

Impact of Sales Promotion on Organisational Performance: A Case Study of Unilever Nigeria Plc

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Abstract. This study examines the impact of sales promotion on organisational performance, using Unilever Nigeria PLC as a case study, to determine how promotional strategies influence company growth, customer awareness, and profitability. The research employed a mixed-methods approach, with primary data collected through structured questionnaires administered to 40 randomly selected management and staff members. The data were analysed using chi-square statistical tests at a 0.05 significance level. Results show that 97.5% of respondents confirmed that sales promotion increased company turnover, with 75% reporting sales increases of 41-60% during promotional periods, 80% confirming improved product awareness, 82.5% demonstrating effectiveness in attracting potential customers, and 90% acknowledging enhanced profitability in both short-term and long-term periods. Chi-square analysis ($X^2 = 64.7$ and $X^2 = 102.25$, both exceeding the critical value of 9.488) confirmed that sales promotion significantly increases product awareness and attracts potential customers. The study concludes that sales promotion has a direct, positive relationship with organisational growth indicators, including market share, profitability, and customer acquisition, establishing it as a crucial strategic tool for achieving competitive advantage in the Nigerian consumer goods sector.

Keywords: Satisfaction; Market; Promotion; Sales; Strategies; Organisation; Growth; Customers.

INTRODUCTION

In modern markets, where customer satisfaction has superseded the irrelevant fulfilment of basic needs, consumers indicate increased selectivity in their purchasing decisions. This evolution highlights the importance of effective sales and promotional strategies for businesses aiming to

connect with their target audience. Sales promotion, a fundamental component of the promotional mix, directs significant investment, especially within manufacturing firms. Operating in conjunction with other promotional tools, sales promotion plays a crucial role in shaping customer attitudes toward a company's offerings, thereby influencing consumer purchasing deci-

sions. Sales promotion consists of marketing activities – separate from personal selling, advertising, and publicity – designed to revitalise consumer purchasing and improve dealer efficiency through various methods such as displays, shows, exhibitions, demonstrations, and classic selling efforts outside the ordinary.

From an economic perspective, the primary aim of promotion is to shift and alter the position and shape of a company's product demand curve, ultimately aiming to enhance sales and revenue. Sales promotion, generally a short-term stimulus, is employed within the manufacturing sector to counter drooping profits, increase market reach by attracting prospective customers, or capitalise on recent product introductions. Determining the strategic impact of sales promotion on organisational performance is thus crucial, as it has a direct effect on a company's revenue streams and competitive standing.

Substantial research and marketing literature have exposed the concept and definitions of sales promotion. The author [1] defined sales promotion as marketing activities, regardless of personal selling, advertising, and publicity, that stimulate consumer purchasing and dealer effectiveness. Sales promotion involves a different set of tactical promotional tools and short-term incentives designed to generate faster or stronger responses from the target market. These incentives are designed to create enthusiasm, enhance the buying atmosphere, or prompt immediate reactions from customers, trade associates, or a company's sales force, thereby strengthening the perception of enhanced value.

The value of sales promotion is widely accepted, and its benefits over alternative marketing strategies include its flexibility and adaptability [2], speed of implementation, and cost-effectiveness. A well-crafted sales promotion strategy is crucial for achieving marketing objectives, including attracting promising customers, enhancing market share, increasing product consumption, leveraging price advantages over competitors, and securing the loyalty of existing customers. A company's marketing executives commonly define these objectives to align with comprehensive corporate goals.

Despite the acknowledged relevance of sales promotion, challenges persist in accurately measuring its specific impact on organisational growth. Evaluation procedures for the effectiveness of sales promotions vary depending on the

market and the type of product. While methods such as sales performance measures, consumer data evaluation, consumer surveys, and experimental reports are utilised, complexities remain in isolating the direct impact of sales promotion from other arousing variables. This study intended to navigate these complexities by examining the unique impact of sales promotion strategies on organisational growth, with Unilever Nigeria Plc. as a case study.

This study aims to determine whether sales promotion, as a strategic tool, increases organisational growth, with a distinct focus on Unilever Nigeria Plc. The research examines the relationship between the company's sales promotion strategies and its sales performance. It focused on objectives to assess the impact of sales promotion on the company's profitability, customers' awareness of current products, and the ability to attract prospective customers.

To actively realise these objectives, the study utilised a mixed-methods approach, employing both primary and secondary data collection techniques. Primary data was elicited through questionnaires distributed to managers and staff, especially within the marketing department of Unilever Nigeria Plc. The collected data were evaluated using statistical tools, such as chi-square analysis and contingency tables, to test the formulated hypotheses. This procedural approach aims to provide practical evidence on the effectiveness of sales promotion in pushing organisational growth.

