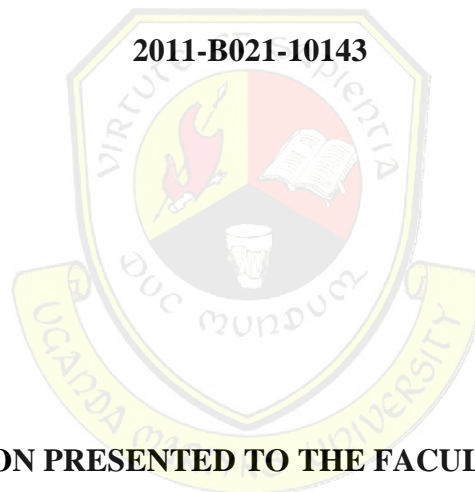


**PROMOTIONAL TECHNIQUES AND THE PERFORMANCE OF SMALL AND
MEDIUM SIZED ENTERPRISES**

CASE STUDY: WANDEGEYA

BY

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Dedication

This academic work is dedicated to my father Dr. Nyakoojo Edward 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.

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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.

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May the Almighty Lord bless you abundantly!!

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List of Abbreviations

CVI:	Content Validity Index
DV:	Dependent Variable
IV:	Independent Variable
SMEs:	Small and Medium Sized Enterprises
SPSS:	Statistical Package for the Social Sciences
TV:	Television
U.S.A:	United States of America

Abstract

This study focused on assessing the effects of promotional techniques on the performance of small and medium sized enterprises of businesses around Wandegeya. The specific objectives of the study were; to assess the impact of advertising on the performance of small and medium sized enterprises, to establish the impact of personal selling on performance of small and medium sized enterprises and to identify how sales discount contributes to the performance of small and medium sized enterprises. The study used a case study research design with quantitative and qualitative research techniques using a total sample size of 63 respondents. Data was collected using self-administered questionnaires and face to face interviews. The study revealed that advertising has increased brand positioning and has raised the demand for product which has increased sales. It was found that personal selling, saves costs, minimizes wastage in sales effort which impacts on the profitability of the SMEs. Personal selling is the most effective promotional method for building customer relationships and boosting sales, achieving economies of scale, Customer satisfaction and profit maximization. It was also exposed that SMEs make use of sales discounts to achieve business objectives aimed at profit maximization and stimulates the interest of clients to keep on purchasing. Finally, it is recommended that Business owners should take a thorough analysis of the effectiveness and significance of a promotional technique before initiating it. Costs should be well estimated and the expected customers with ability to purchase the advertised product. It was also recommended that the business management should also take into consideration the target population and identify the most effective promotional technique to use. Failure to do this, the business could incur expenses without any expected returns.

CHAPTER ONE: GENERAL INTRODUCTION

1.0 Introduction

Promotional tools for example advertising, personal selling and sales discount affect the performance of small and medium sized enterprises both positively and negatively. If the right tools are used at a particular period of time and the tools used are right for the business, then sales growth and profit maximization will be achieved. But however, if the wrong tools are employed at a wrong time, say at a bad financial time, the business will be affected negatively.

In the modern business world, an organization's ability to beat competition depends on the promotional techniques and strategies it takes on. Therefore, it is important that entities especially Small and Medium Sized Enterprises (SMEs) to identify their customers and aim all their promotional strategies at them with specific offerings (Kotler, 2006). The 'promotional strategies and techniques describe the set of tools that a business can use to communicate effectively the benefits of its products or services to its customers. The promotional strategies include the following tools advertising, public relations, sales promotion, direct marketing and personal selling.

The study therefore investigated the impact of promotional techniques on the performance of small and medium sized enterprises. This chapter therefore looks at the background of the study, statement of the problem, purpose of the study, objectives of the study, research questions, scope of the study, significance of the study, and the conceptual framework.

1.1. Background of the Study

Globally, various organizations and marketers have used numerous promotional tools to elicit responses from target markets (Kotler, & Armstrong, 2010). Promotion is one of the elements of marketing mix among other elements like Product, Price, and Place, which are the 4ps of marketing. Promotion strategies brings an interactive dialogue between an organization and

its customers and it takes place during the pre- selling, selling, consuming and post-consuming stage and as such promotional techniques include: sales promotion, advertising, sales force, public relation and direct selling (Grasby, 2000)

It is worth noting that various scholars over the years have studied promotional techniques and their role in performance of SMEs. Recent research also suggests that for performance of firms to be enhanced, promotional strategies have to be improved in order to improve on marketing so as to have better performance (Kotler, 2006)

In countries like United States of America, promotional techniques have responded to changing business demands, media technologies, and cultural contexts. This has grown massively over the years, and current promotion expenditures are greater than in that decade. In marketing, the promotional mix describes a blend of promotional variables chosen by marketers to help a firm reach its goals. Promotional mix' has been identified as a subset of the marketing mix (McCarthy, 2007).

Promotion is the process of communicating between seller and potential buyer or others in the channels to influence attitudes and behaviour. The idea is to make people aware, attracted and induce them to finally buy the product in preference over others. Promotional are the fundamental goals of increasing sales and achieving a sustainable competitive advantage. Smith, Berry & Pulford (2005) noted that promotion is important for the success of an organization. The process of communicating the value of the product or service has become complex in recent times due to globalization. The need to exceed the expectation of customers since satisfied customers are the organization's least expensive customers, they buy again & again, they also talk favorably about the business, they pay less attention to competition and they also tend to buy new products of the organization.

In African developing countries, there are several different promotional strategies that exist throughout the various SMEs. Similar to the United States of America (USA), 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 promotion are not very effective in rural areas, which tend to be less developed (Kotler, 2006). Using Promotional strategies is a prevalent method used 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, without assuming the same promotional techniques are used throughout the entire developing continent of Africa (Achumba, and osuagwu, 2006).

It is also worth noting that promotion aims at; maintaining relationships with satisfied customers and encourage more purchase, help obtain desirable outlets and tell customer where they can buy a product, provide ongoing contact with target customers, position the firm's brand by informing target customers. However the choices available to a marketing manager within each of the decision areas may vary dramatically from one country to another (Wayne, 2004). Promotion is meant to increase the sales of an organization as an end result. Most of the promotion strategies used by small and medium enterprises have a significant impact on the performance of small and medium enterprises in terms of profitability, brand awareness and market share.

In developing countries like Uganda, there are promotional experts in the use of promotional techniques for example through the use of billboards, high quality print media and digital signage. Promotion is just about the most essential areas of a profitable business of any sort. This is so because people are able to locate television advertisements, radio, pages within magazines or perhaps newspapers (Bennett 2005). In planning, the selling element of promotional strategies, SMEs need to consider: the size and structure or sales team,

recruiting, training, motivating and evaluating individuals, remuneration structure, location to be serviced and the management/ communication systems.

Promotion activities have a direct connection to the amount of money a small and medium sized enterprise brings in. Promotion activities like advertizing can help a small and medium sized enterprise to increase its value because consumers buy what is being advertised. Brand reputation of a small and medium sized business is also built form promotion.

A solid brand reputation can directly affect revenue as customers feel safe and secure in purchasing products from that company. Sales promotion as a means of promotion is meant to directly drive revenue. It is done in many ways all of which aim to get customers into a particular business to spend money (Sharma, Krishnan, & Grewal, 2009. Bringing it together; promotional activities don't exist in isolation businesses need a good mix of all the methods to encourage both short and long term revenue and growth. The goal is to keep small and medium sized businesses profitable and to keep a good reputation in the community. By balancing value-increasing activities with direct investment in promotion, small and medium sized enterprises will prosper.

Therefore, this study aimed at assessing the promotional techniques and how they affect performance of small and medium sized enterprises.

1.2 Problem Statement

Bennett (2005) pointed out that any organization to clearly attain its goals and mission, it is crucial that the promotional techniques that they adopt are effective and efficient. In other words they need to adopt good promotional strategies in order to attract and retain customer hence long term relationships and growth and also sales performance. However, the performance of SMEs is still seen to be low as evidenced by low volumes of sales, declining customer base (Achumba, and osuagwu, 2006). Even with the increasing costs incurred by

small and medium sized enterprises, they continue to deteriorate and gradually collapse due the high operating cost and low or no revenue which could be linked to the poor application of promotional techniques. Although many small businesses don't use the promotional techniques could be due to various reasons like costs of training, motivating and maintaining the personnel to implement the promotional techniques and strategies.

