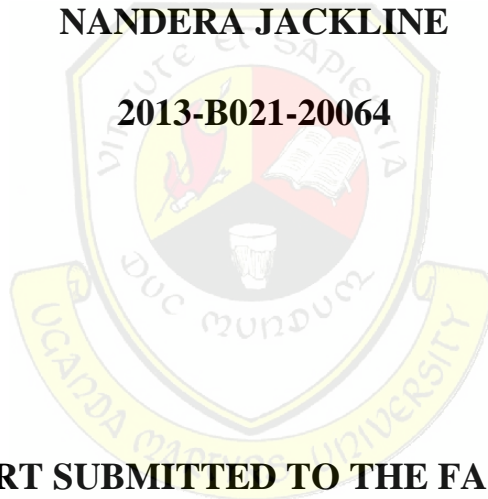


**THE EFFECT OF ADVERTISEMENT ON ORGANISATIONAL
PERFORMANCE IN TELECOMMUNICATION INDUSTRY.**

CASE STUDY UGANDA TELECOM LIMITED

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**A RESEARCH REPORT SUBMITTED TO THE FACULTY OF BUSINESS
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DEDICATION

I dedicate this piece of work to my Dad Henry, mum Joyce, brothers and my sisters for the support, care and love they have shown to me in the course of my academic struggle. I pray that God richly rewards you for your endeavors.

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TABLE OF CONTENTS

APPROVAL	i
DEDICATION.....	ii
DECLARATION.....	iii
ACKNOWLEDGEMENTS	iv
LIST OF TABLES	ix
LIST OF ABBREVIATIONS	x
ABSTRACT.....	xi
CHAPTER ONE: GENERAL INTRODUCTION	1
1.0 Introduction	1
1.1 Background of the study	1
1.1.1 Background to the case study.....	4
1.2 Statement of the problem	5
1.3 Objectives of the Study	6
1.3.1 General Objective.....	6
1.3.1 Specific Objectives.....	6
1.4 Research Questions	6
1. 5 Scope of the study	6
1.5.1 Content scope	6
1.5.2 Geographical scope	7
1.5.3 Time scope	7
1.6 Justification of the study	7
1.7 Significance of the study.....	7
1.8 Conceptual framework	8
CHAPTER TWO: LITERATURE REVIEW	10
2.0 Introduction	10
2.1 Literature review of key variables.....	10
2.1.1 Advertisement	10
2.1.2 Organizational Performance.....	12

2.2 The effect of persuasive advertisement on the sales volume of the organization.	13
2.3 The influence of informative advertisement on the market share of the organization.....	19
2.4 The relationship between reminder advertisements on the profitability levels of the organization.....	23
2.5. Conclusion.....	29
CHAPTER THREE: RESEARCH METHODOLOGY	30
3.0 Introduction	30
3.1 Research design.....	30
3.2 Area of study	30
3.3 Population of study.....	31
3.4 Sample size and procedures	31
3.4.1. Sample size.....	31
3.4.2. Sample procedure	32
3.5 Sources of data	32
3.5.1. Primary data	32
3.5.2. Secondary data	32
3.6 Data collection methods and research instruments	32
3.6.1 Questionnaires	32
3.6.2. Documentary Review.....	33
3.7 Data Collection Methods and Research Instruments	33
3.7.1 Questionnaires	33
3.7.2. Documentary Review	34
3.8. Data quality control.....	34
3.8.1. Reliability of data	34
3.8.2 Validity of data.....	35
3.9 Procedure of the study.....	35
3.10 Data analysis and presentation	35
3.11 Limitations of the study.....	35
3.12 Ethical consideration.....	36
CHAPTER FOUR: DATA ANALYSIS, INTERPRETATION AND PRESENTATION OF FINDINGS	38

4.0 Introduction	38
4.1 Response rate.....	38
4.2 Demographic respondents characteristics	38
4.2.1 Gender characteristics of respondents.....	38
4.2.2 Marital Status	39
4.2.3. Educational Level.....	40
4.2.4. Tenure in the organization.....	41
4.2.5. Department	42
4.2.6. Age bracket	42
4.3.Effect of persuasive advertisement on sales volume.....	43
4.3.1. Persuasive advertisement enables UTL increase its sales volume	44
4.3.2. Persuasive advertisement and sales volume are closely related.....	45
4.3.3. Persuasive adverts influence customer loyalty.....	45
4.3.4 Persuasive advertisement enables customers to make choices on what to purchase	45
4.3.5 Persuasive advertisement affects organizational performance positively	46
4.3.6. Uganda Telecom carries out persuasive advertisement to increase customer retention .	46
4.3.7 Media persuasive advertisement increases customer’s retention.....	46
4.3.8 Innovation and invention is enabled by persuasive advertisement	47
4.4. The influence of informative advertisement on the market share of the organization.....	47
4.4.1. Informative advertising creates awareness to customers about the services of UTL.....	48
4.4.2 Informative advertisement and market share have a close relationship.....	49
4.4.3. Informative advertisement increases market share of the organization	49
4.4.4 Uganda Telecom carries out informative advertisements to widen consumer base	50
4.4.5 Informative advertisement enables customer loyalty for the organization	50
4.4.6 Informative advertisement affects organizational performance positively	50
4.4.7 Informative advertisement helps to out compete other firms in the telecommunication industry.....	51
4.5. The relationship between reminder advertisements and profitability levels.....	51
4.5.1 Reminder adverts create awareness to potential customers of a product.....	52
4.5.2. Reminder advertisements increase profitability levels.....	52
4.5.3 UTL carries out reminder adverts to make the public remember their services	52
4.5.4 Reminder advertisement increases customer retention	52
4.5.5 Reminder advertisement enables customer loyalty of the company’s services	53

4.5.6 Reminder advertisements increase of sales of existing services	53
4.5.7 Reminder advertisements do not cost much to the organization.....	54
4.6. Correlations	54
CHAPTER FIVE: SUMMARY CONCLUSION AND RECOMMENDATIONS	56
5.0 Introduction	56
5.1 Summary of findings.....	56
5.1.1. The effect of persuasive advertisement on the sales volume of the organization.	56
5.1.2. The influence of informative advertisement on the market share of the organization....	56
5.1.3. The relationship between reminder advertisements on the profitability levels of the organization.	57
5.2 Conclusion.....	57
5.1.1. The effect of persuasive advertisement on the sales volume of the organization.	57
5.1.2. The influence of informative advertisement on the market share of the organization....	57
5.1.3. The relationship between reminder advertisements on the profitability levels of the organization.	58
5.3 Recommendations	58
5.4 Areas for further Research	59
REFERENCES.....	60
APPENDICES	63
APPENDIX 1: Research Questionnaire	63
APPENDIX II: Introductory Letter	67

LIST OF TABLES

Table 3.1: Showing sample size of the respondents	31
Table 1: Showing Gender of Respondents.....	39
Table 2: Showing marital status of respondents	39
Table 3: Showing educational level of respondents	40
Table 4: Showing Tenure in the organization of the respondents	41
Table 5: Showing sections of respondents in the marketing department.....	42
Table 6: Showing the age bracket of respondents	43
Table 7: Descriptive statistic on the Effect of persuasive advertisement on sales volume.....	44
Table 8: Showing descriptive statistics on the influence of informative advertisement on market share	48
Table 9: Descriptive statistics on the relationship between reminder advertisement and profitability levels of the organization	51
Table 10: shows correlations between persuasive advertisement and informative advertisement (sales volume and market share).....	54

LIST OF ABBREVIATIONS

- UTL** : Uganda Telecom
- MTN** : Mobile Telephone Net work
- STD** : Standard Deviation

ABSTRACT

The study investigated the effect of advertisement on organizational performance using Uganda Telecom as the case study. The study was guided by three research objectives which were, to identify impact of persuasive advertisement on sales volume, to examine the effect of informative advertisement on market share and lastly, to establish the relationship between reminder advertisements and profitability levels at Uganda Telecom. The researcher explained advertising, organizational performance, persuasive advertisement, informative and reminder in chapter 2 of the report.

The methodology involved the use of a case study research design where both quantitative and qualitative approaches were employed. Data was presented in form of tables. Secondary and primary data was reviewed to come up with the conclusions on the study. The findings disclosed that persuasive advertisement has an effect on market share, informative advertisement has an influence on market share and reminder advertisement and profitability levels are related in Uganda Telecom according to the analysis made by the researcher in the company.

The researcher recommended that there is need for the Uganda Telecom to fully operationalize the modernized advertising such as the use of the internet. This is because in the current globalized economy, companies are advertising over the internet to maintain a competitive advantage as well as increase on their sales volume and organizational performance. Also engage in intensive advertisement campaigns to improve on awareness and increase market share of the company. The appendices are also involved in the report which includes the budget, working plan for the research.

CHAPTER ONE

GENERAL INTRODUCTION

1.0 Introduction

This chapter presented the background to the study, the statement of the problem, purpose of the study, objectives of the study, significance, justification of the study and conceptual frame work.

The study variables were advertising in relation to organizational performance.

1.1 Background of the study

Telecommunication companies in Uganda play an important role in the development of our country. Major players in the industry include MTN, Airtel, Africel, K2, Smart among others. This industry is very competitive in the sense that if they fail to advertise their services/ products the performance is likely to be affected negatively.

Advertising is the action of calling target market to pay attention to the products and services of companies, especially by paid announcements Ann Burges, (2000). Advertising enables the consumer to become an active member of the economic cycle rather than a passive agent (Hart, 2000). It is the freedom of choice for the consumer that means companies' advertising strategy must portray the correct advertising message and select the correct advertising media. Advertising is a practice which has commonly been used by business organizations supposedly to increase their sales volume, physical contact, communication with clients (Kotler, 2003) and improve on the organizational performance. Following the developments in today's Business world, lots of challenges have continued to emerge with the main ones revolving around the issue of competition and how organizations can singly or cooperatively consolidate to build their key strategic competencies in order to stand out of the 'crowd'. In both public and private sector

organizations, both small and large, advertising has been recognized as one of the key aspects if UTL is to improve its organizational performance. Advertising involves the pull and push strategy, the push strategy whereby the company pushes the products through the help of the retailers and distributors by offering various kinds of advertisements and personal selling efforts. The main aim of the push strategy is mainly to persuade retailers and distributors and ultimately push the product forward to the consumers to improve organizational performance, a pull strategy engages the consumer directly and not through wholesalers or retailers this can also be referred to as direct distribution channels. Kotler (2006) provide an alternative definition. “Advertising is any paid form of non-personal presentation and promotion of ideas goods and services through mass media such as newspapers, magazines, television or radio by an identified sponsor.” Persuasive advertising will attract more customers and hence improve the sales performance of an organization. However a lot of money is used in advertising the product of UTL but sales and profits have remained stagnant, sometimes shifting to other competitors.

