

THE IMPACT OF SALES PROMOTIONAL PACKAGES ON CUSTOMER SWITCH AND RETENTION: CASE OF MTN AND VODAFONE GHANA LTD

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ABSTRACT

The competition within the telecommunication sector is growing day by day in Ghana and therefore necessitates the telecom operators to be more proficient in their tactical approach to meet the growing demands of customers. Effective sales promotional packages are believed to be key in the approach of winning and maintaining customers. This paper examines the impact of promotional packages on customer switch and retention in the telecommunication industry in Ghana. Data were collected using questionnaires from 150 customers of two giants operators, Mobile Telecommunication Network (MTN, hereafter) and Vodafone Ghana Ltd. Descriptive statistics and multiple regression and correlation were employed to examine the relationship between the independent and dependent variables by using SPSS analytical tool. The result shows that there is positive and significant relationship between promotional packages, customer switch and customer retention. The study also discloses that promotional offers as a key marketing innovation to customer retention and switch in the telecom sector. The study found that companies without effective promotional packages lose customers and therefore promotional packages were significant chief drivers of customer retention. The study recommends that telecommunication companies who desire to improve upon the level of customer retention should invest much in an attractive promotional packages in their marketing innovation segment.

Keywords: Sales Promotion, Promotional Packages, Customer Switch, Customer Retention.

INTRODUCTION

Competition within telecommunication industry is getting tougher day by day due to globalization, deregulation, increasing global and domestic competition, new technologies, and e-commerce (Daniel & Mambu Bayoh, 2017). The firms are competing to each other for customers, market share and long-term survival. Customers are becoming more cultured, segmented and demanding, and anticipate more in terms of customization, newness, quality and price (Stark, 2011). In order to survive in current conditions of market, firms within the industry must enhance their innovation capabilities in order to satisfy market demands and customer preferences to maintain a long-term competitive advantage (Panayides, 2006). In Sub-Saharan African countries, for which Ghana is not an exception, the continuous growth in technology, coupled with the proliferation of mobiles phones especially in the telecommunication industry have pushed many mobile network operators to build robust innovative service and products in order to gain consumer satisfaction. (Aker & Mbiti, 2010). Sales promotion packages has been one of the present-day competitive approach in retaining and winning prospective subscribers in Ghana telecommunication market. In Ghana

telecommunication sector, the promotion offers arrays from minutes, days, weekly, monthly, bi-annually and yearly subscription basis. It however includes; local and international voice calls, data bundles, cash prizes and many other materials rewards. Sales promotion has full-fledged substantially in recent years within the global and local telecommunication industries for the apparent fact that companies feel sales promotion is inducement and plays an important role in the consumer decision making process (Daniel & Mambu Bayoh, 2017).

Ghana's mobile telecommunication industry is noted to be one of the fastest growing sectors of the Ghana economy and there is fierce competition within this sector made up of five telecom operators namely, MTN, Vodafone, Airtel/TIGO, Expresso and Glo. There are several reasons for this dramatic growth in sales promotion. First, consumers have accepted sales promotion as part of their buying decision criteria. It provides reluctant decision makers with an incentive to make choices by increasing the value offered by a particular brand. Second, the increasing tendency of businesses to focus on short-term results has helped spur growth in sales promotion, which can provide an immediate boost in sales. Product managers also tend to view sales promotion as a way to differentiate their brand from that of competitors in the short term. Third, the emergence of computer technology has enabled manufacturers to get rapid feedback on the results of promotions. (Benjamin & Gideon, 2018).

MTN Ghana and Vodafone Ghana have over the past few years employ a lot of creative sales promotional offers with the main intention of increasing customer base and retaining existing customers. The researcher chose these two companies because they are the two giants rival in Ghana Telecommunication industry and one company actions definitely have significant effects on the other

Statement of the Problem

Strong competition among the telecommunication networks in Ghana has led to the application of various marketing strategies and tactics to win a good share of the market. Sales promotion has been extensively used by these networks in their attempt to outsmart their competitors. Meanwhile Sales Promotion which is a key ingredient in marketing campaigns and consists of a diverse collection of incentive tools is mostly short term designed to stimulate quicker or greater purchase of particular products or services by consumers but seen as lacking the capacity to retain customers.

However, little research has been done in this area to underwrite to knowledge. This stimulated the researcher to survey the relationship between sales promotion on customers wish to switch or remain in the telecommunication industry in Ghana.

Purpose of the Study

This study aimed to discover the impact of sales promotional offers or packages on customer switch and customer retention in the two leading Ghana telecommunication companies. The two leading companies are MTN Ghana Ltd (43% market share) and Vodafone Ghana Ltd (23%)

Research Objective

1. Identify the Promotional Packages of MTN and Vodafone Ghana.
2. To discover the relationship between promotional packages and customer switch.
3. To find out the relationship between promotional packages and customer retention.

