

**THE EFFECTS OF ADVERTISING TO SALES PERFORMANCE
CASE STUDY OF LAKE BOGORIA HOTEL IN KENYA**

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DECLARATION

This research proposal is my original work and has not been submitted before any other University or institution of higher learning for the awards of diploma or degree.

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APPROVAL

I, certify that the research dissertation submitted by the candidate was done under my supervision.

NAME: FRANK MUGIZI

SIGNATURE


.....

DATE

16/05/09
.....

DEDICATION

To almighty God, my wife Joyce, children, my beloved parents and my dear brothers and sisters, Relatives and friends for their kindness and support.

Also not forgetting comrades for their support and encouragement they displayed in the past three years to all I appreciate their efforts.

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ABSTRACT

The study was carried to investigate the effects of advertising to sales performance in Lake Bogoria Hotel. It was guided by a number of objectives, which is to know different advertising mechanism employed in the hotel industry, to assess the influence of advertising to sales performance and to examine the challenges of advertising in Lake Bogoria Hotel .The study mainly concentrated on Lake Bogoria Hotel customers and employees. It determined the effects of advertising to sales performance since the company was faced with stiff competition, declining sales and rivalry from other hotels. Questionnaires were issued out and random interviews was also carried out

The study revealed that various forms of advertisement may be employed by Lake Bogoria Hotel. These include electronic print, brochure, website among others. The study further revealed that these different methods of advertisement have improve on the hotel sales in terms of value and efficiency ,increased publicity, income demand among others thus indicating a positive relationship between sales and advertisement. However the positive relationship came at a cost; poor perception, limited coverage, high costs, competitors influence, high level of illiteracy were among the challenges faced by the hotel and its bid to advertise

From the research findings the following recommendations can be emphasized that for high customer satisfaction scores, the hotel should ensure it performs very highly on all possible variables and soft issues of image building, skillful product information fit and ease of hotel locality. Customers need to be informed, educated, persuaded, reminded and given an actual change of image to make innocent customers who had already changed their minds to other places.

CHAPTER ONE

Background of the study

The hotel industry have over the years focused on advertising with primary aim of improving sales turnover, this has been through transmission of eye catching messages by radios, television, brochures and news papers to increase sales turnover from reliable and committed customers.

Gitomer (2007). States that the customer acquisition environment is providing quality customer service experience and gaining customer confidence. He believes that the interaction generally begin with good services and product awareness regarding production, product choice, cost and availability. The objective is to create interest in the image for a product and to influence reader or viewers to select a specific brand.

Hotel's recordings of poor sales have been attributed to insufficient information concerning product, letting people to know what their business offers. Lack of persuasion information to potential customers on what they can offer has also led to poor sales. Hotels are mostly ineffective to remind customers of what they offer that can benefit them with memorable experience and value. Most of the hotels register fluctuating customer turnover depending on the product and service promotion. Customers like to be taken care of. They want to believe that the business are looking after them and truly want to give them what they want and need.

The concept of advertising becomes more accessible to many people when they recognize that advertising add psychic value to a product in the customer's mind. Ditcher (2000) agrees with this statement that a product image inherent feature of the product itself. The information contained in an advert may say nothing verbally about quality but makes the positive image by advertising. It may denote quality; make the product more desirable to the customers between the service provider and the customers. According to Zikmund (1997), communication is the process of exchanging information with and conveying meaning to others. The goal of communication is to make products and services more desirable or interesting to customers.

Hallowell, (1996). States that good customer care leads to higher customer satisfaction which translates into higher price, improve customer loyalty with strong link to increase brand awareness. Advertising is also found to be strongly correlated with re-purchase intentions. The willingness to recommend the hotel and improve cross buying. This is evidenced by hotels goes to the market, they ran an advertisement to tell the potential customer about it and where could get it with the aim of stopping them from being swayed away the new players in the market.

Smith (2003), points out that good sales performance is what the sales force has to achieve by retaining existing customers and selling to new customers. Performance is important because it focuses on the profitability, increased number of customers, where customers are satisfied, relationship selling and partnering and also employee motivation.

Hotels like Bogoria currently face a lot of obstacles both political turmoil and competitors in the market, which has drastically reduced the number of customers visiting hotel both for recreation activities and accommodation. The mushrooming of new players in the hotel industry pose a challenge, each spending to gain a substantial market position. Like Bogoria, hotel witnessed a challenging business environment that resulted from political violence which affected their good sales performance. Therefore the need to strengthen the consumer attitude and to set the scene image to stimulate back sales performance over a short time period.

1.1 Statement of the problem.

Successful advertising means making the customer come back for more and getting them to recommend your products to others. Sales performance is a factor to advertising offered to customers in different hotels. The negative image witnessed in political violence affected heavily the hotel industry; hotels were inaccessible, loyal customers turned away to other places making the hotels lose their market share.

The coming up of luxurious hotels within its industry with more similar products and services may lead to business threat if customers are not given hospitable image, information, insufficient services and product awareness with no need to remind so often about the future changes that add up to customer benefit and value. It makes customers feel out of place and

shifting to other hotels where they think to be served what they want, which leads to reduction in sales performance. This study therefore looks on effects of advertising to sales performance with a focus on Bogoria hotels.

1.2 The purpose of the study.

To find out the effects of advertising to sales performance in the tourism industry. The case study of Lake Bogoria hotel, Kenya.

1.3 Research Objectives

- To know different advertising mechanism employed in the hotel industry.
- To assess the influence of advertising to sales performance.
- To examine the challenges of advertising to the hotel industry.

1.4 Research questions

- What different advertising mechanisms are employed in the hotel industry?
- How to assess the influence of advertising to sales performance?
- How to examine the challenges of advertising to the hotel industry?

1.5 Significance of the study

The researcher was enriched with skills on which advert to use when to do it and its relevance to hotel business. To the researcher through information which will be used to identify and define advertising opportunities and problems, generate, refine and evaluate ,marketing hotels and monitor sales performance.

