, which seeks to find out the extent to which promotional preference for offers made online has impacted sales turnover in the airlines industry in Nigeria. It is evident that the special ticket price offer made to passengers greatly contributes to sales turnover in the airlines industry in Nigeria. The result of hypothesis 3 with p -value of 0.000 shows that the above contribution of special ticket price for online booking is significant enough to have impact on sales promotion in the airlines industry in Nigeria.

Table 7 shows the coefficient of determination, R Square = 19.2%. This is an indication that about 19% of the variations in sales turnover in the airlines industry in Nigeria are explained by promotional preference for offers made offline. Research question 4, which seeks to find out in what ways has promotional preference for offers made off-line impacted sales turnover in the airlines industry in Nigeria, has been answered. These offers include point-of-sale attention, special pick-up and drop-off transport for frequent flyers, boarding preference for frequent flyers and check-in preference for frequent flyers. The result of hypothesis 4 with p -value of 0.000 shows that the above contributions of point-of-sales attention, special pick-up and drop-off transport, boarding preference for frequent flyers and check-in preference for frequent flyers are significant enough to conclude that preference for offers made offline have impact on sales turnover in the airlines industry in Nigeria.

The result in Table 10 shows that there is significant difference in sales turnover within the period before and during the period in which offers of sales promotion incentives were made in airlines industry in Nigeria. However, the wide gap between the mean for the period when there was no sales promotion incentives and the period when sales promotion incentives were offered represents 126%. When this is compared to the contributions of each of the set of predictors (i.e., monetary incentives, non-monetary incentives, offers made online and offers made offline), it shows that the increases in passengers turnover shown in Table 9 are not solely as a result of sales

promotions incentives used within the industry. But since the scope of this study is to measure the impact of sales promotions on turnover in the airlines industry in Nigeria, which have been pointed out by the results of hypothesis 1 to 4, the other contributors to turnover for the period covered in Table 9 is another scope for future researchers to find out.

By ranking, the coefficient of determination, R Square of 24% shown in Table 3 and 19% shown in Table 5 show that non-monetary promotional offers and offline incentives contributed more to sale turnover when compared to the 8% contributed each by preference for monetary and the 6% contribution by offers made online.

6. Conclusion

The findings from this study shows that sales promotions involving monetary and non-monetary incentives, with offers made online and offline have significant impact on sales turnover in the airlines industry in Nigeria. Therefore, this study joins the large body of research so far conducted on consumer responses to sales promotions over the past few decades to attest to the growing relevance of the concept of sales promotions in today's marketing environment.

7. Recommendations

In order to sustain the significant impact of sales promotions on turnover within the airlines industry in Nigeria, it is recommended that the industry players should demonstrate increasing innovation while making promotional offers to air travellers so as to optimize the opportunity. The management of Airlines in Nigeria has to constantly monitor their commitment level to non-monetary and offline promotional incentives since they have been proven in this study that they rank higher than the others in their contributions to sales turnover.

8. Suggested Future Research Focus

The gaps and questions that emanate from this study which future researchers might seek to address include finding out why the two other promotional incentives made less contribution to sales turnover relative to non-monetary and offline incentive offers. Moreover, judging from the extent of the impact of sales promotions incentives as seen in this study, it is apparent that some other factors might have contributed to the upward trend in the sales turnover during the period covered in the study as stated in Table 9. This also presents another scope for future researchers.

