

**THE EFFECT OF ADVERTISING ON BUSINESS SUSTAINABILITY IN UGANDA**

**CASE STUDY: K2 TELECOM LIMITED**

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**THE EFFECT OF ADVERTISING ON BUSINESS SUSTAINABILITY IN UGANDA**

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## **DEDICATION**

This research work is dedicated to my beloved family for their support whenever I needed them. I would not have finished this dissertation without their love, support, understanding and financial support.

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## **LIST OF ABBREVIATIONS**

BA	Brand Awareness
BAS	Brand Associations
BC	Brand credibility
BCM	Best customer marketing
BI	Brand Investment
CLV	Customer Lifetime Value
GCC	Global Consumer Culture
PBG	Perceived Brand Globalness
ROI	Return on Investment
TCC	Total Cost of Capital

## ABSTRACT

The study was conducted in telecommunication industry using K2 Telecom Limited as a case study. The study objectives were, to find out the influence of persuasive advertising on business, to establish the effect of informative advertising on business sustainability and to find out the influence of the online advertising on business sustainability.

The research design used was a case study research design. Both quantitative and qualitative approaches were employed. The methods used for data collection were questionnaires and interview guide. The population of study consisted of 120 employees and a sample size of 92 respondents were selected. Data was analyzed using SPSS Version 16.0. The findings were presented in form of tables.

The study revealed that there was a positive significant relationship between persuasive advertising and business sustainability at K2 Telecom Limited ( $r=0.402$ ,  $p=0.000$ ), there is a positive significant relationship between informative advertising and Business sustainability at K2 Telecom Limited ( $r=0.410$ ,  $p=0.000$ ) and a positive significant relationship between online advertising and business sustainability at K2 Telecom Limited ( $r=0.520$ ,  $p=0.000$ ). Business organizations should consider persuasive advertising as a way of sustaining businesses however they should also do line it line with ensuring that their online advertising is prioritized as a way of ensuring sustainability, and Business organization should consider informative advertising as important when advertising because it highly influences customer loyalty which will ultimately lead to sustainability.

The study, therefore, concludes with a call that stakeholders of K2 Telecom Limited should ensure that they look into the influence of online advertising on business sustainability since it highly influences business sustainability.

# CHAPTER ONE

## GENERAL INTRODUCTION

### 1.0 Introduction

Advertising is any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor which describes available products and services, corrects false impressions and builds the image of the company, (Kotler and Armstrong, 2010) Business sustainability in marketing, refers to the degree of customer loyalty to the company's products and services, recognition of the brand and retaining of customers or clients that always purchase or uses company's products and services, (Dreyer and Slabbert, 2012). The study involved the background of the study, statement of the problem, the general objective and the specific objectives, research questions, scope of the study, significance of the study, justification of the study, the conceptual framework, and operational definitions.

### 1.1 Background of the study

According to Long-Yi (2011), advertising has become one of the most important commercial activities in the modern competitive environment. Companies spend a large part of their budget to produce and run advertisements to communicate, information about their company and products. Companies hope that consumers will purchase their products due to the advertisements, which deliver messages about a certain brand and its products. There are various forms of advertising like informative advertising, persuasive advertising, comparison advertising, and reminder advertising. Informative advertising is used to inform consumers about a new product, service or future or build primary demand. It describes available products and services, corrects false impressions and builds the image of the company (Kotler and Armstrong, 2010). Advertising can be done through print media which includes newspapers,

magazines, brochures.

Also it can be done through the use of electronic media such as television, radio and electronic billboards (Kotler and Armstrong, 2010).

Business sustainability in relation to marketing, is looked at in terms of customer loyalty to the company's products and services, recognition of the brand and retaining of customers or clients that always purchase or uses company's products and services.

Regarding business operations skills, Urban and Naidoo (2012) explored the relationship between operations skills and small business sustainability in South Africa. They found significant correlations between operations skills and sustainability. To complicate the matter, they argue that entrepreneurs are normally generalists (Hodgetts and Kuratko, 1989) and therefore do not have the specialized skills required in business operations.

Dreyer and Slabbert (2012), Business sustainability is translated into brands as where the number of customers increase for a particular product or a service such as visits to the festival which is an entertainment did have significant influence on the associations festinos made with the brand, implying their loyalty of festinos towards the festival. Greater efforts are carried out by the festival management to engage with loyal visitors and create benefits (especially as part of the loyalty club such as freebees, free tickets, and reduced parking fees) that will encourage a higher level of positive associations from loyal visitors than from first time visitors. This attitude of visitors also lowers marketing costs as festival marketers must only focus on a maintenance marketing strategy for loyal visitors but not necessarily focusing on an intense diversified strategy for all visitors. The current brand therefore leads to positive associations and higher levels of loyalty which ultimately translates into business sustainability.



On a global level, a significant event in the development of advertising was the invention of a system communication method for the whole world especially in Germany, United States, and China (Keller and Kotler, 2005). William Catton, an early printer made advertising history in 1478 when he printed a handbill, regarded as the first printed English advert. In the handbill there was the advertisement of his book called “SALISBURY PYE”, handbook of ruler for the guideline of the clergy at Easter (McHugh, 2000).

However, advertising has not contributed much to the company’s profits, brand recognition and customer retention. This is due to the messages that are not tailored to the target market. A lot of money are spent in advertising but the company has not achieved its sustainability as desired (Management report, 2015). Dunn *et al.*, (2008) viewed advertising from its functional perspectives, hence they define it as a paid, non-personal communication through various media by business firms, non-profit organization, and individuals who are in some way identified in the advertising message and who hope to inform or persuade members of a particular audience as a way to influence business sustainability. Advertising is the non-personal communication of marketing-related information in a target audience, usually paid for by in order to reach the specific objectives of the sponsor. Advertising is a message paid for by an identified sponsor and delivered through some medium of mass communication. Etzel *et al.*, (2007) noted that the purpose of advertising is to create awareness of the advertised product and provide information that will assist the consumer to make purchase decision, the relevance of advertising as a promotional strategy, therefore, depends on its ability to influence consumer not only to purchase but to continue to repurchase and eventually develop-brand loyalty eventually leading to business sustainability.

In Africa many organizations spend a huge amount of money on advertising and brand management so as to create sustainability that is envisaged in form brand loyalty, loyalty and customer retention. Advertising may influence consumers in many different ways, but the

primary goal of advertising is to increase the probability that consumers exposed to an advertisement will behave or believe as the advertiser wishes (Stafford, 2003). Thus, the ultimate objective of advertising strategies is to sell things persuasively and creatively. Advertising is used by commercial firms trying to sell products and services; by politicians and political interest groups to sell ideas or persuade voters by not-for-profit organizations to raise funds, solicit volunteers, or influence the actions of viewers; and by governments seeking to encourage or discourage particular activities, such as wearing seatbelts, participating in the census, or ceasing to smoke. The forms that advertising takes and the media in which advertisements appear are as varied as the advertisers themselves and the messages that they wish to deliver (Schmidt and Spreng, 2000). Advertising is an indicator of the growth, betterment and perfection of the business environment. Not only does advertising the business environment, it also affects and gets affected by our style of life. It is not at all surprising that advertising is one of the most closely scrutinized of all business institutions.

In Uganda, advertising is utilized at different levels depending on the objective of the firm and the market structure under which it operates (Okoboi, 2000). The organization promotes itself by advertising (Macibi, 2003) there are two forms of advertisement, which are, informative and persuasive advertisement (Koutsoyiannis, 2003). He also notes that advertising has become an important factor in any organizational setup as a way of improving business sustainability. William *et al.*, (2008) states that, fundamentally, the only reason for advertisement is to sell a product, service or an idea. Advertisement also facilitates the introduction of a new product/service, expands the industry and the company sales, building goodwill for the firm hence improving its reputation regarding the service/product and consequently improved business sustainability. Advertisement is one of the major tools that companies use to persuasively communicate to target market to improve its business sustainability. Thus it is upon that background that the researcher would like to examine the effect of advertising on

business sustainability case study of K2 Telecom Limited.

### **1.1.1 Background to the case study**

Telecom companies are playing a great role to the economy of Uganda (UIA report, 2015). They provide employment, pay taxes, communication services and generally improving the standard of living. K2 Telecom Telecommunication Company is located in Kampala city along Hannington road and having a branch at Mungazzirwazza Building in Katwe on Entebbe Road.

K2 Telecom Limited advertises using both electronic media for example the television and print media such as the newspapers. K2 Telecom Limited has launched new products on market in a bid to increase market share and customer loyalty in Uganda through intensive advertising (K2 Telecom Annual Report, 2014). Nevertheless, there are some inefficiencies in the way this organization carries out its advertisements for example K2 Telecom Limited advertisements in the electronic media is done in local language that can only be understood by a few people in the country, making the advertisement appealing only to a group of people which ultimately affects business sustainability in terms of brand loyalty and customer retention. The advertisements lacks the unique selling proposition in the statements used to differentiate their products from competitors, they are done in the same way as the competitors making it hard to differentiate its ads from others and don't provide room for further information about their products for clarification.

### **1.2 Statement of the problem**

Telecommunication industry is very competitive. Players in the industry spend a lot of financial resources in advertising their products in order achieve their business sustainability.

According to Saxe (2014) more than 25% of the Telecommunication firm's budget is spent on advertising and several advertising platforms are used to reach customers to attain

sustainability in business, however companies are not performing to the desired level.

Despite a lot of money spent on advertising resources by K2 Telecom Limited, its brand is not well known, market share have reduced by 5%, (K2 Annual performance Report 2014) customer loyalty is declining at rate of 2% and profits not realized (K2 Management report, 2015). Therefore, the study investigated the effect of advertising on business sustainability of K2 Telecom Limited.

### **1.3 Objectives of the study**

#### **1.3.1 Major objective of the study**

The purpose of the study is to establish the effect of advertising on business sustainability in K2 Telecom Limited

#### **1.3.2 Specific objectives of the study**

The study sought to address the following specific objectives:-

- i) To establish the effect of Persuasive Advertising on business sustainability of K2 Telecom Limited.
- ii) To establish the effect of informative advertising on business sustainability of K2 Telecom Limited.
- iii) To establish the effect of the online advertising on business sustainability of K2 Telecom Limited.

### **1.4 Research questions**

The study was guided by the following research questions:-

- i) What is the effect of Persuasive Advertising on business sustainability of K2 Telecom Limited?

- ii) What is the effect of informative advertising on business sustainability of K2 Telecom Limited?
- iii) What is the effect of the online advertising on business sustainability of K2 Telecom Limited?

## **1.5 Scope of the study**

### **1.5.1 Content scope**

The study covered the effect of advertising (persuasive advertising, informative advertising and online advertising) as independent variable focusing on advertising and business sustainability as a dependent variable focusing on (brand recognition, customer retention). There are also moderating variable such as economic conditions (inflation, unemployment and levels of income) that have an effect on business sustainability.

### **1.5.2 Geographical scope**

The study was carried out in Kampala at Katwe on Entebbe Road at Mugwazirrwaza building where K2 Telecom Limited is located.

### **1.5.3 Time scope**

The research was limited to a period of three years from 2012 to 2016 because this is the period when K2 Telecom Limited carried out vigorous advertising in a bid to increase market share, customer loyalty and sustain itself in business.

## **1.6 Significance of the study**

The research findings will help the management of K2 Telecom Limited in the identification of the potential risks rising out of the advertising and their effect on business sustainability.

The findings will help other researchers providing a better insight into the understanding of the effect of advertising on business sustainability since scanty research has been carried out in this area.

Policy makers such as the government of Uganda through the Ministry of Trade in establishing policy regarding advertising and business sustainability in Uganda.

### **1.7 Justification of the study**

A number of researches have been about advertising by various authors worldwide. For instance advertising and profitability by Aremu *et al.*, (2014), and evaluating the effectiveness of brand positioning strategies from a consumer perspective by Fuchs & Diamantopoulos (2010), among others. Nonetheless, in the area of advertising and business sustainability there is insufficient research especially in Uganda. In the particular case of K2 Telecom Limited, there is no research about the effect of advertising on business sustainability, thus the researcher sought to empirically carry out research to examine the effect of advertising on business sustainability case study of K2 Telecom Limited.

