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EFFECTS OF SALES PROMOTION ON BRAND LOYALTY: EVIDENCE FROM THE POWDERED MILK SEGMENT IN LAGOS STATE, NIGERIA

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ABSTRACT

Nigeria's fast-moving consumer goods (FMCG) market is under pressure from inflation and declining household incomes, making consumers more responsive to promotions. In powdered milk, where brands such as Peak, Dano, Cowbell, and Loya compete closely, promotions strongly shape consumer choice. This study examined the effects of price discounts and free samples on brand loyalty in Lagos supermarkets, guided by the Theory of Planned Behaviour and Diffusion of Innovation Theory. A descriptive survey design was used. Primary data were obtained from 191 supermarket shoppers across Ikeja, Ilupeju, and Somolu using a structured questionnaire. Responses on socio-demographics, promotion awareness, and loyalty behaviour were rated on a five-point Likert scale. Data were analyzed with descriptive statistics, Pearson correlation, and simple regression in SPSS. Both promotional tools significantly influenced loyalty. Price discounts explained 51.7% of the variance ($R^2 = .517$, $\beta = .719$), while free samples explained 74.6% ($R^2 = .746$, $\beta = .864$), indicating that while discounts drive short-term sales, samples contribute more to sustained loyalty. The study concluded that promotional strategies are vital for FMCG competitiveness in Nigeria.

Keywords: consumer retention; consumer purchasing behaviour; dairy products; promotional incentives; retail marketing

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INTRODUCTION

Nigeria's economy has faced persistent challenges in recent years. Inflation, currency depreciation, and declining household purchasing power have constrained consumer spending and increased vulnerability to shocks. Reports from the National Bureau of Statistics (2025), International Mon-

etary Fund (2024), and World Bank (2025) confirm that economic instability continues to weaken confidence. Retail data highlight the consequences for fast-moving consumer goods (FMCGs): sales values are rising while purchase volumes decline, showing that consumers spend more but buy fewer items (NielsenIQ, 2024; KPMG Nigeria, 2024). These shifts have made shoppers more price

-sensitive and pushed retailers and manufacturers, particularly in Lagos, to depend heavily on promotional activities to sustain purchase frequency (World Bank, 2025; Lagos State Ministry of Economic Planning and Budget, 2024).

Dairy products occupy a strategic place in Nigeria's food system. They are linked to food security policies and nutritional outcomes, especially through their contribution to dietary protein. The National Dairy Policy (Federal Ministry of Agriculture and Rural Development, 2024) explicitly connects dairy development to improving diet quality and reducing import dependence. Academic studies also affirm this link. Adesulu-Dahunsi *et al.* (2024) argue that sustainable dairy development can reinforce household nutrition and food security. Ojo *et al.* (2023), in a case study of the Advancing Local Dairy Development Programme, show that milk produced by smallholder farmers contributes directly to household dietary diversity. Among dairy formats, powdered milk is the most widely consumed, used daily in tea, pap, cereals, and baking (FMARD, 2024; Ojo *et al.*, 2023). Market projections show growth from 1.6 billion litres in 2024 to over 2.1 billion litres by 2034 (Expert Market Research, 2025). Leadership in this market is held by Peak, Dano, Cowbell, and Loya, with Friesland Campina sustaining dominance in sales and distribution (Royal FrieslandCampina N.V., 2024; Premium Times, 2024).

In FMCG categories where products are similar and switching costs are low, brand loyalty becomes an essential intangible asset. It reduces the likelihood of switching, ensures repeat purchases, and supports long-term profitability under competitive pressure (Morkūnas & Grišmanauskaitė, 2023;

Damaschi *et al.*, 2025; Ukpe, 2024; Mulima, 2025). For dairy products, where consumer trust and perceptions of quality are critical, sustaining loyalty can be decisive for market survival.

Sales promotion is defined as a short-term incentive designed to stimulate trial, encourage repeat purchase, or increase buying frequency (Belch & Belch, 2021). Evidence from Nigerian supermarkets shows that promotional tools are routinely applied, with price discounts and free samples being the most common (Atokolo, 2024; Adurogbola, 2023; Benjamin, 2025). Discounts attract cost-conscious shoppers and provide immediate financial relief, but repeated use can encourage deal-seeking habits that weaken brand loyalty (Ailawadi *et al.*, 2021; Inderst, 2024). Free samples, by contrast, reduce consumer risk through direct product experience and often encourage trial that leads to repeat purchase (Heilman *et al.*, 2022; Santos & Gabor, 2023; Bamigbola & Yusuf, 2023). Evidence from Abuja further shows that free trials and gifts significantly influence purchase behaviour in food categories (Federal Capital Territory Abuja Maggi Case Study, 2025).

