

EFFECTS OF ADVERTISING ON SALE OF AN ORGANIZATION

A CASE STUDY OF AIRTEL LIMITED, NAIROBI KENYA

BY

THOMAS MUTHINI MUTUO

BIB/20009/82/DF

**A DISSERTATION SUBMITTED TO THE SCHOOL OF BUSINESS AND
MANAGEMENT IN PARTIAL FULFILLMENT OF THE AWARD OF
BACHELORS DEGREE IN INTERNATIONAL BUSINESS**

ADMINISTRATION OF KAMPALA

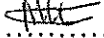
INTERNATIONAL

UNIVERSITY

NOVEMBER 2011

DECLARATION

I THOMAS MUTHINI MUTUO I declare that this is my original work and has never been produced by anyone in any other institution or examination body for award.

Signature of the student.....

THOMAS MUTHINI MUTUO

Date.....21/11/2011.....

APPROVAL

This proposal is being submitted to the school of business and management after being supervised by;

Supervisor's signature.....

MR BARASA HENRY

Date.....

DEDICATION

This book is dedicated to my parents Mr. and Mrs. Charles Mutuo, to my dad for being my inspiration am extremely proud of the much you achieved over your lifetime. To mum who is my precious treasure, your unconditional love and enthusiastic spirit as made me what I am today, and to God will be eternally grate full.

Last but not least to my siblings, there were moments in life when the thoughts of you gave me reason good enough to live and work harder. Thank you for being my inspiration.

ACKNOWLEDGEMENT

First I would like to thank God who I believe gave me strength to write this book. I return all glory to him because he deserves all my credits.

I would also like to say special thanks to my supervisor Mr. Henry Barasa for sparing his time to make my work a success. Once again, thank you.

Special thanks to my entire family. Your encouragement and support has made all this success. Thanks for your prayers, encouragement and support where things seemed to be tough.

To my dearest parents Mr. and Mrs. Charles Mutuo for their love, support. God bless you especially my mum who gave me strength each day.

In special way, I would like to send my heart full gratitude to my brother Dr. Patrick Kiiti Mutuo and Moraa Movin for the support to my success.

In a special way I would like to say special thanks to entire KIU community especially Mr. Henry Barasa, my friends Erico, Kevo, Mercy, Jeff, Konny and among others.

The list is inexhaustible but I thank you all for your contribution to my success in one way or the other.

TABLE OF CONTENTS

DECLARATION	i
APPROVAL	ii
DEDICATION	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENTS	v
LIST OF TABLES	viii
LIST OF FIGURES	ix
ABSTRACT	x
CHAPTER ONE	1
INTRODUCTION	1
1.1 Background of the Study	1
1.2 Statement of the Problem	2
1.3 Purpose of the Study	3
1.4 Research Objectives	3
1.4.1 The Specific Objectives Are;	3
1.5 Research Questions	3
1.6 Scope of the Study	3
1.7 Significance of the Study	4
1.8 Limitations of the Study	4
1.9 Conceptual Framework	4
CHAPTER TWO	6
LITERATURE REVIEW	6
2.0 Introduction	6
2.1 Concepts of Advertising	6
2.1.1 Online Advertising	7
2.1.2 Media Advertising	7
2.1.3 Outdoor Advertisements	8
2.1.4 Mobile Advertisements	9
2.2 Features of a Good Advert	10
2.2.1 Creative Approaches to a Good Advert	10
2.2.2 Steps Involved in Developing Effective Advertising Message	10

2.3 Criticisms of Advertising.....	11
2.4 Factors Affecting Sales.....	12
2.4.1 Market Segment Segmentation.....	12
2.4.2 Buyer Behavior.....	12
2.4.3 Product Personality and Perceptions.....	12
2.4.4 Situational Factors	13
2.5 Benefits of Advertising on Sales Volume.....	13
2.5.1 Information	13
2.5.2 Brand Image Building.....	13
2.5.3 Innovation	13
2.5.4 New Product Launch	13
2.5.5 Growth of Media.....	14
2.5.6 Benefit on Economic Performance.....	14
2.5.7 For Persuasion.....	14
2.5.8 Contribution to Economic Growth	14
2.5.9 Catalyst for Change	14
2.6 Ways to Improve Sales	15
2.7 Relationship between Advertising And Sales.....	15
CHAPTER THREE	16
METHODOLOGY	16
3.0 Introduction.....	16
3.1 Research Design and Location of the Study	16
3.2 Study Population.....	16
3.3 Sample Design	16
3.4 Methods of Data Collection.....	17
3.4.1 Questionnaires	17
3.4.2 Interviewing Method.....	17
3.4.3 Observation.....	18
3.5 Data Analysis.....	18
3.6 Research Limitation.....	18
CHAPTER FOUR.....	19
PRESENTATION OF RESEARCH FINDINGS AND DATA ANALYSIS	19
4.0 Introduction.....	19

4.1 Meaning of advertising to respond	22
4.2 Factors that affect sales volume.....	23
4.3 Relationship between advertising and sales volume.....	24
CHAPTER FIVE	26
SUMMARY OF THE FINDINGS, RECOMMENDATIONS AND CONCLUSION	26
5.0 Introduction.....	26
5.1 Summary of the findings.....	26
5.1.1 Importance of advertising	26
5.1.2 Factors affect sales volume.....	26
5.1.3 Ways to improve sales	26
5.2 Conclusion	26
5.3 Recommendations.....	27
5.3.1 Areas of future research	27
REFERENCES	28
APPENDIX I	29
QUESTIONNAIRE	29

LIST OF TABLES

Table 4.1: Gender of respondents.....	19
Table 4.2: Age of respondents.....	19
Table 4.3: Responses in the distribution of questionnaires	20
Table 4.4: Responses on advertisement that catches customer's attention	20
Table 4.5: Response on type of media channel preferred by Zain customers	21
Table 4.6: Responses on the meaning of the term advertising	22
Table 4.7: Responses on the benefit of advertising	23
Table 4.8: Response on features of a good advert.....	23
Table 4.9: Response on the factors that might affect sales volume.....	23
Table 4.10: Response on the suggestions about how to improve sales volume	24
Table 4.11: Responses on the relationship between advertising and sales volume.....	24

LIST OF FIGURES

Figure 1.1: Conceptual framework.....	5
Figure 4.2: Responses of the questionnaire.....	20
Figure 4.3: Responses on advertisement that catches customer's attention	21
Figure 4.4: Response on type of preferred media.....	22
Figure 4.5: Showing relationships between advertising and sale volume.....	25

ABSTRACT

The study is to establish the effects of advertising on sale it is guided by a number of objective which are to examine the features of a good advertisement to determine factors affecting sales and to determine ways to improve sales.