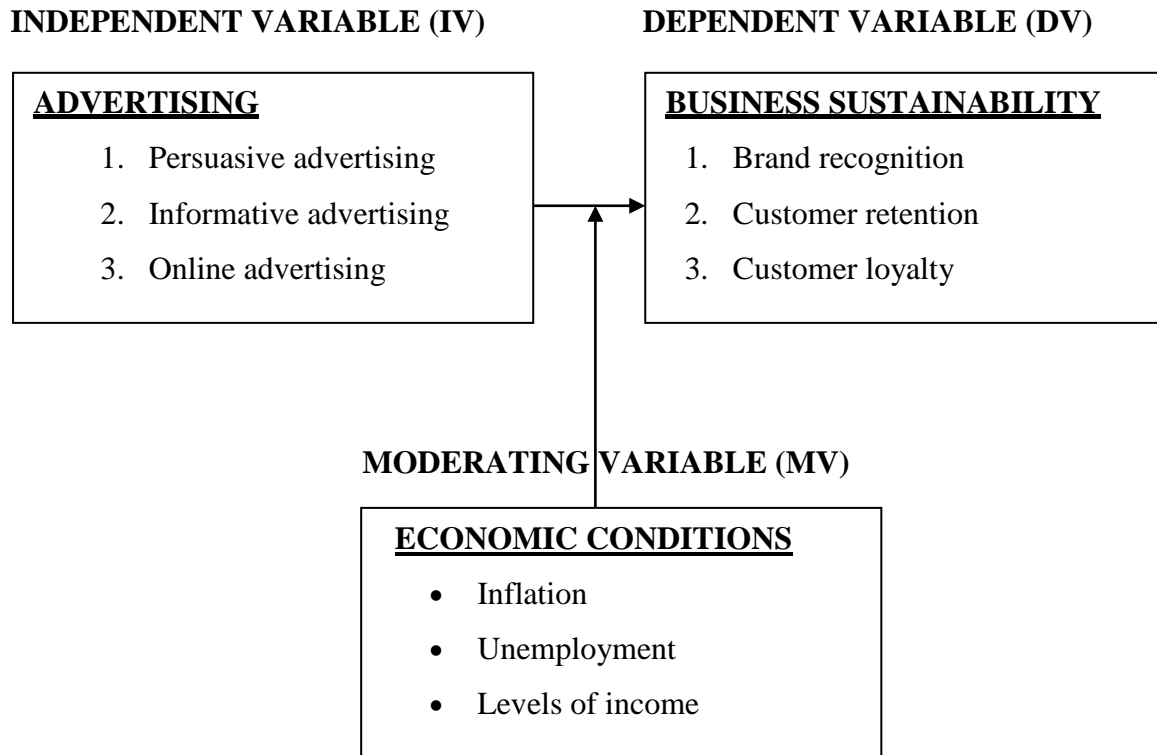
### **1.8 Operational definitions**

Advertising is a form of communication intended to persuade an audience (viewers, readers or listeners) to purchase or take some action upon products, ideas or services. It includes the name of a product/services and how that product/service could benefit the consumer to persuade a target market to purchase or to consume that particular brand.

Dreyer and Slabbert (2012), Business sustainability is translated into brands as where the number of customers increase for a particular product or a service such as visits to the festival which is an entertainment did have significant influence on the associations festinos made with the brand, implying their loyalty of festinos towards the festival.

## 1.9 Conceptual framework

**Figure 1.1: The relationship between advertising and business sustainability**



**Source; Kotler (2003) and Schiffman and Kanuk (2007) and modified by the Researcher.**

### **Description of the model.**

The conceptual framework presents the independent variable as advertising and dependent variable as Business sustainability. It is conceptualized that advertising involves various forms of advertising. These are persuasive advertising, informative advertising and online advertising. They are very significant towards determining the Business sustainability of K2 Telecom Limited. Therefore the manner in which persuasive advertising, informative advertising and online advertising are applied significantly determines Business sustainability for K2 Telecom Limited.

The Business sustainability is recognized in the several dimensions of customer loyalty, customer retention and brand recognition. A positive trend in terms of increased brand

recognition, increase in customer loyalty and high levels of customer loyalty would enhance improved business sustainability. Persuasive advertising is connoted by emotional appeals, deceptive facts, fallacious adverts, exaggerations and manipulative tendencies. Informative advertising is described by factual information, actual awareness, elaborative descriptions and genuine appeals.

Online advertising is realized through email advertising, feedback forums, social media and website platform usage. Economic factors are the moderating variable on the influence of advertising on business sustainability. The moderating variable looks at economic factors whose determinants are inflation, unemployment and levels of income. The determinants of moderating variable greatly affect the relationship between advertising and business sustainability.

### **1.10 Conclusion**

Chapter one established the fundamental bases on which other chapters this study relied, particularly chapter two on establishing empirical studies and the theoretical framework of the study. It clearly put into light the key concepts and issues of the study as regards the variables to be studied.



## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This chapter reviewed the theory of the study and the related literature. The content of the literature based upon the studies carried out by various scholars in the advertising and business sustainability. While reviewing literature, looking at the objectives it further present the theoretical review, literature review and conclusion.

#### **2.1 Theoretical framework**

##### **2.1.1 Overview of the Information Dissemination theory**

Shiwoo (1999) Dissemination takes on the theory of the traditional view of communication, which involves a sender and receiver. The traditional communication view point is broken down into a sender sending information and receiver collecting the information processing it and sending information back, like a telephone line with dissemination, only half of this communication model theory is applied. The information is sent out and received, but no reply is given. The message carrier sends out information, not to one individual, but many in a broadcasting system. An example of this transmission of information is in fields of advertising, public announcements and speeches. Another way to look at dissemination is that of which it derives from the Latin roots, the scattering of seeds. These seeds are metaphors for voice or words: to spread voice, words, and opinion to an audience.

Dissemination can be powerful when adding rhetoric or other forms of persuasiveness to the speech. According to Durham (2006), who wrote *Communication as Dissemination*, "Making a public offering is perhaps the most basic of all communicative acts, but once the seeds are cast, their harvest is never assured. The metaphor of dissemination points to the contingency of all

words and deeds, their uncertain consequences, and their governance by probabilities rather than certainties." In other words, dissemination of words to multiple people can take on multiple meanings to each individual depending on the experience, the attitude, the knowledge, the race or even the gender of the listener. All of these aspects can distort the message that the sender is disseminating towards the public. Depending on the circumstances, the surroundings and the environment the listener is receiving this message in can also have an effect on the outcome of the meaning of the message received. This interference is also known as "Noise" in the traditional model of communication theory. Noise can distort the original meaning of a message.

Furthermore, Durham (2006) explains that "broadcasting information to an open ended destination is a feature of all speech. The metaphor of dissemination directs our attention to those vast continents of signification that are not directly interactive." Dissemination basically sends information to an audience, without direct contact to the receiver, and without a direct response or clarification method that a conversation or dialogue would have.

In policy development, mainstreaming is seen as going a step further than dissemination, in that it tries to embed change in policy and practice, rather than just publishing information.

### **2.1.2 Criticisms of the theory**

Critics of this theory assert that it does not deal significantly with hierarchy or conflict, two prominent themes associated with organizational communications (Taylor, 2000).

Additionally, some scholars argue that this theory fails the test of logical consistency and that people are not necessarily guided by rules in an organization. Some organizational members might not have any interest in communication rules and their actions might have more to do with intuition than anything else (Papa, 2008).

Other critics posit that organizational information theory views the organization as a static entity, rather than one that changes over time. Dynamic adjustments, such as downsizing, outsourcing and even advancements in technology should be taken into consideration when examining an organization—and organizational information theory does not account for this (Taylor, 2000).

### **2.1.3 Relevance of the theory to the study**

Since the company looks at sustainability to be achieved through advertising, information dissemination theory becomes necessary in ensuring that the customers receive the information as needed and it is a necessary evil.

## **2.2 Persuasive advertising and Business Sustainability**

### **2.2.1 Persuasive Advertising**

Persuasion in advertising is about change of belief in the mind of customers to influence their purchasing decision. Research has shown that when people receive information about certain aspects of a stimulus, they go beyond the information given. An audience exposed to an ad may develop beliefs about unmentioned aspects of a product through the process of inferential belief formation (Huber and McCann, 2012). An advert can therefore address attributes which indirectly affect beliefs about other unmentioned attributes of a product. Hence, there are two ways to change a particular belief with verbal claims; a direct approach by attacking an intended belief to be changed, and an indirect approach by attacking beliefs associated with an intended belief, (Cateora *et al.*, 2009).

Thus an intended belief here refers to the particular belief that advertisers intend to change ultimately, regardless of what attributes are explicitly mentioned in the advert. Therefore persuasion is based on either direct or indirect verbal claims which are direct or indirect

persuasions. The effectiveness in doing this persuasion directly or indirectly influences the sales revenues and consequently improves business sustainability.

As mature markets for consumer goods such as hair cosmetics and body cosmetics are characterized by combative advertising, one would expect, according to the persuasive view, that as a firm increases its advertising expenditure, its demand will shift outward to the benefit of the advertising firm, (Batra, and Aaker, 2006), However, research in marketing does not always corroborate with this view. While there is quite a bit of agreement that advertising in its various forms helps shift consumers preferences towards the advertising firm, (Batra, and Aaker, 2006), there is skepticism about advertising being of much help to firms in increasing short-term sales or profitability. Erickson (2003) assert that when competing firms are equally-matched, persuasive advertising is harmful for firms as it does not provide any additional increase in customer loyalty. Tellis and Weiss (2005) furthers the skepticism of advertising's positive sales impact by showing that the effect of advertising on customer loyalty, based on disaggregate scanner data, is either weak or non-significant and it is present only when data are aggregated across consumers, or over time. This implies that any effect of advertising or any gain in market power may be spurious, most likely due to data aggregation. Kaul and Wittink (2005) assert that non-price advertising reduces price sensitivity of consumers. Non-price advertising could increase price sensitivity particularly in the airline industry (Gatignon, 2004) as well as for some categories of consumer goods.

Persuasive advertisements may alter consumer preferences in a way to reduce or to intensify price competition. A firm's advertising can trigger more aggressive pricing by the competing, non-advertising firm, to the detriment of the advertising firm, if consumers already prefer the product of the advertising firm. Therefore persuasive advertising intensifies price competition only under the two conditions; when consumer preferences are biased in favor of one of the two competing firms' products, and the favored firm is the one that advertises, when the firm

in consumers' disfavor cannot advertise and can only respond to the rival's advertising (Erickson, 2003).

Von der Fehr and Stevik (2008) assert that outcomes in persuasive advertising depend on the responsiveness of consumers to advertising, as well as the extent of advertising done by firms in equilibrium. The net effect of high levels of persuasive advertising in the responsive market is to create partisan consumers, or what Braithwaite (2008) termed as reputation monopolies, leading to an accumulation of consumers near firms. As a result, the distribution density function is convex in equilibrium, indicative of increased product differentiation in the minds of consumers. Increased product differentiation, in turn, leads to higher prices and profits. Therefore advertising has an important anti-competitive effect (Bagwell, 2005).

In persuasive advertising, advertising alters customers' utility functions by changing their preferences (Becker and Murphy, 2013). This leads to an outward shift in the demand function, which has led to claims that advertising may serve an important anti-competitive role. Under the informative view, advertising does not change customers' utility functions. Instead it increases the information that customers have about the available alternatives.

The role of advertising predicts an increase in customers' expected utility from consuming the advertised product. Under the persuasive view the change in expected utility reflects a change in the utility function itself, while the informative view predicts a change in which alternatives are evaluated and or what is known about those alternatives. Therefore in persuasive advertising one would generally expect a change in the utility function to endure into future periods (Pedrick and Zufryden, 2011).

When making purchasing decisions customers generally have the alternatives of purchasing competing brands, purchasing from different retailers or even delaying in the hope of future discounts or product improvements. If advertising makes an immediate purchase of the focal

brand more attractive, it implicitly reduces the share of customers who will choose one of these alternatives. The outcome is potentially less demand for competing brands, less demand for competing retailers and or less demand in future periods (Seldon and Doroodian, 2009). In the tobacco industry, anti- smoking advocates have argued that tobacco persuasive advertising also has an impact on primary demand, contributing to an expansion in total tobacco consumption implying persuasive advertising leads to business sustainability.

Persuasive advertng involves strong stimulus for consumer manipulation aimed to persuade the consumer. The persuasive advertising may be divided into two types which are non-manipulative and manipulative advertising. The non-manipulative persuasion through advertising consists in simply presenting the product or service, in the best possible light. The advertiser doesn't need to lie, omit details or intimidate the consumer. This type of advertising is truthful, that is the facts presented are real, the information is giving in a clear, logical manner, in order to convince by informing (Grover, 2011).

The non-ethical behavior of the advertisers is also a stimulus for manipulation through advertising. The issue of manipulative persuasion in advertising brings out the discussion on the role of ethics. The ethics of marketing has in view to what extent the marketing behavior, decisions and practices fit the rules and principles of good conduct. The advertising practices must have a set of ethical principles that could help the managers to evaluate the moral importance of each action and to decide how far they could go, in order to stay just on line of ethics. There are three dominant principles of ethics in advertising which are obey the law, act in your self-interest and comply with the ethics (Craig, 2000).

Persuasive advertising involves manipulative advertising which is deceitful advertising that uses facts, but deceptive facts. It uses confusing, misleading or blatantly untrue statements when promoting a product, that's why this advertising is also known as false advertising. Facts

are given, but they are either false or there are significant facts which are hidden or not mentioned. Another sort of manipulative advertising is that uses arguments, but bad arguments. The emotive persuasion is the type which is likely more common and it play on consumer emotions and usually threaten him with dangers or promises amazing results, either of which are questionable, at best. Products like diet pills or exercise equipment sold through infomercials or TV often promise amazing results, and so persuade through sponsoring hopes and visions of happiness. In the same category may be included the advertisements which promote the so called traditionally made products (Danciu, 2009).

The ultimate goal of all types of advertising is to persuade the consumer to purchase a product or service. The manipulative advertising intends to do that by using facts, arguments and plying with consumers emotions in a misleading and deceptive manner. The most claims used in manipulation through advertising are the exaggeration of the quality of product, fallacious arguments and emotional appeals (Stokes, 2009).

