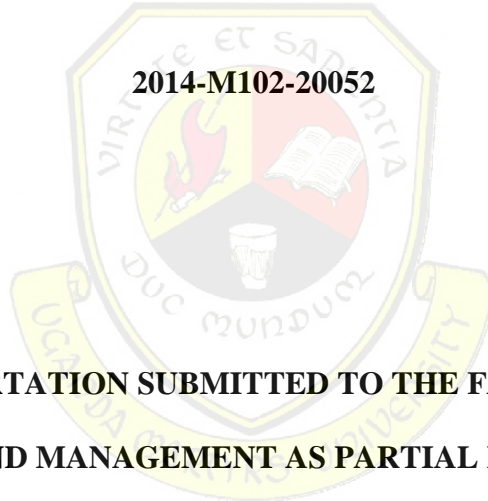


**THE INFLUENCE OF ADVERTISING ON MARKET PERFORMANCE IN UGANDA'S  
COSMETICS INDUSTRY: CASE STUDY: MOVIT PRODUCTS LIMITED**

**BY**

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## **DEDICATION**

This research work is dedicated to my beloved family for the special care they provided to me during the period of my dissertation and entire course. They provided morale, comfort, encouragement, perseverance and financial restraint. Without the family support and love it would have been difficult to accomplish this course.

I salute and give special thanks to my Mother Mrs Cecilia Rwebikiire, my Brother Mr. Byamugisha Ephraim and my Friend Mr. Besimbire Zephriino for good guidance and enhancing my academic career.

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## **LIST OF ABBREVIATIONS**

LTD	Limited
BC	Before Christ
SPSS	Statistical Package for Social Scientists
IV	Independent Variable
DV	Dependent Variable
CVI	Content Validity Index
STD	Standard Deviation

## ABSTRACT

The study investigated the influence of advertising on Market Performance at Movit Products Limited. Specific objectives were; to establish the influence of persuasive advertising on Market Performance of Movit Products Limited; to establish how informative advertising influences Market Performance of Movit Products Limited and find out the relationship between online advertising and Market Performance of Movit Products Limited. The research design was a cross section survey based on quantitative approaches. The study population comprised of employees of Movit Products Limited. The method used for data collection was by questionnaire. Data was analyzed by use of computer software of SPSS Version 20 for quantitative purposes. The data from questionnaires was computed into descriptive and inferential statistics in form of frequencies, percentages, means, standard deviation, correlations and regression. Based on the data and research findings, it was revealed that there is a positive significant relationship between persuasive advertising and Market Performance ( $r=.402$ ,  $p=.000$ ), there was also a positive significant relationship between informative advertising and performance ( $r=.410$ ,  $p=.000$ ). Also there was a positive significant relationship between online advertising and Market Performance ( $r=.520$ ,  $p=.000$ ). It was therefore concluded that persuasive advertising is not commonly used at Movit products limited; there is belief that informative advertising is based on research hence its preference and online advertng has not been fully embraced by organization. Its therefore recommend that there is need to manage persuasive advertising, informative advertising and online advertising especially in designing the messages to appeal to the market and the company needs to adopt social media and other online means of advertising.

# CHAPTER ONE

## GENERAL INTRODUCTION

### 1.0 Introduction

This study examined the influence of advertising on market performance among the cosmetics manufacturing companies in Uganda with specific reference to Movit Products Limited. This chapter presents the background to the study, problem statement, purpose of the study, objectives of the study, hypotheses, conceptual framework, and scope of the study, justification, significance, and operational definition of advertising and market performance terms.

#### 1.1.1 Background to the Study

The business environment has increased the business competition. The globalization has resulted into a global village and a double street. This has been enhanced by technology advancement, economic integration, E-business, market based and customer creation marketing (Bagwell, 2005). The increasing customer needs are dynamic and this has led to increased levels of innovation at the centre of business environment. This has prompted the use of effective integrated marketing communication strategies. It is therefore critical that product differentiation stands out through use of high promotional tools (Cateora et al, 2009).

According to (Cateora et al, 2009) ; there are various modes of marketing communications like advertising ,publicity, sales promotion, personal selling, public relations, trade promotions (promotional approaches) and the question of which one is most effective in the given context remains of interest to researchers. Advertising is the most widely used mode of promotional tool

but has not been the best in all contexts. Advertising effectiveness follows a sort of “S” shaped curve, (Johansson J.K, (1979). At the beginning of advertising there are very few customers registered. At the medium level, advertising can be effective and at a certain level it reaches saturation point and thus diminishes (Lars Perner, 2008).

The history of advertising dates back to 4000 BC when Egyptians used papyrus to make sales messages and wall posters (Saatchi et al, 2005). Wall or rock painting for commercial advertising is another manifestation of an ancient advertising form, which is present to this day in many parts of Asia, Africa, and South America. History has it that Out-of-home advertising and billboards are the oldest forms of advertising (Saatchi et al, 2005). In 18th century newspaper advertising became increasingly affordable with advances in the printing press and medicines, which were increasingly sought after as disease ravaged Europe (Karina, 2010). In June 1836, French newspaper La Presse was the first to include paid advertising in its pages, allowing it to lower its price, extend its readership and increase its profitability and the formula was soon copied by all titles (Karina, 2010). In the early 1920s, the first radio stations were established by radio equipment manufacturers and retailers who offered programs in order to sell more radios to consumers. This has transformed over time to marketing through the Internet that opened new frontiers for advertisers and contributed to the dot-com boom of the 1990s (Karina, 2010). At the turn of the 21<sup>st</sup> century, a number of websites including the search engine Google started a change in online advertising and this has transformed into more real time advertising of current innovations of social media (Karina, 2010).

According to Thomas, (2014) advertising is a paid for communication used to develop attitudes, create awareness, and transmit information in order to gain a response from the target market. There are many advertising media such as newspapers, magazines and journals, television cinema and outdoor advertising (Bagwell, 2005). Thomas (2014) looks at advertising as any form of personal presentation of ideas, goods or services by an identified sponsor. It includes the use of such media as magazines, newspaper, radio and television, signs and direct mail. Advertising consists of all activities involved in presenting to a group of non-personal, sponsor identified message about a product or organization. This can be verbal or and visual and is disseminated through one or more media, Stanton et al (2011). Thomas, (2014) defined advertising as any personal paid form of non-personal communication which is directed to the consumers or target audiences through various media in order to present and promote a product, services and idea.

There are various forms how advertising helps a firm enhance their market power, some of these forms are informative, complementary, persuasive and online views of advertising (Bagwell 2005). As per the informative view, advertising works by increasing consumer awareness and reducing search costs. This results in an increase in price sensitivity and reduction in market power. Informative advertising can also enhance a firm's market power if it merely informs consumers of product differences and hence increases product differentiation (Meurer and Stahl 2014). The complementary view recognizes the importance of advertising in the consumption process by providing additional utility to consumers such as creating a feeling of greater social prestige when the product is appropriately advertised, or by signaling high quality. Therefore, advertising is a good or bad complementary to consumption. According to this view, advertising

can increase a firm's market power if it enhances consumption utility and hence improved sales volumes and revenues (Becker and Murphy, 2013).

Market performance is the final achievement of an organization which is measured either in financial and non financial indicators, and contains variables, such as achieved targets, timeliness in achieving the targets and the realization of efficiency and effectiveness (Gibson *et al.*, 2010). Market performance refers may be the ability of an enterprise to achieve its objectives as high sales revenue, high profit, quality product, large market share, high profits, good financial results, and survival at pre-determined time using relevant strategy for action (Koontz and Donnell, 2003). Market performance can also be used to view how the market is doing in terms of level of profit, market share and product quality in relation to other enterprises in the same industry. Consequently, it is a reflection of productivity of members of market measured in terms of sales revenue, profit, growth, development and expansion of the organization.

As the result of competition and the unstable, harsh market environment, companies have allocated a bigger part of their marketing budgets for the unconventional strategies so as to improve on their sales revenues (Martin and Smith, 2008). There are several factors that have contributed to the growth of the importance of the non-traditional advertising; the lack of credibility and the inefficiency of traditional advertising, customer's reluctance to the advertising message, the need to reduce the costs of promotion, the need for differentiation of the products and brands, consumer's better understanding of marketing and selling techniques which makes them immune to commercial messages and the need for a better targeting of the audience which has become more and more fragmented in the current market environment (Levinson, 2004). It is



noted that nowadays customers trust less the advertisements than they used to do. Largely because people stopped believing that the perfect experiences and total makeovers that the adverts were promising to them would never come true. Also customers do not perceive the adverts as reliable ways to learn about products because they believe that the companies are not telling the truth in the ads (Dalhen and Edenius, 2007).

When there is adequate awareness through advertising, high patronage will be achieved which will result to an increase in sales volume, productivity and profit level of organizations (Sajuyigbe, Amusat and Oloyede, 2013). Sales volume is the core interest of every organization and is based on sales, market share and repeat purchases. However, poor product communication to the final consumers could give competitors an edge in terms of customer loyalty to brands, sales volume and high market share (Sujuyigbe et al. 2013). Morden (2011) insists that advertising gives the knowledge about the product and creates the idea in minds of prospective consumers about it. Advertising influences consumer buying behavior and has a significant effect on sales turn over (Akanbi and Adeyeye, 2011; Adekoya, 2011). Therefore it is against this background that the researcher carried out the study on the influence of advertising on market performance.

### **1.1.2 Background to the case study**

According to Syenovate Uganda, (2014), Movit is the leading cosmetics company in Uganda with over 180 product range. The market coverage is East and Central African region. Movit Products Limited is one of the industries in the cosmetic industry which is a very lucrative, innovative and fast paced industry in Uganda. It was started in 1997 after careful assessment of

the societal needs. The increasing population and the increased demand for cosmetics enhanced the establishment of Movit Products Limited in Uganda. The company has a range of skin products and hair products like lotions, jellies, creams, soap and relaxers (The Movit Product Catalogue 2015). The company has a range of product line that competes with other companies in the region and it spends 25% of its marketing budget on advertising in order to match competition, (Movit Marketing Budget 2014/2015).