1.3 Objectives of the Study

1.3.1 Major objective

The main objective of the study was to establish the effects of promotional techniques on the performance of small and medium sized enterprises of businesses around Wandegeya.

1.3.2 Specific Objectives of the Study

To examine the various promotional techniques employed by small and medium sized enterprises and how they affect their performance.

- i. To assess the impact of advertising on the performance of small and medium sized enterprises.
- ii. To establish the impact of personal selling on performance of small and medium sized enterprises.
- iii. To identify how sales discount contributes to the performance of small and medium sized enterprises.

1.4 Research Questions

- i) What impact does advertising have on performance of small and medium sized enterprises?
- ii) In what ways do offering sales discounts influence the performance of small and medium sized enterprises?

iii) What is the effect of personal selling on performance of small and medium sized enterprises?

1.5 Scope of the Study

The scope of the study was categorized into the following;

1.5.1 Conceptual Scope

The study aimed at finding out the impact of promotion techniques as the independent variable and the performance of SMEs as dependent variable. The study was then confined in how advertising, personal selling and sales discount on how they affect sales growth, and profit maximization.

1.5.2 Geographical Scope:

The study was conducted around Wandegaya. A small town located in Kampala district. The study was carried out on the many small and medium sized enterprises in the area. The different business owners of fast food stores, saloons, supermarkets, retail shops and stationeries were also engraved in this scope.

1.5.3 Time Scope:

The time scope of the study was based on activities of SMEs between a time period of five years; that is; 2011 to 2015. This period was chosen because it has enough information relevant to the study.

1.6 Significance of the Study

The findings of the study are hoped to benefit small and medium sized enterprises in such a way that will enable these enterprises to discover the gaps that are hindering their successful, knowing about these inconsistencies in promotion now will enable these enterprises to plan effectively and avoid making mistakes in future.

The study is also hoped to benefit the small and medium sized enterprises of Wandegeya in such a way that business owners will know exactly how to employ skills in order to perform better in business. If promotional activities are employed and improved upon after the following findings of the study, then the performance of the small and medium sized enterprises will be improved.

1.7 Justification of the Study

Promotion is a critical source of competitive advantage in small and medium sized enterprises especially for the fact that, it forms significant contribution to development and achievement of profit maximization and market expansion. The research carried out is meant to help the area, identify the gaps they have in their promotional techniques. The research also will help provide a solution or away in which these gaps can be filled or eliminated. There are many promotional problems in Wandegeya. This research covers the whole of Wandegeya, the different promotional problems that business enterprises around Wandegeya face. The study also looks in to fill the gaps or solve the problems affected by the businesses.

1.8 Definitions, Terms and Concepts

Promotion refers to the entire set of activities which communicate the product, brand or service to the user. The idea is to make people aware, attract and induce to buy the product in preference over others.

Advertising is any paid form of non-personal communication of ideas or product in the prime media. For example television (TV), the press, cinema, radio and outdoor.

Sales promotion is the process of persuading a potential customer to buy the product. It is designed to be used as a short term tactic to boost sales and build long term customer loyalty. It is also trade that is designed to stimulate purchase.

Publicity is the communication of a product or business by placing information about it in the media without paying for the time or space directly.

Small and medium sized enterprises refer enterprises that have less than 50 employees and have an annual turnover or balance sheet total not exceeding 10million.

Personal selling is the process of communicating with a potential buyer face to face with the purpose of selling a product or service. With personal selling, the salesperson conducts business with the customer in person.

Sales discount is a reduction in the price of a product or service that is offered by the seller in exchange for early payment by the buyer.

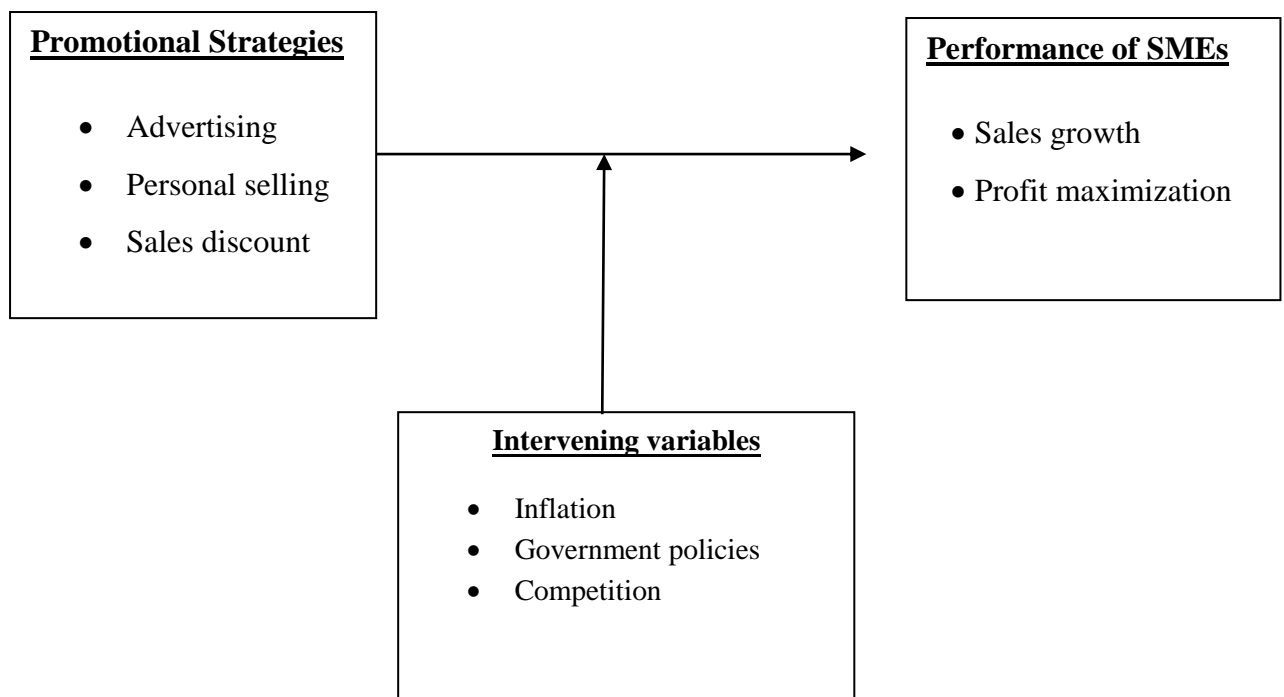
1.9 Conceptual framework

The conceptual framework below defined the study is based on the study variables. With promotional techniques as the independent variable and performance of small and medium sized enterprises as the dependent variable, conceptual framework uses the promotional activities to provide dimensions to the study.

Figure 1.1 Conceptual framework

Independent variables (IV)

Dependent variables(DV)



Source: David Jobber, principles and practice of marketing, sixth edition, McGraw-Hill higher education (2010)

The framework suggests that the SMES performance is influenced by promotional techniques (David, Jobber, 2010). Performance of the SMEs is significant because it is the key indicators of the achievement of their aims and goals. Promotional techniques are significant through the advertising, Personal selling and sales discount. Promotion techniques involve a process of communicating between seller and potential buyer or others in the channels to influence

attitudes and behaviour. The idea is to make people aware, attracted and induce them to finally buy the product in preference over others. Promotional techniques have a significant effect on the performance of SMEs measured by Sales growth and Profit maximization. In this study, it is assumed that Promotional techniques have a big role in improving the performance of SMEs. However there are intervening variables that influence the relationship between Promotional techniques and performance of SMEs which include Inflation, Government policies and Competition. Aderemi (2003) argues that these intervening variables can have significant effects, both inside and outside market. This affects the relationship between promotional techniques and performance of SMEs (David, Jobber, 2010).

