

**TOPIC: THE EFFECT OF ADVERTISING ON SALES PERFORMANCE**

**CASE STUDY: MTN GROUP LIMITED, KAMPALA UGANDA**

**A RESEARCH PROPOSAL SUBMITTED TO  
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**Submitted by**

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## **DEDICATIONS**

I dedicate this work to my family in appreciation for their love, care and financial support. To my beloved parents Mr and Mrs Bigirimana Zachary who have put in a lot of effort and sacrificed a lot for my education, my siblings Elizabeth, Andrew, Afya, Alex and Abbott for the encouragement they have given me. May the almighty lord bless them plentifully?

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Finally I thank the management and all the employees of MTN GROUP UGANDA LTD who availed me with all the information in my research. May God bless you all!!

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## **ABSTRACT**

The focus of this study is on the effect advertisement has on a company's sales, specifically on MTN's products. Consumers are faced with an array of products most of which differ in brand names. As other telecom companies like Airtel advertise more, MTN is not lying/ barking down. The result is the protracted advert war that now dominates both the electronic and print media. Therefore, this study has been carried out to establish the effect advertisement has on a Company's sales. The study also offers a look on the advertising methods, their merits and drawbacks and the way consumers perceive them.

Interview schedule and questionnaires were the instruments used in collecting data. The study was mainly conducted in Company premises and on a very small cross section of randomly selected respondents as an entire city would not be covered because of limited funds and time. Incase of consumers, the main questions were about usage patterns and advertising preference. On the side of employees, questions were on advertising tools used, expenditure and sale trends (2010-2013).

The hypothesis under test was if advertising activities used were appropriate, and had any significant effect on sales (2010-2013) and if they could still be utilized in future.

The researcher recommends that further research be carried out in the future to supplement on this so that any knowledge gap on the topic is thoroughly closed.

# CHAPTER ONE

## GENERAL INTRODUCTION

### **Introduction**

In the current fast growing, challenging and competitive business environment, organizations need to have the most suitable means of advertising in order to respond effectively and efficiently to the dynamic changes in the global business environment so as to achieve optimal performance.

There are many different ways organizations may use to increase their sales performance. According to Kotler and Armstrong (2010), one of the most common mechanisms for influencing sales performance is to invest in product or service advertising and in return, the organizations will be in position to achieve the desired level of sales performance

This research study therefore was seeking to find the impact of advertising on sales performance. The methods and procedures employed to carry out this research were descriptive where by data was collected from the case study, MTN Uganda. It was through interviews and observation. Advertising is a form of communication that attempts to interpret the qualities of products, services and ideas in terms of consumer needs and wants aimed at increasing market share hence profits in return.

Globally, many organizations have overtime embraced advertising as a mechanism for driving consumer goodwill, high market share and most importantly sales performance. The purpose of this study was to specifically assess the impact of advertising on MTN sales performance as a case study.



Therefore, chapter one presents and discusses the background of the study, the problem statement, the general objective and the specific objectives of the study. It also presents the research questions, scope of the study, justification for the study and the significances of the study.

### **1.1 Background of the Study**

MTN Group Limited (MTN Group) is a multinational telecommunications group, with its core operations in 21 countries in Africa and the Middle East. On October 21 1998, MTN Uganda launched commercial services in Uganda, just six months after acquiring and signing of the license. Uganda is a landlocked East African country, bordered by Kenya, Sudan, the Democratic Republic of Congo, Rwanda and Tanzania. The MTN main branch is located along 22 Hannington Road, Kampala. The company has 300 employees in Uganda.

According to Armstrong, Harker and Kotler (2009), Advertising is viewed as a tool of marketing, communicating ideas and information about goods and services to an identified group, which employs paid space or time in the media or uses specified communication “vehicles” to spread its message. Palmer (2000) defines marketing as a management process which identifies, anticipates and supplies customer requirements efficiently and profitably.

In general, advertising as a communication tool openly identifies the advertiser and his relationship with the final consumer of a product or service to affect the sales efforts of an organization. Silk (2006) points out that advertising is a form of non-personal communication about an organization’s product, service or idea to a given consumer. The efforts may be presented through various media, such as television, radio, magazines and newspaper.

Frank (2005) argues that advertising is a non-personal communication paid for by an identified sponsor who is relayed through various media with the aim of influencing people's behaviour towards the advertiser's products and services at the lowest possible cost. In support of Frank's argument, Borden (2007) asserts that advertising should aim at persuading people to buy. In other words, advertising should aim at compelling final consumers in purchasing a given product or service of an organization, so as to satisfy their needs. Therefore, advertising is a controlled way of passing on information and persuading people to buy a commodity by means of mass communication.

Basing on the various definitions considered above, advertising is an indicator of the growth, betterment and perfection of the business environment. Kerin, Hartley & Rudelius (2010) argue that not only does advertising mirror the business environment; it also affects and gets affected by consumer style of life. It is not at all surprising that advertising is one of the most closely scrutinized means of influencing business performance.

In today's business environment, advertisers are closely examined by the target audience for whom the advertisement is meant for in the society (Kazmi, 2005). Kazmi (2005) continues to point out that modern advertising is largely a product of the twentieth century; nonetheless, advertising has been a part of the selling process ever since the exchange of goods and services between people started (Kazmi, 2005).

According to Groucutt & Headily (2004), historically, maximizing performance has largely been an exercise in uncertain instincts for organizations and all economic enterprises especially when they are under mounting pressure to account for their actions and spending. Fletcher (2010) asserts that while advertising may have several objectives, ultimately organizational managers and business partners are more interested in knowing how

advertising as a sales mechanism can contribute to the sales volume and ultimately to the entire company's performance.

Armstrong and Kotler (2010) points out that advertising is really a complex scheme in itself. The problem stems from the many purposes advertising serves; for instance building awareness of products, creating brand equity and generating sales.

Armstrong and Kotler (2010) assert that overtime, each of these objectives are not easily measured or related to advertising that may have affected it. There has been an explosion in media alternatives from the traditional standbys of television, radio and prints into a broader spectrum of both offline and online options, with the internet clearly being the most visible example of this change. Television, for example, has multiplied from three primary networks to literally dozens of mainstream cable channels, all capable of reaching large audiences with brand messages or product promotions. Hundreds of new magazines now serve many special interest groups; whole web advertising presses the edge of one-to-one marketing (Sutherland, 2009).

In addition, more and more companies are using integrated multi-media strategies to reach their desired audience, layering broadcast advertising over direct response campaigns or combining online with offline campaigns. All of this is making it harder to separate out the individual influences of each advertising effort (Sutherland, 2009).

In view of the fact that business organizations today are in a more competitive and faster-paced business environment than were before, accelerating the need to understand the consequences of their marketing efforts is a paramount undertaking that should well be planned for. Business managers and marketing experts argue that business enterprises simply

do not have the luxury any more to rest on how their sales volumes can be enhanced but should plan to invest much in their advertising efforts to achieve the desired levels of sales.

## **1.2 Statement of the Problem**

Currently, many organizations and business enterprises with different production systems have endeavored to increase their consumer sales and the sales performance for their products and services using different advertising medium. This has been significantly done by use of sales promotions where promotional events have been organized to allow customers access the products and services offered and also to increase product awareness to prospective customers. Media advertising in newspapers, magazines and corporate bulletins have also been carried out and also specialty advertising has also been done.

On the contrary, (Borden (2007) points out that in spite of what has been done, organizations are still recording poor, undesired and insignificant sales performance levels for their products. For instance there is a significant decline in customer consumption for the products, increasing sales and advertising costs for goods and services and declining market shares. This is divergent from the rise in sales volumes, high profitability margins, increase in market share and desire to capture the product shares. MTN Uganda is one of the leading telecommunications company and one that has invested much in its advertising efforts for its products thus a study was conducted to know how the company has benefited from advertising. It was not clear of how much the employees knew the levels of influence created by the different forms of advertisement despite the heavy investment into the advertisement drive. Employee awareness helped them asses the kind of company they work for in performance terms and if they receive a correspondent payment. This research study focused

on finding out the views of the employees and consumers in regards to the key forms of advertising carried out by the company and their effect on sales performance.

### **1.3 General Objective of the Study**

- (i) To assess the effect of advertising on sales volume as viewed by the MTN employees.

### **1.4 Specific Objectives of the Study**

- (i) To determine the effect of print-advertising on sales volumes of the MTN Company.
- (ii) To identify the effect of out-door advertising on sales volumes.
- (iii) To find out the effect of specialty advertising on sales volumes of MTN Company.

### **1.5 Research Questions of the Study**

- (i) What is the impact of print-advertising on the sales performance of the MTN Company?
- (ii) What effect does out-door advertising have on sales volume of the MTN Company?
- (iii) How does specialty advertising affect the sales performance of the MTN Company?

### **1.6 Research Hypothesis**

There is a significant increase in consumer awareness of Company products when advertising is done.

There is a proportionate positive response between advertising of Company products and sales performance.

