

**ADVERTISEMENT AND MARKETSHARE OF
TELLECOM COMPANIES IN
MOGADISHU SOMALIA**

A Thesis

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In Partial Fulfillment of the Requirements for the Degree

Master of Business Administration

By:

Mohamed Abdisatar Abdisalan

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M 7252
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DECLARATION (A)

"This thesis is my original work and has not been presented for a degree or any other academic award in any university or institution of learning".


Mohamed Abdisatar Abdisalan

16-03-11
Date

DECLARATION (B)

"I confirm that the work reported in this thesis was carried out by the candidate under my supervision".

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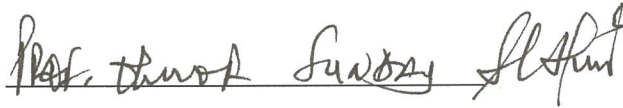
Gulebyo Muzamir Said

10/02/2011

Date

APPROVAL SHEET

"This dissertation entitled ADVERTISEMENT PROMOTION AND MARKET SHARE OF TELECOM COMPANIES IN MOGADISHU SOMALIA presented by **Mohamed Abdisatar Abdisalan** in partial fulfillment of the requirement for the degree of Master of Business Administration in Marketing has been examined and approved by the panel on oral examination with the grade of PASSED.



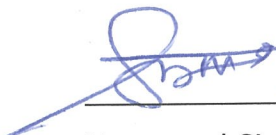
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Name and Sig. of Supervisor

KIUSEWA Emmanuel 

Name and signature of panelist

 DR. D.L. KIBIKYO (A)

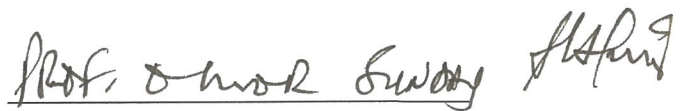
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Name and Sig. of director, SPGSR

Name and Sig. of DVC, SPGSR

DEDICATION

This piece of work is dedicated to whole my family especially my son and his Mom, my supervisor and those helped me conclusion of my master degree in KAMPALA INTERNATIONAL UNIVERSITY (KIU. I also dedicate to my institutional research (SIMAD), which it is absence nothing would be accomplished.

ACKNOWLEDGMENT

Prices and more thanks to Allah who gave us the life up to this date, and enable us to become true of the completion of writing this thesis, and we hope that Allah will make us who obey and fulfill his orders.

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TABLE OF CONTENTS

Chapter		Page
One	THE PROBLEM AND ITS SCOPE	1
	Background of the Study	1
	Statement of the Problem	4
	Purpose of the Study	5
	Research Objectives	5
	Research Questions	5
	Hypothesis	6
	Scope	6
	Significance of the Study	6
	Theoretical frame work	7
	Operational definition	9
Two	REVIEW OF RELATED LITERATURE	10
	Introduction	10
	Concept of Market share	10
	Concept of Advertising	15
	Media Advertising and Market share	18
	Celebrity Advertising and Market share	39
	Billboard Advertising and Market share	47
Three	METHODOLOGY	54
	Research Design	54
	Research Population	54
	Sample Size	55
	Sampling Procedure	55
	Research Instrument	55
	Validity and Reliability of the Instrument	56

	Data Gathering Procedures	56
	Data Analysis	56
	Ethical Considerations	57
	Limitations of the Study	57
Four	PRESENTATION, ANALYSIS AND INTERPRETATION OF DATA	58
	Profile of the Respondents	58
	Description of the Independent Variable	62
	Description of the Dependent Variable	63
	Testing of Relationships between Variables	65
Five	FINDINGS, CONCLUSIONS, RECOMMENDATIONS	69
	Findings	69
	Conclusions	70
	Recommendations	72
	Suggestion for further research	74
	References	75
	Appendices	81
	Appendix I Transmittal Letter	80
	Appendix II Research Instrument	
	81	
	Researcher's Curriculum Vitae	
	85	

LIST OF TABLES

Table 4.1: Employee by gender.....	59
Table 4.2: Employee by Age.....	60
Table 4.3: Employee by income level.....	61
Table 4.4: Employee by Marital status.....	61
Table 4.5: Employee by qualification.....	62
Table 4.6: Employee by experience.....	62
Table 4.7: means and standard deviation on how respondents rated the difference Advertising forms.....	63
Table 4.8: means and standard deviation on how respondents rated the company's market share.....	65
Table4.9: Pearson's Linear Correlation Coefficient results Correlating Media Advertising with Market Share.....	66
Table4.10: Pearson's Linear Correlation Coefficient results Correlating celebrity Advertising with Market Share.....	67
Table4.15 Pearson's Linear Correlation Coefficient results correlating billboard Advertising with Market Share.....	68

LIST OF ABBREVIATIONS

CVI	Content validity index
PLCC	Pearson's Linear Correlation Coefficient
SAQ	Self-administered questionnaire
SPSS	Statistical Package for Social Sciences
IV	Independent Variable
DV	Dependent Variable

ABSTRACT

This study was set out to establish the extent to which advertising affects market share of telecom companies in Mogadishu. Specifically the study wanted to establish the effect of (i) media advertising (ii) billboard advertising and (iii) celebrity advertising, on market share in Mogadishu telecom companies. The study was done by developing a conceptual frame relating advertising and market share.

The study employed a descriptive co-relational design; data were collected from 50 respondents using self administered questionnaires as the main data collection instruments. Data were analyzed at uni-variate level using frequency counts and summary statistics and Pearson Linear Correlation coefficient at bi-variate level. The study revealed that media, billboard, and celebrity affect market share, in significant relationships with r -value = 0.860, 0.864 and 0.911 in respectively.

From the above findings appropriate conclusions and recommendations including those for further research were made. Recommendations from the study were (i) The firms should maintain the current promotions and try to implement media advertising programs effectively (ii) the firms should train their marketing and sales staff (iii) Communications efforts should be viewed from the perspective of managing long term customer relationships (iv) firms should choose appropriateness celebrities who have got influence in their places along sides other forms of advertising.

CHAPTER ONE

THE PROBLEM AND ITS SCOPE

Introduction

In this chapter, the author provides some background of information about the research area for readers, and then we would begun by discussing, problem statement of the study, purpose of the study, objectives of the study, research questions, scope, significance, theoretical, operational definitions and conceptual framework.

Background

The sector of telecommunication has become among the country's biggest revenue generators, and the services had helped revive the economy, the first private telecommunications company to open in Somalia was Telecom Somalia in 1994 and Hormuud telecom as the beget rival that offers a range of wireless services. Letter Nation Link Telecom comes to offer land-line and mobile services, but it hasn't expanded into more advanced services, such as Internet access. Despite their rivalry, the three companies signed an interconnectivity deal in 2005 that allows them to set prices and expand their network access.

The United Nation report estimates that in 2007 the East African nation's economy expanded 2.7%. Per-capita GDP, at \$291 a year, remains among the lowest on the poverty-stricken continent (Mohamed and Childress, 2008) so in the last years the service sector is the fastest growing sector in Mogadishu. The above coupled with the dynamics of the customer needs have changed dramatically overtime customer always have been at the heart of an enterprises long term growth strategy marketing and sales efforts, product development, labour and resource allocation and overall directivity (Peppers & Rogers, 2004).

Companies wishing to survive in a competitive global environment need to have a good market share. One way to get a good market share is to have a conduct good advertising campaigns for the product and services offered.

Modern advertising developed with the rise of mass production in the late 19th and early 20th centuries. Mass media can be defined as any media meant to reach a mass amount of people. Different types of media can be used to deliver these messages, including traditional media such as newspapers, magazines, television, radio, outdoor or direct mail; or new media such as websites and text messages.

However lack of appropriate advertisement market share leads to the company to either failing to pay its workers if its low other operating expenses, increased training expenses, change in management, low morale, and decreased profits could be representations. However, a market leader enjoys huge sales and therefore favorable profit margin.

This study was guided by theory of Joint advertising Promotions, advanced by Smith and Taylor (2003). The theory postulates that advertising promotions involve high costs and, hence, companies are always looking for ways to reduce the cost of promotions but still maintain the effectiveness of the promotional activities being carried out. This is where companies use joint promotions. Smith and Taylor (2003) state that joint promotions or cross promotions offer economical routes to target the same customers with relevant offers. It was adopted for this study because the study was testing most of the advertising promotion tools and their relationship and contribution to the market share.

Advertising is any paid form of non-personal presentation and promotion of ideas, goods, or services, by an identified sponsor (kotler & keller, 2009). Advertising represent an important means by which organizations communication with their customers, both current and potential (Bendixen, 1993).

Advertising is bringing a product (or service) to the attention of potential and current customers. Advertising is focused on one particular product or service. Thus, an advertising plan for one product might be very different than that for another product. Advertising is typically done with signs, brochures, commercials, direct mailings or e-mail messages, personal contact, etc.

Advertisement the action of calling something to the attention of the public especially by paid announcements

Advertising is paid and/or sometimes free communication through a medium in which the sponsor is identified and the message is controlled. Variations include publicity, public relations, product placement, sponsorship, underwriting, and sales promotion. Every major medium is used to deliver these messages, including: television, radio, movies, magazines, newspapers, the Internet, and billboards. Advertisements can also be seen on the seats of grocery carts, on the walls of an airport walkway, on the sides of buses, heard in telephone hold messages and in-store PA systems. Advertisements are usually placed anywhere an audience can easily and/or frequently access visuals and/or audio, especially on clothing

In this study will adopt this definition of (Kotler & Keller, 2009). Advertising is any paid form of non-personal presentation and promotion of ideas, goods, or services, by an identified sponsor (kotler & keller, 2009). Advertising represent an important means by which organizations communication with their customers, both current and potential (Bendixen, 1993).