The company in the last ten years has faced increased competition from various players in the cosmetics industry that saw the performance of the industry tested. This has led to increase in advertising budget so as to cope with the pressure in the cosmetics industry. It's against this background that the study examined the influence of advertising on Market Performance of reference to Movit Products Limited.

## **1.2 Statement of the problem**

Advertising plays a great role in the market performance of an organization. This is because advertising is one of the core marketing functions in the manufacturing industry that is generally responsible for ensuring that, the industry products are effectively communicated to customers. Cateora et al, (2009)

Manufacturing firms put up fully fledged and functional advertising department to ensure that products are well communicated to clients in order to survive and achieve market growth. According to Enterprise Uganda, (2012) more than 25% of the manufacturing firm's budget is spent on advertising and several advertising platforms are used to reach customers. Movit Products Limited spends substantially on advertising to remain competitive by maintaining loyal customers and to acquire more customers

Despite increased advertising resources, Movit products limited still faces a challenge of general low sales revenue in comparison to the amount resources put into advertising. (Movit Products Limited Sales Report 2014). The gross sales remain low, profits become hard to predict and not stable. The market share is low and loyal customers with regular repeat sales remain low, limited or no references to firm's products remain a common experience of the market performance. (Movit Products Limited Customer data base 2014). Such a situation is not good for the Movit Products Limited market growth. Therefore the researcher examined the influence of advertising on market performance of Movit Products Limited.

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

#### **1.3.1 Major objective**

The purpose of the study is to examine the influence of advertising on Market Performance of Movit Products Limited.

#### **1.3.2 Specific Objectives**

The Objectives of the study included the following

- i) To establish the influence of persuasive advertising on Market Performance of Movit Products Limited.
- ii) To establish how informative advertising influences Market Performance of Movit Products Limited.
- iii) To find out the relationship between online advertising and Market Performance of Movit Products Limited.

## **1.4 Research Questions**

The research questions included the following

- i) What is the influence of persuasive advertising on Market Performance of Movit Products Limited?
- ii) What is the influence of informative advertising on Market Performance of Movit Products Limited?
- iii) What is the relationship between online advertising and Market Performance of Movit Products Limited?

## **Hypotheses of the study**

- i) There is a positive significant relationship between persuasive advertising and Market Performance of Movit Products Limited.
- ii) Informative advertising is positively and significantly related to Market Performance of Movit Products Limited.
- iii) There is a positive relationship between online advertising and Market Performance of Movit Products Limited.

## **1.5 Scope of the Study**

### **1.5.1 Geographical Scope**

The study was carried out in Uganda at Movit products Limited Headquarters. Movit is the leading cosmetics company in Uganda with over 180 product range. The market coverage is East and Central African region (The Movit Product catalogue 2015). The manufacturing firms are

used because they spend much on advertising. The firms have valid information regarding how advertising improves Market Performance.

### **1.5.2 Content Scope**

The study examined the influence of advertising on Market Performance among the manufacturing organizations in Uganda. The study looked at specifically look at three objectives in the independent variable as persuasive advertising, informative advertising and online advertising and how these influence Market Performance.

### **1.5.3 Time Scope**

The study looked at a period of 6 years from 2010-2016. It is during this period that the manufacturing business environment experienced a lot of competition. The stiff competition in cosmetics industry was at high speed and incurred rapid progression. The cosmetics manufacturing organizations do include Dark and Lovely Uganda Ltd, Samona Uganda Ltd, Desire Uganda Ltd, Nice and lovely, Darling, Inter consumer Uganda Products ltd, Wispro Uganda Ltd, Avis Company Ltd, Neem Cosmetics and Labelle Uganda Ltd

### **1.6 Significance of the Study**

At policy level the findings of the study may provide feedback to and help the management of different manufacturing organizations to engage the most appropriate forms of advertising. This may help such manufacturing organizations to adopt such advertising forms so as to improve on their Market Performance.

To the researcher, the study may deepen the understanding of how advertising and how it improves Market Performance. The study enhances the knowledge and understanding of the researcher that may result into a consultant in this field after the course.

The study will generate up-to-date information and hence add to the existing volume of knowledge on advertising and Market Performance especially in cosmetics industry in Uganda where such research on the relationship is still limited. This could also help in other business enterprises in general.

### **1.7 Justification of the Study**

The study is justified under various fronts, as the economy is struggling the manufacturing industry remains a core component to improve the country's exports to earn foreign exchange. This is therefore a timely study on how advertising influences the Market Performance of manufacturing organizations. This comes at a time when different non and government agencies together with development agencies are trying hard to ensure the economy is developed and therefore through such research initiatives and its recommendations would be used to improve on Market Performance that are critical for overall manufacturing industry development. Therefore the need to establish how advertising spurs market growth in this industry remains paramount.

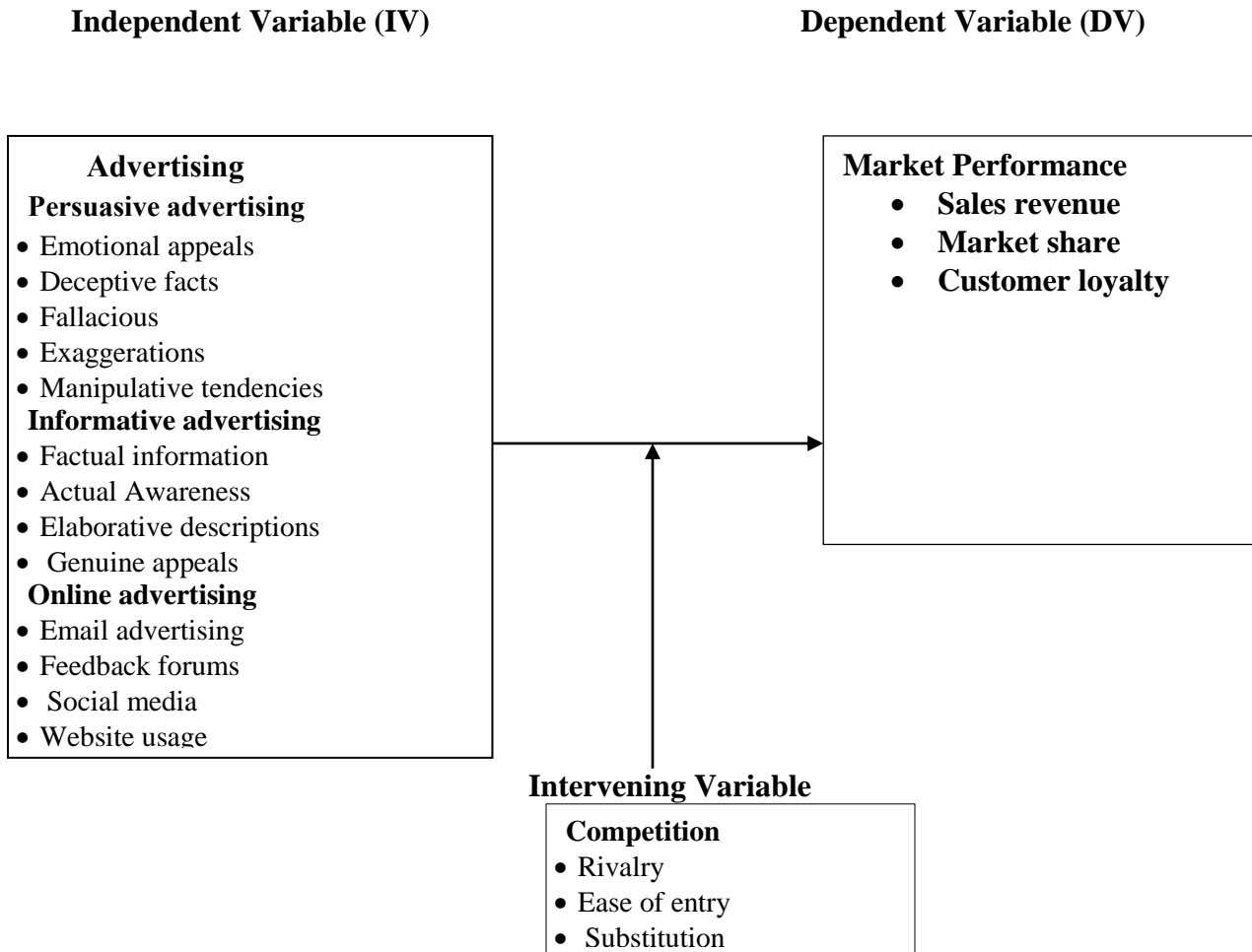
### **1.8 Definition of Key Terms**

**Advertising:** It is any paid message presented through various media, such as television, radio, magazine, newspapers or billboards by an identified source to increase awareness of organization products or services.

**Market Performance:** The market share and gross revenue obtained after selling of company products in the manufacturing sector that ensures organizational survival and growth.

## 1.9 Conceptual Framework

**Figure 1:** Conceptual Framework



**Source:** Batra, R., J. G. Myers and D. A. Aaker, (2006).

The conceptual framework presents the independent variable as advertising and dependent variable as Market Performance. It is conceptualized that advertising involves various forms of advertising. These are persuasive advertising, informative advertising and online advertising. They are very significant towards determining the Market Performance of Movit Products Limited as a manufacturing organization. Therefore the manner in which persuasive advertising,



informative advertising and online advertising are applied significantly determines Market Performance for Movit Products Limited.

The Market Performance is recognized in the several dimensions of sales revenue, market share and customer loyalty. A positive trend in terms of increased increase in sales revenue, increase in customer loyalty and high levels of customer loyalty would enhance improved market performance. Persuasive advertising is connoted by emotional appeals, deceptive facts, fallacious adverts, exaggerations and manipulative tendencies. Informative advertising is described by factual information, actual awareness, elaborative descriptions and genuine appeals.

Online advertising is realized through email advertising, feedback forums, social media and website platform usage. Competition is an intervening variable on the influence of advertising on Market Performance. The intervening variable looks at competition whose determinants are rivalry, ease of entry in the industry and substitution. The determinants of intervening variable greatly affect the relationship between advertising and Market Performance.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This chapter explores studies that have been conducted by researchers and scholars that have a bearing on the study objectives. The literature is organized according to the objectives of the study.

