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# Relationship between Product Promotion Strategy and Organizational Performance of Maize Seed Companies in Kenya

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## Abstract

Organizational performances of seed companies' encounter competitive market forces that exposed the vulnerability of industry in today's economy. New company concepts, varying customer wants and sophistication, and fierce market rivalry have altered business practices. The issues that companies' organizations confront today across the world include new advancements and an unpredictable, dynamic market. The main purpose of the study was to evaluate relationship between product promotion strategy and organizational performance of maize seed companies in Kenya. The study was guided by Marketing Mix Theory. This study adopted correlational research design. The target population was 1014 employees from 14 maize seed companies in Kenya. The sample size was determined using Yamane (1967) formula which gave a sample size of 286 respondents (114 Marketing officers & 172 Sales officers). Data collection instrument for the study was questionnaires. The data collected was analyzed using descriptive and inferential statistics. Analyzed data was presented using tables. The study results showed that product promotion strategy influence on organizational performance of maize seed companies in Kenya. Maize seed companies use direct marketing which has led to an increase in profit. Maize seed companies in Kenya use advertising to present product and ideas to the customers. Product promotion strategy has a positive and statistically significant effect on organizational performance of maize seed companies in Kenya with ( $r=0.652$ ;  $p<0.05$ ). In conclusion sales promotions increase sales volumes, attract new customers, encourage loyalty and repeat purchases, get insights into customer behaviour and respond to opportunities in the market. The study recommends to the managers of maize seed companies to factor in sales product promotion to create customer-product interest and brand awareness since majority of the maize seed companies in Kenya do not access all potential customers because of limited sales promotion.

**Key words:** *Product promotion strategy, organizational performance & maize seed companies.*

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## 1.0 Introduction

### 1.1 Background of the Study

Organizational performance is the degree to which firm meet their preset objectives. It is a measure of attractiveness of a firm. Balanced score card evaluates the performance of firms in relation to the finances, the customers, motivation and also learning as well as internal efficiency (Wilensky, 2015). It relies on the idea that organizations need to measure their performance from the aspect of economic, environmental or the social benefit. Organizational performance can be measured using financial and non-financial measures. One can use a number or unit to measure performance of a firm.

Product promotion strategy is a major component in the product promotion strategy. It helps firms to communicate on their product or services to the customers. Product promotion strategy constitutes a number of elements that include personal selling, sales promotion, advertising, public relations and direct marketing. These elements have an influence on the relationship of the customer and the firm that is essential towards improving the sales of a product or service. Integrated Marketing Communication (IMC) implies combining all the elements of promotion together to take a complete picture. This is so that a consistent message is transmitted by all marketing communications (Othman, Harun, De Almeida & Sadq, 2020).

Globally, performance of the organization depends on product promotion strategy, which enables organizations to pursue their marketing objectives in the target markets and therefore achieve the organizational objectives. Product promotion strategy can drive the organization towards their objective and improve their performance in term of short term and long-term performance of the company. An effective product promotion strategy must direct an organization where they want to be in the long-term basis that is why marketing strategies is known as the continuous process (Proctor, 2014).

In the United States of America, product promotion strategy describes the work of innovation and invention that gives the direction for the many companies on innovation implementations which brings organizational performance. However, the role of product promotion strategy in assisting objectives regarding to growth is often not clear (Edler & Fagerberg, 2017). While there are many theories about and many good articles on innovation strategies, many organization fail to grow and implement an innovation strategy that is inventions with product promotion strategy effect. However, new companies may have various meanings, starting from new in the market to new once in particular industry, but already recognized in another firm to new to a firm. Strategy infers that something having a potential and huge effect on the firm (Goffin & Mitchell, 2016).

In sub-Saharan Africa, product promotion strategy of an organization is affected by myriad factors including the lines of communication and command connecting individuals, resources to which the individuals have access, the nature of the task faced by the individuals and the type and severity of the crisis under which the individuals operate. The product promotion strategy of companies is usually measured using a blend of financial ratio analysis, measuring performance alongside budget, benchmarking or a combination of these methodologies. The common postulation, which explains most of the financial performance discussion and research, is that increasing financial sales will result in improved functions and actions of the firms (Wang, Chen, & Zha, 2017).

In Cote D'ivoire, organizations that have adopted product promotion strategy strategies has revealed that product promotion strategy enables organizations position themselves in the industry, enhance and develop new products and increase performance. Marketing effectiveness has to be captured by the additional sales of a product over and above those that would have happened in absence of any marketing or promotion. Although marketing managers have long believed that a marketing impact on sales can persist longer than the current period, the tendency to assume that marketing affect effect on sales is short-term is yet prevalent (Liverpool-Tasie, Sanou & Ogunleye, 2017).