With telecommunication networks being so many Airtel limited has to explore the markets and come up with advertisement better than those of the competitors to help them survive in the competitive market. The study focuses on Airtel limited, Nairobi Kenya to determine the advertisement that Airtel can use because they are faced with the problem to increase on its sales due to Safaricom who are their top competitor. Data is to be collected on such information using interviewing, observation and questionnaire. Interviewing is done by the use of face to face conversation, the number of respondents who participate such as top management, employees of Airtel and both Safaricom is made up by stratified random technique which to 25 people.

The findings of the study shows that there are a number of effects of advertising on sales, that is consumers awareness, it gives favorable images which help in generating brand loyalty and help in new product launch.

Also sales is affected by factors like, careful market segmentation the perception of the product brand in the mind of the customers and market situation like competition, price position among others. From the findings sales can be improved by building customers and brand loyalty by use of aggressive advertising by stressing unique features of the product by creating goodwill for the product, brand or company and by motivation of the customers.

From the research findings there were the following recommendations that there is need for Airtel limited to use an effective advertisement that could attract more customers for example their advert should be in local language that is familiar to the consumer. Also consumers should be motivated and given a chance to give a suggestion on the advert they prefer, market segmentation is also important whereby the marketing department should invest more in sport branding the company should have good advert that is creative and innovative. In addition there should be customers loyalty they should provide all the information that the customers need in their phone kits, this will give the company better public image, also brand loyalty reduce the prices of their brands in order to make their services more customer friendly among others.

CHAPTER ONE

INTRODUCTION

This chapter gives the background of the study, statement of the problem, purpose of the study, research Objectives and research questions, scope of the study, significance and limitation of the study.

1.1 Background of the Study

According to Crawford (1999), the more man knows about advertising and its outcome, the better. He must learn to certain effects lead to reactions, and use that knowledge to increase and avoid mistakes.

The field of advertising management is made up of a system of interacting organizations and institutions, all of which play a role in the advertising process. At the core of this system are advertisers, the organizations that provide the financial resources that support advertising. Advertisers are private or public sector organizations that use mass media to accomplish an organization objective. It is the decisions to invest resources in purchasing time or space in such mass media as television, radio, newspapers, magazines or internet that basically distinguish advertisers from non-advertisers.

According to Myers (2000), the advertiser provides the overall managerial direction and financial support for the development of advertising and the purchase of media, time and space, even though many other institutions were involved in the process. A focal point is the development of an advertising program or plan for the advertiser, in cases where a several different kinds of products or services are offered by the advertising organization, a separate program may be developed for each.

The resulting advertisement is usually aired or placed several times, and the resulting schedule of exposure is referred to as an advertising campaign. The development and management of an advertising campaign is associated with an advertiser's brand, product or service was thus a major point of departure for advertising management.

According to Belch and Belch (2003), analyzed that today; advertising finds itself in a serious bind. With a down economy, the tragedy of 9/11, and new technology that may threaten the way advertising operates, there is a need to think of advertising as a strategy alternative. Advertising would only survive and grow if it focuses on being effective. All advertisers are

expecting results, based on their stated objectives. Clients expect proof, and for the most part, that proof must lead to or actually produce sales.

Advertising plays an important role in society, particularly in industrialized countries that have well developed mass communications infrastructure. There were three categories of issue concerning advertising and society. Two of them represent the aggregate effects of advertising on society's value and lifestyle society's economic well being. The third focuses on the nature and content of advertising to children, marketing, environmental and health claims in food marketing.

Etzel (2003) added that it was unreasonable to separate the economic and social effects of advertising that should have include an analysis of its economic impact. Advertising enhanced buyer decision making by of providing information and by supporting both new and old brand names. Advertising was a paid form of communication, although some forms of advertising such as public service announcements (PSAS), used donated space and time. Not only was the message paid for, but the sponsor was identified. Most advertising tried to persuade or influence the consumer to do something, although in some cases the point of the message was simply to make consumer aware of the product or company.

In an ideal world, every manufacturer is supposed to talk on a one-on-one with every consumed about its product. But personal selling, a one-on-one approach is very expensive.

Today's advertiser provided customization through use of the internet such as the World Wide Web, but it was not the same as meeting with every customer individually to discuss a product or service.

According to William (2003), advertising campaigns for example of food and beverage product were often the hardest to standardize, since eating and drinking habits and beliefs are often very culture-bond. It was easier to standardize advertising of a new brand than it was for an old established brand which may already have multiple and to reconcile images in different markets, thus facing incompatible marketing challenges.

1.2 Statement of the Problem

Airtel Company has been currently experiencing changes in its brand names and colors. When it came to brand familiarity, Airtel has vigorously ensured its presence was felt in the Kenyan market. This is due to high competition in the telecommunication network. The changing of names from Kencell to Celtel to Zain now to Airtel is black and a light shade of

green. The logo for Kencell was “Yes” Celtel” making life better” Zain was “a wonderful world” and Airtel is “feel free”.

Every advertiser generally hopes or assumes that each advertisement would increase sales. However according to Williams (2003), to get to any sale, there are communication activities the need to take place and these were often the best indicators of the success of an advertising message.

Measuring of returns or sales through advertising is a major factors that different companies should have coincided in order to have helped them guide their performance where by incase of any major strengths, they can be exploited fully.

1.3 Purpose of the Study

The researchers choose Airtel limited company Nairobi because it is one of the new telecommunication market entrants who need to use a lot of advertisement so that the effect of advertisements on sales could be assessed.

1.4 Research Objectives

The general objective is to assess the impact of advertising on sales volume in Airtel communication network.

1.4.1 The Specific Objectives Are;

- a) To determine features of good advert campaign.
- b) To determine factors affecting sales volume.
- c) To determine ways to improve sales.
- d) To establish the relationship between advertising and sales volume.

1.5 Research Questions

- a) Which are the features of good advert campaign?
- b) Which factors affect sales volume?
- c) What are the ways to improve sales?
- d) What is the relationship between advertising and sales volume?

1.6 Scope of the Study

The research is narrowed down to Nairobi’s Airtel branches located in Mombasa road, Uniafric house and Koinange street. Its main aim is to evaluate how advertisements affect

the sales of the service. The participants in the research are both to the customers of Airtel and a few of Safaricom dwelling around Nairobi.