Importance of the Study

This study seeks to provide useful insights on sales promotion on customers' satisfaction and retention in the telecommunication sector with especially MTN and Vodafone Ghana Ltd Company. The study will explore the relationship between the types of sales promotion that customers prefer most and its effects on remaining or switching to a different service provider within the industry. In this study, the various existing sales promotional packages will be identified for readers to be aware of all the current packages available to choose from.

LITERATURE REVIEW

Overview of Sales Promotion

According to Kotler (2003), Sales Promotion is a key ingredient in marketing campaigns and consists of a diverse collection of incentive tools, mostly short term designed to stimulate quicker or greater purchase of particular products or services by consumers. Sales promotions programs are those activities other than stimulate consumer purchase.

Achumba (2002) considered sales promotion as those marketing activities, other than personal selling, advertising and publicity that stimulate consumer purchasing and dealer effectiveness, such as displays, shows and expositions, demonstration etc. Sales promotion has been defined as a direct inducement that offers an extra value or incentive for the product to the sales force, distributors or the ultimate consumer with the primary objective of creating an immediate sale (George, 1998). Sales promotion is one of the ways used by firms to communicate with intended target market. Sales promotion is unique in that it offers an extra incentive for action (Adrian Palmer, 2004). Sales promotion refers to those promotion activities other than advertising, publicity and personal selling that stimulate interest, trial or purchase by final customers or others in the channel (Bagavathi, 2007). Gilbert and Jackaria (2002) stated that sales promotion consists of a wide variety of short-term tactical promotional tools aimed at generating a desired response from customers. Sales promotion has been defined as a "direct inducement that offers an extra value or incentive for the product to the sales force, distributors or the ultimate consumer with the primary objective of creating an immediate sale" (Schultz and Robinson, 1982). The term "sales promotion" has been used to represent at least three different concepts: (1) the entire marketing mix, (2) marketing communications (Anderson, 1982), (3) a catch-all for all communication instruments that do not fit in the advertising, personal selling or public relation subcategories (Van Waterschoot and Van den Bulte, 1992). Brassington and Pettitt (2000) provide a revised definition for sales promotions when they defined it as a range of marketing techniques designed within a strategic marketing framework to add extra value to a product or service over and above the "normal" offering in order to achieve specific sales and marketing objectives. This extra value may be a short-term tactical nature or it may be part of a longer-term franchise-building program. Sales promotion has been defined as a "direct inducement that offers an extra value or incentive for the product to the sales force, distributors or the ultimate consumer with the primary objective of creating an immediate sale" (Schultz and Robinson, 1982). The term "sales promotion" has been used to represent at least three different concepts: (1) the entire marketing mix, (2) marketing communications (Anderson, 1982), (3) a catch-all for all communication instruments that do not fit in the advertising, personal selling or public relation subcategories (Van Waterschoot and Van den Bulte, 1992).

Relevance of Sales Promotion

Kotler (2002) Promotion is now more accepted by top management as an effective sales tool; more product managers are qualified to use sales promotion tools; and product managers are under greater pressure to increase current sales. In addition, the number of brands has increased;

competitors use promotions frequently; many brands are seen as similar; consumers are more price-oriented; the trade has demanded more deals from manufacturers; and advertising efficiency has declined because of rising costs, media clutter, and legal restraints. Syeda and Sadia (2011) argued that Sales promotion has become a valuable tool for marketers and importance of it has been increasing rapidly over the past few years. They further advocated that many researchers have proven the short term impact of sales promotion has an increase in sales for the respective period. The long term impact of sales promotion as well, i.e. the increase in the brand loyalty of the customer which will ultimately increase the customer lifetime value of the company and thus the company's profitability. Gedenk and Neslin (1999) argued that "promotion is more than a short-term sales tool". Promotions have long-term effects on purchase event feedback and consequently on future purchasing as well. Purchase event feedback is the "effect of current purchases on future brand preference" and it "is concerned with what consumers learn from the consumption experience". Huff and Alden (1998), Chandon et al. (2000) Stated that Sales promotion provide utilitarian benefits such as monetary savings, increased quality (higher quality products become attainable), and convenience, as well as hedonistic benefits such as entertainment, exploration, and self-expression. Sales promotions are comparatively easy to apply, and are likely to have abrupt and considerable effect on the volume of sales (Hanssens, Parsons and Schultz 2001). Resultantly, according to Currim and Scheinder (1991) the finances of companies regarding the marketing increase constantly. Research conducted by Ailawadi and Neslin (1998) had revealed that consumer promotions affect the consumers to purchase larger amount and consume it faster; causing an increase in sales and ultimately profitability. Oyeniy (2011) mentioned that to retain consumers in the face of keen competition, service providers must develop marketing strategies that will not only win customer but help to retain them. Sales promotion plays an important role in retaining old consumers and attracting new ones. Parts of the essence of a business existence are to produce goods and services that will be required by customers and to make profit from such activity. Enough sales must be generated for profit to be made. Sales estimate is the foundation in budgeting or profit planning process (Ayanwale et al, 2005).