Locally, performance of the organizations is low because there is a lot of competition from developed nations on the quality of the seeds produced (Spielman & Kennedy, 2016). Performance of companies in Kenyan economy is bound to stiff competitive market from the digital world. Product promotion strategy has helped organizations to achieve their objectives since the function of marketing strategy is to establish the nature, strength, direction, and interaction between the product promotion strategy - elements and the environmental factors in a specific situation. Kenya Seed Company has encountered more competition from other seed producing companies both locally and overseas. Therefore, this study seeks to evaluate the situation by determining the effect of product promotion strategy on performance of the company (Ngugi, 2013).

## 1.2 Statement of the Problem

The use of product promotion strategy is one of the keyways to create awareness of their products and services, through the four key elements of the product promotion strategy. Marketing strategies are very crucial in an organizational long-term performance and existence in the industry (Kumar, Shankar, & Aljohani, 2020). However, maize seed companies in Kenya have failed to improve in their performance sales revenue due to poor product promotion strategy. The performance index of the top three maize seed companies in Kenya stands at an average of 2.1 (2.85, 1.78 & 1.66) and the commitment level stands at 2.73 and the transparency level stands at 2.7. The general performance of the seed companies are average and thus faces stiff competition and diminishing market share in the East African region. Since product promotion strategy strategies is one of the strategies that elevate performance index, Seed Companies have also taken a slow pace than anticipated to invest in more innovative strategies (Chivasa et al., 2022).

Another problem facing performance of the maize seed companies in Kenya is the use of the old traditional marketing channels on their products and services, trying to persuade customers. The old marketing strategies are losing its momentum and may not be efficient due to changing customer tastes and preferences, which suits product promotion strategies. To reach cynical level of customers and cater for their needs, the products and services real benefits, Seed Companies and other companies need to understand and harness their marketing strategies. The ability of the organizations to respond rapidly and appropriately to the environmental challenges depends largely on the marketing strategies adopted by the seed industry. However, organizational performance of the Seed Companies will still drop further since products can hardly survive in a competitive and dynamic market without any means of marketing strategies. It was therefore necessary to carry out a study on product promotion strategy and organizational performance of maize seed companies in Kenya.

### 1.3 Research Question

What is the relationship between product promotion strategy and organizational performance of maize seed companies in Kenya?

### 1.4 Research Hypothesis

**H01:** There is no relationship between promotion strategy and organizational performance of maize seed companies in Kenya

## 2.0 Literature Review

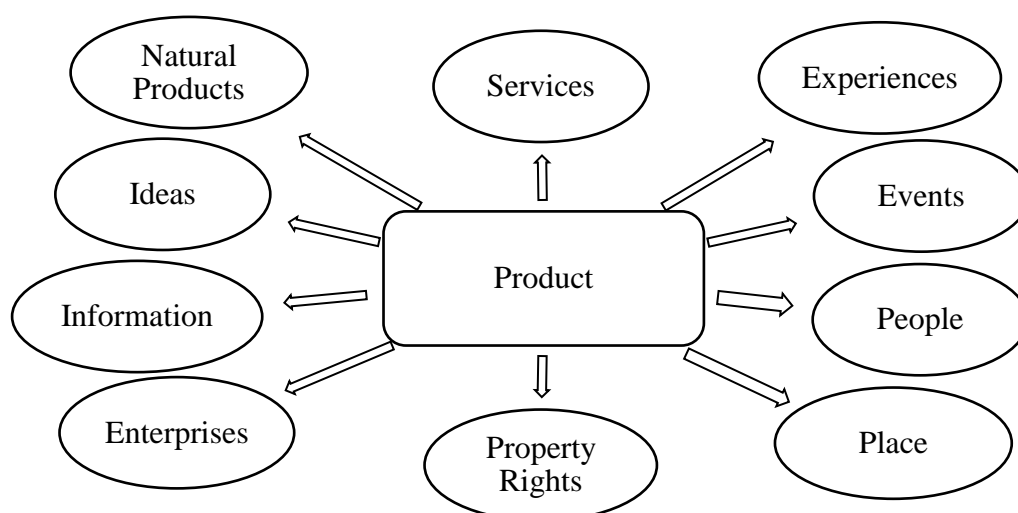
### 2.1 Marketing Mix Theory

This study embeds marketing mix theory proposed by Jerome McCarthy in the 1950s. The marketing mix consists of four decisions that are important when launching a product or reviewing its performance. A marketing mix consists of multiple areas of focus that are part of a comprehensive marketing plan. Through incorporating this theory, organizations can define their marketing elements for a successful positioning in their market offer. One of the widely accepted models of the marketing mix is the 4Ps of Marketing, which helps firms define their marketing options focusing on the product, place, price, and promotion. Firms must plan on the approach on the four decision components which are the 4P's.