## **1.7 Research methodology**

The researcher used a diversity of research tools to conduct the study and these are;

**Interviews:** These are face to face question and answer dialogues that were held with around 5 employees of MTN Uganda. This research tool is an effective method as the researcher was in position to get first hand information from the people. However while using this tool, employees tend to be hesitant to reveal information expressing fear for their job security at the company but this was overcome by guaranteeing the respondents anonymity.

**Questionnaires:** - a set of questions was drafted and handed over to different respondents both employees and consumers to be answered. This approach helped in attaining answers to some questions the respondents might have been shy to answer verbally.

**Observation:** - this was done by critically analyzing the way work takes place at MTN Uganda and taking note of that.

## **1.8 Scope of the Study**

This can be viewed as the parameter in which the study was operated in. The scope of the study was able to help the researcher know where the problems trying to be solved were centered. The study was based and guided by the content scope, geographical scope and time scope.

The content scope of the study focused on establishing the effect of advertising on sales performance. The scope was further centered on examining the effect of print-advertising: out-door advertising, specialty advertising, and sales volumes as viewed by MTN employees and consumers.

The geographical scope of the study was conducted at MTN Uganda Limited located at 22 Hannington road, Kampala, Uganda. The geographical scope is chosen because of its proximity for conducting the research study.

The time scope was focusing on the years 2011-2012 aiming at establishing the effect of advertising on sales performance within the organization as it tries to compete with other telecommunication services within the country.

### **1.9 Significance of the study;**

The research study benefited the MTN Company by analyzing the most efficient form of advertising which is at the same time less costly that the company can use to generate more sales.

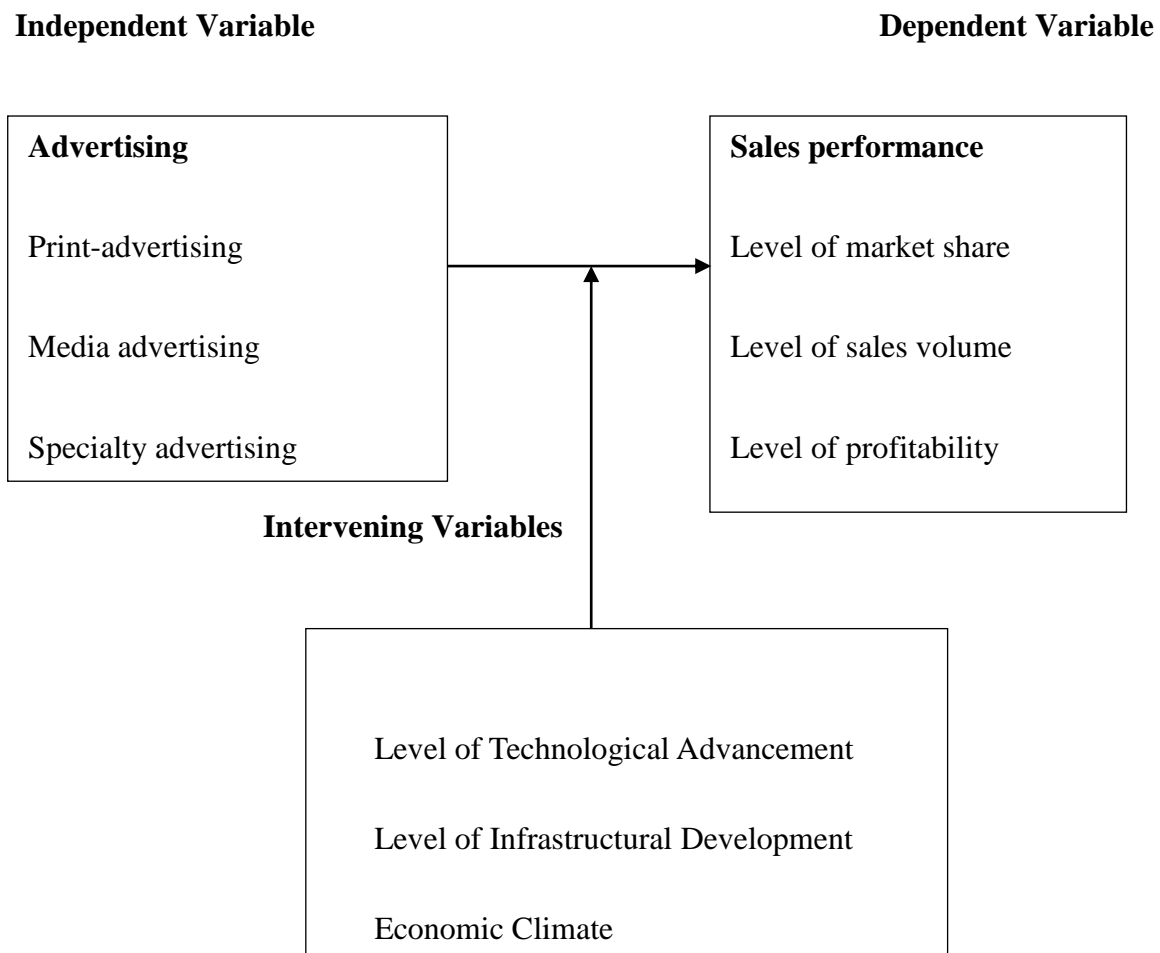
The research study also benefited the company in such a way that research recommendations were made basing on how the company can improve on its advertising efforts to capture a larger market for its services.

The study results may further benefit the company in such a way that the information gained would enable MTN Company to increase awareness of its products to potential customers.

### 1.10 The Conceptual Framework of the Study

The conceptual framework was based on the relationship between advertising and sales performance. The independent variable for the study was advertising and the dependent variable for the study was sales performance. Therefore, the study basically aimed at establishing the relationship between advertising and sales performance.

**Figure 1.0: The Conceptual Framework**



**Source: Adopted From Principles of Marketing, Gary Armstrong and Phillip Kotler (2010)**

The independent variables include Print-advertising, Out-door advertising and Specialty advertising. These variables demonstrate and also identify the advertising media such as television, billboards, radio newspapers and others that have often been used by business



organizations to plan, develop and manage their advertising campaigns in order to influence their level of sales performance. (Armstrong and Kotler 2010)

This independent variable which is advertising, depicts the likely effects of advertising efforts and campaigns on sales performance. In general, it is expected that after the effect of advertising efforts, there will be an improvement in the level of sales performance in the form of market share, sales volume and the level of profitability.

Armstrong and Kotler (2012) further add that, these variables both advertising and sales performance in the framework portray that where as advertising media can positively influence the level of sales performance; they may not be the end in themselves. Other factors such as Level of technological advancement like the social media, level of infrastructural development such as roads and the nature of economic environment may as well have an effect on the level of sales performance.

### **1.11 Terminologies:**

- Advertising; this is a non-personal form of communication aimed at persuading people to buy an organization's product, service or idea.(Kotler and Armstrong 2005)
- Performance; this refers to the accomplishment or outcomes of work done or a certain action. (Borden (2007)
- Target market; these are consumers that are part of the qualified available market the company decides to pursue.(Kotler and Armstrong 2005)
- Print advertising; this is where adverts are printed on paper that will be viewed by the desired audience. (Sutherland, 2009).

- Outdoor advertising; this is a form of advertisement that includes various types of promotional displays like billboards or transit posters. (Kotler and Armstrong 2005)
- Specialty advertising; this is mainly advertising designed to increase public recognition of a company's particular item normally new on the market. (Kotler and Armstrong 2005)

### **1.12 Conclusion;**

This particular research study focused on examining the relationship between advertising and sales performance of an organization with MTN Group, Uganda as the case for the study. The following is chapter two and its focus is based on the literature review in relation to the current research topic.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

Chapter two reviews the academic literature regarding the assessment of advertising and sales performance within MTN Group Company Limited. Advertising as a primary marketing tool is essentially responsible for building product knowledge and increased awareness of a given service or product. Many corporate organisations, however, have a problem of limited investment in advertising efforts, which has resulted into significant decline in their sales performance.

How is literature discussed?

This chapter addressed the following: advertising as defined within a business context, nature of advertising, the roles of advertising, the scope of advertising, ethical considerations in advertising, advertising and sales performance, print advertising and sales performance, outdoor advertising and sales performance and then specialty advertising and sales performance.

#### **2.1 Advertising**

Various writers have viewed advertising from different perspectives. Advertising is a mass paid communication which is used to transmit information, develop attitudes, and induce some form of response from the audience (Palmer, 2000). It openly identifies the advertiser and his relationship to the sales effort (Wanoff, 1997).

Advertising can also be defined as any paid form of non-personal communication about an organization, product, service or idea by an identified sponsor (Bennet, 2006). Therefore,

advertising is any paid message presented through various media, such as television, radio, magazines, newspaper, or billboards by an identified source.