The study will specify the information required to address marketing trends, effectiveness of the current advertising and offers insights into necessary changes for exploring new opportunities in the industry.

1.6 Scope of study

This study was carried out in Lake Bogoria hotel (Kenya). It majorly focused on the effects of advertising to sales performance, the geographical location is in Lake Bogoria just 125 km from Nakuru in Kenya. The study took five months between March – August 2009.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

A critical review of literature on related topics was done in this chapter. Objective was focused one after another starting from history of the hotel industry, advertising of the hotels and advertising to sales performance and challenges of advertising in hotel industry.

2.1 History of the hotel industry

Hotel as a concept originated in the 6th century BC in the form of inns, these were fun couples and provided sleeping arrangements in big rooms. Sinha, (1999), defined Hotel as a place where a traveler can receive food and shelter provided he can pay for it. While the practice of renting space to travelers stretches back to antiquity, what could be considered the modern concept of a hotel derives from 1794 when the city Hotel opened in New York City. It was purported to be the first building devoted exclusively to hotel operation. Similar operations soon appeared in such nearby cities whereby hotels took a distinct style and class that offered features which for the first were amazing. Private and double rooms were available which offered not only privacy, but also security.

In 1908, marked the beginning of the modern commercial hotel era. Many services now considered standard were introduced, including such amenities as light switch next to the door, private bathe, ice water and a morning newspaper. They set standard of the day by being clean, comfortable and affordable.

In 1920s, Hotel building entered a boom phase and many famous hotels were set up, motels began to replace roadside cabins as use of automobile spread throughout society – offering clean rooms with adjacent parking, motels enjoyed great popularity with the traveling public. In 1950s the practice of franchising appeared within the industry in which much of their history were owned and operated by individuals. However, as franchise and chains began to appear individually owned hotels found themselves increasingly at a competitive disadvantage.

From the 1980s forward, mergers and acquisitions became common within the industry and brands became hotly traded commodities. Recently use of management companies has entered the mainstream and as a result many chains are more involved in management than in ownership.

The hotel industry is a mature industry marked by intense competition hence has been fundamentally altered by the logic of marketing. The word hotel is a collective term for Motels, Inns and other lodging properties. According to Medlik, (lecturer notes (2008), Hotels can be classified according to location e.g coastal resorts or city resorts. Relationships with a particular means of transport, purpose of visit and main reason for guest stay. He further agrees that hotels may be classified according to the range of facilities and services. This may range from the provision of overnight accommodation with breakfast only or full board accommodation.

The UK Hotel proprietors act (1956) gives the definition of Hotel and establishment offering food, drink and accommodation to any traveler presenting her/himself who appears able and willing to pay a reasonable sum of money for the services and facilities offered and should be in a fit state to be received. Some of the common American Hotel classifications are:

- Commercial Hotels - cater mainly to business guest and usually offer room services, Coffee – shop, dining room, cocktail lounge, laundry and valet services as well as access to computers and fax services. Mainly located in the business district where business transactions are concentrated and the business people are the majority who utilize these hotels.
- Airport Hotels-are found near airports and are suited to provide any level of service from just a clean room to room service and they may provide bus or limousine services to the airlines. Their target markets include the airline travelers, the lay-overs and airline personnel.
- Suite or all-suite hotels - are hotels which offer spacious layout and design. Business people like the setting which provides space to work and entertain separate from the bedroom. These hotels generally have fewer and more limited public areas and guest

services than other hotels. The guest who used these hotels include travelers who want to enjoy comfort in privacy, families on holiday, professionals who want to discuss their business in confidential and a comfortable environment.

- Casino Hotels - are quite luxurious hotels. Their main purpose is in support of gambling operation and also often offer top name entertainment and excellent restaurant.
- Residential hotels - They are used to provide long term or permanent accommodation to guest who want and could afford daily limited hotel services.
- Economy hotels – Provides a limited services and are known for clean rooms at low prices meeting just the basic needs of a traveler.
- Conference Hotels – Are designed to specifically provide meeting space for groups that can use all services and equipments necessary to handle conventions.
- Resort hotels – Are the planned destinations of guest usually on vacation. This is because they are located at scenery places or away from the inner cities, they offer any form of entertainment to keep their guest happy and busy

2.2 Advertising of the hotel industry.

Hotels shall find ways of informing the public of their existence otherwise how can customers buy something they don not know exist. Indeed, closing the communication gap is one of the greatest challenges facing hotel industry, particularly after developing new services. Advertising together with the other elements of the promotion could be a means of communicating with hotel's various public. For effectiveness, hotels need to adapt an integrated consumer communication strategy backed by innovative advertising.

This can be evidenced by the already presence of hotels in the media. Prime time commercial breaks have undergone a quite transformation from traditional fast – moving companies to now days advertising breaks let it be TV or Radio have a rather healthy sprinkling hotels services and other hospitality messages.

Traditionally, the hotel industry barely advertised, but there is now a remarkable advertising no doubt promoted by the growing market and heated competition. Hotel players by feel the need to be seen and heard, hence the hotel sectors tendency to advertise for market increase. Therefore striking the right chord with customers through advertising is more crucial where by

some hotels may go for the high octane, super-charged emotional kind of advertising and some may decide to stick to keep it simple.

However, the industry is at a stage where the service buyer's level of familiarity with products is still immature. Hotels can not yet be recognized by their products and services they offer, simply because most industry do not communicate this through the advertisements, instead they chose to connect with potential buyers on an emotional plane of trust and confidence.

2.3 Advertising and sales performance

In order to improve sales performance in hotel business, they shall respond top the way customers normally think and behave when buying in order to get their wallets out. Smith, (2003), stated essential part of improving sales performance as seen like: show them the pain you undergo to make them satisfied, they need to understand what the product will do to them and know that they would not get so bombarded with commercial messages that makes them indifferent. Advertising let consumers feel informed and tells them the real picture so that they can personalize the good use of a product or service offered by hotel industry, understanding this will let one make more sales. Advertising also shows customers the value of the products and services offered, the place in which it is offered and the price at which the offer is made. This softens potential customers that there is no risk by taking away any doubts in mind and assuring them they are making right decisions and risk free by taking upon their products and service.