References

- Aaker, D. A. (1996). Measuring brand equity across products and markets. *California Management Review*, 38(1), 100-120. <http://dx.doi.org/10.2307/41165845>
- Aham, A. (2008). *Dimensions of Marketing* (p. 58). Nigeria: Okigwe, Avan Global Publication.
- Ailawadi, K., Beauchamp, J. P., Donthu, N., Gauri, D. K., & Shankar, V. (2009). Communication and Promotion Decisions in Retailing: A Review and Directions for Future Research. *Journal of Retailing*, 85(1), 42-55. Retrieved from <http://ssrn.com/abstract=2061803>
- Airline Cost Performance. (2006). IATA Economic Briefing No 5: An Analysis of the cost based of leading network airlines versus no-frills low-cost airlines, p. 3.
- Alvarez, B. A., & Casielles, R. V. (2005). Consumer Evaluations of Sales Promotion: The Effect on Brand Choice. *European Journal of Marketing*, 39(1), 54-70. <http://dx.doi.org/10.1108/03090560510572016>
- Bai, B. R., & Law, I. (2008). The Impact of Website Quality on Customer Satisfaction and Purchase Intentions: Evidence from Chinese Online Visitors. *International Journal of Hospitality Management*, 27(3), 391-402. [http://dx.doi.org/10.1016/S0278-4319\(08\)00030-3](http://dx.doi.org/10.1016/S0278-4319(08)00030-3)
- Banabo, E., & Koroy, B. H. (2011). Sales Promotion Strategies of Financial Institutions in Bayelsa State. *Asian Journal of Business Management*, 3(3), 203-209. Retrieved from <https://doaj.org/toc/2041-8752/3/3>
- Bankole, M. (2015). How Nigerian Airlines Can Become Profitable. CEO, Medview Airlines. This Day Newspaper, 17 April.
- Bawa, K., & Shoemaker, R. W. (1987). The Effects of a Direct Mail Coupon on Bran Choice Behaviour. *Journal of Marketing Research*, 24, 370-376.
- Bawa, K., & Shoemaker, R.W. (1989). Analysing Incremental Sales from a Direct Mail Coupon Promotion. *Journal of Marketing*, 53(3), 66-78. <http://dx.doi.org/10.2307/1251343>
- Blatterberg, R. C., & Neslin, S. A. (1990). *Sales Promotions: Concepts, Methods, and Strategies*. N.J: Prentice Hall.