Advertising is viewed as a non-personal communication paid for by an identified sponsor who is relayed through various media with the aim of influencing people's behaviour towards the advertiser's products and services at the lowest possible cost (APCON, 2002). Frank (2005) defines advertising as the aim to persuade people to buy. Frank (2005) continues to point out that advertising is a means of disseminating information concerning an idea, service or product to compel the customers to buy in accordance with the intent of the advertiser. Advertising is a controlled identifiable information and persuasion by means of mass communication media (Borden, 2007). Advertising is a message paid for by an identified sponsor and delivered through some medium of mass communication.

Going by the various definitions considered above, advertising is an indicator of the growth, betterment and perfection of the business environment. Not only does advertising mirror the business environment, it also affects and gets affected by the nature of the business environment. In today's environment, advertisements are closely examined by the target audience for whom the advertisement is meant for (Kazmi, 2005). In general, advertising as a marketing tool for communicating awareness about a product or service has been a part of the selling process ever since the exchange of goods between people started (Kazmi, 2005).

Each of these objectives are not easily measured or related to the nature advertising that may have affected it. There has been an explosion in media alternatives from the traditional standbys of television, radio and prints into a broader spectrum of both offline and online options, with the internet clearly being the most visible example of this change. The choices within each medium have also expanded in an attempt to reach more targeted audience. Television, for example, has "mushroom" from three primary networks to literally dozens of

mainstream cable channels, all capable of reaching large audiences with brand messages or product promotions (Kotler, 2010).

In addition, more companies are using integrated multi-media strategies to reach their desired audience, layering broadcast advertising over direct response campaigns or combining online with offline campaigns. All of this is making it harder to separate out the individual influences of each advertising effort thus difficult to research on each form. Consequently, most companies are no longer satisfied relying solely on traditional methods of measuring advertising effectiveness, namely awareness surveys and tracking studies (Belch, 2003).

Advertising consists of all the activities involved in presenting to a group a non personal, oral or visual, openly sponsored message regarding a product, through one or more media and is paid for by the identified sponsor (Stanton, 1998).

Stanton, (1998) also maintains that there is a significant distinction between advertising and advertisement; that is advertisement is the message itself and advertising is a process of programmes and a series of activities necessary to prepare the message and get it to the intended market target. This certainly indicates that companies/ organisations should get the distinction between advertising and advertisement in order for them to understand the content in each. Thus, advertising is seen as an element of promotional activities. More so, advertising could be seen as essential as the product itself, such that in case there are any shortages, at least a small budget is necessary to inform customers of the market situation; that is how best to make use of the product among others because when shortages are over, the customer's goodwill is necessary to keep the firm surviving.

## **2.2 Roles of Advertising**

The main role of advertising is to make known the availability of a product or service to sell. In addition to this however, advertising performs some other useful and important roles in every society. Sandage and Rotzoll (2001) states that advertising plays the following roles:

### **(a) Creation of Standards through Competition**

Advertising message often extol the good qualities of products or service. For consumers to continue to buy the product or service, manufactures or organization are compelled to adhere to the advertised qualities, for if they allow the qualities to drop, consumers will buy less of their products or services and patronize their competitors instead. This thus ensures that manufactures and organization do not allow the quality of their products or service to fall below a standard that is acceptable to consumers. (Sandage and Rotzoll, 2001)

### **(b) Improvement of Living Standard**

Many things that make life easier and more pleasant like radio, television, fan, video, computer, and motor cars and so on are not necessities but comforts. The comparative inexpensiveness of these products is made feasible through mass demand, a “by-product” of mass awareness created by advertising. This evidently shows the link between advertising and standard of living in a society. (Sandage and Rotzoll, 2001)

### **(c) Provision of Entertainment and Relaxation**

Sandage and Rotzoll (2001) further shows that many advertising companies especially broadcast media advertisement present their messages with humour and thus provide entertainment and relaxation for the audience. The presence of some characters in advertorial prints is geared towards providing entertainment and relaxation for the audience without the message being lost or submerged.

### **2.3 Scope of Advertising**

The scope of advertising anywhere could be measured in terms of the volume of money involved in advertising the business enterprise, the number of personnel in the industry, the standard of professional practice, and the material use in advertising practice (Sandage, 1999). The statistics for the amount of money involved in the advertising business may not be easily obtainable but a good idea could be gained by considering the following considerations:

- Amounts realized by the broadcasting media from commercials annually.
- Amounts realized by the print media from advertising annually. (the print media solely depends on revenue from advertising for survival).
- The number of advertising agencies and agents in the country. The presence of many agents is an indication of the profitability of the advertising business.
- The number of billboards on our roads and the cost of mounting them up.
- The amounts expended on producing advertorial publications for both the print and electronic media.
- The volume of remunerations paid to personnel in the advertising business could be appreciated by considering the various organizations that handle or use advertising and employ advertising practitioners and allied workers on full time or part time basis. Such organizations include advertising agencies, the mass media and advertisers.

### **2.4 Advertising and Environment**

Advertising is one of the most visible activities of business and it does not operate in a vacuum. By informing, persuading and reminding consumers to use their products or

services, companies risk public criticism and attack if their advertising is offensive to the audience or if the advertised products or services do not perform as promised. The opinion of people about the adverts made is divided (Wokolb, 1996).

#### **2.4.1 Economic Environment**

Advertising sets off a chain reaction of economic events. Why do consumers prefer advertised brands as compared to unadvertised brands in the same product category? Not necessarily because advertised brands are superior but because advertising can add value to a brand in the consumer's mind. The famous psychologist, Ernest Ditcher(1947), known as the father of motivational research, has stressed that a products image created in part by advertising and promotion, is an inherent feature of the product itself. It has also been shown that while an advert may not speak directly about a product's quality, the image created by advertising may imply quality and make the product more desirable by adding value to it.

Bennet (2006) states that advertising also adds value by educating consumers about their option of choosing their desired value in the products or services they buy. If the price is more important to consumers, they have options of buying less expensive alternatives. Many of our wants are emotional, social, or psychological in nature rather than purely functional. Advertising also offers consumers the opportunity to satisfy their psychic or symbolic needs and wants through products or service that they use.

Furthermore, it encourages competition which adds to serve the consumer's self-interest. Most retail advertising prominently focuses on price and tends to hold price down. Manufactures advertising usually focus more on product features, benefits or image in an attempt to convince consumers that the product is better. In this instance, advertising tends to support higher prices. Economists are critical of advertising because it creates a barrier to



entry of smaller firms which have fewer resources, and cannot match the power of large firms with huge advertising budgets (Bennett, 2006).

#### **2.4.2 Social Environment**

Bennet (2006) also adds that, the source of controversy over advertising stems from the way it is used by advertisers. In accomplishing the sales or communication objectives of marketers, advertising influences social values, life styles and society's tastes. Advertising is criticized for being untruthful and deceptive, offensive and in bad taste and it is said to also exploit valuable groups. It is generally agreed that advertising exerts a powerful social influence and is criticized for encouraging materialism in society.

Advertising is blamed for manipulating consumers to buy things for which they have no real need, depicting stereotypes and controlling the media. Materialism is the tendency to accord undue importance to material interests and this tendency, perhaps, lessens the importance of freedom, love and intellectual pursuits of society; which are non-material. People from many countries and cultures believe that materialism tends to be negatively related to happiness and hence is considered undesirable. (Wokolb, 1996)

Many people wonder whether advertising encourages materialism or merely reflects values and attitudes that develop as a consequence of more important sociological forces. There is no doubt that advertising and the advertised products are a part of our culture and influence it in some way, however advertising cannot be said to have the power to dominate the forces of religion, family, literature, that contribute to the values of society.

#### **2.4.4 Ethical Issues**

Ethics are moral principles and values that govern the actions and decisions of an individual or group. Many laws and regulations are forces that determine what is permissible in

advertising (Stanton, 1998). However, not every issue is controlled by rules. Marketers are often faced with decisions regarding the appropriateness of their actions which are based on ethical considerations rather than what are within the law or industry guidelines. There is a considerable overlap between what many consider to be ethical issues in advertising and the issues of manipulation, taste and the effects of advertising on values and lifestyles certainly may be within the law but still unethical. Advertising is a highly visible business activity and any lapse in ethical standards can often be risky for the company (Wokolb 1996).