Fallacious arguments are such errors in reasoning that occurs with some frequency (Teves, 2009). The fallacies or poor arguments can be made ignorantly and intentionally. The second situation is of greatest importance in marketing advertising because of its potential for consumer manipulation. The advertising fallacy consists in using reasoning errors when creating, displaying or transmitting messages to the consumers. The fallacies which could be used in advertising fill up a long list; the fallacies of credibility are an important category which can largely be used in advertising.

Emotional appeals are the claims playing with consumers emotions both at conscious and unconscious level. These involve appeals to the need to achieve, dominate, and feel safe, nurture, satisfy curiosity, the need of sex, the need of affiliation, guidance, prominence, attention, and autonomy, physiological needs such as food, drink and sleep. The advertisers

speculate on the consumer emotions and the ads are work out in such a manner that seem to promise or imply a possible connection between a product and happiness, social acceptance, a good family, a good sex life intimate friendship and so on. They may also use the scare for capitalizing on panic, if necessary (Tartakovsky, 2011).

Persuasive advertising involves exaggeration of quality. An exaggeration can be nothing less than false information about the product, but it can also be a form of puffery. Puffery is the term used to denote the exaggerations reasonably to be expected of a seller as to the degree of quality of his product, the truth or falsity of which cannot be precisely determined. At the same time, puffery is advertising claims that ordinary consumers do not take seriously (Berinato, 2010). Claims such as world best (cup of) coffee or “king of beers” are examples of puffery in the manipulation by advertising. The puffery seems to influence the people who are not major consumers of the product but turns away the consumers who are experts or have relatively high knowledge. These observations show that such exaggerations are not very useful for achieving sales revenues. The puffery could attract some new consumers but it could lose many consumers which are loyal to the product.

Effective advertising is, almost always, persuasive advertising. While not all advertising seeks to persuade, in a competitive situation those who best persuade are those most likely to win (Ives, 2003). Persuasion therefore is the process of trying to alter, modify or change the saliency of the values, wants, beliefs and actions of others, social life is dominated by conscious or unconscious, forceful or tangential, attempts at persuasion (Alissa, 2003). This is because a commonality of beliefs and values facilitates getting along with others and there is pressure for this end (Dilthey, 2003).



Although persuasion is a way of influencing, all ways of influencing is not persuasion. People can influence the beliefs, values, wants or actions of others without making any deliberate attempt to do so. Thus a celebrity influences others by acting as a role model without consciously being aware of doing so. Influencing others to act in ways that are detrimental to particular interests can be done indirectly (Watts, 2003). Persuasion, in contrast, deliberately aims to mould beliefs, values and actions in a direction favored by the persuader. In advertising, there is another respect in which persuasion differs from influence in the general sense as influence can be done without any trust being involved (Phillips, 2002). On the other hand, no form of persuasion gets off the ground without some degree of trust. Trust allows give and take in dealings with others and, when added to sentiment, creates loyalty. Loyalty means the consumer cares and may even care for a brand which does not play an important function for him or her. When there is loyalty or trust, lapses in service become more tolerable as there is a measure of goodwill to cushion the damage.

Trust presupposes, as a minimum, that the other party is not out to deceive and is sincere (Alvarez, 2003).

Advertising, like personal selling, must engender trust to be effective. This is because a necessary condition for any cooperative activity is trust that the other party will meet obligations, and behave in an acceptable way (Kelly, 2005). In particular, advertising is expected to fulfill its promise since, at its core, advertising always involves a promise even if one recognized by all concerned as something less than the puffery containing it would suggest. Consumers learn to trust and, with trust come greater tolerance of slips in performance, in the knowledge that things will even out in the long term (Boyer, 2001). Trust develops most quickly when sellers or advertisers are perceived as sincere with openness as if revealing all and a willingness to declare what one stands for (one of the reasons why some 'shock' ads have gained a loyal following is that they openly declare their values or where they

stand). A sincere proposal cannot be one which the seller does not believe: advertisers cannot expect others to believe what they do not believe themselves. Deceit involves manipulating the beliefs of the target audience, and may be successful with an audience ignorant of the true facts. But trying to distort the truth is how advertisers arouse most anger and indignation. An advertiser who has the reputation forgetting the key facts right (accuracy) will always add to his reputational capital (McGuire, William, 2000).

Persuasion is becoming more important in advertising. A major reason is that competition is finding it easier to erode any functional or price advantage attached to a product. A firm may still have the advantage of a well-established system of distribution that is not easily copied but the goodwill and preferences of distributors can be destabilized by changes in their buying policies or a decline in consumer insistence for the product (Smith, 2003). In recognition of all this, companies are scrambling to reactivate long-neglected methods of reaching the consumer, like sports sponsorship, billboards and videos wherever there are people waiting, whether at airports or in doctors' waiting rooms to persuade the customers to buy (Bent, 2003).

The advertising Companies require, attention getting has become the focus of importance, so persuasive content is hardly considered, on the assumption that visibility via the repeated exposure effect is all that is needed (Murphy, 2003). While it is true that with repeated exposure comes familiarity, and with familiarity usually comes increased liking, this level of advertising expenditure assumes deep pockets, and also that the increased liking is sufficient in itself to trigger a preference. On occasion the need to get attention leads to the adoption of shock advertising. Shock ads have a novelty that encourages their being talked about. Whether the effect on the target audience is positive or negative depends on their attitudes (Levere and Stellin, 2002).

Persuasive advertising regards anything that concerns people and has the potential to arouse their emotions and, as Margalit (2006) says, emotions engage people with their objects in such away as to make them lose their neutrality, they become marked by being lovable, disgusting, exciting and fearful and so on. The same applies if the object of the emotion is a market offering, there is no longer indifferent to it. To describe an emotion is to describe the circumstances that generate it. Thus anger is associated with circumstances that are perceived as insulting and threatening to one's interests, while pride is aroused when something happens that increases one's sense of standing in the world and exceeds expectations (Gilbert, 2005).

Emotional messages have an impact at every stage in life. Emotion is a major factor in persuasive advertising that aims to change viewpoints and not simply to demonstrate the logical implications of data. In the grip of an emotion, a person not only feels differently, but tends to think differently. Advertising that resonates emotionally stands more chance of inducing a change in beliefs and values, motives, wants, desires than one based on logic alone (Elliott, Stuart, 2002).

Persuasive advertising involves appeals. Message appeals are usually divided into rational and emotional ones (Kim, Forsythes and Moon, 2002). Rational appeals are typically based on factual information and focus on product attributes. Emotional appeals, on the other hand, typically intend to create positive emotions and develop a brand personality. Emotional appeals have been found to be most effective when brand response involvement and advertising message involvement are low, whereas rational appeals are found to be relatively more effective when customers are highly involved with the brand and the advertisement (George, 2005). Keegan, (2008) have proposed that value-expressive advertising appeals are persuasive when the product is value-expressive, whereas utilitarian appeals are persuasive when the product is utilitarian. A series of studies by Khanh and Hau (2007) yielded evidence about the attitude functions associated with different products, and showed that attitudes toward products

that serve different functions respond to different types of advertising appeals.

In some cases, the objective of the advertiser is immediate action by the consumer that is direct-response advertising where the goal is to have the consumer do something immediately. In most cases, however, there is a lag between advertising exposure and any action on the part of the consumer (Dahlen *et al.*, 2007). In such cases, an important communication goal of an advertiser is to create a positive attitude toward their product. Attitudes are predispositions or tendencies to behave or react in a consistent way over time. There is an affect, or feeling, dimension associated with attitudes, and there are generally various beliefs that provide justification for the feeling and predisposition. The goal of advertising is to have a positive impact on attitudes, these attitudes, in turn, influence future behavior. When the consumer visits the store another time to buy a particular type of product, these attitudes influence the choice of the product (Karina, Wilson, 2010).

Attitudes and attitude formation are among the most widely researched phenomena in communication research. Advertising plays a role in attitude formation, but it is important to recognize that the advertised product itself is the most important determinant of attitude in the long term. A bad experience with a product will create a negative attitude that no advertising is likely to overcome (Kim *et al.*, 2002). In addition, advertising can reinforce positive attitudes by reminding consumers of product benefits persuasively or factually, desirable product characteristics, and positive product experiences (Kim *et al.*, 2002).

### **Brand Recognition**

Brand awareness is defined as the consumers' ability to recall that the brand is a member of the product category. The brand associations are stronger when consumers have positively linked them in their memory to the brand. Actually, brand awareness influences consumer decision making by affecting the intensity of the brand associations in their mind (Boisvert and Burton,

2011). The higher the consumer's brand awareness is, the clearer the brand association held by the consumer and brand recognition leads to being able to command higher prices (Homburg *et al.*, 2010). Consequently, consumers' brand association is likely to be strong when they have high awareness for the brand.

Yung (2009), Building a strong brand is a complex task. The brand building process starts with the development of a strong value proposition. Once this has been established, the next step is to get customers to try the brand. If the offering is developed properly, it should provide a satisfactory experience and lead to a willingness to buy again. To entice trial and repeat purchase requires triggering mechanisms, which are created through advertising, promotion, selling, public relations, and direct marketing. The company needs to communicate the values of the brand and then reinforce brand associations to start the wheel of usage and experience, and keep it turning. Through the combination of the stimulus of consistent communications and satisfactory usage and experience, brand awareness, confidence and brand equity are built.

Brand associations of consumers' needs to be recognized as useful and helpful in order to meet the user's subjective and objective cognition in sociological and economical point of view (Keller, 2013). Meanwhile, consumer brand awareness can be attained by way of appropriate brand management treatments (Homburg *et al.*, 2010). Brand credibility has stronger effects to brand associations, than brand awareness, which is suggested because consumer individual belief perception mainly drives to the familiarity image, and then attains the consumer brand associations.

### **2.3 Informative advertising and Business Sustainability**

Informative advertising is to create awareness among customers regarding the products or services the company offers for them first time. The customers do not know about the new product or service has been launched by the company. At that time the advertisement is given

with the objective to inform them regarding the efforts of the company. This objective is only to create awareness of the prospects. This form of advertising tends to characterize the promotion of any new type of product to develop an initial demand. It is usually done in the introductory stages of the product life cycle. It was the original approach to advertising (Lauro, 2003).

The informative advertising gives factual information to the consumer, while the emotional advertising consists in an emotional game which has as goal to favorably influence the decision of the consumer, (Gray, 2011).

This awareness allows many to try out the product for the first time and this may influence the level of sales for the organization. In regard to informative advertising, Grossman and Shapiro (2004) found that an increase in informative advertising could have two effects; a direct increase in total advertising costs resulting in a reduction in profits; and also a reduction in the degree of competition as measured by demand elasticity, which results in higher profits. The explanation is that advertising improves information available to consumers and reduces profits with increased costs, the amount of advertising reduces, resulting in a reduction in the information available to consumers, as a result allowing firms to charge higher prices. Consumers in the market are subject to forces from opposite directions when firms engage in combative advertising.

Depending on the strengths of these opposing forces, consumers are either pulled away from the middle or pulled towards the middle.

Seldon and Doroodian (2009) argue that the informative role of advertising should only affect the behavior of customers who have a need for information. The effect should be limited to customers who have relatively little experience with the company. Inexperienced customers demonstrate a stronger reaction to television advertising than experienced customers which is

largely an essential role is determining the brand recognition of the firm (Tatarkovski, 2011).

The informative view holds that advertising primarily affects demand by conveying information. The advertised product thus faces a more elastic demand. This elasticity effect suggests that advertising causes lower prices, an influence which is reinforced when production scale economies are present (Wernerfelt, 2008). The informative view suggests further that advertised products are generally of high quality, so that even seemingly uninformative advertising may provide the indirect information that the quality of the advertised product is high. There are three reasons. The demand expansion that advertising induces is most attractive to efficient (low-cost) firms, and such firms are likewise attracted to demand expansion achieved by offering low prices and high-quality products. The product experience memories that advertising rekindles are most valuable to firms with high-quality products, since repeat purchases are then more likely (Wernerfelt 2008). The firm sensibly targets its advertising toward consumers who would value its product most. The informative view holds further that advertising is not used by established firms to deter entry; instead, advertising facilitates entry, since it is an important means through which entrants provide price and quality information to consumers.

There are many situations when combined alternatives are needed and they consist in various emotional games which are used as arguments for a certain way of acting on target-groups and individual consumers. Every time when these advertising efforts are focused on getting the consumers to do what the advertiser wants through subversive manners that lack the truth, we can say this is manipulation (Gray, 2011).

Stigler (2011) explains that, consumers may be imperfectly informed when there are search costs that are associated with obtaining information as to the location, price and qualities of available products. Price dispersion is one important manifestation of consumer ignorance.

Firms advertise in order to provide consumers with information, and advertising tends to reduce the extent of price dispersion, just as would a reduction in search costs. Telser's (2004) assert that greater advertising activity tends to be associated with less Brand recognition. On the whole, advertising may work more to facilitate than to deter entry.

Grossman and Shapiro (2004) allow that firms are horizontally differentiated, so that advertising creates social surplus when a previously uninformed consumer becomes informed or an already informed consumer learns of a product that is a better match. Firms fail to internalize the full consumer surplus gain that is associated with their advertising, indicating that advertising may be undersupplied.