Authors like, Mammi (2003), stated strongly how to make customers attentive to advertisement directed to them. Many customers do not listen to advertising messages beamed to them because of ignorance, therefore you need to get customers attention before you can say anything to them so that they will be able to buy the products. The most successful hotels place great value on developing lifetime relationship with their customers in today's competitive market place, Business people should be aware that their customers are aggressively prospected and their loyalty cannot be taken for granted. Customer focused hotels recognized that relationship on service as a critical component for promoting the customer retention and sales performance. Some of the advertisement is aimed at combating or neutralizing the effects

of competitors while much advertising are undertaken in order to convince non users of a product or service to use it.

Recreational hotels shall make themselves attractive, more so, image building enable hotels initiate institutional advertising to improve their image within the overall market. The target for such advertisement may be the final consumer or intermediaries within the trade. This can be seen in advertising bulleting showing some unexpected surprise on site images to customers in order to make them attractive, also can be seen in advertising bulleting showing some destinations offering a mix of activities suited to the sports enthusiasts, here it advertises the reduced prices in luxurious horse back riding, tourist fishing, mineral spar, swimming and golf course. This helps the guest understand and get good idea of what price they are willing to pay and where they will want to be entertained at the most attractive place hence improve sales in hotel industry.

Advertising also trigger customer's imagination by converting the benefits delivered by the services or products into vivid pictures. It facilitates other hotels marketing activities through communication whereby it makes prospects more knowledgeable about the hotel's products and services and therefore reduce the time sales men must spent with prospect informing them about product features and benefits. In effects, it helps support a hotels personal selling programme by opening the customer's door for salesmen. Advertising arouses customer's interest to a particular service or products when hotel marketers use dramatizing pictures that let consumers feel like to be enjoying those particular services and products benefit

The primarily goal of advertising in hotel business entities is to encourage their customers to rind ways to trust them once again. Trust is probably the most basic human value in business. Obarski, (2003), used the following principles of the building and maintaining trust in business in order to improve sales performance; telling the truth in business builds a solid relationship between businessmen and the customers. He encourages the business people to use the principle while serving both internal and external customers. Many hotels have failed due to poor business advertising letting competitors to sway away current and potential customers which really negatively affect sale performance.

Sales performance is a factor of advertising. Author Zeitham, (2000), shows positive evidence on the direct effects between advertising and sales performance by MacDonald's advert, just because of their brand familiarity help keep the viewers or readers trust and product confidence of MacDonald's services and products even if they don't attend to the spoken or written context of their advertisement which leads to higher profitability. Other researchers like (Buzzel, 1987; Fomel, 1992) indicates that customer informative advertising translates into higher than normal market share growth. Hotels therefore shall establish systems to monitor how their customers perceive the quality and quantity of the product and services provided to them and find out persuasive solution in case of negativity about the services in order to ensure stable sales.

Boe, (2003) Identified the following factors for maintaining a customer for life:

- Building good seller – Buyer –relationship in business today is mandatory if you are to keep your customer for life. There are an alarming number of dissatisfied customers, lost of sales and failed relationship due to lack of effective communication to customers. Currently, we are accessed to innovative tools such as the Internet to enhance our relationship with our customers for life.
- Temperament understanding of the customer behavioral styles helps to foster effective communication in business today. One should be sensitive to customers needs for reassurance and guarantees of buying from your hotel business because some of the behavioural styles for customer are aggressive , expressive, passive or analytical of which requires a unique approach and communication strategy with quick fix and bottom line solutions to make them buy again from your business place.

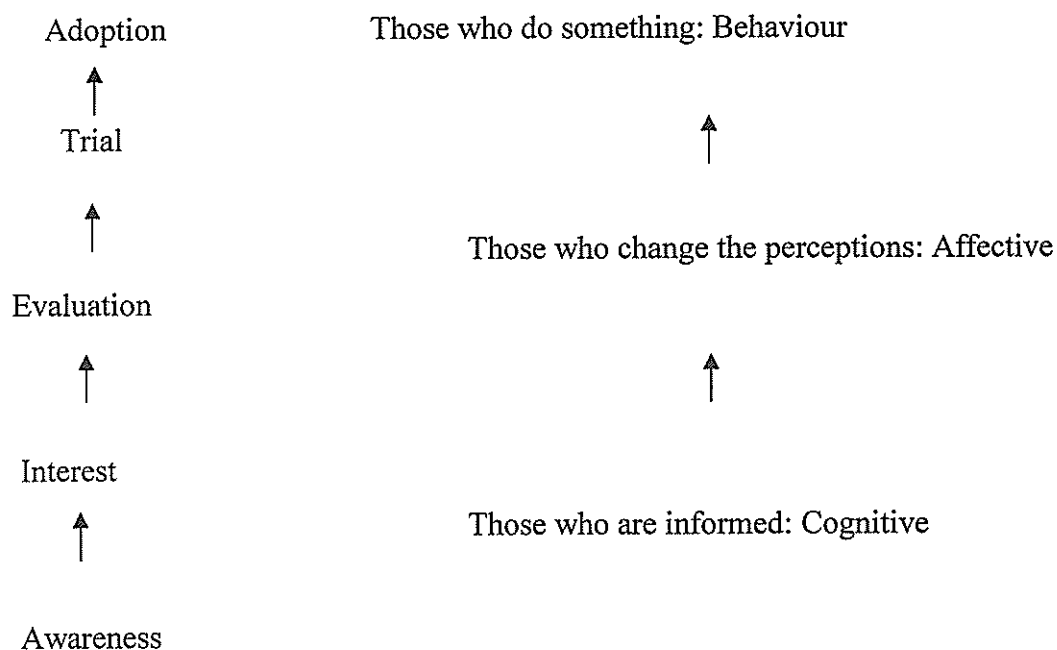
In business one should improve communicational objective to inform target public who need information of all manner of things; products and services specifications, product availability, prices after sale service new product and a new branch. Persuading seems harder than informing. It may require the receiver of the message not only to understand what is being said but also to act on it in some way. Persuading may be at the level of simply changing somebody's perceptions of something but usually you want people to do more than just changing their minds. You want them buy a product, carry on buying an old product and to recommend the product to a product

The success in advertising and promotion creates the relationship between informing and persuading that is frequently summed in simple terms that increase sales volume and profitability.