Despite these insights, gaps remain. Many Nigerian studies focus on short-term sales lifts or switching behaviour, with limited attention to loyalty outcomes in staple products like powdered milk. Existing research in Asaba and Akoko, for example, confirms the wide use of pricing and promotions but does not address loyalty in Lagos supermarkets (Otite-Wisdom *et al.*, 2025; Benjamin, 2025). This study examined how price discounts and free samples influence consumer brand loyalty for powdered milk in Lagos, providing evidence on how short-term promotional strategies relate to loyalty outcomes.

MATERIALS AND METHODS

This study employed a descriptive survey design to examine the influence of price discounts and free samples on consumer brand loyalty in the powdered milk segment of Nigeria's fast-moving consumer goods (FMCG) sector. The population comprised supermarket shoppers in Lagos State. Three urban districts; Ikeja, Ilupeju, and Somolu, were selected because they host structured retail outlets where promotions are consistently applied. Four leading chains (Shoprite, Justrite, Ebeano, and Addide) were chosen as study locations. Within these outlets, shoppers were approached using intercept convenience sampling, ensuring relevance to the study while capturing a diverse set of consumers.

The sample size was determined using Cochran's formula for infinite populations, which suggested 384 respondents; however, a feasible target of 200 was set, and 191 valid questionnaires were returned, yielding a 95.5% response rate. A structured questionnaire measured awareness and perceptions of promotions, purchasing behaviour, and brand loyalty using a five-point Likert scale. Descriptive statistics (frequencies, percentages, means) summarized respondent characteristics, while simple regression analysis tested the effect of price discounts and free samples on brand loyalty. Data were analyzed using IBM SPSS version 23.

Participation in the study was voluntary. Respondents gave informed consent with assurances of anonymity. A pilot test confirmed reliability of the questionnaire, with Cronbach's alpha values above the 0.70 benchmark (price discounts = .78; free samples = .81; brand loyalty = .84).

RESULTS

Socio-demographic characteristics of respondents:

Variables such as gender, age, education, income, household size, shopping frequency, and brand preference were investigated (Table 1). They describe the distribution of respondents across key socio-demographic characteristics.

Gender distribution was relatively balanced, with 51.3% male and 48.7% female respondents. The largest age group was 26–35 years (39.3%), followed by 18–25 years (24.1%), indicating that young adults were the dominant buyers of powdered milk (Table 1). Education levels were relatively high, with 41.9% of respondents holding bachelor's degrees. In terms of income, 63.8% of respondents earned ₦100,000 or less monthly, suggesting a high level of price sensitivity. Household size was predominantly 3–5 members (47.1%), while shopping frequency was high, with 49.7% of respondents purchasing weekly (Table 1). Regarding brand preference, Peak was the most preferred brand (36.6%), followed by Cowbell (28.8%), Dano (20.9%), and Loya (13.6%), indicating a competitive powdered milk market (Table 1).

Correlation analysis:

The relationship between sales promotion tools (price discounts and free samples) and consumer brand loyalty was examined (Table 2). Price discounts exhibited a strong, positive, and significant relationship with consumer brand loyalty ($r = 0.719$, $p < 0.01$) - Table 2, indicating that reductions in price are associated with repeat purchase behaviour. Free samples also showed a strong and significant positive relationship with brand loyalty ($r = 0.864$, $p < 0.01$ - Table 2, suggesting that direct product experience enhances

Table 1: Socio-demographics characteristics of respondents (n = 191)

Variables	Frequency (n)	Percentage (%)	Mean
Gender			
Male	98	51.3	-
Female	93	48.7	-
Age			31.4 years
18-25 years	46	24.1	
26-35 years	75	39.3	
36-45 years	42	22.0	
46 and above	28	14.7	
Education			-
Secondary	63	33.0	
Bachelor's	80	41.9	
Postgraduate	48	25.1	
Monthly income (₦)			₦86,000
Less than 50,000	45	23.6	
50,001-100,000	77	40.3	
Above 100,000	69	36.1	
Household size			3.7
1-2 members	40	20.9	
3-5 members	90	47.1	
6 and above	61	31.9	
Shopping frequency			1.8*
Weekly	95	49.7	
Bi-weekly	51	26.7	
Monthly	45	23.6	
Brand preference			-
Peak	70	36.6	
Cowbell	55	28.8	
Dano	40	20.9	
Loya	26	13.6	

Source: Field Survey, 2026. *Note. Mean for shopping frequency computed with coded scores (1 = Monthly, 2 = Biweekly, 3 = Weekly).

customer attachment to the brand. Price discounts and free samples were positively correlated ($r = 0.732$, $p < 0.01$ - Table 2 sug- gesting that consumers who respond positively to one promotional tool are often equally receptive to the other.