Telser (2004) allow that consumers can also obtain price information through (costly) sequential search. Both the supply and the demand for price information are endogenized; firms supply price information by advertising, and consumers acquire price information by receiving advertisements and undertaking search. Bagwell and Ramey (2004) consider the indirect information contained in non-price advertising by retail firms. Building from Nelson's(1974) insights, they note that advertising is most valuable to low-cost firms. Such firms also have the greatest incentive to offer low prices and large product variety. They thus argue that high- advertising firms are characterized by large investments in cost reduction, extensive product variety and low prices. Retail advertising therefore provides valuable indirect information which leads to customer retention.

### **Customer retention**

Power and Associates (2009) note that retention is defined as the degree to which a customer exhibits repeat purchasing and price tolerance behavior to a service provider, and possesses a positive attitudinal and cognitive disposition, and Keiningham (2007) said that customer retention is defined as customers' stated continuation of a business relationship with the firm.



Al-hawari and Ward (2005) indicate that media choice is positively related to customer retention and there is a possibility of repeat business.

According to Chikwendu and Okeudo (2013) there is much need for one to focus on the effect of the individual attribute it is very important to the airline managers especially in planning how to improve the value of services rendered to passengers/customers.

Sattar *et al.*, (2011) adopted from Andreessen and Lindestad (1998). In recent years, research related to corporate image and consumer behavior in the field of service marketing has progressed as a result of better choice of media. There is some evidence that corporate image is an important factor in the overall evaluation of the service of a company. Corporate image can influence customers' perception of services offered and customers' choice of company.

#### **2.4 Online advertising and Business Sustainability**

Online or internet advertising can be defined as any form of commercial content available online, delivered by any channel, in any form, designed to inform customers about a product or service at any degree of depth (Harker, 2008). Internet advertising includes many different forms of advertising. The most common types are display advertising, search-engine optimization, search engine marketing, email advertising and affiliate marketing. Such platforms allow clients to access information about different products and hence the decision to purchase.

Marketers commonly utilize multiple media channels within the same advertising campaign. With the rise of digital marketing over the last decade, the internet is more and more frequently one of those channels. This means the internet has become a key advertising channel for many advertisers and firms are consistently increasing the amount of money spent on online advertising. The investment is meant to achieve the appropriate returns in returns (IAB

Finland, 2011). The amount spent on traditional advertising is still growing as well suggesting that firms are incorporating both off-line advertising in to the overall marketing mix. Combining this information with the growing number of consumers using the internet as a purchasing channel highlights the crucial need to understand how different advertising channels influence each other.

There have only been a couple of studies that have focused on more behavioral responses. Naik and Raman (2003) reveal that that there are differences in the way media budget allocation should be carried out when there is evident synergy effects between different channels. However, there is still very little existing research that has investigated how different media channels affect the sales coming from other advertising channels (Assael, 2011).

The difference between them is that the affiliate networks consist of much larger networks of websites instead of relying on a few very large media sites. Affiliate networks provide an opportunity for websites to easily utilize their advertising space and to earn additional revenue. For firms wanting to advertise online, affiliate networks offer a way of increasing visibility on a large number of websites that would be extremely time-consuming to negotiate individual advertising contracts with (Viljakainen, Back and Lindqvist, 2008).

The internet has many unique characteristics that differentiate it from traditional media. It offers an almost unlimited amount of information unrestricted by time and space from an unlimited number of sources (Yoon and Kim, 2001). Online consumers can easily search, select and access information of their interests by using for example search engines, price-comparison sites, news portals, blogs and social media sites. One of the key differentiating features of the internet is its interactivity which has drastically changed the role of the consumer. Before, consumers were in quite a passive role but the internet has enabled people to become much more proactive. They can contact organizations and other individuals more

easily by using email, feedback forms, chat and social media. In addition, they can express themselves in a more visible way in for example chats, discussion forums and social media sites (Gurau, 2008.) This means that both individual consumers and firms are much more networked together than ever before. This network relationship requires a new style of coordinated marketing communications. When effectively used they enhance customer loyalty for the organization.

The interactivity of the internet also has a big impact on marketing communications and advertising as consumers can immediately respond to advertisements of their liking. Importantly, the responses can also be measured. This means that calculating online advertising effectiveness is much easier in comparison to traditional media. Yoon and Kim (20011) assert that the amount of banner impressions, clicks, unique visitors and brand recognition generated from every online advertisement can be measured and analyzed.

According to (Karina, 2010) the rapid development of the internet, many firms have adopted it as a marketing and sales channel. Embracing the internet as an important channel has been particularly significant in the travel sector. For several years, experts have believed that tourism has the potential to adopt the internet as the main communication channel (Kim and Han, 2007). One of the unique features of the internet is that it is both an advertising and sales channel. When people see or hear an ad from a traditional advertising channel such the radio or billboard they need to physically go to a store to purchase the product. In contrast, when a person sees an online ad, they can immediately go to the website and buy the product. Therefore, internet has the ability to encourage impulse buying (Wu, Wei and Chen, 2007).

New ways of using the internet help boost the development of online advertising. Simultaneous use of them internet and TV is becoming more widespread. The emergence of the internet has not replaced the use of other media, particularly TV. Rather than competing, these two media

complement each other. The internet acts as an extension to the TV experience. As demonstrated by a Microsoft Advertising study, 78% of internet users believe that watching videos online complements their TV use. Internet users look out for specific, unusual and previously unavailable content (Dahlen *et al.*, 2007). This simultaneity in media consumption enables the brand experience to be prolonged through online media and encourages advertisers to mix the Web with other media.

The internet asserts itself as an essential tool for influencing and preparing purchases. Today, the internet is at the heart of purchase processes. Dahlen *et al.*, (2007) shows that 78% of internet users consulted a website before buying a product. The Web is becoming a highly influential medium, in the same way as TV. Internet users know how to make the most of the numerous resources available to them, including retail websites, consumer reviews, comparison websites and forums. This trend has been strengthened by the crisis, the slowdown in household spending and the development of hunter or opportunistic behavior. This development underpins the importance for advertisers to conduct as detailed an analysis as possible of the multi-channel purchasing path used by buyers. It is vital to understand the impact advertising has on offline sales and in particular its ability to foster consumer engagement and influence consumers' decisions (Edenius *et al.*, 2007).

Social networking (Howard, 2010) offers advertisers a new platform for expression. Internet users spend a tremendous amount of time using exchange and communication services on the Web. Internet users spend on average 3 hours 40 minutes per month on instant messaging, 4 hours 8 minutes on community networks, 2 hours 40 minutes on emailing and 1 hour 15 minutes on online auctions or classified ad websites (Howard, 2010). This new use of media, including community and social networking sites, generates additional advertising space which provides advertisers with remarkable targeting opportunities through a greater targeting capacity and increased exposure times. Nevertheless, advertisers must assess the relevance and

effectiveness of these new spaces in relation to their own communication objectives.

Rich media and video advertising offer new brand experiences. Rich media formats have advanced considerably over the past five years. This progression heightens the communicative potential of online advertising. Links to a brand website are no longer the be-all and end-all of developing a brand experience hence customer loyalty.

### **Customer Loyalty**

Mayfield (2008) move customers up-segment; by grading rewards (for example, offering extra points for exceeding a specified spend threshold in a time period), customers can be moved up from one spend level to the next. A good example of this is TCC, a provider of best customer marketing program, which skews its rewards to encourage lower spending customers to move up through the spend segments. In one of the examples, the top spending band's contribution to sales increased by 41%, the next band down increased its contribution to sales by 45% and the lowest spend band decreased its contribution to sales by some 7%.

Recover defected customers; Kotler & Keller (2005). The success rate in approaching "lost" customers can be three to four times as high as it is when prospecting for new customers. For example, the rate for converting prospects might typically be 5%, while that for reactivating inactive customers might be as high as 15-20%. There are several reasons why customer win-back has a greater chance of success than acquisition; you have advantages with lost customers that you don't have with prospects, including information about their past purchase history, where and how to reach them, and their preferred communication channel.

Keller (2013) contends that Create advocates; Advocacy is one of the highest forms of loyalty that a customer can show and direct referrals are individuals who have been advised to use your product/service by someone who is already a customer. Advocates are so satisfied and

pleased with your offering that they tell their friends and associates. And to most people, a personal recommendation is far more convincing than any amount of promotional material.

Assael (1998) loyalty brings greater market share when the product is purchased by the customers loyal to the brand and loyal customers are often loyal because they have not had any issues with your product or service.

Kotler and Andreasen (2006) the understanding about the needs and wants of the customers and having a loyal base of customers makes forecasting in many areas a lot more manageable hence customer loyalty.

However, the click through rate no longer provides an adequate measure of the impact of these advertisements. Indicators therefore need to be put in place in order to gauge the interaction with advertisements. It is also necessary to analyze the impact these new formats have on reputation on brand loyalty. These enriched formats bring the creative dimension of online advertising to the fore. Measuring the effectiveness of creative approaches and the ability to adapt is now a critical performance driver (Lauro, 2003).

The internet is reputed to be a quantifiable medium but advertisers are still dissatisfied with the tools available to them for evaluating its performance. Faced with an overwhelming amount of generated data, they express a need for transparent and comparable information. The majority of advertisers with whom we met confirmed that measuring effectiveness is instrumental to their online strategy (Palda, 2006). Some advertisers wish to further broaden their measurement tools, for example by analyzing web traffic or assessing engagement more systematically. It also appears that prior exposure to display advertising campaigns has a positive impact on search behaviors.

Thus, the most limiting factor of the click through rate is that it does not provide any information on the kind of impact that exposure to an advertisement gives rise to, whether this is in terms of awareness, recall, engagement or purchase intent. Customized measurement tools are therefore required in order to effectively monitor online advertising, we have identified seven key approaches for this purpose (Palda, 2006).

## **2.5 Conclusion**

The researchers and scholars have subscribed on persuasive advertising as use of emotional appeals, deceptive facts, fallacious statements, exaggerations and manipulative tendencies. The persuasive advertising influences Business sustainability in organizations. The researchers and scholars assert that informative advertising use factual information, actual awareness, elaborative descriptions and genuine appeals. The informative advertising influences Business sustainability in organizations. The researchers and scholars visualize online advertising as email advertising, feedback forums, social media and website usage. The online advertising influences Business sustainability in organization. It should be noted that irrespective of different forms advertising the ultimate goal remains that advertising influences Business Sustainability in organizations. This is reflected by increase in customer loyalty, brand recognition and customer retention as determinants of Business Sustainability.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.0 Introduction**

This chapter includes the methods to be used to collect and analyze data. The chapter includes; research design, study population, sample size, sampling techniques, data collection methods, data collection instruments, validity and reliability, procedure of data collection, data analysis and presentation and limitations of study.

#### **3.1 Research design**

The study used cross sectional survey design with quantitative approach. A research design is the strategy, plan and structure of the research project (Hayward, 2005). Oso and Onen (2005), stress that cross sectional survey design allows quick collection of raw data in addition to enabling the researcher to interact with people that have practical experience with the subject of study (Kothari, 2004) and assesses their perceptions, opinions and feelings at a particular time. It is carried out among few people to act as an inference to the majority. As such, the use of this design allows the researcher to employ a relatively passive approach to making causal inferences based on findings. The researcher believed that the cross-sectional study help provide a 'snapshot' of the outcome and the characteristics associated with it, at a specific point in time and hence enable the drawing of inferences from existing differences between respondents' viewpoints about the effect of advertising on business sustainability.

#### **3.2 Area of the study**

The study was conducted in Uganda in Kampala district using K2 Telecom limited as a case study. The study was carried out at the head offices of the company located at Mugwazirwaza building in Katwe on Entebbe Road. The selection of the study area was influenced by its



convenient location and availability of an adequate number of potential respondents.

### **3.3 Study population**

The population comprised of 120 employees of K2 Telecom Limited (K2 Human Resource Data 2016) and these included Line Managers, Sales force employees etc. (K2 management Report April, 2016). These employees were considered because they had knowledge on advertising and how well it influences the Business sustainability.

### **3.4 Sample size and technique**

#### **3.4.1 Sample size**

The sample size comprised of 92 employees of K2 Telecom Limited (Krejcie and Morgan, 1970) from the study population of 120 employees of K2 Telecom Limited. This helped to get the needed information.

#### **3.4.2 Sampling techniques**

The study employed non-probabilistic sampling technique; specifically the purposive sampling was used to select line managers. The study used purposive sampling to select line managers and random sampling to select sales force and marketing staff respectively. This was used since respondents were believed to have more information necessary for the study. Purposive sampling technique is the deliberate choice of an informant due to the qualities the informant possesses. It is a nonrandom technique that does not need a set number of informants. The researcher decides what needs to be known and sets out to find people who can and are willing to provide the information by virtue of knowledge or experience (Bernard 2002, Lewis & Sheppard 2006). The simple random sampling was used to select the sales team and Marketing staff since they are many and this was used to avoid bias in the sample selection process.

### **3.5 Data sources**

Data was collected from both primary and secondary sources.

#### **3.5.1 Primary data**

This is the first hand information that was collected using the questionnaires and interview guide. Other methods that were deployed to collect primary data included observation and interview following systematic and established procedures as proposed by Nunnally (2003).