1.10 Conclusion

In conclusion, the important of promotional techniques are linked to sales growth and Profit maximization of SMEs. Therefore this study analysed the contribution of Advertising, Personal selling and sales discount as promotional techniques on performance of SMEs as seen in the next chapter two.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter provides a critical review of all that has been studied and explained theoretically and empirically in the existing literature on promotional techniques; the different tool or activities that businessmen employ, the various ways in which these activities may be used and evaluated and their relationship with the performance of small and medium sized enterprises. This chapter looks at the different ways in which each promotional technique/tool affects the performance of small and medium sized enterprises.

2.1 Advertising and the performance of small and medium sized enterprises.

David Jobber (2010) explains that advertising is any paid form of non-personal communication of ideas or product in the prime media. Advertising is also the action of calling something to the attention of the public especially by paid announcements. Advertising is limited to media, television, internet, or any other specific medium. The most popular media are television, outdoor advertising for example poster display, firm advertising, direct mail advertising, internet advertising, bill board displays and electronic displays, radio, new and print media like newspaper and magazines.

According to Berkowitzl (2009), advertising is aimed at creating awareness because it can reach a wide audience quickly, repetition meaning that a brand positioning concept can be communicated effectively, it is also used to aid the sales effort and to legitimize a company and its products.

Gilbert and Jackaria. (2000) explains that advertising objectives and goals can be employed as both short term and long term. Short term goals and objectives pertain to the ad copy itself and long term advertising goals pertain to desired effects. The ultimate objective of

advertising is to sell something, product, service or idea. Advertising provides to create demand, face competition, build goodwill, support salesmen, educate customers, eliminate middlemen, improve living standards and introduce new products. The key to successful advertising is knowing how much to allocated towards specific types of advertising. A business man identifies his/her target audience so that he/she reaches the right consumers (Hue, 2005)

Advertising is characterized by the following; it is a non-personal form or presentation because there is no face to face contact with the consumer of the product. It is a paid form of communication as the advertiser has to pay for the space or time hired by him for the purpose of advertising. It is done by an identified sponsor. It can be oral, written or visual. The basic function of advertising is to raise the demand for a particular product. Advertising is also a basic form of mass communication as the advertisements are aimed at the large number of people (Jackaria 2003)

Advertising has a number of benefits like steady demand, meeting completion, higher sales volume, and introduction of new products, economies of scale, goodwill, and employee morale. However advertising is also criticized because of the high costs needed, it is artificial living, it is often times misleading, it leads to wastage of national resources and at times unethical. (Berkowitzl, 2009)

According to Kelley (2010), advertising has various ways in which it can be done. Using Google ad words is a great way to get new traffic in a cost effective manner if the ad is relevant. Facebook ads also allow a business to target their audience and get new traffic for a reasonable cost. For example a business sells online, sends out newsletters, includes inserts in the packages and maintains great communications with their customers. Locally businessmen should be involved in their community, join local clubs that do good for community, this

advertises the business because individuals start to think the business owner is one of them and gain a sense of loyalty to support his business (Shani, 2007). Creating U tube videos, this works mainly for companies in the entertainment industry like musicians and movie producers.

Companies advertise/ repeatedly get their products and services out through brochures; they contain a great deal of information if designed well. Also direct mail sent directly from the company to the customer that is highly customized to suit their nature and needs, can build a mailing list of current and desired customers collect addresses from by noticing addresses on their checks, asking etc. Email messages, these can be wonderful means to getting the word out about a business. Design email software to include a signature line at the end of each message. The email message will automatically attach this signature line to your email, if preferred by company. Magazines can be powerful means to conveying the nature of the company and its product. Contact a reporter to introduce the company as they are always on the look for new stories. Newspaper which almost read by everyone around the country helps a business advertise (Sharma, Krishnan, &Grewal. 2009)

Shimp (2008) noted that if a company is put in papers by placing an ad, it is quite expensive but it covers a very large scale. Online discussion groups and chat groups as with email, a company can gain frequent exposure to customers by participating in online discussions. Posters and bulletin boards can be very powerful when placed where customers will actually notice them. The posters and boards also have to be very attractive and have a very clear message to the viewers. Television ads, for example during commercial breaks of a programme or even sponsoring a programme creates awareness of the people who watch television a lot or watch a particular programme. Yellow pages are effective if the ads are well placed in the directory's categories of service and the name of the business is descriptive of the product and the product stands out (Hua, 2005).

Customers tend to believe advertising comments and assume that the probable function is according with their claim. Therefore, when customers are exposed to frequent advertising, not only their awareness and mental association increases, but also they gain more positive perception resulted in powerful brand equity. One of the major reasons of customer loyalty reduction is the reduction of advertising. In order to reinforce the views and beliefs that is concerned with brand, advertising helps to have a powerful brand loyalty. Regarding to numerous and multiple reasons, brand image is complicated and advertising is a general way to develop the formation and manage this image and managers should therefore invest on increasing brand equity in advertising with clear objectives (Stotlar, 2005).

Kelley (2015), says companies advertise because they wouldn't be the first brand you think of when you shop for food, drinks and cars. So this means that as a business, you need to advertise or get lost in the crowd forever.

The main reason why companies advertise is to make consumers aware of the products or service offered. Advertising can be used to draw in new customers or to make current and former customers aware of new products or sales. Another benefit of advertising is that it can help a company establishes its identity and increase its brand awareness. Companies want their products to be first thing a consumer thinks of when a need arises. Consistent advertising helps do this by ensuring that the company's name stays in front of potential customers, even when they may not be ready to buy at that point (Sharma, Krishnan, & Grewal. 2009).

Overtime, advertising can help increase a company's sales and ultimately increase its earnings year over year. This can also help attract new investors or partners, especially if a company has opportunity for expansion. Companies generally have control over their advertising and can change the message in ads to best suit their needs at a specific time.

However the results of advertising are not always immediate, especially if the main focus is branding or name recognition. An immediate increase in sales can happen if there is a promotion or discount but keeping these customers coming back is sometimes that will need to be focused on going forward (Hua , 2005).

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 (Stotlar, 2005). 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

Advertising has greatly affected performance of small and medium sized enterprises in a way that if a businessman doesn't have enough funds to advertise, he/she is automatically put out of business by his/her competitors. Advertising has also brought about misunderstands about the quality of a product where many consumers think products that being advertised don't have value and are of very low quality that's why they are being advertised in the first place. Advertising is also expensive for a small and medium sized enterprise, the enterprise might have just started up and is going well but because it has vested in advertising, it ends up spending a lot on operations hence making loses in the end and collapsing (Sharma, Krishnan, & Grewal. 2009).

Advertising plays a vital role in creating product demand and market share: It connects the consumers by highlighting the versatile characteristics of the products that consumers may not know them before. Advertising create an urge for the products and consumers are virtually on the search for such products until they can actually consume and test them (Stotlar, 2005).

Advertising enables the SMEs to expand his market. It helps in exploring new markets for the product and retaining the existing markets. It plays a sheet anchor role in widening the marketing for the manufacturer's products even by conveying the customers living at the far flung and remote areas (Wayne, 2004)

Advertising sets the product apart as being different and superior to other brands, it has been argued by Adrian Palmer (2004) that advertising increase barriers to entry and reduces competition as measured by increase in monopoly profit. The argument that advert reduces competition is based on the assumption that the cost of advertising, a new product is prohibitive for any but the large firm in the industry. In order words advertising superiority enables large existing product to block new competitors from entering into market and result in the establishment of monopoly with high price (Stotlar, 2005).

2.2 Personal selling and the performance of small and medium sized enterprises.

David Jobber defined personal selling is the process of communicating with a potential buyer face to face with the purpose of selling a product or service. With personal selling, the salesperson conducts business with the customer in person. The sales person promotes the product through their attitude, appearance and specialist product knowledge.

According to Berkowitzl (2009), personal selling is advantageous because it is a two way form of communication. In selling situations, the salesman can adjust the message as they gain feedback from message receivers. So if the customer doesn't understand the initial message, the salesperson can make adjustments to address questions or concern. The interactive nature of personal selling also makes it the most effective promotional method for building relationships with customers, particularly in the business to business market. Personal selling is the most practical promotional option for reaching customers who are not easily reached through other methods. An example in selling to the business market, where compared to consumers market, advertising, public relations and sales promotion are often not well related.