- Cognitive - the lower order level of simply knowing something.
- Affective - a higher order level of letting what one knows influence what one actually thinks and believes.
- Behaviour – The highest order level of translating what one thinks and believes into action.

Rogers adoption model (2004) says whatever advertising system is used, they are always communication objectives to be achieved. These are described as ascending from the simple transmission of knowledge through changing the way somebody actually thinks to affect somebody's behaviour.

The Rogers adoption model:



The hotel advertiser wants things at the front of our minds, this is to do with action like buying something, which is commonly associated with market share. The more products are sold as a result of such message the greater the share of market will be. To ensure a stable sales, advertising is sometimes used as a sales force to support a salesman's calls or invite inquiries from potential customers. It also reinforces the appeals offered by salesmen or

emphasizes the theme or directives of the overall advertising campaign to create morale booster for their service providers especially to increase the sales of goods and services during out of season. Tourist hotels in Kenya shall advertise heavily to local residents during the off season to maintain brand loyalty among customers thorough the year

2.4 Challenges of advertising in the hotel industry.

It is true to say that we are living in the information where knowledge is power, because advertising is in its most basic form, conveyor of information, advertising is so visible, it receives a great a deal of attention from citizens and the government. Advertising relies on imagery and message themes that emphasizes the benefits and satisfying characteristics of services offered in hotel industry, rather than trying to stimulate an immediate action from an audience for example, delayed response from of advertising attempts to create service brand awareness, reinforce the benefits product or service benefits of using a brand, develop a general liking for the brand and create an image for the brand. Further more; consumers can become more aware of their own tendencies toward being persuaded and relying on certain types of products or services information. Here better educated consumers enhance their lifestyle and economic power through market place decision making.

Advertising also can waste resources and only raises the standard of living for some. It represents an inefficient, wasteful process that channels monetary and human resources in a society because it does stimulate demand rather it only shift demand from one brand to another, which creates confusion and frustration of the consumer. Moreover, target audience or potential audience who receive and interpret. Messages sent from advertisers through mass media cannot be fully communicated because there may be surety that the message will actually get through to them.

The regulatory systems also are also part of framework of policy and strategy that are applied so advertising. "to quote Sir Timothy R. (1993) Chairman of the advertising standard authority reports; overall, our main concern now is that there are still some media who have been willing to publish advertisements that ought not to be published". Any advertising activity promote word of mouth to press release is subject to control of one sort or another fro example if hotel is planning some aerial advertising, it would be well advised to consult the laws

relating to aviation if it does not wish to be prosecuted for flying in a commercial plane's path while poster constructors must get permission from local authority planning department before erecting new sites. Local authorities and police forces frequently need to be consulted before signage is erected outside an exhibition hall or sports ground, abound of such signage being unceremoniously pulled down because the right permission had not of all been obtained.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research design

This study deployed both qualitative and quantitative techniques. Quantitative techniques involved data in form of tables and other statistics while qualitative will be used in areas of explanatory.

3.2 Area of the study

Lake Bogoria Hotel is in the North Rift Tourist circuit which has some of the world's most popular attraction. It is located at the floor of the rift valley, 266 km from Nairobi, Kenya's Capital city, 125 Kilometers from Nakuru town and 20 kilometers from Marigat Town.

The Hotel has a capacity of 21 standard rooms 23 excellently furnished cottages and 2 exquisite VIP suites for those that are looking for a little extra comfort. Each room has elegant furnishing, telephone, private bath and single was basin facilities. Dinning and Bar, specialized in different cuisine and has got situated at convenient strategic open air terrace.

The hotel is complete with conference facilities that cater for up to 120 people; it is a serene environment ideal for team building, business, retreats and strategic planning meetings. Sporting facilities includes swimming pool, a health club, pool table, table tennis and Guided bird watching activities. The hotel is also five minutes drive away from Lake Bogoria National reserve popularly known for the hot springs geysers.

3.3 The sampling techniques

The researcher used two types of sampling techniques for carrying out the research which included; purposive sampling and convenient sampling. Purposive sampling was used to select respondents that are known to have information regarding the area of study. These included Lake Bogoria tourist clients, marketing managers, suppliers and competitors. While in convenient sampling, the respondents were selected total 60.

Table showing type and number of respondents

TYPE	Number
Marketers	10
Employees	20
Tourist	10
Individuals	20
Total	60

3.4 Data collection methods

3.4.1 Documentary review

The researcher collected data through the review of already existing literature. These was done through reading and quoting published materials and analysis of existing documents related to advertising and sale performance.

3.4.2 Questionnaires

Questionnaires was taken from the study population of; Lake Bogoria employees and was administered to the chosen respondents who are focused to the subject to ease data collection.

3.4.3 Interview

Interview method was usually in a face – face setting to seek information from the chosen population of Lake Bogoria hotel.

3.5 Data analysis

The researcher organized and extracted meanings from data collected during administration of questionnaires to ease the process of data analysis. This data was gathered, analyzed using frequencies, tabulation to come up with meaningful opinions as presented by writers. The gaps that exist in the different literature was established by use of personal judgment to arrive to an opinion.

CHAPTER FOUR

PRESENTATION AND INTERPRETATION OF FINDINGS

4.1 Advertising mechanism employed in the lake Bogoria hotel

Table 4.1: Response analysis.