According to Jobber (2004) sales promotion boosts sales during the promotion period because of the incentive effect. This is followed by a small fall in sales to below normal level because some consumers have stocked up on the product during the promotion. He stipulated that the long-term sales effect of the promotion could be positive, neutral or negative. If the promotion has attracted new buyers, who find that they like the brand, repeat purchases from them may give rise to positive long-term effects. Alternatively, if the promotion (e.g money off) has devalued the brand in the eyes of consumers, the effect may be negative. Where the promotion has caused consumers to buy the brand only because of its incentive value, with no effect on underlying preferences, the long-term effect may be neutral. Also, he said certain promotions by their nature encourage repeat purchase of a brand over a period of time.

Sales Promotional Tools

BMSR Group (2010) identified the main popular sales promotion tools to include the following as shown below:

Direct price-off / discount - A price discount is a temporary reduction of the listed price of the product

Coupon (including printed coupon, e-coupon, and m-coupon) - Printed coupon, which are available in magazines and newspapers or at the point-of-purchase, or electronic / mobile coupon, which may be downloaded from the internet or email, or via 'push' or 'pull' SMS, entitle the customer to a reduction of price on certain products.

Bonus pack / discount for a package- Provide additional quantity of product at the regular price in an enhanced package or offer a separate package of product at a discounted price.

Buy-one-get-one-free offer - One more item is offered for free if the customer buys one item of a product at regular price. “Buy-two-get-one-free” and “buy-three-get-one free” are similar tools under the same deployment rationale.

Free premium / gift / advertising specialties - Gift / item offered free in return for the purchase of one or more products.

Joint / tie-in promotion: Another product is offered for free or at a discount upon purchasing of a particular product. Stamp redemption - Stamp accumulations from repeat purchasing for discount, collectible premium or gift. Contest, game and sweepstake - Games, activities, competitions and lucky draws are offered upon purchase of a certain product or arriving at a certain amount of values.

Membership program - Discount or free product rewards are offered upon joining the membership program; members are later on entitled to certain privileges (such as additional discounts or priority services, etc). Patronage rewards from credit card - Points accumulations on credit card for discount, gift redemption, or cash refunds. Patronage rewards from Octopus card - Points accumulations on Octopus card for discount, gift redemption, or cash refunds. — Free sample - Provides consumers a free small portion of a product, usually new to the market, for trial.

Sales Promotion in Ghana

Over the last few years there has been a rapid increase in the use of sales promotion, for a number of reasons. Internally there has been a greater acceptance of the use of sales promotion by top management and more people are now qualified to use it. In addition, there is greater pressure today to obtain a quick sales response, something which sales promotion is good at achieving.

There has been a general proliferation of brands with increased competitive pressure. As a result of this and the changing economic environment, consumers are more ‘deal orient’ and this has led to pressure from intermediaries for better incentives from manufacturers and service principals. It has been argued by many that advertising efficiency is declining due to increasing costs and media clutter. New technology in targeting has resulted in an increase in the efficiency and effectiveness of sales promotion (Palmer, 2005), Peattie and Peattie equally explain in Jobber (2004) the reasons for the increasing growth of sales promotion in recent times as follows: Sales promotions are becoming respectable: through the use of promotions by market leaders and the increasing professionalism of the sales promotion agencies. Increased impulse purchasing: the retail response to greater consumer impulse purchasing is to demand more sales promotions from manufacturers. Competitor activities: in some markets, sales promotions are used so often that all competitors are forced to follow suit. Measurability: measuring the impact of sales promotion is easier than for advertising since their effect is more direct and, usually short term. The rising cost of advertising and advertising clutter: these factors erode advertising’s cost effectiveness. Cravens and Piercy (2006) seem to contradict this as they indicated that sales promotions expenditure in recent times is increasing more rapidly than advertising in many companies. The reasons for the increasing importance and usage rate of sales promotion in the telecommunication services industry do not differ from the view point of Peattie and Peattie above. Over the past two decades the popularity of sales promotion has been increasing. Two reasons for this increased popularity are undoubtedly the increased pressure on management for short-term results and the emergence of new purchase tracking technology (Peter and Donnelly, 2003).

Mobile Telecommunication Network (MTN) Ghana Limited

MTN Group, formerly M-Cell, is a South Africa-based multinational mobile telecommunications company, operating in many African, European and Asian countries. Its head office is in Johannesburg. As of 30 September 2015, MTN recorded over 300 million subscribers across its operations. GSM-900/1800 (GPRS, EDGE) 900/2100 MHz UMTS, HSDPA.