Literature Review

Promotional strategies are crucial in improving organisational performance, as they encompass various elements such as sales promotion, advertising, and public relations. These strategies are designed to deliberately build strong consumer relationships and drive financial, market, and operational performance. Theoretical frameworks, such as the resource-based view (RBV) and operant behavioural economics, provide insight into how promotional activities can be utilised for better organisational outcomes. The subsequent sections delve into the key theoretical frameworks and their implications for sales promotion and organisational performance.

Promotional strategies have a significant impact on organisational performance, extending beyond financial, market, and operational dimen-

sions. They increase profitability, market value, and customer satisfaction by leveraging elements like personal selling and direct marketing [3].

The Resource-Based View framework highlights the importance of integrating sales and marketing to enhance organisational performance. It recommends that strategic collaboration and resource utilisation are pivotal for achieving competitive advantages [4].

Organisational orientations, for instance, service and supply-chain orientation, collectively promote a culture that supports effective sales and operations planning (S&OP), thereby improving performance [5].

Sales promotions are essential to the marketing mix and can significantly impact intermediaries, such as retailers, on their business performance. However, a substantial section of promotions may not lead to pronounced sales increases, indicating the need for careful planning and execution [6].

While promotional strategies are pivotal for organisational performance, their effectiveness can differ based on execution and market conditions. Theoretical frameworks, such as RBV and behavioural economics, provide valuable insights into optimising these strategies, but they also highlight the complexity and challenges involved in achieving consistent performance improvements.

METHODS

Research Design. This study employed a mixed-methods research approach utilising both exploratory and descriptive research designs:

Exploratory Research Design: Utilised secondary sources including newspapers, textbooks, government publications, and academic journals to establish theoretical foundations and contextual understanding.

Descriptive Research Design: Employed a field survey methodology to gather primary data from knowledgeable individuals within the organisation through structured questionnaires.

Population and Sampling. Population of Study: The target population consisted of management, senior staff, and junior staff of Unilever Nigeria PLC, with a particular focus on employees within the marketing department who have direct experience with sales promotion activities.

Sampling Method: A random sampling technique was employed to ensure a representative selection of respondents across different organisational levels.

Sample Size: A total of 40 respondents participated in the study, representing various departments and hierarchical levels within the organisation.

Data Collection. The study utilised both primary and secondary data sources:

Primary Data: Collected through structured questionnaires administered to managers and staff of Unilever Nigeria PLC, focused on gathering firsthand information about sales promotion effectiveness and organisational performance.

Secondary Data: Academic textbooks and journals; Industry reports and publications; Company documents and records; Government publications and statistical data.

Research Instrument. Questionnaire Design: A structured questionnaire was developed as the primary data collection instrument, chosen for its efficiency in gathering information from a reasonable number of respondents within the study timeframe.

Administration: Research questionnaires were randomly distributed to staff members across different departments of Unilever Nigeria PLC to ensure diverse perspectives and minimise selection bias.

Research Hypotheses. The study tested two main hypotheses to address the research objectives:

1) Hypothesis One (Product Awareness)

H₀: Sales promotion does not bring about an increase in awareness of the company's existing products

H₁: Sales promotion brings about an increase in awareness of the company's existing products

2) Hypothesis Two (Customer Attraction)

H₀: Sales promotion does not aid in attracting potential customers

H₁: Sales promotion aids in attracting potential customers

Data Analysis Methods

Statistical Tool: X² Test.

Contingency Tables: Utilised for organising and analysing categorical data due to the presence of multiple rows and columns in the dataset.

Statistical Parameters

Level of Significance: $\alpha = 0.05$ (95% confidence level)

Decision Rule: Reject H_0 if calculated $X^2 >$ tabulated X^2 value

Critical Value: Determined from the chi-square distribution table based on degrees of freedom and significance level

Ethical Considerations. Participation in the study was voluntary. Confidentiality of respondents was maintained. The data collected was used solely for research purposes. Proper consent was obtained from the organisation before data collection.

Limitations. The study was limited to Unilever Nigeria PLC, which may affect generalizability. Sample size was constrained by time, cost, and human resource limitations. Other factors influencing organisational performance (such as public relations, personal selling, and overall marketing strategy) were not extensively examined within the scope of this study.

RESULT AND DISCUSSION

The first group of questions concerns the extent to which the company's sales turnover has increased during the period of sales promotions. Table 1 shows that 97.5% of the representatives indicate that sales promotion has significantly increased the company's sales turnover. In comparison, 2.5% indicate that it has done so to a moderate extent, as indicated by the above analysis. It can be inferred that the majority of respondents have a direct impact on increasing sales.