Type of advertisement	Frequency	Percentage
Electronic (TV)	18	11
Print media (Newspapers)	15	9
Brochures (Leaflets)	10	6
Website (computers)	5	3
Verbal (Word of mouth)	10	6
Interactive (LCD display)	4	2
TOTAL	60	100

Source: Primary Data (2009)

4.1.1: Electronic advertisement.

This is a visual machine that consists of a screen either black or white or mostly colored to display out vibrant video with sound adverts. From the field, 11% of the respondents revealed that the use of Televisions (Table 4.1) was mostly preferred by the hotel. This was attributed

due to the fact that most of the consumers are equipped with the Televisions, therefore it is easy for the hotel to target a mass market at a low cost hence increases their revenue and profit arising from high sales.

4.1.2: Print media

This is forms of written materials which communicates information and mostly consist of Magazines, Newspapers and Books. From the above table, 9% of the respondents revealed that Lake Bogoria hotel used Newspapers to target their customers because it was found that most of them are well educated, therefore able to analyze and interprets the advertised material.

4.1.3: Brochures

These are printed leaflets showing products images clearly seen that can captivate audience. From the field, 6% of the respondents showed that the use of leaflets was paramount mechanism. It was found out that customers are given leaflets once they make a visit to the hotel or randomly issued to individuals hence it was easy to display hotel facilities, staff, menu, room décor and the surrounding environment which creates a pulling effect to potential customers.

4.1.4: Website

It is a corporate networks and wireless setups linking people, machines and companies around the globe connecting sellers and buyers as never before. According to the findings 3% of the respondents revealed that preferred the use of internet to reach to its customers, this was because it is a world wide web that can easily advertise the hotel to a wide geographical coverage within the shortest time possible. Also its advertising uniqueness is very effective generating favorable reactions by the consumers.

4.1.5: verbal

This is perhaps the most powerful information source for consumers because it involves trustworthy buying decisions from friend's recommendations. It involves advertising slogans, music and humor to heighten positive word of mouth. From the field 6% of the respondents suggested that the hotel used word of mouth as means of advertising. It was suggested that, verbal was

tremendously cheap because it is reflected by the hotel customer care which in turn the satisfied customers recommend the same experience to others.

4.1.6: Interactive

This is a machine that consists of an LCD which displays vibrant, color high resolution digital video/audio adverts continuously. The concept according to the study, revealed that 2% of the respondents believed that LCD with high quality commercial adverts attracts clients to appreciate the free service that the machine provides especially when displayed at a strategic point. It was also noted that the adverts are viewed while taking advantage of the free service as well as everyone passing by and also advantageous because images are clearly seen from a distant of at least 10 metres.

4.2 Response on influence of advertisement to sales performance

4.2.1: Increases value

According to the study, the hotel benefited a lot because adverts creates perceptions to consumers that a brand provided satisfaction beyond what their experience in relation to what they paid hence in return the sales volume gradually increases year after year due to constant influence of the hotel products and services in the minds of the consumers.

4.2.2: Increase in sales efficiency

Adverts allow sales people in hotel to do standard work in less time because according to the study, the product and services awareness has already been put in consumers mind therefore it was possible to do more sales at a short period of time. It was also revealed that, customers visit the hotel with more ease due to the fact that they are fully aware of what is available to them at the time, reducing that process of inquiries and negotiations. This benefits the hotel employees serve a number of customers efficiently thus avoiding complaints that can damage the hotel reputation at the long run.

4.2.3: Increased publicity

Is public information about a good or service for which the hotel does not have to pay. In the study, it revealed that adverts used in Lake Bogoria hotel often act as the most credible source of awareness and increased its sales after several link between good services and the consumption of the products. This underscores a peculiar reality of marketing no matter how many millions are spent on an adverts, nothing sells a product better than free publicity.

4.2.4: Contributing to revenue and profit generation

Advertising communicates persuasive information to the consumers based on the value created in the hotel that highlight right brand features, right price and availability attract customers hence sales will occur and the hotel generates revenues. According to the findings, it was revealed that profit trend was ascending due to constant advertising throughout the year.

4.2.5: improved prospecting

The findings further revealed that in Lake Bogoria hotel, information revolution brought change in the nature of selling. Initially the changes were shallow and by undertaking aggressive advertising created interest in product design, price, service delivery and the way pressing issues were solved. It was evident that after several period of awareness, more new customers came in thus increased the sales volume.

4.4.6: Increased business

The field study showed that advertising greatly improved the image that was damaged by poll chaos that made business more difficult. Immediately after engaging in persuasive advertising about image building, Lake Bogoria hotel came back to normal business activities with daily improvement especially to foreign tourist who had developed negative views caused by the recent poll chaos

4.2.7: Increased income

According to the findings, advertising generated more revenue from improved business due to customer satisfaction. Hotel employees could reveal that their earnings was increased thus

improved their living standards, majority are highly motivated to work more harder because the reward are taken back to them.

4.2.8: Maintains brand awareness

It was further revealed that, advertising helped hotel marketer's increase or maintain brand awareness. They view adverts was the only tool that reduced the communication gap that has been one of the greatest challenge in hotel industry. It also softened potential consumers by taking away any doubts in mind and assuring them they are making right decisions on products and services offered.

4.2.9: Increased demand

From the findings, advertising brought in product awareness that resulted to high sales volume in the hotel therefore, the hotel register increasing customer base which makes them believe that they truly satisfy customers beyond their expectation.

4.2.10: Improved positioning

From the findings, the hotel used adverts to position a product associated with an attribute, product feature or customer benefit, Therefore, Lake Bogoria took advantage to position itself as an always comfortable brand that is available at low price to win more customers all through compared to its competitors.