- Blythe, J. (2006). *Essentials of Marketing Communications*. London: FT/Prentice Hall.
- Brendi, M., & Higgins, E. T. (1995). Sensitivity to Varying Gains and Losses: The Role of Self-Discrepancies and Event Framing. *Journal of Personality and Social Psychology*, 69(6), 1028-1051.
- Castañeda, J. A., Frias, D. M., Muñoz-Leiva, F., & Rodríguez, M. A. (2007). Extrinsic and intrinsic motivation in the use of the internet as a tourist information source. *International Journal of Internet Marketing and Advertising*, 4(1), 37-52. <http://dx.doi.org/10.1504/IJIMA.2007.014796>
- Chandon, P., Wansink, B., & Laurent, G. (2000). A Benefit Congruency Framework of Sales Promotion Effectiveness. *Journal of Marketing*, 64(4), 65-81.
- Chu, R. (2001). What Online Hong Kong Travellers Look for on Airline/Travel Websites? *International Journal of Hospitality Management*, 20(1), 95-100.
- Cravens, D. W., & Piercy, N. F. (2013). *Strategic Marketing* (10th ed.). New York. McGraw-Hill.
- Crespo-Almendros, E., Barrio-Garcia, S. D., & Alcantara-Pilar, J. M. (2015). What Type of Online Sales Promotion Do Airline Users Prefer? Analysis of Moderating Role of Users' Online Experience Level. *Journal of Tourism and Management Studies*, 11(1), 52-61.
- Daryanto, A., Ruyter, K., & Martin-Patterson, P. G. (2010). Service Firms and Customer Loyalty Programs: A Regulatory fit Perspective of Reward Preferences in a Health Club Setting. *Journal of the Academy of Management Science*, 38(5), 604. <http://dx.doi.org/10.1007/s11747-009-016-x>
- Davis, S., Inman, J. J., & McAlister, L. (1992). Promotion Has a Negative Effect on Brand Evaluation: or Does it? Additional Disconfirming Evidence. *Journal of Marketing Research*, 29(1), 143-148.
- Diamond, W., & Campbell, L. (1989). The Framing of Sales Promotions: Effects on Reference Price Change. *Advances in Consumer Research*, 16, 241-247.
- Encyclopedia of Small Business*. (2007). Sales Promotion (Vol. 2, 3rd ed., pp. 996-1000). Detroit Gale.
- FAAN Statistics. (2013). Passenger Traffic. Annual Report. Federal Airports Authority of Nigeria, Lagos.
- Frias, D. M., Rodríguez, M. A., & Castañeda, J. A. (2008). Internet vs. Travel Agencies on Pre-visit Destination Image Formation: An Information Processing View. *Tourism Management*, 29(1), 163-179.
- Huff, L. C., & Alden, D. L. (1998). An Investigation of Consumer Response to Sales Promotions in Developing Market: A Three Country Analysis. *Journal of Advertising Research*, 38(3), 47-56.
- Jean, W. A., & Yazdanifard, R. (2015). The Review of How Sales Promotion Change the Consumer's Perception and Their Purchasing Behaviour of a Product. *Global Journal of Management and Business Research: EMarketing*, 15(5), 32-317.
- Kahneman, D., & Tversky, A. (1984). Choices, Values and Frames. *American Psychologist*, 39, 341-350.
- Kalaiselvan, V. (2013). The Impact of Consumer Oriented Sales Promotion Techniques on Customer Purchase. *International Journal of Applied Science Marketing Perspectives*, 2(1), 313.
- Kaplanidou, K., & Vogt, C. (2006). A structural analysis of destination travel intentions as a function of web site features. *Journal of Travel Research*, 45(2), 204-216. <http://dx.doi.org/10.1177/0047287506291599>
- Kwok, S., & Uncles, M. (2005). Sales Promotion Effectiveness: The Impact of Consumer Difference at an Ethnic-Group Level. *The Journal of Product and Brand Management*, 14(3), 170-186. <http://dx.doi.org/10.1108/10610420510601049>
- Law, R., & Leung, R. (2000). A study of Airlines' Online Reservation Services on the Internet. *Journal of Travel Research*, 39(2), 202-211.
- Lee, C. W. (2002). Sales Promotions as Strategic Communication: The Case of Singapore. *Journal of Product and Brand Management*, 11(2), 103-114.
- Leone, R. P., & Srinivasan, S. S. (1996). Coupon Face Value: Its Impact on Coupon Redemption, Brand Sales and Brand Profitability. *Journal of Retailing*, 73(3), 273-289.
- Liao, S., Shen, Y., Chu, C. (2009). The Effect of Sales Promotion Strategy, Product Appeal and Consumer Traits on Reminder Impulse Buying Behaviour. *International Journal of Consumer Studies*, 33(3), 274-284.
- Lichtenstein, D. R., Ridgway, N. M., & Netemeyer, R. G. (1993). Price Perceptions and Consumer Shopping Behaviour: A Field Study. *Journal of Marketing Research*, 234-245.

