

## **Cross Promotions and Brand Loyalty: International Fast-food Brands in Nairobi, Kenya.**

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**ABSTRACT:** *The purpose of the study was to determine the influence of cross promotions on brand loyalty of International Fast-Food brands in Nairobi, Kenya. The study adopted a descriptive survey methodology. The target population for the study encompassed 24 customer relations managers from the 24-registered fast-food brands in Kenya. The study utilized purposive sampling technique in an effort to identify the most suited respondents for the study. A structured questionnaire was utilized as the data collection tool. The questionnaire was divided into two parts containing the demographic data relating the respondent's background in the first part and the second part covering consumer's sales promotion techniques on brand loyalty. Questionnaire items were structured with a 5-point Likert scale. Descriptive and Inferential statistics were used in the analysis of the data. Linear regression analysis method was used to assess the associations between cross sales promotions techniques and brand loyalty. The study established cross-promotion registered a positive influence of brand loyalty of international fast-food brands. Cross-promotion strategy was found to account for 70% ( $\beta=0.400$ ). The study concluded that cross promotion produces new value-added synergetic product which results into increased frequency of repeat purchase. The study recommends the need to enhance effectiveness of the cross-promotion strategy by identifying deficiencies among the strategy's activities such as inter-brand online advertisement, new value-added synergetic product, role model advertisement sponsorship of the fast-food brand, social responsibility partnership strategy with global entities such as UNEP, UNICEF motivates customers' referral.*

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**KEYWORDS:** cross promotions, brand loyalty, international, fast-food, Nairobi, Kenya.

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## **INTRODUCTION**

The adoption of promotion by fast food marketers is strongly informed by the fact that a product does not stand out especially in the hyper competitive fast-food market with flooded brands, without presenting it to customers. Promotion therefore becomes an immediate approach an organization tries to reach its target market to raise customer awareness and attention (Zhong & Moon, 2020). Organizations which utilize sales promotions, record increased in market share and are also rated higher in informing, persuading, and reminding customers of their products than those firms which never utilized sales promotion (Bavent, 2021).

Likewise, this marketing strategy trumps other promotional tools in creating product awareness and attitude, attracting and customer loyalty. Further, the promotion approach has also been found to shape the behaviors of people through cognition hence creating and increasing purchasing power and brand loyalty among fast-food brands (Shilpi, 2020). Although different sales promotion pursued in the fast-food sector including free product sample, point-of-sale, tie-in promotion and cross-promotions, enhance competitiveness, cross-promotion mechanism has proved more instrumental (Mina & Campos, 2020). Cross-promotion is a product of increased inter-firm activity to maximize synergetic effect in resource, operation and cost sharing such as to advertise a competitor's non-competing brand as a response to increasing hyper-competition.

### **Statement Problem**

Although cross promotion has proven most instrumental tactic among sales promotion tools in customer attraction and retention, fast food firms continue to lose market share and consumer shifting (Castro, Majmundar, Williams & Baquero, 2018). Despite the scantiness of cross-promotion in enhancing sales in the fast-food industry, most of the previous studies (Zhong & Moon, 2020; Bavent, 2021; Kunwar & Misra, 2017; Jee, 2018; Onikola & Adedokun, 2018; Shamout, 2016) focused broadly on sales promotions tools and in other contexts with those on cross-promotion either in relation to other variables but not brand loyalty in the context of the current paper. The present article, therefore examines cross-promotion and its relationship with brand loyalty in the context of international fast-food brands. Thus, this study sought to determine the influence of cross promotions strategy on brand loyalty of International Fast-Food brands in Nairobi, Kenya. To achieve the core objective, the study set out to examine the influence of online inter-brand advertisement, synergetic superior product, inter-brand role model sponsorship and inter-brand social responsibility partnership on brand loyalty.