4.3 Factors that influence advertisement to sales performance

Table 4.3: Response analysis

Factor category	Professional advertising	Effective advertising	Non-product advertising	Total
Frequency	30	15	15	60
Percentage	40	30	30	100

Source: Primary data (2009)

The findings showed that 40% of respondents suggested that effective professionalism in advertising creates a wider sales performance, while 30% revealed that sales is a factor to effective communication and another 30% of the respondents relied on non-product advertising. This implied that it is worth nothing that customers influence in sales force represent a major investment for many hotels, therefore, tricks and tactics be used to make more sales.

4.4 Challenges of advertising to the hotel industry

Table 4.4: Response on challenges

Challenges	Frequency	Percentage
High cost	5	3
Poor perception	4	2
Limited coverage	5	3
Poor target group	10	6
Lack of management support	2	1
High level of illiteracy	2	1
Government legislation	10	6
Poor selection of channel	12	7
Competitors influence	5	3
Lack of technology knowledge	5	3
TOTAL	60	100

Source: Primary data (2009)

4.4.1 High cost

From the field, 3% of the respondents revealed that the cost of an advert in the media is expensive (table 4.4). It is expensive because the amount charged is exorbitant and frequency of it to appear in the newspapers for a given period of time may lead to more increased charges.

4.4.2: poor perception

The study shows that 2% of the respondents claim that different people perceive things differently, therefore to make adverts being understood properly the hotel advertisers had to develop the most summarized adverts which is clearly stated.

4.4.3: Limited coverage

The findings revealed that, the 3% of the audience of for example radio stations are geographically scattered and may not be able to take advantage of advertising offer. There's also a lot of clutter when four to five different advertisements are run one after another, leading to limited advertising of the hotel products to a few number of audience.

4.4.4: Poor target group

Above table (4.4) shows that 6% of respondents agree that some advertisement may not be well understood by the customers this is because the type of advertisement used may have failed to reach the target market. Therefore it's a challenge for hotel adverts to meet the exact targeted group to intended purpose is achieved.

4.4.5: Lack of management support

The 1% (table 4.5) above shows that the limited support of top management to fully support and avail enough resources to boost advertisement in hotel. This is because advert require extensive research and planning to wastage of hotel resources on bogus adverts that can't make an impact to customers.

4.4.6: High level of illiteracy

The findings revealed that 1% of the respondents agreed there is a limited computer literate that because; advertisements can only be viewed by those who can assess the computers,

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

4.4.7: Government legislature

From the field, 6% of the respondents revealed that the strict government rules that regulate or require advertising agencies to follow certain procedures thus taking a very long time to produce an advert. This wastes the hotel time which could have been used elsewhere to produce a single advert.

4.4.8: poor selection of correct channel

The findings indicated, 7% of the respondents said that to create effective advertising first, they should satisfy consumers' objectives by engaging them and delivering a relevant message through the convenient medium and the advertisements must achieve the advertiser's objectives which may be used to establish a basic awareness of the product or service in the mind of the potential customer and to build up knowledge about it. 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.

4.4.9: competitors influence

In the above table, 3% of the respondents agreed that the proliferation of assorted brands of food drinks in the country has led to the cut-throat competition for increased market share being witnessed currently among the operations in the hotel. It is therefore, imperative for the more established brands to employ brilliant advertising and branding strategies to influence consumers' behaviors in order to continue to enjoy and maintain market leadership.

4.4.10: Lack of technology knowledge

From the findings, 3% of the respondents claim advertising has now become part of everyday life. Today advertising influences everyday's purchase decision consciously or subconsciously. Young people, the main target of advertisement require carefully selected type of technology

application that displays vibrant, color images video that can stand out from the crowd to make users retain the message.

4.5 Response on relationship between advertising and sales performance

Table 4.5

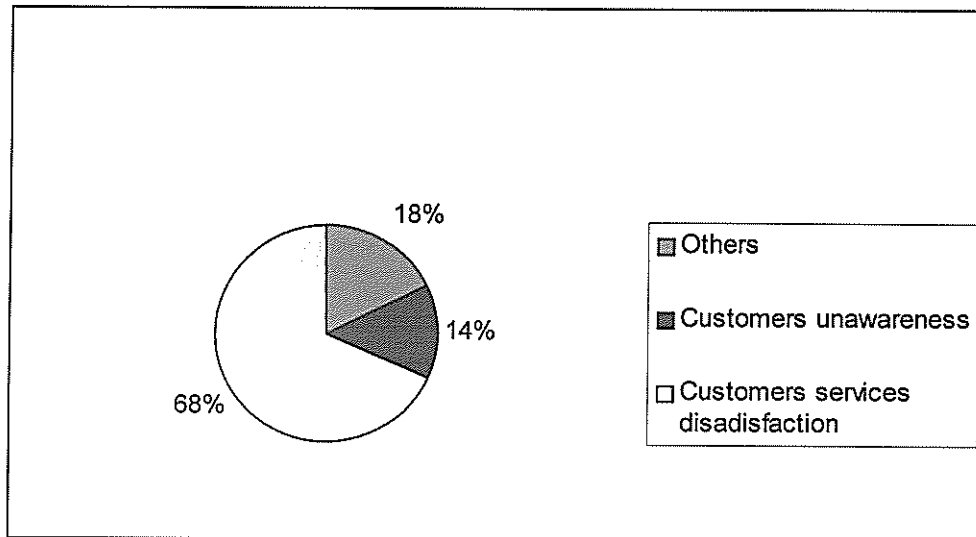
Is there any relationship between advertising and sales performance	Yes	No	Total
Frequency (f)	45	15	60
Percentage (%)	90	10	100

Source: Primary data (2009)

From the above table, it shows that 90% of respondents said yes. This reveals a big relationship between advertising to sales performance. While 10% of respondents said No, that is, there is no any relationship between advertising and sales performance. Inconsistent advertising can have a negative effect on customer's perception. Hotels therefore, should know how to create a stable impression in the minds of customers concerning customer care and product benefits.

4.6: Reasons for consumers switching to other products/services Providers.

Table 4.6: Response analysis.