- Luk, S. T. K., & Yip, L. S. C. (2008). The Moderator Effect of Monetary Sales Promotion on Relationship between Brand Trust and Purchasing Behaviour. *Brand Management*, 15(6), 452-464. <http://dx.doi.org/10.1057/bm.2008.12>
- Manaled, J., Jose, M., & Zacharias, S. (2007). Sales Promotions Good or Bad? In Proceedings of International Marketing Conference in Marketing and Society IJM-Khozikhode.
- Mbanuzuo, O. (2015). Dana Introduces Christmas Package for Kids. Account Manager, Dana Air. Punch Newspaper 23 December, p. 44.
- Mittal, M., & Sethi, P. (2011). The Effectiveness of Sales Promotions Tools among Indian Consumers: An Empirical Study. *Journal of Promotion Management*, 17, 165-182.
- Montaner, T., Chernatony, L., & Buil, I. (2011). Consumer Response to Gift Promotions. *The Journal of Product & Brand Management*, 20(2). <http://dx.doi.org/10.1108/10610421111121099>
- Nagar, K. (2009). Evaluating the Effects of Consumer Sales on Brand Loyal and Brand Switching Segments. *VISSION-Journal of Business Perspective*, 13(4), 35-48. <http://dx.doi.org/10.1177/097226290901300404>
- Ndubisi, N. O. (2006). Effectiveness of Sales Promotional Tools in Malaysia: The Case of Low Involvement Products. *Academy of Marketing Studies Journal*, 10(2), 41-56.
- Nysveen, H. (2003). The importance of risk-reducing value-added services in online environments: an exploratory study on various segments of leisure tourism. *Information Technology & Tourism*, 6(2), 113-127.
- Oyeniya, O. (2011). Sales Promotion and Consumer Loyalty: A Study of Nigerian Telecommunication Industry. *Journal of Business Perspective*, 13(4), 35-48.
- Palazón, M., & Delgado-Ballester, E. (2009). Effectiveness of Price Discounts and Premium Promotions. *Psychology & Marketing*, 26, 1108-1129. <http://dx.doi.org/10.1002/mar.20315>
- Pan, B., & Fesenmaier, D. R. (2006). Exploring the Structure of Travel Planning on the Internet. *Annals of Tourism Research*, 33(3), 809-832.
- Puromarketing.com (2014). Press Release. Retrieved from <http://www.puromarketing.com/14/19183/venta-viajes-online-siguen-creciendo-nivel-mundial.html>
- Rao, A. R., Bergen, M. E., & Davis, S. (2000). How to Fight A Price War. *Havard Business Review*.
- Riwo-Abudho, M., Njanja, L. W., & Ochieng, I. (2013). *European Journal of Business and Management*, 5(30), 84-88.
- Robinson, D. (2011). *Customer Loyalty Programs: Best practices*. Has School of Business. University of California, Berkeley.
- Santini, F. O., Sampaio, C. H., Perin, M. G., Espartel, L. B., & Ladeira, W. J. (2015). Moderating Effects of Sales Promotion Types. *Brazilian Administration Review*, 12(2), 169-189. <http://dx.doi.org/10.1590/18077692bar2015140057>
- Shaffer, G., & Zhang, Z. J. (2002). Competitive One-to-One Promotions. *Journal of Management Science*, 48(9), 1143-1160. <http://dx.doi.org/10.1287/mnsc.48.9.1143.172>
- Suleiman, I. L. (2012). An Analysis of Air Transportation in Nigeria. *JORIND*, 10(2), 230-237.
- Taylor, G. A., & Neslin, S. A. (2005). The Current and Future Sales Impact of a Retail Frequency Reward Program. *Journal of Retailing*, 81(4), 293-305. <http://dx.doi.org/10.1016/j.jretai.2004.11.004>
- Thorbjornsen, H., & Supphellen, M. (2004). The Impact of Brand Loyalty on Website Usage. *Journal of Brand Management*, 11(3), 199-208.
- Totten, J. C., & Block, M. P. (1994). *Analyzing Sales Promotion Text & Cases: how to Profit from the New Power of Promotion Marketing* (2nd ed.). USA: The Dartnell Corporation.
- Travel Consumer (2015). Engaging the Empowered Holiday Maker. Deloitte Research.
- Yamane, T. (1967). *Statistics: An Introductory Analysis* (2nd Ed.). New York: Harper and Row.
- Zhao, X., Liu, Y., Bi, H., & Law, R. (2014). Influence of coupons on online travel reservation service recovery. *Journal of Hospitality and Tourism Management*, 21, 18-26. <http://dx.doi.org/10.1016/j.jhtm.2014.03.001>

Zubairu, I. T., Idaomi, T. O., & Azubuike, A. S. (2014). Impact of Sales Promotion Strategies on Product Patronage: A Case Study of Chuppet Supermarket, Ilorin. *Journal of Business and Organizational Development*, 6(1), 1-14.

Copyrights

Copyright for this article is retained by the author, with first publication rights granted to the journal.

This is an open-access article distributed under the terms and conditions of the Creative Commons Attribution license (<http://creativecommons.org/licenses/by/3.0/>).