MTN Sale Promotion Packages

SUNDAY SPECIAL

Sunday special is a package in which subscribers activate the offer by pay for 50 pesewas or GHc1.00, talk and text until 5:59pm day and till 11:59pm respectively. For only you can text and talk plus free **20MB** of data. Most users wait and on Sundays dial their unlimited numbers to reach family and friends. So who is it you love talking to; is it your mum, dad, sister, brother or that special somebody? Just keep talking every Sunday with MTN Sunday Special. The subscription to be part of this offer is very simple by sending 'START' to MTN short code **5050** to sign up.

MTN FREE AFTER 1

MTN Free After 1 (MTN FA1) has just become more exciting. Now MTN FA1 subscribers. Talk for as long as you want and **pay for the first minute and the rest is absolutely FREE.** Plus **free data** after your first call up to 50MB per day.

MTN Caller Tunez promotion

We are pleased to announce the launch of the **MTN CallerTunez promotion** with GHS 30,000 as the ultimate prize. Promotion runs from now to 24th Feb 2019. This promotion seeks to award over 10,000 loyal MTN users who distinguish themselves by downloading more Caller Tunez of their choice during this exciting season of amazing surprises. Exciting prizes await everyone.

TGIF (Thank God Is Friday)

Fridays just got more exciting with TGIF There are many amazing offers and discounts this and every Friday for MTN customers

Jumia Offer

Promo available to selected MTN customers only. Subscribers who are consistently active for 7 days in a week. A unique code will be given to targeted MTN customers via sms by MTN and this can be used at checkout points to enjoy this additional discount. Voucher code can be used once per each customer. Jumia offer is available to first 500 MTN customers who shop on the selected Fridays. In addition to existing discounts on advertised products, MTN customers can enjoy extra Ghs50 discount off all purchases worth Ghs200 and above.

Emirates FA Cup Promo

Travel more in style and comfort with Emirates Airlines and get an amazing 30% discount on ticket purchase. This is not all, you stand a chance to be selected to watch the Grand Finale in the English FA Cup in May 2019. It's simple the more you travel on Emirates the greater your chances of watching the Grand Finale in the English FA cup. Choose Emirates.

Vodafone Ghana Limited

Vodafone Ghana, formerly Ghana Telecom, is the national telecommunications company of Ghana. In 2006, it had around 400,000 customers for fixed and mobile telephony and Internet services. On 3 July 2008, the sale of the company for \$900 million to Vodafone group was

announced. After the transaction closed, Vodafone had a 70% stake in the company, while the Ghanaian government retained a 30% stake. On 16 April 2009, the company was rebranded as Vodafone Ghana.

VODAFONE Sales Promotions

Voice Promotion

Welcome Offer: This offer gives new prepaid subscriber's double bonus credit on all top ups to make local calls valid for 7 days. You get to also enjoy the same value of your spend during the week on weekends. This offer is valid for 90 days. (Only for new Vodafone subscribers)

Double Value Monthly: The offer gives you double bonus credit when you top-up with GHc 2 and above + 50 free SMS and free 200MB data bundle valid for 30 days and it's only for GHc 2.99.

Supreme value monthly: Gives you free 1000mins on-net calls and 100mins off-net calls, 400MB + double bonus credit on top ups to call all network. This offer is valid for 30 days and it's only for GHc 11.99

Vodafone X is a lifestyle proposition designed by Vodafone for all our prepaid subscribers with the aim of empowering and supporting them with product offerings that gives them the liberty of connecting with things that excites them. Customers can subscribe for the package by dialing *5888#

2 Cedi Offer: This offer allows you to enjoy 250 free minutes to call any Vodafone number, 12 minutes for calls to other networks, 50MB internet allowance and 20 free SMS to any Vodafone number for 3 days.

Supreme Value: Vodafone Supreme offers prepaid subscribers a variety of call time for both local and international calls with internet data allowance and SMS packages.

Package	Direct code(IVR)	Short Code	Package Benefits	Charges
Supreme Weekly Plus	5353	*7070#	Enjoy 300min on-net calls, 30min to off-net calls, 5 mins to call USA, Canada and UK Fixed lines. 150MB internet allowance and 100 free SMS to any local network valid for 7days	GHS5.00
Supreme Value Monthly	7070	*7070#	Free on-net calls + double bonus credit when you top-up with GHS 2+ to call all networks. This offer is valid for 30days	GHS11.99
Double Value Monthly	5050	*7070#	Gives you double bonus when you top-up with GHS 2 and above, 200MB and 50 free SMS valid for 30 days	GHS2.99

Good Morning Ghana: Good Morning Ghana promotion offers customers **120 minutes** to call Vodafone numbers, **20 MB** for browsing between the hours of **6am and 8am** daily for free as long as the customer has a minimum of **20p** balance.

