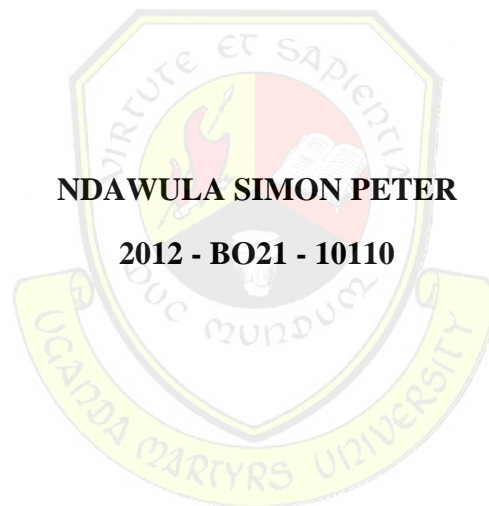


**THE ROLE OF ADVERTISING STRATEGIES IN THE PERFORMANCE OF  
MANUFACTURING COMPANIES**

**Case Study: Movit Products Limited**



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**JULY 2015**

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**CASE STUDY: MOVIT PRODUCTS LIMITED**

**An undergraduate dissertation  
submitted to  
the faculty of Business Administration and Management  
in partial fulfillment of the requirements for  
the award of a Bachelor's degree in  
Business Administration and Management**

**Uganda Martyrs University**

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## **Dedication**

This academic work is dedicated to my parents Mr. and Mrs. Kisekka for all the time, money and effort they put into my studies. Without your support, this course may never have been a reality for me. So thank you very much dad and mum.

## **Acknowledgement**

I thank the Almighty God the provider of knowledge and wisdom for seeing me through my studies and for enabling me to undertake my research successfully, without His grace I would not have made it.

I extend my deep appreciation to Uganda Martyrs University, particularly my supervisor, Mr. Aloysius L. Mubiru for the tireless effort and professional guidance accorded to me throughout the research period. I appreciate your encouragement and moral support.

Special thanks go to my classmates and my close friends for all the time they afforded to give me despite their busy schedules. I also wish to thank the management and staff at Movit Products Limited for their support, encouragement and allowing me to finish in the time needed to complete this research.

May the Almighty Lord bless you abundantly!

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## **List of Abbreviation**

<b>CVI:</b>	Content Validity Index
<b>MPL:</b>	Movit Products Limited.
<b>PR:</b>	Public Relations
<b>SBM:</b>	Strategic Brand Management
<b>SPSS:</b>	Statistical Package for the Social Sciences
<b>U.S.A:</b>	United States of America
<b>UMU:</b>	Uganda Martyrs University

## **Abstract**

This study considered advertising as the independent variable and organizational performance as the dependent variable. The specific objectives of the study were; to find out the relationship between branding and the performance of manufacturing organizations, To find out the relationship between public relations and the performance of manufacturing organizations and to find out the relationship between corporate sponsorship and the performance of manufacturing organizations.

The study used a case study research design with quantitative and qualitative research techniques using a total sample size of 87 respondents. Data was collected using self-administered questionnaires and face to face interviews.

In conclusion, branding is one of the strategies used by organizations because it has a positive impact on sales, increases on organizational profitability and improves on organizational growth. Public relations are also embraced as a marketing strategy which enhances sales growth and boosts company growth. Further, the study revealed that Corporate social responsibility as a strategy used by organizations has improved profitability, growth has been, boosted and that it has also positively impacted on sales.

Finally, it is recommended that the organization should make sure that quality is an essential characteristic for every brand; because the perceived quality provides a fundamental reason for the consumer to purchase. And it is also recommended that organizations should emphasize a strong brand name.

A strong brand name is a winning track as customers choose a strong brand over an unknown brand. It is also recommended that an organization should train and conduct capacity building workshops educating their employees on how to promote a strong brand and the values of social responsibility in the organization

## **CHAPTER ONE**

### **1.0 GENERAL INTRODUCTION**

#### **1.1 INTRODUCTION**

In the modern business world, an organization's ability to beat competition depends on the marketing strategies it takes on. Therefore, it is important that organizations or firms identify their customers and aim all their marketing strategies at them with specific offerings. This research intends to study the effect of marketing strategies on the performance of an organization.

In this chapter, the researcher gave a general introduction which includes; the background to the study, statement of the problem, objectives of the study, research questions, research hypothesis, significance of the study, justification of the study, scope of the study and the conceptual framework.

#### **1.2 BACKGROUND TO THE STUDY**

Globally, over the years, various scholars (Adcock, et al 2001) have studied advertising and its role in performance through effective marketing strategies. Recent research also suggests that for marketing performance of firms to be enhanced, advertising strategies have to be improved in order to improve on marketing so as to have better organizational performance (Palmer 2000).

In the United States of America, advertising has responded to changing business demands, media technologies, and cultural contexts. Since the 1920s, American advertising has grown massively, and current advertising expenditures are eighty times greater than in that decade. New media–

radio, television, and the Internet—deliver commercial messages in ways almost unimaginable 80 years ago. Beneath the obvious changes, however, lie continuities.

The triad of advertiser, agency, and medium remains the foundation of the business relations of advertising. Advertising men and women still fight an uphill battle to establish their professional status and win ethical respect. Perhaps the most striking development in advertising styles has been the shift from attempting to market mass-produced items to an undifferentiated consuming public to ever more subtle efforts to segment and target particular groups for specific products and brands (History Matters, 2015).

Shimp (2007) defines advertising as a paid, mediated form of communication from an identifiable source. It is designed to persuade the receiver to take some action, now or in the future. According to Lubert (2010) advertising is a very sensitive activity which does not only create product and corporate awareness. However, it also creates a long term relationship with consumer and strive towards profit maximization through increased sales.

Kotler (2009) described advertising as one of the major marketing tools used by company to direct, persuade and communicate to the target market. Hence advertising should consist of a framework of interpersonal communication or any form of communication, through paid media under identified sponsorship.

In 2011, the United States of America was the largest advertising market in the world and according to forecasts and possibly it is also expected to continue topping the list in foreseeable years to come. The U.S. is home to the most creative advertising agency network in the world – the BBDO (Batten Co, Barton, Durstine and Osborn) and which was awarded the title by Donald

Gunn and Emma Wilkie, authors of the famous Gunn report and by the marketing quarterly “Directory” (STATISTA 2015).

There are several different advertising and marketing strategies that exist throughout Africa. Similar to the United States of America, many businesses rely on the mass media in order to promote their goods and services, such as the radio, television commercials, and newspaper ads. However, these forms of advertising are not very effective in rural areas, which tend to be less developed.

Outdoor advertising is a prevalent method of advertising throughout Africa, but especially vital in rural areas. African businesses must promote their goods or services in a manner that is most effective for that particular region. It is essential for people to recognize the economic diversity that exists in Africa, and not to assume the same marketing strategies are used throughout the entire continent (SUSQU 2015).

There are various forms of advertising like informative advertising, persuasive advertising, comparison advertising, and reminder advertising. Informative advertising is used to inform consumers about a new product, service or future or build primary demand. It describes available products and services, corrects false impressions and builds the image of the company, (Kotler, 2009).

Advertising can be done through print media; which includes newspapers, magazines, brochures; audio media for example radio; visual media which includes billboards, and; television. Dunn et al. (2008) viewed advertising from its functional perspectives; hence they define it as a paid, non-personal communication through various media by business firms. Non-profit organization and individuals who are in some way identified in the advertising message and who hope to

inform or persuade members of a particular audience. Advertising is the non-personal communication of marketing-related information in a target audience, usually paid for by in order to reach the specific objectives of the sponsor.

In Uganda, there are advertising experts in outdoor advertising experts in Uganda, billboards, high quality print media and digital signage. Advertising is just about the most essential areas of a profitable business of any sort. A person are able to locate television advertisements, radio, pages within magazines or perhaps newspapers, and lastly, outdoor advertising (About Uganda, 2015).

The improvement of organizational performance in Uganda through use of different advertising strategies which includes intensive advertisements, sponsorships to promote and create awareness of company products. For example Nile special sponsors events like National rugby leagues, music concerts. The study aims at linking all these efforts in advertising to the performance of manufacturing companies.

### **1.3 PROBLEM STATEMENT**

For any organization to clearly attain its goals and mission, it is crucial that the advertising strategies adopted by the top, middle and lower level managers are effective and efficient. There is need for a critical analysis of the marketing strategies; that is branding, public relations and corporate sponsorship laid by manufacturing organizations in Uganda so as to enable the use of the merits of one to cover up weaknesses of the other. Organizations put in measures or programs that would help them achieve various business objectives for example attaining higher organizational performance through increased sales and profitability.



In other words they need to adopt good advertising strategies in order to attract and retain customer hence long term relationships and growth in terms of productivity and also sales performance (Dunn et al. 2008) With the observed advertising strategies in Uganda, the performance of manufacturing organizations is still seen to be low as evidenced by low volumes of sales, ignorance about presence of some goods in the market by the consumers. It is for this reason the researcher established the role of advertising strategies on performance of manufacturing organizations with the case study of Movit Products Limited (MPL).

## **1.4 OBJECTIVES OF THE STUDY**

### **1.4.1 General Objective**

The general objective of the study was to find the relationship between the advertising strategies by manufacturing companies and their performance in Uganda.

### **1.4.2 Specific Objectives**

- i. To find out the relationship between branding and the performance of manufacturing companies.
- ii. To find out the relationship between public relations and the performance of manufacturing companies.
- iii. To find out the relationship between corporate Social responsibility and the performance of manufacturing companies.

## **1.5 RESEARCH QUESTIONS**

- i. What is the relationship between branding and the performance of manufacturing companies?

- ii. What is the relationship between public relations and the performance of manufacturing companies?
- iii. What is the relationship between corporate Social responsibility and the performance of manufacturing companies?

## **1.6 SIGNIFICANCE OF THE STUDY**

The results of the study is hoped to help other researchers acquire more knowledge in the field of advertising and further help them make use the figures to back up their arguments as a basis for further research. In this, the results will be bridging some knowledge gaps in the area of advertising.

The study will benefit marketing managers, marketers, marketing executives and other individuals within the marketing sector by knowing about the various advertising strategies and how they influence the performance of manufacturing companies.

Further, stakeholders in the organization will be abreast with the need to develop the required managerial capabilities with regards to public relations, corporate social responsibility and branding necessary to keep a going concern.

The study findings will help to build on the body of the existing literature and knowledge. This will help to provide reference for future researchers and they will be able to carry out research with ease since this study will provide secondary data to the researchers

## **1.7 JUSTIFICATION OF THE STUDY**

The need to increase sales of the manufacturing companies so as to improve organizational performance pushed for the need to conduct the study on advertising and its influence on the

performance of manufacturing companies. In addition, the observed need for marketing managers and other stakeholders to understand the relationship between branding, public relations and corporate sponsorship and performance of manufacturing organizations hence the need for such a study. Therefore, the study results will be a reference point.

## **1.8 SCOPE OF THE STUDY**

The scope of the study is categorized into the following;

### **1.8.1 Conceptual Scope:**

The study aimed at finding out the relationship between advertising strategies and the performance of manufacturing companies on the basis of independent variables branding, public relations, corporate Social responsibility and dependent variables sales, profitability and growth.

### **1.8.2 Geographical Scope:**

The study was conducted at Movit Products Limited which is located at Plot 4454/4455, Zana-Bunamwaya, off Entebbe road in Kampala district, central region, in Uganda.

### **1.8.3 Time Scope:**

The time scope of the study was on activities between a time period of five years; that is; 2011, 2012, 2013, 2014 and 2015. This period was chosen because it had enough information relevant to the study. The actual study took place from October 2014 - June 2015.

## **1.9 DEFINITION OF KEY TERMS**

**Role** is defined as the state or quality of being significant, influential, or worthy of note (Ferraiolo, 2009).

**Advertising** is a paid, mediated form of communication from an identifiable source, designed to persuade the receiver to take some action, now or in the future (Shimp 2007).