Table 1

Responses	N	%
To appreciate the level	39	97.5
Moderately	1	2.5
No appreciable effect	0	0
Don't know	0	0
Total	40	100

The second group of questions pertains to the current increase in sales turnover during the promotional period (Table 2). The responses indicate that 75% of the respondents reported an increase in sales of between 41% and 60%, while 25% stated that it was between 21% and 40% during the promotional sale period. What does this imply? It means that sales promotion has helped increase sales turnover during both short and long periods.

Table 2

Responses	N	%
Below 20 %	0	0
21-40 %	10	25
41-60 %	30	75
61-80 %	0	0
81 % & above	40	100
Total	40	100

The next group of questions pertains to the increase in awareness of existing products through sales promotion (Table 3). It shows that 32 of the respondents, who accounted for 80%, agreed that sales promotion has led to a significant increase in awareness of existing products. In comparison, 20% of the respondents said the rate of awareness was just sufficient.

Table 3

Responses	N	%
Very much	32	80
Just enough	8	20
No increase	0	0
Don't know	0	0
Total	40	100

The second group of questions is to know the effectiveness of sales promotion in attracting potential customers (Table 4). The table shows that 82.5% of the respondents indicate that sales promotion has been effective in attracting potential customers, while 17.5% say it has been very effective in doing so.

The next group of questions aims to determine the effectiveness of sales promotion in enhancing the company's profitability over both short and long periods (Table 5). The table shows that 90% of the respondents stated that sales promotion has been effective in improving the company's

profit in both the short and long term. 2.5% said it has been very effective, while 2.5% indicated that it has been fairly effective in achieving the same goal. The result means that sales promotion has increased the company's profit in both the short and long periods.

Table 4

Responses	N	%
Very effective	7	17.5
Effective	33	82.5
Fairy effectives	0	0
Not effective	0	0
Don't know	0	0
Total	40	100

Table 5

Responses	N	%
Very effective	3	7.5
Effective	36	90
Fairy effectives	1	2.5
Not effective	0	0
Don't know	0	0
Total	40	100

The next group of questions aimed to determine the range of the increase in projection, expressed as a percentage, during the introduction of a new performance strategy (Table 6). It shows that 80% said the increase was between 44% and 60%, while 20% said that the increase was between 21% and 40%.

Table 6

Responses	N	%
Below 20 %	0	0
21-40 %	8	20
41-60 %	32	80
61-80 %	0	0
81 %	0	0
Total	40	100

The next group of questions seeks to know the users of the sales promotion (Table 7). Table 7 shows that private companies accounted for 50% of individual users, 37.5% of government institutions, and 12.5% of other institutions.

Table 7

Responses	N	%
Individual	15	37.5
Government institution	5	12.5
Private companies	20	50
Other	0	0
Total	40	100

The next group of questions show Unilever Nigeria Plc's sales promotional campaign has increased awareness of existing products (Table 8). The table shows that 82.5% agree that the sales promotion has increased their awareness of the company's existing products. In comparison, 17.5% strongly agree that it has had the same effect in creating awareness for existing products.

Table 8

Responses	N	%
Strongly Agree	7	17.5
Agree	33	82.5
Undecided	0	0
Strongly disagree	0	0
Disagree	0	0
Total	40	100

The next group of questions concerns the length of time consumers use Unilever Nigeria Plc products (Table 9). Table 9 shows that 50% have been using these products for over 3 years, and 17.5% reported using them within the past 3 years. 10% within 3 months and 9 years, while 7.5% said they had never used it before.

Table 9

Responses	N	%
Within three months and a year	4	10
Within 1 1/2 and 2 years	6	15
Within 2 and 3 years	7	17.5
Within 3 and above	20	50
Never used it before	3	7.5
Total	40	100

Table 10 shows the frequency with which the customer has used Unilever products over the past year. Eighty-five per cent of respondents and 7.5% said they used the product regularly, while 7.5% said they had never used the product.

Table 10

Responses	N	%
Very regularly	3	7.5
Regularly	34	85
Don't use it at all	3	7.5
Total	40	100

The questions concern whether Unilever's sales promotion campaign has increased the usage of the company's products (Table 11). 67.5% agreed that the sales promotion campaign had increased their usage by 25% strongly, while 7.5% disagreed that sales turnover during the promotion period had increased.