1.7 Significance of the Study

The findings of this research shall be used to improve level of advertising that usually attracts more sales to Airtel. The research was of great importance to the selected company (Airtel limited) as it gives an insight to the customer's preference about different services.

The findings of this study shall help consumers who consume services from the selected company since the research would analyze the strengths and weaknesses of the selected company and the kind of advertisement that suit the preferred products and services.

The findings of the study shall be used for comparative analysis purpose like for academics and by future researchers who shall be taking research related to this field.

1.8 Limitations of the Study

The respondent may not willing to give information since the company considers the information to be confidential and the researcher has to inform the organization that the research is for academic purpose.

Time availability for the study is too short and collected data will not be enough to accomplish the purpose of the researcher, thus time available will be scheduled to complete the project.

Hardships in getting the literature review due to limited literature because not all books have the information, thus the researcher has to use the literature available to the best.

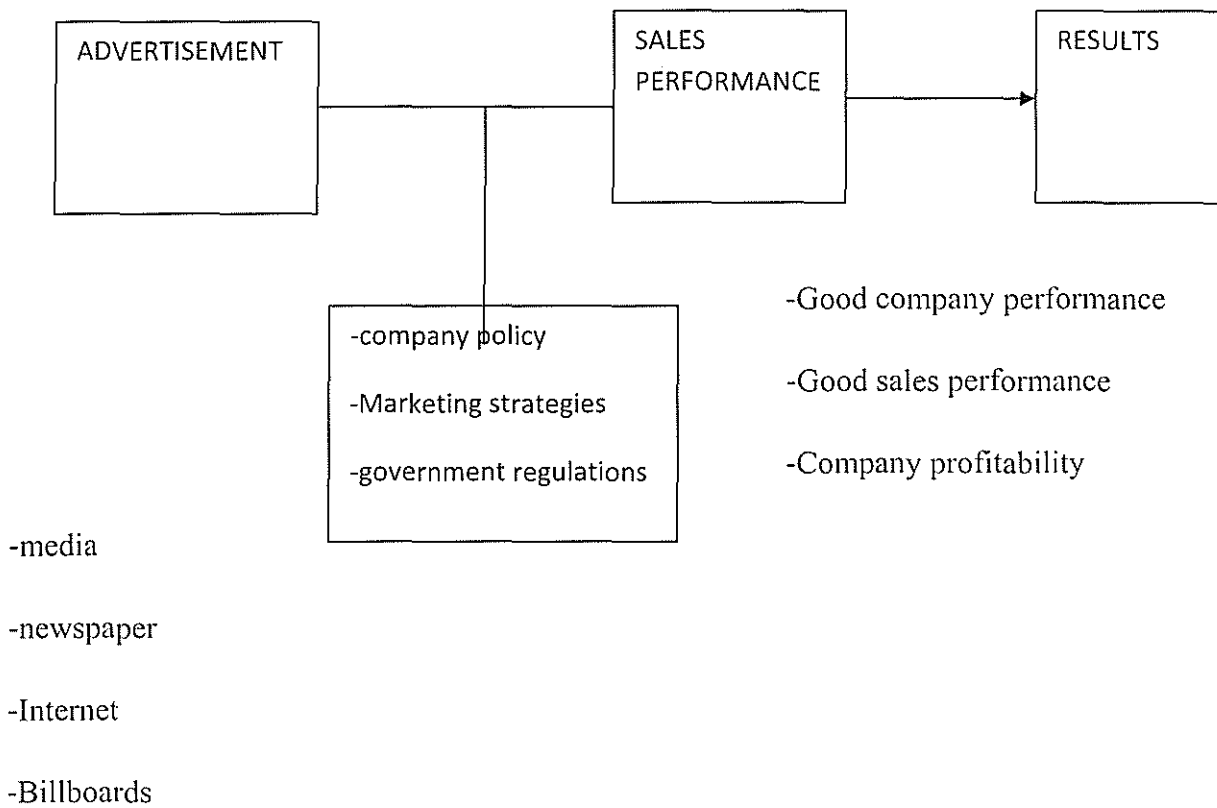
Language barrier also may limit the collection of data because some cannot understand and read English thus the research had to interpret for the customers.

1.9 Conceptual Framework

A conceptual framework defines the topic of researcher through the explanation of variables within the topic. Independent variables determine, predict and influence the dependent variables. Dependent variables are prone to influence the intervening variables. Intervening variables work hand in hand in sometimes with independent variables. For the purpose of this the conceptual framework was illustrated below.

Conceptual framework

Figure 1: Conceptual framework



INTERVENING VARIABLES

Advertisement is the independent variable and sales performance was dependent variable. An advertisement is affected by factors such as media, newsprints, internet and billboards, which if well managed could benefit increase of sales performance. Intervening variables are the external forces that affect advertisement directly and indirectly. This would have an impact to the company bringing the above results such a good company performance, good sales performance and company profitability.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter looked at the concepts of advertisements, types of advertising, criticisms of advertising, factors affecting sales volume, benefits of advertising on sales volume and ways to improve sales volume.

2.1 Concepts of Advertising

According to Gareth (1996), Advertising was said to be any paid form of non-personnel presentation and promotion of ideas, goods or services by an identified sponsor, and from management viewpoint, advertising was a strategic device for gaining or maintain a competitive advantage in the market.

According to Burnet (2003), effective advertising worked on two level; first, they should satisfy consumers' objectives by engage them and delivering a relevant message. And the advertisements must achieve the advertiser's objectives which may include increasing sales, initially, a consumer would be interested in watching an advertisement for its entertainment value or to satisfy her curiosity. If the advertisement is sufficiently entertaining, she would remember it.

The adviser's objectives differ from the consumer's. Ultimately, advertiser wants consumers to buy and keep buying their goods and services. To move consumers to action, they must gain their attention. They must then hold their interest long enough to convince them to change their purchasing behavior, try their product and stick with their product.

There are very few bargains in advertising spending. You get what you pay for here. But to maximize the return on what you are for, keep two questions in mind: was my ad going to capture interest; and had I chosen the right channel for reaching my target audience?

Most magazines are issued monthly so it can involve a long in time to getting in to print and getting responses.

Smaller advertisers don't get the best positioning in magazines and are usually crowded together at the back. And be careful to verify the stated circulation figure of the magazine. Some waste the circulation.