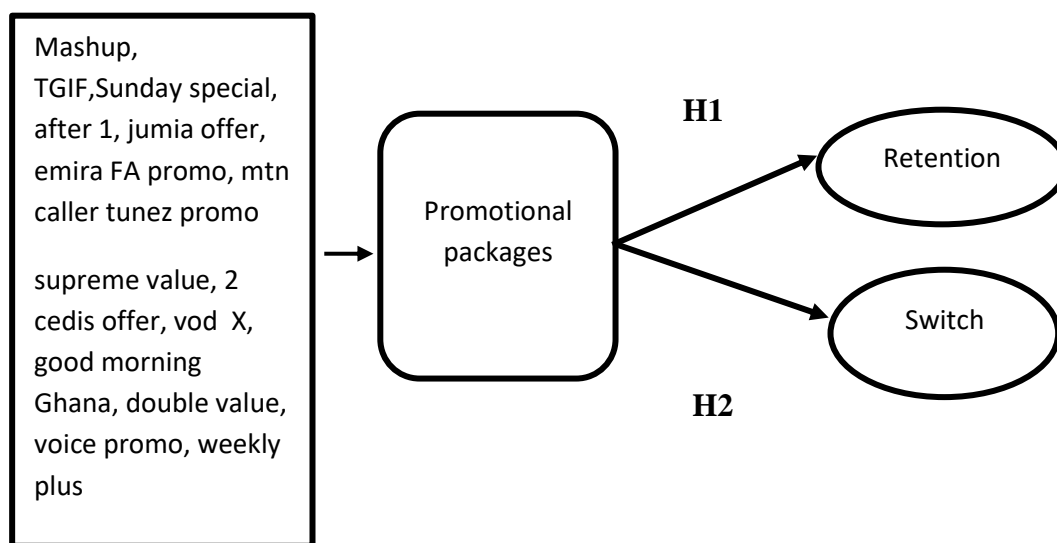
Conceptual Framework

Figure 1: Effects of Sales Promotion on Customer Retention and Customer Switch

The following hypothesis were to be tested;

H1: Is there a significant relationship between promotional packages and customer retention?

H2: Is there a significant relationship between promotional packages and customer switch?

METHODOLOGY

The study selected Ghana as the research location due to the fact that the researcher has knowledge of telecommunication service operations in that country and it has better mobile telecommunication facilities and competition between the telecom operators seems to be very fierce in the area as compared with other African country. The two leading telecommunication operators in Ghana were MTN and Vodafone Ghana Limited. There is a mixed population of mobile phone users with diverse socio-economic background and therefore consideration would be centered on Ghanaians who are familiar of the mobile telecommunication system and how these telecommunication firms tend to satisfy customers through sales promotional packages.

Population

The population is the set of objects under study. According to Agyedu, Donkor and Obeng (2007) population 'refers to the complete set of individual (subjects), objects or events having common observable characteristics in which the researcher is interested in studying'. Population therefore referred to a selected group of people set aside for a specific purpose. Malhotra (2011) explains research population as the collection of elements or objects that possess the information sought by the researcher and about which inferences are to be made. The target population of the study is the users of mobile telecommunication services in Ghana. A sample is a subset of the population of study. The targeted sample size of telecommunication consumers or subscribers was 150. The sample for the study was selected by using simple random sampling.

Instrumentation

Due to the quantitative methodology approach selected for this study and the current location of the researchers, online questionnaire was deemed appropriate. The researcher designed a closed ended structured questionnaire to gather primary data from research participants. The

questionnaire covers the demographic characteristics of the respondents, the measurement constructs of both the independent and dependent variables. The authors sent permission letters to the directors of the two companies in Kumasi respectively for permission to conduct this study. In a week later, they replied with acceptance note. The purpose of the study was explained to the directors and they send the online survey to the customers through bulk message. A total of 200 customers filled the questions in three days' time. The authors eliminated 50 responses on the basis of unfair pattern of responses and use the remaining 150 for the analyzes.

Data Analysis

Data collected through questionnaires was analyzed using descriptive statistics. The completed questionnaires were edited for completeness and consistency, checked for errors and omissions and then coded. Frequencies and percentages along with graphs were employed. The researcher used SPSS (Statistical Package for the Social Sciences, version 22) as the main analytic tools for this study.

RESULTS

This section presents the background of the respondents, reliability of the research questionnaires, data on main research objectives and then discusses the findings from the data. Regression analysis was used to establish the relationship between service innovations and customer satisfaction.

Table 4.1. Gender

	Frequency	Percent	Valid Percent
Valid Male	85	56.7	56.7
Valid Female	65	43.3	43.3
Total	150	100.0	100.0

Table 4.1 shows the gender of the respondents. It was revealed that the males were 85 representing 56.7% and the females were 65 of the respondents representing 43.3%.

Table 4.2 age group

	Frequency	Percent	Valid Percent
Valid below 25 years	41	27.3	27.3
Valid 25-35 years	76	50.7	50.7
Valid 36-45 years	25	16.7	16.7
Valid 46-55 years	5	3.3	3.3
Valid 56 and above	3	2.0	2.0
Total	150	100.0	100.0

In table 4.2, 50.7% of the respondents were between the ages of 25-35years and this represent majority of mobile users in Ghana. It was followed by people below 25years, 27.3%, 36-45years 16.7%, 46-55years were 3.3% and 56 years and above were 2.0%.