**Strategies** refer to plans of action or policy designed to achieve a major or overall aim (Casielles 2005).

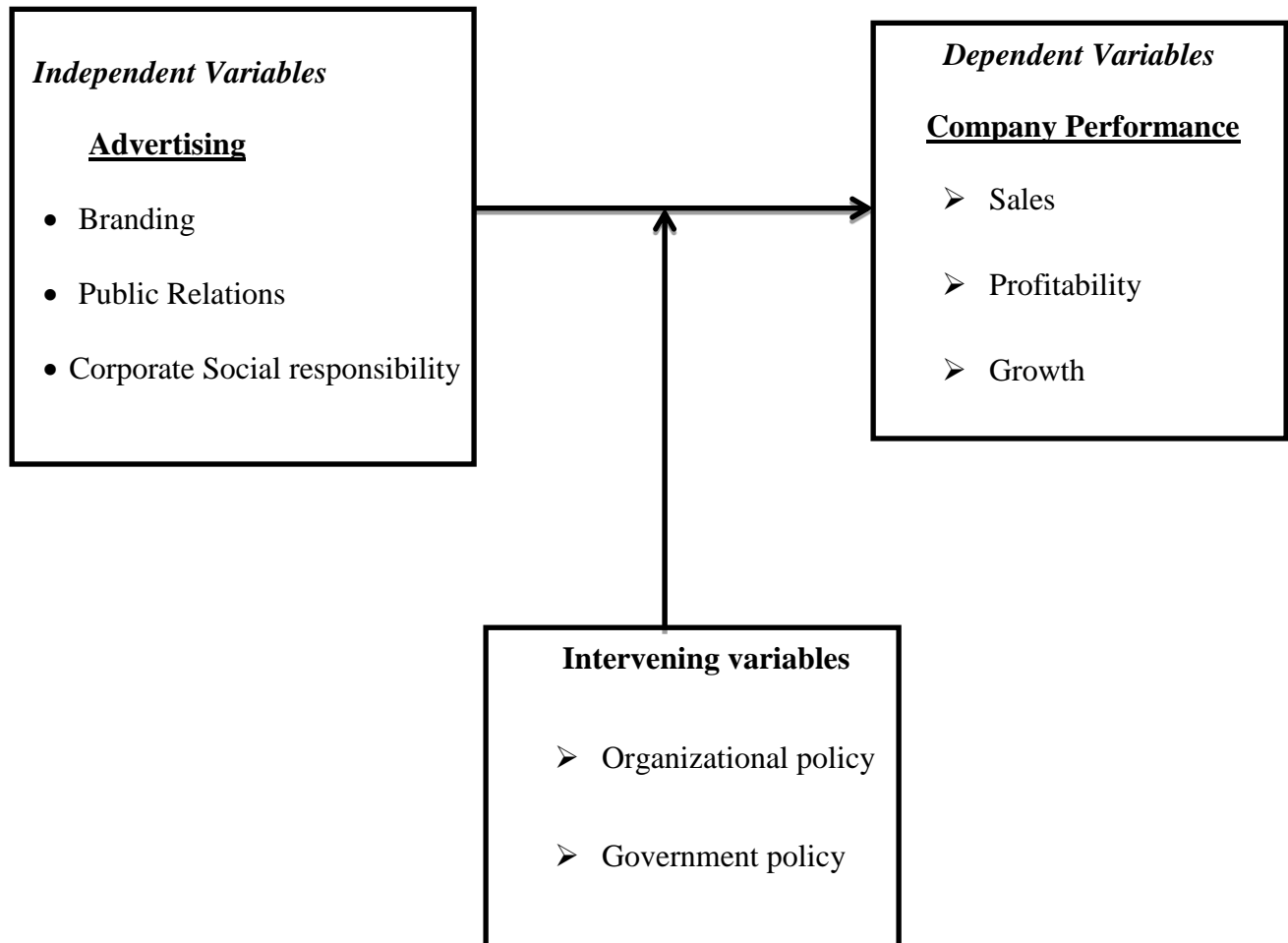
**Organizational performance** refers to the analysis of a company's performance as compared to goals and objectives. Within corporate organizations, there are three primary outcomes analysed: financial performance, market performance and shareholder value performance (in some cases, production capacity performance may be analysed (Gummesson, 2008).

**Corporate Social Responsibility** is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders (Caroll, 2009).

## 1.10 CONCEPTUAL FRAMEWORK

In the conceptual frame work, it shows the relationship between independent and the dependent variable. Advertising is the independent variable whereas organizational performance is the dependent variable. However, this relationship is affected by other possible variables at which the study uses organizational policy and government policy. The conceptual framework of the study is presented in figure 1 below;

**Figure 1: Conceptual framework between advertising strategies and organizational performance**



*Source: Adopted and modified by the researcher from Shimp (2007)*

The conceptual framework as shown in figure 1 above suggests that the advertising has an effect on organizational performance advertising (Shimp 2007). Performance of the organization is significant because it is the key indicators of the achievement of their goals and objectives. Advertising is significant through branding, public relations and corporate social responsibility.

All these appear to have a significant effect on the organizational performance of an organization measured by sales, profitability and growth. In this study, it is assumed that advertising has a big role in improving the performance of organization. However there are intervening variables that influence advertising and organizational performance include organizational policy, government policy and political factors.

### **1.11 CONCLUSION**

In conclusion therefore, the long-term benefits of advertising are linked to sales, Profitability and growth. This is because advertising enhances valuable factors that can help the organization to curb any weaknesses that could deter the organization from achieving proper performance. Therefore this study continued to analyse the effect of branding, Public Relations and Corporate Social Responsibility on organizational performance as seen in chapter two.

## **CHAPTER TWO**

### **2.0 LITERATURE REVIEW**

#### **2.1 INTRODUCTION**

This chapter focuses on advertising strategies and the performance of manufacturing organization. It presents the literature about advertising and the roles of its dimensions which include branding, public relations, corporate sponsorship in manufacturing companies' performance.

#### **2.2 OVERVIEW OF ADVERTISING**

Palmer (2000) defines advertising as a mass, paid communication which is used to transmit information, develop attitudes and induce some form of response from the audience. He further states that it seeks to bring about a response by providing information to potential customers, by trying to modify their desires, and by supplying reason why they should prefer that particular company's product.

According to Schoell (1982) there are so many ways to categorize advertising however, from a general view, advertising can be broken down into two basic types which are; Product advertising which focuses on selling specifically identified goods or services and institutional advertising which focuses on the image of a product category, a company, an industry association rather than a specific brand. He further argues that institutional advertising is designed to build goodwill of a company.

Donnelly and Peter (1998) state that Advertising seeks to promote the seller's product by means of printed and electronic media. This is justified on the grounds that messages can reach large

numbers of people and make them aware, persuade and remind them about the firm's offerings. They further state that marketing management perspectives, advertising is an important strategic device for maintaining a competitive advantage in the market place.

Advertising budgets represent a large and growing element in the cost of goods and services. There are at least three different viewpoints taken in attempts to evaluate the contribution of advertising to the economic health of the firm. The generalized viewpoint is primarily concerned with sales, profits, returns on investment and so forth. At the other extreme, the specialist viewpoint is represented by advertising experts who are primarily concerned with measuring the effects of specific advertising.

Baier (1983) noted that advertising is a means to an end, not the end itself and is thus only a part, albeit an important part, of a total direct marketing research, marketing planning, offer planning, product/price planning. The other vital element of promotional planning is personal selling as well as marketing workforce development and administration. Advertising is viewed as a strategy in direct marketing, is a means of communication and information dissemination. The key difference between advertising and direct response advertising as used by direct marketers is that the latter must be measurable and accountable in terms of responses and transactions as well as in the generation of customer lists and data.

General advertising, on the other hand is most often concerned with the development of awareness, creation of interest and building of an image. Because direct response advertising is so vital to direct marketers. It often incorporates selling strategies to be fully effective and endeavors to tell the buyer about the performance characteristics of a product in a manner that will benefit them.



Brand-oriented advertising (non-price advertising) strengthens brand image, causes greater awareness, differentiates products, and builds brand equity. Advertising may also signal product quality, leading to an increase in brand equity. Accordingly, several authors have found that advertising has a positive and enduring effect on base sales. With respect to the effect of advertising on price elasticity, two schools of thought in economic theory offer alternative explanations (Aleman, 2005).

First, information theory argues that advertising may increase competition by providing information to consumers about the available alternatives, thus making price elasticity more negative. Second, market power theory argues that advertising may increase product differentiation, thus making price elasticity less negative. On a related note, Ferre (2005) indicate that brand-oriented advertising increases price elasticity while price-oriented advertising decreases it. National brand television advertising is predominantly brand oriented. Accordingly, he expects that national television advertising, as observed in the data, increases price elasticity making them less negative.

### **2.3 PERFORMANCE OF THE ORGANIZATION**

Performance is any of many different mathematical measures to evaluate how well a company is using its resources to make a profit. Common examples of financial performance include sales operating income, earnings before interest and taxes, and net asset value. It is important to note that no one measure of financial performance should be taken on its own. Rather, a thorough assessment of a company's performance should take into account many different measures.

According to the related reviews by researchers, the analysis of financial performance is a process of evaluating the relationship between the component parts of financial statement to obtain a better understanding of the firm's position and performance. This analysis can be undertaken by management of the firm or by parties outside the namely, owners, creditors, investors illustrated by Chenn, (2011). Financial performance measurement ratios include asset utilization/efficiency ratios, deposit mobilization, loan performance, liquidity ratio, leverage/financial efficiency ratios, profitability ratios, solvency ratios and coverage ratios to evaluate the bank's financial performance.

Ayegh (2005) discussed the 3 Es for effective organizational performance which included Economy, Efficiency and Effectiveness. More elaborately, economy is essentially a resource acquisition concept with a least reasonable cost. It means buying resources (men, materials, money) at a favorable price, at the right time, from the right source, in the right quantity and quality. Efficiency is an essential resource usage concept, also with a least cost notion. It has to do with minimization of input and maximization of output. Efficiency thus refers to the relationship between the quantity and quality of goods/services produced and the cost of resources used to produce them at a required service/operational level. Effectiveness is defined as an ends-oriented concept that measures the degree to which programmed goals and objectives are met or achieved. Hence, Ayegh (2005) cautioned that effectiveness must be judged on the balance of positive and negative consequences.

Brief and Lawson (2009) argue that a company's performance is directly influenced by its market position. In the organization, the financial performance indicators based on accounting information are sufficient in order to determine the value for shareholders. Profitability can be

decomposed into its main components: net turnover and net profit margin. Ross, et al, (2006), argues that both net turnover and net profit margin can influence the profitability of a company one time. If high turnover, then better use of assets owned by the company and therefore better efficiency, a higher profit margin means that the entity has substantial market power

The review by Neely *et al* (2000) organizational performance encompasses three specific areas of firm outcomes: that is; financial performance (profits, return on assets, return on investment.), market performance (sales, market share), and shareholder return (total shareholder return, economic value added).

According to Kaplan (2006) the external factors that influence organizational performance range from the skill level of the labor force to the nature of today's business environment. These include; talent and skills of workforce, influence of ethics, global competition, technology, political and regulatory changes, thus the performance of the organization depends on several factors as mentioned above.

## **2.4 BRANDING AND THE PERFORMANCE OF MANUFACTURING COMPANIES**

Schneider et al (2003) define a brand as a name, design, term (or combination of them) that identifies a business or organization and its products. Brands are divided into two categories: corporate brands for example Citibank, McDonalds and product brands such as pepsi cola, and coca cola. Corporate brands build relationships with customers, support product brands offered by the company and through this company sales increase due to popularity of the products which improves the organizational performance

Schneider et al (2003) further states that product brands such as Pepsi, Coca-Cola, among others are used to connote quality and reliability. Schneider *et al* continues to say that product brands are among a company's most important assets and are powerful in the selling process and through more sales by the company, the performance improves. Schneider *et al* add on that branding assures customers that products carrying the same brand are of a consistent quality. Through this the firm that manufactures the product is identified and reduces the risk of customers' dissatisfaction. This is assumed to be true; therefore the study will further examine its validity.