Personal selling is carried out or done in many different ways Hua (2005) explains that personal selling can be carried out across the counter selling, in which case the customer comes to the shop and the salesperson attends to him. Door to door selling, sales person goes to the residence or office of the customer. Customers can also be reached through telephones, fax and internet.

Personal selling is characterized by direct feedback as it affords the possibility of direct interaction between the salesperson and the customer. Depending on the enthusiastic, indifferent or hostile attitude of the customer toward the message, the sale message can be altered. On the spot adjustments are possible. Personal selling is a scope for enduring

relationship: firms are able trying to practice relationship Management through personal selling, for ensuring brand loyalty (Sharma, Krishnan, &Grewal. 2009).

It is worth noting that personal selling minimizes waste effort. Advertisers typically expend time and money to send a mass message about a product to many people outside the target market. In personal selling, the sales force pinpoints the target market, makes a contact, and expends effort that has a strong probability of leading to a sale (Keller, 2010). Consequently, an additional strength of personal selling is that measuring effectiveness and determining the return on investment are far more straightforward for personal selling than for other marketing communication tools, where recall or attitude change is often the only measurable effect

In order for a business to go through with personal selling, it has to be informative, ready to share all their information with the customers. Persuasive, salespersons must convince the people to buy the product. Sales personal but be in direct contact with the customers and very creative. The business must also provide mutual benefit for the customer and for the business like satisfaction and sales respectively (Stotlar, 2005).

Irene A. Blake states that personal selling has a number of objectives for which it is done like searching for and quality prospects, gathering information and deciding how to approach the prospects, gaining prospect's attention, stimulate interest and make transition to the presentation (Berkowitzl, 2009). These objectives are the reasons why today, even small enterprises have engaged in personal selling as a means of increasing their sales and profits.

Personal selling has the biggest disadvantage in the degree to which this promotional method is misunderstood. Most people have been some bad experiences with salesperson who they perceived were overly aggressive or even downright annoying. The high cost of maintaining this type of promotional efforts and costs incurred in personal selling like high cost per action

and training costs. Personal selling is not for everyone. Job turnover in sales is often much higher than other marketing positions. For businesses that assign salesperson to handle certain customers groups, turnover may lead a company without representation in a customer group to an extended period of time while the company recruits and trains a replacement (Sharma, Krishnan, & Grewal. 2009).

Personal selling plays an important role in building profitable customer relationships and that personal selling is more flexible than other advertising tools for sales people can tailor their presentations to meet the needs and behaviour of different customers (Stotlar, 2005). They can see their reaction to a particular sales approach and make the necessary adjustments on the spot

Personal selling also has various effects on small and medium sized enterprises. If the sales person doesn't disclose the right information to the audience; he/she may not only lose the sale but also lose future potential customer. Personal selling also affects the performance of small and medium sized enterprises in a way that the method itself is rejected by most people. Which drives them to even be rude to sales persons and don't even give them audience for them to market their product and hence an experience to the business. Personal selling is also a very easily misunderstood because some sales people don't have enough experience and information about the products hence a loss to the enterprise (Berkowitzl, 2009).

Aham, (2008) puts forward that personal selling as a result of profound use of technology has increased sales performance in organizations. Laptop computers make it easy to have huge databases or complete customer records at the fingertips of the salesperson, cellular phones make it possible to communicate with the salesperson almost continuously, and DVDs and other video innovations enhance training and provide excellent tools for conveying information (Graham, Harker and Tuck, 2011) state that the Internet has taken the interaction

between customer and company to a new level, creating the ability to remain in touch with the customer (update information, handle questions, deal with complaints) in ways that have not been possible in the past.

Personal selling is the most practical promotional option for reaching customers who are not easily reached through other methods. The best example is in selling to the business market where, compared to the consumer market, advertising, public relations and sales promotions are often not well received (Fisk, 1990)

According to Kotler, (2000) Personal selling uses a personal sales presentation to influence customers to buy a product. Personal selling tactics are most often used when there are a few geographically concentrated customers; the product is highly technical in nature; the product is very expensive; or when the product moves through direct distribution channels. It is a tactic often used by businesses looking to sell to other businesses, as opposed to businesses selling to consumers.

2.4 Sales discounts and the performance of small and medium sized enterprises.

Steven Bragg (2013) describes sales discount, is a reduction in the price of a product or service that is offered by the seller in exchange for early payment by the buyer. Sales discount is a marketing technique usually designed to last for a relatively short time. Small businesses can make use of sales discounts to achieve a number of specific business objectives.

Garry Kenny explains the specific offers and pricing deals as; packaging or bundle stock which encourages customers to order more stock or service and are rewarded with a bundled pricing. This works when a customer can see the benefit of complimentary products therefore buying them together at the discounted price. Quantity discounts, offer a percentage discount or 'get one free'. This increase the size and value of customer orders and helps to move stock which may be needed for clearance (Stotlar, 2005). Value added offers, without discounting the price; the business can offer priceless items are of benefit to the customers. For example free installation or repair of equipment. Seasonal or periodic discounting, there are times of a year, month or week when some goods and services have less demand than other times. For example seasonal clothing, festive merchandise, travel bookings and restaurants. By analyzing the sales cycles and highlighting these periods, the business can offer discount for customers who buy out of season (Wayne, 2004)

According to Ellen Stafford, sales discount has a number of objectives for example; keeping existing customers, inventory clearance, new product launch and increase product awareness. Offering sales discount is one of the ways that many small businesses try to increase sales. Sales discount is very profitable to the business in a number of ways for example increasing traffic, increasing profit margin, customer expectations and short term effects (Sharma, Krishnan, & Grewal. 2009).

Sales discount helps business saves money; it helps a small business save money if the discount involves payment methods. Credit and debit cards result into additional fees to process meaning that you lose money in comparison to cash transactions. By offering a small discount to customers who pay with cash instead of credit or debit, a small business helps both the customer and your business. Many small businesses have weekly, monthly, quarterly or yearly sales goals. If a business is in danger of missing those goals, offering discount can help the business meet and surpass planned sales figures (Stotlar, 2005)..

Discounting items enables you to free up room in your store. Items that you don't plan on selling anymore may sit in the store for months. By discounting them, the business increases the chances they will sell, making room for new products. To catch every customers eye, move discount products that you don't plan on selling again to the front of the business. A business that offers discount to certain groups of people such as the elderly enlisted in the military may improve its reputation. When business gives discounts to people who are in difficult situations or who may have financial troubles from lack of income. Most people regard businesses as money hungry so any deviation from that perception can improve reputation (Berkowitzl, 2009)

Customers ask for discounts for reasons ranging from paying cash to placing a large order to seeing the product cheaper elsewhere. Sales discount don't meet promotional objectives for example; cutting profit margins, anytime a business sells its product or service for a price lower than the production cost makes the profit margin go down (Sharma, Krishnan, & Grewal. 2009). Even when a customer is told about the discount is a onetime occurrence, they may ask for one next time too. If the business refuses, the loyalty of the customers to the business will suffer bad feelings from the customers. Customers even with free sales discount can still, can still compare prices.

2.5 Conclusion

In conclusion, promotion techniques have been critically assessed through, advertising, personal Selling and sales discount and how they interconnect with performance of SMEs. From the above literature, it can be deducted that promotional techniques have a relationship on performance of SMEs as by (David, Jobber, 2010) hence the relevance of this research study.

CHAPTER THREE: 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 were 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. 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 SMEs in Wandegeya. Therefore, since the heterogeneous population, the researcher used a

population of (20) owners and (50) employees in the SMEs so as to obtain the relevant information for the study.

3.4 Area of the Study

The researcher conducted the study in Wandegaya Kampala district, at which is in Central Uganda.

3.5 Sample Size and Selection

A 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. A total of 70 respondents were selected based on Krejcie and Morgan (1970) sampling guidelines using the probability random sampling method, and non-probability methods of purposive sampling criteria (*See attached appendix*). Table 3.1 below shows the different population categories targeted, sample and sampling methods that were used in the study.