The 4P's can guide an organization in producing a strategy that would give it a competitive edge over the other players in their industry. The first step in developing a strategy is the product plan for articulating the marketing approach. The three sections of the product plan include the core product, augmented product, and the tertiary product. These condensation points to price related decisions such as whether to introduce price discrimination or not. The next variable to be considered in organizational marketing plan decisions pegs on a place which relates to the decision about where to take the commodities for sales to take place. Finally, is the promotion aspect in the marketing plan that is postulated to increase awareness and boost brand loyalty. The theory of marketing mix suggests that a continuous review of its four constitutional decision variables are needed by the marketing managers, considering the impact of the numerous factors that are grouped under the 4P's to decide on the marketing mix for a product.

A product can be defined as a physical product or service an organization offers its clients for which they have the willingness and ability to buy. Examples of a product could include tangible items like furniture and intangible ones such as hospitality (Singh, 2016). A product is the first of the marketing elements because it is what a firm offers to the market to draw attention, to be acquired by the consumer for use to satisfy their needs or wants (Nguyen, Dang, Tran, & Nguyen, 2022).





**Figure 1: A broader perspective of the Product**

Source: Strazdas (2011)

The concept of product posits that the product concept is quite wide in perspective and that it encompasses, other than the natural products and services, the customer experience, the people, property rights, the places, the firms, ideas, and information. A study by Davari and Strutton (2014) showed that in the market, a product goes through phases creating varying sales and profit margins across its life cycle. The phases that a product goes through comprise the product development stage, placing on the market, growth, maturity and then decline stage. The actual or perceived benefits constitute the primary reason why a customer buys a product, basically meaning that it depends on many factors such as the chosen marketing strategy on the targeted segment considering that there are competing products. Price is considered to be one of the most important elements of the marketing mix and social scientists widely agree that it is a crucial element of the market that increases profits and expand the market share (Davari & Strutton, 2014).

It is arguably the most flexible among the 4P's and so quickly adapts to the environmental changes (Goi, 2019). Price is the only element among the 4P's that directly generate revenue and the item which play the most crucial role in customer retention and satisfaction. It is assumed that pricing is matched against the product quality by the consumer to find value for their money and so whether brand loyalty would last. The price is the amount a client would actually pay for a good or service. According to Singh (2016), an important factor in determining the right prices for a commodity is the cost of production, the marketing strategy and advertising costs, the distribution costs the macro environmental factors. Strategies to commodity pricing embeds on cost-plus basis, value basis, competition, input size, discount, unprofitable guide (promotional price), and psychological (influencing consumer behavior such as KShs 999 as opposed to KShs 1000) (Amarala & Guerreiroa, 2018). It is therefore in order to state that prices guide organizations in understanding the value of the product.

Another crucial element of the marketing mix theory is a place, which is also called distribution or describing the process and approach through which consumers can access

goods and services. According to Brata, Husani & Ali, (2017), distribution assists consumers to find when buying those products from the seller, and so place can be perceived as a marketing channel for goods and services to be more accessible, easier and friendlier to the end customer. This involves physically availing goods and services attributable to the local conditions in technical terms, logistically and among other conditions. For this to occur an organization must constantly analyze consumer needs, determine the distribution chain goals and identify possible challenges to achieve them, it must also identify and assess all the alternatives. An organization must constantly review its channels of distribution to establish whether it is longer, and thus making their products costlier or is conveniently shorter to lower the end consumer cost (Wang, 2015). As a marketing mix element, decisions involved in place consider movement of goods from the producer to the end consumer.

Product promotion forms the last in the 4P's of the marketing mix theory and increases awareness in terms of organizational products to raise sales and brand loyalty. In other word, it is the packaging of, and the dissemination of brand knowledge targeted at encouraging consumption. According to Isoraite, (2018), the means of promotion may include such activities as coupons, free samples, refunds and bonuses, awards, sponsorships, and product demonstrations to motivate buying.

Product promotion also includes the aspect of advertisement through various print, electronic and mainstream media. The distinguished four support strategies that are fashioned to promote a product involves quick-skimming strategy involving high price and intense support costs, the slow skimming strategy with high price and low support when consumers are well informed, the rapid penetration strategy with low pricing and high support, and lastly the slow penetration strategy where organizations go low on prices and support expenses (Goi, 2019). Regardless of whether a product is new or old in the market, the primary notion should be that the user has very little or no information about the product. An organization should then become innovative with ways to avail product information to their end users.