According to Kotler (2001), yellow pages are a telephone directory or section of a directory (usually printed on yellow paper) where business products and services are listed alphabetically by field along with classified advertising.

The advantage of yellow pages is:

Your advertisement lasts for an entire year and placed in such a way that your prospects can find you at the time they want to.

The advantage of yellow pages is:

Most yellow pages advertising is expensive. Bigger advertiser and those who've been advertising longer than you will be at the front of the section.

2.1.1 Online Advertising

According to Wood (1997), online advertising is a form of advertising that uses internet and World Wide Web in order to deliver marketing messages and attract customers. For example pay per click, banners rich media, search engines among others.

Pay per click, (internet); an internet advertising model used on search engines, advertising networks and content sites, such as blogs, in which advertisers pay their host only when their ad is clicked.

Advantages of pay per click are:

It's an expensive way to advertise so it limit small companies.

Reach a great number of people.

Disadvantages of pay per click are:

It's limited to computer literate that because; advertisements can only be viewed by those who can assess the computers.

2.1.2 Media Advertising

According to Wood (1997), television advertisement also known as television commercial is a span of television programming produced and paid for by an organization that conveys a message. Advertisement revenue provides a significant portion that conveys a message.

Advantages of TV advertising include:

A medium with high effect where there is possible airtime to purchase in a slot that can be finely selected to be at a time when your targeted audience segment is most likely to be viewing.

Disadvantages of TV advertising include:

TV is an expensive medium-the cost of airtime, of producing commercials, and difficulties in getting quality time slots for budget advertisers often rules it out. However, depending on what you're trying to sell, you might be able to promote on cable or satellite television using a show that's viewed primarily by members of your target audience. It might also be possible to present your own another smaller station can come up with something interesting each week.

According to Kotler (1999), Radio (in USA also called a spot by people in the business) is a form of advertising via the medium of radio. Airtime is purchased from a station or network in exchange for airing the commercials.

The advantages of radio advertising include:

Radio can be affordable enough to allow repetition of your offer. You can select a station pretty accurately by its demographics and home in on your target audience. Commercial production costs are low. It's an immediate medium and so works well for promoting events, such as a special sale, on the day.

The disadvantages of radio advertising include:

The audience of any station is geographically scattered and may not be able to take advantage of your offer. There's also a lot of 'clutter' when four or five different ads run one after another. Radio impact is limited in that you can't show your product, nor can you expect to get across a lot of detail about it.

2.1.3 Outdoor Advertisements

According to Kotler (1999), a billboard is a large outdoor advertising structure, typically found in high traffic areas such as alongside busy roads. They present large advertisements to passing pedestrians and drivers. Typically show large ostensibly with slogans and distinctive visuals.

Outdoor advertising is quickly gaining in popularity, the wide impact and cost-effective nature of billboard advertising is undeniable. Billboard advertising continues to gain as quality method of expressing a company's sale message and market their services.

Advantage of billboards advertising:

Billboard advertising grabs the attention of potential customers like no other form of advertising can.

They portray brand awareness and strong name recognition.

They are colorful, creative and eye-catching ads which have more impacts and reaches out thousands of people daily.

They are colorful, creative and eye-catching ads which have more impacts and reaches out thousands of people daily.

Target a specific audience according to location and direct potential clients and customers to your place of business.

Disadvantages of billboards advertising

It's a cost effective form of outdoor media which has 24hour exposure compared to a TV commercial or a newspaper advertisement.

Billboard ads are easily affordable thus limits the small companies.

2.1.4 Mobile Advertisements

According to Kotler (1999), Mobile advertisements, it's the use of telecommunication network to advertise to your customers.

Advantage of mobile advertising:

Reach a great number of people on daily basis.

Disadvantages of mobile advertising

It an expensive way of advertising this because you have to purchase for airtime to make the calls.

2.2 Features of a Good Advert

Good adverts can simply be termed and associate feelings with brands. Such advertising involved developing associations with the brand or brand uses such that the experiences of using the brand is transformed or changes into something different.

To achieve such transformational associations or a good advert, it was necessary to have a substantial media budget, maximum consistency over time and closely connect the brand with the advertising. (Aaker 2000).

2.2.1 Creative Approaches to a Good Advert

According to Crawford (2000), there are different approaches that advertising people can use in order to stay creative. All adverts use creativity to lead to a more effective good advertisement that delivers the advertisements objective.

Ads need to contain a persuasive message to take action. There has to be a relevant connection with its audience and present a selling idea in an expected way.

The following points make adverts effective: that is adverts try to deliver the right message, to the right person at the right time, it has to be fresh, unexpected and unusual and it has to be effective; the idea has to have an impact.

The creative concept can be defined in terms of four characteristics.

- Focus-it should be narrowly focused
- Uniqueness -an approach that no one has never seen before
- Generativeness -it can extend beyond initial execution into related ideas to permit the development and evaluation of campaign
- Truth having some truth about a product

Creative people are more interested in winning awards than achieving the sales objective. Crawford clearly outlines that effective advertisement should make a product shine and not the author. Advertisers need to evaluate the advert before they can consider its effectiveness.

2.2.2 Steps Involved in Developing Effective Advertising Message

A good advertising communication involved:

Identifying the target audience, potential buyers, current users, deciders or influencers of the consumption of the product.

Determine the communication objectives- Is the advert intended for awareness (informative advertising), persuading consumers to your product/brand or reminding the consumers of the product.

Design the message- that is you have to develop an effective message to gain either attention, hold interest, arouse desire and cause action to the viewer.

Select the communication channel which is efficient and enable the advertiser deliver the message to intended audience and also achieve the goal of advertising. Examples of communication media channels included news papers, radio, television, direct mail, radio, magazines and internet and out door. The choice of advertising channel/media depends on the advantages and disadvantages associated to it.

Establish total communication budget, how much would be spend on the promotion if it fits in the media cost. The advertising budget often depends on the product life stage. For instance, new products need large advertising budget to build awareness and inform consumers to build the product.

Decide on the communications mix-advertising, sales promotion, public relation to be used to communicate the message effectively.

Measure the communications results, where the communicator must measure the impact of the advertising, sales promotion and public relation campaign on the target audience. (Kotler 2000).

2.3 Criticisms of Advertising

The communication process was usually not complete. It involves the sender; the message and the receiver whereby all should get feedback from each other, but in advertising the receiver does not send his feedback to the sender.

Some advertisement may not well be understood by the customers this is because the type of advertisement used may have failed to reach the target market.