## **LITERATURE REVIEW**

The study was anchored on classical conditioning theory. The classical conditioning model of learning, based on Pavlov's (1927) research, states that an unconditioned stimulus is a biologically

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significant stimulus that causes a response; this response is known as an unconditioned response. When a conditioned stimulus is repeatedly paired with an unconditioned stimulus the conditioned Stimuli will be able to trigger an unconsciously and automatically occurring conditioned response. The conditioning may be referred to as an emotional condition when the important stimulus is an affect. In the context of the present study, cross sales promotions act as stimulants influencing customers to repeat purchase more culminating into brand loyalty.

Cross Promotion is the practice of building strategic partnerships with other international fast-food brands to increase awareness and drive sales while reducing advertising costs. According to Mina and Campos (2020), some of the present promotional techniques used by fast-food chains to market their products include direct selling, sales promotion, advertising, and public relations or publicity. Similarly, it can be deduced that TV shows and celebrity endorsements continue to be the most alluring forms of advertising, and that broadcast media, particularly television, is the fast-food chains' preferred method of contact. Finally, the researchers suggested a tactical approach to minimize the issues with the promotional tactics of the stated industry, such as corporate responsibility, collaborative advertising, and sponsorship by large multinational corporations. The study failed to determine whether similar results can be drawn for promotions in sector such as the fast-food industry in Kenya.

Maze (2019) argues that Fast-food restaurants' pricing and promotions involve a delicate balancing act. To draw customers in, quick-service models do require some kind of low-cost promotion. For a sector with a high proportion of customers and lower-income customers, it is an unavoidable reality. In their 2017 study, Adeniran and Egwuonwu looked at how integrated marketing communications affected customer loyalty in the Nigerian state of Lagos' telecoms sector. The findings demonstrated that each of the IMC study's proxies had distinct effects on customer loyalty, ranging from strong to weak. The study failed to determine whether similar results can be drawn for promotions in sector such as the fast-food industry in Kenya.

Ibok (2015) also looked into the relationship between brand identity and client loyalty in Nigeria, focusing on four Nigerian telecommunications firms (MTN, Etisalat, Airtel, and Globacom). Results showed that, in the context of Nigeria's telecommunications business, there was a strong and favourable association between customer loyalty and brand identification. In a different study, Kwabena (2014) examined how service quality affected customer happiness, brand loyalty, and network provider preference in the Nigerian telecommunications sector. The findings showed that among Nigeria's four network providers, service quality has a significant and favourable association with customer satisfaction, customer loyalty, and choice of network provider. The study failed to determine whether similar results can be drawn for promotions in sector such as the fast-food industry in Kenya.

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In the Iranian fast-food industry, Abubakar (2014) also looked at how value equity, brand equity, and relationship equity affected customers' intentions to repurchase. The findings showed that customers repurchase intentions in Iran's fast-food industry are positively impacted by value equity, brand equity, and relationship equity. Ibojo (2014) investigated the influence of customer satisfaction on the direction of customer loyalty in Nigerian banks in a study that was comparable to this one. To examine the data, a straightforward regression analysis was used. At a 1% level of significance, the results showed a substantial link between customer satisfaction, retention, and loyalty. The study did not address whether comparable conclusions can be derived for promotions in industries like Kenya's fast-food business. Hecht, Perez, Polascek, Thorndike, Franckle & Moran (2020) argued that while cross promotions and tie-in promotions yielded less impact compared to sampling and point of purchase, cross promotion added highest value to brand loyalty compared to the rest of nonmonetary incentives.

#### 4. Conceptual Framework

##### Independent Variable

###### Cross- Promotion

- Online inter-brand advertisement
- Synergetic superior product
- Inter-brand role model sponsorship
- Interbrand social responsibility partnership



##### Dependent Variable

###### Brand Loyalty

- Repeat purchase
- Visit frequency
- Purchase quantity
- Customer referrals

Source: Author (2023)

#### Research Design and Target Population

This study adopted a descriptive research design. The research design involved collecting data in order to answer questions concerning the current status of the subject of the study. The study targeted 24 customer relations managers of the fast-food franchises operating in Nairobi as shown in table 1. As a census study, no sampling was done at this level as all the 24 outlets were targeted. A total of 24 (24 x 1) managers constituted a sample size to participate in the study.