Ewuola (2004) says “modern advertising operation started during the American Colonial days. It was at time the colonial newspapers were accepting advertisement directly from people and institutions that needed their services”. Some local post offices were also assisting in this respect by acting as agents for these newspapers. Clow and Baack (2004), Advertising is a component of integrated marketing communications. Communication is a transactional process between two or more parties whereby meaning is exchanged through intentional use of symbols.

Kotler, (2003) affirmed that effective advertising campaigns produce growing sale, profit and market share for achieving To achieve this aim the management uses promotional tools that help to these objectives. Authors asserted that Advertising involves four key components in a communication process. First, the sender is the originator or source of the message. Agents or

consultants may actually do the work on behalf of the sender. Second, the message is the actual information and impressions that the sender wishes to communicate. Third, the media are the vehicles or channels used to communicate the message. Fourth, the receivers are the people who receive the message.

Belch *et al* (2004) assert that the aim and objective of any business is profit maximization. To achieve this aim the management uses advertising tools that help to communicate the existing products, services or idea to a mass audience prior to the actual sales. UTL is advertising but its sales volume, profits and market value are increasing at a decreasing rate. (Management Report 2015).

Advertising can take forms such as newspapers, radios, televisions, magazines and these days with a growing number of elites advertising is taking form of online methods with platforms such as Amazon, Jumia such engines include Google among others.

Organizational performance comprises the actual output or results of an organization as measured against its intended outputs (goals and objectives). Organizational performance encompasses three specific areas of firm outcomes, financial performance (profits, returns on assets, returns on investment), product market performance (sales and market share) and share holder return (total shareholder return, economic value added) to Richard et al (2009). UTL has attempted to manage organizational performance using balanced score card methodology where performance is tackled and measured in multiple dimensions of financial performance, customer service, social responsibility, employee stewardship, market share, profits, sales volume. Organizational performance is the final achievement of an organization which is measured either in financial and non financial indicators, and contains a few things, such as the existence of

certain targets are achieved, has a period of time in achieving the targets and the realization of efficiency and effectiveness (Gibson *et al.*, 2010). All types of organization, whether small or big, public or private, for-profit or non-profit, struggle for survival. In order to survive, they need to be successful (effective and efficient), to assure their success, organizations must perform well. Ultimately, performance lies at the heart of any managerial process and organizational construct and is therefore considered as a critical concept in the strategic management field. Organizational performance includes multiple activities that help in establishing the goals of the organization, and monitor the progress towards the target (Johnson *et al.*, 2006). It is used to make adjustments to accomplish goals more efficiently and effectively. Organization performance is what business executives and owners are usually frustrated about. This is so, because even though the employees of the company are hard-working and are busy doing their tasks, their companies are unable to achieve the planned results. Results are achieved more due to unexpected events and good fortune rather than the efforts made by employees. However, for any business to be successful, functions must be designed and accomplished. It is important for an organization to develop advertisement strategies that are designed around the skills that would enhance the performance of the organization actual sales. Therefore, it is against this background that the researcher investigated the effect of advertising on organizational performance of Uganda Telecom.

1.1.1 Background to the case study

Uganda Telecom a partially government owned telecommunication company that deals in services such as fixed voice, mobile voice, dedicated circuits, Msente, data bundles among others.

Uganda Telecom whose full legal name is Uganda Telecom Limited (UTL) is an information and communication technology network company in Uganda. The government of Uganda owns 49 shares and Greencom a subsidiary of Libya African investment owns the rest of the 51 shares in UTL. It is located in Kampala along Kampala road. It is in a competitive business that needs aggressive advertisements so as to increase organizational performance.

1.2 Statement of the problem

The competition in the telecommunication companies is unfavorable, telecommunication companies include Airtel, MTN as major players, K2 telecom, Smart, Vodafone, Africel among others has driven firms into complex advertising strategies as each tries to retain and grow its market shares. They have continuously engaged into advertising by offering a wide range of promotion mix not limited to product redesigning but also supporting the public (corporate responsibility), running radio adverts, televisions, internet, newspapers, and magazines among others.

Despite the fact that Uganda Telecom carries out advertisement and promotion, the sales volume and market share of the company is continuing to fall. A case in point in 2014 Uganda telecom sales continued to reduce by 30%, strikes increased because the profits/ revenue where not enough to pay off their wages and salaries (management Report, 2015), which is why the researcher is interested in investigating the reduced organizational performance despite the fact that advertisement is carried out to inform, persuade and remind customers to purchase the products and services of the organization.

Therefore the researcher established the effect of advertising on the organizational performance of a company taking on Uganda Telecom as the case study.

1.3 Objectives of the Study

1.3.1 General Objective

The general objective of the study was to identify the effect of advertising on organizational performance of a company.

1.3.1 Specific Objectives

- i. To establish the effect of persuasive advertisement on sales volume of UTL.
- ii. To assess the influence of informative advertisement on market share of the organization.
- iii. To establish the relationship between reminder advertisements on the profit level of the organization.

1.4 Research Questions

- i. What is the effect of persuasive advertisement on the sales volume of UTL?
- ii. What is the influence of informative advertisement on market share of the organization?
- iii. What is the relationship between reminder advertisements and the profit level of the organization?

1.5 Scope of the study

1.5.1 Content scope

The study was centered on the effect of advertisement on organizational performance of Uganda Telecom Limited. The study specifically highlighted the effect of persuasive advertisement on sales volume of UTL, the influence of informative advertisement on the market share of an organization, the relationship between informative advertisements on the profitability level of the organization as specific objectives.

1.5.2 Geographical scope

The study was conducted at Uganda Telecom limited located in Kampala, Speke road offices main branch.

1.5.3 Time scope

The study was conducted for one year. This period was chosen because it was enough to provide necessary data.

1.6 Justification of the study

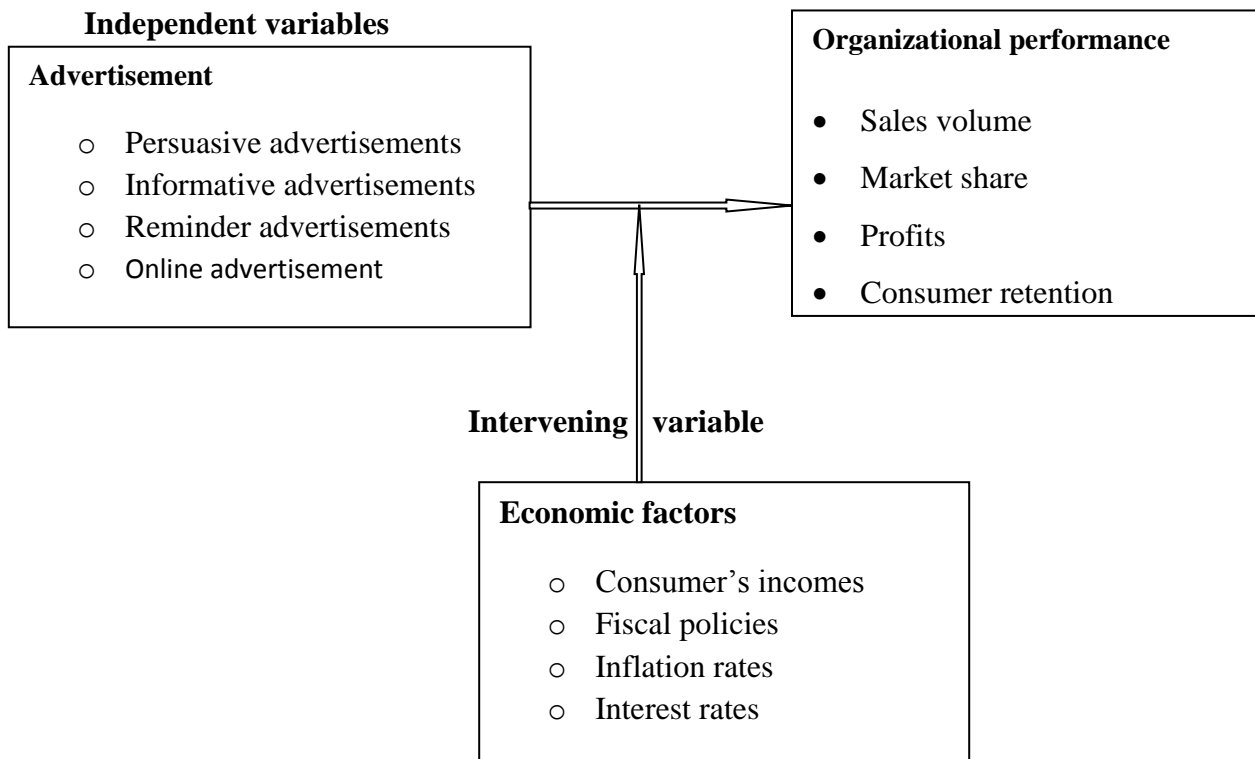
The effect of advertisement on organizational performance affects the success of organizations. Advertisement like persuasive, informative and reminder advertisements usually affect organizational performance informs of market share, sales volume and profitability levels of an organization. There is a high need to establish the direction and extent of the relationship between the three variables in the context of Telecommunication companies in Uganda. If this is not done now, the Telecom industry in Uganda may fail to understand how they can foster their organizational performance through harnessing of the capabilities of their advertising campaigns. This would be so because scientific studies in the Ugandan context relating the three key advertisement techniques have not been adequately done. This study was possible within the time frame of one month considering it was a case study in one organization department of marketing with fairly small population.