Media advertising is Various means (advertising vehicles) such as billboards, magazines, newspapers, radio, television, and internet by which promotional messages are communicated to the public using words, speech, and pictures.

Celebrity advertising is the use of a public figure's likeness for the purpose of selling a product or service. Celebrity advertising can be accomplished through celebrity endorsements, whereby the celebrity consents for his or her likeness to be used in advertisements for a certain brand (Miciak and Shanklin, 1994).

A billboard (archaically a "hoarding" in the UK) is a large outdoor advertising structure (a billing board), typically found in high traffic areas such as alongside busy roads. Billboards present large advertisements to passing pedestrians and drivers. Typically showing large, ostensibly witty slogans, and distinctive visuals, billboards are highly visible in the top designated market areas (Cavaliere, & Tassinari, 2001).

According to experience since advertising promotion tools are used for a short and long time period, marketers can be tempted to "shoot from the hip" and develop ad-hoc promotions in an attempt to quickly move product. This is a dangerous practice. Ill-planned and poorly timed promotions can interrupt the natural consumer product-use cycle, artificially inflate sales volume and even disrupt normal seasonality trends.

The Problem Statement

Companies willing to survive in a competitive global environment need to have a good market share. One way to get a good market share is to have a conduct good advertising campaigns for the product and services offered.

Market share has been reported to be low in Mogadishu telecom companies; (Warsame, 2010) noted that, the market share of Nation link telecom is low as most people preferred to use foreign telecom companies to make calls these include Safaricom from Kenya.

Market share leads to the company to either deteriorating to pay its workers if its low other operating expenses, increased training expenses, change in management, low morale, and decreased profits could be representations. However, a market leader enjoys huge sales and therefore favorable profit margin.

Companies spend huge resources (human and cash) creating market share for their deliverables. However, it is not readily possible to determine how the advertisement promotion translate into market share of a company especially telecom. This could be due to other factors customers hold dear.

The study therefore attempts to investigate the relationship between advertisement promotion and market share of telecommunication companies in Mogadishu.

Purpose

The aim of this study is to determine the contribution of advertisement promotion on market share in two selected telecommunication company in Mogadishu.

Research Objectives

1. To determine how media advertising affects organizational market share in the selected telecom firms in Mogadishu.
2. To determine how celebrity advertising affects organizational market share in the selected telecom firms in Mogadishu.
3. To determine how billboard advertising affects organizational market share in the selected telecom firms in Mogadishu.

Research Questions

1. How do media advertising affect organizational market share of the selected telecom firms in Mogadishu?
2. How does billboard advertising affect organizational market share of the selected telecom firms in Mogadishu?
3. How does celebrity advertising affect organizational market share of the selected telecom firms in Mogadishu?

Hypothesis

1. Media advertising does not significantly affect organizational market share in the telecom firms in Mogadishu?
2. Billboard advertising does not significantly affect on organizational market share in the telecom firms in Mogadishu?
3. Celebrity advertising does not significantly affect organizational market share in the telecom firms in Mogadishu?

Scope of the Study

Content Scope

The research focused on the contribution of advertising Promotion Strategy for service telecommunication companies and their share of the market, Mogadishu – Somalia.

Geographical Scope

The study was carried out in Mogadishu, the capital city of Somalia. It comprised of two of five Mogadishu telecommunication companies

Time scope

In terms of time the study was limited to five months September 2010 to January 2011. The study concentrated on examining the extent to which advertising and the market share in Mogadishu Somalia.

Significance of the Study

The findings of this study shall provide insight to the telecommunication companies in Mogadishu to put in place appropriate policies and strategies for acquiring appropriate through promotion by using media, billboard, and celebrity advertising. This will enhance their profitability by minimizing wastage and unnecessary costs.

The findings of this research shall also be used to government to make policies that affect the telecom companies in Mogadishu, in Somalia. This could be founding on health competition, enhanced regulation and ensuring their companies providing council services are given incentives.

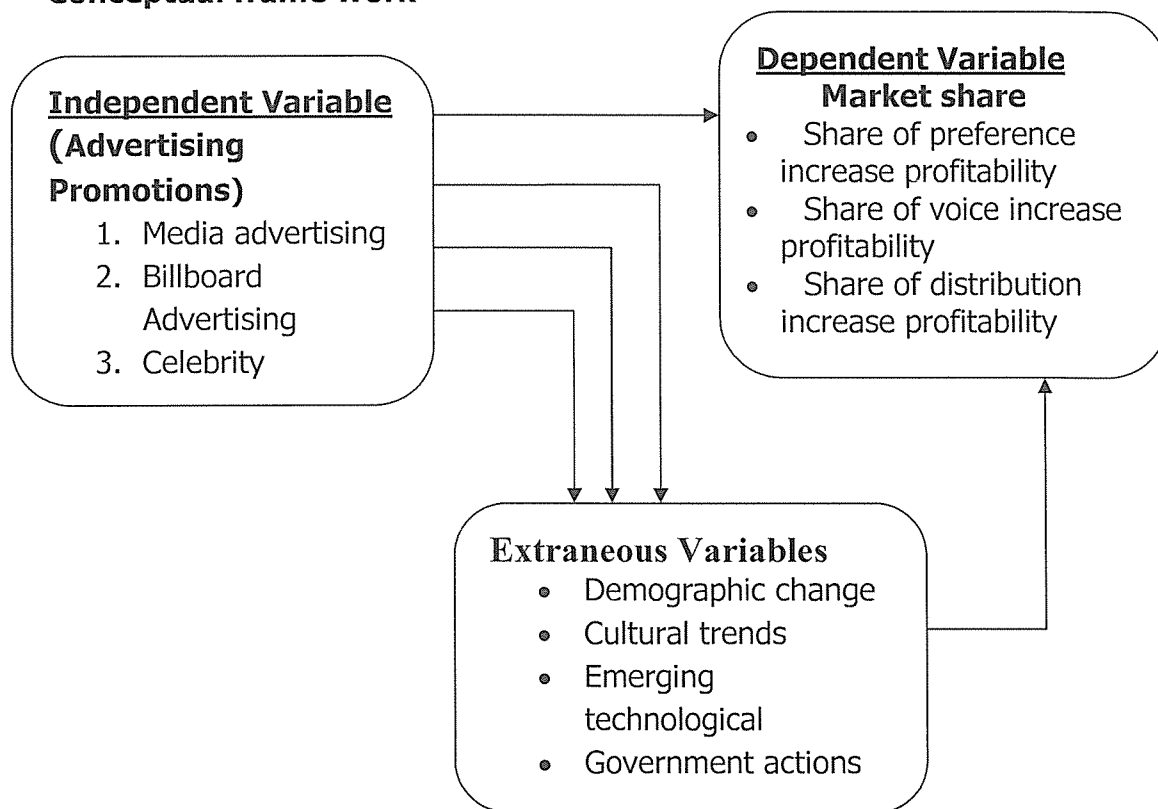
Finally, the study will be beneficial to marketing students intending to undertake similar study in the field such as marketing communication in Somalia and Africa in general. They will be gain through this "one of its kind studies has pioneered providing trends suffer for others.

Theoretical Framework

This study was guided by theory of advertising promotions, advanced by Smith and Taylor (2003). The theory postulates that advertising promotions involve high costs and, hence, companies are always looking for ways to reduce the cost of promotions but still maintain the effectiveness of the promotional activities being carried out. This is where companies use joint promotions. Smith and Taylor (2003) state that joint promotions or cross promotions offer economical routes to target the same customers with relevant offers. It was adopted for this study because the study was tested most of the advertising promotion tools and their relationship and contribution to the market share. This theory was preferred from other theories of promotion. As applied in this study, the theory holds the advertising promotion would influence the growth of the organization in terms market share. This is true considering the fact that if advertising programs are being implemented effectively and efficiently this may

stimulate customers' attention for the service than this may turn an increase in the sales volume as result of market share growth, which means effect on financial and non financial of the organizational market share. According to Radley (1996), this remains a popular consumer preference-building technique today. As a result of repeated, simultaneous presentation, consumers will closely associate with the brand or product.

Conceptual frame work



Source: by the Author

Conceptual Framework

The conceptual framework of this study focuses on the development of a model to measure the relationship between advertising promotion strategy and market share. Examining the relationship between advertising promotion strategy and market share should contribute to our knowledge of the relationship that exists between them. The link between the dimensions of advertising

promotion strategy and growth of the organization as illustrated in Figure 1 above.

In this framework, the advertising strategy dimensions are independent variables and market share is the dependent variable.

The model suggests that there is a strong positive relationship between the dimensions of advertising promotion Strategy and market share.

Operational definitions

Advertising

Is any paid form of non-personal presentation and promotion of ideas, goods, or services, by an identified sponsor.

Media

Is a usage of television programs, newspapers, bus-stop posters, in-store displays, banner ads on the Web, or a flyer on Face book, in order to reach your desired audience (1979),.

Celebrity advertising

Is the use of a public figure's likeness for the purpose of selling a product or service. Celebrity advertising can be accomplished through celebrity endorsements, whereby the celebrity consents for his or her likeness to be used in advertisements for a certain brand (Miciak and Shanklin, 1994).

Billboard

A billboard is a large outdoor advertising structure (a billing board), typically found in high traffic areas such as alongside busy roads. Billboards present large advertisements to passing pedestrians and drivers.

Market share

is the portion or percentage of sales of a particular product or service in a given region that are controlled by a company.

- Share of preference – can be increased through product, price and promotion changes

- Share of voice – the firm's promotion of total promotional expenditure in the market. Share of voice can be increased by increasing promotional expenditures.
- Share of Distribution – can be increased through more intensive distribution.



CHAPTER TWO

LITERATURE REVIEW

Introduction

This chapter presented a review of the findings related to the questions of the study. Many studies related to advertising promotion and market share growth in Mogadishu telecom companies has been put into consideration to provide information regarded the research questions of the study.