The planning of an advertising campaign is expensive because it needs creativity which requires mixture of marketing skills.

A wrong advertisement can lead to poor allocation of resources like finances which lead to closure of the organization.

Availability of some media for advertising may be limited in a particular geographical area, this factor reduces media alternative for the company to choose from. (Belch and Belch, 1998).

2.4 Factors Affecting Sales

According to William (2000), main advertising campaigns turned out to be unproductive because of lack of clarity, regarding the focal objectives of a specific campaign.

Advertising was a force that increases productivity and sales. Results are measurable provided specific advertising objectives are defined. The factors to be considered in setting a voluminous advertising are as below:-

2.4.1 Market Segment Segmentation

According to William (2000), through careful market segmentation, the target audience could be identified. Market segmentation was a continuous process in order to keep the changes in consumer type, the buyers behavior and social-economic and environment parameters in check. Failure to keep the parameters, advertiser strategies may result in unsatisfactory return on advertising investment.

2.4.2 Buyer Behavior

According to William (2000), an insight into the buyer behavior was at the core of communication objectives, it was necessary to acquire familiarity with individual, social and group alignment of decision makers and influences. Advertising communication must take care of underlying patterns of buyer's behavior in setting objectives so that strategies and messages may be according derived. Needs and motivation of decision makers may asses through the use of various qualities marketing and research methods.

2.4.3 Product Personality and Perceptions

Advertising a product gives distinct form and can contribute to the success of a brand. It was not only characteristics and properties of a product or special features of a service which contributes towards the sale because this can be copied by competitors. It was the perception of the product and the brand in the mind of the consumer which contributes to greater sales. (Crawford 2000).

2.4.4 Situational Factors

Sales volume would be derived from marketing objectives which will be based on an ongoing assessment of the market situation, competition, price position, distribution channels and their incentives among others.

Due consideration should be given to the time period to which the objective are confined. (Crawford 2000).

2.5 Benefits of Advertising on Sales Volume

According to Crawford (2000), clearly outlined the basic benefits of advertising that companies or business organizations acquire to improve on the sales, these benefits are:-

2.5.1 Information

Consumers needed information about various goods and services. Due to ignorance a consumer may purchase inferior products, aim higher prices or even not know that the products exist. Information given in an advert could be above the company and its products and or services. (Crawford 2000).

2.5.2 Brand Image Building

Images are mental pictures may appeal to different segments of the target audience in varying degrees. The images projected are geared to match the need of a targeted market. Favorable images will help in generating brand loyalty and a disposition to buy that brand in preference to another. (Crawford 2000).

2.5.3 Innovation

According to Kotler (1999), advertising performed this task more effectively for new products in a way; it reduced that risk of innovation. The cost of innovation can be recovered by the sales which advertising may have generated and these encouraged manufacturers to undertake research and development. Advertising does not guarantee of all these products.

2.5.4 New Product Launch

Another benefit was new product launch. Various strategies including advertising were employed to make buyers aware of new products. The term new product may include modification of existing products in intention of competitive products and upcoming accusations. (Kotler 1999).

2.5.5 Growth of Media

The acceptance of advertising enhanced the potential for raising revenues. This in time helped the launching of new publications and expanding the media. Other long-term and indirect benefits are that, advertising increased distribution not only of the advertising products as well.

Advertising helped to reduce the cost of goods sold to the consumer. The cost of production and selling are lower. Advertising was a feature of a free competitive enterprise and can be a contributory factor towards greater availability of goods. Advertising was an important factor in product improvement. (Batra 2000).

2.5.6 Benefit on Economic Performance

According to Kotler (2000), advertising played many roles which brought out various implications to the economics performance of company. These roles were:- communication with consumers, where there was an increased need for information about a wide variety of products and as the economy expands and grows more complex. Advertising reminds existing customer as well as cultivating new prospects. Advertising therefore has been described a effective communication with the target audience.

2.5.7 For Persuasion

Advertising attempted to persuade prospective buyers to buy a product or service. The consumer should be aware of the advertiser's persuasive interest no matter how restrained or informative the message may be. (Batra 2000).

2.5.8 Contribution to Economic Growth

This was by helping to expand the market, particularly for a new product and also develop a new market segment. A company which invested in research and development in order to develop new products had to depend a greater deal on advertising for establishing the products for these markets.

In the broader social context, advertising would be motivating factor for the less privileged as they may be induced to some extent to make additional effort and see the opportunities increasing their purchasing power. (Batra 2000).

2.5.9 Catalyst for Change

Another benefit of advertising was that it acts as a catalyst for change. Creativity inherent in advertising leads to the discovery for new relationship that can change the perception of a

prospect. The ability to bring about changes comes from originality, innovation and imagination in advertising. (Batra 2000).

2.6 Ways to Improve Sales

Building customer and brand loyalty that is by offering affordable brands to the customers; a good example was whereby you have to introduce a brand that was cheaper than that of the competitor.

By use of aggressive advertising that drew customer's attention. For example, where you use different types of media to advertise that was Radio, TV, Newspaper and Billboards.

Sales were also improved by stressing unique features of the product, brand or company. For example by sponsoring events like, educational activities or games, or voluntary work like offering relief food.

Sales would also be improved by motivation whereby you award the winner or a person who uses your services more often.

The ultimate goal of every business was to increase its sales, to improve on sales and approach to advertising was needed that provides guidelines for intelligent decision making. (Wood 1997).

2.7 Relationship between Advertising And Sales

According to Philip (1989), advertising can work if sales are going down as a competitive pressure on the brand in the market place, because effective advertising maybe helping to slow this process of sales going down. In addition there is both a direct and indirect relationship between advertising and sales volume. Advertising was used as a tool for achieving organizational goals and objectives and for every business its main objective is to improve on the sales.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter looks at methods and techniques that were used to collect and analyze data. It included research design, study of population, sampling design, methods of data collection, analysis and limitations of research.

3.1 Research Design and Location of the Study

The research will use descriptive technique as this would enable her to get the actual research variables that would be used to show the effect of advertising on sale volume in Airtel limited.

The research shall also rely heavily on qualitative data that was the use of the case study. This will ease up the research process as it will make the researcher become more focused on the issues that are related to advertising on Airtel.