#### **3.5.2 Secondary data**

Secondary data included Journal articles mainly published by the K2 Telecom Limited published and unpublished reports, sales reports, Newspaper reports and other reports were used to study the effect of advertising on business sustainability. According to Amin (2005), secondary data can provide a basis for comparison with the collected primary data.

### **3.6 Data collection methods and research instruments**

The researcher used instruments such as a questionnaire, interview guide to collect the data.

#### **3.6.1 Questionnaire**

The researcher used questionnaires to collect data from the respondents. A self-administered questionnaire was administered to a sample size which made the results more dependable and reliable. K2 Telecom Limited being an organization with its entire staff being literate, the questionnaire was appropriate to the respondents to collect data and gather the right information. The questionnaire consisted of closed ended questions. Qualitative data was obtained using closed ended questions. The questionnaire was developed using a five Likert scale ranging from strongly agree, Agree, undecided, disagree and strongly disagree, to help researcher analyze qualitative data quantitatively (Mugenda & Mugenda, 1999).

The researcher used questionnaires because they were cost effective and the same set of questions phrased exactly the same enabled data to be more comparable. It also allowed an in-depth research to gain first-hand information and more experience over a short period of time (Amin, 2005). A questionnaire was used because it increased the degree of reliability due to many items in it and it as well enhances the chances of getting valid data, (Amin, 2005). The questionnaire consisted of both open and closed ended questions. Qualitative data was obtained by closed ended questions while qualitative data was obtained through open ended questions.

### **3.6.2 Interview guide**

This is a method of data collection where the investigator is given a chance to gather data through direct verbal interaction with participants (Amin, 2005). The researcher used an oral face to face dialogue to collect data from selected key informants among the staff at top management (marketing staff and line managers) at K2 Telecom Limited. The researcher chose the above categories of respondents because they are key and central among the respondents. An interview schedule consisting of open ended questions was designed and this enabled probing, thus, obtaining in-depth information. Information solicited by this instrument helped the researcher to enhance response from the self-administered questionnaires and make it possible for the researcher to cross examine some key issues in the research. Interviewing is a good method for producing data based on information priorities, opinions, and ideas based on informants.

### 3.7 Reliability and validity of data collection instruments

#### 3.7.1 Validity

To establish validity qualitatively, the instruments was given to the supervisor to evaluate the relevance of each item in the instrument to the objectives and rates each item on the scale (1) not relevant, (2) somewhat relevant, (3) quite relevant, (4)Very relevant. The purpose of qualitative research was described or understood the phenomenon of interests from participant's point of view; therefore the researcher allowed participants to legitimately judge the credibility of the results. The researcher conducted a pretest and used context validity index (CVI) to check the validity of the questionnaire contents.

The CVI was computed using the following formula:

$$\text{CVI} = \frac{\text{Items rated relevant/very relevant by both rate (3 or 4)}}{\text{Total number of items in the instrument.}} = \frac{34}{36} = 0.9444$$

The CVI was valid because the corresponding CVIs were within the acceptable range of 0.7 to 1

#### 3.7.2 Reliability

To ensure reliability of quantitative data, the researcher performed the reliability test using Cronbach Alpha Coefficient to determine the internal consistency of the likert scale used to measure the variables in the study. In statistics, Cronbach alpha is commonly used as a measure of the internal consistency or reliability of a psychometric test score for a sample of examinees.

**Table 3.1: Cronbach Alpha Value for reliability of the study tools**

<b>Variables</b>	<b>Number of items</b>	<b>Cronbach's Alpha</b>
Persuasive Advertising	08	0.790
Informative Advertising	07	0.675
Online advertising	08	0.679
Brand Recognition	06	0.687
Customer Retention	05	0.606
Customer Loyalty	05	0.707

**Source; Primary Data (2016)**

According to Sekaran (2011), as a rule of thumb, the reliability of 0.60 and above are recommended to be used.

**3.8 Procedure of data collection**

An introductory letter from Uganda Martyrs University Faculty of Business Administration and Management was given to the Researcher introducing the researcher to K2 Telecom Limited to allow the researcher to conduct the study. The researcher also made a formal request to management to grant permission to conduct the study. The researcher made appointment to interview the key respondents, sought their consent and distributed the questionnaires to the respondents and assured them of confidentiality on all their answers.

**3.9 Data analysis and presentation**

**3.9.1 Quantitative data analysis**

Data from the questionnaires was organized, edited and coded then analyzed using Statistical Package for Social Sciences (SPSS) version 16.0. After that it was presented using descriptive statistics mean and standard deviations. It was tabulated to establish the relationship between

the variables as well as the strength of the relationship of the variables using Pearson's Correlation coefficient. Thereby giving in simpler terms of the findings of the research.

Qualitative data was analyzed using both thematic analysis and content analysis. This was because the two approaches complement each other since the theme emerges from the researcher and the description summarized from the responses.

### **3.9.2 Measurement of variables**

Both variables (independent and dependent variables respectively) in the questionnaires were measured on point Likert Scale. The scale was used to help the researcher measure the extent to which research objectives are achieved in the study whereby (1) was represents Strongly Agree,(2) represents Agree, (3) represents Not sure, (4) represents Disagree and (5) represents Strongly Disagree. Each of the choice of this measurement will be put on the scale which carried scores which is used to measure the respondent's attitude and it is most frequently used scale in the study of social attitude. According to Mugenda and Mugenda (1999) and Amin (2005), the Likert scale is able to measure perception, attitudes, values and behaviors of individuals towards a given phenomenon.

### **3.10 Ethical considerations**

Faculty of Business Administration and Management, Uganda Martyrs University Nkozi gave letter of introduction. Permission was sought from the top management of K2 Telecom Limited where the study was conducted. All the respondents participated in the study after voluntarily consenting through signing the informed consent.

All the data was handled with confidentiality and only codes was used instead of names to ensure anonymity. During the interviews with the respondents, the research assistants ensured that there is adequate privacy to allow the respondents expresses their opinions without fear.

### **3.11 Limitations of study**

The researcher encountered some limitations while conducting the study;

- i) The researcher met methodological and operational limitations. Since the research design was cross sectional, it affected other organizations of the same nature from the conclusions drawn by the researcher.
- ii) A narrow scope for example a study on one organization affected the validity and reliability of the findings
- iii) The time allocated for the research was so limited to enable the researcher comprehensively understand the research variables. It offered inadequate data collection, analysis and reporting period which affected the giving of reasonable conclusions.
- iv) The operational or practical limitations also occurred. This was all about the immediate application of the findings recommended by the researcher. The findings might not be applicable to other organizations. However, since the study used a scientific approach and followed all procedures required these limitations were minimized. Moreover, multi-methods (quantitative and qualitative methods were applied to reduce limitations including the employees of K2 Telecom Limited for consideration of the recommendations to be made.

### **3.12 Conclusion**

This chapter discussed methods that were used in undertaking the research. It clearly indicated the research design, population, sample size and sampling techniques, data collection, analysis and presentation methods, validation and reliability of the methods that were applied to establish the effect of advertising on business sustainability. Furthermore it indicated ethical

considerations, and the limitations that were faced by the researcher in accomplishing the study and how he overcame them to improve the quality of the study.



## **CHAPTER FOUR**

### **DATA PRESENTATION, ANALYSIS, INTERPRETATION AND DISCUSSION OF FINDINGS**

#### **4.0 Introduction**

The chapter covers data presentation, analysis, interpretation and discussion of findings in relation to the study objectives. Questionnaires and interviews were used to collect the data. The findings are summarized in form of tables (showing percentages and frequencies). In addition, statistical analysis namely correlation and regression analysis are undertaken.

The presentation was guided by the following research objectives; to find out the influence of persuasive advertising, informative advertising, and online advertising on business sustainability of K2 Telecom Limited.

#### **4.1 Sample characteristics**

Sample characteristics contain the response rate, education levels, age group, duration of service in the organisation, and the occupation of the respondents.

##### **4.1.1 Response rate**

With a sample size of 92 only 79 questionnaires were returned representing a response rate of 85.8%. Because respondents were cooperative and ready to give information.

#### 4.1.2 Gender of respondents

**Table 4.1: Gender of respondents**

<b>Gender of the respondent</b>	<b>Frequency</b>	<b>Percent</b>
Male	43	54.4
Female	36	45.6
<b>Total</b>	<b>79</b>	<b>100.0</b>

**Source; Primary Data (2016)**

The study revealed that 54.4% were males and 45.6% were female. This implies that there are more male employees employed at K2 telecom Limited than females because of flexibility of men and are always ready to work for more hours per day.

#### 4.1.3 Age group of respondents

**Table 4.2: Age group of respondents**

<b>Age group of the respondent</b>	<b>Frequency</b>	<b>Percent</b>
21-30years	23	29.1
31-40years	26	32.9
41-50years	14	17.7
51years and above	16	20.3
<b>Total</b>	<b>79</b>	<b>100.0</b>

**Source; Primary Data (2016)**

The study revealed that 29.1% respondents are in the age group of 21-30 years, 32.9% respondents are in the age group of 31-40years, 17.7% respondents are in the age group of 41-50 years and 20.3% respondents in the age group of 51 years and above. This implies that majority of the respondents are in the age groups of 21-30 and 31-40 years respectively. This implies that K2 employees young and energetic people.

#### 4.1.4 Highest level of education attained

**Table 4.3: Highest level of education attained**

<b>Highest education level attained</b>	<b>Frequency</b>	<b>Percent</b>
Certificate	23	29.0
Diploma	29	36.7
Degree	12	15.2
Master degree	15	19.1
<b>Total</b>	<b>79</b>	<b>100.0</b>

**Source; Primary Data (2016)**

The study revealed that the 29% respondents are certificate holder, 36.7% respondents are diploma holders, 15.2% respondents are degree holders where as 19.1% are hold masters degree. This implies that the respondents where knowledgeable about the subject of study which was effect of advertising on business sustainability.

#### 4.1.5 Duration in Business

**Table 4.4: Duration in Business**

<b>Duration in Business</b>	<b>Frequency</b>	<b>Percent</b>
5years	34	43.0
4-years	23	29.1
3years	18	22.8
2 and below	4	5.1
<b>Total</b>	<b>79</b>	<b>100.0</b>

**Source; Primary Data (2016)**

The study revealed that 43% respondents indicated that the company has spent 1-5 years, 29.1% respondents indicated that they have spent 4years in this company, 22.8% respondents

indicated 3 years and above. 5.1% respondents indicate duration 2 years and below in this company. This implies that the company has spent 1 to 5 years in business and more knowledgeable about the company.

#### **4.2 The effect of persuasive advertising on business sustainability of K2 Telecom Limited**

The study examined the influence of persuasive advertising on business sustainability of K2 Telecom Limited.

Respondents were engaged in answering questionnaires and results are presented below.

Results from questionnaires were computed to obtain means and standard deviation are presented below.

**Table 4.5: Mean and standard deviation of the influence of persuasive advertising on business sustainability of K2 Telecom Limited. N=79**

<b>Item</b>	<b>Mean</b>	<b>Std. Deviation</b>
This company uses emotional appeals in its advertising process	4.48	0.749
The company uses deceptive facts in some of its adverts in the marketing process	4.18	0.764
Fallacious messages are used in the advertising process to attract sales	3.95	1.036
The company some time use exaggerated messages when advertising company products	3.56	1.308
The company uses messages that have manipulative tendencies in the advertising	3.54	1.249
In advertising of organizations products the messages always have direct and indirect verbal claims	3.24	1.253
There is a lot of responsiveness of consumers to company adverts	4.44	0.828
Persuasive advertising helps changing customer preferences	3.47	1.239

**Source; Primary Data (2016)**

The research study on data analysis reflected the mean, standard deviation and the number of respondents. The standard deviation is the disparity from the mean. It shows the tendency to move away from the mean.

#### **4.2.1 This company uses emotional appeals in its advertising process**

The research study on data analysis revealed that the mean is 4.48 and standard deviation is 0.749, which is the movement away from the central tendency (mean) as indicated in table 4.5 beyond 0.99, the respondents would be reflecting negativity of the persuasive statement in question.

The study revealed that respondents agreed that (mean=4.48) on the fact that the company uses emotional appeals in its advertising process. This imply that the messages used have emotional appeals that attract people to take on the company's products and services which is an important aspect that is influencing the sustainability of the organization. This finding is in line with Tartakovsky, (2011) Emotional appeals are the claims playing with consumers emotions both at conscious and unconscious level. These involve appeals to the need to achieve, dominate, and feel safe, nurture, satisfy curiosity, the need of sex, the need of affiliation, guidance, prominence, attention and autonomy, physiological needs such as food, drink and sleep. The advertisers speculate on the consumer emotions and the ads are worked upon in such a manner that seem to promise or imply a possible connection between a product and happiness, social acceptance, a good family, a good sex life intimate friendship and so on. They may also use the scare for capitalizing on panic, if necessary.