Source: primary data (2009)

The graphical representation of customer services disaffection is the most important key factor when a customer decides to change. 68% of respondents suggested would change the service providers if the customer care is poor while 14% would also shift when there was lack of customer to product and services unawares while 18% don't know what course to take in at the time.

Advertising has become one of the most important issues facing business especially when target markets have begun to shrink or disappear or the hotels image no longer matches industry trends and consumer expectations. Consumers' everyday develops an asset of beliefs about particular brands, which further influenced or swayed away by persuasive and perceptive information. Therefore the common theme is meeting the customer's requirements and that all aspects of the business contribute features that keeps strong salience to customers. If customers are satisfied with the product and standard of service they receive, they will return again and also recommend to their families and friends, thus high sales turnover.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 INTRODUCTION

This chapter looked at summary, conclusions and recommendations of findings that can be adopted and implemented to overcome the problems highlighted

5.1 Summary

5.1.1: Factors that influence advertising

The research findings showed that there are numbers of factors that affect advertising that have been examined from the different numbers of respondents. The findings revealed that large number of respondents was 30 who got 40% suggested that effective professional advertising as one of the factors that affect customers towards sales performance, whereas other respondents number of the total sample size who were 15 respondents who got 30% suggested effective communication and other suggested advertising is based on non-product in which represent 30%. The research findings examined that professional customer awareness are opportunities to increase sales because customers will already have a degree of trust in any recommendation.

Creating hotels awareness helps to legitimize a company, its products/services and representatives to its customers instead of customers saying, "I have never heard of them" their response might be they are quite well known. In this way, advertising may improve the acceptance of products and sales people. According to the current political turmoil that adversely affected hotel business in Lake Bogoria, the hotel because it offers leisure activities should position themselves in consumer's minds through advertising copy and visuals creative positioning which involves the development of reinforcement of an hotel image or set of associations for a brand.

Once clear position in the minds of the target audience has been established, the objective of advertising may be remind consumers to the hotels existence to reinforce its image thus maintaining high sales, market shares and profits, to retain your customer's trust, however,

never try to sell them something that clearly doesn't meet their needs. Remember, your aim is to build effective communication with your customers. Hotels must attempt to create customer value communication in order to attract and retain customers. Their aim is to deliver superior value to their target customers in doing so they implement the advertising concept by meeting and exceeding customers needs better than the competitors.

From the research findings, 20 respondents, which are equivalent of 30% of the total sample size, knew the meaning of the term advertising. Although the response is divided, it does show advertising do provided that level of consumer's awareness.

According to how advertising is used to improve sales performance, most respondents mentioned that they are very satisfied and others mentioned that it were good. Advertising, harmonize because hotels can position against well-entrenched competition relationship with customers because hotels can position against well-entrenched competitors since their image in the market place can be used as a reference point. In order to improve sales performance, advertising can provide valuable support for the salespeople by identifying warm prospects and communicating with otherwise unreachable members of a decision –making units.

Smith (2003) stated essential part for improving sales performance in the business as seen below.

Show them the pain you undergo to make them satisfied. They need to understand what your product/service will do them and know that things would get better because problems would be solved and nothing in their situation will change. The best way to beat competition and win customers choice is to make differentiation, thus the freedom to advertise gives establishment an incentive to create market dominance and can acknowledge the physical environment and any tangible offerings that the customer views and uses to make a personal judgment regarding the service that is the physical evidence. Understanding this will let you make more sales.

5.2 Conclusion

To improve on sales performance as a factor of advertising, hotels should establish systems to persuade their customers perception on the quality and quantity of the customer products / services provided to them and to find out solutions incase of negativity in order to ensure stable continuous sales increases and customer satisfaction.

Since majority of the respondents agreed that the advertising to have effect on sales performance, therefore I believe that the study will play a vital role by helping Lake Bogoria Hotel and other related organizations to improve on those factors mentioned above.

When there is effective communication in a hotel, it strengthens profitable relationship with customers, employees and stakeholders, all marketing messages are skillfully advertised to create unified image for the organization and its products / services such messages include those information through display and classified advertising designed to attract immediate attention and are spread through out the editorial matter where they might be more readily noticed by the readers to enable consumers respond quickly and accurately to their ever changing needs and wants.

In advertising terms, it has been said it is impossible to know too much about your customer, however, much you know, you can always learn more. Customer relationship building means it is an activity involved in getting and keeping customers that are developed. The amount of money spent on customer's research and market research certainly undermines the thirst for such knowledge, particularly as customers themselves change.

Just as you think that you understand what they like and that interest them they pick up on a different interest and have to start all over again from a market point of views, hotels should always remember that the products and services offered are solutions to the customers problems. In a very real sense, customers want to be told about themselves and their needs avoiding either confusing or patronizing with similar products.

It has been observed from the field that majority of respondents agree that advertising involves presenting striking messages to a mass audience to maximize your customers' satisfaction with your business. It should be a prime consideration for every hotel business – your sales and profitability depends on keeping your customers happy.

Advertising is more directly important in some roles than others. Besides supporting salesmen, advertising enables consumers to move easily, identify products in the hotel premises and recognize the value of a product whereby justifying the price. It informs masses at once about availability of products and services and where to get them and what prices. By doing so, it saves the consumers time, money and effort to obtain information that is needed for making a purchase decision. But don't neglect the importance of advertising that give continual

reassurance which is therefore essential for keeping present customers and helping them to reduce the dissonance from which they may suffer after their initial purchase. Reassurance is necessary for continued styles and commitment to a brand and also entertainment in advertising usually in the form of advert, which are funny, aesthetic scene and imagery. The entertainment qualities built into an advert serves to increase consumer attention, comprehension and learning of the main message.

In order to improve sales performance, hotels should not hesitate in developing and maintaining good customer relations through the ability to recognize the symptoms of a deterioration in customer relations and the ability to minimize the causes of customer relations problems when there is effective decisions concerning strengthening profitable relationships with customers and other stakeholders; all advertising messages to be co-ordinated to create unified image for the organization and its products such messages include communication through broadcast, newspapers, consumers publications and guides. Other magazines including local free ones, aids the goal of maintaining a dialogue with customers and stakeholders to enable the hotels respond quickly to their ever changing needs and wants.