#### **2.1 Theoretical Review**

The study was based on selected motivation and performance theories that have a direct bearing on the study of advertising and how it influences Market Performance. Theory is of particular relevance to the study since advertising is about communication to potential customers for a purchase to contribute to Market Performance.

The study will be guided by Lavidge and Steiners (1961) Hierarchy-of-effects theory. According to this theory customers do not switch from being completely uninterested to become convinced to buy the product in one step. Lavidge and Steiners Hierarchy-of-effects theory helps to show the process, or steps, that an advertiser assumes that customers pass through in the actual purchase process (Barry and Howard, 1990). The theory is based on seven steps, which as with the other models must be completed in a linear way. Lavidge and Steiner (1961) write that the steps has to be completed in a linear way, but .a potential purchaser sometimes may move up several steps simultaneously (Lavidge and Steiner, 1961). Ultimate customers do not switch directly from being interested to become convinced buyers.

Lavidge and Steiner identify the seven steps in the following order; close to purchasing, but still a long way from the cash register, are those who are merely aware of its existence, up a step are prospects who know what the product has to offer, still closer to purchasing are those who have favorable attitudes toward the product those who like the product. Those whose favorable attitudes have developed to the point of preference over all other possibilities are up still another step. Even closer to purchasing are customers who couple preference with a desire to buy and the conviction that the purchase would be wise. Finally, of course, is the step which translates this attitude into actual purchase (Lavidge and Steiner, 1961). This was in consideration of the awareness on the impulsive purchases that customers can make and for higher economical goods these steps are essential for the advertiser to include.

The Lavidge and Steiners (1961) Hierarchy-of-effects theory is premised that advertising occurs over a period of time, and may not lead to immediate response and purchase. It is rather a series of effects that has to occur, with each step fulfilled on the way towards the next stage (Lavidge and Steiner, 1961). Behind Lavidge and Steiners (1961) Hierarchy-of-effects theory is a premise that advertising effects occur over time and advertising communication may not lead to immediate behavioral response or purchase, but rather, consumers must fulfill each step before one can move to the next stage in the hierarchy (Belch and Belch 2008). The Lavidge and Steiners (1961) Hierarchy-of-effects theory has however been criticized that there is still no evidence on the fact that awareness of a products leads to purchase, and the steps are still unclear, (Palda, 2006). Criticism has also been made on each individual step in the theory. Critics do not think that the Lavidge and Steiners, (1961) Hierarchy-of-effects theory explains how the customers will go from one step to another and to point out the steps without explaining them further is not seen as enough (Palda, 2006).

## **2.2 Persuasive advertising and Market Performance**

Persuasion in advertising is about change of belief in the mind of customers to influence their purchasing decision. Research has shown that when people receive information about certain aspects of a stimulus, they go beyond the information given. An audience exposed to an ad may develop beliefs about unmentioned aspects of a product through the process of inferential belief formation (Huber and McCann, 2012). An advert can therefore address attributes which indirectly affect beliefs about other unmentioned attributes of a product. Hence, there are two ways to change a particular belief with verbal claims; a direct approach by attacking an intended belief to be changed, and an indirect approach by attacking beliefs associated with an intended belief, (Cateora et al, 2009). An intended belief here refers to the particular belief that advertisers intend to change ultimately, regardless of what attributes are explicitly mentioned in the advert. Therefore persuasion is based on either direct or indirect verbal claims which are direct or indirect persuasions. The effectiveness in doing this persuasion directly or indirectly influences the sales revenues and consequently improves Market Performance.

As mature markets for consumer goods such as hair cosmetics and body cosmetics are characterized by combative advertising, one would expect, according to the persuasive view, that as a firm increases its advertising expenditure, its demand will shift outward to the benefit of the advertising firm, (Batra, and Aaker, 2006), However, research in marketing does not always corroborate with this view. While there is quite a bit of agreement that advertising in its various forms helps shift consumers preferences towards the advertising firm, (Batra, and Aaker, 2006), there is skepticism about advertising being of much help to firms in increasing short-term sales

or profitability. Erickson (2003) assert that when competing firms are equally-matched, persuasive advertising is harmful for firms as it does not provide any additional increase in market share or profits. Tellis and Weiss (2005) furthers the skepticism of advertising's positive sales impact by showing that the effect of advertising on sales, based on disaggregate scanner data on cosmetics, is either weak or non-significant and it is present only when data are aggregated across consumers, or over time. This implies that any sales effect of advertising or any gain in market power may be spurious, most likely due to data aggregation. Kaul and Wittink (2005) assert that non-price advertising reduces price sensitivity of consumers. Non-price advertising could increase price sensitivity particularly in the airline industry (Gatignon, 2004) as well as for some categories of consumer goods (Kanetkar et. al. 2012).

Persuasive advertisements may alter consumer preferences in a way to reduce or to intensify price competition. A firm's advertising can trigger more aggressive pricing by the competing, non-advertising firm, to the detriment of the advertising firm, if consumers already prefer the product of the advertising firm. Therefore persuasive advertising intensifies price competition only under the two conditions; when consumer preferences are biased in favor of one of the two competing firms' products, and the favored firm is the one that advertises, when the firm in consumers' disfavor cannot advertise and can only respond to the rival's advertising with price (Bloch and Manceau, 2009).

Von der Fehr and Stevik (2008) assert that outcomes in persuasive advertising depend on the responsiveness of consumers to advertising, as well as the extent of advertising done by firms in equilibrium. The net effect of high levels of persuasive advertising in the responsive market is to create partisan consumers, or what Braithwaite (2008) termed as reputation monopolies, leading

to an accumulation of consumers near firms. As a result, the distribution density function is convex in equilibrium, indicative of increased product differentiation in the minds of consumers. Increased product differentiation, in turn, leads to higher prices and profits. Therefore advertising has an important anti-competitive effect (Bagwell, 2005).

In persuasive advertising, advertising alters customers' utility functions by changing their preferences (Becker and Murphy 2013). This leads to an outward shift in the demand function, which has led to claims that advertising may serve an important anti-competitive role. Under the informative view, advertising does not change customers' utility functions (Milgrom and Roberts 2006). Instead it increases the information that customers have about the available alternatives.

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

When making purchasing decisions customers generally have the alternatives of purchasing competing brands, purchasing from different retailers or even delaying in the hope of future discounts or product improvements. If advertising makes an immediate purchase of the focal brand more attractive, it implicitly reduces the share of customers who will choose one of these alternatives. The outcome is potentially less demand for competing brands, less demand for competing retailers and or less demand in future periods (Seldon and Doroodian, 2009). In the tobacco industry, anti- smoking advocates have argued that tobacco persuasive advertising also

has an impact on primary demand, contributing to an expansion in total tobacco consumption implying persuasive advertising leads to Market Performance (Roberts and Samuelson 2008).

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

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

Persuasive advertising involves manipulative advertising which is deceitful advertising that uses facts, but deceptive facts. It uses confusing, misleading or blatantly untrue statements when promoting a product, that's why this advertising is also known as false advertising. Facts are given, but they are either false or there are significant facts which are hidden or not mentioned. Another sort of manipulative advertising is that uses arguments, but bad arguments. The emotive

persuasion is the type which is likely more common and it play on consumer emotions and usually threaten him with dangers or promises amazing results, either of which are questionable, at best. Products like diet pills or exercise equipment sold through infomercials or TV often promise amazing results, and so persuade through sponsoring hopes and visions of happiness. In the same category may be included the advertisements which promote the so called traditionally made products (Danciu, 2009).

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

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

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



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

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

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

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

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

what one stands for (one of the reasons why some 'shock' ads have gained a loyal following is that they openly declare their values or where they stand). A sincere proposal cannot be one which the seller does not believe: advertisers cannot expect others to believe what they do not believe themselves. Deceit involves manipulating the beliefs of the target audience, and may be successful with an audience ignorant of the true facts. But trying to distort the truth is how advertisers arouse most anger and indignation. An advertiser who has the reputation for getting the key facts right (accuracy) will always add to his reputational capital (McGuire, William, 2000).

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

The advertising Companies require, attention getting has become the focus of importance, so persuasive content is hardly considered, on the assumption that visibility via the repeated exposure effect is all that is needed (Murphy, 2003). While it is true that with repeated exposure comes familiarity, and with familiarity usually comes increased liking, this level of advertising expenditure assumes deep pockets, and also that the increased liking is sufficient in itself to

trigger a preference. On occasion the need to get attention leads to the adoption of shock advertising. Shock ads have a novelty that encourages their being talked about. Whether the effect on the target audience is positive or negative depends on their attitudes (Levere and Stellin, 2002).

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

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

Persuasive advertising involves appeals. Message appeals are usually divided into rational and emotional ones (Kim, Forsythes and Moon, 2002). Rational appeals are typically based on

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

In some cases, the objective of the advertiser is immediate action by the consumer that is direct-response advertising where the goal is to have the consumer does something immediately. In most cases, however, there is a lag between advertising exposure and any action on the part of the consumer (Denning, 2006). In such cases, an important communication goal of an advertiser is to create a positive attitude toward their product. Attitudes are predispositions or tendencies to behave or react in a consistent way over time. There is an effect, or feeling, dimension associated with attitudes, and there are generally various beliefs that provide justification for the feeling and predisposition. The goal of advertising is to have a positive impact on attitudes, these attitudes, in turn, influence future behavior. When the consumer visits the store another time to buy a particular type of product, these attitudes influence the choice of the product (Rossiter and Percy, 2007).

Attitudes and attitude formation are among the most widely researched phenomenon in communication research. Advertising plays a role in attitude formation, but it is important to recognize that the advertised product itself is the most important determinant of attitude in the long term. A bad experience with a product will create a negative attitude that no advertising is likely to overcome (Kendall, 2004). In addition, advertising can reinforce positive attitudes by reminding consumers of product benefits persuasively or factually, desirable product characteristics, and positive product experiences (Kim *et al.*, 2002).

### **2.3 Informative advertising and Market Performance**

This form of advertising tends to characterize the promotion of any new type of product to develop an initial demand. It is usually done in the introductory stages of the product life cycle. It was the original approach to advertising (Lauro, 2003).