#### **4.2.2 The company uses deceptive facts in some of its adverts in the marketing process**

It should be noted that the study agreed that the company uses deceptive facts in some of its adverts in the marketing process (mean=4.18). Respondents therefore believe that the company

does not use any deceptive fact in their advertising process to attract customers to buy their products. This may be as result business ethical codes of conduct or having good quality products that does not require such a deceptive language to market and such influences the sustainability of organization in the process of conducting business. This finding is related to finding is related to Danciu, (2009) who explain that persuasive advertising involves manipulative advertising which is deceitful advertising that uses facts, but deceptive facts. It uses confusing, misleading or blatantly untrue statements when promoting a product, that's why this advertising is also known as false advertising. Facts are given, but they are either false or there are significant facts which are hidden or not mentioned. Another sort of manipulative advertising is that uses arguments, but bad arguments. The emotive persuasion is the type which is likely more common and it play on consumer emotions and usually threaten him with dangers or promises amazing results, either of which are questionable, at best. Products like diet pills or exercise equipment sold through infomercials or television often promise amazing results, and so persuade through sponsoring hopes and visions of happiness. In the same category may be included the advertisements which promote the so called traditionally made products.

#### **4.2.3 Fallacious messages are used in the advertising process to attract sales**

Deserving mention the study agreed that fallacious messages are used in the advertising process to attract sales (mean=3.95). This implies that only accurate information is used in the advertising process. This allows the organization to keep its credibility in business and this largely builds confidence among many customers on the company products which is an important factor in improving the sustainability of the organization.

#### **4.2.4 The company some time use exaggerated messages when advertising company products**

It should be reckoned that the study agreed that the company some time uses exaggerated messages when advertising company products (mean=3.56) and (standard deviation = 1.308).

#### **4.2.5 The company uses messages that have manipulative tendencies in the advertising**

The respondents also agreed that the company uses messages that have manipulative tendencies in advertising (mean=3.54). They also agreed that the company uses messages that contain in them manipulative tendencies meant to confuse consumers to lured into going for the organizations products. This influences the sustainability of the organization especially if customers have confidence and trust in the organization and its products. In line with this Stokes, (2009) explains that the ultimate goal of all types of advertising is to persuade the consumer to purchase a product or service. The manipulative advertising intends to do that by using facts, arguments and plying with consumers' emotions in a misleading and deceptive manner. The most claims used in manipulation through advertising are the exaggeration of the quality of product, fallacious arguments and emotional appeals.

#### **4.2.6 In advertising of organizations products the messages always have direct and indirect verbal claims**

It is noted that the study agreed that in advertising of organizations products the messages always have direct and indirect verbal claims (mean=3.24). In the advertising process there are always direct and indirect benefits of the product being advertised in the messages being advertised and this influences the sustainability of the organization in market and other various dimensions of sustainability in the market. This finding is related to Huber and McCann, (2012) who explain that verbal claims address attributes which indirectly affect beliefs about

other unmentioned attributes of a product. Hence, there are two ways to change a particular belief with verbal claims; a direct approach by attacking an intended belief to be changed, and an indirect approach by attacking beliefs associated with an intended belief. An intended belief here refers to the particular belief that advertisers intend to change ultimately, regardless of what attributes are explicitly mentioned in the advert. Therefore persuasion is based on either direct or indirect verbal claims which are direct or indirect persuasions. The effectiveness in doing this persuasion directly or indirectly influences the sales revenues and consequently improves Market Sustainability.

#### **4.2.7 There is a lot of responsiveness of consumers to company adverts**

The research study agreed that there is a lot of responsiveness of consumers to company adverts (mean=4.44). This implies that as advertising messages are put across the public; there is always responsiveness to such messages in terms of being attracted and buying of company products or otherwise. This is a key aspect that influences the sustainability of the organization. This finding is related to Vonder Fehr and Stevik (2008) who assert that outcomes in persuasive advertising depend on the responsiveness of consumers to advertising, as well as the extent of advertising done by firms in equilibrium. The net effect of high levels of persuasive advertising in the responsive market is to create partisan consumers, or what Braithwaite (2008) termed as reputation monopolies, leading to an accumulation of consumers near firms.

#### **4.2.8 Persuasive advertising helps changing customer preferences**

It was discovered in the study that persuasive advertising helps changing customer preferences (mean= 3.47). The advertising messages helps to change customer preferences especially when the messages in the adverts are not manipulative and customers consider them genuine and trust this influences the sustainability of the organization. In this Becker and Murphy (2013) explain that in persuasive advertising, advertising alters customers' utility functions by



changing their preferences. This leads to an outward shift in the demand function, which has led to claims that advertising may serve an important anti-competitive role. Under the informative view, advertising does not change customers' utility functions (Milgrom and Roberts, 2006). Instead it increases the information that customers have about the available alternatives.

During the administered interview guide, the respondents said the effect of persuasive advertising on business sustainability is the messages give actual awareness to prospective clients, elaborative descriptions of our products, genuine appeals in advertising the company products, objective to inform prospective clients of the company products.

#### **4.3 The effect of Informative Advertising on Business Sustainability at K2 Telecom Limited**

The study examined the effect of informative advertising on Business Sustainability of K2 Telecom Limited. In the study, respondents were engaged in answering questionnaires and results are presented below from questionnaires and interview results.

**Table 4.6: Mean and standard deviation of the effect of informative advertising on Business Sustainability of K2 Telecom Limited. N=79**

<b>Item</b>	<b>Mean</b>	<b>Std. Deviation</b>
The company uses factual information in the advertising process	4.18	0.930
The advertising messages give actual awareness to prospective clients	4.11	0.768
In advertising of company products messages give elaborative descriptions of our products.	3.71	0.989
There are genuine appeals in advertising the company products	4.37	0.803
Advertisement in this company is done with the objective to inform prospective clients of the company products	4.22	0.901
Informative advertising affect the behavior of customers who have a need for information on our products	3.49	1.339

**Source; Primary Data (2016)**

The research study on data analysis reflected the mean, standard deviation and the number of respondents. The standard deviation is the disparity from the mean. It shows the tendency to move away from the mean. This differs between different aspects that were used in the questionnaire.

#### **4.3.1 The company uses factual and action information in the advertising process**

The standard deviation for factual information in advertising process was 0.930 as indicated in the table 4.6 while the standard deviation for the actual awareness to prospective clients was 0.768. It should be noted that between 0.00 and 0.99, the respondents would be reflecting positivity informative advertising of the statement in question.

The research study revealed that the company uses factual information in the advertising process (mean=4.18) and that the advertising messages give actual awareness to prospective clients (mean=4.11). Respondents in the study agree that the company uses researched and

facts on the organization and about the products being advertised. This allows the organization to give the required information and awareness on the products advertised. This allows the organization to advertise right and attract the right segment of customers and this largely influences the sustainability of the organization. This finding is related to Gray, (2011) who explain that the informative advertising gives factual information to the consumer, while the emotional advertising consists in an emotional game which has as goal to favorable influence the decision of the consumer. There are many situations when combined alternatives are needed and they consist in various emotional games which are used as arguments for a certain way of acting on target-groups and individual consumers. Every time when these advertising efforts are focused on getting the consumers to do what the advertiser wants through subversive manners that lack the truth, we can say this is manipulation.

#### **4.3.2 There are genuine appeals in advertising and elaborative descriptions of the company products**

It is worth noting that the study revealed that the organization uses genuine appeals in advertising the company products (mean=4.37) and standard deviation 0.803 that in advertising of company products messages give elaborative descriptions of the organizations products (mean=3.71). The company emphasizes the use of genuine appeals in advertising the organizations products and the company ensures that it gives elaborative descriptions of organizations products. This helps to build trust among customers and hence a key aspect in influencing the sustainability of the organization.

#### **4.3.3 Advertisement in this company is done with the objective to inform prospective clients of the company products**

The research study agreed that advertisement in company is done with the objective to inform prospective clients of the company products (mean=4.22). Therefore the main objective of

advertising messages is to ensure that the public which has prospective customers is informed of the various company products of course with their various benefits. This allows clients to have their choice of the products and this determines the nature of sustainability the organization is likely to experience in the business process. In line with this Bagwell (2005) explain that there are various forms how advertising helps a firm enhance their market power, some of these forms are informative, complementary, persuasive and online views of advertising. As per the informative view, advertising works by increasing consumer awareness and reducing search costs. This results in an increase in price sensitivity and reduction in market power. Informative advertising can also enhance a firm's market power if it merely informs consumers of product differences and hence increases product differentiation (Meurer and Stahl, 2014).

#### **4.3.4 Informative advertising affect the behavior of customers who have a need for information on our products**

Deserving mention the research study agreed that informative advertising affect the behavior of customers who have a need for information on our products (mean=3.49). The company uses informative advertising messages. Such informative messages help to change customer behavior towards the company products and this largely influences the sustainability of the organization. In this Morden (2011) explain that advertising gives the knowledge about the product and creates the idea in minds of prospective consumers about it.

The administered interview guide, the respondents revealed that the effect of informative advertising on business sustainability is that K2 Telecom Limited; the company uses factual information in the advertising process, messages give actual awareness to prospective clients, company products messages give elaborative descriptions of our products, factual information in advertising messages of our products and company products messages give elaborative

descriptions of our products.

#### **4.4 The influence of Online Advertising on Business Sustainability of K2 Telecom Limited**

The study examined the influence of online advertising on Business sustainability of K2 Telecom Limited. Respondents were engaged in answering questionnaires. Results from questionnaires were computed to obtain means, correlations and regressions and findings are presented below;

**Table 4.7: Mean and standard deviation of the online advertising and Business sustainability of K2 Telecom Limited. N=79**

<b>Item</b>	<b>Mean</b>	<b>Std. Deviation</b>
The company uses mails advertising in advertising company products	3.59	1.182
The company uses feedback forums to advertise some of the products	4.52	0.596
The company uses social media to advertise its products	4.41	0.610
The company uses website to advertise for its products	4.00	0.716
The company uses search engine marketing to advertise for company products	3.30	1.170

**Source; Primary Data (2016)**

##### **4.4.1 The company uses mails advertising in advertising company products**

The research study agreed that the company uses mails advertising in advertising company products (mean=3.59) and standard deviation of 1.182. This implies that in an online method of advertising the organization endeavors to use mails to their different prospective and core customers. This allows the company to have a personal relationship with its prospective customers and actual customers and this influences customers as prospective customers may be turned into real customers hence the sustainability of the organization. In line with this

(Harker, 2008) explain that internet advertising includes many different forms of advertising. The most common types are display advertising, search-engine optimization, search engine marketing, email advertising and affiliate marketing. Such platforms allow clients to access information about different products and hence the decision to purchase.

#### **4.4.2 The company uses feedback forums to advertise some of the products**

In the study, it was agreed the company uses feedback forums to advertise some of the products (mean=4.52) and standard deviation of 0.596. This implies that the organization endeavors to organize ways on how to get feedback from clients in for of forums. These are conducted both on line and off line the feedback forum help to provide people's feelings on the company and its products and this largely influences the sustainability of the organization.

#### **4.4.3 The company uses social media or Website to advertise its products**

In the study, respondents expressed mixed reactions on whether the company uses social media to advertise its products (mean=4.41) and standard deviation of 0.610 and whether it uses website to advertise for its products (mean=4.00) and standard deviation of 0.716. Therefore this implies that social media and use of websites to fully advertise the company's products has not been fully embraced and therefore is not fully used by the organization and this influences the sustainability of the organization. This is related to Finland (2011) who explains that Marketers commonly utilize multiple media channels within the same advertising campaign. With the rise of digital marketing over the last decade, the internet is more and more frequently one of those channels. This means the internet has become a key advertising channel for many advertisers and firms are consistently increasing the amount of money spent on online advertising. The investment is meant to achieve the appropriate returns.

#### 4.4.4 The company uses search engine marketing to advertise for company products

In the study, respondents also expressed mixed reactions on whether the company uses search engine marketing to advertise for company products (mean=3.30) and standard deviation of 1.170. This implies that the company does not usually use search engines in advertising of its products. Therefore the organization does not particularly use search engines to do its advertising and this has a great influence.

During the administered interview guide, the respondents said the effect of online advertising on business sustainability is that K2 Telecom Limited uses social media to advertise its products, website to advertise for its products, search engine marketing to advertise for company products and SMS on line to advertise its products.

#### 4.5 Brand recognition as a measure of business sustainability at K2 Telecom Limited

The study examined Brand recognition as a measure of business sustainability at K2 Telecom Limited. Respondents were engaged in answering questionnaires. Results from questionnaires were computed to obtain means and Standard deviations and findings are presented below.

**Table 4.8: Mean and Standard deviation of Brand Recognition at K2 Telecom Limited.**

**N=79**

<b>Item</b>	<b>Mean</b>	<b>Std.</b>
Branding develops an image of a company's products in the minds of consumers	4.27	0.780
Builds up positive sentiment which further strengthens the company position amongst competitors	4.16	0.823
Being able to command higher prices	3.66	1.300
Speeding up new product acceptance and resisting price erosion.	3.73	1.124
Enabling market share penetration by advertising	3.78	1.058
Yield higher product sales, and higher sales of products associated with the brand (or brand association)	3.05	1.097

**Source; Primary Data (2016)**

#### **4.5.1 Branding develops an image of a company's products in the minds of consumers**

Findings in table 4.8 indicated that Branding develops an image of a company's products in the minds of consumers where the respondents agreed with the mean value of 4.27 and the standard deviation of 0.780 indicating dispersion in the responses. This implies that as part of brand recognition, branding develops an image of a company's products in the minds of consumers at K2 Telecom Limited. This concurred with Kotler and Armstrong (2010) Branding develops impressions and builds the image of the company.