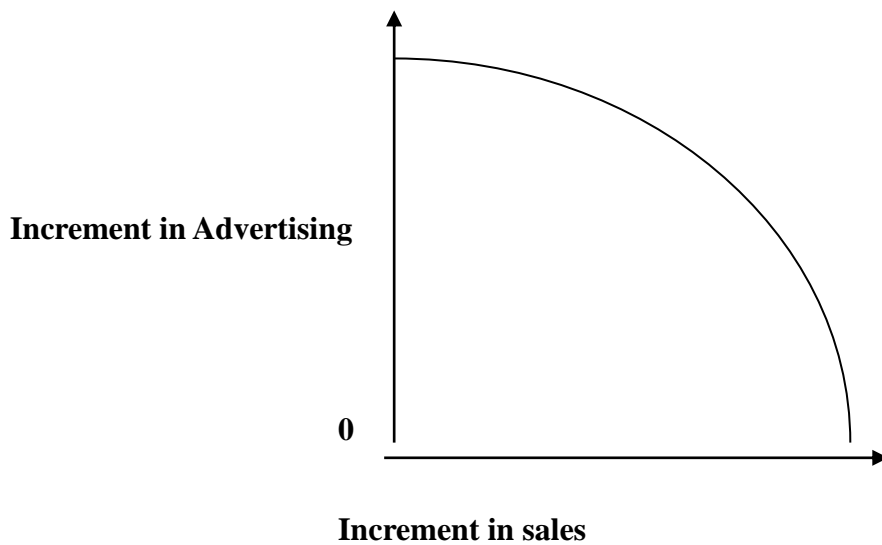
## **2.5 Advertising and Sales Performance**

Lewin (2006) asserts that the relationship between advertising and sales performance can be explained by the concave downward function.

### **The Concave Downward Function**

After reviewing more than 100 studies of the effects of advertising on sales performance, Simon and Arndt in Belch (2003) concluded that the effects of advertising on sales performance follow the microeconomic law of diminishing returns. That is, as the amount of advertising increases, so does its incremental value in sales. The logic is that those with the greatest potential to buy will likely act on the basis of increased exposures and communication of a given product or service, while those less likely to buy are likely not to as a result of the decreases in communication or advertising. For those who may be potential buyers, each additional advert will supply new information that will affect their decision to buy. Thus, according to the concave-downward function model, a positive increase in advertising is directly proportional to a positive increase to sales performance.

**Figure 1.0 The Concave Downward Function**



**Source: Adopted From George E. Belch (2003).**

## **2.6 Print Advertising and Sales Performance**

Advertisements are found in many places and in many forms. One of those forms is known as print advertising. Advertisements in this category include those that are printed on some type of paper handled by the potential audience. This includes offers sent through the mail and posted in newspapers.

A print advertisement can only be effective if people see it because when people are looking through publications, they have a tendency to be receptive to new information and observant of things of interest. One method of print advertising aims to attract people to products and services as they are reading or perusing through publications. Such advertisements are found in newspapers, newsletters, and magazines.

In general, a great deal of planning generally goes into this type of advertising. This often requires a team of individuals. There are some people who are employed to create the best ideas to attract attention and inspire people to spend their money on such products and

services when advertised. These people develop a concept. Then, they decide on the imagery and wording that sufficiently ties the advert idea together. There may be other individuals who deal with placement.

According to Kotler and Armstrong, (2005), the larger the advertisement, the more it costs to place it in a publication. Also, some areas of publications can be considered premium spots, and these are expensive. Print advertising is often an important source of revenue for a publication, beneficial to the publications to sell more and bigger advertisement spaces. Mailers are another type of print advertising. These advertisements range from elaborately designed postcards to note-sized white papers with plain print.

These products are often distributed by postal workers who place them into residents' mailboxes. A major challenge with this type of print advertising is getting people to pay attention. Many of these items are often regarded as junk mail and discarded without being viewed. To reduce the chances of this happening, some advertisers try to interact with people directly. They do this with print advertising known as fliers. In many cities, people stand on corners or walk through traffic handing out advertisements. The reasoning for this is that it is often believed a person is more likely to pay more attention to something that is received by hand-to-hand distribution.(Kotler and Armstrong, 2005)

### **Advantages of Print Advertising**

In essence, print advertising media like newspapers, magazines, journal publications and postcards are generally cheaply available and are highly mobile which means that they are readily available for consumers hence making them convenient and easily accessible by customers. In addition, the print adverts like newspapers are very user-friendly, as they

contain lots of information rolled up into one-bits, for instance entertainment, leisure, food, fashion, politics, and many others.

For that reason, various products and services can be advertised in print media. People going to work may not carry notebook computers with them all the time, and even then, they might not have broadband.

### **Disadvantages of Print Advertising**

Similar to every other advertising standard, print media also have disadvantages. The most tricky issues in print media is the fact that they have a very short life duration, in other words, customers tend to read the print media quickly and once. For instance, the normal life span of a daily newspaper is only 24 hours, so the life span is limited. Further to that, print media like magazines are always cluttered with commercials, and this excess information reduces the effect of any single advertisement thus rendering them ineffective.

Further, even when print media have extensive market coverage, certain market groups like the financially poor people (due to the fact that they are quite costly and expensive), rural based clients, the young children and the elderly are not regular readers, for example newspapers. The same is true of the clients speaking a foreign language for national advertisers because of cost and the fact that there are few national newspapers. Certain products should not be advertised in print media such as those that require display.

### **2.7 Outdoor Advertising and Sales Performance**

Outdoor advertising is the form of advertisement that includes various types of promotional displays, from high way billboards to transit posters and arena placement, all geared towards communicating a message to the public about a particular product or service. It is purchased through companies that own billboards, called plants. Plants are located in all major markets

throughout the nation. To simplify the national advertiser's task of buying outdoor space in multiple markets, buying organizations, or agents, facilitate the purchasing of outdoor space at locations throughout the country. (Kerin, Hartley and Rudelius, 2004)

### **Advantages of Outdoor Advertising**

Outdoor advertising is effective in reaching virtually all the segments of population of a particular target market. The number of exposures is especially high when signs are strategically located in heavy traffic areas. What makes outdoor advertising advantageous is that they are guaranteed to catch the attention of a target market who are often charmed and attracted by the billboards whether they are interested in a product or service nor not. Therefore, customers can still be interested in a given product or service.

Another advantage is graphic flexibility. Outdoor advertising can be strategically located to supplement other advertising efforts in selected geographical areas where advertising support is needed. Therefore, effort will provide an excellent opportunity to reach consumers as a last reminder before purchasing a given product or service. This explains why products such as beers and restaurants are among the heaviest users of outdoor advertising.

### **Disadvantages of Outdoor Advertising**

A significant disadvantage with outdoor advertising is non-selection. Outdoor advertising can be geared to general groups of consumers such as inner-city residence but cannot pinpoint specific market markets like the rural based clients and these potential target markets for a given product and service. The lack of verified audience measurement is regarded by some as a significant in the pediment that must be overcome if outdoor advertising is to become widely used advertising medium. Further, outdoor advertising influences sales performance negatively in the sense that it has got short exposure time for potential customers.

## **2.8 Specialty Advertising and Sales Performance**

Specialty advertising is a form of sales efforts designed to increase public recognition of a company's product or service. A company can have a variety of products for offer for instance, caps glassware, gym bags, jackets, and pens. The value of specialty advertising varies depending on how long the items used in the effort last. Most businesses are successful in achieving their goals for increasing public recognition and sales throughout these efforts. Specialty advertising on radios as an advertising media that is mostly used has an advantage because almost 70% of all homes have radios. In addition, virtually all electronic gadgets like phones have radios. This definitely portrays specialty advertising as a potential media for communication a given product or service to potential customers. (Kerin, Hartley and Rudelius, 2004)

### **Advantages of Specialty Advertising**

It is only radio use in its ability to reach a segmented extensive variety of radio programming enables advertisers to pick specific formats and stations to be optimally compatible with both the position of their target and their creative message strategies. Radios can be used to pinpoint advertisements to specific groups of customers: teens, Hispanics, sports fanatics, news enthusiasts, conservatives, liberals, and so many others. It's ability to reach prospective customers on a personal and intimate level. Local messages sometimes come across as if they are personally speaking to each audience member.

The ability to transfer images from television advertising. A memorable television advertising campaign that has been aired frequently effects in the consumers' mental association between the sight and sound elements in the commercial. This mental image can be transferred to radio commercial thus evokes in listeners a mental picture of television advertisement. The

advertiser effectively gains the advantage of television advertising at the lower cost of the radio.

### **Disadvantages of specialty advertising**

It shares with other advertising media; it is cluttered with competitive commercials and other forms of noise, chatter and interference. Radio listeners frequently switch stations, especially on their cars, to avoid commercial hence missing the adverts being run. It is unable to employ visualizations. This makes most consumers miss out complete information about the product as to many, seeing is believing.



## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Introduction.**

This chapter presents the research methodology that was used to conduct the current research study. Chapter three discusses the research design, study population, sample size and selection, sampling techniques, methods of data collection, data management and analysis, reliability and validity, ethical consideration, limitations and conclusion.

#### **3.2 Research Design and Methodology.**

According to Amin (2005), a research design is a plan that is used to conduct a research study. The research design is viewed as the conceptual structure within which the research study is conducted and constitutes the blue-print for the measurement of the variables collection and analysis of data (Amin, 2005).

The researcher used quantitative research design, through the use of figurative research methods in trying to understand the nature of advertising methods of the case study. The quantitative design suits the chosen study since the researcher got a deeper understanding of the respondent's world. It also showed advertising from a more realistic point of view, and had precise and accurate information. The qualitative method was also another approach used through issue of questionnaires and carrying out interviews to attain data.