Table 3.1: Sample size and selection

S/N	Category	Population	Sample size	Sampling Technique
1	Owners	20	19	Purposive
2	Employees	50	44	Simple random sampling
Total		70	63	

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. Simple random sampling technique was used to collect information from the respondents. This technique has a high degree of generalization of findings; hence it was suitable for a large study population. The

researcher sampled from the respondents, allocated a number to every member of the accessible population, placed the numbers in a container then pick 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 provide 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 were 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 study. The research instrument that was used for this method of data collection was the administered questionnaires. The researcher set close ended structured questions on a sheet of paper arranged according to the study objectives. These questionnaires were distributed in the SMEs in Wandegya for them 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 were the finance and accounting managers. This was used in a way that the

researcher would physically interact with the different respondents asking them questions which required immediate response. The researcher used interview because the method was 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 wishes 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 involves 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 be presented in form of statements, sometimes verbatim i.e. the very way the data is recorded from the respondents and paraphrase the data and interpreted it.

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 focused 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 were taken to the field. This assisted in improving and identifying whether there are any errors before the instruments are used.

3.11 Ethical Issues

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 adhered to while carrying out the study

The researcher made efforts to ascertain the credibility of the literature to avoid plagiarism. The researcher explained to the respondents the purpose of the study and that the information they provide is 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 to be violated.

3.12 Study Limitations

Limited trust availed to the researcher. To make answering the questionnaires easier, the researcher, through his research assistant, first assured 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 give would be held with utmost concealment.

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 are used.

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.

3.13 Conclusion

The chapter is basically the backbone of the research, because it sought for information about promotional techniques and performance of SMEs, by using different data collection methods, within the SMEs in Wandegeya and available documents

CHAPTER FOUR

PRESENTATION, INTERPRETATION AND DISCUSSION OF THE FINDINGS

4.0 Introduction

This chapter is divided into themes and sub themes to generate a logical flow of the study results putting into consideration the objectives of the study which included; assessing the impact of advertising on the performance of small and medium sized enterprises, establishing the impact of personal selling on performance of small and medium sized enterprises and identifying how sales discount contributes to the performance of small and medium sized enterprises..

4.1 Summary of Response

The researcher used questionnaire and face to face interviews in order to obtain relevant data from the respondents. In this case, 63 respondents were contacted where by 10 were interviewed and 53 were given questionnaires to be answered accordingly. This resulted into a response rate of 100%

4.2 Background of the respondents

In this section, efforts are made to document the background information of the respondents such as gender, category of the respondents, age bracket, and educational level attained

4.2.1 Gender of the respondent

Table 4. 1: showing the gender of the respondent

	Gender	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	36	57.1	57.1	57.1
	Male	27	42.9	42.9	100.0
	Total	63	100.0	100.0	

Source: Primary Data

As presented in the table 4.1 above, the findings indicate that majority 57.1% of the respondents were males while the minority (40.0%) of the respondents were females. This disclosed that that there was some gender imbalance in the study as it is indicted that there are more males than females. This also assisted the research to have response from distinct sides with varying views.

4.2.2 Age group of the respondent

Table 4. 2: showing the Age group of the respondent

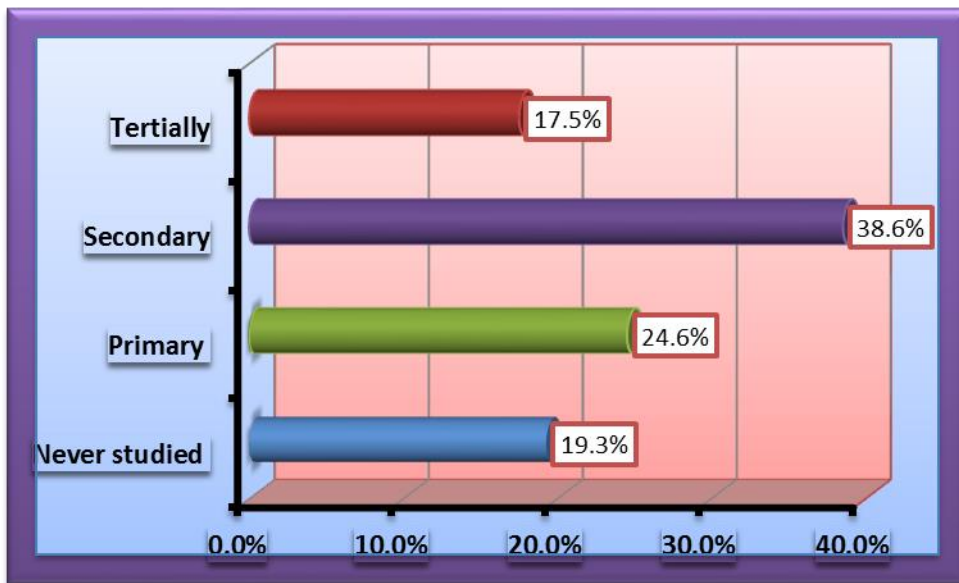
Gender	Frequency	Percent	Valid Percent	Cumulative Percent
Valid				
Below 20	3	4.8	4.8	4.8
20 – 25	9	14.3	14.3	19.0
26 – 30	13	20.6	20.6	39.7
31 – 35	22	34.9	34.9	74.6
36 – 40	11	17.5	17.5	92.1
Above 40	5	7.9	7.9	100.0
Total	63	100.0	100.0	

Source: Primary data

Results from table 4.2 showed that the majority (34.9%) of the respondents belonged to the age group of 31-35 years, those were followed by (20.6%) who had years ranging from 26 – 30 years, then (17.5%) of the respondents were in the age group of (36-40) years, (14.3%) of the respondents had years ranging from 20-25 years, (7.9%) were above 40 years while the minority (4.8%) of the respondents were below 20 years. This implied that the study involved respondents with different age groups collectively contributed to the study through providing relevant information in accordance with the topic under investigation

4.2.2 Level of Education Qualification of the respondent

Figure 4.1: showing the Level of Education Qualification of the respondent



Source: Primary data

Results from figure 4.1 above indicated that the majority (38.6%) of the respondents had attained secondary education. (24.6%) had attained primary education, (19.3%) never went to school while the minority (17.5%) of the respondents had joined tertiary institution for education. From the above figure, it is observed that more than 70% of the respondents were educated and are equipped with improved skills and knowledge there by responding to the questionnaires responsibly. This helped to avoid irrelevant data from appearing in the questionnaires and simplified the process of handling face to face interviews.

4.3 Advertising and the performance of small and medium sized enterprises.

The first objective of the study was to assess the impact of advertising on the performance of small and medium sized enterprises. The findings were presented, analysed and interpreted in percentages, frequencies and mean and standard Deviation as indicated below. They are categorized on how the respondents strongly agree, (SA), agree (A), neutral (N), disagree (D) and strongly disagree (SD), Standard Deviation (STD)

Table 4.3: showing the Impact of advertising on the performance of small and medium sized enterprises

Advertising and Performance of SMEs	SA		A		NS		D		SD		Mean	STD
	F	(%)	F	(%)	F	(%)	F	(%)	F	(%)		
Advertising has increased brand positioning which has increased sales	30	55.0%	21	37.5%	0	0.0%	2	5.0%	1	2.5%	4.12	0.782
It has enabled the SMEs' to achieve their short and long term profitability goals	21	37.5%	30	57.5%	1	2.5%	1	2.5%	0	0.0%	3.44	0.594
Advertising has raised the demand for a particular product thus sales increment	20	35.0%	29	55.0%	1	2.5%	2	5.0%	1	2.5%	3.39	1.102
Advertising has enabled us achieve economies of scale	36	67.5%	17	32.5%	0	0.0%	0	0.0%	0	0.0%	4.52	1.034
It has enabled us to meet competition thus higher sales volume	27	42.5%	24	52.5%	2	5.0%	0	0.0%	0	0.0%	3.34	0.598
Advertising has enabled SMEs to save costs and thus boost their profitably	39	72.5%	10	17.5%	2	5.0%	1	2.5%	1	2.5%	4.69	1.133
Adverts persuade you to consume the product thus more sales to the enterprises	29	52.5%	19	35.0%	1	2.5%	3	7.5%	1	2.5%	4.12	0.796

Source: Primary data

Results from the findings show that the majority (55.0%) strongly agreed that advertising has increased brand positioning which has increased sales, (37.5%) agreed while (5.0%) and (2.5%) disagreed and strongly disagreed respectively. The mean of 4.12 and standard deviation of 0.782 presented the (55.0%) of the respondents who strongly agreed. This in agreement with Berkowitzl (2009) who opined that advertising is aimed at creating awareness because due to the fact that it can reach a wide audience quickly implying that a brand positioning concept can be communicated effectively

In consideration to the fact that advertising has enabled the SMEs' to achieve their short and long term profitability goals, the majority (57.5%) agreed, (37.5%) strongly agreed, (2.5%) were neutral whereas (2.5%) disagreed. The mean of 3.44 and standard deviation of 0.594 presented the (57.5%) of the respondents who agreed.