3.2 Study Population

The study mainly will focus on the top management of Airtel, customers and the staff of Airtel Nairobi and customers of Safaricom. The population includes the managers directly involved with promotions in the marketing department in Airtel Nairobi. The organization was chosen because of its convenience in accessibility, the limited financial resources available to the researcher and the researcher's familiarity to the organization. The target population consists of a hundred employees of the organization and fifty customers from Safaricom, who are the competitors of Airtel.

3.3 Sample Design

The researcher will use sample random sampling techniques in that whether one was on probation or confirmed would be put into consideration. Resident would be identified depending on their willingness and availability to take part in the study or exercise.

The primary respondent for the research will include five respondents from Sales and marketing, Customer department, Human resource and subordinate staff working in sales department. The sample of the top management will be 5; the employees were 25 out of 150 from Airtel.

3.4 Methods of Data Collection

The data collection instrument is basically self administered questionnaire, which comprised of open and close-ended question that were answered by the respondent to the best of his or her knowledge.

The questionnaires are distributed to respondent that were selected randomly. The researcher prepared two sets of questionnaires whereby one set made for customers and the other set was to be filled by managers of the selected companies.

Interviews will also used in data collection from which the researcher was asked questions and respondent answer from selected respondents.

Secondary data sources will include textbooks, internet, magazines, yellow pages, radio and television. These sources would be great importance as they enabled the researcher to have a foundation of research. Data relating only to Airtel from available from available records.

3.4.1 Questionnaires

These are carefully designed instruments for collecting data in accordance with the specification of the research questions; it was an efficient data collection mechanism when the researcher knew exactly what is required and how to how measure the variables of interest.

Questionnaires could be administered personally or mailed to respondent for this case study, questionnaires were self administered to target of respondents. The advantages of questionnaires was preferred because they are less expensive compared to the other methods. They could be stored for future references, they would give straight forward answers, they covered as a wide geographical area since the research approached respondent more easily and therefore easy to evaluate. (Amin 2005).

3.4.2 Interviewing Method

The research will define interviewed as questionnaires where the investigator gathered data through direct verbal interactions with participants. An interview would used especially with the head of advertising in the company, top management and the customers. The advantage of this method was that the research would carry it face with the respondent. (Berg 1989).

3.4.3 Observation

According to Amin (2005), observation as a method of data collection that employed vision as its main means of data collection, was a process in which one or more persons examine what was happening in some real life situation and then classified and recorded pertinent happenings according to some planned scheme. The advantage of this method was that the information given by the respondent was protected and there is confidentiality of information and better recommendations based on personal observation.

3.5 Data Analysis

The respondent would fill the questionnaires as soon as possible only filled questionnaires would be coded, edited and analyzed and recorded in a summary tabled in computer program. These would be coded and response that would need explanation would be recorded on paper.

The statistical program for social science (SPSS) would be used to determine the different weights of response given and with the easiness to cross/tabulate with the program would reduce the massive paper work. (Berg 1989).

3.6 Research Limitation

The study was likely to face following problems, most of the Airtel limited Nairobi employees are busy. They have limited time to attend to the research. The research will solve this by socializing with a few of them to link the research with more of them.

Some organization ask for payment in order to reveal information on their organization for instance, organization profile and employees confidentiality, that they disclose some of the information, thus the research has to get them informed the research is for academic purpose.

CHAPTER FOUR

PRESENTATION OF RESEARCH FINDINGS AND DATA ANALYSIS

4.0 Introduction

In this chapter, the researcher has presented the findings, analysis and interpretation of the data. The sample population comprises of 25 employees out of 150 employees in the organization of which three are from the top management directly involved with decision making in the organization, fourteen from sales and marketing, five from ICT department. Eight from finance department, and ten from human resource departments.

All the questionnaires were answered by the different respondents in the different department of Airtel limited Nairobi, Kenya.

Table 4. 1: Gender of respondents

Gender	Frequency	Percentage
Male	14	56%
Female	11	44%
Total	25	100%

Source: Primary data

The majority of the respondents were male represented by 56% while 44% were female. This showed that the gender was balanced; therefore, the responses got from the study were great value in the study of advertising and sales in Airtel Nairobi Kenya branch.

Table 4. 2: Age of respondents

Age	Frequency	Percentage
18-25	2	8%
26-30	4	16%
31-35	5	20%
36-40	6	24%
41 and over	8	32%
Total	25	100%

Source: Primary data

The majority of the respondents were of the age category of 41 years and over, which were represented by 32% of the responses, while the majority of the respondents was of the age 18

years, who were represented by 8% response rate. It is clear that Airtel limited should put into consideration age bracket of 41 years and over as it does everything because they are the majority in the company.

Table 4.3: Responses in the distribution of questionnaires

Department	Frequency	Percentage
Marketing	5	20%
Finance	5	20%
Human Resource	5	20%
ICT	5	20%
Top management	5	20%
Total	25	100%

Source; Primary data

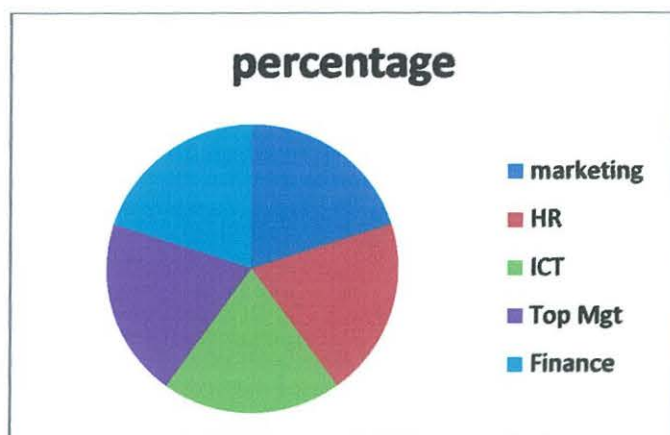


Figure 4.2: Responses of the questionnaire

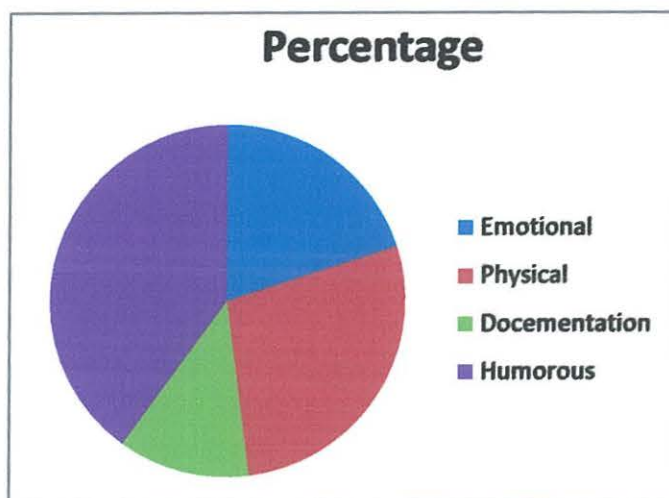
Because all departments had equal representation, the findings of this research represent are of much benefits as all departments had equal participation.