Triangulation refers to the use of more than one approach to the investigation of a research question in order to enhance confidence in the ensuing findings. Triangulation is a method used by qualitative researchers to check and establish validity in their studies by analyzing a research question from multiple perspectives, Patton (2002). Triangulation was used to prove whether qualitative method used to conduct the research study lead to attaining accuracy and precise information.

### **3.3 Study Population**

MTN Group limited has a workforce that totals up to 300 countrywide starting from the top managers to the lower level workers. However the main population for the study was that of the workers at the head offices in Kampala who are a total 150 in number. The employees include the managers, employees and casual laborers. However, a sample will be drawn to represent the entire population since there are many people involved. The target population also included the consumers of the MTN products who are the customers.

### **3.4 Area of the Study**

The study was carried out at MTN Uganda located at 22 Hannington Road, Kampala. Random sampling was used to select the head quarters as the area of study since it has the largest number of employees and all statistics of the organization.

### **3.5 Sample size and selection.**

A sample refers to a subset of the population (Anon 2005). It is the number of individuals randomly assigned that is contained in the test of analyzed data set selected from a given study population (Amin 2005). The intention of the researcher was to have a sample size that is sufficient to provide information that can enable a conclusion be drawn upon. Basing on the fact that information cannot be got from every employee, the sample size was obtained basically from a few employees and MTN customers. There were 50 participants for the research study, 30 being consumers of MTN products and 20 were employees of the MTN Company.

### **3.6 Sampling Technique**

Sampling refers to the process of selecting elements from a population in such a way that the sample elements selected represent the population (Amin 2005). It involves extracting a

portion of the population from which generalization to the population can be made. The purposive sampling technique is a type of non probability sampling where the researcher consciously selects particular elements or subjects for addition in a study so as to make sure that the elements will have certain characteristics pertinent to the study. It normally targets a particular group of people. Therefore purposive sampling technique was used and the researcher acquired data regarding the information that was collected from the participants.

### **3.7 Sources and Methods of Data Collection**

There are two main sources of data and these are the ones the researcher used to collect data from the MTN employees. The following methods of primary and secondary sources of data collection were used during the research.

#### **(a) Primary Sources**

The researcher went to the field to get fresh and unique information by using the following ways or methods; interviewing, where the researcher interacts with the respondents by asking them questions regarding the study and use of written questionnaires that are self-administered to collect data from the respondents. The researcher chose to use interviewing and questionnaires as a means of data collection because they are cheap to administer and quick methods in collecting data. The questionnaires enabled the researcher to obtain answers to sensitive questions that respondents were not be ready or were not easily willing to answer during interviews.

#### **(b) Secondary Sources of data collection.**

The researcher also reviewed other sources such as text books, academic journals, business reports and magazines, newspapers, dissertations and the Internet as means for secondary

data collection. The information collected from both primary and secondary sources enabled the researcher to complete this research study successfully.

### **3.8 Data Collection Tools and Instruments**

These are the items or tools that the researcher used during the data collection and analysis process to complete the current research study. The tools and instruments included things such as; pens, papers, markers, and notebooks that were used during interviewing, analyzing and summarizing notes from secondary sources. The researcher decided to use the unstructured type of interviewing process with an interview guide because it goes in-depth, narrative and non-directive and it enables an individual disclose more information about themselves and about the conditions they are facing for the company they are working for.

A questionnaire was used to collect the information from the three categories of employees and had questions which were determined with pre-determined responses like yes/no or agree/disagree. That approach helped the researcher collect information in a short time since the target population is literate.

### **3.9 Validity and Reliability**

Validity refers to the extent to which the data collection instruments employed (to measure variables) in the study actually measures what they are intended to measure. In this regard, attention was put to the contents validity of the data collection instruments which dealt with the degree to which the instrument(s) relevantly explore(s) the variable(s) under investigation and how well the constituent elements of the instruments are arranged for the purpose accurately eliciting the data required for the study respectively (Siegel, 2004).

Reliability is the description of precision, consistency, repeatability with which the instruments elicited the data that was required for the study says Amin, 2005. The researcher did a pre-test to ensure reliability of the data and to emphasize on the validity the research.

### **3.10 Data Management and Analysis.**

The researcher collected data using instruments and type out on a computer. This enabled the computer to create frequency tables for each variable. After that, the researcher was able to analyze each table looking at each case and corresponding frequency in each table.

Data was edited before leaving the respondents depending on the time used by each of them since they were available for a short while. The researcher also checked for conformity, accuracy, consistency, legibility and comprehensibility of data collected. Each questionnaire was checked thorough to ensure that all questions applicable to each respondent were answered.

### **3.11 Presentation of study results.**

Construction of tables and interpretation of results will be done. It will involve the use of frequency and percentage distribution of respondents per code. The frequencies obtained will be identified and converted into percentages. Here the researcher will be able to identify how the independent variable (advertising) affects the dependent variable (sales performance) and some of the statistical preferences by use of the quantitative analysis. This uses subjective judgment based on non-quantifiable information, such as management expertise, industry cycles, strength of research and development, and labor relations.

### **3.12 Ethical Considerations**

Ethical considerations refer to the research principles that the researcher will use while conducting the research study. It is a good practice for research work involving human

subjects and confidential information to be carried out in accordance with high ethical standards. The researcher had to further explain the reasons for his research as indicated in the questionnaires presented to the Staff and Management of MTN Uganda, and also keep the information of the respondents confidential.

### **Principle of Respondent's Consent**

According to Esterberg (2002), this principle essentially means that research participants must fully be informed about the purpose for the research study and must give their consent to participate in the study. For this research no respondent was to become a subject of the research study unless the person is given prior research notice that he or she would agree to freely participate in the research study.

### **Principle of Confidentiality**

Essentially this principle was applied in order to help protect the privacy of the research participants and the information to be gathered during the research study. The identity of the research participants and the information going to be obtained in the course of the research study was kept strictly confidential.

### **3.12 Conclusion**

In summary the methodology of the research study included the qualitative research method and the quantitative research method which were both characterized by use of triangulation and also other research designs. The study population and the sample size were selected and various techniques of data collection which included interview, observation and questionnaires.

The sources of data included the primary and secondary sources of data collection. The collected data was managed using Microsoft Excel spread sheet application. This was used to display and analyze the data that had been attained from the respondents so that it can clearly be interpreted. While conducting the research study, the research ethical principles of confidentiality, anonymity and individual consent were upheld for the study.

## **CHAPTER FOUR**

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

#### **4.1 Introduction**

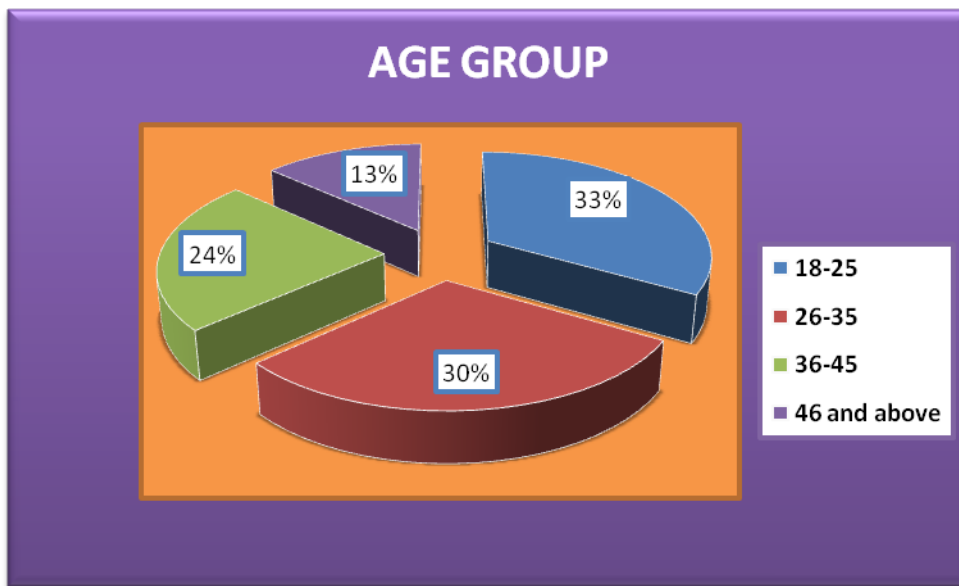
This chapter provides an analysis and interpretation of the findings of the research about the effects of advertising on sales performance in MTN group limited, Kampala Uganda. The study focused on determining the effect of print-advertising on sales volumes; identifying the employees views on the effect of out-door advertising on sales volumes and finding out the effect of specialty advertising on sales volume based on MTN employers' views. Therefore this chapter provides the analysis and interpretation of data which was obtained from the questionnaires that were distributed to the various respondents' in MTN Uganda Ltd

#### **4.2 Background of the respondents**

Under this section, efforts were made to document the background information of the respondents such as age, sex, level of education, position in the organization. The data was collected from 50 participants, 20 being employees of the MTN organization and 30 being consumers of the MTN products.