This was in agreement with Jackaria (2000) who accentuated that advertising objectives and goals can be employed as both short term and long term that pertain to desired effects

It was revealed that the majority (55.0%) of the respondents agreed that advertising has raised the demand for a particular product thus sales increment, (35.0%) strongly agreed, (2.5%) were not sure whether advertising has raised the demand for a particular product while (5.0%) and (2.5%) disagreed and strongly disagreed respectively. This in line with the findings of the interview where one of the respondents mentioned that

“Due to massive advertising, most customers have got informed about the availability and existence of products thus making orders for the specific products leading to increased sales thus more profits”

The findings show that the majority (67.5%) strongly agreed that advertising has enabled business owners to achieve economies of scale while the minority (32.5%) agreed. The mean of 4.52 and standard deviation of 1.034 presented the (67.5%) of the respondents who strongly agreed. This is in line with Berkowitzl, (2009) who stressed that advertising has a number of benefits like steady demand, introduction of new products and economies of scale.

In relation to the fact that advertising has enabled small enterprises' owners to meet competition which has resulted into higher sales volume, the most of the respondents that is (52.5%) agreed, (42.5%) strongly agreed whereas the minority (5.0%) were not sure whether advertising has enabled small enterprises' owners to meet competition. The mean of 3.34 and standard deviation of 0.598 presented the (52.5%) of the respondents who strongly agreed. This in line with the findings of the interview where one of the respondents mentioned that:

“Through use of effective advertising media, a business can easily expand its market share thus increase in sales volume”

Findings also indicated that the majority (72.5%) strongly agreed that advertising has enabled SMEs to save costs and thus boost their profitably, (17.5%) agreed (5.0%) were not sure about this while (2.5%) and (2.5%) disagreed and strongly disagreed respectively. The mean of 4.69 and standard deviation of 1.133 presented the (72.5%) of the respondents who strongly agreed. This was in agreement with Kelley (2010), advertising can be done through use of Using Google and Facebook ads which allow a business to target their audience and get new traffic for a reasonable cost

Results from the findings show that the majority (52.5%) strongly agreed that adverts persuade clients to consume the product thus more sales to the enterprises, (35.0%) agreed, (2.5%) were not sure while (7.5%) and (2.5%) disagreed and strongly disagreed respectively. The mean of 4.12 and standard deviation of 0.796 presented the (52.5%) of the respondents

who strongly agreed. This in line with the findings of the interview where one of the respondents mentioned that:

“Through advertising, information about the qualities of the products are passed on to the customers, this attract their attention and their desire to purchase the products”

4.4 Personal selling and performance of small and medium sized enterprises.

The second objective of the study was to establish the impact of personal selling on performance of small and medium sized enterprises. The findings were presented, analysed and interpreted in percentages, frequencies and mean and standard Deviation as indicated below. They are categorized on how the respondents strongly agree, (SA), agree (A), neutral (N), disagree (D) and strongly disagree (SD), Standard Deviation (STD)

Table 4.4: showing the Personal selling and performance of small and medium sized enterprises

Personal Selling and Performance of SMEs	SA		A		NS		D		SD		Mean	STD
	F	(%)	F	(%)	F	(%)	F	(%)	F	(%)		
personal selling minimizes wastage in sales effort thus profitability	34	62.0%	14	26.0%	2	4.0%	1	2.0%	3	6.0%	4.23	0.672
Personal Selling also saves costs which impacts on the profitability of the SMEs	22	44.0%	20	34.0%	6	12.0%	2	4.0%	3	6.0%	4.03	0.891
it the most effective promotional method for building customer relationships and boosting sales	21	38.0%	27	50.0%	1	2.0%	4	8.0%	1	2.0%	3.52	0.623
It's effective in achieving economies of scale.	32	60.0%	16	30.0%	4	8.0%	0	0.0%	1	2.0%	4.20	1.231
Customer satisfaction can be achieved which encourages to purchase more products	21	36.0%	27	54.0%	0	0.0%	3	6.0%	2	4.0%	3.61	1.302
It is an effective way of achieving profit maximization	14	38.0%	17	44.0%	3	6.0%	2	4.0%	4	8.0%	3.65	0.871
It is an effective tool to customer education thud encouraging them to buy more	32	62.0%	26	28.0%	2	4.0%	0	0.0%	3	6.0%	4.23	1.122

Source: Primary Data

The findings of the study indicated that the majority (62.0%) of the respondents strongly agreed that personal selling minimizes wastage in sales effort leading to profitability, those were followed by (26.0%) who agreed, (4.0%) of them were not sure whether personal selling minimizes wastage in sales effort leading while (2.0%) and (6.0%) disagreed and strongly disagreed respectively. The mean score of 4.23 and Standard Deviation of 0.672 implied that most of the respondents agreed.

This was in agreement with Keller (2010) who stressed that advertisers typically expend time and money to send a mass message about a product but in personal selling, the sales force pinpoints the target market, makes a contact thus reduced expenses.

According to the study findings, it was presented that the majority (44.0%) of the respondents strongly agreed that personal selling also saves costs which impacts on the profitability of the SMEs, those were followed by (34.0%) who agreed, (12.0%) of them were not sure whether personal selling also saves costs, (6.0%) strongly disagreed while the minority (4.0%) disagreed. The mean score of 4.03 and Standard Deviation of 0.891 implied that most of the respondents agreed. This was in line with the findings of the interview where one of the respondents pointed out that

“Due to the fact that in personal selling specific customers are approached, this reduces on the expenses that would be incurred on many people of which some are not interested”

In relation to the study findings, it was shown that the majority (50.0%) of the respondents agreed personal selling is the most effective promotional method for building customer relationships and boosting sales, (38.0%) strongly agreed, (2.0%) of them were not sure whether personal selling is the most effective promotional method for building customer relationships and boosting sales whereas (8.0%) and (2.0%) disagreed and strongly disagreed

respectively. The mean score of 3.52 and Standard Deviation of 0.623 implied that most of the respondents agreed.

This was in agreement with Stotlar, (2005) who animadverted that sales people can tailor their presentations to meet the needs and behaviour of different thus establishing a profitable customer relationships

In relation to the study findings, it was shown that the majority (60.0%) of the respondents strongly agreed that personal selling is effective in achieving economies of scale, (30.0%) agreed, (8.0%) of them were not sure whether personal selling is effective in achieving economies of scale while the minority (2.0%) of the respondents strongly disagreed. The mean score of 4.20 and Standard Deviation of 1.231 implied that most of the respondents strongly agreed. This was supported by the findings of the interview where one of the respondents noted out that:

“Personal selling involves appointing specific sales people who approach identified potential targeted customers and persuade them till they capture their tension towards the business products. This is effective and it is carried out at reduced costs”

In addition to the above, the study findings showed that the majority (54.0%) of the respondents agreed that through personal selling, customer satisfaction can be achieved which encourages to purchase more products, (30.0%) strongly agreed, (6.0%) of them disagreed while the minority (4.0%) of the clients strongly disagreed. The mean score of 3.61 and Standard Deviation of 1.302 implied that most of the respondents agreed.

This was in agreement with Stotlar, (2005) who suggested that personal selling must be informative, ready to share all their information with the customers and persuasive, salespersons must convince the people to buy the product.