Jobber (2004) defines branding as the process by which companies distinguish their product offering from the competition. Jobber further argues that strong brand names can have positive effects on consumer perceptions and preferences. He states that the strong brand names are a barrier to competition. The impact of the strong positive perceptions held by customers about top brands means it is difficult for new brands to compete. Even if the new brand performs well on blind testing, as this maybe insufficient to knock the market leader off the top spot hence this pushes the organization to improve and maintain the quality of their products to maintain the top spot.

In addition, consumers tend to trust branded products, especially where the brand is strong. The companies tend to ensure that there is consistence in their product quality adding that when consumers stop trusting a brand, the fall out can be catastrophic hence this pushes the organization to improve and maintain the quality which drives the company to better performance.

Brassington and Pettitt (2006) state that branding is important for providing competitive advantage not only in terms of generating consumer loyalty but also as a means of competing head-on, competing generally across the whole market in an almost undifferentiated way or finding a niche in which to dominate. Brassington and Pettitt further state that a relationship is created between the buyer and the brand. This brings about ease of identification of the product at the point of sale, the connotations of quality and familiarity and the creation of a three-dimensional product personality. This will lead to building of defendable brand loyalty to the point where the trust, liking and preference for the brand overcome any lingering price sensitivity. Brands are on a continuum, from commodity at one end to the almost unique, value laden brand at the other.

Furthermore, different brands can be used by one organization to target different segments. The different brands are clearly defined by individual characteristics. Therefore the consumer does not necessarily link them and thus does not become confused about what the organization stands for.

As laid out by Kotler (1999) the art of marketing is largely the art of brand building. When something is not a brand it will probably be viewed as a commodity if an offer is perceived to be the same as those competitors then it is the price that counts because it is highly likely that customers will choose the most affordable. Therefore it is important to move an offering away from being considered a basic commodity.

Likewise Adock (2000) suggests that a brand is not a product that just happens to have high awareness, it has a recognizable name and logo, although both these often present. It is a

powerful stimulus that conjures up a complex image and level of expectation about itself and what it can do for a consumer.

Doyle (1997) describes this as de-commoditizing a company's offering. Doyle suggests that brands are at the heart of marketing because successful brands create wealth by attracting customers. This reflects Drucker's view in his theory of marketing, as to the purpose of an organization. It can therefore be hypothesized that branding affects the performance of manufacturing organizations.

Considering the quality offered by the branded goods, Casielles (2005) in the *Journal of Marketing* analyzed the way in which the price of these goods is perceived to be fair or unfair. When consumers consider that the purchase of these products represents a loss for them, the satisfaction generated by the brand name will diminish and the probability of buying again these goods will reduce. On the contrary, (when the prices of branded products are perceived as fair, they will have a positive impact on customers' loyalty as noted in the business management book of Barrile, and Loftus- Hills (2007).

Therefore, the perception of the price plays an important role not only in generating satisfaction, after buying the goods. This enhances the clients' loyalty, thus leading to increased sales and increased profits. The ability of a company to retain and make the customers loyal is the best way of identifying the value of a brand. The loyal customers are very important for a firm because they contribute to the reduction of the marketing costs.

In the case of the branded products, a higher price should reflect a superior quality. This justifies the fact that some consumers are willing to pay a higher price in order to have these goods.

Moreover, it was demonstrated that a superior quality of the branded products will make the clients become loyal on long term, no matter what their price is. Sartain, (2005) also argued the existence of a positive correlation between the branded goods and the consumers' wish of buying them again, in the future.

In his book *Building Strong Brands'*, Martenson, (2007) commented that trust of the customer as a vital and necessary construct in developing customer relationships stronger and achieve sustainable share in the market. Few segments related to consumers are interested in store brands where as customers that are satisfied marked as loyal.

Aleman (2005) declared trust associated from past experience becomes the part for current purchase and terms the customers as loyal which further intact the brand equity. Esch, (2006) defined operationally as Brand attachment is a longer-lasting, commitment inducing bond between the brand and the consumer.

*"If a customer expects a bad level of quality and receives it, he/she will reduce his/her level of preference for the brand"*. It is an essential characteristic for every brand i.e. perceived quality defines a customer's perception and the product's quality or superiority. The perceived quality provides fundamental reason to purchase. It also influences brand integration and exclusion to consideration set before final selection.

A perceived quality provides greater beneficial opportunity of charging a premium price. The premium raises profit and gives a resource to reinvest in the brand. Perceived quality will enable a strong brand to extend further and will get a greater success possibility than a weak brand (Sartain, 2005)

Most customers prefer to buy products from a well-known and familiar brand, rather than opting for the unknown and new brand. Sometimes who do not want to take a chance by trying to go for a new brand. Perceived quality of a brand influences the decision making process of a consumer. Quality also directly influences the brand loyalty of the consumers. Perceived quality has a greater influence in a customer's purchasing process and in brand loyalty as noted by Sartain, (2005).

The influence of perceived quality is very important when customers are in a condition, which makes them unable to make an analysis of the quality. Perceived quality can be used as a helping tool when company intends to utilize a pricing strategy with premium price. This will further extend the brand in several markets. Most customers tend to be conscious about the product quality. The majority of people prefer to go for well known brands which have a high reputation in the market for the different attributes of the quality. There are many quality attributes which the customer looks for, like the mileage, safety, design etc. as noted by Preyas, (2008)

The consumer makes evaluations on alternative brands by comparing the potential choices of solving the purchase problem. By comparing the choices, the consumer will create beliefs, attitudes and intentions regarding the alternatives under consideration. The customer analyzes the presence of different features in the choices. Furthermore, he begins to reflect on the importance, advantages or disadvantages of these features stated by Jaworski, (2010). This leads to the purchase decision.

The consumers classify different brands in assessment of different choices, and the purchase intention is created in his mind. Post purchase behavior. When the product is purchased, consumers have some expectations of their purchase. Sartain, (2005) in the Human Resource



Management Journal pointed out that the difference between consumer expectation and product performance which determines whether the consumer is satisfied or not. If the product is in the expected level or higher, the consumer will be satisfied. If not, the consumer will regret his purchase.

If a person has a low- level of involvement in the first purchase of a product, “solving limited problem,” is a proper decision process. The information will be processed with purchase condition passively and unintentionally due to personal relations and low apprehended risk. It is perceived that people who are in the condition of low-level involvement decision will go through the following drawn path. Relationships can help to make consciousness in the decision making process in low-level consciousness.

However, Fill (2009) in the book Strategic Brand Management (SBM), argued that when people have a passive role for problem solving. The messages should contain lower and shorter information than high level-involvement. In this condition, repetition of the message is important because the receiver does not have a lot of information to keep and maintain and his conceptual choice process filters low-level information. Learning happens by being exposed to repetitive messages but in this part of the process, the attitude is not formed. When there is a little involvement, each person relies on intrinsic search.

Brand name awareness plays an important role in decision making of a consumer. If customer was already aware of the brand name, the customer would feel more comfortable at the time of making decision. Customers tend not to buy an unknown brand. Brand awareness is the ability of a potential buyer to recognize or recall that a brand is a member of a certain product category so he can establish a link between product class and brand is involved” Therefore companies’

strong brand name is a winning track as customers choose their brand over unknown brand as stated by Jaworski (2010).

Brand plays an extra ordinary role in companies related to services because brands which are strong increase the pace of customer's trust of the purchase that is invisible. Binninger (2008) in Strategic Brand Management book suggested that earlier in 1990s customers loyalty is marked as a main concept against in association with many others that consists of commitment, satisfaction, identification, trust and the relationship with or attitude leading to brand. Trust of the customer and satisfaction with a retailer mediates the impact of trust in brand and satisfaction on customer.

The brand awareness, brand loyalty, perceived quality and brand association are the core assets for the brand equity. These are important assets for building strong brand equity which helps in increasing the brand awareness in the market. The perceived quality and its association with the brand name can affect the customer's satisfaction and gives him the reason to purchase. This results in the high brand loyalty among the customer and greater share in market. Brand equity helps the consumers continue process and hold information pertaining to brands. Brand equity may also influence customers' level of confidence in the decision making process. Brand equity also involves the value added of product through customer relations and perceptions for the specific brand name. Brand equity assets can be described as a way of adding or subtracting value for customers (Sartain, 2005).

The decision of a customer purchase is influenced when a company promotes a product of a recognized brand name in the market. A company can also save the promotion cost, which can be utilized in the expansion of pricing strategy. Brand equity is very helpful to penetrate in new market without much effort. Thus a known brand naturally creates a greater space for itself in the

shelves than unknown brand. This affects the decision making of a customer as far as purchasing is concerned as noted by Preyas (2008).

Jaworski (2010) stated in the Journal of Marketing that brand loyalty shows customer preferences to purchase a particular brand. Customers believe that the brand offers the enjoyable features, images, or standard of quality at the right price. This belief and faith of the customer becomes a base for new buying habits. Initially customers will purchase a brand for trial, after being satisfied, customers will keep on buying the product from the certain brand. Brand loyalty represents an encouraging approach towards a brand resulting in regular purchase of the brand over time.

Branding supports the company in facing the competition as a result of increased customer interest satisfaction. If a brand has a strong position in the segment, another brand will find a very difficult to compete in the same segment as they already correlate various characteristics with the recognized brand. Sartain, (2005) noted that a brand can be effective in cases where it can influence the purchasing decisions with limited competition a result of product /service attributes lead characteristics in satisfying a customer interest.

Customer based brands have/gain with a positive equity. The more or less a favorable customer's response towards the marketing mix (product, price and promotion of the brand). They perform the similar marketing mix elements. Customer attributes the fictitiously known or unknown version of the product. Customer based brand equity will flourish when brand is well known and posses some favorable, well-built and unique reputation in memory. Favorable response always represents positive customers based brand equity. Companies are able to progress and have greater profit by improving revenues and lower production and marketing cost.

## **2.5 PUBLIC RELATIONS, PUBLICITY AND ORGANIZATIONAL PERFORMANCE**

Jobber (2010) defines public relations as the management of communications and relationships to establish goodwill and mutual understanding between an organization and its public. Jobber further argues that publicity stimulates the media to carry information and viewpoint of the organization. There is creative development of ideas, development of close relationships of media people and understanding their needs and motivations. Jobber adds that public relations bring about a message of high credibility than advertising since it appears to the reader to have been written independently (by media person) rather than an advertiser. This high credibility can be argued to be more persuasive than a similar message in an advert.

Brassington and Pettitt (2006) agree with Jobber who in his work states that publicity is seen as free coming from a neutral third party and therefore has more credibility. Brassington and Pettitt give an example of a car advertisement can tell you that a particular make of a car has good road holding capacity where you may or may choose to believe it. However, if a newspaper's motoring correspondent or BBC's top gear programme concludes that the car demonstrates good road holding, then that constitutes neutral expert opinion and thus carries more weight.

In addition, Jobber (2004) stated that public relations is a powerful tool for creating awareness and strengthening the reputation of organizations. The trick is to motivate everyone in an organization to look for newsworthy stories and events. This will help so as to not simply to rely on publicity department to initiate them.

Public relations on the other hand is the overall term for marketing activities that raise the public's consciousness about a product, an individual or issue. Shimp (2007) explains public relations simply as an organizational activity involved with fostering goodwill between a

company and its various publics. Research has indicated that promotional budgets have recently increased tremendously

According to Wayne (2008) public relations is defined as the management function which evaluates public attitudes, identifies the policies and procedures of an individual or organization with the public interest. It further executes a program of action to earn public understanding and acceptance. If the virtues of the company and value offered by public relations efforts meet the expectations of the consumer, it can lead to establishing long term relationship and strengthening of the consumer loyalty. Those corporations which commence cause-oriented marketing campaigns distinguish themselves in cut throat competition and get better their image which results in improved sales.

A study found that perceived public relations effect the consumer loyalty. Establishing public relations with customers along with managing the brand image can create consumer loyalty. They further state that public relations activities help the organization to create favourable image of the product and create trust among consumers and thus influence the attitude and perception. Moreover the brand image influences the positive relationship between perceived public relations and customer loyalty.