1.7 Significance of the study

- i. To the Planers, the study will enable them to forecast and predict accurately how best they influence the future trends of organizational performance.

- ii. The study will help in aiding the decision making process in deciding which advertising technique is the most appropriate.
- iii. The study is of significance in a sense that it will generate fresh ideas/knowledge regarding the effect of advertisement on organizational performance organization.
- iv. To management of UTL, the study will avail opportunities presented by advertising on the organizational performance so as to increase sales volumes.
- v. To the future researchers, it will help them in carrying out further research and also know the areas which have been researched on or where no research has been conducted.

1.8 Conceptual framework



Source: Kotler (2010), Richard (2009)

Basing on the conceptual framework developed above, it is evident that advertising on the framework indeed affects the organizational performance of a company. For example, when an organization undertakes persuasive advertisement it has an influence on the sales volume of UTL , informative advertisements made, potential customers are well informed about the presence of the product or service and this boosts market share of the organization, reminder adverts also enable the company to keep track of their products offered by reminding customers about the presence of the products and services and therefore the company consequently obtain an improvement in organizational performance to result into quality and increased production of services and goods (airtime, data bundles). However, the intervening variables should be controlled so as to ensure that the dependent and independent variable are not manipulated in the course of undertaking the investigation.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter dealt with related literature to the variables on the topic, the effect of advertisement on organizational performance. The researcher consults the works of accredited scholars and researchers in order to understand and investigate the research problem, sources such as books, magazines, journals, internet and dissertations are analyzed to deepen the theoretical foundation of the research.

2.1 Literature review of key variables

2.1.1 Advertisement

Ann Burges 2000, advertising is the action of calling something to the attention of the public, especially by paid announcements. Advertising enables the consumer to become an active member of the economic cycle rather than a passive agent . It is the freedom of choice for the consumer that means companies' advertising strategy must portray the correct advertising message and select the correct advertising media. Advertising is a major part of the promotional side of the marketing mix. Advertising is a powerful tool which aims to influence consumer decisions and thus behavior. Kotler (2006) provide an alternative definition. "Advertising is any paid form of non-personal presentation and promotion of ideas goods and services through mass media such as newspapers, magazines, television or radio by an identified sponsor." Persuasive advertising will attract more customers and hence improve the sales performance.

The institute of practitioners in advertising message and select the correct advertising (IPA), the body which presents advertising agencies, defines advertising as "the means of providing the

most persuasive possible selling message to the right prospect at the lowest possible cost.” Futrell (2009) states that advertising is a form of non-personal communication paid for by an identified sponsor such as an individual or organization and the modes of communication include television, radio, direct mail, catalogs, newspapers and outdoor such as bill boards.

K. Dave (2010) explained advertising as the communication link between sellers and buyers for the purposes of influencing, informing or persuading a potential buyer’s purchasing decision.

This is true in a way that sellers speak in favor of their goods and promotions are usually done in public areas like trading centers where people gather attracted by the music, logs among others. The objectives of advertisement include informing, reminding and persuading customers of the products the company offers. There is no consensus in the literature on the definition of Advertising.

. Advertising informs, educates and persuade people to buy the advertised goods and services. In 2004 Albert Lasker, head of the Lord & Thomas Agency, received a message from John E. Kennedy, a copywriter. The message said: “I am in the saloon downstairs say yes and I can tell you what real advertising is. Kennedy described advertising as salesmanship in print and it depended on “reason-why” copy.

Shimp (2007) in corroborating Richards and Curran (2002) defined advertising as a paid, mediated form of communication from an identifiable source, designed to persuade the receiver to take some action, now or in the future. A broad variety of rational motives can be used as the source for advertising appeals such as convenience, economy, health, sensory benefits, quality, performance, comfort, reliability, durability, efficiency, efficacy etc; all of these are to stimulate the consumer to patronize a product (Duncan,2002).

In conclusion therefore the researcher defined Advertising as a form of marketing that is aimed at obtaining and maintaining direct relations between suppliers and buyers within one or more product/market combinations. This means that advertising is branch of commerce which used to create awareness for particular product and it must be paid for.

2.1.2 Organizational Performance

Richard et al (2009) states that organizational performance comprises of three specific areas of a firm outcomes that is financial performance (in terms of profits, returns on assets, return on investments), product market performance (sales, market share), and share holder return (total shareholder return, economic value added). Therefore advertising and organizational performance are related in a way that for example when persuasive advertisements , reminder and informative advertisements are carried out , the company is most likely to increase its market share, sales volume and profitability levels both in the short and long run.

This also shows that advertising affects organizational performance in one way or another. Regardless of whether an organization is for profit or not for profit, an important consideration for boards is the degree to which the organization's available resources are being utilized in an efficient and effective manner to achieve stated outcomes. Is the organization getting maximum desired impact from avoiding wastage of previous resources? Organizations should identify the resources that are human, financial, physical and intellectual/ intangible they need to deliver on their purpose and plan how those resources will be made available to and best managed by the organization. However in this chapter the researcher considered organizational performance in financial terms that is to say profitability, market share and sales volume.

Lebans and Euske (2006) provide a set of definitions to illustrate the concept of organizational performance: Performance is a set of financial and nonfinancial indicators which offer information on the degree of achievement of objectives and results (Lebans & Euske 2006 after Kaplan & Norton, (2002). Performance is dynamic, requiring judgment and interpretation. Performance may be illustrated by using a causal model that describes how current actions may affect future results. Performance may be understood differently depending on the person involved in the assessment of the organizational performance (for example Performance can be understood differently from a person within the Organization compared to one from outside).

To define the concept of performance is necessary to know its elements characteristic to each area of responsibility. To report an organization's performance level, it is necessary to be able to examine the market share, sales volumes and profitability levels of the organization. Many firms are aware of the fact that to acquire and keep customers requires some form of personal attention. Oftentimes products are targeted at only a specific subset of the entire customer population. Also, it appears more expensive to obtain new customers than to maintain current customers (Peppers and Rogers, 2003). So, firms understand the importance of developing a good relationship with current and new customers. Advertising is an important tool in this process, because its goal is to develop and maintain a long-term relationship with (individual) customers

2.2 The effect of persuasive advertisement on the sales volume of the organization.

Armstrong. S (2010), asserts that persuasive advertising can be used to maintain loyalty by encouraging customers to resist switching to a competitive product and this increases sales volume of the organization. Much advertising is done to help customers feel better after they have made a purchase. It can provide reassurance that the purchase was a good one. It can also

help manage customer expectations regarding the benefits offered because customers often overestimate the pleasure they will receive from new purchases and this in the long run can either increase or decrease sales volume of Uganda Telecom.

Longman (2000) says “persuasive advertising is an act of telling people publicly about a product or service in order to persuade them to buy it.

Persuasive advertising is used by marketers to increase the demand for an existing good, service for organization. The idea is persuade a target audience to change brands, buy their product. After the purchase, the quality of the product will indicate whether they are competitive when there are similar products in the market place and products competing for their share of the market customer will remain loyal or return to the previous brand.. In this situation, the winning product will differentiate itself from the competition and possess benefits that are superior to or compete strongly with the competition for example among the many Telecommunication companies available in the country Airtel and Mtn have a more strong customer base as compared to other players in the industry and thus this explains the persuasive adverts that come up every day and the increase in their sales volumes as compared to Uganda Telecom.

Persuading customers is a prominent objective of companies in competitive markets. Once customers have a basic understanding of your industry and product offerings, you must show them why your brand is elite. Companies use a variety of approaches, including emphasis on product quality, service, unique features, environmental friendliness, the cool factor, cutting-edge technology and low costs. Emotional appeals are common in persuasive adverts because you want to tug at the heart strings of customers by building up their experience. Therefore, it aims to induce the public to purchase advertised products as against competing products.

Sales volume refers to the total turnover of the business sales. This includes how much items a business can sell in a specified period of time.

Tom (2010) asserts that when a company representative comes in direct contact with the customer, in order to inform the client about a goods or services, the chances of making a sale are higher. He says that personal selling is especially important for business-to-business marketers since products and services are complex and expensive. In many companies, persuasive advertising is the largest single operating expense aimed at increasing the sales turnover of a company, hence a positive correlation between the practice and the volume of sales.

Adekoya (2011) researched on impacts of persuasive advertising on sales volume of a product and established that consumers' decisions with regards what to buy is motivated by what has been seen, heard of or practically used. Advertising helps in that it carries the message far and wide to a scattered target audience that the advertiser or producer could not have reached it at once so easily.

Korgaonkar et al., (2004) hypothesize that persuasive advertising campaigns were successful in increasing sales when they were for nondurable products with unique attributes, were geared to the consumer market and backed by adequate financial resources, and when they featured unique and creative messages.

Business dictionary defines persuasive advertising as a type of promotion that attempts to influence a consumer in favor of purchasing a particular good or service. A business might engage in persuasive advertising to encourage first time customers to try its product. A large

variety of approaches and models are used to get insights into the nature of the impact of advertising on firm economic performance.

East, (2003), asserts that it is undoubtedly true that many products and services would remain unsold were it not for persuasive advertising campaign. Only major firms can afford to produce advertising campaign because of their high cost and such firms compete fiercely, utilizing expensive media.

Thomas (2001) opined that one of the functions of persuasive advertising is to create differentiation among brands that are otherwise difficult to distinguish. Schmalensee argued that established firms achieve a significant market advantage. This occurs because their advertising effectiveness and product appeal have been enhanced by consumer experience with the product as well as the simple aggregate volume of competing persuasive advertising messages. Thus, established firms can impose higher advertising costs on new entrants by increasing their own advertising barrier to entry, more market power and higher sales. Adewale (2004) postulated that persuasive advertising performs the following functions:

It informs the public or potential buyers about the existence of a product or services and where it can be obtained; it educates the consumers about the use of the products; it encourages the company to improve its product qualities or services qualities if it is to remain in the market. Advertising however helps to persuade the consumers to buy the products.

Graham and Frankenberger, (2000) also reported mixed evidence, they for instance, reported a positive link between reminder advertising and profitability for those firms operating mainly in consumer goods industries.