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

Informative advertising is to create awareness among customers regarding the products or services the company offers for them first time. The customers do not know about the new

product or service has been launched by the company. At that time the advertisement is given with the objective to inform them regarding the efforts of the company. This objective is only to create awareness of the prospects. This awareness allows many to try out the product for the first time and this may influence the level of sales for the organization. In regard to informative advertising, Grossman and Shapiro (2004) found that an increase in informative advertising could have two effects; a direct increase in total advertising costs resulting in a reduction in profits; and also a reduction in the degree of competition as measured by demand elasticity, which results in higher profits. The explanation is that advertising improves information available to consumers and reduces profits with increased costs, the amount of advertising reduces, resulting in a reduction in the information available to consumers, as a result allowing firms to charge higher prices. Consumers in the market are subject to forces from opposite directions when firms engage in combative advertising. Depending on the strengths of these opposing forces, consumers are either pulled away from the middle or pulled towards the middle. Vakratsas and Ambler (2009) argue that the informative role of advertising should only affect the behavior of customers who have a need for information. The effect should be limited to customers who have relatively little experience with the company. Inexperienced customers demonstrate a stronger reaction to television advertising than experienced customers which is largely an essential role is determining the sales revenues of the firm (Tatarkovski, 2011).

The informative view holds that advertising primarily affects demand by conveying information. The advertised product thus faces a more elastic demand. This elasticity effect suggests that advertising causes lower prices, an influence which is reinforced when production scale economies are present (Wernerfelt (2008). The informative view suggests further that advertised

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

Stigler (2011) explains that, consumers may be imperfectly informed when there are search costs that are associated with obtaining information as to the location, price and qualities of available products. Price dispersion is one important manifestation of consumer ignorance. Firms advertise in order to provide consumers with information, and advertising tends to reduce the extent of price dispersion, just as would a reduction in search costs. Telser's (2004) assert that greater advertising activity tends to be associated with less market share stability. On the whole, advertising may work more to facilitate than to deter entry.

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



Robert and Stahl (2003) allow that consumers can also obtain price information through (costly) sequential search. Both the supply and the demand for price information are endogenized; firms supply price information by advertising, and consumers acquire price information by receiving advertisements and undertaking search. Bagwell and Ramey (2004) consider the indirect information contained in non-price advertising by retail firms. Building from Nelson's (1974) insights, they note that advertising is most valuable to low-cost firms. Such firms also have the greatest incentive to offer low prices and large product variety. They thus argue that high-advertising firms are characterized by large investments in cost reduction, extensive product variety and low prices. Retail advertising therefore provides valuable indirect information.

#### **2.4 Online advertising and Market Performance**

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

Marketers commonly utilize multiple media channels within the same advertising campaign. With the rise of digital marketing over the last decade, the internet is more and more frequently one of those channels. This means the internet has become a key advertising channel for many advertisers and firms are consistently increasing the amount of money spent on online advertising. The investment is meant to achieve the appropriate returns in returns IAB Finland (2011). The amount spent on traditional advertising is still growing as well suggesting that firms

are incorporating both off-line advertising in to the overall marketing mix. Combining this information with the growing number of consumers using the internet as a purchasing channel highlights the crucial need to understand how different advertising channels influence each other.

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

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

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

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

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

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

New ways of using the internet help boost the development of online advertising. Simultaneous use of them internet and TV is becoming more widespread. The emergence of the internet has

not replaced the use of other media, particularly TV. Rather than competing, these two media complement each other. The internet acts as an extension to the TV experience. As demonstrated by a Microsoft Advertising study, 78% of internet users believe that watching videos online complements their TV use. Internet users look out for specific, unusual and previously unavailable content (PWC, 2009). This simultaneity in media consumption enables the brand experience to be prolonged through online media and encourages advertisers to mix the Web with other media.

The internet asserts itself as an essential tool for influencing and preparing purchases. Today, the internet is at the heart of purchase processes. PWC, (2009) shows that 78% of internet users consulted a website before buying a product. The Web is becoming a highly influential medium, in the same way as TV. Internet users know how to make the most of the numerous resources available to them, including retail websites, consumer reviews, comparison websites and forums. This trend has been strengthened by the crisis, the slowdown in household spending and the development of hunter or opportunistic behavior. This development underpins the importance for advertisers to conduct as detailed an analysis as possible of the multi-channel purchasing path used by buyers. It is vital to understand the impact advertising has on offline sales and in particular its ability to foster consumer engagement and influence consumers' decisions (Nielsen, 2010).

Social networking (Howard, 2010) offers advertisers a new platform for expression. Internet users spend a tremendous amount of time using exchange and communication services on the Web. Internet users spend on average 3 hours 40 minutes per month on instant messaging, 4

hours 8 minutes on community networks, 2 hours 40 minutes on emailing and 1 hour 15 minutes on online auctions or classified ad websites (Howard, 2010). This new use of media, including community and social networking sites, generates additional advertising space which provides advertisers with remarkable targeting opportunities through a greater targeting capacity and increased exposure times. Nevertheless, advertisers must assess the relevance and effectiveness of these new spaces in relation to their own communication objectives.

Rich media and video advertising offer new brand experiences. Rich media formats have advanced considerably over the past five years. This progression heightens the communicative potential of online advertising. Links to a brand website are no longer the be-all and end-all of developing a brand experience. The click through rate no longer provides an adequate measure of the impact of these advertisements. Indicators therefore need to be put in place in order to gauge the interaction with advertisements. It is also necessary to analyse the impact these new formats have on reputation, recognition and brand loyalty. These enriched formats bring the creative dimension of online advertising to the fore. Measuring the effectiveness of creative approaches and the ability to adapt is now a critical performance driver (BrightRoll, 2010).

The internet is reputed to be a quantifiable medium but advertisers are still dissatisfied with the tools available to them for evaluating its performance. Faced with an overwhelming amount of generated data, they express a need for transparent and comparable information. The majority of advertisers with whom we met confirmed that measuring effectiveness is instrumental to their online strategy (Klein, 2003). Some advertisers wish to further broaden their measurement tools, for example by analyzing web traffic or assessing engagement more systematically. It also

appears that prior exposure to display advertising campaigns has a positive impact on search behavior. Perhaps the most limiting factor of the click through rate is that it does not provide any information on the kind of impact that exposure to an advertisement gives rise to, whether this is in terms of awareness, recall, engagement or purchase intent. Customized measurement tools are therefore required in order to effectively monitor online advertising, we have identified seven key approaches for this purpose (Nielsen, 2010).

## **2.5 Conclusion**

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

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.0 Introduction**

The chapter presents the methodology that was followed to carry out the study. It presents the research design, area of the study, study population, Sample size, sampling procedure, data collection methods and instruments, quality control methods, data management and analysis, ethical considerations and limitations of the study.

#### **3.1 Research Design**

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

### **3.2 Area of the Study**

The study was conducted in Uganda in Wakiso district at Movit products limited. The study was carried out at the head offices of the company located in Bunamwaya off Entebbe Road. The selection of the study area was influenced by its convenient location and availability of an adequate number of potential informants.

### **3.3 Study Population**

The population comprised of 265 employees of Movit products limited and these included managers, sales force and Marketing staff (Movit Products Limited payroll, July 2015). These employees were considered because they had knowledge on advertising and how well it influences the Market Performance.

### **3.4: Sampling procedure**

The sampling procedures included sample size and sampling strategy.

#### **3.4.1 Sample Size**

The sample size comprised of 192 employees of Movit Products Limited (Krejcie and Morgan, 1970) from the study population of 265 employees of Movit Products Limited as presented in table 1 below. This helped to get the needed information



**Table 1:** Sample size

<b>Category of Population</b>	<b>Population Size</b>	<b>Sample</b>	<b>Sampling Technique</b>
Line Managers	25	24	Purposive sampling
Sales force	200	132	Simple random
Marketing Staff	40	36	Simple random
<b>TOTAL</b>	<b>265</b>	<b>192</b>	

Source: Movit Payroll June, 2015, Krejcie and Morgan, (1970)

### **3.4.2 Sampling Procedures**

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

### **3.5 Data sources**

The sources of data included primary sources as well as secondary sources.

### **3.5.1 Primary data**

The study used primary data to get first hand information using a self administered questionnaire. In this, respondents were able to give their perceptions on how advertising influences Market Performance.

### **3.5.1 Secondary Data**

The study also used secondary data that was sourced from secondary sources such as journals, books, reports from the Market Performance previews. This helped to capture what other scholars had written in relation to the study area.

## **3.6 Data collection methods and Research Instruments**

### **3.6.1.1 Questionnaire**

A questionnaire was used because it allows in-depth research, to get firsthand information and more experience over a short period of time (Kothari, 2008; Amin, 2005; Creswell, 2003). A questionnaire is used because it increases the degree of reliability due to the many items in it and it as well enhances the chances of getting valid data, (Amin 2005). The questionnaire consisted of both closed and open-ended questions. The questionnaires are cheap and fast to administer. A large group of respondents was covered within a short time and in this cases questionnaire is distributed and answered in a very short period of time.

## **3.6.2 Research Instruments**

### **3.6.2.1 Self-Administered Questionnaire**

Self-administered questionnaires were given to all respondents. Ordinarily, these are interspersed, distantly placed and the nature of their engagement is not practical for interview given the time available to complete the field study and subsequently the entire study. These samples are suggested because they make the results more dependable and reliable. The questionnaire contained items aimed at obtaining responses about opinions and preferences in open questions. The closed ended questions allowed the respondents to agree or disagree with the item in the questionnaire. This tool is believed to be the most appropriate in terms of convenience to both the researcher and the respondents. The tool enables the respondents to make judgment on the questionnaire thus leading to a good ground for data analysis.

### **3.6.2.2 Documentary Review**

A documentary review checklist was used to source for secondary data in form of literature review as guided by the conceptual frame in the study. This helped to identify and synthesize all the literature required in the study.

## **3.7 Quality Control Methods**

Quality control methods addressed the issues of validity and reliability of the research instruments.