Customers believe in that a company with favourable brand will honestly handle the feedback. Observations and queries of the customer will be well managed and thus they advise the company to their family members and friends. Hence the word of mouth of the satisfied customers attract them towards the company's products and thus total sales is increased, (Stotlar, 2004).

An organization's public relations and publicity activities are the means to foster its relationships with its various audiences and to communicate with them. Public relations efforts are undertaken in order to form a favourable view in the public eye (Shimp, 2007).

Schneider, et al (2003), states that public relations refer to the practice of publicizing the good news about a company and its products and to control the damage done by any negative news. Good communication between employees and customers is vital in promoting a favorable business image and this is work of public relations. Courtesy, helpfulness, interest, tolerance and friendliness help make customers come back. This repeat business is what makes a company successful. However many businesses go further than just friendliness and courtesy and go ahead to include services and amenities like check cashing services, fax and copying, free delivery.

Schneider *et al* (2003) further state that successful companies have loyal and well-motivated employees who feel they are important to the company. The public relations staff should work with management and employees to design programs that foster positive attitudes like recreational programs, employee recognition programs for improvements in performance and efficiency. They are a building block for developing a good reputation made up of positive public and community relations.

Glasser (1986) explains public relations as the art of securing a favorable attitude to the aims and activity of an organization, its management and the goods and services it provides. He further argues that public relations is supposed to help the enterprise cultivate an image that should make it become accepted as a good corporate citizen with the hope that this acceptability will extend to its products, pricing, promotion and distribution, personnel management.

Craves and Piercy (2009) states that public relations is a cost effective method of communication since a company does not purchase the media coverage. Craves and Piercy further argues that for many companies the active management of “corporate reputation” is a public relations priority because reputation impacts on many stakeholders of the company.

Similarly, Adcock et al (2001) have the same view that public relations have cost benefits since the company does not make any direct payments to the media for publicity though there costs involved. Public relations budgets are far less than those of advertising. Adcock et al, further argue that glancing through a newspaper it is seldom that a great deal of attention is primarily paid to advertisements. Much more attention is given to editorial or news sections. Similarly, people are more likely to divert attention from the television to do other things while the advertisements are being shown.

Adcock et al (2001) agree with Jobber (2004) that if the public are made aware of the benefits to be gained from a company’s products from an independent source which is not being paid by the company in question, then the credibility factor is that much greater.

Sharpe (1992) states that a company uses public relations to foster goodwill and understanding among constituents both inside and outside the company. In particular, the public relations department attempts to generate favorable publicity about the company and its products and brands. The customers will therefore be influenced to buy this enhances the performance of the organization.

Lovelock and wright (1999) state that public relations prepares and distributes press releases (including photo and sometimes videos) featuring stories about the company, its products, and its

employees. Public relations executives also arrange press conferences and distribute press kits when they feel that a story is especially newsworthy. However unlike paid advertising, there is no guarantee that their stories will appear in the media. If they do, they may not appear in the positive form desired by the company's public relations department. Good relationships with journalists and other media specialists are important in building a receptive climate for news releases.

Boulding (2006) pointed out that part of public relations staff responsibilities is to evaluate the advertising and promotion before serving it hot right into the eyes and ears of the public. Boulding also observes the social, economic, political and demographic trends which will have a great effect on their sales and on the performance of the organization. Public relations officers assist the company executives in their speeches in the interviews and other forms of public contact.

In addition, some managers handle special events such as sponsorship, parties, or activities to have an opportunity to widely introduce the new product or services. Some find it more effectively than direct advertising to gain full public attention, thereby increasing the performance of sales in an organization

Kotler (1991) clearly states that public relations can make a memorable impact on public awareness at a fraction of the cost of advertising. Kotler further states that it would have more credibility than advertising. Some experts say that consumers are five times more likely to be influenced by editorial copy than advertising



Lovelock and Wright (1999) further states that public relation also uses techniques like recognition and reward programs. It further helps in obtaining testimonials from public figures, community involvement and support, fundraising and obtaining favorable publicity for the organization. Through special events and other pro bono work. It can therefore be hypothesized that public relations have a role to play in the performance of manufacturing organizations.

Boulding (2006) asserts that public relation and its managers supervise the relations of the organizations product or services in the targeted market. The managers are specialists related to the product and they handle the crisis management or the inquiries of the market. Usually, they use the available communication such as media to maintain the support for the organization's success. Moreover, they also communicate with the consumers, stockholder, and the general public. This promotes sales performance of the organization.

The success of a public relation's affairs is based on their well-executed plans and strategies and most of the companies made it the central focus in their promotional strategy. Public relations involves launching of new product or service; need for a reposition of the existing product or service; create or increase a public interest in the in the product, service, or in brand; to influence, to defend the product or services that have suffered from negative perception; and to enhance the firm's overall image. The anticipated result of public relations strategy is to generate additional revenue through greater awareness and information with regards to the products or services being promoted, hence promoting sales performance of an organization (Wayne, 2008.)

According to Aderemi (2005) the senior public relations person brings the problems and views of both publics and employees on particular products to the attention of other managers when crucial decisions are made. The senior public relations person is able to point out the

consequences of decisions such as closing a manufacturing plant, introducing a new product, or changing labour relations will have on publics. He or she makes it possible, through communication programs with publics, for the people affected by these consequences to be aware of them and to discuss them formally or informally with management so that they have an opportunity to influence the final decision that affects them.

Public relations practitioners identify consequences of decisions and the presence of publics by engaging in environmental scanning and issues management. Environmental scanning means that they do research and talk to community leaders, leaders of activist groups, or government officials to find out who the publics are and what issues these might have concerning the product. They then help the organization manage these issues by communicating personally or through media with the publics who create them, thus influencing the sales performance of the organization, (Ferre, 2005).

## **2.6 CORPORATE SOCIAL RESPONSIBILITY AND ORGANIZATIONAL PERFORMANCE**

The concept “corporate social responsibility” has been defined in many ways. It can be defined as a disposition of an organization to exhibit “Missionary rather than “Mercenary” attitude towards the society. Holmes and watts (2000:19) on behalf of the World Business Council for Sustainable Development provide a reasonable representative definition as: The continued commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce, their families as well as those of the local community and society at large. Carroll (2009) proposed a four-part definition of corporate social responsibility. It consists of Economic, Legal, Ethical and Altruistic or discretionary corporate social responsibility.

*“The social responsibility of business encompasses the economic, legal, ethical and discretionary expectations that the society ask of organization at a given point in time”* Carroll (1979:98).

Corporate Social Responsibility, with companies recognizing that improving their own impacts and addressing wider social and environmental problems will be crucial in securing their long-term success in terms organizational performance. Increasingly, high profile companies are implementing CSR processes such as public commitment to standards, community investment, continuous improvement, stakeholder engagement and corporate reporting on social and environmental performance (Belal, 2001).

Palmer (2000) states that corporate sponsorship has been seen by many organizations as a cost effective means of enhancing their image with consumers becoming increasingly critical of

organizations' societal credentials. Palmer further states that sponsorship involves investment in events or causes in order that an organization can achieve objectives such as increased awareness levels, enhanced reputation. For example such as a bank sponsoring cricket matches (e.g. the NatWest trophy).

Jobber (2010) states that through broadcast sponsorship, organizations (sponsors) gain a greater degree of influence in negotiations with broadcasters, an opportunity to benefit from cheaper advertising, and the rights to exploit the programme, its characters and actors for promotional purposes. A notable example of broadcast sponsorship is the directory service 118 118's sponsorship of the Simpsons.

Corporate social responsibility has revolved over time. For example in the 1950s the primary focus was on businesses' responsibility to society and doing good deeds for society. In the 1960s key events, people and ideas were instrumental in characterizing the social changes ushered in during this decade. In the 1970s business managers applied the traditional management functions when dealing with corporate social responsibility issues while in the 1980s, business and social interest came closer and firms became more responsive to their stakeholders. During the 1990s the idea of corporate social responsibility became almost universally approved, also corporate social responsibility was coupled with strategy literature and finally, in the 2000s, corporate social responsibility became definitively an important strategic issue (Ferre, 2005).

Johansson (2006) argues that as markets have become more saturated and many products have reached maturity. More companies have been turning to sponsorships to more effectively segment the market. For instance, Polaroid sponsored concert tours by the backstreet boys and

Britney Spears in order to reach the valuable global teen segment and try to breathe life into a product that had been sliding in decline.

Corporate Social Responsibility enables the organization to get better relations with government. The formal and informal license to operate is a key issue for many companies looking to extend their businesses. Diligence in meeting social and environmental concerns can result in a reduction in red tape and a more cooperative relationship with government departments. A good relationship with government can give a company significant competitive benefit in terms of gaining a social license to operate from local community, particularly in the resource sector with regard to gaining access to scarce reserves .

Hooley *et al* (2008) argued that sponsorship of sporting, social, cultural and other events or of teams, causes or facilities. This can be an effective way of targeting potential customer groups through their wider interests and concerns. This can help with credibility building and reputation enhancement. He further argues that it is the most difficult communication tool to measure the impact of, however.

Blythe (2008) argues that sponsorship attempts to link beliefs about the sponsoring organization or brand, and to connect them to an event or organization that is highly valued by target consumers. The success of a sports team has a significant effect on fans "purchase of sponsors" products. It is worthwhile spending sometime choosing the correct team to back. Further still, it is also worthwhile being loyal to a team, as audiences become increasingly aware of sponsor's brand the longer the sponsorship continues.

In addition, Shimp (1997) states that sponsorships represent a rapidly growing aspect of marketing communications. Sponsorships involve investments in events or causes for the purpose of achieving various corporate objectives: increasing sales volume, enhancing a company's reputation or brand's image and increasing brand awareness.

Event sponsorship range from supporting athletic events such as (golf and tennis tournaments) to underwriting rock concerts (e.g, Reebok spent \$10 million as sole sponsor for the "human rights now!" 20 – City tour organized by Amnesty International). It can therefore be hypothesized that corporate sponsorship plays a big role in the performance of manufacturing organizations.

The emphasis is on what contribution they can make to such social problems as protected and restoration of physical environment, racial discrimination or social discrimination. In striving to satisfy its corporate goals and achieve its objectives the organization cannot operate in isolation from its environment. The performance of corporate social responsibility (CSR) is not undertaking to boost profit at the short-run but to meet some social needs, aspirations, and profit at the long-run (MacInnis, and Jaworski, 2008). Organizations who hold this view of corporate social responsibility believe that once it does what is expected of it by law and its host community the organization is socially responsible.

According to Caroll (2009) corporate social responsibility is about businesses and other organizations going beyond the legal, obligations to manage the impact they have on the environment and society. In particular, this could include how organizations interact with their employees, suppliers, customers and the communities in which they operate, as well as the extent they attempt to protect the environment.

The notion of a company's look beyond profit to their role in society is generally termed 'corporate social responsibility'. This involves a company linking itself with ethical, values, transparency, employee relations and compliance with legal requirements and overall respect for the community in which it operates. It goes beyond the occasional community service action. Corporate social responsibility can be a corporate philosophy that drives strategic decision making, partner selection, hiring practices and ultimately brand development (Brief and Lawson, 2009).

Business operates in a global market where companies are increasing in the public eye. It is difficult for companies to hide in discrepancy as they are highly visible and vulnerable to attacks from stakeholders. Companies need to be sensitive to societal anxiety if they are to avoid damage to their reputation. These anxieties change over time as different issues come up to the eye of the public so companies must be dynamic in the way they respond. It is worth noting that the main factors that may motivate companies to carry out social responsibility are stakeholder management, financial performance, consumer pressure, risk management, attracting employees and personal values (Boulding, 2006).

Carroll (2009) emphasizes the importance of the exercise of social responsibility by organizations and by managers. This CSR can no longer be based on the assumption that the self-interest of the owner of property will lead to the public good, or that self-interest and public good can be kept apart. CSR appreciates the fact that it is considered to have nothing to do with each other.