Table 4.3 Educational qualification

	Frequency	Percent	Valid Percent
WASSCE/SSCE	12	8.0	8.0
Technical / Vocational	18	12.0	12.0
Diploma	38	25.3	25.3
Valid Bachelor Degree	45	30.0	30.0
Post Graduate	14	9.3	9.3
Non-Formal Education	23	15.3	15.3
Total	150	100.0	100.0

Table 4.3 illustrates educational background of respondents. Concerning educational background of respondents, 38 respondents representing 25.3% were WASSCE holders, 8% were technical or vocational certificate holders, 25.3% were diploma holders, 30.0% representing the highest among the respondents were bachelor degree holders, 9.3% were post graduate and 23 respondents representing 15.3% were have non-formal education

Table 4.4 Type of network

	Frequency	Percent	Valid Percent
Valid MTN	82	54.7	54.7
VODAFONE	68	45.3	45.3
Total	150	100.0	100.0

The study specifically considered two telecommunication companies in Ghana. These were MTN and Vodafone Ghana Ltd. From the table 4.4, 82 of the respondents representing 54.7% were MTN subscribers and 68 respondents representing 45.3% were Vodafone Ghana subscribers.

Table 4.5 Number of years on network

	Frequency	Percent	Valid Percent
Valid below 5 years	24	16.0	16.0
5-10 years	43	28.7	28.7
11-15 years	75	50.0	50.0
16- 20 years	4	2.7	2.7
above 21 years	4	2.7	2.7
Total	150	100.0	100.0

A further attempt was made to know the number of years subscribers' have used the type of Network Company. Subscribers who have been with their respective company below 5 years were 24 representing 16.0%, 5-10 years were 28.7%, 11-15years were 50%, 16-20 years were 2.7% and above 21 years were 2.7%. This shows majority have use their mobile number for between 11 to 15 years in the telecommunication industry

Reliability of Data

Reliability is defined as the extent to which a scale is free from random errors and thus yields consistent results (Hair et al., 1995). Calculating Cronbach's alpha is the most commonly used procedure to estimate reliability, and Nunnally (1978) recommends 0.7 as the accepted benchmark for Cronbach's alpha. SPSS tool was used to carry out the reliability test to determine the reliability of the questionnaires. A scale test based on the final list of 33 items of scale returned an alpha coefficient of 0.697 (70% approximately).

Table 4.6 Reliability Statistics

Reliability Statistics	
Cronbach's Alpha	N of Items
.697	33

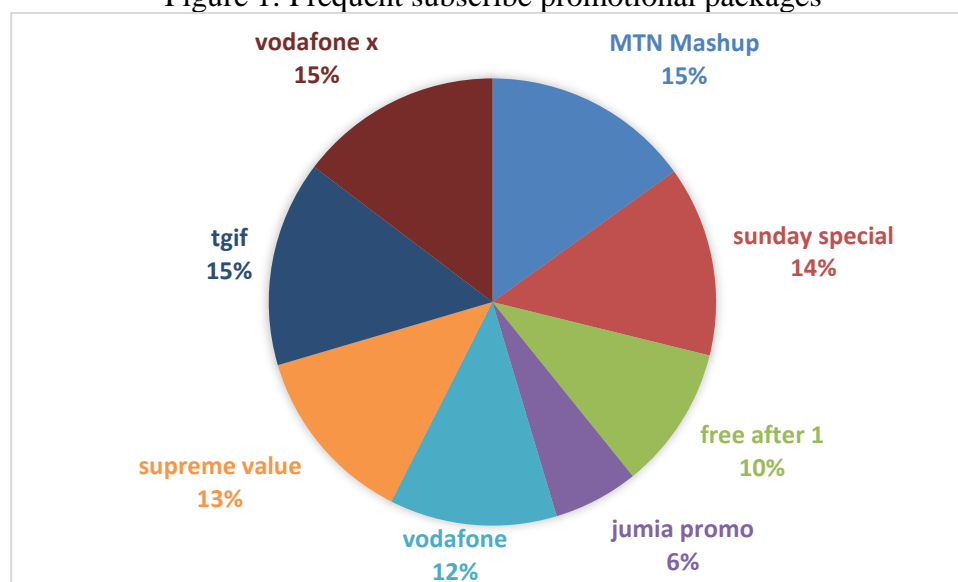
Figure 1: Frequent subscribe promotional packages

Figure 1 indicates the most popular and frequent subscribed promotional packages among the two telecommunication understudy.