Table 2: Correlation matrix of sales promotion tools and consumer brand loyalty (n = 191)

Variables	Price discounts	Free samples	Brand loyalty
Price discounts	1	.732**	.719**
Free samples	.732**	1	.864**
Brand loyalty	.719**	.864**	1

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

Regression analysis:

Regression analysis was conducted to examine the influence of price discounts and free samples on consumer brand loyalty (Table 3). Both promotional tools were significant predictors of brand loyalty. Both price discounts and free samples significantly predict consumer brand loyalty. Price discounts explained 51.7% of the variance in loyalty ($R^2 = .517$, $\beta = .719$, $p < .001$) while free samples explained an even larger share at 74.6% ($R^2 = .746$, $\beta = .864$, $p < .001$). Both predictors had positive coefficients, confirming that greater exposure to discounts and free samples was associated with higher levels of brand loyalty.

Yet, the size of the influence differs: free samples ($\beta = .864$) emerged as a stronger predictor than price discounts ($\beta = .719$). This indicates that although discounts remain effective in stimulating quick sales, sampling appears to play a more decisive role in sustaining consumer loyalty within the powdered milk market. These findings support the study's hypotheses (H1 and H2) and are consistent with earlier research (e.g., Akinyele & Olorunfemi, 2022; Bamigbola & Yusuf, 2023), which found that price discounts stimulate immediate purchases, while free samples help build stronger consumer connections.

Table 3: Regression of price discounts and free samples on consumer brand loyalty (n = 191)

Predictor	B	Std. Error	Beta (β)	t	Sig.	R	R ²	F	Sig. F
(Constant)	1.436	0.180	-	7.978	.000				
Price Discounts	0.665	0.047	0.719	14.225	.000	.719	.517	202.354	.000
Free Samples	0.936	0.040	0.864	23.566	.000	.864	.746	555.357	.000

Note. Dependent variable: Consumer Brand Loyalty. $p < .001$.

DISCUSSION

The findings of this study show that both price discounts and free samples play an important role in shaping brand loyalty among consumers of powdered milk in Nigeria. The results on discounts confirm what many retailers already observe in practice: lowering prices attracts buyers quickly and helps sustain sales. This agrees with Akinyele and Olorunfemi (2022), who reported that discounts encourage impulse buying, and with Yusuf and Ibrahim (2023), who noted that consumers often switch brands once a better price is offered elsewhere. From the lens of Dick and Basu's (1994) loyalty model, this points to behavioural loyalty, where repeated purchases are driven more by convenience or incentives than by deep emotional ties. Oliver (1999, 2014) also explains that loyalty built on discounts alone may not last, since consumers can become accustomed to waiting for promotions rather than staying committed to a brand.

Free samples, on the other hand, showed an even stronger link with loyalty. They accounted for nearly three-quarters of the variation in brand loyalty in this study. This is in line with Heilman *et al.* (2022) and Santos and Gabor (2023), who found that sampling reduces uncertainty and helps consumers build confidence in a product. Nigerian evidence from Bamigbola and Yusuf (2023) also shows that samples give consumers the chance to judge qualities like taste and solubility before buying. Within Oliver's (1999) framework, such first-hand trial helps consumers move from simply knowing a brand to developing real preference and intention to stay with it. Still, as Mukherjee and Jha (2020) caution, not every trial leads to loyalty, especially if the quality of the product is inconsistent.

The results also agree with the long-standing views of Belch and Belch (2021) that sales promotions can work in different ways depending on how they are used. Discounts meet immediate needs but encourage brand switching, while free samples create a stronger chance of repeat purchase when quality is reliable.

CONCLUSION

This study examined the effects of sales promotion tools, specifically price discounts and free samples on consumer brand loyalty in the powdered milk segment of Lagos supermarkets. The findings show that while both tools are significant, they operate in different ways. Price discounts increase sales and attract customers quickly, but they also encourage brand switching once competing offers appear. Free samples, on the other hand, have a stronger effect on loyalty by allowing consumers to experience the product directly, which builds confidence and encourages repeat purchase when product quality is consistent. These results support theories that distinguish between behavioural loyalty based on incentives and attitudinal loyalty rooted in experience and trust. The study contributes to existing knowledge by moving beyond purchase intention to show how sales promotions can influence lasting loyalty in the FMCG sector.

RECOMMENDATIONS

From the findings of this study, the following recommendations are made:

- FMCG firms should use price discounts strategically, recognizing that while they boost short-term sales, they do not guarantee loyalty.
- Free sample programs should be emphasized, as they provide consumers with opportunities to test quality and can lead to stronger repeat purchase.

- Product quality should remain a central focus, since sampling only leads to loyalty when the product consistently meets consumer expectations.
- Managers should adopt a balanced promotion strategy, combining tactical incentives like discounts with experiential approaches like sampling to achieve both immediate sales and longer-term loyalty.

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