However, on the contrary, it requires of the manager that he assumes responsibility for the public good. He subordinates his actions to an ethical standard of conduct. He restrains his self-interest and his authority wherever their exercise would infringe upon the common man's health and

upon his freedom. An enlightened business recognizes that it is in its own interest to be socially responsible. Since an enhanced public image is more likely to be attractive to investors, employees, customers, consumers, suppliers and most community and government (Brief and Lawson, 2009)

Ferraiolo (2009) pointed out that CSR towards investors examine firm policies and practices towards such issues including shareholders' participation in decision making, auditors' independence, and policies towards insider trading. Ferraiolo (2009) further suggests that adoption of better corporate governance standards increases firm performance. Investors show willingness to pay a premium for the stocks of well-governed companies compared to poorly governed companies.

The relations between Corporate Social Responsibility and organizational performance are mostly inconclusive, but positive relations between the two have been reported in most of the studies of Margolis and Walsh, 2003) thereby suggesting an instrumental orientation of CSR initiatives.

Planning is the analysis of the relevant information from the past and an assessment of probable or likely future development. The course of action may be determined that enables the organization to meet its stated objectives (Waddock and Graves, 2009). Corporate Social responsibility issue should therefore be included in the formal strategic planning process. It gives adequate attention, which it requires by top management, and then be put into operation. It is not more enough for companies to say that they accept the concept of corporate social responsibility in principle.



Waddock and Graves (2009) noted that an instrumental orientation towards CSR suggests the alignment of the social goal with the business goal where CSR is considered as a strategic tool to promote the economic objective of the firm. Management theorists argue that by improving CSR towards stakeholders, firm performance is augmented. Managers foresee significant value additions in firm performance due to strengthened stakeholder relations.

## **2.7 CONCLUSION**

This chapter has given a general exploration of advertising in organizations through branding, public relations, and corporate social responsibility. From the above literature, it can be concluded that advertising can really have an impact on an organizational performance as confirmed by Shimp (2007) hence the relevance of this research study.

## **CHAPTER THREE**

### **3.0 METHODOLOGY**

#### **3.1 INTRODUCTION**

This chapter consists of the various methods that the researcher applied during the study. It points out the research designs, study area, study population and reason for their consideration. The chapter also defines and explains the sample size, sampling techniques, data sources, data collection tools, methods, data analysis techniques the researcher used and points out the validity and reliability of the instruments that used in the study together with the ethical issues and limitations of the study.

#### **3.2 RESEARCH DESIGN**

This is a general plan of how one has to go about answering the research questions. Within a case study research design, the researcher used both approaches that is; qualitative approach to obtain in-depth understanding of the respondents' beliefs, attitudes, the situation and quantitative approach to derive important facts from research data using a cross-sectional time dimension.

The study used a case study design approach involving both quantitative and qualitative methods using structured questionnaire, interviews, and document analysis. Case study research strategies are appropriate for the investigation of how and why questions, especially when the concern is to study contemporary issues over which the researcher has no control. Case study research is also applicable when the boundary between a phenomenon under investigation and its organizational and social context is unclear (Yin, 1994). A case study provided an in-depth study of the problem with limited time scale (Amin, 2005).

### **3.3 STUDY POPULATION**

This refers to the group of people chosen for purpose of research. The unit of analysis is Movit Uganda Limited; therefore, since the heterogeneous population, the researcher used the stakeholders within Movit Uganda Limited to obtain the relevant information for the study.

### **3.4 AREA OF THE STUDY**

The researcher conducted the study in Kampala district, at Movit Uganda Limited in Kampala city about 4 kilometers from the city Centre. Kampala has been considered because it is the capital city of the country and one of the major districts in the country.

### **3.5 SAMPLE SIZE AND SELECTION**

The sample size is the group of people selected from the study population. In other words, a sample size can simply be defined as the subset of a given population. Basically, a sample size is the total number of sub elements or individuals randomly selected and assigned from a given population (Amin, 2005). Selecting an appropriate sample size is a critical aspect in research with particular reference to this study.

The study considered a sample size of 87 respondents from Movit Products Limited. This included the management, employees of Movit Products Limited to provide information about the study.

### **3.6 SAMPLING TECHNIQUES**

In this study, purposive sampling technique was used to select key respondents because it is best suited for selecting information-rich cases for in-depth study. Stratified random sampling technique was used to collect information from the other employees in the organization. This technique had high degree of generalization of findings; hence it was suitable for a large study

population. In this method, the study population divided into clusters of; management, employees and customers. Within these clusters respondents were selected using simple random sampling. The researcher sampled from each proportion of respondents, allocated a number to every member of the accessible population, placed the numbers in a container then picked numbers at random. The subjects corresponding to the numbers picked were included in the sample.

### **3.7 METHODS OF DATA COLLECTION**

Data collection refers to the systematic process of collecting research data on a given phenomenon. The researcher used both primary and secondary sources of data collection for the study. Respondents were given questionnaires which they filled and at the end the researcher aggregated the responses as data that provided the results of the study. Other publications from secondary sources like dissertations, government publications, journals and the internet were accessed to obtain relevant and supporting literature. These sources are appropriate since they were rich with literature about the dimensions of the study variables.

#### **3.7.1 Questionnaires**

A questionnaire method helped to get the information and data concerning the topic of my study. The research instrument that was used for this method of data collection is the administered questionnaires. The researcher set close and open ended structured questions on a sheet of paper arranged according to the study objectives. These questionnaires were distributed in Movit Products Limited for the employees to fill in the possible answers. This was conducted by issuing questionnaires to various respondents who filled them in. This technique was used

because it was appropriate for investigation of researcher's needs, expectations, perspectives, priorities and preferences. The researcher then used the information in relation to the study.

### **3.7.2 Face to Face Interview**

Interviews are open questions often administered to key informants to give them wide latitude to talk about the subject. The researcher conducted oral interviews with the Key informants who are the finance and accounting managers. This was used in a way that the researcher physically interacted with the different respondents asking them questions which required immediate response.

The researcher used interview because the method is useful to obtain information about personal feelings. The researcher used a structured interview guide on the targeted respondents. The interviews were structured and thus comprised of a set of issues on which the researcher wished to draw data and the same questions were posed to the respondents using a guide to conduct the interview

## **3.8 DATA MANAGEMENT AND ANALYSIS**

The researcher used the Likert scale that ranges from one to five where. These were channelled into observable and measureable elements to enable the development of an index of the concept. A five - (5) strongly agree, (4) agree, (3) not sure (2) disagree, (1) strongly disagree were used to measure both the independent and dependent variables. The characteristics of the respondents were measured at nominal and ordinal. This helped to evaluate the relationship between the independent variable and dependent variable.

## **3.9 DATA ANALYSIS**

### **3.9.1 Quantitative data analysis**

This is the process of making meaning to the mass of collected data. Data analysis involved sorting, editing data, adjusting data into meaningful information, checking incomplete questionnaires to minimize the errors in the research. After data collection, the data was analyzed using a Statistical Package called SPSS Version 16 to obtain statistics and pictorial presentations in terms of graphs and charts.

### **3.9.2 Qualitative Data Analysis**

According to Mugenda and Mugenda, (1999) qualitative data analysis involved identification and transcribing the qualitative findings into different themes. The themes were then edited, coded and arranged in different categories to generate useful conclusions and interpretations on the research objectives which were deduced for reporting in a narrative form. Qualitative data was also presented in form of statements, sometimes verbatim i.e. the very way the data was recorded from the respondents and paraphrase the data and interpreted it.

The correlation technique will be based on Pearson's coefficient (+ or – to show the direction of the relationship between the variables) and significance tested at 99% and 95% confidence levels based on two tailed correlation and significant more than or equals to 0.05. A positive correlation indicates a direct positive relationship between the variables while a negative correlation indicates negative relationship between the two variables. The regression analysis will use the adjusted  $R^2$  values and significance values to determine the magnitude of the influence of the independent variables on the dependent variable.

### **3.10 RELIABILITY AND VALIDITY**

Quality was assured in terms of validity and Reliability. This was done through the following;

#### **3.10.1 Validity**

Validity refers to the extent to which questions in an instrument accurately measure the variables therein. In other words, Validity is the accuracy and meaningfulness of inferences, which are based on the research results (Mugenda and Mugenda, 1999). It was done by making sure that the questionnaire and interview guide is approved by experts to avoid ambiguity of the questions that need several answers.

The questionnaire was subjected to expert face validity and theoretical content validity tests. All tools were pre-tested to ensure validity of the contents within the research instruments. This focuses on finding out whether the instruments can achieve the required results. A content validity index (CVI) is an indication of the degree to which the instrument corresponds to the concept it was designed to measure

#### **3.10.2 Reliability**

Reliability refers to the degree to which a set of variables are consistent with what they are intended to measure (Amin, 2005). In other words, it is the ability of the research tools to collect data that can be replicated i.e. where different other people can go to the field to carry out the same research being carried out and get the same results that the researcher got. This was done by test and pre-testing method. It was done by use of the questionnaire to see if it would give the researcher good results.

Therefore, for reliability, the researcher got other experts to preview and proof read the research instruments before they are taken to the field. This assisted in improving and identifying whether there are any errors before the instruments are used.

### **3.11 ETHICAL ISSUES**

Amin (2005) points out that it is always prudent to conduct research studies in accordance with higher moral values. Ethical considerations refer to the research principles that were adhered to while conducting the research study. For that reason, the following were the ethical considerations that were adhered to while carrying out the study

The researcher made efforts to ascertain the credibility of the literature to avoid plagiarism. The researcher explains to the respondents the purpose of the study and that the information they provide were kept confidential. This was backed by assurance of their protection

Questionnaires were coded guarantee anonymity as no one of the respondents was named at any time during the research or in the subsequent study.

Respondents were selected for their willingness to participate without compulsion and no risks to the respondents were identified at any stage during the research.

Irrespective of the nature of data collection, the self-esteem and self-respect of the respondents was not violated.

### **3.12 STUDY LIMITATIONS**

There was a limitation of reliance on self-administered questionnaire data. With the use of self-administered questionnaires, it was impossible to control respondent behaviour and the



opportunity to clarify uncertainties is also lost, which may result in the validity of the data being compromised. However, the researcher conducted reliability and validity tests to ensure the consistence and accuracy of the tools that were used.

There was a problem connected with the findings of sample size. Findings of the selected sample size in Movit Products Limited tended to generalize all other organizations, and yet the information that was acquired from there does not mean other organizations also go through the same experience. Although care was taken to ensure that the study area and sample is as representative as possible in the prevailing circumstances, it is important to note that the socio-economic and working environment/conditions in organizations did not permit the findings of this study to be used to make generalizations.

Time; the researcher experienced a time constraint in data collection, analyzing of data and in final presentation of the report. This was overcome by ensuring that all the appointments are met and done on time.

Limited trust availed to the researcher. To make answering the questionnaires easier, the researcher, through his research assistant, had to first assure the respondents of utmost confidentiality and secrecy of each one's details, and yet it was really hard convincing the potential respondents that the information they gave would be held with utmost concealment.

### **3.13 Conclusion**

The chapter is basically the backbone of the research, because it sought for information about advertising and organizational performance, by using different data collection methods, within the employees of Movit Products Limited and available documents about manufacturing companies.

## **CHAPTER FOUR**

### **4.0 PRESENTATION AND INTERPRETATION OF THE FINDINGS**

#### **4.1 INTRODUCTION**

This chapter therefore deals with the presentation, analysis and interpretation of data that was collected from the field. The researcher collected data using questionnaires that were distributed to the field.

The data collected was then analyzed and explained using SPSS and Microsoft Excel through the use of tables, graphs and charts. The data was collected and analyzed using the objectives of the study, the research hypothesis, the conceptual framework and the theoretical framework.

It describes the characteristics of the respondents and presents the findings that were yielded from objectives of the study which were to find out the relationship between branding and the performance of manufacturing organizations, to find out the relationship between public relations and the performance of manufacturing organizations and also to find out the relationship between corporate sponsorship and the performance of manufacturing organizations.

#### **4.2 DEMOGRAPHIC CHARACTERISTICS OF THE RESPONDENTS**

In this section, efforts were made to document the background information of the respondents such as gender, period of time within the company, academic qualifications and department of the respondents. This information was considered useful in that it would reveal the professional relevance and knowledge base of the respondents to give informed responses.