The findings of the study indicated that the majority (44.0%) of the respondents agreed that personal selling is an effective way of achieving profit maximization, those were followed by (38.0%) who strongly agreed, (6.0%) of them were not sure whether personal selling is an effective way of achieving profit maximization while (4.0%) and (8.0%) disagreed and strongly disagreed respectively. The mean score of 3.65 and Standard Deviation of 0.871 implied that most of the respondents agreed. This was in agreement with the findings of the interview where one of the respondents stressed that;

“Personal selling contributes to development and achievement of profit maximization and market expansion due to its ability to fully persuade customers to buy products”

According to the findings of the study, it was presented that the majority (62.0%) of the respondents strongly agreed that personal selling is an effective tool to customer education through encouraging them to buy more, (28.0%) of them agreed, (6.0%) strongly agreed while the minority (4.0%) of the respondents were not sure whether personal selling is an effective tool to customer education through encouraging them to buy more. The mean score of 4.23 and Standard Deviation of 1.122 implied that most of the respondents strongly agreed. This depicted how influential personal selling is in relation customer satisfaction that results into market expansion.

4.5 Sales discount and performance of small and medium sized enterprises.

The third objective of the study was to identify how sales discount contributes to the performance of small and medium sized enterprises. The findings were presented, analysed and interpreted in percentages, frequencies and mean and standard Deviation as indicated below. They are categorized on how the respondents strongly agree, (SA), agree (A), neutral (N), disagree (D) and strongly disagree (SD), Standard Deviation (STD)

Table 4.5: showing how sales discount contributes to the performance of small and medium sized enterprises

Sales Discounts and Performance of SMEs	SA		A		NS		D		SD		Mean	STD
	F	(%)	F	(%)	F	(%)	F	(%)	F	(%)		
SMEs make use of sales discounts to achieve business objectives aimed at profit maximization	22	36.0%	26	56.0%	2	4.0%	2	4.0%	0	0.0%	3.41	0.672
Sales discounts trigger old inventory clearance which prevents losses of expired goods	33	62.0%	17	32.0%	1	2.0%	1	2.0%	1	2.0%	4.28	0.970
It stimulates the interest of clients to keep on purchasing which is increases sales	18	34.0%	35	66.0%	0	0.0%	0	0.0%	0	0.0%	3.82	0.579
Sales discounts is effective for organizations to achieve profit maximization	22	42.0%	24	44.0%	2	4.0%	1	2.0%	4	8.0%	3.38	1.125
Offering sales discount is one of the ways that many SMEs use sales.	20	38.0%	23	42.0%	5	10.0%	3	6.0%	2	4.0%	3.32	1.213
It can help the business meet and	27	50.0%	23	44.0%	0	0.0%	2	4.0%	1	2.0%	4.11	0.864

surpass planned sales growth figures												
Special discount bonuses has enabled the SMEs to meet competition thus higher sales volume	28	51.0%	21	31.0%	1	2.0%	1	2.0%	2	4.0%	4.12	1.024

Source: Primary data

From the findings of the study, it was also presented that the majority (56.0%) of the respondents agreed that SMEs make use of sales discounts to achieve business objectives aimed at profit maximization, those were followed by (36.0%) who agreed, (4.0%) of the respondents were not sure whether SMEs make use of sales discounts to achieve business objectives aimed at profit maximization whereas (4.0%) disagreed. The mean score of 3.41 and Standard Deviation of 0.672 represented the (56.0%) who agreed.

This was in agreement with Sharma, (2009) who propounded that sales discount is very profitable to the business in a number of ways for example increasing traffic, increasing profit margin, customer expectations and short term effects

According to the findings of the study, it was presented that the majority (62.0%) of the respondents strongly agreed that sales discounts trigger old inventory clearance which prevents losses of expired goods, (32.0%) of them agreed, (2.0%) of the respondents were not sure whether this was true while (2.0%) and(2.0%) disagreed and strongly agreed. The mean score of 4.28 and Standard Deviation of 0.970 implied that most of the respondents strongly agreed. This was in line with the findings of the interview where one of the respondents noted that;

This was in agreement with Stotlar (2005) who stressed that sales discounts help to increase the size and value of customer orders and helps to move stock which may be needed for clearance.

In relation to the findings of the study, it was indicated that the majority (66.0%) of the respondents agreed that the sales discounts stimulate the interest of clients to keep on purchasing which increases sales while the minority (34.0%) of the respondents strongly agreed. The statement had mean score of 3.82 and Standard Deviation of 0.579 depicted that most of the respondents had a positive thought that sales discounts stimulate the interest of clients to keep on purchasing. This was supported by the findings of the interview where one of the respondents mentioned that:

“Whenever a customer gets informed about any discount, then his or her attention is directed towards the purchase of the specific product”

In regards to the findings of the study, it was showed that the majority (44.0%) of the respondents agreed that sales discounts are effective for organizations to achieve profit maximization, (42.0%) agreed, (4.0%) of the respondents were not sure sales discounts are effective for organizations to achieve profit maximization while (2.0%) and (8.0%) disagreed and strongly disagreed. The statement had mean score of 3.38 and Standard Deviation of 1.125 depicted that most of the respondents were favour of a fact that sales discounts are effective for organizations to achieve profit maximization. This was supported by the findings of the interview where one of the respondents mentioned that:

“On offering of discounts, customers get motivated to buy in large quantities and this has maximised profits thus growth of business”

In addition to the above, the study findings presented that the majority (42.0%) of the respondents agreed that offering sales discount is one of the ways that many SMEs use to increase sales, (38.0%) strongly agreed, (10.0%) of the respondents were not sure whether offering sales discount is one of the ways that many SMEs use to increase sales, (6.0%) disagreed while the minority (4.0%) of the respondents strongly disagreed. The statement had mean score of 3.32 and Standard Deviation of 1.213 depicted that most of the respondents agreed

This was in agreement with Grewal (2009) who actuated that sales discount is one of the ways that many small businesses try to increase sales which maximise profits in return

From the study findings, it was also indicated that the majority (50.0%) of the respondents strongly agreed that sales discounts can help the business meet and surpass planned sales growth figures, (44.0%) of them agreed, (4.0%) of the clients disagreed while the minority (2.0%) of the respondents strongly disagreed. The statement had mean score of 4.11 and Standard Deviation of 0.864 depicted that most of the respondents strongly agreed. This was due to increased sales resulting from high customer base.

More to the above, the study findings presented that the majority (51.0%) of the respondents agreed that Special discount bonuses have enabled the SMEs to meet competition thus higher sales volume, (31.0%) strongly agreed, (2.0%) of the respondents were not sure whether Special discount bonuses have enabled the SMEs to meet competition while (2.0%) and (4.0%) disagreed and strongly disagreed respectively. The statement had mean score of 4.12 and Standard Deviation of 1.024 which depicted that most of the respondents agreed. This was in line with the findings of the interview where one of the respondents cited that;

“Different business use different promotional strategies but in case of sales discounts, a customer is easily persuaded more than the use of any other strategy thus increase in sales volume”

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter brings forth 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.

5.1 Summary of the findings

5.1.1 Advertising and performance of small and medium sized enterprises

The findings revealed that the majority agreed and strongly agreed that advertising has increased brand positioning which has increased sales and also it has enabled SMEs' to achieve their short and long term profitability goals which implied that advertising objectives and goals can be employed as both short term and long term that pertain to desired effects. It was also agreed on that advertising has raised the demand for a particular product which was because most customers have been informed about the availability and existence of products thus making orders for the specific products leading to increased sales thus more profits.