**Figure 1: showing the age of the respondents**



*Source: Primary Data*

As observed from the figure 1: above, the findings indicate that out of the 50 participants where research was carried out, 17 of them (33%) were in the age group of (18 – 25), 15 which was (30%) of the participants were in the age group of (26 – 35), 11 of the participants covered (23%) of the age group of (36 – 45) and that only 7 (14%) were in the age group of (46 and above). This implies that the majority of the employees in MTN and other respondents to the research are young energetic and youthful who are hard working. These are the main consumers of MTN products and having them used to carry out the research helped in attaining what was really needed. They are also in position to see adverts more often compared to the rest since they are more alert to new information.

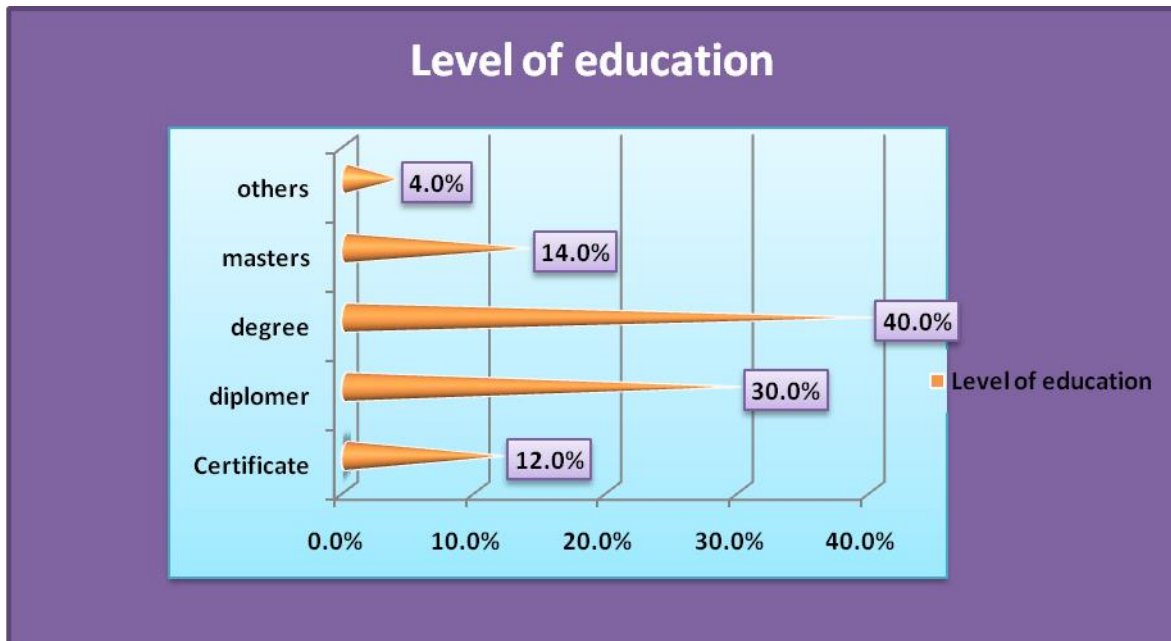
**Figure 2 showing the sex groups of the respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid male	22	48.0	48.0	48.0
Female	28	56.0	56.0	100.0
Total	50	100.0	100.0	

*Source: primary source*

Results from figure 2 show that 28 participants that is (56%) of the respondents were female compared to the 22 participants that was (44%) who were male. This implies that there was gender imbalance in the study since there are more female employees and customers for the MTN organization and products respectively. The number of female employees within the MTN Company is more than that of the male employees and that is what led to the gender imbalance while carrying out the study. There is also registered gender imbalance in the whole country that led to such outcomes in the collection of data.

**Figure 3 showing the education qualification of the respondents**



*Source: primary source*

Results from figure 3 above indicate that (40%) of the respondents were degree holders, and these were 20 of the people that participated in the research. (30%) had diplomas, (14%) had master’s degree, (12.0%) were certificate holders and the minority (4.0%) had other qualifications. This implies that most of the respondent who are employed at MTN and those that use their products are educated since most of them are degree holders and therefore fully understand the business operations and concepts in the company. This brought about an easier understanding of what was required of them during the research.

**Table 1 showing the influence of advertising on sales performance**

The following abbreviations were used in data collection: Strongly Agree = (SA), Agree = (A), Disagree = (D) strongly disagree = (SD)

	STATEMENT	SD		D		A		SA	
		F	%	F	%	F	%	F	%
1	I believe advertisement done has attracted the current market share.	0	0%	3	10%	13	43%	14	47%
2	General advertisement has increased on the level of sales volume.	0	0%	1	3%	14	47%	15	50%
3	More profits have been earned out of the advertising done.	1	3%	0	0%	9	30%	20	67%
4	I feel the company has done enough advertising needed for its sales.	0	0%	0	0%	23	77%	7	23%
5	Sales volume is reflected by how much advertising the company does.	0	0%	5	17%	16	53%	9	30%
6	Advertising reflects the level of profits the company earns.	0	0%	0	0%	8	27%	22	73%
7	Advertising has increased the company recognition internationally.	1	3%	1	3%	10	33%	18	60%
8	Advertising influences the consumption levels.	0	0%	2	7%	13	43%	15	50%
9	Specialty advertising has not had a big impact on sales performance.	0	0%	0	0%	20	67%	10	33%
10	Promotional display offer less awareness of services available.	0	0%	2	7%	15	50%	13	43%
11	The media has been the best method of leading to company awareness.	0	0%	0	0%	19	63%	11	37%
12	Print advertising has been the best way of attracting customers.	1	3%	2	7%	15	50%	12	40%
	<b>AVERAGE PERCENTAGE</b>		<b>1%</b>		<b>4%</b>		<b>49%</b>		<b>46%</b>

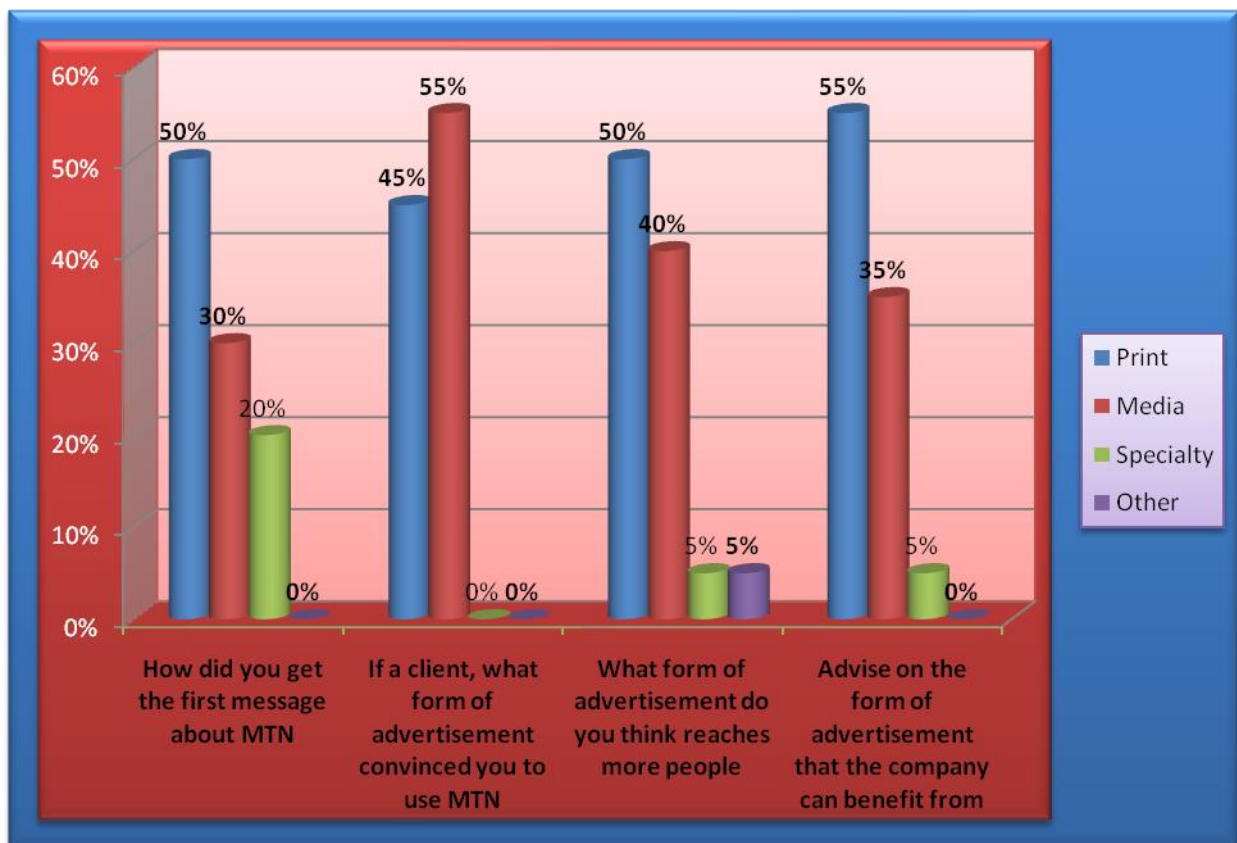
Results from table 1 above indicate that out of the 50 participants, (47%) of the respondents strongly agreed that advertising has an impact on sales performance by increasing the company market share and also increasing consumer awareness. The results revealed that (43%) of the respondents agreed that they believe advertisement done has attracted the current market share whereas (10%) of the respondents disagreed and no one strongly disagreed to the same opinion. On the other hand concerning the point that general advertisement has increased on the level of sales volume, out of the 50 participants, (50%) of the participants strongly agreed, (47%) agreed, (3%) disagreed and (0%) strongly disagreed. In relation to the profits, the results showed that more profits have been earned out of the advertising done. The data showed that (3%) respondents strongly disagree, (0%) disagree, (30%) agree and (67%) of the respondents strongly agree. The section that is related to whether the company has done enough advertising needed for its sales had these outcomes; out of the 50 participants, (23%) of the respondents strongly agreed, (77%) of the respondents agreed, and no one disagreed or strongly disagreed that the company has not done enough advertising for its sales. (30%) of the respondents strongly agreed, (53%) agreed, (17%) disagreed and (0%) strongly disagreed that sales volume is reflected by how much advertising the company does. Furthermore, the results showed that (73%) of the participants strongly agreed, (27%) participants agreed that advertising reflects the level of profits the company earns where as no one disagreed or strongly disagreed to it. In addition, (60%) strongly agreed, (33%) agreed, (3%) disagreed and (3%) strongly disagreed that advertising has increased the company recognition internationally which helps benefit the organization by leading to an increase in consumer awareness and also good will for the company.