### 3.6.1 Validity

The study adopted content validity for this study, to test and ascertain the validity of instruments. Validity of the research tools to be used for data collection was achieved by repeated reviews with fellow students and with guidance from supervisor. The researcher asked them to evaluate the items on the questionnaires for their relevance to the stated objectives of the study. The researcher further ensured content validity of the instruments by making sure that questions or items in them conform to the study's conceptual framework and research questions. Then, he assessed their content validity by using the content validity index (CVI) to further ascertain their validity; Owen, (2007). A formula whereby the number of items rated as relevant was divided by the total number of items on the questionnaire was adopted to achieve the content validity index (CVI) to compute content validity thus:

$$\text{CVI} = \frac{\text{Total of items rated as relevant}}{\text{Total number of items in the questionnaire}}$$

The outcome was 0.81 above 0.6 as suggested by Owen (2007) and then the instrument was regarded as valid.

### 3.6.2 Reliability of Research Instruments

In testing the reliability of instruments, the study adopted Cronbach's Alpha coefficient value analysis. According to Dobson, (2002, Reliability refers to the measure of the degree to which research instruments yield consistent results after repeated trials. If the coefficient is 0.6, the instrument was considered reliable.

**Table 2.** Reliability of Research Instruments

<b>Variable</b>	<b>Cronbach Alpha Coefficient</b>
Persuasive Advertising	0.753
Informative Advertising	0.778
Online advertising	0.795
Performance	0.925
Over all	0.890

**Source:** Primary Data

The above table displayed the reliability for all constructs used in the study. All alpha coefficients for all scale were above 0.6 therefore meeting accepted standards according to Dobson, (2002) and hence the instruments were considered reliable to collect data for the study.

### **3.7. Data Management and Processing**

Data collected was arranged, edited and checked to ensure that it covers and satisfies the objectives of the study for purposes of completeness and accuracy. Data was also be coded to enable processing using SPSS version 20.

#### **3.7.1 Data Analysis**

Quantitative data got from the questionnaires was computed into descriptive and inferential statistics in form of frequencies, percentages, correlations and regressions. Further, the researcher coded all the questionnaires and entered the results in computer software called Statistical package for social scientists (SPSS 20 version) to be analyzed in order to generate the

correlation results and establish the relationships of each variable and regression analysis. SPSS is computer software designed for researchers to analyze data in order to develop meaningful figures.

### **3.7.2 Data Presentation**

The data from the questionnaire was analyzed to obtain frequencies and percentages, means, correlations and regressions. The results are all presented in form of tables in each of the mentioned output statistics.

### **3.8 Ethical Considerations**

The researcher obtained letters of authorization from the university that was presented to the organization in the data collection process. Getting letters of support to the research project is intended to enhance the confidence and freedom for participants to actively participate or to withdraw from the study anytime if they so wish. The researcher also endeavored to obtain any form of authorization that was necessary for the study to take place. Throughout the study, the researcher refrained from any practice deemed inconsistent with research ethics. The researcher accorded due respect to all respondents and acknowledged all scholarly works to which the study referred. The researcher further desisted from any tendencies towards plagiarism and imposition of personal viewpoints in the data. The final document of the research will be disseminated to the Uganda Martyrs University and the authorities of Movit Products Limited.

### **3.9 Limitations of the study**

The study topic seems sensitive. The researcher encountered some problems in obtaining authentic information from some respondents. Some respondents were skeptical about the motives of the research. Also, the research at this level is very costly in terms of time and finance. Furthermore, the researcher being a fulltime employee, the researcher faced time constraints.

Regarding the skepticism of respondents, the researcher used letters of introduction letters that were explaining the purpose of the study and also tried to explain to them the purpose of the study. Time constraint was overcome by effectively utilizing weekends and public holidays to concentrate on the research.

#### **3.9.1 Conclusion**

The appropriate research methodology was enhanced by the research design of cross section survey with quantitative approach. The area of study was in Uganda, Wakiso district at Movit Products limited. The study population was 265 employees. The sample size was 192 employees. Purposive and simple random sampling was used. The sources of data were primary and secondary. The research instrument was a questionnaire that was given to all 161 respondents. The questionnaires were self administered. The validity and reliability were ensured by using Content Validity Index and Cronbach Alpha Value Analysis respectively. The data management, data analysis and data presentation were carefully done. The ethical considerations and limitations of the study were efficiently and effectively done.

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

### **4.0 INTRODUCTION**

The study examined the influence of advertising on Market Performance of Movit Products Limited. The study objectives were; the influence of persuasive advertising on Market Performance of Movit Products Limited, how informative advertising influences Market Performance of Movit Products Limited and the relationship between on line advertising and Market Performance of Movit Products Limited. The study presents descriptive results from questionnaire in form of frequencies, percentages means, correlations and regressions. The chapter also presents the response rate, which shows the actual number of respondents that actually participated in the study. The study also presents the background information of respondents which shows the common demographic characteristics of respondents that participated in the study.

#### **4.1 Response Rate**

The total turn up was 161 respondents, representing a response rate of 83.85% in this study. This response rate was well above the recommended 60% response rate as per Guttmacher Institute, (2006) which asserts that for a study to be considered with satisfactory results it should have a response rate above 60% in the overall study. Therefore, the study results can be relied upon for academic and non academic purposes by readers and users.



## 4.2 Background Information of Respondents

In the study, background information of respondents was established. The study looked at the gender of respondents as this helped to establish the majority sex of respondents that participated in the study and the level of education helped to establish whether respondents would give views that are relevant and useful to the study and age group gave an overview on which age group category stayed in the company and knew how advertising influenced the performance of the organization. Results are presented in their respective tables or figures below.

The gender of respondents that participated in the study was established and findings are presented in table 1 below.

### 4.2.1 Gender

The gender of respondents in the study was established and findings are presented in the table below.

**Table 3. Gender Category of respondents**

		<b>Frequency</b>	<b>Valid Percent</b>
Valid	Male	107	66.5
	Female	54	33.5
	<b>Total</b>	<b>161</b>	<b>100.0</b>

**Source:** Primary data

In the study, gender of respondents that participated in the study was established and it was revealed that 107 (66.5%) of respondents that participated in the study were male where as 54 (33.5%) were female. The majority that participated in the study were male respondents as

compared to the female participants. Therefore in this organization there are more male employees as compared to female employees. The majority of male employees are preferred as compared to females in the sales and marketing responsibilities. This is shown by the statistics in this study.

#### 4.2.3 Level of Education

The level of education that participated in the study was also established and findings are presented in the table below.

**Table 4: Level of Education**

		<b>Frequency</b>	<b>Valid Percent</b>
Valid	Secondary level	5	3.1
	Diploma	40	24.8
	Degree	94	58.4
	Masters degree	16	9.9
	others	6	3.7
	<b>Total</b>	<b>161</b>	<b>100.0</b>

**Source:** Primary data

The education level of respondents that participated in the study was established and it was revealed that 94 (58.4%) of respondents that participated in the study had degree level of education, 40 (24.8%) of respondents had diploma level of education, 16 (9.9%) had secondary level of education as 6 (3.7%) had masters' degree of education and 5 (3.1%) had secondary level of education. Therefore majority participants in the study had degree level of education. Its

company policy that the marketing personnel must at least possess a degree since it is at a degree level that advertising concepts can easily be understood and applied.

#### 4.2.4 Age Bracket of respondents

The age of respondents was also established, results are presented in the table below in percentages.

**Table 5: Age bracket of Respondents**

		Frequency	Valid Percent
Valid	Below 19 years	14	8.7
	20-30	88	54.7
	31-40	47	29.2
	41-50	11	6.8
	51-above	1	0.6
	Total	161	100.0

**Source:** Primary data

Study findings revealed that 88 (54.7%) of respondents that participated in the study were aged between 30-40 years, 47(29.2%) were aged between 31-40 years of age, where as 11 (6.8%) were aged between 40-50 years, 1(0.6%) were aged above 51 years. Therefore from the findings, majority respondents were below the age of 40 years. This can mean that organization employs young and energetic employs persons who are able to work and perform as expected.

#### **4.2.5 Period in the organization**

The study established how long employees worked at organization and results are presented in the table below.

**Table 6. Period Working in the Organization.**

		Frequency	Valid Percent
Valid	Less than 3 year	77	47.8
	4-6 years	40	24.8
	6-9 years	28	17.4
	10-12 years	11	6.8
	13 years and above	5	3.1
	Total	161	100.0

**Source:** Primary data

The findings revealed from 77(47.8%) of respondents had worked in this organization for less than 3 years, 40 (24.8%) had worked in this organization for 4-6 years, 28 (17.4%) had worked in the organization for 6-9 years 11(6.8%) had worked in the organization for 10-12 years and 5 (3.1%) had worked in the organization for more than 13 years. This means that majority respondents had worked in this organization for more than two years hence have knowledge on how different advertising forms contribute to the performance of organization.

#### **4.3 Influence of Persuasive Advertising on Market Performance of Movit Products Limited**

The study examined the influence of persuasive advertising on Market Performance of Movit Products Limited. Respondents were engaged in answering questionnaires and results are presented below. Results from questionnaires were computed to obtain means and standard deviation, correlations and regressions and are presented below.

**Table 7. Persuasive Advertising of Movit Products Limited**

	Mean	Std. Deviation	N
This company uses emotional appeals in its advertising process	3.45	1.26	161
The company uses deceptive facts in some of its adverts in the marketing process	2.37	1.24	161
Fallacious messages are used in the advertising process to attract sales	2.27	1.19	161
The company some time use exaggerated messages when advertising company products	2.63	1.38	161
The company uses messages that have manipulative tendencies in the advertising	2.36	1.29	161
In advertising of organizations products the messages always have direct and indirect verbal claims	3.59	1.15	161
There is a lot of responsiveness of consumers to company adverts	4.27	.72	161
Persuasive advertising helps changing customer preferences	4.13	1.03	161
Most of our company adverts uses non-manipulative persuasion messages.	3.75	1.13	161
In using persuasive advertising the company uses a set of ethical principles that helps to evaluate the moral of each message	4.21	.94	161
Valid N (listwise)			161

**Source:** Primary data

The research study on data analysis reflected the mean, standard deviation and the number of respondents. The standard deviation is the disparity from the mean. It shows the tendency to move away from the mean. This differs between different aspects that were used in the questionnaire. The standard deviation for emotional appeals was 1.65 as indicated in the table 7 while the standard deviation for the deceptive facts was 1.24. It should be noted that beyond 0.99, the respondents would be reflecting negativity of the persuasive statement in question.