Relationship between promotional packages and retention

This study aimed to find out the impact of sales promotional packages on customer retention among MTN Vodafone Ghana subscribers in telecommunication industry. The result shows that there is positive relationship between promotional packages and customer retention. Regression analysis was run to support the research findings. In other words, the study found promotional packages to be a key determinant for customer retention, either being or short period or long term. The regression table indicated a strong relationship between innovation and customer satisfaction. From table 4.7, it could be observed that R Square of 0.76 (76%) and this explains that promotional packages influences customer retention 76%. The results showed the overall consistency of findings with the model and previous studies conducted on related topics (Therrien et al., 2011; Gunday et al., 2011; and Artz et al., 2010).

Table 4.7 Model Summary
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.276 ^a	.76	.070	.89163

a. Predictors: (Constant), promotional packages

In table 4.8, F-statistic value of 12.167 and residual value of 117.33 was obtained implying that there is a significant relationship between innovation and customer satisfaction. In other words, sales promotional offers of the telecommunication companies influenced customer retention.

Table 4.8 ANOVA Analysis
ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.673	1	9.673	12.167	.001 ^b
	Residual	117.660	148	.795		
	Total	127.333	149			

a. Dependent Variable: i will remain

b. Predictors: (Constant), promo

Relationship between promotional packages and customer intention to switch

Is there a relationship between sales promotional packages and customers intention to switch to different network? Some telecommunication customers usually join other network companies because they want to enjoy certain promotional offers or benefits. But the length at which they remain because of the offer is dependents on other factors. A Pearson Correlation was used to analysis this relationship. Pearson Correlation test was conducted and the results are shown in Table 4.9. It is explicit from the table that, testing at 1% level of significance (.000 sig), a strong positive Pearson correlation coefficient of 0.89 (89%) was obtained between promotional packages and customer intention to switch. This means that sales promotional offers is a driver of subscribers to retain customers in the industry and failure to strategies will lead to customer switch for better services in the case of strong competitive telecommunication market in Ghana.

Table 4.9: Correlation Analysis
Correlations

		i will switch	Packages
i will switch	Pearson Correlation	1	.890 ^{**}
	Sig. (2-tailed)		.000
	N	150	150
Packages	Pearson Correlation	.890 ^{**}	1
	Sig. (2-tailed)	.000	
	N	150	150

^{**}. Correlation is significant at the 0.01 level (2-tailed).

DISCUSSION

The sought to find the impact of sales promotional packages on customer retention and switch among the two leading telecommunication companies in Ghana. These two companies MTN

and Vodafone Ghana have over the years design a lot of promotional offers to stimulate customers in order to retain or increase its market share. This competition has however help customers either to stay or switch to the other network. From the study, the males were 85 representing 56.7% and the females were 65 of the respondents representing 43.3%. 50.7% of the respondents were between the ages of 25-35years and this represent majority of mobile users in Ghana. Concerning educational background of respondents, 38 respondents representing 25.3% were WASSCE holders, 8% were technical or vocational certificate holders, 25.3% were diploma holders, 30.0% representing the highest among the respondents were bachelor degree holders, 9.3% were post graduate and 23 respondents representing 15.3% were have non-formal education. This gives the clue that majority of the subscribers are literate with formal form of education. 50%, of the subscribers have been on their network for 11 to 15 years.

H1: Is there a significant relationship between promotional packages and customer retention?

Atalaya, Anafarta and Sarvanc (2013) assert that marketing innovations target at addressing customer needs better, opening up new markets, or newly positioning a firm's product on the market with the intention of increasing firm's sales. Marketing innovations are strongly related to pricing strategies, product package design properties, product placement and promotion activities along the lines of four P's of marketing (Kotler, 1991). The findings from this study conform to the previous study related research quoted above. In this report, the result shows that there is positive relationship between promotional packages and customer retention. Regression analysis was run to support the research findings. In other words, the study found promotional packages to be a key determinant for customer retention, either being or short period or long term. The regression table indicated a strong relationship between innovation and customer satisfaction. From table 4.7, it could be observed that R Square of 0.76 (76%) of were obtained meaning that customers mostly derive satisfactions from promotions of the firms. The results showed the overall consistency of findings with the model and previous studies conducted on related topics (Therrien et al., 2011; Gunday et al., 2011; and Artz et al., 2010). Also, Sakara and Alhassan (2014) in a study into the effects of sales promotion on polytechnic student's choice of telecommunication network in Ghana posits that sale promotion have the potential to maintain customers. Similar studies was done in University of Development Studied on Customer Retention through Networks Sales Promotion by Sakara and Alhassan (2014), 75.5% responded yes to support the assertion that sales promotion retain customers in the subscribed network type. Furthermore, Syeda and Sadia (2011) argued that sales promotion has become a valuable tool for marketers and importance of it has been increasing rapidly over the past few years. They further advocated that many researchers have proven the short term impact of sales promotion has an increase in sales for the respective period. The long term influence of sales promotion as well, i.e. the increase in the brand loyalty of the customer which will ultimately increase the customer lifetime value of the company and thus the company's profitability.