Table 4.4: Responses on advertisement that catches customer's attention

category	Frequency	Percentage
Emotional	5	20%
Physical	7	28%
Documentation	3	12%
Humorous	10	40%
Total	25	100%

Source: Primary data

Figure 4.3: Responses on advertisement that catches customer's attention



The research revealed that majority of the respondent represented by 40% of the responses feel that Humorous advertising catches their attention, while majority of 12% of the respondents preferred documented advertisements.

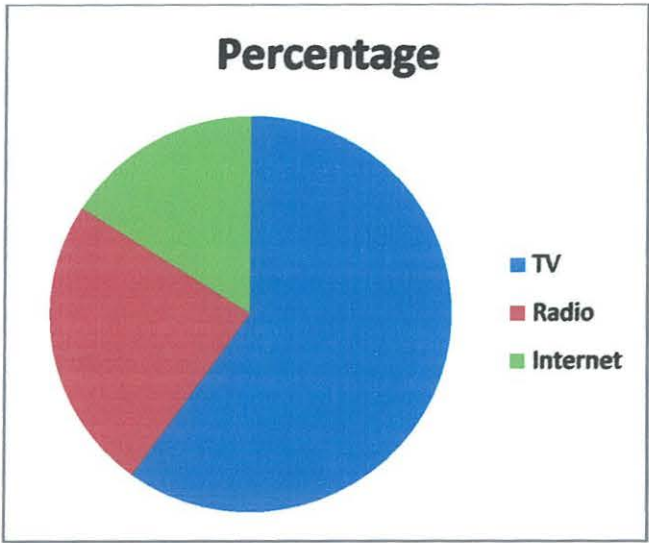
Some of the respondents revealed that the twendelee kuongea zain advert in Kenya caught the attention of many customers and zain customer volume increased. Another example switch ufurahie since the brand has been able to fetch the company a lot of sales. Some respondents said that they would switch from safaricom to zain due to intense advertisements that zain has had for switch ufurahie, a brand that is cheaper than other safaricom brands and they localized it by using local language and local individual in advertising.

Table 4.5: Response on type of media channel preferred by Zain customers

Category	Frequency	Percentage
TV	15	60%
Radio	6	24%
Internet	4	16%
Total	25	100%

Source: Primary data

Figure 4.4: Response on type of preferred media



This shows from the above majority **60%** preferred TV as a media that attract them most reason being the customer are able to follow each step of advert and they are able to change to which advert pleases them and convince them. The minority which is **16%** preferred internet, the disadvantage with internet is that many people cannot access the internet because it is expensive and the internet cannot be found in many areas.

4.1 Meaning of advertising to respond

Table 4.6: Responses on the meaning of the term advertising

Respondents category	Frequency	Percentage
No_ of respondents who knew the meaning	20	80%
No_ of respondents who didn't know the meaning	5	20%
Total	25	100%

Source: Primary data

From the response given by the respondents **80%** of respondents understand the meaning of advertising and its uses while **20%** didn't understand the meaning.

This concurs with Burnet (2003), who asserts that effective advertising work on two levels, first, they should satisfy consumers' objectives by engaging them and delivering a relevant message.

Further, advertisements must achieve the advertiser's objectives which may include increasing sales. Initially, a consumer may be interested in watching an advertisement for its entertainment value or to satisfy her curiosity. If the advertisement is sufficiently entertaining, she may remember it.

Table 4.7: Responses on the benefit of advertising

Responses	Frequency	Percentage
Yes	18	72%
No	7	28%
Total	25	100%

Source: Primary data

The research findings show that **72%** of the respondents agreed that there are benefits of advertising while **25%** responded that there was no or little benefit from advertising.

This occurs with Crawford (2000), who asserts that advertising offers information to consumers need information about various goods and services, builds brand image to the audience among others.

Table 4.8: Response on features of a good advert

Responses	Frequency	Percentage
		80%
		20%
		0%

Source: Primary data

The table shows that majority of the respondent which was represented by **80%** agree that a good advert should appeal to the audience and should fit in the communication budget.

4.2 Factors that affect sales volume

Table 4.9: Response on the factors that might affect sales volume

Factor category	Market segmentation	Consumer behavior	Product personality	Product perception	Situational factor	Total
Frequency	8	5	2	5	5	25
Percentages	32%	20%	8%	20%	20%	100%

Source: Primary data

The findings revealed that, large number of respondent by 32% suggested that market segmentation was one of the factors that affected sales volume, whereas minority that was represented by 8% suggested product personality, affected sales volume.

This occurs with William (2000) that some factors can improve sales and others can lead to sales decline. Although other respondents suggested other factors such as buyer behavior, situational factors and product perception, this agrees with.

Table 4.10: Response on the suggestions about how to improve sales volume

Suggestion category	Brand loyalty promotion	Awarding customer	Customer loyalty	Stressing unique features	Creating goodwill for the product	Aggressive advert	Total
Frequency	6	6	5	4	3	1	25
Percentages	24%	24%	20%	16%	12%	7.5%	4%

Source: Primary data

The findings revealed that, majority of respondents represented by 24% suggested that in order to improve on factors that affects sales volume brand loyalty and awarding of customers should be setup, should be aggressive, though other suggestions were proposed such as customer loyalty and stressing of unique features.

This agrees with Wood (1997), who asserts that, Sales would be improved by customer loyalty, creating goodwill for the product and motivation among others.