CONCEPT OF MARKET SHARE

According to (Filbeck, 2010) Sales figures do not necessarily indicate how a firm is performing relative to its competitors. Rather, changes in sales simply may reflect changes in the market size or changes in the in economic condition. The firm's performance relative to competitors can be measured by proportion of the market that the firm is able to capture. This proportion is referred to as the firm's market share.

Market share models have been proposed mainly for measuring the effect of marketing mix variables (Clark & Chatterjee, 1999). The following conditions, known as the logical consistency requirement, are essential for market share models and market share is calculated as follows:

$$\text{Market share} = \text{Firm's sales} / \text{Total Market Sales}$$

Sales may be determined on the determined on the value bases (sales price multiplied by volume) or on a unit basis (number of units shipped or number of customers served).

While the firm's own sales figure are readily available, total markets sales are more difficult to determine. Usually, this information is from trade associations and market research firms.

Market share is the portion or percentage of sales of a particular product or service in a given region that are controlled by a company. If, for example, there are 100 widgets sold in a country and company A sells 43 of them, then company A has a 43% market share. You can also calculate market share using revenue instead of units sold. If company A sold widgets for a total cost of \$860 and the people in the country spend a total of \$2,000 on the same widgets, then the market share is $\$860/\$2,000$ or 43%. The two different methods of calculating market share won't always provide the same answer, because different companies may charge slightly different prices for the same type of widget as said (Terui, 2000).

Reasons to increase market share

According to (Leeflang and Rueyl, 1984) Market share is used by businesses to determine their competitive strength in a sector as compared to other companies in the same sector. It also allows you to accurately assess your performance from year to year. If you only use sales to measure your performance, then you don't take into account the market conditions that may have improved or decreased your sales. Your sales may have gone up because of increased popularity of your type of widget, or they may have gone down because of a drought or recession. Since those factors are beyond your control, they don't give you meaningful information about how you are actually doing as a company in terms of improving your business. By measuring market share, you can see if you are doing better or worse compared to other companies that are facing the same challenges and opportunities that you are.

(Terui, 2000) market share often is associated with profitability and thus many firms seek to increase their sales relative to competitors with profitability and thus many firms seek to increase their sales relative to competitors. Here are some specific reasons that a firm may seek to increase its markets share:

- **Economies of scale** - Higher volume can be instrumental in developing a cost advantage
- **Sales growth in stagnant industry** - When the industry is not growing, the firm still can grow its sales by increasing market share
- **Reputation** - Market leaders have clout that they can use their advantage.
- **Increase bargaining power** - A large player has advantage in negotiation with suppliers and channels members.

Ways to increase Market Share

With the reference to (Lavert, 2001) the market share of a product can be modeled as:

Share of Market = Share of preference X Share of voice X Share of Distribution

According to this model, there are three drivers of market share:

- Share of preference – can be increased through product, price and promotion changes
- Share of voice – the firm's promotion of total promotional expenditure in the market. Share of voice can be increased by increasing promotional expenditures.
- Share of Distribution – can be increased through more intensive distribution.

From these drivers we can see that market share can be increased by changing variables of marketing Mix.

- **Product** – the product attributes can be changed to provide more value to the customer, for example, by improving product quality

- **Price** – if the price elasticity of demand is elastic (that is >1), a decrease in price will increase sales revenue. This tactic may not be successful if competitors are willing and able to meet any price cuts
- **Distribution** – add new distribution channels or can increase the intensity of distribution and each channel.
- **Promotion** – increase promotion expenditures can increase market share, unless competitors respond with similar increases.

As you can see there are four basic ways you can improve your market share. You can improve your product so that it is better than your competitors or you can change the price or offer special incentives for buyers, such as discounts or sales. Alternatively, you can find new methods to distribute your product so people can buy it in more places. Finally, you can advertise and promote your product. Using these techniques in any combination may improve market share (Clark & Chatterjee, 1999).

Reasons Not to Increase Market Share

As said by (Filbeck, 2010) an increase in the market share is not always desirable for example:

- If the firm is nearly its production capacity, an increase in market share might necessitate investment in additional capacity. If this capacity is underutilized, higher cost will result.
- Overall profit may decline if market share is gained by increasing promotional expenditures or by decreasing prices.
- A price war might be provoked if competitors attempt to regain their share of the market. If that share increases, a large, more capable competitor may decide to enter the niche
- Antitrust issues may arise if a firm dominates its market.

In some cases it may be advantageous to decrease market share. For example if a firm is able to identify certain customers that are unprofitable, it may be drop those customers and lose market share while improving profitability (Leeflang and Rueyl, 1984).

CONCEPT OF ADVERTISING

Advertising is any paid form of non-personal presentation and promotion of ideas, goods, or services, by an identified sponsor (Kotler & Keller, 2009). Advertising represents an important means by which organizations communicate with their customers, both current and potential (Bendixen, 1993). The specific objectives of an advertising campaign may adopt many forms, e.g. to:

- Create awareness of a new product or brand
- Inform customers for the features and benefits of the product or brand
- Create desire/perceptions of the product or brand
- Persuade customers to purchase the product or brand

Ads can be a cost-effective way to disseminate messages whether to build brand preference or to educate people. Even in today's challenging media environment, good ads can pay off (Kotler & Keller, 2009).

Setting the objectives

The advertising objectives must flow from previous decisions on target market, brand positioning and the marketing program.

An advertising goal (or objectives) is a specific communications task and achievement level to be accomplished with a specific audience in a specific period of time (McCracken, 1996).

To increase among thirty million homemakers who own automatic dishwashers the number who identify brand X as a low-sudsing detergent, and who are persuaded that it gets clothes cleaner, from 10-40 percent in one year.

Advertising objectives can be classified according to where their aim is to inform persuade, remind or reinforce these goals correspond to different stages in the hierarchy of effects (Mc Cracken, 1989).

Informative Advertising aims to create brand awareness and knowledge of new products or new features of existing products (Till, 1996). One of the most memorable ads ever started Australian rugby player Jacko for energizer batteries. Jacko was dressed as a battery and burst into a subway car repeatedly shouting out the brand name to helpless early morning commuters. Unfortunately although people remembered the brand name-they hated ad! Brand awareness cannot come at the expense of brand attitudes.

Persuasive advertising aim to create linking preferences, conviction and purchase of a product or service, Some persuasive advertising uses comparative advertising which makes an explicit comparison of the attributes of two or more brands (Till, 1996).

Comparative works best when it's eliciting cognitive and effective motivation simultaneously and when consumers are processing advertising in a detailed analytical mode (Grabowski, 2000).

Reminder advertising aim to stimulate repeat purchase of products and services expensive, four-color Coca-Cola ads in magazines are intended to remind people to purchase Coca-Cola.

Reinforcement advertising aims to convince current purchaser that they made the right choice. Automobile ads often depict satisfied customers enjoying special features for the new car (Grabowski, 2000).

The advertising objectives should emerge from thorough analysis of current marketing situations. If the product class is mature the company is the market leader, and the brand usage is low, their objectives is to stimulate more usage. If the product class is new, the company is not the market leader but the brand is superior to the leader, then the objectives is to convince the market of the brand's superiority.

Deciding on the Advertising budget

How does a company know it is expending the right amount? Some critics charge that large consumers packaged good firms over spend on advertising as a form of insurance against not expending enough, an industrial companies under estimate the power of company and product image building and under spend.

Although advertising is treated as a current expense, part of it is really an investment in building brand equity and costumer loyalty. When a company is spends five million pounds on capital equipment, it may treat the equipment as a five years depreciable asset and right of only one/fifth of the cost in the first year when it spends five million pounds on advertising to launch a new product, it must write of the entire cost in the first year (kotler & keller, 2009).

Factors affecting budget decision

Here are five specific factors to consider when setting advertising budget (kotler & keller, 2009).

1. Stage in the product life cycle

New products typically merit large advertising budgets to build awareness and to gain costumer trial. Established brands usually are supported with lower advertised budgets, measured as a ratio to sales

2. Market share on customer base

High market share brands usually require less advertising expenditure as a percentage of sales to maintain share. To build share by increasing market size require less expenditure.

3. Competitive and culture

In a market with a large number of competitors and higher advertising expending a brand must advertise more heavily to be a head. Even simple

clutter from advertisements not directly competitive to the brand creates a need for heavier advertising.

4. Advertising frequency

The number repetition needed to put across the brand's message to consumers has an obvious impact on advertising budget.

5. Product substitutability

Brands in less well differentiated or commodity like product classes (soft drinks, banks and airlines) require heavy advertising to establish a different image. In one study of budget allocation low and more found that managers allocate less to advertising as brands move to the more mature phase of the product life cycle; when a brand is well differentiated from the competition; when managers are renewed or short term results as retailers gain more power and managers have less experience with the company.

MEDIA ADVERTISING AND MARKET SHARE

The two basic tasks of marketing communications are message creation and message dissemination (ABP, 1979). Media planning supports message dissemination. Media planning helps you determine which media to use--be it television programs, newspapers, bus-stop posters, in-store displays, banner ads on the Web, or a flyer on Facebook. ABP/Meldrum & Fewsmith study (1979) It also tells you when and where to use media in order to reach your desired audience. Simply put, media planning refers to the process of selecting media time and space to disseminate advertising messages in order to accomplish marketing objectives. When advertisers run commercials during the Super Bowl game at more than \$2.5 million per thirty-second spot, for example, media planners are involved in the negotiation and placement (ABP, 1979).