## **2.2 Promotion Strategies and Organizational Performance**

A study examined mobile promotions, a framework and research priorities Andrews et al., (2016). The main objective of the study was to determine the effect of mobile promotion on performance of the Infinix Company. The study used descriptive research design. The study findings showed that promotion involves both providing the consumer information regarding the footwear store and its product or service offering as well as influencing the consumer perceptions, attitudes, and behavior towards the store and what it has to offer. It is both an informative and persuasive communication process. To be effective, the promotional strategy must be guided by the marketing concept such as focusing on consumer needs and integrating all activities of the organization to satisfy those needs. Such strategies include advertising and direct customer interaction. The study focused on effect of promotion on performance of mobile company whereas this study seeks to assess marketing mix on organizational performance of maize seed companies in Kenya.

In their paper, Gathungu, Iravo and Namusonge (2015) assessed the effect of promotion practices on the employee commitment in the banking industry in Kenya. The main objective of the study was to determine the effect of promotion practice on organizational performance of banking industry. The methodology of the study was descriptive survey research design. Data were collected through a self-administered questionnaire from employees in different

commercial banks. Correlation results reveal that Promotion has a weak relationship with commitment at  $r = 291$ ,  $p < 0.001$ , at the 0.01 level of significance. Further analysis revealed that promotion has a negative and significant relationship with commitment (Beta = -0.022, at  $p > 0.05$ ). The study divided the target population into two groups, those on contract and permanent employees. The results indicate that promotion had a significant relationship with commitment for contract ( $p = 0.000$ ) while for permanent employees, there was no significant relationship ( $p = 0.443$ ). The study concludes that, there is need to improve the promotion criteria and the benefits that employees receive on promotion. Further, there is need to base promotion on merit in order to motivate employees' performance and productivity. HR managers: need to be more involved in the promotion evaluation process to remove the subjectivity in the process. The study focused on effect of promotion practices on the employee commitment in the banking industry however, this study aimed to assess effect of marketing mix on maize seed companies in Kenya.

Another study evaluated the effect of promotion mix elements on consumers buying decisions of mobile service: the case of Umniah Telecommunication Company at Zarqa City-Jordan Khanfar (2016). The study was based on descriptive research methodology. The specific objective of the study was to determine effect of promotional mix on organizational performance. The factors included were advertising, personal selling, sales promotion, and public relations. Data were collected through questionnaires forming a representative sample. Sales promotion method used by the seller are not only effective in succeed in achieving short-term sales but are also more cost effective than advertisement. According to the study, consumer sales promotions indicate to any short-term promotion methods destined by retailers to boost customer immediate response to the products. The study mainly focused on advertising, personal selling, sales promotion, and public relations as promotion strategies which does not fully address promotion strategies. This study therefore seeks to fill the gap by examining use of Organizational Performance, advertising, direct marketing and massaging as promotional strategies.

Promotion is sometimes referred to as free information about organizational product and services or dissemination in the media reached a short-term effect. Al-Sharif, Qwader and Al-Slehat (2017) examined the effect of promotion strategy in the Jordanian Islamic banks on a number of customers. The results showed that the advertisement is the most important field in promotion that should be concerned by banks to increase its customers. The study concluded that the marketing strategy in Islamic banks is practiced randomly and not concentrated on that Muslims prefer the deal with Islamic banks. The study noticed that the research was conducted in Islamic banks and a recommendation was made those future scholars to research on other sectors of the economy. This study therefore seeks to fill the gap by assessing effect of marketing mix on organizational performance of maize seed companies.

In a study, Hui et al., (2015) evaluated the effect promotion strategies on performance of the mobile company, India. The study used descriptive research design as the methodology. Results showed that there is no one promotional tool that is able to achieve promotion strategy objectives which, in turn, means that most service organizations use more than one promotional tool in order to avoid the disadvantages of each tool. This implies that each promotional tool has different advantages and disadvantages so most service organizations try to use more than one promotional tool in order to maximize the advantages and minimize the disadvantages of each. Good salesmanship is essential for small businesses because of their limited ability to spend on advertising. Good telephone book advertising is also



important. Direct mail is an effective, low-cost medium available to small business. The study findings based on the effect promotion strategies on performance of the mobile company in India showed that there is no one promotional tool that is able to achieve promotion strategy objective; this findings is contradictory to other others who found positive effect, therefore this study seeks to prove it in different study here in Kenya by examining the effect of marketing mix (using promotional strategy) on organizational performance of maize seed companies.