Advertising creates employment opportunities for the people; to create awareness of the consumers about the continued purchases of the goods. Also persuasive advertising helps to expand the markets for some goods and services and thus reducing prices, brand loyalty is created, for instance some people will not take any type of Sim card. It presents good image of the company to the public.

Akanbi and Adeyeye (2011) state that persuasive advertising set off a chain reaction of economic events. Why do consumers prefer advertised brands as compared to unadvertised brands in the same product category? Not necessary because advertised brands are superior but because advertising can add value to a brand in the consumers mind. While persuasive advertising may or may not speak directly about a products quality, the image created by advertising may imply quality and make the product more desirable by adding value to it. Advertising also adds value by educating consumers about their options of choosing their desired value in the products or services they buy. Advertising also offers consumers the opportunity to satisfy their psychic or symbolic needs and wants through products or services they use. Advertising contributes to the self-interest by adding value to products and services in a free market system. Furthermore, it encourages competition which adds to the consumer's self-interest.

Ehrenberg, Kennedy, et.al (2002). Say that persuasive advertising is an efficient form of communication capable of reaching mass audiences at a relatively low cost per contact, it facilitates the introduction of new brands and increases demand for existing brands, largely by increasing consumer's top-of-mind awareness for established brands in matured products categories this then increases market share of the services.

Abiraji (2008), says advertising performs the following functions such as influencing consumer behavior by persuading them to buy. Advertising is used to maintain sales and to stabilize or increase profits levels. It can help to change attitudes leading to favoring one firm's product over another's. More often than not, it is used to bring new goods and services to the attention of the buying public and build good will between producers and customers.

Palda for instance, provided a unique analysis of effects of persuasive advertising on sales. Results in Palda (2005) indicated that persuasive advertising is an intangible asset that is subject to amortization and that, on the average, 95% of the advertising expenditures were amortized during a period of almost 7 years.

Picconi (2007), however, found no significant correlation between advertising expenditures and increased future benefits as measured by subsequent sales volumes and it is a very important factor for determining the performance of the company and its likely hood for continuity. For most companies, the ultimate objective for advertising should be to have a good return on the investment in the advertising campaign. One should also consider the impact of advertising on other stakeholders, such as creditors, employees, customers, suppliers, and retailers. Advertising can lead directly to sales volumes increase. It can help also with related sales efforts such as making potential customers more receptive to sales calls. It can stimulate other behavioral changes, such as voting, protesting, or donating time and money to charitable causes. Persuasive advertise and sales volume are however related in a way that one influences the other that is to say persuasive advertisement can either lead to an increase or have a negative impact the sales volumes of an organization, increase expenses.

2.3 The influence of informative advertisement on the market share of the organization.

Dauda A (2015) states that Informative advertising is often used when launching a new product, or for an updated or relaunched product. The objective is to develop initial demand for a good, service. It is used when a new product is put on the market when an old product has been relaunched or updated. Informative advertising will tell the consumer and market place about the product, explain how it works, provide pricing and product information and should build awareness for the product as well as the company. The image of the product and company should be compatible and complementary. There should be enough information to motivate the consumer to take some sort of action. Advertising increases market share goods and services of the company.

Barnard, Kennedy, et al (2002) assert that Informative advertising performs most valuable information role – both for the advertised brand and the consumer by teaching new uses for existing brands hence encouraging customers to exhibit willingness to patronize such a brand according to Wansink and Ray, (2000). Effective advertising assists in influencing perceived

Damerion (2000) concluded that without advertisement giving information to customers, they would find it difficult to satisfy their wants.

Mark in his research found out that many Nigerians relied on adverts for information, the informative and persuasive content of advertising firms have succeeded, through their promotional efforts in creating a high market share. The public/ consumers benefits greatly from advertising expenditures. First, advertisements are informative. The newspaper ads are full of information about products, prices, features and more about the new promotions of Uganda Telecom for example the new promotion of Kizze. Businesses spend more on direct mail than

radio or magazine advertising. Direct mail (for example catalogs and letters sent by mail to people's homes and offices) is an informative shopping aid for consumers. Most times consumers receive mini catalogs in their newspaper, that tells them what's on sale, where at, what price, for how long and more, this increases awareness and market share in the long run. Chinedu (2005) and Meshach (2007) assert that informative advertising is a major competitive tool in establishing position in the market place.

Companies use advertising not only to market and promote their products but to among other things wade-off competitors, improve their brands and create a visage-front for their products in the presence of anticipated users, buyers or clientele. Persons, organizations, groups, government agencies and different sectors of many economics employ advertising to marshal messages to target public. This is because a well-crafted advertisement program can be a cost-effective way to disseminate messages and build brand preferences.

Volumes refer to the actual numbers of units that a company sells out of total units sold in the market.(Investopedia). Most ads include two or more pieces of information and only 16 percent include none. These findings were based on evidence from 60 published empirical studies Conducted over 19 years across countries, products, and media (Abernethy and Franke 2006).

Informative advertisement is used to introduce a brand new company, product or service to marketing. Before you can convince customers that you have the best option, they have to know what your product does on a basic level and this then results into awareness of the product by the consumers and this means increased market share if many potential customers know about the services of the company. For example telecommunication companies in Uganda due to the stiff competition have got to keep the public always about the available services.

Additionally, companies with complex solutions might benefit from informing customers of how their products work and how the products help customers. Informative adverts normally have more copy centered on explaining features of the solution and benefits to the customer. Therefore information is given to prospective buyers in respect of particular product or service through advertising.

Furthermore, Akeen (2011) evaluated customer attitude towards informative advertising and market share using MTN Nigeria as a case study. In the study, a simple random probability sampling technique, simple frequency tables and the Chi-square statistical tools were adopted for data analysis. The finding showed that there is a relationship between informative advertisement and market share.

Market share is the percentage of an industry or market's total sales that is earned by a particular company over a specified time period. Market share is calculated by taking the company's sales over the period and dividing it by the total sales of the industry over the period. Market share is one of the primary indicators companies use to measure how well they are doing versus competitors, it enables companies to improve marketing's impact on revenue. Market shares can be value or volume; it is based on the total share of a company out of total segment sales.

Shah and Akbar (2008), for instance, state that, the use of market value is a superior proxy in examining the nature of advertising as it captures both current and future profitability effects of advertising. Results from advertising value relevance studies are also not conclusive. While some studies reported a positive influence of advertising on market value.

Bisi (2002) stated that advertising is used to clarify the negative opinions people have about a product which may be as a result of what they have heard other people say about the product.

The writers on the function in advertising shared similar opinions especially the advertising is used to influence consumer behavior by persuading them to buy.

To announce a product; to announce a modification; to maintain sales of established products; to attract new buyers; to introduce new packages; and to secure edge over competitors. In accordance with the work of Young (1973), Shimp (2007) asserted that many business firms as well as not-for-profit organizations have faith in advertising majorly because it performs five critical communications functions which are informing, influencing, reminding and increasing salience, adding value, and assisting other company efforts.

One of the advertising's most important functions is to publicize brands. Informative advertisement impacts on market share in a way that if awareness of a product is carried out then the company attains increased market share as compared to other players in the market since the industry has a lot of competition. However UTL has not managed to inform its customer enough about the services of the company the researcher has come up with this conclusion through observation through the media such as bill boards, TVs, radios among, all show that the company is not informing the public enough its services and this justifies the fact that the company's market share is reducing with the much competition in the industry. Informative advertisement according to the researcher's finding refers to the kind of advertisement that creates awareness about the different brands of a company and informative advertisements are usually important to the company because they provide the necessary information needed by the public so as to purchase the different products of their choice and for the seek of UTL Jackline and Tonny in the marketing department state it that the company usually carries out informative advertisements to increase customer retention to result into increased market share in the long run and for this reason, the researched was able to identify that informative advertisement and market share have

a close relationship that is to say they impact on each other negatively or positively depending on how the advert is designed and run in media since also funny adverts stick more in the minds of consumers and help to drive sales and market share.

2.4 The relationship between reminder advertisements on the profitability levels of the organization

Notta and Oustapassidis (2001), examining the influence of various media reminder adverts on profitability, found that persuasive advertising has influence on profitability levels of an organization. Eng and Keh (2007) indicated that reminder advertising expense leads to higher return on assets and the effects last up to 4 years. Reminder adverts simply reinforce your brand message to well-established marketplace. The general idea is to maintain top of mind awareness and protect against competitors coming along and stealing your customers. This keeps the brand and its central message in the forefront of the customer's minds.

Advertisement therefore reminds the public about the existence of products in the market. It is a continuous process of persuading the prospective customers which results in purchase of goods and services.

Reminder advertising reinforces previous promotional information. The name of the product, testimonials of past customers, public response and sales techniques are repeated in the hopes of reminding past customers and gathering new ones. It is used to keep the public interested in and aware of a well-established product that is most likely to be at the end of the product life cycle. Advertising add value to brand by influencing perceptions. Effective advertising cause brands to be viewed as more elegant, more stylish, more prestigious and of high quality. Greater advertising spending influence consumers to perceive advertised brands as higher in quality.

Effective advertising, then, by influencing perceived quality and other perception, can lead to increased market share and greater profitability, which are measures of organization performance. By adding value, advertising can generate for brand more sales volume, revenue, profit, and reduce the risk of unpredictable future cash flows. Similarly,

Profitability levels are the ability of a business to earn a profit. A profit is what is left of the revenue, such as producing a product and other expenses related to the conduct of the business activities. Business is conducted primarily to earn profits. The amount of profit earned measures the efficiency of a business. The greater the volume of profit, the higher is the efficiency of the concern. The profit of a business may be measured and analyzed by studying the profitability of investments attained by the business. The word 'profitability' is composed of two words, namely; profit and ability.

The term profit has already been discussed at length in detail. The term ability indicates the power of a firm to earn profits. Until recently, firm's managers were solely expected to maximize the firms' wealth. If that is the case, managers are now expected to take decisions that take account of the interests of the firms in term of profits. Measuring profitability is the most important measure of the success of the business. Therefore, managers must do their best to ensure that their firms are operating at marginal level of certainty of returns to warrant profitability for the firm.