It was also revealed that the majority of respondents agreed and strongly agreed that advertising has enabled business owners to achieve economies of scale and meet competition which has resulted into higher sales volume. The majority also of respondents agreed and strongly agreed advertising has enabled SMEs to save costs and persuade clients to consume the product thus more sales to the enterprises which was related to the fact that through advertising, information about the qualities of the products are passed on to the customers thereby attract their attention and their desire to purchase the products

5.1.2 Personal selling and performance of small and medium sized enterprises

The study revealed that majority of the respondents agreed and strongly agreed that that personal selling minimizes wastage in sales effort leading to profitability and saves costs which impacts on the profitability of the SMEs which was because with personal selling specific customers are approached which reduces on the expenses that would be incurred on many people of which some are not interested. It was also agreed on that personal selling is the most effective promotional method for building customer relationships and boosting sales and achieving economies of scale

The findings also indicated that the most respondents agreed and strongly agreed that in personal selling, customer satisfaction can be achieved which encourages to purchase more products and this is possible if only personal selling is informative and ready to share all their information with the customers. It was also agreed on that personal selling is an effective way of achieving profit maximization and an effective tool to customer education through encouraging them to buy more which depicted how influential personal selling is in relation customer satisfaction that results into market expansion.

5.1.3 Sales discount contributes and performance of small and medium sized enterprises

The study further revealed the majority of the respondents agreed and strongly agreed that SMEs make use of sales discounts to achieve business objectives aimed at profit maximization which implied sales discount is very profitable to the business in a number of ways increasing profit margin inclusive. It was also agreed on that sales discounts trigger old inventory clearance and stimulate the interest of clients to keep on purchasing which increases sales which was a result of the fact that whenever a customer gets informed about any discount, then his or her attention is directed towards the purchase of the specific product.

The study of the findings also revealed that most of the respondents strongly agreed and agreed that sales discounts are effective for organizations to achieve profit maximization which was due to the fact that on offering of discounts, customers get motivated to buy in large quantities and this has maximised profits thus growth of business. The majority also agreed and strongly agreed that sales discounts can help the business meet and surpass planned sales growth figures and is one of the ways that many SMEs use to increase sales there by maximising profits. It also emerged from the study that Special discount bonuses have enabled the SMEs to meet competition thus higher sales volume

5.2 Conclusions

In conclusion it was observed that advertising has increased brand positioning and has raised the demand for product which has increased sales. It was also found out that advertising has enabled the SMEs' to save costs , achieve short and long term profitability goals and persuade customers to consume the product thus more sales to the enterprises

From the study it was found that personal selling, saves costs, minimizes wastage in sales effort which impacts on the profitably of the SMEs. It was also found out that personal selling is the most effective promotional method for building customer relationships and boosting sales, achieving economies of scale, Customer satisfaction and profit maximization

From the study it was also exposed that SMEs make use of sales discounts to achieve business objectives aimed at profit maximization and stimulates the interest of clients to keep on purchasing. It was also found out that sales discounts trigger old inventory clearance which prevents losses of expired goods and also enable business to meet and surpass planned sales growth figures thus achieving profit maximization

5.3 Recommendations

Based on this study, the researcher made the following recommendations;

The business management should appoint a skilled, experienced and qualified team to carry out personal selling. These sales people should be well equipped with communication skills, persuasive skills and marketing skills.

Business owners should take a thorough analysis of the effectiveness and significance of a promotional technique before initiating it. Costs should be well estimated and the expected customers with ability to purchase the advertised product.

The business management should also take into consideration the target population and identify the most effective promotional technique to use. Failure to do this, the business could incur expenses without any expected returns.

The business owners should take a comparison of the costs to be incurred in a promotional technique and the expected returns so that all incurred costs can be recovered on sale of products.

5.4 Areas for further study

More study and research should be made on the following areas and topics

The relationship between advertising, personal selling and sales discounts on customer retention in a business

Factors considered when choosing a promotional technique

Challenges encountered by entrepreneurs during adoption of promotional techniques

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Appendix I: Questionnaire

Dear respondent,

I am **KASEMIIRE JOAN**, a student of Uganda Martyrs University currently pursuing a bachelor’s degree in Business Administration and Management. I am researching about the **promotional techniques and the performance of small and medium sized** enterprises using a case study of **Wandegeya**” 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

SECTION A: Demographic Characteristics

Tick / fill in the most appropriate answer.

1. Gender:

- a) Female b) Male

2. Age

- a) Below 20 years b) 20 – 25 years c) 26 – 30 years
d) 31 – 35years e) 36 – 40 Years f) Above 40 years.

3. Highest level of education Qualification

- a) Never studied b) Primary Level c) Secondary Level
d) Tertiary/University others (specify)

Please indicate the extent to which you agree or disagree to the following statements’ by ticking the appropriate number.

Strongly agree	agree	Not sure	Strongly disagree	Disagree
5	4	3	2	1

SECTION B: Advertising and Performance of SMEs

4. To what extent do you agree with the statements in regards to the effect of advertising on performance of SMEs?

	Advertising and Performance of SMEs	SA	A	NS	D	SD
a	Advertising has increased brand positioning which has increased sales					
b	It has enabled the SMEs' to achieve their short and long term profitability goals					
c	Advertising has raised the demand for a particular product thus sales increment					
d	Advertising has enabled us achieve economies of scale					
e	It has enabled us to meet competition thus higher sales volume					
f	Advertising has enabled SMEs to save costs and thus boost their profitably					
g	Adverts persuade you to consume the product thus more sales to the enterprises					

SECTION C: Personal Selling on Performance of SMEs

5. To what extent do you agree with the statements in regards to the effect of Personal Selling on performance of SMEs?

	Personal Selling and Performance of SMEs	SA	A	NS	D	SD
a	personal selling minimizes wastage in sales effort thus profitability					
b	Personal Selling also saves costs which impacts on the profitably of the SMEs					
c	it the most effective promotional method for building customer relationships and boosting sales					
d	It's effective in achieving economies of scale.					
e	Customer satisfaction can be achieved which encourages to purchase more products					
f	It is an effective way of achieving profit maximization					
g	It is an effective tool to customer education thud encouraging them to buy more					

SECTION C: Sales Discounts and Performance of SMEs

6. To what extent do you agree with the statements in regards to the effect of Sales Promotion on sales performance?

	Sales Discounts and Performance of SMEs	SA	A	NS	D	SD
a	SMEs make use of sales discounts to achieve business objectives aimed at profit maximization					
b	Sales discounts trigger old inventory clearance which prevents losses of expired goods					
c	It stimulates the interest of clients to keep on purchasing which is increases sales					
d	Sales discounts is effective for organizations to achieve profit maximization					
e	Offering sales discount is one of the ways that many SMEs use sales.					
f	It can help the business meet and surpass planned sales growth figures					
g	Special discount bonuses has enabled the SMEs to meet competition thus higher sales volume					

Appendix II: Interview Guide

I am **KASEMIIRE JOAN**, a student of Uganda Martyrs University currently pursuing a bachelor's degree in Business Administration and Management. I am researching about the **promotional techniques and the performance of small and medium sized** enterprises using a case study of **Wandegeya** and the information you will avail me with will be of great help in my research and contributing a lot to my findings. You have been selected to share with us your experience and make this study successful. The Interview I am conducting is basically aimed at obtaining qualitative information to compliment the quantitative information which I am also collecting Information given will be treated with utmost confidentiality.

1. What are the various promotional tools that you use in your SME?
2. In your view, to what extent does advertising affect the performance of small and medium sized enterprises.
3. In what way has personal selling been influential to you?
4. To what extent has personal selling contributed to building the relationships with your customers
5. In your view, how has sales discount contributed to the performance of your small and medium sized enterprises?
6. What recommendations can you give with regards to this topic under investigation?

Thank you for your time

Appendix III: Sample Size Determination

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	246
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	351
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	181	1200	291	6000	361
45	40	180	118	400	196	1300	297	7000	364
50	44	190	123	420	201	1400	302	8000	367
55	48	200	127	440	205	1500	306	9000	368
60	52	210	132	460	210	1600	310	10000	373
65	56	220	136	480	214	1700	313	15000	375
70	59	230	140	500	217	1800	317	20000	377
75	63	240	144	550	225	1900	320	30000	379
80	66	250	148	600	234	2000	322	40000	380
85	70	260	152	650	242	2200	327	50000	381
90	73	270	155	700	248	2400	331	75000	382
95	76	275	159	750	256	2600	335	100000	384

Note: "N" is population size and "S" is sample size

Source: Krejcie, R. V., & Morgan, D.W. (1970).