#### 4.2.1 Gender of the Respondents

The following table presents findings about the gender of respondents.

**Table 1: Gender of the Respondents**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	54	62.1	62.1	62.1
	Female	33	37.9	37.9	100.0
	Total	87	100.0	100.0	

*Source: Primary data (2015)*

As shown in the above table 1, the majority of respondents, 54 (62.1%) were males and females were only 33(37.9%). This was found relevant because respondents of different genders could be having varying views and attitudes on the role of advertising strategies in the performance of manufacturing companies.

#### 4.2.2 Period of time with Movit Products Limited

The following table 2 presents findings about period of time of respondents in Movit Products Limited and interpretation follows.

**Table 2: Period of time with Movit Products Limited**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	5 years and above	9	10.3	10.3	10.3
	3 - 5 years	38	43.7	43.7	54.0
	1 - 3 years	22	25.3	25.3	79.3
	less than 1 year	18	20.7	20.7	100.0
	Total	87	100.0	100.0	

*Source: Primary Data (2015)*

Findings show that most respondents (43.7%) had been in the company for 3 – 5 years, 22 (25.3%) for 1 – 3 years, 18(20.7%) has been in Movit Products Limited for less than 1 year, and minority 9(10.3%) had been in the company for 5 years and above.

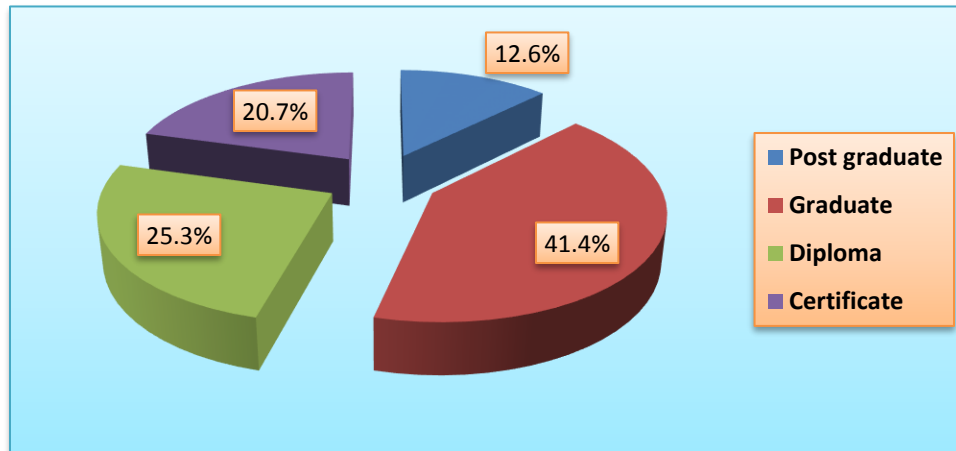
Most of the respondents in the company had been in the company for 3 – 5 years mainly because they work on contracts that range within those years. This implies that most employees in the company properly understand the company operations and have enough experience since they have been in the company for some time.

This shows that there is a high employee turnover since most of the employees have been in the organization for a short period of 3 - 5 years. This could be because of the low salaries, harsh supervisors, no employee benefits which forces the employees to leave the company.

#### **4.2.3 Education Level of the Respondents**

The educational attainment of the respondents is an important indicator of their knowledge and attitude about the role of advertising strategies in the performance of manufacturing companies. Education also enhances the ability of individuals to achieve desired demographic and performance goals

**Figure 2: Education Level of the Respondents**



**Source: Primary Data (2015)**

The findings as shown in Figure 2 indicated the majority of the residents were graduates with 36(41.4%), 22(25.3%) had diplomas, 18(20.7%) had certificates and the minority 11(12.6%) were postgraduate holders. This implied that most of the respondents were educated and could easily comprehend the questionnaire about the role of advertising strategies in the performance of manufacturing companies.

The education is positively related to an individual's level of literacy on advertising. This is because the skills and education of the respondents might not be common in the uneducated customers. In order to gather all these different views about the effect of advertising and organization performance, the different levels of education was essential for this study.

#### 4.2.4 Departments of respondent of Movit Products Limited

The following table 3 presents findings about the departments of respondents in Movit Products Limited.

**Table 3: Departments of respondent of Movit Products Limited**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Operations	19	21.8	21.8	21.8
Marketing and sales	16	18.4	18.4	40.2
Customer care	14	16.1	16.1	56.3
Transport and Logistics	15	17.2	17.2	73.6
Finance and Accounts	12	13.8	13.8	87.4
Human Resource	11	12.6	12.6	100.0
Total	87	100.0	100.0	

*Source: Primary data (2015)*

The findings as shown in the table 3 above revealed that majority of the respondents 19(21.8%) were in operations, 16 (18.4%) were in marketing and sales, 15(17.2%) were in transport and logistics, 14(16.1%) were in customer care, 12(13.8%) were in finance and accounting and the least 11(12.5%) were in human resource department.

These findings implied that most of the employees are in the operations department since most of the work in the company that is the manufacturing, packaging, and handling are mostly done in the operations department.

The departments of the respondents in Movit Products Limited were relevant to this research because different respondents from different departments have various attitudes and knowledge towards the effect of advertising on organizational performance.

#### 4.3 BRANDING AND PERFORMANCE OF MOVIT PRODUCTS LIMITED.

The first objective of the study was to examine the effect of branding on performance of Movit Products Limited. To accomplish this, the researcher examined the extent to which the respondents agree, neutral or disagree with the effect of branding on performance of Movit Products limited. This was measured on a likert Scale where by 5- Strongly Agree, 4 – Agree, 3- Not Sure, 2 – Disagree and 1 – strongly Disagree. This is further illustrated in the table 4 below.

**Table 4: Branding and Performance of Movit Products Limited**

branding and performance	SA		A		N		D		SD		Mean	STD
	F	%	F	(%)	F	(%)	F	(%)	F	(%)		
Branding is one of the strategies used at Movit	64	73.6	21	24.1	0	0	2	2.3	0	0	4.69	0.60
Movit marketing depends largely on branding	42	48.3	32	36.8	7	8	0	0	6	6.9	4.20	1.08
Branding impacts on sales	37	42.5	36	41.4	11	12.6	2	2.3	1	1.1	4.22	0.84
Branding increases on organizational profitability	47	54	33	37.9	3	3.4	1	1.1	3	3.4	4.38	0.89
Branding improves on organizational growth	38	43.6	36	41.4	4	4.6	8	9.2	1	1.1	4.75	0.53

**Source: Primary Data (2015)**

The findings as shown in the table 4 above indicated that the majority 64(73.6%) of the respondents strongly agreed that Branding is one of the strategies used at Movit Product Limited, those were followed by 21(24.1%) who agreed while and 2(2.3%) disagreed. This statement had a mean score of 4.69 and 0.60 as the standard deviation which showed the majority of the respondent agreed with the statement.

These findings are in agreement with Jobber (2004) who argued that many organizations use branding as a strategy to win the market share and competitiveness. Branding is used as a process by which companies distinguish their product offering from the competition. He argues that strong brand names can have positive effects on consumer perceptions and preferences

Findings from the table 4 above presented that the majority 42(48.3%) of the respondents strongly agreed Movit Products Limited marketing depends largely on branding, 32(36.8%) of the respondents agreed, 7(8%) were not sure, whereas the minority 6(6.9%) of them strongly disagreed. The means of 4.20 and standard deviation of 1.08 clarified that most respondents generally agreed. In conformity to the findings, one of the interviewed respondents who commented that;

*“... we do a lot of advertising using the brand of movit since it has renown throughout our customers and this has enabled us to achieve competitive advantage....”*

In relation to the table 4 findings above, it was indicated that the majority 37(42.5%) of the respondents strongly agreed that branding impacts on sales, those were followed by 36(41.4%)



of the respondents agreed, whereas 11(12.6%) were not sure, 2(2.3) disagreed while 1(1.1%) of them strongly disagreed and also had a mean of 4.22 with a standard deviation of 0.84.

This was in agreement with Brassington and Pettitt (2006) who stated that branding is important for providing competitive advantage not only in terms of generating consumer loyalty and this enables the organization to enhance its sales and revenues.

It was also observed that the majority 47(54%) of the respondents strongly agreed that branding increases on organizational profitability, those were followed by 33(37.9%) of the respondents who agreed, 3(3.4%) of them were not sure whether it branding increases on organizational profitability whereas 1(1.1%) disagreed while 3(3.4%) of them strongly disagreed respectively. This had a mean score of 4.38 and 0.89 as standard deviation which depicted respondents' agreement with the statement branding increases on organizational profitability.

Adock (2000) suggested that a brand is not a product that just happens to have high awareness, nor is it just a recognizable name or logo, although both these often present, it is so much more, it is a powerful stimulus that conjures up a complex image and level of expectation about itself and what it can do for a consumer thereby increasing the sales and profitability of the organization.

In addition to the above, the results from the study also presented that the majority 38(43.6%) of the respondents strongly agreed that branding improves on organizational growth, 36(41.4%) of the respondents agreed, 4(4.6%) of them were not sure whether branding improves on organizational growth while 8(9.2%) disagreed and 1(1.1%) strongly disagreed and had a mean

of 4.75 and standard deviation of 0.53 that showed a positive reaction from respondents. One of the interview respondents attested that;

*“..our brand name has enabled us to get more customers and this has contributed to growth of our company...”.*

#### 4.3.1 Correlation results for branding and performance of Movit Products Limited

The researcher sought to establish whether a relationship existed between branding and performance of Movit Products Limited, this was done with the support of the Pearson correlation product moment technique. It looks at branding as independent variable while performance is a dependent variable. This is further illustrated in the table 5 below.

**Table 5: Correlation results for branding and performance of Movit Products Limited.**

		Branding	Performance
Branding	Pearson Correlation	1	.728**
	Sig. (2-tailed)		.000
	N	87	87
Performance	Pearson Correlation	.728**	1
	Sig. (2-tailed)	.000	
	N	87	87

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

**Source: Primary Data (2015)**

The table above reflects the results that emerged. It comprises of variables; branding and performance, level of significance (sig., at 95%) and N stands for number of respondents and the Pearson correlation ( $R=0.728^{**}$ ), sig (=0.000) N (=87). The R value of 0.728 reveals that a positive

relationship exists between branding and performance. This means that on branding contributes to organizational performance at Movit Products Limited.

The coefficient of determination, with respect to correlation,  $R^2$  is the proportion of the variance that is shared by both variables. It gives a measure of the amount of variation that can be explained by the model (the correlation is the model). Therefore, the adjusted  $R^2$  linear value of 0.529 meant that branding contributes to the performance by 0.529 (52.9%). This meant that that a unit increases in branding improves organizational performance positively by 52.9%.

#### 4.4 PUBLIC RELATIONS AND PERFORMANCE OF MOVIT PRODUCTS LIMITED

The second objective of the study was to establish the effect public relations on performance of Movit Products Limited. To accomplish this, the researcher explored the extent to which the respondents agree, neutral or disagree with the effect public relations on performance of Movit Products Limited. This was measured on a likert Scale where by 5- Strongly Agree, 4 – Agree, 3- Not Sure, 2 – Disagree and 1 – strongly Disagree. This is further illustrated in the table 6 below.

**Table 6: Public Relations on Performance of Movit Products Limited**

Public relations and performance	SA		A		N		D		SD		Mean	STD
	F	%	F	%	F	%	F	%	F	%		
Public relations is embraced as a marketing strategy	44	50.6	31	35.6	11	12.6	1	1.1	0	0	4.36	0.75
Public relations have impacted on the performance	30	34.5	42	48.3	12	13.8	3	3.4	0	0	4.14	0.78
Sales have increased due to good public relations	31	35.6	35	40.2	19	21.8	2	2.3	0	0	4.09	0.82
Public relations has boosted company growth	34	39.1	32	36.8	19	21.8	1	1.1	1	1.1	4.11	0.87

*Source: Primary Data (2015)*

The findings as in the table 6 above also showed that the majority 44(50.6%) of the respondents strongly agreed Movit Products limited embraces public relations as a marketing strategy, 31(35.6%) of the respondents agreed.