Theories have been formulated over the years to explain the variable of profitability. Few of such theories too mention a dynamic theory of profit, compensation theory of profit, monopoly theory of profit and innovative theory of profit. The main concern to discuss is the dynamic theory of profit.

Don (2009) propounded that the dynamic theory of profit is the residue; the difference between price and cost, due to the reductions in the cost effected by changes in the economy such as population increase (this reduces wages), increased capital supply (this reduces the interest rate charged and hence the cost of capital comes down), and technological improvements (reduces the costs). This theory treats profits as a residue in price after deducting costs but these profits according to him are due to reminder advertisements that make the public aware of the services and products of an organization.

Furthermore, profitability is defined as either accounting profits or economic profits. Accounting profits means net income, while economic profits, means net worth. Profitability is the primary goal of all business ventures. Without profitability the business will not survive in the long run. So measuring current and past profitability and projecting future profitability is very important. Profitability is measured with income and expenses. Income is money generated from the activities of the business. For example, if crops and livestock are produced and sold, income is generated. However, money coming into the business from activities like borrowing money does not create income. This is simply a cash transaction between the business and the lender to generate cash for operating the business or buying assets.

Profitability is measured with an “income statement”. This is essentially a listing of income and expenses during a period of time (usually a year) for the entire business. An income statement is traditionally used to measure profitability of the business for the past accounting period. However, a “pro forma income statement” measures projected profitability of the business for the upcoming accounting period. A budget may be used when you want to project profitability for a particular project or a portion of a business.

Whether you are recording profitability for the past period or projecting profitability for the coming period, measuring profitability is the most important measure of the success of the business. A business that is not profitable cannot survive. Conversely, a business that is highly profitable has the ability to reward its owners with a large return on their investment. Increasing profitability is one of the most important tasks of the business managers. Managers constantly look for ways to change the business to improve profitability.

The ability of an enterprise also denotes its earning power or operating performance. Also, that the business ability points towards the financial and operational ability of the business. So, on this basis profitability may be defined as the ability of a given instrument to earn a return from its use. Weston and Brigham define profitability as the net surplus of a large number of policies and decisions.

Profit being an absolute figure fails to indicate the adequacy of income or changes in efficiency resulting from financial and operational performance of an enterprise. Much difficulty and confusion comes home while interpreting the absolute figures of profit in case of historical or inter-firm comparisons due to variation in the size of investment or volume of sales. Such problems are handled by relating figures of profit either with the volume of sales or with the level of investment. A quantitative relationship is thereof established either in the form of ratios or percentages. Such ratios are names as profitability ratios. Thus, profitability may be regarded as a relative term measurable in terms of profit and its relation with other elements that can directly influence the profit. No doubt, profit and profitability are closely related and mutually interdependent, yet they are two different concepts. The accounting concept of profit measures what have been accumulated, the analytical concept of profitability is concerned with future accumulation of wealth. Profit of an enterprise, reports about the financial and operational

efficiency of the business. Whereas, profitability interprets the term profit in relation to other elements likely to affect these profits in order to help in decision making.

Profit is regarded as an absolute connotation as against profitability, which is regarded as a relative concept. Where profit is the residual income left after meeting all manufacturing, administrative expenses; profitability is the profit making ability of an enterprise. The profit figure indicates the amount of earning of a business during a special period. While 110

Profitability denotes whether these profits are constant or improved or deteriorated, how and to what extent they can be improved. profit in two separate business concerns may be identical, yet, at many times, it usually happens that their profitability varies when measured in terms of size of investment It has been aptly remarked that the role played by profits and profitability in a business enterprises is identical to the function carried out by blood and pulse in the human body.

Profitability is the ability to earn profit from all the activities of an enterprise. It indicates how well management of an enterprise generates earnings by using the resources at its disposal. In the other words the ability to earn profit for example profitability, it is composed of two words profit and ability. The word profit represents the absolute figure of profit but an absolute figure alone does not give an exact ideas of the adequacy or otherwise of increase or change in performance as shown in the financial statement of the enterprise. The word ability reflects the power of an enterprise to earn profits, it is called earning performance. Earnings are an essential requirement to continue the business. So we can say that a healthy enterprise is that which has good profitability. According to Hermenson Edward and Salmonson 'profitability is the relationship of

income to some balance sheet measure which indicates the relative ability to earn income on assets employed.

Profitability is a measure of evaluating the overall efficiency of the business. The best possible course for evaluation of business efficiency may be input-output analysis. Profitability can be measured by relating output as a proportion of input or matching it with the results of other firms of the same industry or results attained in the different periods of operations. Profitability of a firm can be evaluated by comparing the amount of capital employed that is to say the input with income earned that is the output. This is popularly known as return on investment or return on capital employed. It is regarded as the overall profitability ratio and has two components; net profit ratio and turnover ratio. Studies relating advertising influence on profitability of a firm or industry.

Graham and Frankenberger, 2000) also reported mixed evidence, they for instance, reported a positive link between reminder advertising and profitability for those firms operating mainly in consumer goods industries. Similarly, Notta and Oustapassidis (2001), examining the influence of various media advertising on profitability, found that only TV advertising has influence on profitability in Greek food manufacturing. Eng and Keh (2007) indicated that advertising expense leads to higher return on assets and the effects last up to 4 years usually.

Therefore reminder advertisements and profitability levels in a way that with increased advertisement the organization is more likely to gain more profits however these advertisements also increase expenses because they cost the company a lot of resources.

2.5. Conclusion

In conclusion therefore advertisement in form of persuasive, informative and reminder advertisements affect organizational performance of UTL in terms of sales volumes, profits, customer retention and market share. In the way that with advertisement, awareness is created about a product or service to potential customers and this in the end results into increased organizational performance.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

The chapter highlighted the methods the researcher employed to collect information, research design, population of study sample size and selection, sources of data, data collection methods and research instrument, data analysis and presentation, limitations of the study.

3.1 Research design

Saunders et al, (2009), Willis and Onen (2009), Amin (2005) and Kothari (2004), a research design is a general plan, structure and strategy of investigation conceived so as to obtain answers to research questions, set by the researcher and also control variance.

The researcher used a case study research design; this is because the researcher intended to use a case in collecting information. The researcher used a case study research design; this was because the researcher intended to use a case in collecting with information concerning the topic under investigation. Quantitative measures were employed through the use of questionnaires to attain data from the variables under investigation to generate the information. The qualitative methods were used because the data collected enabled the researcher to acquire detailed information about the variables under study.

3.2 Area of study

The study was carried out at Uganda Telecom head office which is located along Speke road in Kampala road near the post office. The area was chosen because the organization undertakes comprehensive advertisements to maintain its competitive edge yet advertisement does not improve organizational performance.

3.3 Population of study

The research population is a group of individuals, objects, or items from which the items are taken for measurement (Kumar 2005). The population of the study involved a cross section of marketing staff of Uganda Telecom. The population of study comprised of 25 marketing employees (Human resource Report, 2015).

They were from the various section of marketing department, who included commercial, customer operations, marketing, sales and distribution, customer care, brand and communications was chosen. They provided the relevant information about the study topic in the organization.

3.4 Sample size and procedures

3.4.1. Sample size

The sample size constituted of 24 respondents (Krejcie and Morgan, 1970). They represented the population of study and helped to get further data needed in the researcher's area of study.

Table 3.1: Showing sample size of the respondents

CATEGORY	NUMBER
Marketing	10
Commercial	4
Customer care	3
Customer operations	2
Sales and distribution	3
Brand and communications	2
Total	24

3.4.2. Sample procedure

The researcher used purposive sampling techniques to attain responses from the marketing staff named above; this technique was used to acquire data from the key informants because they deemed to be more knowledgeable about the activities and operations undertaken in the advertisement methods of the organization.(Uganda Telecom).

3.5 Sources of data

The researcher used primary and secondary data.

3.5.1. Primary data

Primary data was attained from the research made questionnaires and interview questions; these were mainly from the respondents in the organization and focused basically on the effect of advertising on organizational performance of a company.

3.5.2. Secondary data

Secondary data was attained from published articles, business management journals, theses, text books, reports of previous researchers and related data from the internet.

3.6 Data collection methods and research instruments

3.6.1 Questionnaires

Well-designed questionnaires were used to collect data, these were close ended questions for the purpose of having all questions answered, and questionnaires were considered to be a better tool for data collection. It was convenient as it eliminated the element of grasping in respect of interviews, and yet gave the respondents enough time to avail accurate answers to questions that were of the nature that can be answered at the researcher's absence. This allowed the respondents to give views in their own ways, which objectively avoided biased information.

3.6.2. Documentary Review.

The researcher was given permission by the human resource manager to review previous performance of the UTL and compare it with that current performance to come up with a conclusion on the effect of advertisement on organizational performance of the company. The researcher also viewed recruitment database and found out that the company recruits 50 members in the marketing department who include sales drivers, marketers designer house among others.

3.7 Data Collection Methods and Research Instruments

3.7.1 Questionnaires

In this research well-designed questionnaires were used to collect data, these were closed ended questionnaire. For the purpose of having all questions answered, questionnaires were considered to be a better tool for data collection. It was convenient as it eliminated the element of grasping in respect of interviews, and yet gave the respondents enough time to avail accurate answers to questions that were of the nature that can be answered at the researcher's absence. This allowed the respondents to give views in their own ways, which objectively avoided biased information.

Kumar, (2005) defines a questionnaire as a written list of questions, the answers to which are recorded by the respondents. It is a device for gathering information consisting of a list of questions or statements calling for information from the respondents. Usually the respondent writes in the spaces provided on the form as guided by the researcher. Self-administered questionnaires covering all the aspects of the study variables and accompanied with a five-point Likert scale response continuum, that is 5 = strongly agree, 4 = agree, 3 = neither agree nor disagree, 2 = disagree and 1= strongly disagree, was used for this study to collect data from respondents.

3.7.2. Documentary Review

This is the method through which information is collected by reviewing documents. According to Baver (2000), documentary analysis is one way of interpreting textual data.

The research viewed data of past and current performance of the organization with effect to advertisement in the company. (Management Report 2015).