#### **4.5.2 Builds up positive sentiment which further strengthens the company position amongst competitors**

Findings in table 4.8 revealed that brand recognition builds up positive sentiment which further strengthens the company position amongst competitors where the respondents agreed with the mean value of 4.16 and the standard deviation of 0.823 indicating dispersion in the responses. This implies that builds up positive sentiment which further strengthens the company position amongst competitors as part of brand recognition. This was in line with Yung (2009), Building a strong brand is a complex task. The brand building process starts with the development of a strong value proposition.

#### **4.5.3 Being able to command higher prices**

Table 4.8 findings indicated brand recognition leads to being able to command higher prices where the respondents agreed with the mean value of 3.66 and the standard deviation of 1.300 indicating dispersion in the responses. This implies that being able to command higher prices is part of brand recognition at K2 Telecom Limited. This was in contention with Homburg et al. (2010) the higher the consumer's brand awareness is, the clearer the brand association held by the consumer and brand recognition leads to being able to command higher prices.



#### **4.5.4 Speeding up new product acceptance and resisting price erosion**

Table 4.8 findings revealed that it leads to speeding up new product acceptance and resisting price erosion where the respondents agreed with the mean value of 3.73 and the standard deviation of 1.124 indicating dispersion in the responses. This implies that brand recognition leads to Speeding up new product acceptance and resisting price erosion at K2 Telecom Limited. This was in line with Boisvert and Burton (2011) brand recognition leads to speeding up new product acceptance and resisting price erosion Higher levels of perceived quality, lower levels of perceived risk, and information costs associated with credible brands will heighten consumer evaluations of brands.

#### **4.5.5 Enabling market share penetration, yielding higher sales of products associated with brand**

Finally the findings in table 4.8 revealed that brand recognition leads to enabling market share penetration by advertising and Yield higher product sales, and higher sales of products associated with the brand (or brand association) where the respondents agreed with mean values of 3.78 and the standard deviation of 1.058. The mean value of 3.05 and 1.079 indicated dispersion from the mean. This implies that brand recognition leads to enabling market share penetration by advertising and Yield higher product sales, and higher sales of products associated with the brand.

#### **4.6 Customer Loyalty as a measure of business sustainability at K2 Telecom Limited**

The study examined Customer Loyalty as a measure of business sustainability at K2 Telecom Limited. Respondents were engaged in answering questionnaires. Results from questionnaires were computed to obtain means and Standard deviations and findings are presented below.

**Table 4.9: Mean and standard deviation of Customer Loyalty at K2 Telecom Limited. N=79**

<b>Item</b>	<b>Mean</b>	<b>Std. Deviation</b>
Insensitivity of price by the customer s, they are not influenced by the price of a product (or service).	3.46	1.269
Direct referrals are individuals who have been advised to use your product/service by someone who is already a customer.	4.19	1.099
Loyal customers are often loyal because they have not had any issues with your product or service.	4.35	0.863
Having a loyal base of customers makes forecasting in many areas a lot more manageable	3.82	1.083
Brand advocacy occurs when a customer becomes a brand advocate.	3.32	1.286

**Source; Primary Data (2016)**

#### **4.6.1 Insensitivity of price by the customer s, they are not influenced by the price of a product (or service)**

Findings in table 4.9 indicated that as part of customer loyalty, there is insensitivity of price by the customer s, they are not influenced by the price of a product (or service) where the respondents were in the mid position with mean value of 3.46 and the standard deviation of 1.269 indicating a wide dispersion in the responses. This implies that at K2 Telecom Limited, either there is Insensitivity of price by the customers, they are not influenced by the price of a product (or service) or not. This was in line with Mayfield (2008) that there is insensitivity of price by the customer s, they are not influenced by the price of a product (or service) and move customers up-segment; By grading rewards (for example, offering extra points for exceeding a specified spend threshold in a time period), customers can be moved up from one spend level to the next.

#### **4.6.2 Direct referrals are individuals who have been advised to use your product/service by someone who is already a customer**

Table 4.9 findings indicated there are Direct referrals are individuals who have been advised to use your product/service by someone who is already a customer where the respondents agreed with the mean value of 4.19 and the standard deviation of 1.099 indicating a dispersion in the responses. This implies that as a result of customer loyalty, there are direct referrals are individuals who have been advised to use your product/service by someone who is already a customer at K2 Telecom Limited. This was in line with Keller (2013) contends that Create advocates; Advocacy is one of the highest forms of loyalty that a customer can show and direct referrals are individuals who have been advised to use your product/service by someone who is already a customer.

#### **4.6.3 Loyal customers are often loyal because they have not had any issues with your product or service**

Loyal customers are often loyal because they have not had any issues with your product or service whereby in table 4.9 results agreed with the mean value of 4.35 and the standard deviation of 0.863 indicating dispersion in the responses. This implies that loyal customers are often loyal because they have not had any issues with your product or service at K2 Telecom Limited. This was in line with Assael (1998) loyalty brings greater market share when the product is purchase by the customers loyal to the brand and Loyal customers are often loyal because they have not had any issues with your product or service.

#### **4.6.4 Having a loyal base of customers makes forecasting in many areas a lot more manageable**

Findings in table 4.9 indicated having a loyal base of customers makes forecasting in many areas a lot more manageable where the respondents agreed with the mean value of 3.82 and the standard deviation of 1.083 indicating dispersion in the responses. This implies that having a loyal base of customers makes forecasting in many areas a lot more manageable at K2 Telecom Limited. This was in line with Kotler and Andreasen (2006) the understanding about the needs and wants of the customers and having a loyal base of customers makes forecasting in many areas a lot more manageable.

#### **4.6.5 Brand advocacy occurs when a customer becomes a brand advocate**

Finally findings in table 4.9 indicated there is brand advocacy occurs when a customer becomes a brand advocate where the respondents were not sure with the mean value of 3.32 and the standard deviation of 1.286 indicating dispersion in the responses. This implies that there is brand advocacy occurs when a customer becomes a brand advocate at K2 Telecom Limited.

#### **4.7 Customer retention as a measure of business sustainability at K2 Telecom Limited**

The study examined Customer retention as a measure of business sustainability at K2 Telecom Limited. Respondents were engaged in answering questionnaires. Results from questionnaires were computed to obtain means and Standard deviations and findings are presented below.

**Table 4.10: Mean and Standard deviation of Customer Retention at K2 Telecom Limited.**

**N=79**

<b>Item</b>	<b>Mean</b>	<b>Std. Deviation</b>
Possibility of repeat business	3.37	1.100
Reduced costs for customer acquisition	4.11	.832
Fostering greater interaction between business and customer	3.91	1.040
Having more delighted customers	3.96	0.839
Reduced costs of advertising	3.97	0.847

**Source; Primary Data (2016)**

#### **4.7.1 Possibility of repeat business**

Finding in table 4.10 indicated that as part of customer retention, there is a possibility of repeat business where the respondents were in the mid position of mean of 3.37 and standard deviation of 1.100. This implies that possibility of repeat business as part of customer retention at K2 telecom Limited. This was in agreement with Keiningham *et al.*, (2007) indicated that media choice is positively related to customer retention and there is a possibility of repeat business.

#### **4.7.2 Reduced costs for customer acquisition**

Findings in table 4.10 indicated that as part of customer retention, there are reduced costs for customer acquisition where the respondents agreed with the mean value of 4.11 and the standard deviation of 0.832 indicating dispersion in the respondents. This implies that there are reduced costs for customer acquisition as part of Customer retention at K2 Telecom Limited. This was in line with Chikwendu and Okeudo (2013) there is much need for one to focus on the effect of the individual attribute it is very important to the airline managers especially in planning how to improve the value of services rendered to passengers/customers and there are reduced costs for customer acquisition.

### 4.7.3 Fostering greater interaction between business and customer

Fostering greater interaction between business and customer where the respondents agreed with the mean value of 3.91 and standard deviation of 1.040. This implies that there is fostering greater interaction between business and customer. This was in line with Sattar *et al.*, (2011) fostering greater interaction between business and customer

Finally indicated that having more delighted customers and reduced costs of advertising where the respondents agreed with the mean value of 3.96, 3.97 and the standard deviations of 0.838 and 0.847. This implies that having more delighted customers and reduced costs of advertising at K2 Telecom Limited as part of customer retention.

### 4.5 Correlation results of effect of advertising on business sustainability

#### 4.5.1 Correlation between persuasive advertising and Business sustainability

The study established a correlation between persuasive advertising and Business Sustainability was carried out and results are presented in the tables below.

**Table 4.11: Correlation between persuasive advertising and Business Sustainability**

<b>Correlations</b>			
		Persuasive	Business Sustainability
Persuasive	Pearson Correlation	1	0.402**
	Sig.(2-tailed)		0.000
	N	79	79
Business Sustainability	Pearson Correlation	0.402**	1
	Sig.(2-tailed)	0.000	
	N	79	79
**. Correlation is significant at the 0.01 level (2-tailed).			

**Source: Primary data**

The correlation table 4.11 above indicates a positive significant relationship between persuasive advertising and Business Sustainability at K2 Telecom Limited ( $r=0.402$ ,  $p=0.00$ ). The obtained correlation co-efficiency of  $0.402(**)$  with a significance value of  $0.000$ , illustrates a significant positive relationship that exists between persuasive advertising and Business Sustainability at K2 Telecom Limited. Since the p.value is  $0.000$  is smaller than  $0.01$  the relationship is significant.

This therefore implies that in a situation where advertising effectively manages emotional appeals in advertising messages, are able to control deceptive facts in advertising process, is able control fallacious messages in the advertising process and is also able to manage exaggerations with in advertising messages then the Business Sustainability is likely to be influenced. This is related to Huber and McCann, (2012) explain that persuasion in advertising is about change of belief in the mind of customers to influence their purchasing decision. Research has shown that when people receive information about certain aspects of a stimulus, they go beyond the information given. An audience exposed to an ad may develop beliefs about unmentioned aspects of a product through the process of inferential belief formation. An advert can therefore address attributes which indirectly affect beliefs about other unmentioned attributes of a product. Hence, there are two ways to change a particular belief with verbal claims; a direct approach by attacking an intended belief to be changed, and an indirect approach by attacking beliefs associated with an intended belief. An intended belief here refers to the particular belief that advertisers intend to change ultimately, regardless of what attributes are explicitly mentioned in the advert. Therefore persuasion is based on either direct or indirect verbal claims which are direct or indirect persuasions.

Correlation analysis between informative advertising and Business Sustainability are presented in the table below;

**Table 4.12: Correlation between informative advertising and Business Sustainability**

<b>Correlations</b>			
		<b>Informative Advertising</b>	<b>Business Sustainability</b>
<b>Informative Advertising</b>	Pearson Correlation		1
	Sig.(2-tailed)	0.000	
	N	79	79
<b>Business Sustainability</b>	Pearson Correlation	1	0.410**
	Sig.(2-tailed)		0.000
	N	79	79
**. Correlation is significant at the 0.01 level (2-tailed).			

**Source: Primary data**

It was revealed that there is a positive significant relationship between informative advertising and Business Sustainability at K2 Telecom Limited. The relationship between the two variables is explained by the correlation coefficient of 0.410 with a significance value of 0.000. This implies that in informative advertising where the organization bases on factual information to do its advertising activities, in informative advertising that causes actual awareness on the products offered by the organization, with informative advertising messages that are with elaborative descriptions and genuine appeals to change customers perceptions on the product then Business Sustainability is influenced in the process of business. In this Grossman and Shapiro (2004) explain that informative advertising is to create awareness among customers regarding the products or services the company offers for them first time. The customers do not know about the new product or service has been launched by the company. At that time the advertisement is given with the objective to inform them regarding the efforts of the company. This objective is only to create awareness of the prospects. This



awareness allows many to try out the product for the first time and this may influence the level of sales for the organization. Informative advertising has two effects; a direct increase in total advertising costs resulting in a reduction in profits; and also a reduction in the degree of competition as measured by demand elasticity, which results in higher profits. Their explanation is that advertising improves information available to consumers and reduces profits with increased costs; the amount of advertising reduces, resulting in a reduction in the information available to consumers, as a result allowing firms to charge higher prices.

#### 4.4.5 Correlation between online advertising and Business Sustainability

Results from a correlation analysis between online advertising and Business Sustainability were obtained and results are presented in the table below.

**Table 4.13: Online advertising and Business Sustainability**

<b>Correlations</b>			
		Online advertising	Business sustainability
Online advertising	Pearson Correlation	0.520 <sup>**</sup>	1
	Sig. (2-tailed)	0.000	
	N	79	79
Business sustainability	Pearson Correlation	1	0.520 <sup>**</sup>
	Sig. (2-tailed)		0.000
	N	79	79
**. Correlation is significant at the 0.01 level (2-tailed).			

**Source: Primary data**

From the above table 4.13 the research study revealed that there is a positive significant relationship between online advertising and Business sustainability at K2 Telecom limited in Uganda.