The study revealed that respondents agreed that (mean=3.53) on the fact that the company uses emotional appeals in its advertising process in their advertising process. This imply that the messages used have emotional appeals that attract people to take on the company's products and services which is an important aspect that in influencing the performance of the organization. This finding is in line with Tartakovsky, (2011) Emotional appeals are the claims playing with consumers emotions both at conscious and unconscious level. These involve appeals to the need to achieve, dominate, feel safe, nurture, satisfy curiosity, the need of sex, the need of affiliation, guidance, prominence, attention, autonomy, physiological needs such as food, drink and sleep. The advertisers speculate on the consumer emotions and the ads are work out in such a manner that seem to promise or imply a possible connection between a product and happiness, social acceptance, a good family, a good sex life intimate friendship and so on. They may also use the scare for capitalizing on panic, if necessary.

It should be noted that the study disagreed that the company uses deceptive facts in some of its adverts in the marketing process (mean=2.37). Respondents therefore believe that the company does not use any deceptive fact in their advertising process to attract customers to buy their products. This may be as result business ethical codes of conduct or having good quality

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

Deserving mention the study disagreed that fallacious messages are used in the advertising process to attract sales (mean=2.27). This implies that only accurate information is used in the advertising process. This allows the organization to keep its credibility in business and this largely builds confidence among many customers on the company products which is an important factor in improving the performance of the organization.

It should be reckoned that the study disagreed that the company some time use exaggerated messages when advertising company products (mean=2.63) and was also disagreed that the company uses messages that have manipulative tendencies in the advertising (mean=2.36). Respondents disagree that company uses exaggerated messages in their advertising process.



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

It is noted that the study agreed that in advertising of organizations products the messages always have direct and indirect verbal claims (mean=3.59). In the advertising process there are always direct and indirect benefits of the product being advertised in the messages being advertised and this influences the performance of the organization in market and other various dimensions of performance in the market. This finding is related to Huber and McCann, (2012) who explain that verbal claims address attributes which indirectly affect beliefs about other unmentioned attributes of a product. Hence, there are two ways to change a particular belief with verbal claims; a direct approach by attacking an intended belief to be changed, and an indirect approach by attacking beliefs associated with an intended belief. An intended belief here refers to the particular belief that advertisers intend to change ultimately, regardless of what attributes are explicitly mentioned in the advert. Therefore persuasion is based on either direct or indirect verbal claims which are direct or indirect persuasions. The effectiveness in doing this persuasion directly or indirectly influences the sales revenues and consequently improves Market Performance.

The research study agreed that there is a lot of responsiveness of consumers to company adverts (mean=4.27). This implies that as advertising messages are put across the public, there is always responsiveness to such messages in terms of being attracted and buying of company products or otherwise. This is a key aspect that influences the performance of the organization. This finding is related to Von der Fehr and Stevik (2008) who assert that outcomes in persuasive advertising depend on the responsiveness of consumers to advertising, as well as the extent of advertising done by firms in equilibrium. The net effect of high levels of persuasive advertising in the responsive market is to create partisan consumers, or what Braithwaite (2008) termed as reputation monopolies, leading to an accumulation of consumers near firms.

It was discovered in the study that persuasive advertising helps changing customer preferences (mean=4.13) and that in using persuasive advertising the company uses a set of ethical principles that helps to evaluate the moral of each message (mean=4.21). The advertising messages helps to change customer preferences especially when the messages in the adverts are not manipulative and customers consider them genuine and trust worthy. This allows customers to change their mind on different products of the organization and this influences the performance of the organization. In this Becker and Murphy (2013) explain that in persuasive advertising, advertising alters customers' utility functions by changing their preferences. This leads to an outward shift in the demand function, which has led to claims that advertising may serve an important anti-competitive role. Under the informative view, advertising does not change customers' utility functions (Milgrom and Roberts 2006). Instead it increases the information that customers have about the available alternatives.

### 4.3.1 Correlation between persuasive advertising and Market Performance

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

**Table 8. Correlation between persuasive advertising and Market Performance**

<b>Correlations</b>			
		performance	persuasive
performance	Pearson Correlation	1	.402**
	Sig. (2-tailed)		.000
	N	161	161
persuasive	Pearson Correlation	.402**	1
	Sig. (2-tailed)	.000	
	N	161	161
**. Correlation is significant at the 0.01 level (2-tailed).			

**Source:** Primary data

The correlation table above indicates a positive significant relationship between persuasive advertising and Market Performance at Movit products limited Uganda ( $r=0.402$ ,  $p=0.00$ ). The obtained correlation co-efficiency of  $.402(**)$  with a significance value of  $.000$ , illustrates a significant positive relationship that exists between persuasive advertising and Market Performance at Movit Products Limited. Since the p.value is  $0.000$  is smaller than  $0.01$  the relationship is significant.

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

#### **4.4 How Informative Advertising Influences Market Performance of Movit Products Limited.**

The study examined the influence of informative advertising on Market Performance of Movit Products Limited. In the study, respondents were engaged in answering questionnaires and results are presented below from questionnaires and interview results.

**Table 9. Informative advertising of Movit Products Limited.**

	Mean	Std. Deviation	N
The company uses factual information in the advertising process	4.08	.77	161
The advertising messages give actual awareness to prospective clients	4.24	.56	161
In advertising of company products messages give elaborative descriptions of our products.	4.27	.74	161
There are genuine appeals in advertising the company products	4.45	.67	161
There is factual information in advertising messages of our products	4.32	.54	161
Advertisement in this company is done with the objective to inform prospective clients of the company products	4.18	.60	161
Informative advertising affect the behavior of customers who have a need for information on our products	4.27	.60	161
Informative advertising offers experience memories that are important in ensuring effective in advertising processes.	4.28	.70	161
Informative advertising helps to built trust of people in the company products	3.19	1.00	161
Informative advertng helps to convey the most right information to prospective customers	3.32	.93	161
Valid N (listwise)			161

**Source:** Primary data

The research study on data analysis reflected the mean, standard deviation and the number of respondents. The standard deviation is the disparity from the mean. It shows the tendency to move away from the mean. This differs between different aspects that were used in the questionnaire. The standard deviation for factual information in advertising process was 0.77 as indicated in the table 9 while the standard deviation for the actual awareness to prospective clients was 0.59. It should be noted that between 0.00 and 0.99, the respondents would be reflecting positivity informative advertising of the statement in question.

The research study revealed that the company uses factual information in the advertising process (mean=4.08) and that the advertising messages give actual awareness to prospective clients (mean=4.24). Respondents in the study agree that the company uses researched and facts on the organization and about the products being advertised. This allows the organization to give the required information and awareness on the products advertised. This allows the organization to advertise right and attract the right segment of customers and this largely influences the performance of the organization. This finding is related to Gray, (2011) who explain that the informative advertising gives factual information to the consumer, while the emotional advertising consists in an emotional game which has as goal to favorable influence the decision of the consumer. There are many situations when combined alternatives are needed and they consist in various emotional games which are used as arguments for a certain way of acting on target-groups and individual consumers. Every time when these advertising efforts are focused on getting the consumers to do what the advertiser wants through subversive manners that lack the truth, we can say this is manipulation.

It is worth noting that the study revealed that it was revealed that the organization uses genuine appeals in advertising the company products (mean=4.46) and that in advertising of company products messages give elaborative descriptions of the organizations products (mean=4.27). The company emphasizes the use of genuine appeals in advertising the organizations products and the company ensures that it gives elaborative descriptions of organizations products. This helps to build trust among customers and hence a key aspect in influencing the performance of the organization.

The research study agreed that advertisement in company is done with the objective to inform prospective clients of the company products (mean=4.18). Therefore the main objective of advertising messages is to ensure that the public which has prospective customers is informed of the various company products of course with their various benefits. This allows clients to have their choice of the products and this determines the nature of performance the organization is likely to experience in the business process. In line with this Bagwell (2005) explain that there are various forms how advertising helps a firm enhance their market power, some of these forms are informative, complementary, persuasive and online views of advertising. As per the informative view, advertising works by increasing consumer awareness and reducing search costs. This results in an increase in price sensitivity and reduction in market power. Informative advertising can also enhance a firm's market power if it merely informs consumers of product differences and hence increases product differentiation (Meurer and Stahl 2014).

Deserving mention the research study agreed that informative advertising affect the behavior of customers who have a need for information on our products (mean=4.27). The company uses

informative advertising messages. Such informative messages help to change customer behavior towards the company products and this largely influences the performance of the organization. In this Morden (2011) explain that advertising gives the knowledge about the product and creates the idea in minds of prospective consumers about it. Advertising influences consumer buying behavior and has a significant effect on sales turn over (Akanbi and Adeyeye, 2011; Adekoya, 2011).

In the research study it was agreed that informative advertising offers experience memories that are important in ensuring effective in advertising processes (mean=4.28). The advertising messages are informative in nature and ensures that customers remain with memories of the product messages and this may influence their purchasing power in the long in the process, thereby influencing the performance of the organization. In line with this Wernerfelt (2008) explain that informative view suggests further that advertised products are generally of high quality, so that even seemingly uninformative advertising may provide the indirect information that the quality of the advertised product is high. There are three reasons. The demand expansion that advertising induces is most attractive to efficient (low-cost) firms, and such firms are likewise attracted to demand expansion achieved by offering low prices and high-quality products. The product experience memories that advertising rekindles are most valuable to firms with high-quality products, since repeat purchases are then more likely. The firm sensibly targets its advertising toward consumers who would value its product most. The informative view holds further that advertising is not used by established firms to deter entry; instead, advertising facilitates entry, since it is an important means through which entrants provide price and quality information to consumers.