Additionally, with relation to consumption levels (50%) of the respondents strongly agreed, (43%) agreed, (7%) disagreed and (0%) strongly disagreed that advertising influences the consumption levels. Concerning the point that specialty advertising has not had a big impact on sales performance, (33%) respondents strongly agreed, (67%) agreed and no one disagreed or strongly disagreed. (43%) strongly agreed, (50%) agreed, (7%) disagreed and no one strongly disagreed that promotional display offer less awareness of services available. (37%) and (63%) respectively strongly agreed and agreed that the media has been the best method of leading to company awareness whereas neither of them disagreed nor strongly disagreed. When it came to believing that print advertising has been the best way of attracting customers, (40%) of the respondents strongly agreed, (50%) respondents agreed, (7%) respondents disagreed and (3%) of the respondents strongly disagreed. Generally, an average percentage of (46%) respondents strongly agreed, (49%) agreed, (1%) disagreed and (4%) respondents strongly disagreed to the statements showing the influence of advertising on sales performance. This implies that since majority of the respondents strongly agreed and agreed advertising, there is a positive influence on sales performance.

These results are in line with Simon and Arndt (2003) who concluded that the effects of advertising on sales performance follow the microeconomic law of diminishing returns. That is, as the amount of advertising increases, so does its incremental value in sales. The logic is that those with the greatest potential to buy will likely act on the basis of increased exposures and communication of a given product or service, while those less likely to buy are likely not to as a result of the decreases in communication or advertising.

The above results are further supported by Kotler and Armstrong, (2005) who pointed out that advertising influence the consumption levels. In essence, print advertising media like newspapers, magazines, journal publications and postcards are generally cheaply available and are highly mobile which means that they are readily available for consumers hence making them convenient and easily accessible by customers. In addition, the print adverts like newspapers are very user-friendly, as they contain lots of information rolled up into one-bits, for instance entertainment, leisure, food, fashion, politics, and many others.

**Figure 4: showing the effects of forms advertising on sales volume**



*Source: primary source*

Results from figure 4 above indicate that 25 of the respondents (50%) got their first message from MTN through print, 15 that is (30%) of the respondents got it via media, (20%) respondents got it through specialty and no one got it from others. These results show that

print adverts are the better at passing on new information to the public and this is probably due to the fact that they are always detailed and can be used to elaborate product usage. The customers will also take their time to understand what the advert is talking about since it takes time to read a print advert. When asked what form of advertisement convinced the respondents to use MTN (45%) of the respondents indicated that it was print method, (55%) respondents said media form and (0%) said specialty method. This shows how the media is the best at attracting new customers for MTN products. Through radio and television adverts, more people have been convinced and attracted to the use of MTN services since they can tell a lot in a short period of time. They also have a good dramatic effect that convinces people on using the products.

Further, (50%) of the participants agreed to print, (40%) agreed to media, (5%) to specialty and (5%) respondents agreed to others on the form of advertisement that they think reaches more people. Print adverts are normally in the newspapers, magazines and brochures which are distributed country wide and thus most people get to see the adverts. The media has also been able to reach more people since most of the homes have either a television or a radio. This would justify the results that were attained at this point.

On advising on the form of advertisement that the company could benefit from, (55%) of the respondents preferred print method, (35%) of the participants preferred media, (5%) respondents preferred specialty and (0%) others. This implies that print and media forms of advertising increase the sales volume of the company. These findings are in agreement with Sandage, (2001) who argued that advertising message often extol the good qualities of products or service. For consumers to continue to buy the product or service, manufactures or organizations are compelled to adhere to the advertised qualities, for if they allow the qualities to drop, consumers will buy less of their products or services and patronize their



competitors instead. This thus ensures that manufactures and organization do not allow the quality of their products or service to fall below a standard that is acceptable to consumers. This will in turn increase the sales of the organization.

**Table 2: showing perceived benefits of advertising**

PERCEIVED BENEFITS		SD		D		A		SA	
		F	%	F	%	F	%	F	%
1	The media has been your greatest source of information about MTN.	0	0%	5	25%	4	20%	11	55%
2	Adverts motivate you to use MTN products	2	10%	4	20%	7	35%	5	25%
3	Newspaper adverts have a good layout of product information.	4	20%	2	10%	8	40%	6	30%
4	Adverts of a specific product are more effective than the detailed ones.	0	0%	4	20%	5	25%	11	55%
5	The company should do more adverts for its products.	0	0%	3	15%	7	35%	10	50%
<b>AVERAGE PERCENTAGE</b>		<b>6%</b>		<b>18%</b>		<b>31%</b>		<b>43%</b>	

From table 2 above, it shows that out of the 50 research participants, (55%) of the respondents strongly agreed, (20%) agreed, (25%) disagreed and (0%) strongly disagreed that the media has been your greatest source of information about MTN. When the research participants were asked whether adverts motivate them to use MTN products, (25%) of the

respondents strongly agreed, (35%) respondents agreed, (20%) respondents disagreed and (10%) respondents strongly disagreed. This implies that there are some people who are influenced to use MTN products through the adverts that are made and thus these people should be considered and more adverts should be done. However, not everyone will be influenced to use MTN products due to the adverts done so more factors like quality, after sales services, should be put into consideration.

While trying to analyze how information is well attained through adverts, (30%) of the respondents strongly agreed, (40%) respondents agreed, (10%) respondents disagreed and (20%) of the respondents strongly disagreed that newspaper adverts have a good layout of product information. Newspaper adverts have proved to be a good way of letting people know about the products of MTN but there are some people who did disagree. This shows that efforts should be done to pass on information to the customers and other people concerning the available products. Other alternatives like the media or seminars could be used.

Furthermore, the data gathered also showed that adverts of a specific product are more effective than the detailed ones, turned out that, (55%) of the respondents strongly agreed, (25%) respondents agreed, (20%) respondents disagreed and (0%) strongly disagreed. During the research, (50%) of the respondents strongly agreed that the company should do more adverts for its products, (35%) respondents agreed, (15%) disagreed and (0%) strongly disagreed. This showed that adverts have had an impact on people's attitudes towards MTN products and should be improved to attract more attention. Through adverts, people get more knowledge about the company products, know what is available, how it works and are influenced to use the products. All in all, an average percentage of (43%) of the respondents strongly agreed, (31%) respondents agreed, with (18%) respondents who disagreed and (6%)

respondents strongly disagreed to the view that the media has been their greatest source of information about MTN. For people to use a certain product, they need to have knowledge about it and also know how it works. They may thus be compelled to use the products leading to an increase in the sales of company. This led to the view that adverts have been used to attain information which could influence people to use its products and thus should always be carried out.

Therefore, based on the results the findings are in line with Belch (2003) who notably said that advertisements are found in many places and in many forms. One of those forms is known as print advertising. Advertisements in this category include those that are printed on some type of paper handled by the potential audience. This includes offers sent through the mail and posted in newspapers. And many customers tend to get know about the companies through such print and media advertisement.