Advertising Media Planning: A Primer

First, Media planners often see their role from a brand contact perspective. Instead of focusing solely on what medium is used for message dissemination, media planners also pay attention to how to create and manage brand contact, as illustrated by McGraw-Hill Research (1982). Brand contact is any planned and unplanned form of exposure to and interaction with a product or service. For example, when you see an ad for Volkswagen on TV, hear a Mazda's "zoom zoom" slogan on the radio, are told by a friend that her iPod is the greatest invention, or sample a new flavor of Piranha energy drink at the grocery store, you are having a brand contact. Television commercials, radio ads, and product sampling are planned forms of brand contact. Word of mouth is an unplanned brand contact -- advertisers normally do not plan for word of mouth. From the consumer's perspective, however, unplanned forms of brand contact may be more influential because they are less suspicious compared to advertising Kijewsk (1982).

The brand contact perspective shows how the role of media planners has expanded. First, media planners have moved from focusing only on traditional media to integrating traditional media and new media Kijewsk (1982). New media -- cable and satellite television, satellite radio, business-to-business e-media, consumer Internet, movie screen advertising and videogame advertising - is playing an increasingly significant role. Spending on new advertising media is forecast to grow at a compound annual rate of 16.9 percent from 2005-2009, reaching \$68.62 billion by 2009, while traditional media advertising is expected to rise only 4.2 percent on a compound annual basis during the same period to \$192.28 billion McGraw-Hill Research (1982).

Second, media planners are making more use of product placements now, in lieu of advertising insertions. Advertising insertions, like print ads or television commercials, are made separately from the content and are inserted into it Kijewsk (1982). The ads are distinct from the articles or TV programs, not a part

of them. As a result, the ads seem intrusive. In contrast, product placement (also called brand placement or branded entertainment) blends product information with the content itself. Whether content is a television program, movie, video game or other form of entertainment, product placement puts the brand message into the entertainment content. For example, in the movie E.T., the extraterrestrial eats Reese's Pieces candy McGraw-Hill Research (1982). The candy was authentically integrated into the movie? And sales of Reese's Pieces soared 80% after the movie, catapulting the new product to mainstream status. On the other hand, inappropriate or excessive product placements may do more harm than good to the brand.

According to McGraw-Hill Research (1982) finally, the role of media planners has expanded as media planners have moved beyond planned messages to take advantage of unplanned messages as well. Whereas planned messages are what advertisers initiate -- like an ad, press release or sales promotion -- unplanned messages are often initiated by people and organizations other than advertisers themselves. Word of mouth, both online and offline, is one form of unplanned message. Although advertisers have little direct control over the flow of unplanned messages, they can facilitate such a flow.

For example, advertising agency Crispin Porter + Bogusky (CP+B) created a viral marketing mascot, the Subservient Chicken, for Burger King to illustrate its slogan "Have It Your Way." Visitors to the www.subservientchicken.com site can ask the chicken to make a move, such as jump, dance or lay an egg. In the first two weeks after the site's launch, the Subservient Chicken story appeared on 63 broadcast segments, including five separate segments in television shows unplanned success. Within months, the site had generated 426 million hits from 15 million unique visitors averaging six minutes per session. Many visitors learned about the site through word of mouth, both online and offline. More recently, specialized agencies have started to hire word of mouth agents to work for advertisers on a fee basis. Initial research suggests that many consumers

react positively to this kind of word of mouth communication. For example, Rock Bottom brew pub chain, reported a 76% jump in 2003 revenues after hired gun Bzz-Agent launched a 13-week word of mouth campaign employing 1,073 of its "agents" to get the word out.

These new approaches have altered how media planning works in the advertising process. "Seven years ago media was the last five minutes of the presentation. Now it's reversed," said Rishad Tobaccowala of Publicis Groupe Media, whose fast-growing Starcom division helps clients buy and measure interactive, mobile, and gaming ads. Media planners are playing an increasingly important role in today's advertising industry because of the continuing proliferation of new media options and the increased complexity of media and audience research.

Media Objectives

As illustrated by American Business Press Inc (1979) how is a media plan developed? Media planning is a four-step process which consists of 1) setting media objectives in light of marketing and advertising objectives, 2) developing a media strategy for implementing media objectives, 3) designing media tactics for realizing media strategy, and 4) proposing procedures for evaluating the effectiveness of the media plan.

Target Audience

The first objective of a media plan is to select the target audience: the people whom the media plan attempts to influence through various forms of brand contact. Because media objectives are subordinate to marketing and advertising objectives, it is essential to understand how the target audience is defined in the marketing and advertising objectives. The definition may or may not be exactly the same, depending on the marketing and advertising objectives and strategies (Rolfe, 1993).

A common marketing objective is to increase sales by a specific amount. But this marketing objective does not specify a target audience, which is why the media objective is needed. Consider Kellogg's Corn Flakes and all the different strategies the advertiser could use to increase sales among different target audiences (Rolfe, 1993).

Marketers analyze the market situation to identify the potential avenues for boosting sales increase and consider how advertising might achieve those aims.

Demographics and Psychographics

The target audience is often defined in terms of demographics and psychographics. Syndicated research services such as Simmons Market Research Bureau (SMRB or Simmons) and Media market Research Inc. (MRI) provide national data on a number of **demographics** of U.S. consumers, including gender, age, education, household income, marital status, employment status, type of residence, and number of children in the household.

Khermouch, (2001) said, Demographic is the study of population in terms of gender, age, education, household income, marital status, employment status, type of residence, and number of children in the household

Psychographics is a generic term for consumers' personality traits (serious, funny, conservative), beliefs and attitudes about social issues (opinions about abortion, environment, globalization), personal interests (music, sports, movie going), and shopping orientations (recreational shoppers, price-sensitive shoppers, convenience shoppers Khermouch, G.(2001).

Generational Cohorts

In addition to demographics and psychographics, **generational cohort** is another useful concept for selecting the target audience. Because the members of a particular generational cohort are likely to have had similar experiences during their formative years, they maintain analogous social views, attitudes, and values (Dhalla, 1980).

Product and Brand Usage

Target audiences can also be more precisely defined by their consumption behavior. Product usage includes both *brand usage* (the use of a specific brand such as Special K cereal or Dove soap) and *category usage* (the use of a product category such as facial tissue or chewing gum). Product use commonly has four levels: heavy users, medium users, light users and non-users. The levels of use depend on the type of product Clark, & Chatterjee, (1999).

Primary and Secondary Target Audience

Clark, & Chatterjee, (1999) believed the target audience in a media plan can be either primary or secondary. A primary target audience is one that plays a major role in purchase decisions, while a secondary target audience plays a less decisive role. In the case of video game players, for example, children's requests often initiate a purchase process; parents often respect their children's brand selection.

The Size of Target Audiences

In the process of defining a target audience, media planners often examine and specify the actual size of a target audience -- how many people or households fit the definition. Knowing the actual size helps advertisers to estimate the potential buying power of the target audience (Clark, & Chatterjee, 1999).

Communication Goals

After media planners define the target audience for a media plan, they set communication goals: to what degree the target audience must be exposed to (and interact with) brand messages in order to achieve advertising and marketing objectives. For example, one communication goal can be that 75 percent of the target audience will see the brand in television commercials at least once during a period of three months

The different communication goals can be better understood in a hierarchy of advertising objectives, such as Bill Harvey's expansion of an earlier model of Advertising Research Foundation (ARF).

Reach, Frequency and Gross Rating Points

(Kotler, Ph. & Keller, 2009) Media planners often define the communication goals of a media plan using the three interrelated concepts of reach, gross rating points, and frequency. Media planners use **reach** to set their objective for the total number of people exposed to the media plan. Reach is one of the most important terms in media planning and has three characteristics. First, reach is a percentage, although the percentage sign is rarely used. When reach is stated, media planners are aware of the size of the target audience.

Frequency is the ratio of GRP over reach. Frequency is a measure of repetition. The formula of calculating frequency is:

$$\text{Frequency} = \text{Gross rating points} / \text{Reach}$$

Frequency Distribution, Effective Frequency and Effective Reach

Media planners also consider **frequency distribution** in order to fully understand exactly how many exposures different people experience; that is, how many people will see the ad once, twice, three times, etc. This lets the planner estimate the effective reach of the plan at the effective frequency needed by the campaign – the number of people who see the ads a sufficient number of times for the media plan to be effective (Clark, & Chatterjee, 1999).

Effective frequency refers to the minimum number of media exposures for a communication goal to be achieved, while *effective reach* is the reach (% of households) at the effective frequency level. Media planners choose an effective frequency based on the communication goals. Communication goals vary across the continuum from awareness, preference, attitude change to trial, purchase, and repurchase (Kotler & Keller, 2009).

Setting Communication Goals

As showed by McGraw-Hill Research (1982). Media planners can set communication goals based on the level of reach. That is, how many of the target audience should be reached with the media plan, say 50%, 75% or 95%? Theoretically, a reach of 100 is possible, but it is rarely a communication goal because some audience members may not use any of the media, making them unreachable.

Media Strategies

Media planners make three crucial decisions: where to advertise (geography), when to advertise (timing), and what media categories to use (media mix). Moreover, they make these decisions in the face of budget constraints. The actual amount of money that an advertiser spends on marketing communications can vary widely, from billions of dollars for multinational giants such as Procter & Gamble, to a few thousand dollars for local "mom-n-pop" stores. In general, companies spend as little as 1% to more than 20% of revenues on advertising, depending on the nature of their business. Regardless of the budget, some media options are more cost effective than others. It is the job of media planners to formulate the best media strategies -- allocating budget across media categories, geographies, and time. Let's look at each of these three decisions in turn, and then consider cost effectiveness Cappel, (2003).

Media Mix Decisions

Cappel, (2003) Asked which media should the advertiser use? Media planners craft a media mix by considering a budget-conscious intersection between their media objectives and the properties of the various potential media vehicles. That is, they consider how each media vehicle provides a cost-effective contribution to attaining the objectives, and then they select the combination of vehicles that best attain all of the objectives (Cappel, 2003).