The development of a successful promotional mix demands the careful integration of each of the following elements: situation analysis, developing objectives, designing messages, selecting channels, preparing budget, choosing mix and evaluating (Andrews and Shimp 2017). Advertising is another form of promotion strategy. It is a form of communication designed to persuade potential customers to choose your product or service over that of a competitor. Successful advertising involves making your products or services positively known by that section of the public most likely to purchase them. Based on the findings situation analysis, developing objectives, designing messages, selecting channels, preparing budget, choosing mix and evaluating are key variables for successful promotion strategies. However, this study seeks to evaluate Organizational Performance, advertising, direct marketing and massaging as study variables to answer effects of promotional strategy on maize seed companies in Kenya.

In an attempt to determine the effect of promotional mix elements on sales volume of financial institutions in Kenya, Maina and Afande (2015) adopted cross-sectional research design. The study stated that effective sales promotion campaign enables a business organization to successfully out-brand its competitors is a continuous battle for the hearts and minds of the market share and customers. A strong brand strategy can increase the awareness of a company and its offerings in such a way that it establishes strong feelings and reactions and a favorable view towards the company as a whole. Another research examined how promotion strategy influence on Organizational Performance of registered commercial printing firms in Nairobi (Ndumia, Ng'ang'a & Kabata, 2020).

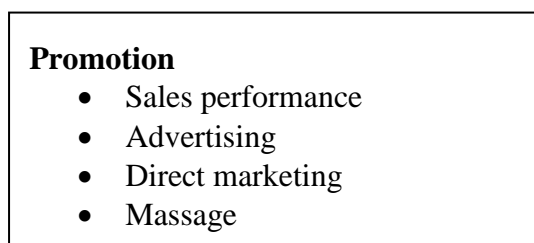
Onditi (2017) carried out a study on the evaluation of promotional elements influencing sales of an organization of sales of agricultural and non-agricultural products among Women Groups, Homa Bay District, Kenya. The study used descriptive research design. The study found that promotion is all activities undertaken to communicate and promote products or services to the target market. A promotional mix specifies how much attention to pay to each of the five subcategories, and how much money to budget for each. The product life cycle, among other marketing objectives determines the extent to which these elements are used. One of the reasons is that effective advertising helps firms to attract and ensure loyalty of the customers within the current changing business environment. A good advert should elicit attention, interest, desire and action from the target population. The study evaluated promotional elements influencing sales of organizational sales however; this study focuses on effects of marketing mix on organizational performance in maize seed companies.

In their study, Amin and Priansah (2019) found that promotion and communication strategy is a major component in the marketing mix strategy. It helps firms to communicate on their product or services to the customers. Promotional strategy constitutes a number of elements that include personal selling, sales promotion, advertising, public relations and direct marketing. These elements have an influence on the relationship of the customer and the firm that is essential towards improving the sales of a product or service. Integrated Marketing

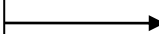
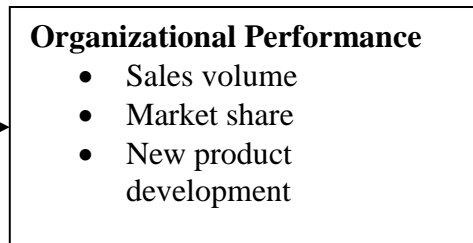
Communication (IMC) implies combining all the elements of promotion together to take a complete picture. This is so that a consistent message is transmitted by all marketing communications. The study focused on the following variables personal selling, sales promotion, advertising, public relations and direct marketing. The variables was tested in the field of tourism in the Kuningan regency is in Indonesia and the authors recommended further study to be conducted in other fields of the study. This study therefore seeks to field the gap by evaluating the effect of marketing mix using promotional strategy in the field of agriculture, specifically performance of maize seed companies.

A study by O'guinn et al., (2014) determined the effect of advertising and integrated brand promotion on performance of the company. The main objective of the study was to establish the effect of promotional mix on organizational performance of the company. The study found that company need to have enough information about their customer needs and how the customer views their business. Advertising is the strong methods for promotion strategy which typically covers communication methods that are paid for like television advertisements, radio commercials, print media and internet advertisements. Advertising is any form of information and the promotion of a set of ideas that helps to inform customers about new products and helps to reduce barriers between customers and organizations. Another method that can be used as promotion strategy is sales promotion. Sales promotion is attributed to the actions and decisions which provide specific short-term measures, but to encourage the purchase, use, as well as by facilitating the purchase of goods and can be directed to the end user or intermediary. This promotional tool used by the company to encourage their customers to buy more or faster of their product. Examples of sales promotions are coupons, prizes, free samples, discount and promotional items. The main focus of the O'guinn et al., (2014) study was effect of advertising and integrated brand promotion on performance of the company whereas this study focuses on promotion strategy as a marketing mix strategy and its effects on organizational performance.