3.8. Data quality control

Before going in the field, a pilot study was conducted by the researcher to ensure that all the methods of data collection were used appropriately

The questionnaires were pre- tested to ensure their validity and reliability in order to reduce on ambiguity of the questions. The respondents were selected at random to answer the questions asked to confirm their validity and reliability. Additionally the questionnaires were tried out on the researcher's peers before using on the actual sample population. The researcher made use of the interview guide that guided on particular questions to ask based on the objectives and research questions. Additionally, a pilot study was conducted by the researcher to ensure that all the methods of data collection were used appropriately

3.8.1. Reliability of data

According to Amin,(2005), reliability is the dependability of the research results or the degree to which measuring instruments consistently measure what it's supposed to measure. He also says that research instruments are only valid when it actually measures what it is supposed to measure and when the data collected through it accurately presents the respondents. The researcher used closed ended questionnaires.

3.8.2 Validity of data

To ensure validity of the information, the researcher designed questionnaires and gave them to friends and to ensured that the right questions were designed and given to the right people with the required knowledge about the study.

3.9 Procedure of the study

Letter of introduction were obtained from Uganda Martyrs University. This letter was then taken to Uganda Telecom which was to seek permission so as to carry out the study research from the organization. The researcher was given permission to collect the data from the respondents.

3.10 Data analysis and presentation

Data was edited, coded and checked for accuracy. During tabulation, numerical figures, frequencies and percentages was calculated and then presented in tables to explain and make a visual impression of the findings and also to enable the researcher come up with logical and specific conclusions. The researcher analyzed the data using SPSS version 19.

Qualitative data involved the quoting of verbal responses which were critically analyzed to tabulate all the findings for easy interpretation and completeness, each question was looked at to ascertain whether it had been answered, In regard to accuracy and the researcher ensured that the responses given had a reasonable degree of internal consistency.

3.11 Limitations of the study

In the process of carrying out the research, the researcher encountered the following hindrances:-

Limited funds for the study that is to say the research was expensive in terms of printing, transport among other, this problem was solved by sparing money for lunch on printing.

Time allocated was not enough to acquire all the required information but the researcher ensured adequate time management in all activities to overcome time barriers.

Lack of experience in project. There was difficulty in summarizing vast data available in order to come up with relevant information needed for the study due to lack of experience. However, the researchers overcame this by carrying various contrasts and comparisons so as to come with reliable conclusions.

Inadequate data source: There was a limitation to access of some journal articles and this presented a challenge of obtaining some relevant information to come up with reliable conclusions. The researchers overcame this by getting it from alternative journals with related information to the topic.

Code of conduct: The respondents approached were likely to be reluctant in giving information fearing that the information sought would be used to intimidate them or print a negative image about them or their Manufacturing organizations. Some respondents may even turn down the request to fill questionnaires. The study handled the problem by carrying an introduction letter from the University and assuring them that the information they give would be treated confidentially and it would be used purely for academic purposes.

3.12 Ethical consideration

Confidentiality of respondents was respected and the respondents were to be informed that all information was used for academic purposes. Every attempt ensured that the respondents were requested to participate in the research in the environment that was conducive to them. The researcher was also ensured objectivity during the study, maintaining integrity, report the

research fully and honestly, the researcher honored the request and restriction of the research site, respect was given to the participants.

CHAPTER FOUR

DATA ANALYSIS, INTERPRETATION AND PRESENTATION OF FINDINGS

4.0 Introduction

This chapter presents analyses and interprets the findings on the effect of advertising on organizational performance of UTL. The findings were based on the research objectives which included; to identify the effect of persuasive advertisement on sales volume, to examine the impact of informative advertisement on market share and lastly, to establish the relationship between reminder advertisement and profitability levels of Uganda Telecom. The response rate was 96%. this was because the respondents were cooperative.

4.1 Response rate

In this study, response rate was 100% because the researcher spent a lot of time collecting the data and respondents were co-operative.

4.2 Demographic respondents characteristics

The background was analyzed basing on the socio-demographic characteristics of the respondents namely; gender, tenure in the organization, marital status, department section and education qualification.

4.2.1 Gender characteristics of respondents

In this study, gender characteristics were analyzed for the marketing department of Uganda Telecom and details are presented in table 1 below.

Table 1: Showing Gender of Respondents

Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Female	14	58.3	58.3	58.3
Male	10	41.7	41.7	100.0
Total	24	100.0	100.0	

Source : primary data

The table above represents the gender of employees in Uganda Telecom, the females took up the biggest percentage of 58.3% and the male took up a percentage of 41.7. This was because Uganda Telecom is a telecommunication company that needed most ladies to work in the different sections of the department of marketing like in the customer care section and for that reason ladies were employed more for their soft voices and beauty to attract more customers.

4.2.2 Marital Status

The researcher was also interested in knowing the gender of employees in the marketing department of Uganda Telecom.

Table 2: Showing marital status of respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Married	10	41.7	41.7	41.7
single	13	54.1	54.1	95.8
Widowed	1	4.1	4.1	100.0
Total	24	100.0	100.0	

Source : primary data

The table above represents marital status of the respondents in the sales and marketing department , most respondents according to the table were single with a percentage rate of 54.1%, followed by the married respondents with a rate of 41.1% and lastly the widowed arw represented by the rate of 4.1 %. This implied that most respondents were single and this was expected to have been caused by the nature of the job that is to say the marketing and sales jobs were so demanding, employees had to be on the go all time with updates, worked extra time to keep the company moving and this was found out to be the justification of the fact that there were many single employees in the company in the marketing department.

4.2.3. Educational Level

The research was also interested in knowing the educational levels of the respondents to examine whether they would give the needed information about the effect of advertisement on organizational performance.

Table 3: Showing educational level of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Bachelor's Degree	13	54.1	54.1	54.1
	Certificate	1	4.1	4.1	58.5
	Diploma	8	33.3	33.3	91.8
	Master's Degree	2	8.3	8.3	100.0
	Total	24	100.0	100.0	

Source : primary data

Table 3 above shows the educational level of the respondents and bachelor’s degree holders occupied the biggest portion with 54.1%, followed by diploma holders with 8%, masters with

8.3% and finally certificate with 4.1%. The company employed more degree holders for the various sections in the department because their level of doing work suites the company since these respondents are mainly middle and operational managers and thus the degree qualifications was so favourable for the kind of work they did. This implied that majority of the respondents of the marketing department of Uganda telecom had the needed information for the study.

4.2.4. Tenure in the organization

The researcher also needed to know the length of time worked in the organization to determine whether they had the appropriate information about the study.

Table 4: Showing Tenure in the organization of the respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 0-3 years	8	33.3	33.3	33.3
4-7 years	15	62.5	62.5	95.8
8 years and above	1	4.1	4.1	100.0
Total	24	100.0	100.0	

Source : primary data

The tenure in the organization as represents by the table above showed that most of the respondents had worked for 4-7 years with 62.5%, then followed by respondents who had worked for 0-3 years with 33.3% , 8 years and above with 4.1 % which is the lowest proportion of the department of number of years worked. This was justified by the fact that most of the employees were in between the ages of 28- 39 and this showed that the employment terms were favourable for them to work in the department and with their age it showed that they maynot have been so exposed to the job market considering the current job as the second job opportunity for the respondents.

4.2.5. Department

The researcher also wished to examine the sections of the different responds in the marketing department of Uganda Telecom.

Table 5: Showing sections of respondents in the marketing department

Department

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Brand and communications	2	8.3	8.3	8.3
Commercial	4	16.7	16.7	25
Customer care	3	12.5	12.5	37.5
Customer Operations	2	8.3	8.3	45.8
Marketing	10	41.7	41.7	87.5
Sales and Distribution	3	12.5	12.5	100.0
Total	24	100.0	100.0	

Source : primary data

The table 5 above represents the department sections in the marketing department and marketing takes the highest rate with 41.7%, followed by commercial with 16.7%, customer care and sales and distribution have 12.5%, and finally customer operations, brand and communications both with 8.3%. The justification for the marketing section having many employees is that the staff in the marketing section were so involved in most activities that ensured that the company attains sales that is to observing the actions of competitors, carrying out some selling, moving upcountry to check on performance.

4.2.6. Age bracket

The researcher wished to know the ages of the respondents in Uganda Telecom.

Table 6: Showing the age bracket of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-28	7	29.2	29.2	29.2
	29-38	11	45.9	45.9	74.8
	39-48	5	20.8	20.8	95.6
	49-58	1	4.1	4.1	100.0
	Total	24	100.0	100.0	

Source : Primary data

The age bracket of respondents between 29-38 was the highest represented by 45.9%, followed by the age bracket of 18-28 with 29.2%, 39-48 with 20.8% and finally 49-58% and the justification for this was that the department needed strong, energetic members in the department since it was the core of the company and 29-38 was good enough since this age bracket represented hand working members to drive sales and increase profits.

4.3.Effect of persuasive advertisement on sales volume

The researcher intended to examine the effect of persuasive advertisement on sales volume of Uganda Telecom.

Table 7: Descriptive statistic on the Effect of persuasive advertisement on sales volume

	N	Minimum	Maximum	Mean	Std. Deviation
Persuasive advertisement enables UTL increase its sales volume	24	1	5	3.38	1.663
Persuasive advertisement and sales volume are closely related	24	2	5	3.63	1.096
Persuasive adverts influence customer loyalty	24	2	5	3.42	1.060
Persuasive advertisement enables customers to make choices on what to purchase.	24	1	5	3.50	1.142
Persuasive advertisement affects organizational performance positively	24	1	5	4.00	1.251
UTL carries out persuasive advertisement to increase customer retention	24	1	5	3.42	1.248
Media persuasive advertisement increases customer's retention	24	1	5	3.50	1.351
Innovation and invention is enabled by persuasive advertisement	24	1	5	3.38	1.408
Valid N (listwise)	24				

Source : primary data

4.3.1. Persuasive advertisement enables UTL increase its sales volume

According to the research results from table 7, majority of the respondents were in support of the item persuasive advertisement increases sales volume with mean 3.38 while Std = 1.663. These results concur with Armstrong, S (2010) who asserts that persuasive advertising can be

used to maintain loyalty by encouraging customers to resist switching to a competitive product and this increases sales volume of the organization.