Table 11

Responses	N	%
Strongly agree	10	25
Agree	27	67.5
Undecided	0	0
Strongly Disagree	0	0
Disagree	3	7.5
Total	40	100

Testing of Hypotheses.

Hypothesis One. Table 8 was used to analyse the hypothesis. The expected frequency for each category was calculated by dividing the table number of the observed values by the number of rows available, i.e., $40/5 = 8$.

Option	O	E	O-E	(O-E) ²	(O-E) ² /E
Strongly agree	10	8	2	4	0.5
Agree	27	8	19	361	45.125
Undecided	-	8	-8	64	8
Disagree	-	8	-8	64	8
Strongly Disagree	3	8	-5	25	3.125

X^2 Computed value = 64.7; Degree of freedom = 4; X^2 Tabulated Value = 9.488.

Decision rule: Since the computed value is higher than the table value (i.e. X^2 calculated > X^2 tabulated), reject H_0 and accept H_1 , which states that sales promotion does not bring about an increase in awareness of the company's existing products.

Hypothesis Two. Table 4 was used to analyse the hypothesis. The number of respondents in the table formed the observed value. In contrast, the

expected value for each cell was calculated by dividing the total number of respondents by the number of cells available, i.e., $40/5 = 8$.

Option	O	E	O-E	(O-E) ²	(O-E) ² /E
Very effective	7	8	-1	1	0.125
Effective	33	8	25	625	78.125
Fairy effectives	-	8	-8	64	8
Not effective	-	8	-8	64	8
Don't know	-	8	-8	64	8

X^2 Computed value = 102.25; Degree of freedom = 4; X^2 Tabulated Value = 9.488.

Decision rule: Since the computed value is higher than the table value (i.e., X^2 calculated > X^2 tabulated), reject H_0 and accept H_1 , which states that sales promotion aids in attracting potential customers.

Having evaluated the data and tested all the hypotheses, the following findings were arrived at:

Sales promotion plays a crucial role in increasing a firm's profit when utilised effectively, adding to its variables such as personal selling, publication, and advertising.

Due to the nation's economic situation and the increased number of business organisations, more focus is now on creating awareness among several organisations to improve their market position. To this end, most organisations have opted to use sales promotion. Hypothesis one is statistically confirmed when using the chi-square test, supporting the claim that sales promotion increases awareness of the company's products.

That sales promotion has helped attract potential customers. Responses from the company's marketing executives and the final consumers supported this assertion, with a majority of 67.5% and 25%, as illustrated in Table 11. Hypothesis one was subjected to a statistical test to validate this statement, resulting in the rejection of the null hypothesis (H_0) and the acceptance of the alternative hypothesis (H_1), which affirms that sales promotion has helped attract potential consumers.

It is worth noting that this result is subject to further research, as other favourable factors, such as public relations, effective overall marketing plans, and personal selling, among others, may also impact the company's ability to attract potential customers. These factors could not be

revealed because the scope of the study did not cover those areas due to time and human resource constraints.

Nevertheless, with the available data and hypothesis two, a cost-effective relationship exists between Unilever Nigeria Plc's Sales promotion and the attraction of potential customers.

CONCLUSIONS

This study has provided empirical evidence demonstrating the significant positive impact of sales promotion on organisational performance within the Nigerian consumer goods sector, specifically through the comprehensive analysis of Unilever Nigeria PLC's promotional strategies. The research findings conclusively establish that well-executed sales promotion campaigns serve as powerful catalysts for organisational growth, with statistical evidence showing substantial improvements in sales turnover (97.5% of respondents confirming increases), enhanced product awareness (80% reporting significant awareness improvements), effective customer acquisition (82.5% confirming attraction of potential customers), and improved profitability across both short-term and long-term periods (90% acknowledging enhanced profit margins).

The chi-square statistical analysis validates the research hypotheses. It confirms a direct relationship between sales promotion activities and key performance indicators, including market share expansion, revenue growth, and customer base development. These findings underscore the strategic importance of sales promotion as an indispensable component of the marketing mix for organisations operating in competitive markets, particularly in emerging economies like Nigeria, where promotional incentives are increasingly influencing consumer behaviour. However, while this study establishes the effectiveness of sales promotion as a standalone strategy, future research should explore the synergistic effects of integrating sales promotion with other marketing communication tools such as advertising, public relations, and digital marketing to develop more comprehensive promotional frameworks that can sustain competitive advantage in an increasingly dynamic business environment. Organisations seeking to optimise their marketing investments should therefore prioritise the development of well-structured, data-driven sales promotion strategies while ensuring proper integration with broader marketing objectives to achieve sustainable organisational growth and enhanced market positioning.

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