The research study respondents expressed mixed that informative advertising helps to built trust of people in the company products (mean=3.19) and that informative adverting helps to convey the most right information to prospective customers (mean=3.33). Therefore respondents were not sure if informative advertising indeed does not help build trust in company products nor is informative advertising perceived to convey the most right full information. Having such mixed feelings may influence the performance of the organization in the long run. This is related to Dalhen and Edenius, (2007) who explain that nowadays customers trust less the advertisements than they used to do. Largely because people stopped believing that the perfect experiences and total makeovers that the ads were promising to them would never come true. Also customers do not perceive the adverts as reliable ways to learn about products because they believe that the companies are not telling the truth in the adverts

**4.4.1 Results from a correlation analysis between informative advertising and Market Performance are presented in the table below**

**Table 10. Correlation between informative advertising and organization**

<b>Correlations</b>			
		performance	informative
performance	Pearson Correlation	1	.410**
	Sig. (2-tailed)		.000
	N	161	161
informative	Pearson Correlation	.410**	1
	Sig. (2-tailed)	.000	
	N	161	161
**. Correlation is significant at the 0.01 level (2-tailed).			

**Source:** Primary data

It was revealed that there is a positive significant relationship between informative advertising and Market Performance at Movit Products Limited Uganda. The relationship between the two variables is explained by the correlation coefficient of .410 with a significance value of .000. This implies that in informative advertising where the organization bases on factual information to do its advertising activities, in informative advertising that causes actual awareness on the products offered by the organization, with informative advertng messages that are with elaborative descriptions and genuine appeals to change customers perceptions on the product then Market Performance is influenced in the process of business. In this Grossman and Shapiro (2004) explain that informative advertising is to create awareness among customers regarding the

products or services the company offers for them first time. The customers do not know about the new product or service has been launched by the company. At that time the advertisement is given with the objective to inform them regarding the efforts of the company. This objective is only to create awareness of the prospects. This awareness allows many to try out the product for the first time and this may influence the level of sales for the organization. Informative advertising has two effects; a direct increase in total advertising costs resulting in a reduction in profits; and also a reduction in the degree of competition as measured by demand elasticity, which results in higher profits. Their explanation is that advertising improves information available to consumers and reduces profits with increased costs, the amount of advertising reduces, resulting in a reduction in the information available to consumers, as a result allowing firms to charge higher prices.

#### **4.5 The Relationship Between Online Advertising and Market Performance of Movit Products Limited.**

The study examined relationship between online advertising and Market Performance of Movit Products Limited. Respondents were engaged in answering questionnaires. Results from questionnaires were computed to obtain means, correlations and regressions and findings are presented below.

**Table 11. Online Advertising at Movit Uganda Limited**

	Mean	Std. Deviation	N
The company uses mails advertising in advertising company products	4.18	.65	161
The company uses feedback forums to advertise some of the products	4.23	.71	161
The company uses social media to advertise its products	3.33	1.08	161
The company uses website to advertise for its products	3.37	1.01	161
The company uses search engine marketing to advertise for company products	3.53	1.10	161
The company uses SMS on line to advertise its products	4.04	.74	161
The organization uses internet based advertising to communicate company products to customers	4.11	.78	161
The company uses face book to advertise its products to prospective clients	4.18	.77	161
Valid N (listwise)			161

**Source:** Primary data

The research study agreed that the company uses mails advertising in advertising company products (mean=4.18). This implies that in an online method of advertising the organization endeavors to use mails to their different prospective and core customers. This allows the company to have a personal relationship with its prospective customers and actual customers and this influences customers as prospective customers may be turned into real customers hence the performance of the organization. In line with this (Harker, 2008) explain that internet advertising

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

In the study, it was agreed the company uses feedback forums to advertise some of the products (mean=4.23). This implies that the organization endeavors to organize ways on how to get feedback from clients in for of forums. These are conducted both on line and off line the feedback forum help to provide people's feelings on the company and its products and this largely influences the performance of the organization.

In the study, respondents expressed mixed reactions on whether the company uses social media to advertise its products (mean=3.33) and whether it uses website to advertise for its products (mean=3.37). Therefore this implies that social media and use of websites to fully advertise the company's products has not been fully embraced and therefore is not fully used by the organization and this influences the performance of the organization. This is related to Finland (2011) who explain that Marketers commonly utilize multiple media channels within the same advertising campaign. With the rise of digital marketing over the last decade, the internet is more and more frequently one of those channels. This means the internet has become a key advertising channel for many advertisers and firms are consistently increasing the amount of money spent on online advertising. The investment is meant to achieve the appropriate returns.

In the study, respondents also expressed mixed reactions on whether the company uses search engine marketing to advertise for company products (mean=3.53). This implies that the company does not usually use search engines in advertising of its products. Therefore the organization does not particularly use search engines to do its advertising and this has a great influence.

In the study, it was agreed that the company uses SMS on line to advertise its products (mean=4.04) and it was also agreed that the organization uses internet based advertising to communicate company products to customers (mean=4.11) and was also further agreed that company uses facebook to advertise its products to prospective clients (mean=4.18). This implies the organization has endeavored to adopt the use of internet based advertising and use of facebook generally though this may not have been fully embraced as the main stream way of advertising the company product.

#### **4.5.1 Correlation between online advertising and Market Performance**

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

**Table 12. Online advertising and Market Performance**

<b>Correlations</b>			
		performance	online
performance	Pearson Correlation	1	.520**
	Sig. (2-tailed)		.000
	N	161	161
online	Pearson Correlation	.520**	1
	Sig. (2-tailed)	.000	
	N	161	161
**. Correlation is significant at the 0.01 level (2-tailed).			

**Source:** Primary data

From the above table 12 the research study revealed that there is a positive significant relationship between online advertising and Market Performance at Movit products limited in Uganda. The correlation coefficient of .520 with a significance value of .000 to explain the nature of the relationship between the two variables was obtained. Since the p.value is 0.000 higher than 0.01, therefore the relationship is considered to be significant among these two variables. This implies that in a situation where there is on line email advertising is effectively used, the feedback forums are well utilized, social media is effectively uses as well as website usage. Harker, (2008) explain that online or internet advertising can be defined as any form of commercial content available online, delivered by any channel, in any form, designed to inform customers about a product or service at any degree of depth. Internet advertising includes many different forms of advertising.

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

#### 4.6 Regression between Variables

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

**Table 13: Regression Analysis between Variables (Persuasive Advertising, Informative advertising and Online Advertising)**

Model Summary						
Model	R	R Square	Adjusted R Square			
1	.568 <sup>a</sup>	.322	.308			
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.602	.490		1.229	.221
	persuasive	.254	.103	.216	2.471	.015
	informative	.360	.131	.234	2.736	.007
	online	.301	.116	.268	2.595	.010
a. Dependent Variable: performance						

**Source:** Primary data

Results from the table above show a combination of persuasive advertising, informative advertising and online advertising and the level to which they can predict Market Performance.



These variables can explain 30.8% of the variance in Market Performance ( Adjusted R Square =.308). This implies that these three variables predict 30.8% chance change in Market Performance if the three variables are well managed. Most influential predictor of Market Performance was online advertising (Beta = .268) with a relative importance of 2.595 (in t test). Also informative advertising (Beta=.234) is a significant predictor of Market Performance with a relative importance of 2.736 (in t-test). Also persuasive advertising (Beta=.216) is another predictor of Market Performance with a relative importance of 2.471 (in t-test).

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

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

The informative view suggests further that advertised products are generally of high quality, so that even seemingly uninformative advertising may provide the indirect information that the quality of the advertised product is high. There are three reasons. The demand expansion that advertising induces is most attractive to efficient (low-cost) firms, and such firms are likewise attracted to demand expansion achieved by offering low prices and high-quality products. The

product experience memories that advertising rekindles are most valuable to firms with high-quality products, since repeat purchases are then more likely. The firm sensibly targets its advertising toward consumers who would value its product most. The informative view holds further that advertising is not used by established firms to deter entry; instead, advertising facilitates entry, since it is an important means through which entrants provide price and quality information to consumers

## **CHAPTER FIVE**

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

#### **5.0 INTRODUCTION**

The study examined the influence advertising on Market Performance of Movit Products Limited. The study specifically examined the influence of persuasive advertising, informative advertising and online advertising and how it influences Market Performance. This chapter presents the summary of findings, conclusions and recommendations of the study and these are presented according to the findings in objective in chapter four.

#### **5.1 SUMMARY OF FINDINGS.**

##### **5.1.1 The influence of persuasive advertising on Market Performance of Movit Products Limited,**

There was a positive significant relationship between persuasive advertising and Market Performance at Movit Products Limited Uganda ( $r=0.402$ ,  $p=0.00$ ). The obtained correlation coefficient of  $.402(**)$  with a significance value of  $.000$ , illustrates a significant positive relationship that exists between persuasive advertising and Market Performance at Movit Products Limited. Since the p.value is  $0.000$  is smaller than  $0.01$  the relationship is significant. This therefore implies that in a situation where advertising effectively manages emotional appeals in advertising messages, are able to control deceptive facts in advertising process, is able control fallacious messages in the advertising process and is also able to manage exaggerations with in advertising messages then the organizations performance is likely to be influenced.

Findings revealed that respondents agreed that (mean=3.53) on the fact that the company uses emotional appeals in its advertising process in their advertising process. This imply that the messages used have emotional appeals that attract people to take on the company's products and services which is an important aspect that in influencing the performance of the organization.

Findings, was disagreed that the company uses deceptive facts in some of its adverts in the marketing process (mean=2.38). Respondents therefore believe that the company does not use any deceptive fact in their advertising process to attract customers to buy their products. This may be as result business ethical codes of conduct or having good quality products that does not require such a deceptive language to market and such influences the performance of organization in the process of conducting business.

In the study, it was disagreed that fallacious messages are used in the advertising process to attract sales (mean=2.27). This implies that only accurate information is used in the advertising process. This allows the organization to keep its credibility in business and this largely builds confidence among many customers on the company products which is an important factor in improving the performance of the organization.