The correlation coefficient of 0.520 with a significance value of 0.000 to explain the nature of the relationship between the two variables was obtained. Since the p.value is 0.000 higher than

0.01, therefore the relationship is considered to be significant among these two variables. This implies that in a situation where there is on line email advertising is effectively used, the feedback forums are well utilized, social media is effectively uses as well as website usage. Harker, (2008) explain that online or internet advertising can be defined as any form of commercial content available online, delivered by any channel, in any form, designed to inform customers about a product or service at any degree of depth. Internet advertising includes many different forms of advertising.

The most common types are display advertising, search-engine optimization, search engine marketing, email advertising and affiliate marketing. Such platforms allow clients to access information about different products and hence the decision to purchase.

#### **4.8 Regression Analysis**

The regression analysis was run to establish the relationship between the three variables that is persuasive advertising, informative advertising and online advertising and how they influence Business sustainability results were obtained and are presented below.

**Table 4.14: Regression Analysis between Variables (Persuasive Advertising, Informative advertising and Online Advertising)**

<b>Model Summary</b>						
Model	R	R Square	Adjusted R Square			
1	0.568a	0.322	0.308			
		B	Std.Error	Beta	T	Sig.
1	(Constant)	0.602	0.490		1.229	0.221
	Persuasive advertising	0.254	0.103	0.216	2.471	0.015
	Informative advertising	0.360	0.131	0.234	2.736	0.007
	Online advertising	0.301	0.116	0.268	2.595	0.010
a. Dependent Variable: Business sustainability						

**Source: Primary data**

Results from table 4.14 above show a combination of persuasive advertising, informative advertising and online advertising and the level to which they can predict Business sustainability. These variables can explain 30.8% of the variance in Business sustainability (Adjusted R Square=0.308). This implies that these three variables predict 30.8% chance change in Business sustainability if the three variables are well managed. This concurs with Vonder Fehr and Stevik (2008) assert that outcomes in advertising depend on the responsiveness of consumers to advertising, as well as the extent of advertising done by firms in equilibrium. The net effect of high levels of advertising in the responsive market is to create partisan consumers which lead to business sustainability.

The most influential predictor of business sustainability was online advertising (Beta = 0.268) with a relative importance of 2.595 (in t test). Also informative advertising (Beta=0.234) is a significant predictor of Business sustainability with a relative importance of 2.736 (in t-test).

Also persuasive advertising ( $\text{Beta}=0.216$ ) is another predictor of Business sustainability with a relative importance of 2.471 (int-test).

The implication in this model is that online advertising is a big predictor of Business sustainability meaning that in a situation where online advertising is effectively managed and implemented then there is more likelihood that Business sustainability will significantly improve. Informative advertising is also an important predictor of Business sustainability as respondents believe that advertising messages are more accepted by prospective clients and real clients.

Informative advertising is based on facts and this allows clients to trust in the products and services of the organization. Wernerfelt (2008) explain that informative view holds that advertising primarily affects demand by conveying information. The advertised product thus faces a more elastic demand. This elasticity effect suggests that advertising causes lower prices, an influence which is reinforced when production scale economies are present.

The informative view suggests further that advertised products are generally of high quality, so that even seemingly uninformative advertising may provide the indirect information that the quality of the advertised product is high. There are three reasons. The demand expansion that advertising induces is most attractive to efficient (low-cost) firms, and such firms are likewise attracted to demand expansion achieved by offering low prices and high-quality products. The product experience memories that advertising rekindles are most valuable to firms with high-quality products, since repeat purchases are then more likely. The firm sensibly targets its advertising toward consumers who would value its product most. The informative view holds further that advertising is not used by established firms to deter entry; instead, advertising facilitates entry, since it is an important means through which entrants provide price and quality information to consumers.

## **4.9 Conclusion**

Chapter four covered the presentation of results and interpretation of findings in relation to the study objectives. The findings were summarized in form of tables, (showing percentages and frequencies) and qualitatively statement. In addition, descriptive statistics was done, statistical analysis namely correlation and regression analysis were undertaken to find out the relationship between advertising and business sustainability at K2 Telecom Limited.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.0 Introduction**

The findings presented in chapter four are summarized in this chapter. The chapter includes the conclusion based on those findings.

Recommendations and the suggestions for further research are based on both the study findings and other relevant literature deemed vital for use in future to improve the study.

#### **5.1 Summary of findings**

##### **5.1.1 The influence of persuasive advertising on Business sustainability of K2 Telecom Limited**

There was a positive significant relationship between persuasive advertising and business sustainability at K2 Telecom Limited ( $r=0.402$ ,  $p=0.00$ ). The obtained correlation co-efficiency of  $0.402(**)$  with a significance value of  $0.000$ , illustrates a significant positive relationship that exists between persuasive advertising and business sustainability at K2 Telecom Limited. Since the p.value is  $0.000$  is smaller than  $0.01$  the relationship is significant. This therefore implies that in a situation where advertising effectively manages emotional appeals in advertising messages, are able to control deceptive facts in advertising process, is able to control fallacious messages in the advertising process and is also able to manage exaggerations with in advertising messages then the business sustainability is likely to be influenced.

### **5.1.2 The effect of informative advertising on Business sustainability of K2 Telecom Limited**

There is a positive significant relationship between informative advertising and Business sustainability at K2 Telecom Limited. The relationship between the two variables is explained by the correlation coefficient of 0.410 with a significance value of 0.000. This implies that in informative advertising where the organization bases on factual information to do its advertising activities, in informative advertising that causes actual awareness on the products offered by the organization, with informative advertising messages that are with elaborative descriptions and genuine appeals to change customers' perceptions on the product then Business sustainability is influenced in the process of business.

### **5.1.3 The influence of online advertising on Business sustainability of K2 Telecom Limited**

In the study, it was revealed that there is a positive significant relationship between online advertising and business sustainability at K2 Telecom Limited. The correlation coefficient of 0.520 with a significance value of 0.000 to explain the nature of the relationship between the two variables was obtained. Since the p.value is 0.000 higher than 0.01, therefore the relationship is considered to be significant among these two variables. This implies that in a situation where there is on line email advertising is effectively used, the feedback forums are well utilized, social media is effectively used as well as website usage.

## **5.2 Conclusion**

### **5.2.1 Effect of persuasive advertising and business sustainability**

According to the study, there is a significant positive relationship between advertising and business sustainability;

From the findings of the study, it is revealed that persuasive advertising is majorly used in K2 Telecom Limited as it markets its products. Managing the ethical element in persuasive advertising has enabled effective advertising process of the company's products and services. In undertaking persuasiveness, fallacious or deceptive messages may come up intentionally or non-intentionally and this adds value in attracting customers to K2 Telecom Limited advertising process.

### **5.2.2 Effect of informative advertising on business sustainability**

Informative advertising strategy is used by the organization as respondents believe; it is based on research and informed views and factual views with elaborative information. Such aspects give it credited to be preferred by many. The informative advertising provides righteous information to the prospective customers in the public.

### **5.2.3 Effect of online advertising on customer retention**

Online advertising in this organization has been effectively adopted by the organization. K2 Telecom Limited has embraced the use of online advertising and social media as a whole concept. The use of websites and other online searches are embraced by the K2 Telecom Limited and this enhances the online advertising and impacts positively on business sustainability of K2 Telecom Limited.

## **5.3 Recommendations**

Business organizations should consider persuasive advertising as a way of sustaining businesses however they should also do line it line with ensuring that their brands are recognized on the market as a way of ensuring sustainability.

Business organization should consider informative advertising as important when advertising because it highly influences customer loyalty which will ultimately lead to sustainability.



Business organizations should consider online advertising as key because without customers the business can't operate and this has to be done by selecting the right media.

#### **5.4 Suggestions for Further Research**

The researcher suggests the following areas for further research:

Since the effect of online advertising and informative advertising came out strongly in the research in as far as measuring the effect of advertising on business sustainability. The following areas should also be researched;

- i) The effect of Advertising and sales volume
- ii) The role of branding on customer loyalty
- iii) The role of retail selling on customer loyalty
- iv) The role of sales promotion on customer loyalty

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## Appendices

### Appendix I: Questionnaire

#### UGANDA MARTYRSUNIVERSITY

#### FACULTY OF BUSINESS ADMINISTRATION ANDMANAGEMENT

I am Mawaza Daniel a student of Uganda Martyrs University pursuing a Master's degree of Business Administration Marketing Option. As part of the requirement for the award of this degree, I am expected to carry out research. My subject of study is “**THE EFFECT OF ADVERTISING ON BUSINESS SUSTAINABILITY A CASE OF K2 TELECOM LIMITED**”

All the information in this questionnaire is purely for academic purposes and will be kept **confidential**. Your contribution in answering this questionnaire will be highly appreciated.

**Please select by ticking where applicable**

#### Section A: Bio Data

##### i) Gender of respondent

Male	Female
1	2

##### ii) Age group of respondent

21-30 years	31-40 years	41-50 years	51 years and above

**iii) Highest Level education level attained**

Certificate	Diploma	Degree	Master's Degree

**IV) Duration in Business**

1 to 5yrs	6 to 10yrs	10yrs and above

**V) Category of the respondents**

<b>Category</b>	
Administrator	
Head of Department	
Employees	
Customers	

Evaluate the following statements by ticking under the appropriate answer number basing on the scale below;

1	2	3	4	5
Strongly disagree	Disagree	Not Sure	Agree	Strongly Agree

**Section B: Influence of Advertising on business sustainability**

<b>NO</b>	<b>Influence of Advertising on business sustainability</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1.	This company uses emotional appeals in its advertising process					
2.	The company uses deceptive facts in some of its adverts in the marketing process					
3.	Fallacious messages are used in the advertising process to attract sales					
4.	The company sometimes uses exaggerated messages when advertising company products					
5.	The company uses messages that have manipulative tendencies in the advertising					
6.	In advertising of organizations products the messages always have direct and indirect verbal claims					
7.	There is a lot of responsiveness of consumers to company adverts					
8.	Persuasive advertising helps changing customer preferences					

**Section C: Effect of informative advertising on business sustainability**

<b>NO</b>	<b>Effect of informative advertising on business sustainability</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1)	The company uses factual information in the advertising process					
2)	The advertising messages give actual awareness to prospective clients					
3)	In advertising of company products messages give elaborative descriptions of our products.					
4)	There are genuine appeals in advertising the company products					
5)	There is factual information in advertising messages of our products					
6)	Advertisement in this company is done with the objective to inform prospective clients of the company products					
7)	Informative advertising affect the behavior of customers who have a need for information on our products					

**Section D: The influence of advertising on business sustainability**

<b>NO</b>	<b>The influence of advertising on business sustainability</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1.	The company uses mails advertising in advertising company products					
2.	The company uses feedback forums to advertise some of the products					
3.	The company uses social media to advertise its products					
4.	The company uses website to advertise for its products					
5.	The company uses search engine marketing to advertise for company products					

### Section E: Brand Recognition

NO	Brand Recognition	1	2	3	4	5
1.	Branding develops an image of a company's products in the minds of consumers					
2.	Builds up positive sentiment which further strengthens the company position amongst competitors					
3.	Being able to command higher prices					
4.	Speeding up new product acceptance and resisting price erosion.					
5.	Enabling market share penetration by advertising.					
6.	Yield higher product sales, and higher sales of products associated with the brand (or brand association)					

### Section F: Customer Loyalty

NO	Customer Loyalty	1	2	3	4	5
1.	Insensitivity of price by the customers, they are not influenced by the price of a product (or service).					
2.	Direct referrals are individuals who have been advised to use your product/service by someone who is already a customer.					
3.	Loyal customers are often loyal because they have not had any issues with your product or service.					
4.	Having a loyal base of customers makes forecasting in many areas a lot more manageable					
5.	Brand advocacy occurs when a customer becomes a brand advocate.					

**Section G: Customer Retention**

<b>NO</b>	<b>Customer Retention</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1.	Possibility of repeat business					
2.	Reduced costs for customer acquisition					
3.	Fostering greater interaction between business and customer					
4.	Having more delighted customers					
5.	Reduced costs of advertising					

**Section G: The relationship between Macro-economic factors and advertising and business sustainability at K2 Telecom Limited**

<b>Parameter</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
There is a relationship between Macro-economic factors and advertising and business sustainability at K2					

**Source; Primary Data (2016)**

Thank You

**Appendix II: Interview guide**

What is the influence of persuasive advertising on business sustainability?

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What is the effect of informative advertising on business sustainability?

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What is the influence of online advertising on business sustainability?

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### Appendix III: Reliability Test

Reliability Test for Persuasive Advertising

#### Reliability Statistics

Cronbach's Alpha	No. of Items
0.790	8

Reliability Test for Informative advertising

#### Reliability Statistics

Cronbach's Alpha	No. of Items
0.675	7

Reliability Test for Online advertising

#### Reliability Statistics

Cronbach's Alpha	No. of Items
0.679	5

Reliability Test for Brand Recognition

#### Reliability Statistics

Cronbach's Alpha	No. of Items
0.687	6

Reliability Test for Customer Retention

**Reliability Statistics**

Cronbach's Alpha	No. of Items
0.606	5

Reliability Test for Customer Loyalty

**Reliability Statistics**

Cronbach's Alpha	No. of Items
0.707	5

**Appendix IV: Table for Determining Sample Size for a Finite Population**

<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	100000	384

Note.—*N* is population size. *S* is sample size.

Source: Krejcie & Morgan, 1970

## **Appendix V: Introductory Letter to the Field**