4.3.2. Persuasive advertisement and sales volume are closely related

According to the research results from table 7, majority of the respondents were in agreement with the statement persuasive advertisement and sales volume are closely related with a mean of 3.63 while Std = 1.096 which implied there is a close relationship between the variables. These results concur with Tom (2010) who asserts that when a company representative comes in direct contact with the customer, in order to inform and persuade the clients about goods or services, the chances of making a sale are higher and this shows the close relationship between advertisement and sales.

4.3.3. Persuasive adverts influence customer loyalty

The research results from table 7, shows that majority of the respondents agreed with the statement persuasive adverts influence customer loyalty with a mean of 3.42 and Std =1.060 which concurs with East, (2003), who asserts that it is undoubtedly true that many products and services would remain unsold were it not for persuasive advertising campaign and for that reason the researcher concludes that persuasive advertisement influences customer loyalty. However persuasive advertisements at times may make customers turn against the product incase

4.3.4 Persuasive advertisement enables customers to make choices on what to purchase

The research findings from table 7, above show that persuasive advertisement enables customers to make choices on what to purchase, when and where and majority respondents were in favor of the statement with the mean of 3.50 and Std =1.142. Adekoya (2011) researched on impacts of persuasive advertising on sales volume of a product and established that consumers' decisions

with regards what to buy is motivated by what has been seen, heard of or practically used. Persuasive advertising helps in that it carries the message far and wide to a scattered target audience that the advertiser or producer could not have reached it at once so easily.

4.3.5 Persuasive advertisement affects organizational performance positively

The results from the findings in table 7 above show that majority respondents in Uganda Telecom agreed with persuasive advertisement affects organizational performance positively with the mean of 4 and Std = 1.251 which so positive. This concurs with Richard et al (2009) who states that organizational performance comprises of sales, market share of a firm outcomes that is financial performance and this is due to persuasive advertisement.

4.3.6. Uganda Telecom carries out persuasive advertisement to increase customer retention

According to research findings in table 7 above majority respondents agreed with the statement Uganda Telecom carries out persuasive advertisement to increase customer retention with the mean of 3.42 and Std = 1.248. This implies that there is a close relationship between the variables.

4.3.7 Media persuasive advertisement increases customer's retention

The research in table 7 above shows that most of the respondents agree with media persuasive advertisement increases customer retention with the mean of 3.5 while Std = 1.351 this statement concurs with Ehrenberg, Kennedy, et.al (2002). Who Says that persuasive advertising is an efficient form of communication capable of reaching mass audiences at a relatively low cost per contact, it facilitates the introduction of new brands and increases demand for existing brands, largely by increasing consumer's top-of-mind awareness for established brands in matured products categories this then increases market share of the services.

4.3.8 Innovation and invention is enabled by persuasive advertisement

The research in the table above shows that most respondents agreed with the statement innovation and invention is enabled by persuasive advertisement with a mean of 3.38 and Std= 1.408. Therefore persuasive advertisement encourages innovation invention in Uganda Telecom because with the new technology the employees in the marketing department have to be creative enough to cope up with the trend that is the online trend to be global.

4.4. The influence of informative advertisement on the market share of the organization

The researcher also examined the influence of informative advertisement on the market share of the organization.

Table 8: Showing descriptive statistics on the influence of informative advertisement on market share

	N	Range	Minimum	Maximum	Mean	Std. Deviation	Variance
Informative advertising creates awareness to customers about the services of UTL	24	4.00	1.00	5.00	3.4167	1.44212	2.080
Informative advertisement and market share have a close relationship	24	4.00	1.00	5.00	3.1250	1.19100	1.418
Informative advertisement increases market share of the organization	24	4.00	1.00	5.00	3.3750	1.09594	1.201
Uganda Telecom carries out informative advertisements to widen consumer base	24	4.00	1.00	5.00	3.8182	1.05272	1.108
Informative advertising enables customer loyalty for the organization	24	4.00	1.00	5.00	3.9583	1.16018	1.346
Informative advertisement affects organizational performance positively	24	4.00	1.00	5.00	4.0417	1.08264	1.172
Informative advertisement helps to out compete other firms in the telecommunication industry	24	4.00	1.00	5.00	3.9167	1.17646	1.384
Valid N (listwise)	24						

Source: Primary data

4.4.1. Informative advertising creates awareness to customers about the services of UTL

The research in table 8 above shows that majority respondents in the department agreed with the statement with a mean of 3.41 and Std =1.44212 which can be concluded as informative advertisement creates awareness to customers about the services of Uganda Telecom, this

concur with Barnard, Kennedy, et al (2002) who assert that Informative advertising performs most valuable information role both for the advertised brand and the consumer by teaching new uses for existing brands hence encouraging customers to exhibit willingness to patronize such a brand.

4.4.2 Informative advertisement and market share have a close relationship

The research findings in table 8 above show that the majority respondents agreed with informative advertisement and market share are closely related as represented by the mean of 3.12 and Std =1.191. This shows that informative advertisement in Uganda Telecom has an effect on organizational performance. The statement concurs with Mark in his research who found out that many Nigerians relied on adverts for information, the informative and persuasive content of advertising firms have succeeded, through their promotional efforts in creating a high market share.

4.4.3. Informative advertisement increases market share of the organization

The research findings in table 8 above represent that the majority respondents agree that informative advertisement increases market share of the organization as represented by the mean of 3.37 and Std= 1.09 this shows that informative advertisement creates awareness for the products of Uganda Telecom and thus increase market share as customers continue to purchase its goods and services as compared to the competitors in the same industry mostly. is agreed according to (Adekoya 2011) stating that, One of the roles of advertising is to inform consumers about the existence of a new product in the market that is creation of awareness.

4.4.4 Uganda Telecom carries out informative advertisements to widen consumer base

The company carries out informative advertisements to widen consumer base as the findings in table 8 above show it with the mean of 3.81 and Std=1.052. This shows that the respondents agreed with the statement and that the company widens the market base through carrying out informative advertisement campaigns. However the information being taken to the public should reflect the message the company intends to put forward.

4.4.5 Informative advertisement enables customer loyalty for the organization

Table 8, shows that majority of the respondents agree with informative advertisement enables customer loyalty for the organization with the mean of 3.95 and 1.160 which can be interpreted as informative advertisement increases customer loyalty for UTL. Customers purchase more of a product they know best and become loyal if the product is good enough thus quality should also be ensured in for the organization's products and services. This concurs with Chinedu (2005) and Meshach (2007) who assert that informative advertising is a major competitive tool in establishing position in the market place.

4.4.6 Informative advertisement affects organizational performance positively

The findings from table 8 above show that indeed informative advertisement affects organizational performance positively with the mean of 4.04 and Std= 1.082. This shows that informative advertisement in UTL is carried out to increase market share and thus the performance of the company in the long run.

4.4.7 Informative advertisement helps to out compete other firms in the telecommunication industry

The table 8 above shows that informative advertisement helps the company out compete other firms because it puts on a higher form as compared to competitors. This agreement is represented by the mean of 3.9 and Std= 1.176 and this shows that informative advertisement enables the company to out compete its competitors in the same industry.

4.5. The relationship between reminder advertisements and profitability levels

The researcher examined the relationship between reminder advertisement and profitability levels.

Table 9: Descriptive statistics on the relationship between reminder advertisement and profitability levels of the organization

	N	Minimum	Maximum	Mean	Std. Deviation
Reminder advert create awareness to potential customers of a product	24	1.00	5.00	3.5417	1.53167
reminder advertisements increase profitability levels	24	1.00	5.00	3.5833	1.21285
UTL uses reminder adverts to make the public remember their services	24	2.00	5.00	3.8333	.91683
Reminder advertisement increases customer retention	24	2.00	5.00	4.0000	.88465
Reminder advertisements enable customer loyalty of the company's services	24	2.00	5.00	3.9583	.90790
Reminder advertisements enables increase of sales of existing services	24	1.00	5.00	3.7917	1.14129
Reminder advertisements do not cost much to the organization	24	1.00	5.00	3.7917	1.06237
Valid N (listwise)	24				

Source: primary data

4.5.1 Reminder adverts create awareness to potential customers of a product

The findings in table9 above shows that majority of the employees in (respondents agree that reminder adverts create awareness to potential customers with a mean of 3.54 and Std=1.531 this shows that in Uganda Telecom the marketing department carries out reminder adverts to make their customers learn about for example the new features of the product and this in the end affects profits of the company.

4.5.2. Reminder advertisements increase profitability levels

The table 9 above shows that majority respondents in the company agree that reminder adverts increase profitability levels in UTL, these respondents agreed with a mean of 3.58 and Std =1.212 showing the positive link between reminder advertisements and profitability levels of the company. This concurs with Notta and Oustapassidis (2001), examining the influence of various media reminder adverts on profitability, who found that persuasive advertising has influence on profitability levels of an organization.

4.5.3 UTL carries out reminder adverts to make the public remember their services

The table9 above shows that the respondents agreed that the company carries out reminder adverts to remind the public about their products with a mean of 3.83 and Std=0.916. this reflects in the promotions carried out today for example the Endobo Reloaded to influence customers buy their service that was becoming out dated. Porter Calls it market penetration.

4.5.4 Reminder advertisement increases customer retention

From table9 above, the respondents agreed with a mean of 4 and Std= 0.884 which is quite a good figure and shows that indeed in Uganda Telecom reminder advertisement increases

customer retention for the products and services of the company this is because reminder adverts motivate and encourage consumers to purchase the goods of the company and this results into customer retention. This concurs with Young (2005) who stated that in an effort to improve profitability and gain audience attention, advertisers create branding moment that will resonate with target markets, and motivate audiences to purchase the advertised product or service, advertisers copy test their advertisement before releasing them to the public.

4.5.5 Reminder advertisement enables customer loyalty of the company's services

The table 9 above shows that the respondents agreed with the statement reminder advertisement enables customer loyalty of the company's services with a mean of 3.95 and Std=0.907. This statement shows that in Uganda Telecom reminder adverts are carried out to motivate customers to purchase not once but to keep on buying and buying and this is a positive result because it increases sales for the company.