### **Conclusion:**

In conclusion, out the 50 participants in the research study, the above findings show that an average of (35%) of the respondents strongly agreed, (40%) respondents agreed, (15%) of the respondents disagreed and (10%) strongly disagreed to the research question, how advertising affects sales performance of MTN Uganda as an organisation. This implies that there are more people who were affected by the adverts that the company has made which also has an effect on the sales performance of the organisation.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter presents the summary of the findings, the conclusions drawn from the findings and the corresponding recommendations of the study basing on each objective. The objectives of the study include; examine employees and customers' views on the effect of print-advertising on sales volumes, to assess the employees views on the effect of out-door advertising to the sales volumes, to find out the effect of specialty advertising on sales volumes as viewed by employees. The main objective of the study is to assess the effect of advertising on sales volume as viewed by the MTN employees and customers.

The study used purposive sampling. In the quantitative section, from the sample units chosen in each homogeneous group of consumers and employees' management based and not ordinary employees, values for the three aspects were obtained. In the qualitative section, on the other hand, interviews with top managers and employees were conducted.

This work aimed at assessing the effect of advertising on sales volume within the organization. The results of the test based on the validated survey and interview questions were recorded, tallied, and categorized. The summary, conclusions, and recommendations are presented below.

#### **5.2 Summary of Findings**

The first objective of the study was to find out employees and customers' views on the effect of advertising and it was proved that most of the employees believe that advertisement made has attracted the current market share. It also shows that most of the respondents received knowledge about MTN's products through print advertising, followed by media advertising

and the least information was attained from specialty advertising. There were more people influenced to use MTN products after acquiring their knowledge about it through print adverts followed by the media adverts, showing that specialty advertising had a less impact on people's choice to use the company's products. The study further shows that media advertising has motivated customers to use MTN products and so has print advertising.

The conclusions of the study are; MTN Co. carries out adverts of three forms and these are print advertising, out-door advertising also viewed as media advertising and then specialty advertising. Print adverts are normally used in the newspapers, magazines and other print outs, out-door advertising is normally through television adverts, radio, billboards and other forms of media while the specialty adverts are those done to advertise a certain product put on the market by the organization.

The conclusion of the study on advertising is that it is faced by some major challenges. The first challenge is the social media's dramatic change it has had on the advertising game and thus presents many hurdles to the company. Adverts now also have to cover the social media which is more costly to the organization and if ignored, the other forms of advertising would not do much in getting to many people.

The second challenge, perhaps more significantly is that it is difficult to maintain consistent creative approaches and media buying strategies when writers, art directors and media buyers don't remain agency employees beyond one airing of an advert. Employees concerned with the production of the adverts tend to look for new adverts to create for other organizations and getting these same experts becomes hard.

The third challenge faced was the fact that some adverts tend to have a short exposure time for potential customers and this is mainly the outdoor form of advertising. These adverts cannot be left out on display for a very long time and thus not everyone gets to see them.

They also don't reach most of the areas for the whole market such as the rural areas and therefore they will not fully serve their intended purpose.

The conclusion of the study is that advertising is not considered to have a high impact on level of sales performance. The Recommendation of the study is that an agreed upon plan between the sales executives and their supervisors or top level managers should be prepared to measure the new advertisement's effectiveness and know if it has attained its purpose in a certain period preferably 12month.

The other main finding of this study was with regard to the perceived impact of advertising on organizational sales performance. Based on the interview results, this study concluded that, although the responses regarding the assumption that advertising have a direct impact on organizational sales performance from a few respondents were inconsistent, a majority of the interviewees believed that advertisements have or are going to have an impact on various organizational sales performance. Knowing these results, in general, it can be concluded that advertising is effective in bringing up the sales performance.

### **5.3 Recommendations:**

1. Organizations should begin its advertising with a plan, or set a goal for what they would want to achieve. Knowing what should be accomplished could be half the battle of what is to be achieved and also creating good advertising.
2. The organization should be able to see its advertising from the customer perspective. Sometimes we are too close to our business to understand how customers see our offerings. There has to be emphasis that company is making the point they want to make and that the customers understand its language.
3. The organization should also add emphasis to the details of the advert. Certain things like hours, locations, credit cards, are little things that are too often taken for granted. There is

need for clarity and also to describe things right, include a picture, all the details that make an advert effective.

4. A balance between frequency and the organization budget has to be created. Very few people are in the market for your goods and services at any particular moment in time. Therefore, an advert should always be let out on display whenever possible. The more often and wider an advert is cast, balanced against your budget, the better off you are.

5. The organization should track what works for best for it. The more you measure results of your advertisements, the more likely you are to repeat successfully what has worked for you in the past. Measure sales, measure coupons, measure image, but try to understand how your ads are working and take advantage of them.

6. The organization should also consider the use of attention getters. The creative use of white space, illustration/art, and color all tend to draw attention to your advert. It should be noted that readers make the decision to read your advert very quickly. Often in a second or two, consider what will make them stop and read your advert.

#### **5.4 Implications of the Study**

Advertising influences profitability of the firm or industry, there is a positive link between advertising and profitability for those firms operating mainly in consumer goods industries.

Advertising expense leads to higher return on assets and the effects are long lasting

In the case of advertising that provides statistics or facts, this information may convince a consumer to switch brands. While these brand awareness effects won't likely influence consumers to buy the product immediately, the item may be on the consumers' minds to purchase if at some point that is if it is not necessary at that particular moment.

Thus, advertising is proven to be an effective way to boost sales performance of an organization. With this, more adverts should be done so as to attract people to use more MTN products that will further increase sales of the organization.

### **5.5 Suggestions for further research**

The researcher further suggests that for future studies based on this research, the future researchers may work on improving the methods of advertising. It is recommended that the forms of advertising are carried out with the consideration of the changing technology and how it can be used such as the social media.

The researcher also recommends that further research should be undertaken in order to be able to identify the effect of advertising on sales performance towards the profit margin of the organization, the quality of output and other affected areas.

### **5.6 General conclusion**

The main objective of this research was to assess the effect of advertising on sales performance within MTN Group Ltd Uganda and the findings presented showed that advertising has played a significant role in improving sales performance in the organization. This has been as a result of the three methods of advertising that have been used and these are print advertising, specialty advertising and outdoor/ media advertising.



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**SECTION B: Influence of advertising on sales performance**

	<b>STATEMENT</b>	Strongly disagree	Disagree	Agree	Strongly agree
1	I believe advertisement done has attracted the current market share.				
2	General advertisement has increased on the level of sales volume.				
3	More profits have been earned out of the advertising done.				
4	I feel the company has done enough advertising needed for its sales.				
5	Sales volume is reflected by how much advertising the company does.				
6	Advertising reflects the level of profits the company earns.				
7	Advertising has increased the company recognition internationally.				
8	Advertising influences the consumption levels.				
9	Specialty advertising has not had a big impact on sales performance.				
10	Promotional display offer less awareness of services available.				
11	The media has been the best method of leading to company awareness.				
12	Print advertising has been the best way of attracting customers.				

## **Appendix II: Interview guide**

1. How long have you been working with MTN Uganda?
2. Do you think the basic advertising done helps a lot in improving sales performance?  
How?
3. Is there a specific type of advertisement that is more beneficial than the others? If yes  
which one would that be?
4. Do you think advertising attracts more customers to use the company services? How?
5. What problems do you face while carrying out the different forms of advertising?
6. As a worker, how do you deal with the problems faced in the whole advertising  
process?

**Thank you for your participation.**

## QUESTIONNAIRE FOR THE CONSUMERS OF MTN PRODUCTS

### SECTION C: effects of specialty advertising on sales volume. Tick where appropriate

		Print	Media	Specialty	Other(specify)
1	How did you get the first message about MTN?				
2	If a client, what form of advertisement convinced you to use MTN?				
3	What form of advertisement do you think reaches more people?				
4	Advise on the form of advertisement that the company can benefit from.				

		Strongly disagree	Disagree	Agree	Strongly agree
1	The media has been your greatest source of information about MTN.				
2	Adverts motivate you to use MTN products				
3	Newspaper adverts have a good layout of product information.				
4	Adverts of a specific product are more effective than the detailed ones.				
5	The company should do more adverts for its products.				

## APPENDICES

### PROPOSED BUDGET

NO	ITEMS	AMOUNT
1	Food, allowances, communication	150,000
2	Data collection	80,000
3	Transport	200,000
4	Stationary(binding, printing)	50,000
	Total	480,000

## WORK PLAN

Activities	Date	Person	Place
Writing a proposal	October-November 2013	Researcher	UMU
Developing of instruments for the research	November- December 2013	Researcher	UMU
Pre-testing of instruments	December- January 2013-2014	Researcher	UMU
Data collection	February 2014	Researcher	MTN Uganda LTD
Data organization and analyses	March 2014	Researcher	UMU
Consultation with supervisor	January- March 2014	Researcher/supervisor	UMU
Writing of the report	March and April 2014	Researcher/supervisor	UMU
Submission of the report	April 2014	Researcher/supervisor	UMU