### **5.1.2 How informative advertising influences Market Performance of Movit Products Limited**

There is a positive significant relationship between informative advertising and Market Performance at Movit Products Limited Uganda. The relationship between the two variables is explained by the correlation coefficient of .410 with a significance value of .000. This implies that in informative advertising where the organization bases on factual information to do its advertising activities, in informative advertising that causes actual awareness on the products

offered by the organization, with informative advertising messages that are with elaborative descriptions and genuine appeals to change customers perceptions on the product then Market Performance is influenced in the process of business.

In the study, it was revealed that the company uses factual information in the advertising process (mean=4.08) and that the advertising messages give actual awareness to prospective clients (mean=4.24). Respondents in the study agree that agree that the company uses researched and facts on the organization and about the products being advertised. This allows the organization to give the required information and awareness on the products advertised. This allows the organization to advertise right and attract the right segment of customers and this largely influences the performance of the organization.

In the study it was revealed that it was revealed that the organization uses genuine appeals in advertising the company products (mean=4.46) and that in advertising of company products messages give elaborative descriptions of the organizations products (mean=4.27). The company emphasizes the use of genuine appeals in advertising the organizations products and the company ensures that it gives elaborative descriptions of organizations products. This helps to build trust among customers and hence a key aspect in influencing the performance of the organization.

In the study, it was agreed that advertisement in company is done with the objective to inform prospective clients of the company products (mean=4.18). Therefore the main objective of advertising messages is to ensure that the public which has prospective customers is informed of the various company products of course with their various benefits. This allows clients to have

their choice of the products and this determines the nature of performance the organization is likely to experience in the business process.

In the study, it was agreed that informative advertising affect the behavior of customers who have a need for information on our products (mean=4.27). The company uses informative advertising messages. Such informative messages help to change customer behavior towards the company products and this largely influences the performance of the organization.

In the study it was agreed that informative advertising offers experience memories that are important in ensuring effective in advertising processes (mean=4.28). The advertising messages are informative in nature and ensures that customers remain with memories of the product messages and this may influence their purchasing power in the long in the process, thereby influencing the performance of the organization.

### **5.1.3 The relationship between online advertising and Market Performance of Movit Products Limited.**

In the study, it was revealed that there is a positive significant relationship between online advertising and Market Performance at Movit Products Limited in Uganda. The correlation coefficient of .520 with a significance value of .000 to explain the nature of the relationship between the two variables was obtained. Since the p.value is 0.000 higher than 0.01, therefore the relationship is considered to be significant among these two variables. This implies that in a situation where there is on line email advertising is effectively used, the feedback forums are well utilized, social media is effectively uses as well as website usage.

In the study, it was agreed that the company uses mails advertising in advertising company products (mean=4.18). This implies that in an online method of advertising the organization endeavors to use mails to their different prospective and core customers. This allows the company to have a personal relationship with its prospective customers and actual customers and this influences customers as prospective customers may be turned into real customers hence the performance of the organization.

In the study, it was agreed the company uses feedback forums to advertise some of the products (mean=4.23). This implies that the organization endeavors to organize ways on how to get feedback from clients in for of forums. These are conducted both on line and off line the feedback forum help to provide people's feelings on the company and its products and this largely influences the performance of the organization.

In the study, respondents expressed mixed reactions on whether the company uses social media to advertise its products (mean=3.33) and whether it uses website to advertise for its products (mean=3.37). Therefore this implies that social media and use of websites to fully advertise the company's products has not been fully embraced and therefore is not fully used by the organization and this influences the performance of the organization.

In the study, respondents also expressed mixed reactions on whether the company uses search engine marketing to advertise for company products (mean=3.53). This implies that the company does not usually use search engines in advertising of its products. Therefore the organization does not particularly use search engines to do its advertising and this has a great influence.

In the study, it was agreed that the company uses SMS on line to advertise its products (mean=4.05) and it was also agreed that the organization uses internet based advertising to communicate company products to customers (mean=4.12) and was also further agreed that company uses face book to advertise its products to prospective clients (mean=4.18). This implies the organization has endeavored to adopt the use of internet based advertising and use of face book generally though this may not have been fully embraced as the main stream way of advertising the company product.

In a regression analysis it was revealed that persuasive advertising, informative advertising and online advertising and the level to which they can predict Market Performance. These variables can explain 30.8% of the variance in Market Performance (Adjusted R Square =.308). This implies that these three variables predict 30.8% chance change in Market Performance if the three variables are well managed. Most influential predictor of Market Performance was online advertising (Beta = .268) with a relative importance of 2.595 (in t test). Also informative advertising (Beta=.234) is a significant predictor of Market Performance with a relative importance of 2.736 (in t-test). Also persuasive advertng (Beta=.173) is another predictor of Market Performance with a relative importance of 2.471(in t-test). The implication in this model is that is online advertising is a big predictor of Market Performance meaning that in a situation where online advertising is effectively managed and implemented then there is more likelihood that Market Performance will significantly improve. Informative advertising is also an important predictor of Market Performance as respondents believe that advertising messages are more



accepted by prospective clients and real clients. Informative advertising is based on facts and this allows clients to trust in the products and services of the organization.

## **5.2 CONCLUSIONS**

From the findings of the study the following conclusions were reached

### **5.2.1 The influence of persuasive advertising on Market Performance of Movit Products Limited,**

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

### **5.2.2 How informative advertising influences Market Performance of Movit Products Limited**

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

### **5.2.3 The relationship between online advertising and Market Performance of Movit Products Limited.**

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

## **5.3 RECOMMENDATIONS**

From the findings of the study, the following recommendations were made.

Movit Products Limited can hire a consultant to manage the persuasive advertising especially in designing the messages that are supposed to attract a bigger number of clients. The consultant may need to package the information in persuasive advertising in such a way that it does not attract ethical issues that may lead to reputational damage to Movit Products Limited. If this is effectively managed this may improve on the performance of Movit Products Ltd in the long run.

There is need to improve on informative advertising by packing it in a way that the public sees its factual information being given to them. This will help build much greater confidence in the public in the company's products and services and this will help improve the performance of Movit Products Limited.

Movit Products Limited needs to intensify the use of social media and other online means of advertising. This can be done hiring a consultant to specifically design and manage the online

advertisements. This will help Movit Products Limited penetrate the different niche markets with increased number of customers that can improve on the market performance of the Movit Products Limited.

#### **5.4 AREAS FOR FURTHER RESEARCH**

1. Examine the role of sales promotion on firm performance .
2. Examine the effectiveness of social media in ensuring the performance of organizations.
3. The effectiveness of personal appeals in product marketing in an organization.
4. Evaluate the effectiveness of different marketing strategies

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## APPENDICES

### Appendix i: QUESTIONNAIRE FOR RESPONDENTS.

Questionnaire Number.....

Dear respondent,

I am requesting you to fill this questionnaire, which is aimed at collecting data on the influence advertising on Market Performance of Movit Products Limited. You have been selected to be one of our respondents in this study. The information provided will be treated with strict confidentiality and shall not be used for any other purpose except for academic purposes. The study will ensure your anonymity and confidentiality. Thank you very much for your cooperation

Yours faithfully

### SECTION: A.

#### Background information of Respondents

Tick the appropriate answer

1. Respondents Gender.

Male

Female

2. Level of education.

Secondary level

Diploma

Degree

Masters degree

PhD

3. Age of respondent.

Below 19 years

20-30

31-40

41-50

51-above

3. Period with this company

Less than 3 year

4-6 years

6-9 years

10-12 years

13 years and above

**SECTION B**

**Use the following key to answer the questions Bellow**

**Key**

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

**Influence of persuasive advertising on Market Performance of Movit Products Limited.**

		1	2	3	4	5
1.	This company uses emotional appeals in its advertising process					
2.	The company uses deceptive facts in some of its adverts in the marketing process					
3.	Fallacious messages are used in the advertising process to attract sales					
4.	The company some time use exaggerated messages when advertising company products					
5.	The company uses messages that have manipulative tendencies in the advertising					
6.	In advertising of organizations products the messages always have direct and indirect verbal claims					
7.	There is a lot of responsiveness of consumers to company adverts					
8.	Persuasive advertising helps changing customer preferences					
9.	Most of our company adverts uses non-manipulative persuasion messages.					
10.	In using persuasive advertising the company uses a set of ethical principles that helps to evaluate the moral of each message					

**How informative advertising influences Market Performance of Movit Products Limited.**

		1	2	3	4	5
1.	The company uses factual information in the advertising process					
2.	The advertising messages give aactual awareness to prospective clients					
3.	In advertising of company products messages give eelaborative descriptions of our products.					
4.	There are genuine appeals in advertising the company products					
5.	There is factual information in advertising messages of our products					
6.	Advertisement in this company is done with the objective to inform prospective clients of the company products					
7.	Informative advertising affect the behavior of customers who have a need for information on our products					
8.	Informative advertising offers experience memories that are important in ensuring effective in advertising processes.					
9.	Informative advertising helps to built trust of people in the company products					
10	Informative adverteng helps to convey the most right information to prospective customers					

**The relationship between on line advertising and Market Performance of Movit Products Limited**

		1	2	3	4	5
1.	The company uses mails advertising in advertising company products					
2.	The company uses feedback forums to advertise some of the products					
3.	The company uses social media to advertise its products					
4.	The company uses website to advertise for its products					
5.	The company uses search engine marketing to advertise for company products					
6.	The company uses SMS on line to advertise its products					
7.	The organization uses internet based advertising to communicate company products to customers					
8.	The company uses face book to advertise its products to prospective clients					

## Market Performance

		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1.	The gross sales the company has visibly increased in last two years					
2.	The net sales of the company have improved in the last few years					
3.	The overall market share of the company has improved					
4.	The customer base of the company has increased					
5.	The company now has more loyal customers					
6.	Many customers are ready to do repeat business					
7.	The company gets more referred customers					
8.	The company has more contented customers					

## Appendix ii. KREJCIE AND MORGAN TABLE

Table for Determining Sample Size from a Given Population

N	S	N	S	N	S
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	198	3000	341
80	66	420	201	2500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361

110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	100000	384

Note: N = population size

S = sample size

*\*Educational and Psychological Measurement, Krejcie & Morgan (1970)*