**Independent Variable**



**Dependent Variable**



**Figure 2: Conceptual Framework**

**3.0 Research Design and Methodology**

**3.1 Research Design**

This study adopted correlational research design. A correlational research design investigates relationships between variables without the researcher controlling or manipulating any of them. A correlation reflects the strength and/or direction of the relationship between two (or more) variables. The direction of a correlation can be either positive or negative (Seeram, 2019). The target population was 1014 employees from 14 maize seed companies in Kenya. The sample size of this study was drawn using Yamane (1967) formula which gave a sample

size of 286 respondents. The study employed simple random sampling technique when collecting data from 286 employees from the maize seed companies in Kenya. The sample size included 50 employees from Kenya Seed Company, 41 employees from Monsanto Seed Company, 22 employees from Seedco Seed Company, 19 employees from Amiran Kenya Ltd, 21 employees from East African Seed Company Limited, 18 employees from Elgon Kenya Ltd, 19 employees from Freshco Seeds Kenya, 16 employees from Kenya Highland Seed, 11 employees from Pannar Seed Ltd, 17 employees from Premier Seed Limited, 7 employees from Savan Seeds Ltd, 15 employees from Simlaw Seeds, 10 employees from Pioneer Seed Company and 22 employees from Western Seed Company. The employees included marketing officers and sales officers. The researcher used questionnaire as the main data collection instrument. Descriptive statistics such as standard deviation, mean score, frequencies and percentages for each variable was calculated and tabulated using frequency distribution tables. In the inferential statistics simple and multiple regression analysis was used to test the hypothesis.

#### 4.0 Results and discussions

##### 4.1 Product Promotion Strategy and Organizational Performance

In table 1, the study sought to answer the question on the influence of product promotion strategy on organizational performance of maize seed companies in Kenya. Employees were asked to give their opinions whether they Strongly Disagreed (SD), Disagreed (D), Undecided (U), Agreed (A) or Strongly Agreed (SA) with the statements provided. Key: F=frequency, %=Percentage. Descriptive statistics of the responses are presented as shown in the Table.

**Table 1 Product Promotion Strategy and Organizational Performance**

Product Promotion Strategy	SD		D		UD		A		SA	
	F	%	F	%	F	%	F	%	F	%
Our organizations use sales promotions to increase our sales volumes and brand loyalty.	3	1.2	8	3.1	16	6.3	64	25.0	165	64.5
We give out discounts to our customers, which are why our brand loyalty and sales have gone up.	6	2.3	27	10.5	20	7.8	102	39.8	101	39.5
We use advertising and roadside demos to increase sales and brand visibility.	7	2.7	18	7.0	37	14.5	108	42.2	86	33.6
We use sales promotion to create customer-product interest and brand awareness.	11	4.3	28	10.9	33	12.9	104	40.6	80	31.3
We use e marketing to positively influence on product sale performance.	14	5.5	24	9.4	32	12.5	90	35.2	96	37.5
We use direct marketing that is why it has led to an increase in	4	1.6	14	5.5	11	4.3	116	45.3	111	43.4

Product Promotion Strategy	SD		D		UD		A		SA		
	F	%	F	%	F	%	F	%	F	%	
profit.											
We use product promotion strategies has given the company a competitive edge in the market share.	8	3.1	26	10.2	33	12.9	102	39.8	87	34.0	
We offer price discounts and coupons to our customers.	18	7.0	20	7.8	22	8.6	89	34.8	107	41.8	
We promote the use of personal selling and publicity to promote their products, which also increase our sales.	30	11.7	16	6.3	19	7.4	116	45.3	75	29.3	
We use advertising to present our product and ideas to the customers.	1	.4	18	7.0	30	11.7	103	40.2	104	40.6	

Source: Field data, 2023

Table 1 shows study results on effect of product promotion strategy on organizational performance of maize seed companies in Kenya. The study results shows that majority of the study participants 229(89.5%) agreed, 16(6.3%) were undecided and 11(4.3%) disagreed with the statement that maize seed company organizations use sales promotions to increase our sales volumes and brand loyalty. Sales promotions attract new customers, encourage loyalty and repeat purchases, get insights into customer behaviour and respond to opportunities in the market. The study findings is in agreement with Qazi, Muzaffar, Khan and Basit (2021) that consumer sales promotions indicate to any short-term promotion methods destined by retailers to boost customer immediate response to the products.

Study results also shows that majority of the study participants 203(79.3%) agreed, 20(7.8%) were undecided and 33(12.9%) disagreed with the statement that maize seed companies give out discounts to their esteemed customers, which are why brand loyalty and sales have gone up in the companies. The maize seed companies offer discounts to their customers to increase sales, as a ways to attract customers and increase revenue. By offering a discount, businesses can make their products or services more appealing and encourage people to buy (Calaro et al., 2023).