Mix Strategy: Media Concentration vs. Media Dispersion

A media planner's first media mix decision is to choose between a media concentration approach or a media dispersion approach Auletta, (2005). The *media concentration approach* uses fewer media categories and greater spending per category (Cappel, 2003). This lets the media planner create higher frequency and repetition within that one media category.

Mix Strategy: Media Concentration vs. Media Dispersion

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Donaton, (2004) Media planners can calculate or measure share of voice to estimate the dominance of their message in each category of media they use. **Share of voice** is the percentage of spending by one brand in a given media category relative to the total spending by all brands that are advertising in that media category.

A company can create a high share of voice with a concentrated media strategy. That is, the company can be the dominant advertiser in a product category in the chosen channel. Moreover, because only one set of creative materials will need to be prepared, a concentrated media strategy lets advertisers spend a higher percentage of their budget on frequency and reach. But a concentrated strategy is also an "all-eggs-in-one-basket" strategy (Clark, & Chatterjee, 1999). If the particular ad is not well received or the particular media category only reaches a fraction of the intended target audience, then it will perform poorly.

In contrast, media planners choose a **media dispersion approach** when they use multiple media categories, such as a combination of television, radio, newspapers and the Internet. Media planners will use dispersion if they know that no single media outlet will reach a sufficient percentage of the target audience. For example, a concentrated approach using only ads on the Internet might reach only 30% of the target consumers because some consumers don't use the Internet. Similarly, a concentrated approach using national news magazines might reach only 30% of the target audience, because not every target customer reads these magazines. But a dispersed approach that advertises in print magazines as well as on Web sites might reach 50% of the target audience. Media planners also like the dispersion approach for the reinforcement that it brings -- consumers who see multiple ads in multiple media for a given brand may be more likely to buy this is showed by The European Advertising and Media Forecast, Henley (2006).

Media Category Selection

According to Jaffe, (2005) whether media planners select media concentration or media dispersion, they still must pick the media category (ies) for the media plan. Different media categories suit different media objectives. Most media options can be classified into three broad categories: mass media, direct response media, and point-of-purchase media. A media planner's choice will depend on the media objectives. If the media planner wants to create broad awareness or to remind the largest possible number of consumers about a brand, then he or she will pick *mass media* such as television, radio, newspaper and magazine (Jaffe, 2005). If the media planner wants to build a relationship with a customer or encourage an immediate sales response, then *direct response media* such as direct mail, the Internet and mobile phone are good choices.

For example, online ads for car insurance such as link directly to the application process to capture the customers right at the time they are interested

in the service. Finally, if media planners want to convert shoppers into buyers, then they might use *point-of-purchase media* such as sampling, coupons and price-off promotions. In short, each of these three categories of media serve a different role in moving the customer from brand awareness to brand interest to purchase intent to actual purchase and then to re-purchase (Jaffe, 2005). An integrated campaign, such as the one described for P&G's Fusion shaving system, might use multiple categories -- combining national TV ads to introduce the product, Internet media to provide one-to-one information, and in-store displays to drive sales.

Geographic Allocation Decisions

In addition to allocating advertising by media category, media planners must allocate advertising by geography Galician, (2004). In general, a company that sells nationally can take one of three approaches to geographic spending allocation: a *national approach* (advertise in all markets), a *spot approach* (advertise only in selected markets), or a *combined* national plus spot approach (advertise in all markets with additional spending in selected markets).

Media planners will choose a national approach if sales are relatively uniform across the country, such as for Tide laundry detergent or Toyota automobiles. A national approach will reach a national customer base with a national advertising program. For many other products, however, a company's customers are concentrated in a limited subset of geographic areas, which makes a spot approach more efficient Galician, (2004).

Media Schedule Decisions

Having decided how to advertise (the media mix) and where to advertise (allocation across geography), media planners need to consider *when* to advertise. Given a fixed annual budget, should all months receive equal amounts of money or should some months receive more of the budget while other months

receive less or nothing? Media planners can choose among three methods of scheduling: continuity, flight, and pulse Jaffe, (2005). **Continuity scheduling** spreads media spending evenly across months. For example, with an annual budget of \$1,200,000 a year, continuity scheduling would allocate exactly \$100,000 per month. This method ensures steady brand exposure over each purchase cycle for individual consumers. It also takes advantage of volume discounts in media buying. However, because continuity scheduling usually requires a large budget, it may not be practical for small advertisers (Jaffe, 2005).

The **flight scheduling** approach alternates advertising across months, with heavy advertising in certain months and no advertising at all in other months. For example, a board game maker like Parker Brothers might concentrate its advertising in the fall when it knows that many people buy board games as gifts for the holidays Jaffe, (2005). Or, with the same budget of \$1,200,000, for example, a different brand could spend \$200,000 per month during each of six months -- January, March, May, July, September and December -- and spend nothing during the other months, in hopes that the impact of advertising in the previous month can last into the following month.

Pulse scheduling combines the first two scheduling methods, so that the brand maintains a low level of advertising across all months but spends more in selected months Nyren, (2005). For example, an airline like United Airlines might use a low level of continuous advertising to maintain brand awareness among business travelers. United Airlines might also have seasonal pulses to entice winter-weary consumers to fly to sunny climes. In budget allocation terms, a consumer goods brand may spend \$5,000 in each of the twelve months to maintain the brand awareness and spend an additional \$10,000 in January, March, May, July, September and December to attract brand switchers from competing brands. The pulse scheduling method takes advantage of both the

continuity and flight scheduling methods and mitigates their weaknesses. However, this does not mean it is good for all products and services. Which method is the most appropriate for a given campaign depends on several important factors Jaffe, (2005).

The first, and most important, factor is sales seasonality. Companies don't advertise fur coats in summer and suntan lotions in winter. Likewise, some products sell faster around specific holidays, such as flowers on Mother's Day, candy on Halloween, and ornaments around Christmas.

The second factor that affects when advertising is scheduled is the product purchase cycle: the interval between two purchases.

A third factor that affects media scheduling is the time interval between when the purchase decision is made and when a product or service is actually bought and consumed.

Designing Media Tactics

Establishing media objectives and developing media strategies are the primary tasks of media planners. Designing media tactics is largely carried out by media buyers. Media buyers select media vehicles to implement established media strategies. Among the major factors that affect media vehicle selection are reach and frequency considerations (Ries, Al. & Ries, L., 2002).

Reach Considerations

As a major component of media objectives, the planned level of reach affects not only media mix decisions but also what media vehicles are used in each media category. High levels of reach will require a different set of media vehicles than low levels of reach Ries, Al. & Ries, L. (2002). That is, high levels of reach can be better served with a mix that includes multiple media vehicles with different audiences so that cross-media duplication of audience is minimal.

Frequency Considerations

Zyman, (2002) give an idea about, In contrast to high levels of reach, high levels of frequency can be effectively achieved through advertising in a smaller number of media vehicles to elevate audience duplications within these media vehicles. A commercial that runs three times during a 30-minute television program will result in higher message repetition than the same commercial that runs once in three different programs Ries, Al. & Ries, L. (2002).

Broadcast media are often used when high levels of frequency are desired in a relatively short period of time. Broadcast media usually enjoy a "vertical" audience, who tune in to a channel for more than one program over hours. Another phenomenon in broadcast media is audience turnover, which refers to the percentage of audience members who tune out during a program. Programs with low audience turnover are more effective for high levels of frequency Zyman, (2002).

Media Vehicle Characteristics

With reach and frequency considerations in mind, media buyers will compare media vehicles in terms of both quantitative and qualitative characteristics Aaker, (1991). Quantitative characteristics are those that can be measured and estimated numerically, such as vehicle ratings, audience duplication with other vehicles, geographic coverage, and costs. Media buyers will choose vehicles with high ratings and less cross-vehicle audience duplication when they need high levels of reach. Media buyers also evaluate the geographic coverage of media vehicles when implementing spot advertising such as heavy advertising in certain geographic regions. Finally, media buyers pay attention to the costs of each media vehicle. When two media vehicles are similar in major aspects, media buyers choose the less expensive media vehicle Zyman, (2002).

Ries, Al. & Ries, L. (2002) illustrated that there are two basic calculations of media vehicle cost. The first one, **cost per rating point (CPP)**, is used

primarily for broadcast media vehicles. To derive the CPP, divide the cost of a 30-second commercial by the ratings of the vehicle in which the advertisement is placed.

Another media cost term is **cost per thousand impressions (CPM)**, which is the cost to have 1000 members of the target audience exposed to an ad. [[SIDEBAR DEFINITION for **CPM**: Cost Per Thousand (M is the Latin abbreviation for 1000): the cost per 1000 impressions for an ad]] As you recall, the impressions are simply opportunities to see the ad. One difference between CPP and CPM is that CPM also contains the size of a vehicle audience.

Selection of Media Vehicles

Media buyers can use tools, like the one shown below, to make the process of selecting a media vehicle easier. To develop a list of the potential vehicle candidates you are considering Auletta, (2005). Then, select several quantitative and qualitative characteristics that are relevant to reach and frequency considerations, such as quantitative characteristics like CPM or GRP, and qualitative characteristics like reputation and added value. Next, make a table that lists the vehicle candidates in rows and the characteristics in columns. Now you can rate each of the characteristics of each vehicle on a scale of 1 to 3. Then add all the numbers in each row, dividing by the total number of characteristics (columns) to arrive at the rating for each vehicle. The best media vehicles to choose are those with the highest index numbers Nyren, (2005).

Although sales results are the ultimate measure of the effectiveness of an advertising campaign, the sales result is affected by many factors, such as price, distribution and competition, which are often out of the scope of the advertising campaign. It is important, therefore, to identify what measures are most relevant to the effectiveness of media planning and buying. We will examine the topic of measurement in more detail in chapters 21 and 22, but here is an introduction to measurement that is specific to media plans Jaffe, (2005).