5.3 Recommendations

Basing on the research findings, the following are recommendations both to business hotels, stakeholders, producers and service providers such as Lake Bogoria Hotel, there is need to skillfully fit advertising activities with the business environment. This is because advertising has effect on sales performance. Basing on the objective of examining the factors that affects advertising towards sales performance is recommended. When asked how could a hotel get new products off the ground and win consumer choice. The result of response was “professional advertising” needs to be figured to the most actual users and to also create total influence on purchase decision. In the service sector, the need to provide a tangible and differentiating element to the marketing of the services. This is because of the recent spoil in Kenya tourism sector by post election crisis. Customers need to be informed, educated, persuaded, reminded and given an actual change of image to make innocent customers who had already changed their minds to other places.

For high customer satisfaction scores, the hotel should ensure it performs very highly on all possible variables and soft issues of image building and the ease of delighting target market.

Should try and exceed their customer's expectation by aiming beyond satisfying a customer because the delighted customers are more effective advertisers than an advertisement placed in the media.

The customer is of paramount importance whether the demands are unreasonable or punitive in terms of cost. The customer in his or her customer segment represents potential future business. Such business must be wooed by enforcing the customers degree of information search that depends on: -

- ♦ The consumer's strength of the drive
- ♦ The amount of information initially available
- ♦ The ease of obtaining additional information
- ♦ The value of customers place on additional information
- ♦ The satisfaction one gets from the information

Relationship building contribute to hotel sales success once an exchange has been made, effective advertising relationship building will bring about additional exchanges making a sales not as the end of the process but as the start of organizational relationship with the customer. Satisfied customers will return to hotels that keep them best, if they need to repurchase the same product in the future, know the first place to visit. Moreover, it will reduce the cost of customer's search; therefore customers will pass the idea through the word of mouth to other potential customers leading to create in sales performance.

Successful hotels have to focus on understanding customers and how customers behave, why and how they buy and are even able to stimulate them to buy . Focusing on the customer's needs, thus gives the purpose of the business.

5.4 Areas for further study

- Further study be made on customer information technology. Hotel owners see customer information system contributing relatively across the business. This includes advantages in quality image branding, faster at reduced cost of informing customers.
- Consumer information sources. There is no simple information process used by consumers in buying situation. Some basic concepts however need further search on sales be made on the following:
 - ♦ The consumer consideration on various products/services attributes.
 - ♦ Consumer developed set of beliefs about particular brands.
 - ♦ Sales trend and sales fluctuations.

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APPENDIX I

TENTATIVE BUDGET

ITEM	NO.OF UNITS	UNIT COST (UG SHS)	TOTAL COST
Stationary	6	10,000	60,000
Transport	—	—	150,000
Subsistence	—	—	80,000
Typing services	48 pages	500	24,000
Photocopying	200 pages	100	20,000
Binding	4	1,500	6,000
Miscellaneous	—	—	40,000
TOTAL			380,000

APPENDIX II

TENTATIVE TIMETABLE FRAME

	MAY	JUNE	JULY	AUGUST
Instruments design	xx			
Piloting		xx		
Instrument revision		xx		
Data collection		xx		
Data analysis and interpretation			xx	
Writing draft of the thesis			xx	
Writing of the corrected thesis, binding and submission				xx

APPENDIX III

Questionnaire to Hotel employees

Introduction letter.

Dear Respondent,

I am a student of KAMPALA INTERNATIONAL UNIVERSITY carrying out a research on the topic; effects of advertising on sales performance at Lake Bogoria hotel Kenya. Feel free to avail any information as this research is purely for academic purpose and all relevant information and responses will be treated with confidentiality.

Thank you for your maximum cooperation.

Please tick in the most appropriate box and give details where necessary in the space provided.

RESEARCH QUESTIONS ONE (Questions 1 – 3)

1. DEPARTMENT

- a) Management
- b) Front office
- c) Restaurant
- d) Others

2. What does advertising mean to you?

3. (a)How do you find advertising used in Lake Bogoria hotel?

- (a) Very good
- (b) Good
- (c) Satisfactorily
- (d) Poor
- (e) Very poor

(b) Do you think advertising creates effects on sales performance?

Yes

☐

No

☐

(c) If yes, please explain,

.....

.....

Questionnaire to tourists

Introduction letter.

Dear Respondent,

I am a student of KAMPALA INTERNATIONAL UNIVERSITY carrying out a research on the topic; effects of advertising on sales performance at Lake Bogoria hotel Kenya. Feel free to avail any information as this research is purely for academic purpose and all relevant information and responses will be treated with confidentiality.

Thank you for your maximum cooperation.

Please tick in the most appropriate box and give details where necessary in the space provided.

RESEARCH QUESTION ONE (Question 1-3)

1. What is your country of origin?
2. What does advertisement mean to you?

3. How did you come to know about Lake Bogoria?

- (a) Self
- (b) Friend
- (c) Advertisement

RESEARCH QUESTION TWO (QUESTION 4-5)

4. (a) Do you think advertising creates effects on sales performance?

Yes ☐

No ☐

(b) If yes, please explain,

.....
.....

5. Please suggest the factors that affect advertising towards sales performance.

RESEARCH QUESTIONS THREE (Questions 6-7)

6. Do you always cope with advertising?

7. (a) What forms of advertisements are common used in Lake Bokoria Hotel?

- a.
- b.
- c.
- d.

(b) How do forms of advertising in question (7) above work?

.....
.....
.....

RESEARCH QUESTION FOUR (8-9)

8. (a). Do you think there is any relationship between product/service advertising and sales performance?

Yes

☐

No

☐

(b) If yes, please explain.....

.....

9. Give the most reasons for consumers switching to other products and services providers and why?

.....

.....

.....

THANKS FOR YOUR COOPERATION