H2: Is there a significant relationship between promotional packages and customer switch?

A Pearson Correlation was used to investigate this relationship. Pearson Correlation test was conducted and the results are shown in Table 4.9. It is explicit from the table that, testing at 1% level of significance (.000 sig), a resilient positive Pearson correlation coefficient of 0.89 (89%) was obtained between promotional packages and customer intention to change. This means that sales promotional offers is a driver of subscribers to retain customers in the industry and failure to provide attractive promotional packages will lead to customer switch for better services in the case of strong competitive telecommunication market in Ghana.

Similarly, Sakara & Ahmed (2014) examined whether sales promotional incentives can cause a network switch, 'it was found that sales promotion greatly has the ability to influence customers to switch from their 'mother' networks to different networks as 70% of the respondents responded yes to indicate that they caused move to different even though the effect may be short-term. Also, only 30% of the respondents said no to indicate that they cannot switch to other network as a result of sales promotion.'

CONCLUSIONS

Sales promotion is of crucial significance for telecommunications firms and the consumer. The findings of this report illustrated that as age, educational background, type of network subscribed to and number of years on network have impact in the telecommunication network industry. With reliable data of Cronbach's Alpha 70%, the study identified a positive relationship between sales promotional packages or incentives and customers retention in among MTN and Vodafone Ghana Ltd. Effective sales promotional offers draws potential customers as well as retain existing ones. This study supports the literature and findings from many authors like Alhasssan and Saraka, Gilbert and many others. Network companies are to focus on promotional packages to attract customers and help improve their stay by sustaining them through outstanding sale offers. Customers today usually wants to enjoy a lot of benefits from organisations, business that do not wants to spend payback customers in the form of promotional offers stand the chance of losing royal customers. Business which gives importance to relationships with customers always enjoys long term customer retention. This study concluded that network companies turn to lose costumer when there is absence of promotional packages. Customers are so insensitive and switch to other network type to enjoy value their purchase. The study found out that there is a strong correlation between customers switch and promotional packages especially among the two giants' telecommunication companies in Ghana. Finally, the study concluded that sales promotional packages are key determinants of customers' intention to remain or switch to a different network type.

Recommendations

Base on the findings from this study, the following recommendations were;

The telecommunication network managers should design and improve upon existing sales promotional offers to attractive more customers and help to retain the existing ones.

Marketers in the telecommunications sector of Ghana especially MTN and Vodafone Ghana Ltd must to review sales promotion offers to meet short and long term purposes.

Intensive customer perspective research or evaluation on sales promotion need to be conducted to provide best services for the welfare of the customers, this will retain customers and prevent customer switch.

Telecom player should provide beneficial promotional packages to brand their products and differentiate them from other types. The packages should target all customers rather serving peculiar group within the market segments.

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QUESTIONNAIRE

The objective of this survey is to find out *the impact of sales promotional packages on customer retention and switch in Ghana telecommunication industry*. Please all your responses will be kept confidential and will be used only for research analysis purposes without revealing your identity. Thank you for your cooperation.

Instructions: Please tick [✓] or write where applicable

SECTION A: BACKGROUND INFORMATION

1. Gender Male Female
2. Age group: 18-30 31-40 40-49 over 50
3. Qualification:
 High School College/University Postgraduate No formal education
4. Which of these companies have you subscribed

MTN [] Vodafone [] others.....
6. How long have you use this mobile telecommunication network?
() Less than 1 year () 1 –5 years () 5- 10 years () Above 10 years

SECTION B

Which of the following packages have you subscribed?		MTN	VODAFONE
7	Mtn Mashup		
8	Sunday special		
9	Free after 1		
10	Jumia promo		
11	Vodafone X		
12	Supreme Value		
13	Thank God is Friday		

Tick the extent to which you agree or disagree with the following statement on sales promotional packages

Key: Strongly Agree (SA) = 5, Agree (A) =4 Neutral (3) = N, Disagree (2) = D Strongly Disagree (1) = SD

	Statements	5	4	3	2	1
		SA	A	N	D	SD
14	I often receive bonuses everyday					
15	I often receive free data bonus every weekend					
16	Happy on my promotional packages am subscribe to					
17	Helps me to contact my family frequently					
18	I stay longer on phone because of the packages					
19	The offer gives me more data bundle					
20	The offer gives me more voice call time					
21	Comparatively I save when subscribe to the offer					
22	I always enjoy and have fun on the promo					
23	I always re-activate the packages when it expires					
24	The conditions and terms of the packages are attractive					
25	I have always been on the promotional offer since it launched					
26	I refer this promotion to my friends and relative					
27	I subscribe to this network because of the promotional packages					
28	I have ever receive prize from subscribing to this promotional offer					
29	Overall, I am satisfied with the promotional packages offer					
30	I will remain on the network because of the promotional packages					
31	I have the intentions to switch to other networks					