What to Measure

Bendixen, (1993) because of the hierarchical nature of the media effects, the effectiveness of media planning should be measured with multiple indicators. The first measure is the actual execution of scheduled media placements. Did the ads appear in the media vehicles in agreed-upon terms? Media buyers look at "tear-sheets" -- copies of the ads as they have appeared in print media -- for verification purposes. For electronic media, media buyers examine the ratings of the programs in which commercials were inserted to make sure the programs delivered the promised ratings. If the actual program ratings are significantly lower than what the advertiser paid for, the media usually "make good" for the difference in ratings by running additional commercials without charge Jaffe, (2005).

Media Advertising When Your Market Is in a Recession

We commonly think of recession in a national framework, the world economy is either doing well or it is not. Yet some businesses are counter-cyclical and thus challenge general recession periods (Cappo, 2003).

To better understand periodic business behavior, an alternative definition of recession is needed which is not dependent on national economic behavior. If we establish that every business serves a particular market, then we can define "recession" as being a condition in which the market you serve, at one point in time, is growing at a rate substantially slower than the market's long-term trend (Donaton, (2004).

However, the determination of the stage in the business cycle is entirely dependent on served market growth and has no direct relationship to the national economy or other traditional measures of recession.

Market Share Opportunities

In a market downturn, the average industrial business experiences increased market share. Study illustrates the average PIMS industrial business performance in different market situations and shows that during recessionary periods these businesses tended to gain a greater share of market. The underlying reason is competitors, especially smaller marginal ones, are less willing or able to defend against the aggressive firms. Some competitors may erroneously believe others are being hit as severely by the market recession, and simply blame their loss of sales on the severity of the downturn rather than realize that their share of market is being eroded.

During expansion periods some businesses have difficulty meeting the growing demand, allowing competitors easier entry into the market. Thus, the average business tends to lose some market share even though unit growth may be satisfactory. The importance of monitoring both unit sales and market share cannot be overemphasized.

In either case, businesses can help improve their share of market by increasing their expenditures on media advertising. (Petty, 1998).

Media Advertising Improves Market Share

Study shows that businesses making major increases in media advertising expenditures during the recessionary period gained an average of 1.5 points of market share. This level of aggressiveness was displayed by only 25% of the businesses. Thus, by being aggressive, these businesses outperformed the average business, which, as we saw earlier, gained only 0.63 points of share during market recession (Nyren, 2005).

During market expansion periods, over 80% of the businesses increased media advertising expenditures. The problem, however, is that no particular share gain was achieved, on average, because most firms take the same action.

Thus, the consistency of ROI levels between normal and expansion periods is maintained.

We do see the danger of falling behind in media advertising. Those businesses that reduced their media advertising during the expansion lost one point of share. We cannot say, without additional information, whether the pulling back of media advertising caused a loss of share or whether it was caused by the lack of production capacity to serve the growing market. However, any program of increased media advertising should be a part of your marketing and business strategies.

Facts on the Value of Marketing during an Economic Downturn or Recession

1970 recession year

American Business Press (ABP) and Meldrum & Fewsmith study showed that "sales and profits can be maintained and increased in recession years and [in the years] immediately following by those who are willing to maintain an aggressive marketing posture, while others adopt the philosophy of cutting back on promotional efforts when sales appear to be harder to get." American Business Press Inc (1979).

1974-1975 recession years

ABP/Meldrum & Fewsmith 1979 study covering 1974/1975 and its post-recession years found that "Companies which did not cut marketing expenditures experienced higher sales and net income during those two years and the two years following than those companies which cut in either or both recession years." ABP/Meldrum & Fewsmith study (1979).

1981-1982 recession years

- McGraw-Hill Research's Laboratory of Advertising Performance studied recessions in the United States.

Following the 1981-1982 recessions, it analyzed the performance of some 600 industrial companies during that economic downturn. It found that "business-to-business firms that maintained or increased their marketing expenditures during the 1981-1982 recessions averaged significantly higher sales growth both during the recession and for the following three years than those which eliminated or decreased marketing. McGraw-Hill Research (1982).

- Cahnners and Strategic Planning Institute (SPI) produced their report, "Media Advertising When Your Market Is In a Recession." It disclosed, "During a recessionary period, average businesses do experience a slightly lower rate of return relative to normal times. However, expansion times do not generate a higher level of profits than normal periods as might be expected." This phenomenon was explained by an analysis of changes in market share.

"During recessionary periods," said the Cahnners/SPI report, "these businesses tended to gain a greater share of market. The underlying reason is that competitors, especially smaller marginal ones, are less willing or able to defend against the aggressive firms." The study then pointed out that businesses that increased media advertising expenditures during the recessionary period "gained an average of 1.5 points of market share." Kijewski, Dr. V. (1982).

1990-1991 recession years

Management Review asked AMA member firms about spending during the 1990-1991 recession. "Fortune follows the brave," it announced, noting that the data showed that most firms that raised their marketing budgets enjoyed gains in market share. Among the magazine's sample, 15

percent reported "greatly decreased" ad budgets. Advertising was "somewhat cut" by 29 percent. "The keys to gaining market share in a recession," concluded Management Review "seem to be spending money and adding to staff. Firms that increased their budgets and took on new people were twice as likely to pick up market share Rolfe, G. E. (1993).

Beyond the statistics, why it may be more important than ever to market despite economic downturn

Strong consideration should be given to the idea that marketing plays a more critical role now than it did during previous recessions. While marketing's role was once more informational than brand identity building, and considering that never more than today has the clutter factor been so great, relationships between customers and brands are critical. Relationship marketing has surged to the top of effective marketing campaigns as a means to keep an appropriate level of share of mind for purchase loyalty. Marketing serves to foster and maintain consumer-brand relationships Khermouch, G.(2001).

The effect on Profits

From the Harvard Business Review, "Advertising as an antirecession tool" comes the effect of cutting advertising on the bottom line. "The rationale that a company can afford a cutback in advertising because everybody else is cutting back [is fallacious]. Rather than wait for business to return to normal, top executives should cash in on the opportunity that the rival companies are creating for them. The company courageous enough to stay in the fight when everyone else is playing safe can bring about a dramatic change in market position." In addition, the article points out "Advertising should be regarded not as a drain on profits but as a contributor to profits, not as an unavoidable expense but as a means of achieving objectives. Ad budgets should be related to

the company's goals instead of to last year's sales or to next year's promises." Dhalla, N. K.(1980).

Survival Guidelines for Advertising during an Economic Downturn

Monitor your competitors. If they're cutting back, seriously consider increasing your marketing budget and hitting harder.

This will provide a great opportunity to capture – and retain – a larger share of the market (McGraw-Hill Research, 1982).

- Avoid gimmicks. Center your message on the benefits and advantages of your product or service such as convenience or energy efficiency – rather than making emotional appeals.
- Use direct-response advertising techniques. In direct mail and telemarketing campaigns, use hard-hitting copy with simple but convincing language, a special offer the prospect will find hard to pass up, and a strong call to action.
- Stress benefits and return on investment. Prospects are looking for as much value as possible in a weak economy.
- Focus on your metrics. Know which target segments are most responsive, which offers generate the greatest interest, and so on. Spend every ad dollar carefully.
- Re-examine your marketing mix to ensure it is the most cost effective.

CELEBRITY ADVERTISING AND MARKET SHARE

Celebrity advertising is the use of a public figure's likeness for the purpose of selling a product or service. Celebrity advertising can be accomplished through celebrity endorsements, whereby the celebrity consents for his or her likeness to be used in advertisements for a certain brand (Miciak and Shanklin, 1994).

Celebrity advertising without the celebrity's consent results in products that are referred to as "bootleg" merchandise or "knock-offs," which feature the celebrity's photo or likeness on a product Walker et al. (1992).

Celebrity endorsements imply that the celebrity uses the product or service that he or she is endorsing, and prefers it above others of its kind. For this reason, brands will often target celebrities who appear to reflect whichever effects the advertisement is promising. For example, celebrities who are already fit are often approached to represent fitness and weight loss products, and stars that are known for their hair are approached to endorse certain brands of shampoo. In some cases, the celebrity might not even use the product or service at all. Celebrities who knowingly mislead the public in exchange for profit in this regard are often criticized for "selling out." Because of this, many North American celebrities have opted to endorse products for advertisements that are only shown overseas, particularly in Japan (Kaikati, 1987).

One of the most iconic examples of celebrity advertising is the George Foreman Grill. At one time best-known for his championship boxing, George Foreman is perhaps better-known today for endorsing his eponymous grill, which claims to reduce fat in cooking. Like many products endorsed by celebrities, the George Foreman Grill was brought to the public's attention through a series of repetitive TV commercials. In some cases, celebrity endorsements on TV exceed the length of a standard commercial; these ad spots are known as "infomercials" or "paid programming." Some celebrities who have appeared in infomercials

include: Victoria Principal for the Principal Secret, Daisy Fuentes for Winsor Pilates, and Chuck Norris for the Total Gym.

Celebrity advertising via bootleg merchandise usually consists of the celebrity's likeness, whether through an actual photo of the celebrity or a facsimile that reflects certain iconic aspects of the celebrity's image (Miciak & Shanklin, 1994). For example, a product that is not endorsed by Elvis Presley's estate but still bears an image of the singer's signature hairstyle, pose, etc. would be considered bootleg merchandise. Restrictions prohibit bootleg merchandise from being sold in most major retail outlets; however, flea markets and discount stores have been known to carry such items.