4.5.6 Reminder advertisements increase of sales of existing services

Table 9 above represents that majority respondents in Uganda Telecom agreed with the statement reminder advertisement s increase sales of existing products with a mean of 3.79 and Std= 1.141. This is because most products of the company are in maturity stage for example corporate mega bonus and thus the company rebrands the products and services and runs reminder advertisement in different media platforms such as Tvs, news papers to influence sales and profits in the long run, however this has not been so possible for the company since most of its advertisement campaigns are not so prominent,.

4.5.7 Reminder advertisements do not cost much to the organization

The respondents of Uganda Telecom agreed with a mean of 3.79 and Std=1.062 that reminder advertisements do not cost much the organization because the advertising expenses are covered by the public who purchase the goods and services of the company. However these advertisement campaigns are expense in terms of paying the media houses, printing banners and flyers and making sure that the right message is put out in public.

4.6. Correlations

The researched examined the effect of advertisement on organizational performance using persuasive and informative advertisements on sales volume and market share for organizational performance.

Table 10: shows correlations between persuasive advertisement and informative advertisement (sales volume and market share)

		Persuasive advertisement enables customers to make choices on what to purchase	informative advertisement increases market share of the organization
Persuasive advertisement enables customers to make choices on what to purchase	Pearson Correlation Sig. (2-tailed) N	1 24	.431* .036 24
informative advertisement increases market share of the organization	Pearson Correlation Sig. (2-tailed) N	.431* .036 24	1 24

*. Correlation is significant at the 0.05 level (2-tailed).

Source: Primary data (2016)

The study sought to determine the effect of advertisement on organizational performance. This was done with the support of the Pearson correlation product moment technique. From the table above, correlation value ($r = 0.431^{**}$, $p < 0.05$) revealed that a positive and significant relationship exists between advertisement and organizational performance. This meant that emphasis on advertisement in form of persuasive, informative leads to a positive change in organizational performance. The value of 0.431 meant that persuasive and informative advertisement influence organizational performance in form of market share, sales volume.

CHAPTER FIVE

SUMMARY CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter presents the summary, conclusion and recommendations in relation to the effect of advertisement on organizational performance.

5.1 Summary of findings

The research findings were summarised in respect to the specific objectives of this study as below.

5.1.1. The effect of persuasive advertisement on the sales volume of the organization.

The findings from the research carried out showed that in UTL most of the employees in the marketing and sales department agree that persuasive advertisement on sales volume of UTL. The company put up persuasive adverts of Kizze which is a service in which you load airtime and subscribe free minutes to call on UTL to UTL numbers.

5.1.2. The influence of informative advertisement on the market share of the organization.

The findings from the company showed that the number of respondents who neither agree and agree was so high and this shows that informative advertisement to some extent influences market share both positively and negatively incase people are not informed about a product, they are likely to divert and buy other services and on the other hand if informative is best carried out in the organization market share of the company will increase accordingly, according to the findings.

5.1.3. The relationship between reminder advertisements on the profitability levels of the organization.

The findings from Uganda Telecom represented the relationship between reminder advertisements and profitability levels basing on the fact that most of the employees in the sales and marketing department of the organization were in agreement with their objective and this showed that the company carried out reminder advertisements to remind customers about the existing products such as Kyabise which was being carried out to increase profits of the company which is also a primary goal of the company.

5.2 Conclusion

5.1.1. The effect of persuasive advertisement on the sales volume of the organization.

In conclusion, persuasive advertisement is used by markets to increase the demand for an existing good/ services. Therefore the idea is to persuade a target audience to change brands, buy their product. After the purchase, the quality of the product will indicate whether they are competitive when there are similar products in the market place and products competing for their share of the market customer will remain loyal or return to the previous brand. Therefore the company should practice more persuasive campaigns to ensure increase in the sales volume.

5.1.2. The influence of informative advertisement on the market share of the organization.

In conclusion, informative advertising is often used when launching a new product, or for an updated or relaunched product. Therefore to develop initial demand for a good, service. It is used when a new product is put on the market when an old product has been relaunched or updated. Therefore informative advertisement provides enough information to motivate the consumer to take some sort of action which in the end increases market share of the goods and services of the company.

5.1.3. The relationship between reminder advertisements on the profitability levels of the organization.

In conclusion, the reminder advertising reinforces previous promotional information whereby the name of the product, testimonials of past customers, public response and sales techniques are repeated in the hopes of reminding past customers and gathering new ones. It is used to keep the public interested in and aware of a well-established product that is most likely to be at the end of the product life cycle. By adding value, advertising can generate for brand more sales volume, revenue, profit, and reduce the risk of unpredictable future cash flows. Similarly,

According to the research, Uganda Telecom carries out advertisements which have an effect on organizational performance of the company in form of increasing market share, profitability levels, and sales volume of the company. Therefore for the company to attain market share, sales volumes and profitability, it has to carry out persuasive advertisements, reminder advertisements and informative advertisement to encourage development of the organization in the long run.

5.3 Recommendations

The researcher recommends that;

- i. There is need for UTL to fully operationalize the modernized advertising such as the use of the internet. This is because in the current globalized economy, companies are adverting over the internet to maintain a competitive advantage as well as increase on their sales volume, market share and profitability.
- ii. There is need for the organization to employ staff with the best skills and experience; this is because incompetent staff affects the service delivery of the organization thereby influencing organizational performance.
- iii. There is need for the organization to carry out effective advertisement so as to engage in the high competition in the telecommunication industry so as to increase on awareness of

the public and increase market share, profitability levels and market share among others.

5.4 Areas for further Research

Having investigated the effect of advertisement on organizational performance of UTL, the researcher recommends future researchers to research about online advertisement, consumer retention, fiscal policy, inflation rates, and interest rates in UTL.

The researcher also recommends future researchers to investigate the impact of persuasive advertisement on online advertisements.

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APPENDICES

APPENDIX 1: RESEARCH QUESTIONNAIRE

Cover Letter for Research Instrument

Uganda Martyrs University

Faculty of Business Administration and Management

Dear Sir/Madam,

RE: RESEARCH QUESTIONNAIRES

I am Nandera Jackline a student of Uganda Martyrs University, and I would greatly appreciate your input in completing this questionnaire which will be used for academic research purposes. You were randomly selected to participate in this study, which will contribute to the scientific knowledge on the effect of advertisement on organizational performance of a company. This study is very important because it will guide managers in deciding which advertisement forms to take on like persuasive, informative and reminder advertisement to undertake so as to improve organizational performance (profitability, market share and sales volume). The confidentiality of the respondents is guaranteed. Please, do not leave out any option unanswered.

May I retrieve the questionnaires after four days please?

Yours faithfully,

Nandera Jackline

Mobile: 070631588

RESEARCH QUESTIONNAIRES

Please tick in space provided as appropriate for you

1) Gender

Male

Female

2) Marital status

Single

Married

Divorced

Widowed

3) Education level (please indicate your highest achieved)

'O' Level

'A' Level

Certificate

Diploma

Bachelor's Degree

Master's Degree

4) Tenure in the organization

0-3 years

4-7 years

8 years and above

5) Department/Directorate

.....

6) Age bracket

18-28

29 - 38

39 -48

59 and above

SECTION B: THE EFFECT OF PERSUASIVE ADVERTISEMENT ON THE SALES VOLUME OF THE ORGANIZATION.

Tick or Cycle the appropriate code provided against the statement. Please limit your tick or cycle to only one box containing the appropriate code.

Key:

1= Strongly Disagree	2= Disagree	3=Neither Agree nor disagree	4= Agree	5=Strongly Agree
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	Items	1	2	3	4	5
1	Persuasive advertisement enables UTL increase its sales volume					
2	Persuasive advertisement and sales volume are closely related					
3	Persuasive adverts influence customer loyalty					
4	Persuasive advertisement enables customers to make choices on what to					

	purchase					
5	Persuasive advertisement affects organizational performance positively					
6	UTL carries out persuasive advertisement to increase customer retention					
7	Media persuasive advertisement increases customer's retention					
8	Innovation and invention is enabled by persuasive advertisement					

SECTION C: THE INFLUENCE OF INFORMATIVE ADVERTISEMENT ON THE MARKET SHARE OF THE ORGANIZATION.

	Items	1	2	3	4	5
1	informative advertising creates awareness to customers about the services of UTL					
2	informative advertisement and market share have a close relationship					
3	Informative advertisement increases market share of the organization					
4	Uganda Telecom carries out informative advertisements to widen consumer base					
5	Informative advertising enables customer loyalty for the organization					
6	Informative advertisement affects organizational performance positively					
7	Informative advertisement helps to out compete other firms in the telecommunication industry					

**SECTION D: THE RELATIONSHIP BETWEEN REMINDER ADVERTISEMENTS ON
THE PROFITABILITY LEVELS OF THE ORGANIZATION.**

	Items	1	2	3	4	5
1	reminder advert create awareness to potential customers of a product					
2	reminder advertisements increase profitability levels					
3	UTL uses reminder adverts to make the public remember their services					
4	reminder advertisement increases customer retention					
5	reminder advertisements enable customer loyalty of the company's services					
6	reminder advertisements enables increase of sales of existing services					
7	reminder advertisements do not cost much to the organization					

APPENDIX II: Introductory Letter

Uganda
Martyrs
University



making a difference

Office of the Dean
Faculty of Business Administration and Management

Your ref.:

Our ref.:

Nkozi, 15th March, 2016

To Whom it may Concern

Dear Sir/Madam,

Re: Assistance for Research:

Greetings and best wishes from Uganda Martyrs University.

This is to introduce to you _____ who is a student of Uganda Martyrs University. As part of the requirements for the award of the Degree of Bachelor of Business Administration and Management of the University, the student is required to submit a dissertation which involves a field research on a selected case study such as a firm, governmental or non governmental organization, financial or other institutions.

The purpose of this letter is to request you permit and facilitate the student in this survey. Your support will be greatly appreciated.

Thank you in advance.

Yours Sincerely,

Mr. Edward Segawa
Associate Dean



**APPENDIX III: Determining sample size from a given population by small sample
Technique for Selection of Sample**

N	S	N	S	N	S
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	10000	384

Source: Morgan and Krejcie

Note.—N is population size.

S is sample size.