11(12.6%) of them were not sure whether Movit Products Limited embraces public relations as a marketing strategy whereas the minority 1(1.1%) of them disagreed. The statement also had 4.36 as the mean and 0.75 standard deviation that showed the largest percentage of the respondents had agreed that Movit Products Limited embraces public relations as a marketing strategy.

Public relations is a big strategy which is used by many organizations in regards to management of communications and relationships to establish goodwill and mutual understanding between an organization and its public (Brassington and Pettitt, 2006).

Table 6 above revealed that the majority 42(48.3%) of the respondents agreed that public relations have impacted on the performance of Movit Products Limited these were followed by 30(34.5%) of the respondents who strongly agreed, 12(13.8%) of them were not sure whether Public relations have impacted on the performance of Movit Products Limited whereas 3(3.4%) disagreed.

This statement had a mean of 4.14 and standard deviation of 0.78 that covered the (54.9%) of the respondents who agreed. One of the interview respondents said that

*“...Public Relations is important because it enhances company growth. This is because it brings about a message of high credibility than advertising since it appears to the reader to have been written independently (by media person) rather than an advertiser...”*

Additionally, majority 35(40.2%) of the respondents agreed that Sales have increased due to good public relations, those were followed by 31(35.6%) who strongly agreed, 19(21.8%) of

them were not sure while 2(2.3%) disagreed that sales have increased due to good public relations.

The mean score of 4.09 and Standard Deviation of 1.82 implied that most of the respondents strongly agreed that Sales have increased due to good public relations. In line with the findings, Schneider, *et al* (2003), pointed out that public relations involves the practice of publicizing the good news about a company and its products and to control the damage done by any negative news. This helps the company to retain its customers and also get new ones thus sales growth and profitability.

It was also revealed that most of the respondents 34(39.1%) and 32(36.8%) strongly agreed and agreed that public relations has boosted company growth as compared to the 19(21.8%) who were not sure and the 1(1.1%) were both disagreed and strongly disagreed. The statement had a mean of 4.11 and standard deviation of 0.87 was relatively high and depicted that the most respondents agreed that public relations have boosted company growth.

Craves and Piercy (2009) explained public relations as the art of securing a favorable attitude to the aims and activity of an organization, its management and the goods and services it provides in a bid to stimulate growth. He further argues that public relations will extend to its products, pricing, promotion and distribution, personnel management.

#### 4.4.1 Correlation results for public relations and performance of Movit Products Limited

The researcher sought to establish whether a relationship existed between public relations and performance of Movit Products Limited, this was done with the support of the Pearson correlation product moment technique. It looks at public relations as independent variable while performance is a dependent variable. This is further illustrated in the table 7 below

**Table 7: Correlation results for public relations and performance of Movit Products Limited**

		Public relations	Performance
Public relations	Pearson Correlation	1	.782**
	Sig. (2-tailed)		.000
	N	87	87
Performance	Pearson Correlation	.782**	1
	Sig. (2-tailed)	.000	
	N	87	87

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

**Source: Primary Data (2015)**

The table 7 above reflects the results that emerged. It comprises of variables; public relations and performance, level of significance (sig., at 95%) and N stands for number of respondents and the Pearson correlation ( $R=0.782^{**}$ ), sig (=0.000) N (=87). The R value of 0.782 reveals that a positive relationship exists between public relations and performance. This means that on public relations contributes to organizational performance at Movit Products Limited.

The coefficient of determination, with respect to correlation,  $R^2$  is the proportion of the variance that is shared by both variables. It gives a measure of the amount of variation that can be explained by the model (the correlation is the model).The adjusted  $R^2$  linear value of 0.612

meant that branding contributes to the performance by 0.612 (61.2%). This implied the a unit increase in Public relations would increase on the performance of Movit Products Limited by 61.2%

#### 4.5 CORPORATE SOCIAL RESPONSIBILITY AND PERFORMANCE MOVIT PRODUCTS LIMITED.

The third objective of the study was to establish effect of corporate social responsibility on performance Movit Products Limited. To accomplish this, the researcher examined the extent to which the respondents agree, neutral or disagree with effect of corporate social responsibility on performance Movit Products Limited. This was measured on a likert Scale where by 5- Strongly Agree, 4 – Agree, 3- Not Sure, 2 – Disagree and 1 – strongly Disagree. This is further illustrated in the table 8 below.

**Table 8: Corporate Social Responsibility and Performance Movit Products Limited**

Corporate social responsibility on performance	SA		A		N		D		SD		Mean	STD
	F	%	F	%	F	%	F	%	F	%		
Movit Products limited involves social responsibility	51	58.6	22	25.3	11	12.6	3	3.4	0	0	4.391	0.840
CSR has improved profitability	43	49.4	29	33.3	12	13.8	2	2.3	1	1.1	4.276	0.872
Growth has been boosted through social responsibility	33	37.9	38	43.7	13	14.9	3	3.4	0	0	4.161	0.805
Social responsibility has impacted on sales	33	37.9	35	40.2	14	16.1	2	2.3	3	3.4	4.069	0.974

*Source: Primary Data (2015)*



According to the findings shown in table 8 above, it was presented that the majority 51(58.6%) of the respondents strongly agreed that Movit Products Limited involves social responsibility, 22(25.3%) of the agreed,11 (12.6%) of them were not sure while 3(3.4%) disagreed. In comparison to the mean score of 4.391 and standard deviation 0.840, it testified respondents' positive reaction to the statement. One of the interviewed respondents attested that

*“... our company of course has corporate responsibility and sponsorship strategies which are seen as a cost effective means of enhancing our image with consumers becoming increasingly critical of organizations' societal credentials...”*

It was indicated that the majority 43(49.4%) of the respondents strongly agreed that corporate social responsibility has improved Movit Products Limited profitability 29(33.3%) of the respondents agreed, 12(13.8%) of them were not sure, 2(2.3%) disagreed while 1(1.1%) of them strongly disagreed respectively.

These findings were in line with Johansson (2006) who argued that as markets have become more saturated and many products have reached maturity, more companies have been turning to sponsorships to more effectively get into the market and this has a long term benefit with regards to profitability of the company.

The findings as seen in the table 8 above also presented that the majority 38(43.7%) of the respondents agreed that growth has been boosted through social responsibility, those were followed by 33(37.9%) who strongly agreed while 13(14.9%) were not sure and the minority 3(3.4%) of them disagreed.

This had a mean of 4.161 and standard deviation 0.805 which showed that most respondents agreed. Shimp (1997) stated that sponsorships represent a rapidly growing aspect of marketing communications. Sponsorships involve investments in events or causes for the purpose of achieving various corporate objectives: increasing sales volume, enhancing a company's growth or even growth of its brand's image

The findings also revealed that most of the respondents agreed with 33(37.9%) and 35(40.2%) agreed that social responsibility has impacted on sales as compared to the 14(16.1%) who were not sure and the 3(3.4%) who disagreed, 2(2.3%) strongly disagreed. The statement had a mean of 4.069 and standard deviation of 0.974 was relatively high and depicted that the most respondents agreed that Social responsibility has impacted on sales.

These findings were in agreement with Jobber (2010), who stated that corporate social responsibility has a great impact on the sales of the organization. CSR involves investment in events or causes in order that an organization can achieve objectives such as increased awareness, visibility levels and enhanced reputation

#### 4.5.1 Correlation results for Corporate Social Responsibility and Performance

The researcher sought to establish whether a relationship existed between corporate social responsibility and performance of Movit Products Limited, this was done with the support of the Pearson correlation product moment technique. It looks at public relations as independent variable while performance is a dependent variable. This is further illustrated in the table 9 below.

**Table 9: Correlation results for Corporate Social Responsibility and Performance Movit Products Limited**

		Corporate Social Responsibility	Performance
Corporate Social Responsibility	Pearson Correlation	1	.751**
	Sig. (2-tailed)		.000
	N	87	87
Performance	Pearson Correlation	.751**	1
	Sig. (2-tailed)	.000	
	N	87	87

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

**Source: Primary Data (2015)**

The table 9 above reflects the results that emerged. It comprises of variables; corporate social responsibility and performance, level of significance (sig., at 95%) and N stands for number of respondents and the Pearson correlation ( $R=0.751^{**}$ ), sig (=0.000) N (=87). The R value of 0.751 reveals that a positive relationship exists between corporate social responsibility and performance. This means that on corporate social responsibility contributes to organizational performance at Movit Products Limited.

The coefficient of determination, with respect to correlation,  $R^2$  is the proportion of the variance that is shared by both variables. It gives a measure of the amount of variation that can be explained by the model (the correlation is the model). The adjusted  $R^2$  linear value of 0.612 meant that corporate social responsibility contributes to the performance by 0.612 (61.2%). The adjusted  $R^2$  linear value of 0.564 meant that corporate social responsibility contributes to the performance by 0.564(56.4%). This implied that a unit increase in corporate social responsibility increases the performance of the company by 56.4%.

## 4.6 INTERVENING VARIABLES

### 4.6.1 Organizational Policy

The research aimed at assessing the effect of organizational policies on performance Movit Products Limited. To accomplish this, the responses on how organizational policy affects organization performance were measured on a likert Scale. In that 5- Strongly Agree, 4 – Agree, 3- Not Sure, 2 – Disagree and 1 – strongly Disagree. This is further illustrated in the table 10 below.

**Table 10: Effect of Organizational Policy**

Effect of organizational policy	SA		A		N		D		SD		Mean	STD
	F	%	F	%	F	%	F	%	F	%		
Advertising and Profitability	37	42.5	29	33.3	10	11.5	4	4.6	7	8	3.977	1.210
Advertising and sales of Movit products limited	29	33.3	37	42.5	9	10.3	11	12.6	1	1.1	3.943	1.027
Advertising and growth of Movit products limited	32	36.8	30	34.5	13	14.9	6	6.9	6	6.9	3.874	1.189

**Source: Primary Data (2015)**

The findings indicated that the majority 37(42.5%) of the respondents strongly agreed that organizational policy affects advertising and Profitability of Movit products limited 29(33.3%) of the respondents agreed while the 10(11.5) of them were not sure, 4(4.6%) disagreed and 7(8%) strongly disagreed.

The statement also had 3.97 as the mean and 1.210 as standard deviation which showed the largest percentage of the respondents had agreed. According to the study findings indicated that the majority (42.5%) of the respondents strongly agreed that organizational policy affects Advertising and sales of Movit products limited

29(33.3%) of the respondents strongly agreed, 9(10.3%) of them were not sure while 11(12.6%) and 1(1.1%) disagreed and strongly disagreed respectively. In comparison to the mean score of 3.943 and standard deviation 1.027, it testified respondents' positive reaction to the statement. In conformity with one of the interviewed respondents who noted that

*:... We have good and well stipulated organizational policies that are favourable and aimed at achieving growth, profitability and sales increment....”*

In relation to the findings of the study, it was presented that 32(36.8%) of the respondents strongly agreed and 13(34.5%) agreed that organizational policy affects Advertising and growth of Movit Products Limited while 13(14.9%) were not sure and the minority 6(6.9%) of them both disagreed and strongly disagreed and also had a mean of 43.874 and standard deviation of 1.189.

#### **4.6.2 Government Policy**

The research aimed at assessing the effect of organizational policies on performance Movit Products Limited. To accomplish this, the responses on how government policy affects organization performance were measured on a likert Scale. In that 5- Strongly Agree, 4 – Agree,

3- Not Sure, 2 – Disagree and 1 – strongly Disagree.This is further illustrated in the table 11 below.