Table 1 also shows that majority of the study participants 194(75.8%) agreed, 37(14.5%) were undecided and 25(9.8%) disagreed with the statement that maize seed companies use advertising and roadside demos to increase sales and brand visibility. Roadside demos make farmers get access to new maize seed brands, helps the company access new potential markets and increase on revenue after product sales. Respondents were also asked to give their opinion on sales promotion to create customer-product interest and brand awareness. The study results revealed that majority 184(71.9%) of the study participants agreed, 33(12.9%) were undecided and 39(15.2%) disagreed with the statement that maize seed companies use sales promotion to create customer-product interest and brand awareness.

The study results also shows that majority of the study participants 186(72.7%) agreed that maize seed companies use e-marking, 32(12.5%) were undecided with the statement and 38(14.8%) disagreed with the statement that maize seed companies use e-marketing to

positively influence on product sale performance. Digital marketing enables companies to reach potential target audiences, drive sales, and increase revenue for the company. The findings are in agreement with Lim (2023) that digitization on internet access has enabled online marketing to be increasingly widespread and it has enabled companies hit neat targets that generates more profits to the company.

Findings in table 1 also shows that majority 227(88.7%) of the study participants agreed that maize seed companies use direct marketing, 11(4.3%) were undecided and 18(7.0%) disagreed with the statement that maize seed companies use direct marketing that is why it has led to an increase in profit. Direct marketing is a cost-effective way of reaching potential customers and can be used to acquire new customers, retain existing customers and increase loyalty. It also allows businesses to target their messages to specific audiences, which increases the likelihood of obtaining desired results.

In addition table 1 shows study results on the use product promotion strategies and the majority 189(73.8%) of the respondents agreed, 33(12.9%) were undecided and 34(13.3%) disagreed with the statement that maize seed companies in Kenya use product promotion strategies has given the companies a competitive edge in the market share. Product promotion is one of the key strategic mixing tools that nearly all organizations use to have a positive impact on their profitability and organizational performance.

Response on price discounts and coupons showed that majority 196(76.6%) of the study participants agreed, 22(8.6%) were undecided and 38(14.8%) disagreed with the statement that seed companies offer price discounts and coupons to customers. By offering a discount, businesses can make their products more appealing and encourage people to buy. The findings are in line with Hinterhuber and Liozu (2014) that price discount and coupons are deduced innovation pricing that have a competitive advantage on organizational performance for the German companies.

Respondents gave their opinion on use of personal selling and publicity that majority 191(74.6%) of the study participants agreed, 19(7.4%) were undecided and 46(18.0%) disagreed with the statement that maize seed companies promote the use of personal selling and publicity to promote their products, which also increase our sales. Product promotion ensures organization adopts different strategies to disseminate information about its product, product line, brand or company.

Finally, study results in table 1 shows that majority of the study participants 207(80.9%) agreed, 30(11.7%) were undecided and 19(7.4%) disagreed with the statement that maize seed companies in Kenya use advertising to present product and ideas to the customers. Advertising a product increases familiarity and trust between a company and its customers. It maize seed product builds customer awareness of brand and promotes the benefit of company products through communicate information. The findings are in agreement with Jarrar, Awobamise and Aderibigbe (2020) that advertisements drive business sales growth because they create interest among consumers. Once consumers are aware of a company's products and services, they are more likely to go out and buy it, especially if the advertisement entices them to try it out and experience it for themselves.



## 4.2 Inferential Analysis

The study conducted inferential analysis using Pearson’s product moment correlation coefficient and regression analysis. The correlation coefficient ranges from -1.000 to +1.000. The correlation coefficient value of -1.000 indicates a perfect negative correlation, correlation coefficient value of +1.000 indicates a perfect positive correlation and a correlation coefficient value of 0.000 implies that there is no correlation between the study variables (Rusyani, Lavuri, & Gunardi, 2021). The correlation results were shown in Table 2.

### 4.2.1 Correlation Analysis Results

**Table 2: Overall Correlation Analysis Results**

		Product promotion strategy	Organizational performance
<b>Product promotion strategy</b>	Pearson Correlation	1	
	Sig. (2-tailed)		
<b>Organizational performance</b>	Pearson Correlation	.652**	1
	Sig. (2-tailed)	.000	

**\*\*.** Correlation is significant at the 0.01 level (2-tailed).

The goal of the study was to evaluate relationship between product promotion strategy and organizational performance of maize seed companies in Kenya. The findings in Table 2; illustrate that product promotion strategy has a positive and statistically significant effect on organizational performance of maize seed companies in Kenya with ( $r=0.652$ ;  $p<0.05$ ). This implies that a unit change in promotion strategy contributes to 65.2% improvement on organizational performance of maize seed companies in Kenya. Product promotion strategy attracts more customers both in the existing and the potential market. The findings are in line with Maina and Afande (2015) that effective sales promotion campaign enables a business organization to successfully out-brand its competitors is a continuous battle for the hearts and minds of the market share and customers.