Despite well-publicized celebrity miscues such as O.J. Simpson's arraignment on murder charges, Mike Tyson's rape conviction, and Michael Jordan's gambling debt, the use of celebrity endorsers continues unabated. Indeed, approximately 20 percent of all commercials use some type of celebrity endorsement (Radley, 1996). Recent highly visible examples include Candice Bergen for Sprint, Jerry Seinfeld for American Express, Michael Jordan for Nike, Cindy Crawford for Pepsi, and Grant Hill for Fila, Christie Brinkley for the Milk Council, and Ken Griffey, Jr for Nintendo (Bradley, 1996). Although endorsers can be used for a variety of purposes such as getting attention (Kaikati, 1987) and penetrating commercial clutter (Miciak & Shanklin, 1994), the high cost of endorsements suggests that marketers expect to get far more value from the endorsement than simply the use of a clever execution device designed to attract consumer attention.

Despite the popularity of celebrity pitchmen (and women), many commercials using celebrity endorsers do not live up to advertisers' expectations (Miciak and Shanklin, 1994). However, used appropriately, celebrity endorsers can serve a valuable role in developing brand equity and enhancing a brand's competitive position. The purpose of this article is to identify how basic

associative learning principles can be invoked to improve the use of celebrity endorsers.

Celebrity associations and brand equity

Management of brand equity involves managing the constellation of meanings associated with a brand (Aaker, 1991). Any given brand will evoke some set of associations (Meyers-Levy, 1989). Some associations may be somewhat culturally universal. For example, Pepsi's association with youth, has been developed through such campaigns as "The Pepsi generation", "Choice of a new generation", and "Generation next". Other associations may be unique to a particular individual. For example, one might associate Pepsi with Saturday afternoons spent playing baseball with friends.

A powerful mechanism for managing brand equity

Although marketers can invoke a variety of tools to develop and maintain appropriate associations, celebrity endorsers represent one way in which meanings can be transferred to brands (McCracken, 1986; 1989). Used in this way, the role of celebrity endorsers transcends that of simply being an execution device which might be most appropriate in low involvement situations (e.g. Petty et al., 1983) and becomes a powerful mechanism for managing brand equity. A study by Walker et al. (1992) demonstrated that pairing products (in their study, VCR, bath towel, and jeans) with very different celebrities (Madonna or Christie Brinkley) affected subjects' images of those products consistent with the image of the celebrity with which that product had been paired.

Celebrity endorsement

According to Walker et al. (1992), Sometimes a brand will either use a celebrity endorser only sporadically or opportunistically either at the whim of the

client or the agency. Payback on the investment in the celebrity endorsement comes from using the celebrity regularly over time. Such repetition both strengthens the associative link for those consumers already aware of the celebrity endorsement as well as increases the pool of consumers who begin to become aware of the link between the brand and the celebrity. Marketers unwilling to commit to consistently using the chosen celebrity, weaken the benefit expected to be derived from the endorser, and may wish to rethink the appropriateness of using a celebrity.

Managerial implication: Celebrity endorsements will be more effective when used consistently over time to increase the strength of the link between the celebrity and the endorsed brand.

Example Sprint's long-running use of Candice Bergen has helped build a strong associative link between Sprint and Candice Bergen.

Overshadowing and blocking

Overshadowing and blocking refer to the difficulties in establishing relationships (associative links) between stimuli that already have strong relationships with other stimuli (Martindale, 1991). Overshadowing occurs when the favorable stimulus (celebrity endorser) occurs in the presence of multiple other stimuli which all compete to form a link with the favorable stimulus (celebrity endorser). While the advertiser certainly intends for an associative link to develop between the celebrity and the endorsed brand, overshadowing suggests that the celebrity endorser is most likely to build a link with the predominate stimulus, which might not be the featured brand, in the ad execution. The advertising execution, therefore, should be single-minded in communicating the brand-celebrity pairing.

The brand and the celebrity should be the two strongest elements in the ad. Ad executions which are cluttered with superfluous execution devices distract from the brand celebrity pairing and can be expected to weaken the potency of

the celebrity endorser. The likelihood of forming an associative link between the celebrity and the brand increases when there are few other competing elements in the ads.

Managerial implication: When using a celebrity endorser, keep the ad execution simple, clean, and free of irrelevant design elements. Focus on the celebrity and the brand together.

Example Pepsi ran a print ad using Jimmy Connors seated in a chair behind a tennis net volleying Pepsi cans as if they were tennis balls. The ad was very simple, featuring only Jimmy Connors and Pepsi cans.

Brand association

Brand association set size

Brand association set refers to the group of concepts which are associated with, or attached to, a given brand (Meyers-Levy, 1989). For example, one's association set for Macintosh might include "easy to use", "good graphics", "Steven Jobs", "California", "declining sales", "the distinctly colored Apple logo", etc. The exact association set for a given brand will, of course, vary from consumer to consumer and represents the knowledge structure that the consumer has for the brand.

The size of the brand association set will affect the likely value of a celebrity endorsement. As discussed earlier, repeated pairings of celebrity endorser and brand should facilitate the celebrity and brand becoming part of each other's association set. The value of the endorsement comes, in part, through thoughts about, or exposure to, the brand activating the association with the celebrity. However, the degree of activation of any one particular node depends, in part, on the number of competing nodes associated with that node. As the size of an association set for a brand increases, the likelihood of the

celebrity node also being activated is reduced; the more concepts that are activated, the less intensively each will be activated (Anderson, 1983a, 1983b).

Brand association

This basic phenomenon is known as the “fan effect” and suggests that celebrity endorsements will be most valuable for brands which have relatively small association sets.

Managerial implication: Celebrity endorsers will be more effective for brands for which consumers have limited knowledge/facts. Extinction is the reduction in the response that had been transferred to a particular stimulus (Till & Shimp, 1995). In the context of celebrity endorsements of brands, the favorable response that has been engendered to a particular brand because of its association with a celebrity may weaken over time, particularly if the brand receives significant exposure without association with the celebrity.

While it is unrealistic to expect that every time a consumer encounters a brand that the celebrity endorser image will also be present, marketers can work to more fully integrate the celebrity into the brand’s marketing mix. Celebrity endorsers can be effective in consumer promotions. Although most commonly used in advertising, celebrity endorsers can be effective in consumer promotions, such as giving away related items or trips which tie into the celebrity. The package is also a place where the additional leverage of the endorsement can be gained. The celebrity could also be used at large trade shows, national sales meetings, and other significant publicity events (Till & Shimp, 1995).

Managerial implication: Increased value from a celebrity endorser comes from utilizing the celebrity across the marketing mix, not just in advertising. Example Whites was effective in integrating the use of athletes in both their advertising and their packaging.

Risk of celebrity endorser use the value of the celebrity endorsement comes through the building of an associative link between a brand and a

celebrity. However, the establishment of such a link is not without risk (Till & Shimp, 1995).

Consider the possibility of negative publicity regarding a celebrity endorser. If the brand is strongly associated with the celebrity then the occurrence of the negative information about the celebrity will also activate in memory, to some degree, the endorsed brand.

This joint activation of brand and celebrity provides a path over which one's diminished evaluation of the celebrity has an opportunity to transfer to the brand. The key to this process is the simultaneous activation of the brand and celebrity nodes. Negative information about the celebrity activates the celebrity node, which then activates the brand node to some degree, which allows for the transfer of the reduced evaluation of the celebrity to the brand (Till, 1996). Therefore, there is always a risk that negative publicity about a celebrity can tarnish the endorsed brand.

Managerial implication: Caution in choice of celebrity endorser is warranted given the potential risk of tarnishing the brand's image.

Influence of Opinion Leaders

As far back as 1955 Katz and Lazarsfeld, in an entire volume, emphasised personal influence in the consumption process, and in particular the role of opinion leaders (Katz and Lazarsfeld ,1995). Prior to this, Lazarsfeld, Berelson and Gaudet while undertaking their study of the 1940 presidential election in the USA, revealed the major influence relatives, friends and coworkers had on voting decisions and from this the term "opinion leader" was born (Lazarsfeld et al., 1944). By 1959 it was suggested that personal sources may be more effective than mass media in those purchase situations where uncertainty exists (Fisk, 1959). Opinion leadership's relevance to consumer behavior had been cemented

by 1970 with King and Summers' development of a self-designating method to measure the concept (King and Summers, 1970).

In more recent times, other researchers' findings have provided confirmation that personal sources are a valuable, and possibly the most important, source of information (Urbany et al., 1989; Midgley, 1983; Kiel and Layton, 1981). Beatty and Smith (1987) conclude that a person who has little knowledge or who is worried about a purchase is highly likely to seek information from someone they know. This is corroborated by Alba and Hutchinson's (1987) finding that younger, less-experienced consumers rely more heavily on the expertise of others. Furthermore, unlike mass media, word of mouth has the advantage of clarification and feedback opportunities.

It has been suggested that opinion leaders exert a "disproportionate amount of influence on the decisions of other consumers" (Flynn et al., 1994). Thus, the opinion leader group has the potential to be very important to marketers in disseminating product and company messages. However, can these people be isolated as a target segment and their information sources identified? If this is possible, then effective marketing strategies can be developed directed at this group, who will in turn disseminate information to a wider audience by word of mouth.

BILLBOARD ADVERTISING AND MARKET SHARE

Advertisers are indeed exploring many new avenues. Billboard advertising is being used in innovative ways: "Out-of-home advertising, long considered a backwater on Madison Ave., is getting tougher to ignore as it branches out beyond the old-fashioned billboard. New technologies are transforming out-of-home ads, a sector which includes roadside billboards, ads on buses and trains and now even coasters in bars. As advertisers find it harder to reach consumers

through television and radio, the increasing array of out-of-home ads is looking more attractive (The Wall Street Journal, July 21, 2005).