Table 1: Target Population

No of F.F. Brands	Category/cadre	Target Staff		Sample size
24	Middle management	Customer Manager	Relations	24
<b>Total 24</b>				<b>24</b>

Source: Author, 2023

### **Validity and Reliability of the Instruments**

The validation of the instruments for this study was done by pilot testing the questionnaire, discussing with various stakeholders. Based on the feedback from the pilot test, the questionnaire was modified and a final one developed. Reliability is the extent to which a questionnaire produces the same results on repeated trials (Gomide, Gomes, Costa & Oliveira, 2022). Cronbach's Alpha was used in the internal consistency reliability test to explain and interpret the reliability among the items surveyed. Cronbach's Alpha is preferably used when there is an existence of multiple five-point Likert scale questions in the survey questionnaire. Cronbach's alpha ranges from 0.0 to 1.0 and it will be used to check whether the construct is reliable or not with 0.70 as the most acceptable and suitable cut-off point for the Cronbach's Alpha value. In this study, a Cronbach's Alpha of 0.7 was considered acceptable reliability.

### **Data collection**

In this study, a structured questionnaire was used by the researcher to collect data. It was formulated and organized on the basis of the research questions to ensure relevance to the research problem. A questionnaire is a formalized schedule for collecting data from respondents (Kihn & Ihantola, 2015). The study's participants were requested to complete a standardized questionnaire to provide information on the important study variables. Each section comprised of a structured closed ended question. Section one covered the background data of the respondents. The other subsequent sections were based on the study variables of the study which are consumer sales promotions and brand loyalty of international fast-food brands.

### **Data analysis**

The data collected was processed using statistical package for social sciences (SPSS) version 25 computer software by examining out the key correlation between various parameters of brand loyalty. The analysis employed both descriptive and inferential statistics which included the measure of central tendency that provided the information on the closeness of the data collected to the center of distribution, for each continuous variable. Data was presented in form of tables for descriptive and inferential analysis. Inferential technique utilized consisted of simple linear regression analysis. Simple linear regression used intended to establish the relationship between consumer sales promotion and brand loyalty of International Fast-Food brands in Nairobi, Kenya. The regression model used is shown below.

$$\text{Model. BL} = F(X_1, X) + \epsilon$$

$$\text{BL} = \beta_0 + \beta_1 X_1 + \epsilon.. \text{ (i) Where:}$$

BL = Brand Loyalty

$X_1$  = Cross-promotion

Regression Coefficient  $\epsilon$  = Stochastic error term

## RESEARCH FINDINGS AND DISCUSSION

This chapter is a presentation of the research findings. The section covers analysis, presentation of findings on the influence of consumer sales promotions on brand loyalty of international fast-food brands in Nairobi, Kenya. The first part is the response rate, followed by demographic characteristics of the study unit and the results of the descriptive statistics. Numerically generated data is expressed in percentage, frequencies, mean and standard deviation as well as regression analysis. A total number of questionnaires distributed to participants was 24. However, 20 questionnaires representing 83.3% were dully filled and returned while 4 questionnaires representing 16.7% were not returned. From the findings, the overall Cronbach's Alpha coefficient for Sample strategy was 0.822 which was acceptable.

On age bracket, respondents represented by 55%, were aged between 36-55 closely followed by those between 26-35 accounting for 45%. This implies that the respondents were old enough to make informed decisions and were able to offer information the study sought. On gender, majority of managers were female at 55.0% while male respondents stood at 45.0%. On education level, most participants representing 60% had post graduate level of qualification. Each of the remaining educational levels posted less than 15% participants. The interpretation is that majority of the respondents were well educated and familiar with the concept of consumer sales promotions in the fast-food sector hence able to respond to the questionnaire effectively.

Working experience, majority of the respondents have served in their respective positions long enough of between 6-20 years (90%). This implies that experience is a critical attribute to the implementation of consumer sales promotions geared towards influence of brand loyalty in the fast-food sector. It also shows that the respondents were experienced adequately in understanding their organizations' marketing philosophy and trends hence were better positioned responding to the question items by supplying requisite information.