### 4.2.2 Multiple Regression Analysis

The study used multiple linear regression analysis to determine the combined linear relationship between the dependent variable and the independent variables. Table 3 show results of model summary.

**Table 3: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.885	.783	.780	.20489

The model summary of the study shows coefficient results from correlation coefficient (R) and determination ( $R^2$ ), which is the degree of association between product promotion strategy and organizational performance. The results in Table 3 on model summary indicated that  $R=0.885$ ,  $R^2=0.783$  and adjusted  $R=0.780$ . R-value gives an indication that there is a linear relationship between product promotion strategy and organizational performance of maize seed companies in Kenya. The  $R^2$  value indicates that explanatory power of the independent variables is 0.783. This means that the study variables (Product promotion

strategy and organizational performance) accounts for 78.3% for the organizational performance of maize seed companies in Kenya, whereas 21.7% of the organizational performance of maize seed companies is accounted by other factors out of the study.

### Fitness of Regression Model

The analysis of variance (ANOVA) was used to determine if the simple regression model was fit for the data. The results were as shown in table 4.

**Table 4: ANOVA for Testing Multiple Regression Model**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	38.116	4	9.529	226.986	.000 <sup>b</sup>
Residual	10.537	251	.042		
Total	48.654	255			

a. *Dependent Variable: organizational performance*; b. *Predictors: (Constant), Product promotion strategy*.

The results from table 4 indicates that the influence of independent variables on the dependent variable was statistically significant (F=226.986; p<0.05). This implies that the multiple regression model was fit for the data on product promotion strategy and organizational performance.

### Regression Coefficients

The T-test of statistical significance of each regression coefficient was conducted in order to determine the beta (β) which shows how strongly each independent variable influences the dependent variable. Table 5 shows the regression analysis results.

**Table 5: Regression Analysis**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.421		.125	3.375	0.00
	Product promotion strategy	.313	.021	.458	14.801	.004

The study findings in table 5 shows the regression coefficients results whereby product promotion strategy had a positive and statistically significant effect on organizational performance of maize seed companies in Kenya (β=0.313, p<0.05). The multiple regression equation for Product promotion strategy was as shown below:

$$Y_i = 0.421 + 0.313X_1$$

This implied that at constant product promotion strategy and organizational performance is at 0.421 units. The coefficient 0.313 indicates that improvement on product promotion strategy by one unit increases organizational performance by 0.313 units.

### 4.3 Hypotheses Testing

The study hypothesis stated that there is no relationship between product promotion strategy and organizational performance of maize seed companies in Kenya. However, the study

results revealed that product promotion strategy has a positive and significant effect on the organizational performance of maize seed companies in Kenya ( $\beta=0.313$ ,  $p=0.000$ ). The results rejected the null hypotheses  $H_1$  signifying that revealed that product promotion strategy has a positive and significant effect on the organizational performance of maize seed companies in Kenya. Product promotion strategy helps in marketing new products to the customers, showing product unique qualities to consumers, building a brand and increasing the sales of a company. Product promotional strategy may help maize seed companies reach the goal of accessing potential customers who are unfamiliar with the brand. The study concurs with Onditi (2017) that promotional mix helps firms to attract and ensure loyalty of the customers within the current changing business environment.

### **5.1 Conclusions of the Study**

In conclusion product promotion strategy influence on organizational performance of maize seed companies in Kenya since seed companies use direct marketing, use sales promotions, use advertising, and give out discounts to their esteemed customers. Direct marketing is a cost-effective way of reaching potential customers and can be used to acquire new customers, retain existing customers and increase loyalty. Sales promotions increase sales volumes, attract new customers, encourage loyalty and repeat purchases, get insights into customer behaviour and respond to opportunities in the market. Also companies give out discounts to their esteemed customers, which are why brand loyalty and sales have gone up in the companies.

### **5.1 Recommendations of the Study**

The study recommends to the managers of maize seed companies to factor in sales product promotion to create customer-product interest and brand awareness. Majority of the maize seed companies in Kenya do not get real access to the potential customers because of limited sales promotion. Maize seed companies should also use e-marketing to positively influence on product sale performance.

### **5.2 Suggestions for Further Research**

A study to determine the challenges facing product promotion strategy and organizational performance of maize seed a company in Kenya is recommend for scholars.

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