4.3 Relationship between advertising and sales volume

Table 4.11: Responses on the relationship between advertising and sales volume

Responses	Frequency	Percentage
Yes	20	80%
No	2	8%
No response	3	12%
Total	25	100%

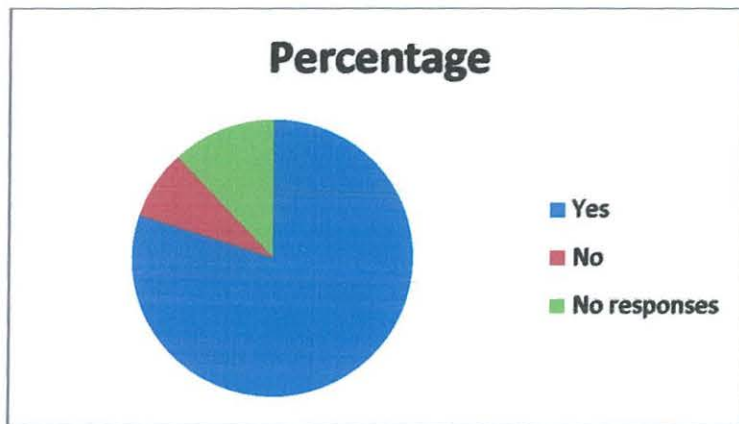
Source: Primary data

The research findings revealed that majority of the respondents represented by 80% stated that there was a relationship between advertising and sales volume while minority

represented by 20% shown that there was no relationship between advertising and sales. Thus advertising has a big impact on sales volume for Zain.

This agrees with Philip (1986), advertising can work if sales are going down as a competitive pressure on the brand in the market place, because effective advertising maybe helping to slow this process of sales going down.

Figure 4.5: Showing relationships between advertising and sale volume



CHAPTER FIVE

SUMMARY OF THE FINDINGS, RECOMMENDATIONS AND CONCLUSION

5.0 Introduction

This chapter represents the summary of the research of findings, conclusion and recommendations based on findings of the research and areas of further research.

5.1 Summary of the findings

5.1.1 Importance of advertising

The findings of the research revealed that use of advertising had many advantages to the company which include; helping consumer get aware of information about various goods and services, it gives favorable images which help in generating brand loyalty and a disposition to buy that brand in preference to another, help in new product launch and acceptance of advertising enhanced the potential for raising advertising revenues.

5.1.2 Factors affect sales volume

the research findings revealed that, different research factors affect sales volume, these include; careful market segmentation, the perception of the product and the brand in the mind of the consumer which contributes to greater sales and sales volume would also be derived from marketing objectives which will be based on an on-going assessment of the market situation, competition, price position, distribution channels and their incentives among others.

5.1.3 Ways to improve sales

The findings of the research indicated the ways to improve on sales volume included; building customer and brand loyalty that is by offering affordable brands to the customers, by use of aggressive advertising that drew customer's attention, sales were also improved by stressing unique features of the product, by creating goodwill for the product, brand or company and by motivation of the customers.

5.2 Conclusion

Based on the researcher findings, it was concluded that there is also a close relationship between advertising and sales volume and when advertising is done efficiently and effectively it leads to increase in sales volume. Therefore, companies need to advertise efficiently and effectively to survive and thrive in today's competitive market.

5.3 Recommendations

Based on the research findings the following are the recommendations for Airtel Nairobi. The company should have effective market segmentation the marketing department should invest more in sport branding a good example is by sponsoring a football club whereby they use the company name and colors.

Have good advert that are creative and innovative most respondents complained that their advert are predictable. They should have more humorous or interesting advertisements that can easily be remembered by the customers.

Have customer's loyalty they should provide all information that the customers need in their phone kits. This will give the company better public image, thus attraction of more customers.

They should have brand loyalty that is, reduce the price of their brands in order to make their service more customer friendly and more affordable than those of the competitors.

Airtel should focus more on the Kenyan market especially when it comes to advertising in order to make customers accept their product more this can be possible by the use of local language.

Airtel should design the message that is you have to develop an effective message to gain either attention, hold interest, arouse desire and cause action to the viewer also. Select the communication channel which is efficient and enable the advertiser deliver the message to intended audience and also achieve the goal of advertising.

Airtel should also establish total communication budget, how much would be spend on the promotion if it fits in the media cost. The advertising budget often depends on the product life stage. For instance, new products need large advertising budget to build awareness and inform consumers to build the product.

Airtel should decide on the most effective communication mix-advertising, sales promotion, public relations to be used to communicate the message effectively.

5.3.1 Areas of future research

There is still need for research to be done on motivation and sales volume in Airtel. Further research can also be done in channels of distribution and sales volume.

REFERENCES

Aaker, David A, and Meyers, John G. (1975) *Advertising Management*, (4th Ed) Englewood cliffs, NJ: Prentice Hall, inc.

Amin M E, (2003) *Social science research* conception, methodology and analysis. Kampala: Makerere University.

Belch and Belch, (1998) *Introduction to Advertising and Promotion*, (5th Ed) *Integrated marketing communication approach* London: Prentice Hall.

Berg, B.L (1989) *Qualitative research methods for social science*, London: Ally and Bacon.

Crawford and Di Benedetti, (2000) *New product management* (7th Ed) New jersey: Prentice Hall inc.

Cravers, Lamband Crittenden, (2000) *Strategic marketing management* (2nd Ed), New York: Pearson Education, inc.

Drucker P, (2005) *Advance marketing consultant website*. New York: Pearson Education, inc.

Gareth J, (1996) *Principles of marketing* (3rd Ed) New Jersey: Prentice Hall.

<http://www.ktec.com>

<http://www.businessknowledgesources.com>

kenner C.K and Hardt B.K (1983) *Marketing and management* (2nd Ed) New Jersey: Prentice Hall

APPENDIX I
QUESTIONNAIRE

Dear madam/sir

I am a student Mr. Thomas Mutuo of Kampala international university carrying out a research on effects advertisements on sales of an organization. The study is purely for academic purpose and it is a partial fulfillment for the award of Bachelor's degree in international business administration at Kampala international university to the researcher. Feel free to avail any information, as all information got shall be treated with utmost confidentiality.

Questions

Tick where appropriate..... YES OR NO

1. Name.....(optional)

2. Sex

Female

☐

Male

☐

3. Age

18-25

☐

26-30

☐

31-35

36-40

41-45

46-50

Above 50

4. What kind of advertising draws your attention?

a) Emotional

b) Physical

c) Documentation

d) Humorous

5. Between Radio, Television, Newspaper and Internet which one do you prefer as a customer of Airtel.

Give reason(s)

6. Do you know the roles of advertising?

YES ☐ NO ☐

If YES suggest them.....

7. Please suggest the features you would like to be in an advert

.....

8. Do you know the factors that affect sales.

YES ☐ NO ☐

If YES suggest them.....

9. Do you know of any ways to improve on the company sales?

YES ☐ NO ☐

If YES suggest.....

10. What do you understand by advertising?

.....

.....

Thank you for your cooperation.