**Table 11: Effect of Government Policy**

Effect of Government policy	SA		A		N		D		SD		Mean	STD
	F	%	F	%	F	%	F	%	F	%		
Advertising and Profitability of Movit products limited	43	49.4	27	31	2	2.3	7	8	8	9.2	4.035	1.298
Advertising and sales of Movit products limited	42	48.3	29	33.3	3	3.4	4	4.6	9	10.3	4.046	1.284
Advertising and growth of Movit products limited	36	41.4	32	36.8	7	8	4	4.6	8	9.2	3.966	1.234

**Source: Primary Data (2015)**

In addition to the above table 11, it was shown that the majority 43(49.4%) of the respondents strongly agreed that government policy affects advertising and Profitability of Movit Products Limited, 27(31.0%) agreed, 2(2.3%) were not sure while the minority 7(8%) of them strongly disagreed. The statement had a mean 4.035 and standard deviation of 1.298. One of the interview respondents argued that,

*“...Sometimes government policies are sometimes not favourable with high taxes imposed on the products.....”*

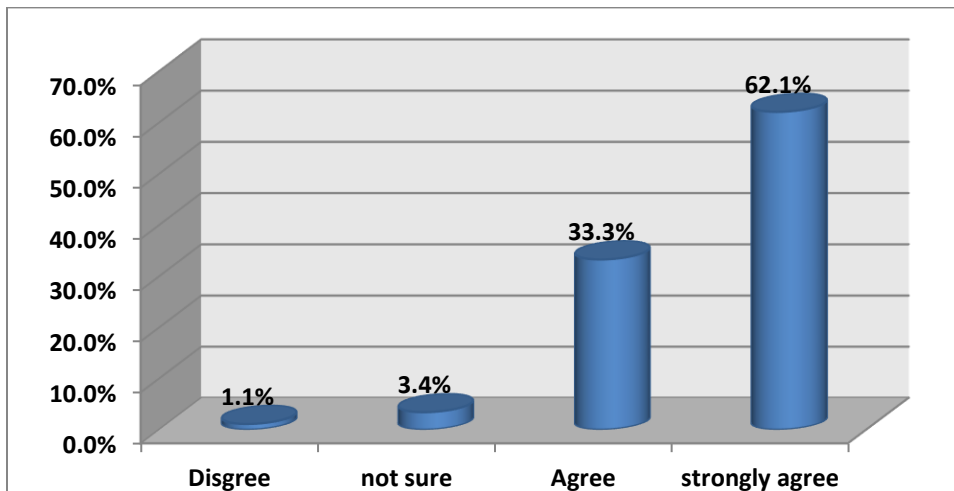
From the findings, it was also indicated that the majority 42(48.3%) of the respondents agreed that government policy affects advertising and sales of Movit Products Limited as evidenced

with a mean and standard deviation of 4.046 and 1.284 respectively, 29 (33.3%) of them agreed, 3(3.4%) of them were not sure, 4(4.6%) disagreed while 9(10.3%) strongly disagreed.

More to the above, the findings presented in the table that the majority 36(41.1%) of the respondents strongly agreed that Government policy affects Advertising and growth of Movit Products Limited 32(36.8%) of them disagreed, 7(8%) were not sure whether government policy affects advertising and growth of Movit Products Limited while the 4 (4.6%) and 8(9.2%) disagreed and strongly disagreed. The statement had a mean of 3.966 and standard deviation of 1.234 which depicted the respondent's agreement with the statement.

#### 4.7 CHALLENGES FACED BY MOVIT PRODUCTS LIMITED

**Figure 3: Challenges faced by Movit Products Limited**



*Source: Primary Data 2015*

It was further revealed that Movit Products Limited is facing some challenges like any other organization. This is evident from figure 3 above which indicates that most of the respondents (62.1) and (33.3) respectively strongly agreed and agreed that the company is facing challenges,



(3.4%) were not sure whether the company is facing challenges and the minority disagreed with it.

Most of the respondents mentioned that the company was facing financial challenges, lack of enough skilled and trained personal, tight government policies and taxation, lack of quality products, comparative and volatile market to mention but a few.

## **CHAPTER FIVE**

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

#### **5.1 INTRODUCTION**

This chapter covers the summary of the findings and conclusions drawn from the study based on the findings presented in data analysis and the study objectives. The chapter also advances the recommendations, as well as identifying the areas for further studies.

#### **5.2 SUMMARY OF THE FINDINGS**

##### **5.2.1 Branding and performance of Movit Products Limited**

It was revealed from the organization that the majority of the respondents 85(97.7%) generally agreed (Strongly agree + Agree) that branding is one of the strategies used at Movit. It was also shown that the company marketing depends largely on branding since branding impacts on sales and also increases on organizational profitability. The study revealed that branding improves on organizational growth

##### **5.2.2 Public relations on performance of Movit Products Limited**

The study revealed that majority 75(86.6%) of the respondents generally agreed (Strongly agree + Agree) that Movit Products limited embraces Public relations as a marketing strategy and that Public relations have impacted on the performance of Movit Products Limited. It was also revealed that the sales have increased due to good public relations and public relations has boosted company growth.

### **5.2.3 Corporate social responsibility on performance Movit Products Limited.**

It was also revealed that majority<sup>73</sup> (83.9%) generally agreed (Strongly agree + Agree) that Movit Products Limited involves social responsibility and that corporate social responsibility has improved Movit Products Limited profitability. It was also revealed from the study that growth has been boosted through social responsibility and that social responsibility has positively impacted on sales.

### **5.3 CONCLUSIONS**

In conclusion, branding is one of the strategies used by organizations because it has a positive impact on sales, increases on organizational profitability and improves on organizational growth. Public relations is also embraced as a marketing strategy which enhances sales growth and boosts company growth. Further, the study revealed that corporate social responsibility as a strategy used by organizations because it improves profitability, boosts growth and that it has a positive impact on sales.

### **5.4 RECOMMENDATIONS**

Based on this study, the researcher made recommendations

The organization should make sure that quality is an essential characteristic for every brand; because the perceived quality provides a fundamental reason for the consumer to purchase.

It is also recommended that the companies' strong brand name should be emphasized as a winning track since customers will choose a strong brand over unknown brand.

It is more so recommended that the organization should train and conduct capacity building workshops educating their employees on how to carry out corporate social responsibility for the organization

Lastly, it is also recommended that organizations should establish a department/unit responsible for brand management and corporate social responsibility for the organization.

### **5.5 AREAS FOR FURTHER STUDY**

During the study, there were areas that were beyond the scope of the study that called for further investigation: Future studies should concentrate on other factors that influence the performance of Movit Products Limited since this study did not focus on other factors that affect advertising and performance of organization like the environment, public awareness and acceptance and issues related with the policies and regulations of the government.

Due to the limitation of time the same study could be conducted a few years from now in order to establish if there are any changes in the effect of advertising on the organizational performance within this environment.

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## APPENDIX I: QUESTIONNAIRE

### TOPIC: ROLE OF ADVERTISING STRATEGIES IN THE PERFORMANCE OF MANUFACTURING ORGANIZATIONS

**Dear Respondent,**

I am **Ndawula Simon Peter**, a student of Uganda Martyrs University currently pursuing a bachelor's degree in Business Administration and Management. I am researching about **the role of advertising Strategies in the Performance of Manufacturing Companies** using Movit Products Limited as my case study and the information you will avail me with will be of great help in my research and contributing a lot to my findings.

Please answer the questions as to what is more appropriate to you.

I believe this will not take more than 20 minutes of your time and the information you provide will be treated with a lot of confidentiality.

**Thank you**

#### **PERSONAL DATA**

*You are kindly requested to answer these questions by ticking the most appropriate alternative.*

1. Gender:                      Male .....                      Female.....
  
2. Your period of time with Movit Products limited.
  - a) 5 years and above
  - b) 1-3 years
  - c) 3-5 years
  - d) Less than 1 year
  
3. Education levels of respondent at Movit Products limited?
  - a) Post graduate
  - b) Diploma
  - c) Graduate
  - d) Certificate

4. Departments of respondent of Movit Products limited?

a) Operations  c) Marketing and Sales  e) Customer care

b) Transport and Logistic  d) Finance and Accounts  f) Human resource

**Please use the scale above to tick under the appropriate box your view on the following statements below;**

5	4	3	2	1
strongly agree	2 Agree	Not sure	Disagree	strongly disagree

**Objective 1: The effect of branding on performance of Movit Products limited.**

		5	4	3	2	1
1.	Branding is one of the strategies used at Movit					
2.	Movit marketing depends largely on branding					
3.	Branding impacts on sales					
4.	Branding increases on organizational profitability					
5.	Branding improves on organizational growth					

Do you have any other comment (s) you would like to advance on how branding is carried out at Movit Products Limited? Please specify:

.....  
 .....

**Objective 2: The effect Public relations on performance of Movit Products limited.**

	<b>Public relations</b>	5	4	3	2	1
1.	Movit Products limited embraces Public relations as a marketing strategy					
2.	Public relations have impacted on the performance of Movit					
3.	Sales have increased due to good public relations					

4.	Public relations has boosted company growth					
----	---	--	--	--	--	--

Do you have any other comment (s) you would like to advance on how Public relations are carried out at Movit Products Limited? Please specify:

.....  
 .....

**Objective 3: Effect of Corporate social responsibility on performance Movit Products limited**

1.	Movit Products limited involves social responsibility	5	4	3	2	1
2.	Corporate social responsibility has improved Movit Products limited profitability					
3.	Growth has been boosted through social responsibility					
4.	Social responsibility has impacted on sales					

Do you have any other comment (s) you would like to advance on how social responsibility is being managed at Movit Products Limited? Please specify:

.....  
 .....

To what extent/level does organizational policy affect;

		5	4	3	2	1
1	a) Advertising and Profitability of Movit products limited?					
2	b) Advertising and sales of Movit products limited?					
3	c) Advertising and growth of Movit products limited?					

Provide a reason for your choice(s) above?

.....  
 .....

To what level does government policy affect;

		5	4	3	2	1
1	Advertising and profitability of Movit products limited					
2	Advertising and sales of Movit products limited					
3	Advertising and growth of movit products limited					

Comment and give your reason(s) for the choices above?

.....  
 .....

		5	4	3	2	1
1	What are the challenges faced by Movit products limited?					

Give your reason(s) for your choice?

.....  
 .....

## **APPENDIX II: INTERVIEW GUIDE**

### **Interview guide questions to the administrators of Movit Products limited.**

1. For how long have you been working with Movit Products limited?
2. Which department are you working in?
3. What are some of the advertising techniques used in Movit Products limited?
4. What is the basis used when selecting the advertising technique's?
5. a) Are the advertising techniques of any benefit to the profitability company?
6. If yes in (a above) how?
7. Which of the techniques is most favorable to the company?
8. Are the techniques of any contribution to the sales of Movit Products limited?
9. How has advertising impacted on the profitability of Movit Products limited?
10. Has advertising impacted on the growth of Movit Products limited?
11. How has been the performance of Movit Products limited in the last five years?
12. Is there any improvement in the performance of Movit Products limited?
13. What are some of the challenges experienced at Movit Products limited?
14. What should be done to minimize these challenges?
15. What is the future prospective of Movit Products limited within the next three years?
16. What is your general comment on the effect of advertising on the performance of Movit Products limited?

**-END-**

**Thank you for your co-operation**

## APPENDIX III: INTRODUCTION LETTER

Uganda  
Martyrs  
University

making a difference



Office of the Dean  
Faculty of Business Administration and Management

Your ref.:  
Our ref.:

Nkozi, 24<sup>th</sup> June, 2015

### To Whom it may Concern

Dear Sir/Madam,

**Re: Assistance for Research:**

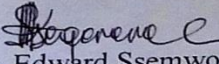
Greetings and best wishes from Uganda Martyrs University.

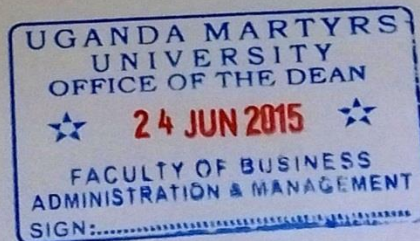
This is to introduce to you NAWUKA SIMON PETER who is a student of Uganda Martyrs University. As part of the requirements for the award of the Degree of Bachelor of Business Administration and Management of the University, the student is required to submit a dissertation which involves a field research 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,

  
Fr. Edward Ssemwogerere  
Associate Dean



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