The findings indicated that, a total of 15 participants accounting for 75.0% with a mean of 4.00 and standard deviation of .649 agreed that cross-promotion's inter-brand online advertisement, motivates repeat visit hence very low customer switching. The results also indicate that, 75.0% of the respondents with a mean of 4.00 and standard deviation of .649 agreed that product combination by different brands to produce new value-added synergy product, results into increased frequency of repeat purchase. Respondents also agree that the use of role model and advertisement sponsorship of the fast-food brand by multinationals, validate customers' preferred brand leading to increased quantity purchase, recording a mean of 3.85 and standard deviation of .587. The findings further indicate that 60.0% respondents with a mean 3.95 and standard deviation and.759 agreed that the fast-food brands' cross-promotion utilizing social responsibility partnership strategy with global entities such as UNEP, UNICEF motivates increased sales.



Variable		1	2	3	4	5	M	SD
Cross-promotion's inter-brand online F		1	1	15	3			
advertisement, motivates repeat visit hence %		5.0	5.0	75.0	15.0	4.00	.649	
low customer switching								
Product combination by different brands to F		1	1	15	3			
produce new value-added synergetic product, %		5.0	5.0	75.0	15.0	4.00	.649	
results into increased frequency of repeat purchase.								
Use of role model and advertisement F		1	2	16	1			
sponsorship of our fast-food brand by %		5.0	10.0	80.0	5.0	3.85	.587	
multinationals, validate customers' preferred brand leading to increased quantity purchase								
Our brand's cross-promotion's social F		1	3	12	4			
responsibility partnership strategy with global %		5.0	15.0	60.0	20.0	3.95	.759	
entities such as UNEP, UNICEF motivates customers referrals customers referrals.								

Source: Author, 2023

### Regression Analysis

Regression technique was applied to determine the influence of cross sales promotion on brand loyalty. The study findings depicted a positive significant relationship between cross-promotion strategy and brand loyalty ( $\beta=0.400$ ,  $t=7.005$  and  $P \text{ value}<0.05$ ). This implies that a unit increase in cross-promotion strategy is associated with 0.400 increases in brand loyalty.

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t	
(Constant)	.102	.070		1.457	.146
Cross-promotion	.374	.053	.400	7.005	.183

Dependent Variable: Brand Loyalty.

Source: Author, 2023

## CONCLUSIONS

The study established that cross-promotion's inter-brand online advertisement, motivates repeat visit hence very low customer switching. Results also showed that product combination by different brands to produce new value-added synergetic product, results into increased frequency of repeat purchase.

It was also established that the use of role model and advertisement sponsorship of the fast-food brand by multinationals, validate customers' preferred brand leading to increased quantity purchase. Further, the research outcomes demonstrated that the fast-food brands' cross-promotion utilizing social responsibility partnership strategy with global entities such as UNEP, UNICEF motivates customers' referrals.

The study concludes that cross-promotion's inter-brand online advertisement, motivates repeat visit hence very low customer switching. The study also concludes that product combination by different brands to produce new value-added synergetic product, results into increased frequency of repeat purchase. The study also concludes that the use of role model and advertisement sponsorship of the fast-food brand by multinationals, validate customers' preferred brand leading to increased quantity purchase. Further, according to the research outcomes, it is concluded that the fast-food brands' cross-promotion utilizing social responsibility partnership strategy with global entities such as UNEP, UNICEF motivates customers' referrals.

## Recommendations

The study recommends the need for fast-food brands to repackage cross-promotion strategy in enhancing its strategy effectiveness by straightening up the cross-promotion's strategic activities consisting the inter-brand online advertisement, new value-added synergetic product, role model advertisement sponsorship of the fast-food brand, social responsibility partnerships with global entities such as UNEP, UNICEF motivates customers referrals for enhanced brand loyalty among the international fast-food brands. Further, it would be more reliable for a further study to utilize a sample that is larger and application of different research methodologies. Through this, more information shall be availed to make informed decisions and regulatory purposes.

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