Billboard

A billboard (archaically a "hoarding" in the UK) is a large outdoor advertising structure (a billing board), typically found in high traffic areas such as alongside busy roads. Billboards present large advertisements to passing pedestrians and drivers. Typically showing large, ostensibly witty slogans, and distinctive visuals, billboards are highly visible in the top designated market areas (Cavaliere, & Tassinari, 2001). Bulletins are the largest, most impactful standard-size billboards. Located primarily on major highways, expressways or principal arterials, they command high-density consumer exposure (mostly to vehicular traffic). Bulletins afford greatest visibility due not only to their size, but because they allow creative "customizing" through extensions and embellishments (Cavaliere, Farley & Lehmann, 1986).

Posters are the other common form of billboard advertising, located chiefly in commercial and industrial areas on primary and secondary arterial roads. Posters are a smaller format than bulletins and are viewed principally by residents and commuter traffic, with some pedestrian exposure (Cavaliere, & Tassinari, 2001).

Painted billboards

Grabowski, (1977) Almost all these billboards were painted in large studios. The image was projected on the series of panels that made up the billboard, then "pounced" on the board, marking the outlines of the figures or objects. Then, using oil paints, the artists would actually use large brushes to paint the image. Once the panels were installed using large hydraulic booms on trucks, the artists would go up on the installed billboard and touch up the edges between the panels. These large, painted billboards were especially popular in

Los Angeles where historic firms such as Foster & Kleiser and Pacific Outdoor Advertising dominated the industry. Eventually, these painted billboards gave way to graphic reproduction, but hand-painted billboards are still in use in some areas where only a single board or two is required. The "Sunset Strip" in Los Angeles is one area where hand-painted billboards can still be found, usually to advertise upcoming films or albums in the heart of the entertainment industry.

Advertising style

Billboard advertisements are designed to catch a person's attention and create a memorable impression very quickly, leaving the reader thinking about the advertisement after they have driven past it (Kelton & Kelton, 1982). They have to be readable in a very short time because they are usually read while being passed at high speeds. Thus there are usually only a few words, in large print, and a humorous or arresting image in brilliant color Kelton and Kelton (1982).

Some billboard designs spill outside the actual space given to them by the billboard, with parts of figures hanging off the billboard edges or jutting out of the billboard in three dimensions. An example in the United States around the turn of the 21st century were the Chick-fil-A billboards (a chicken sandwich fast food chain), which had three-dimensional cow figures in the act of painting the billboards with misspelled anti-beef slogans such as "frendz don't let frendz eat beef." Kelton and Kelton (1982).

The first "scented billboard," an outdoor sign emitting the odors of black pepper and charcoal to suggest a grilled steak, was erected on NC 150 near Mooresville, North Carolina by the Bloom grocery chain. The sign depicted a giant cube of beef being pierced by a large fork that extended to the ground. The scents will be emitted between 7–10 a.m. and 4– to 7 p.m. from May 28, 2010 through June 18, 2010.

Digital billboards

A digital billboard is a billboard that is created from computer programs and software. Digital billboards can be designed to display running text, display several different displays from the same company, and even exist to provide several companies a certain slot of time during the day. Because of the versatility and increased potential revenue for these signs, they are likely to become the standard for the future Lee, and Tremblay (1992).

Inflatable billboards

An inflatable billboard is an inflatable object depicting an advertisement. The name is perhaps a bit misleading because the advertisement is not actually on a board. Most of them controversially and famously appear near sports events. Milyo and Waldfogel (1999).

Other types of billboards

According to Nelson and Young (2001) other types of billboards include the Billboard bicycle, which is a billboard attached to the back of a bicycle or the largest mobile billboard, a special advertising trailer to hoist big banners. Mechanical billboards are billboards that display three different billboards at different times, because the three advertisements are attached to a conveyor that rolls around inside the billboard. There is also such thing as a three-dimensional billboard, such as the ones at Piccadilly Circus, London, although this type of billboard is arguably mistaken for a simple advertising sign.

Placement of billboards

Some of the most prominent billboards are alongside highways; since passing drivers typically have little to occupy their attention; the impact of the billboard is greater. Billboards are often drivers' primary method of finding food and fuel on unfamiliar highways. There were approximately 450,000 billboards

on United States highways as of 1991 somewhere between 5,000 and 15,000 are erected each year. In Europe billboards are a major component and source of income in urban street furniture concepts Ries and Trout (1986).

Benefits of billboard

Billboards are very popular these days. Lots of lots of companies rely on them for their advertising campaigns. TV stations, telecommunication companies, even politicians use them frequently. You can see now that billboards are one of those advertising media that are rapidly being preferred by the world's advertising populace.

You can accurately say that billboards are truly beneficial to several people. Why else would they choose to use billboards instead of using other forms of advertising like television, radio, magazines and newspapers? In order to understand why, you should know what the benefits of billboard advertising are so that you can truly appreciate what these wonderful advertisers can do for you Saffer (1993).

They Are Cost-Effective

Some people think of billboards as being very expensive to set up. That is true as well. There's no way around that. One billboard can cost you as much as \$1000 monthly. If you think that is expensive, think again. Billboards are produced only once. That means the money you pay for creating the billboards is just for a one-time fee that you don't have to pay again. True, the monthly fee for having billboards displayed is quite expensive, but you get a lot of good things in return.

Compare that with a newspaper ad: you have to pay roughly the same exact amount just to have your ad posted in their classifieds, and you have to

continually maintain that for a few weeks or so with little effect while you can feel the effects of billboards on your business almost instantly.

Billboards Can Capture Attention Easily

Newspaper ads require a person to sift through the pages in order to find that advertisement. Billboards however, can simply attract attention by being there. One billboard placed strategically is as effective as hundreds of newspaper and television ads running. The best thing is, anyone can see them. Drivers, employees, students; these people can see your billboard when you start placing them on top of buildings and on the sides of the highway. They can't ignore them as well; whether they like it or not, the billboards are there to stay.

Well designed billboards can easily capture a person's fancy as well. It all depends on your creative team to come up with that.

They Are Available Around the Clock

Unlike TV ads that depend on the number of minutes paid and newspaper ads that depend on the amount of space the ad occupies, billboards are available around the clock. Anyone can see billboards anytime of the day. They are not taken down after a certain hour has passed, nor are they restricted to certain time limits. They are like advertisers that work 24 hours a day, with no stops and no pauses. You can't even turn billboards down as well. They are just there, speaking their message in silence. You don't have to talk to them; all you have to do is just look at them and see what they have to say to you through the designs placed on the billboard.

Billboard advertising has become one of the most solid methods of promoting your business. Should you wish to utilize outdoor advertising, make sure that you depend only with Advertisement. (Nelson,2001).

Billboard Advertising Importance to the Local Economy

There are numerous indicators of the vital importance of Billboard advertising to the local economy. The decision to use Billboard advertising is cost-effective. On average, it costs \$2 to reach 1,000 people with Billboard advertising. Compared to other media sources, it costs approximately \$5 for radio, \$9 for magazines and \$10-\$20 for newspaper or prime-time television per 1,000 people Anderson, (1983b). A study of the performance of the industry in Charlotte, North Carolina found that 77 percent of advertisers were local businesses, and 92% of them (about 70% of all billboard advertisers) had less than 50 employees (Lilley & Defranco, 1994). Across industries, the Billboard Advertising Association reports that local business represents approximately 70% of industry revenues Martinson, (1995).

Spending on Billboard advertising—bus shelters, street furniture, stadium displays, and mall and airport signs, blimps, skywriting, as well as established billboard and other out-of-home media—is growing by ten percent per year. This growth is faster than traditional media sources such as newspaper and television but not as rapid as cable or the Internet. Public perception of Billboard advertising has also improved over the years. Whereas “other media are fragmenting, new technology has made us [the industry] more creative, and advertisers are seeing billboards in a new light” (Anderson, 1983b).

A review of the advertising industry literature shows that people are spending more time in their cars than they have in the past. This translates to there being more exposure to billboard advertising. Daily vehicle trips are up 110 percent, since 1970, and the number of cars is up 147 percent. The majority of road travelers (70 percent) are alerted to a location (hotels, motels and restaurants) due to billboards, according to Jennifer Zeigler (VP Marketing, Holiday Express), Walsh (2001) supported by current analysis that quantifies Billboard advertising by counting the traffic flow past any billboard and applying the gross rating points (GRP) for a campaign. However, a study by Bhargava and

Donthu shows that this does not take into account the spatial location of the billboards and the geographic distribution of the target consumers in estimating the reach/frequency Bhargava & Donthu (1999). Although the number of billboards is the most important factor regarding the effectiveness of a Billboard advertising campaign, location and promotional factors also contribute to a campaign's effectiveness. A major finding in the Bhargava/Donthu study is that Billboard advertising produces a short-term sales increase similar to that due to promotional expenditures.

CHAPTER THREE

METHODOLOGY

Introduction

This chapter focused on research methodology including research design, sampling procedure, target population and sample size, source of the data collection, data collection instrument, research procedure, and ethical instrument.

Research Design

The study took a quantitative approach in that it was based on variables measured with numbers and analyzed with statistical procedures (Creswell, 2003). The research design was descriptive-co-relational in that it was interested in relating media, billboard and celebrity to market share. The study used a survey method because it involved gathering views from varied groups of a number of respondents (Best and Kahn, 1993), and was cross sectional as pertinent data will be collected from all respondents once and for all to reduce on time and costs involved (Creswell, 2003).

Target Population

The study population was a selected staff of the Nation link and Hormud telecommunication companies (58), regarding of their position, experience and qualifications and their customers. Sample size refers to the number of items to be selected from the universe to constitute a sample.

Sample Size

The sample size consisted of (50) respondents from the target population. To determine the ideal sample size for a population, slovin's formula was used which is

$$n = N / (1 + (N * e^2))$$

Where:

n = number of samples

N = total population

e = margin of error

Sampling procedure

Stratified random sampling involves a process of stratification or segregation, followed by random selection of subjects from each stratum. The researcher was used stratified random sampling procedure by targeting the sample size into the different categories such as directors, managerial staff and sales and marketing managers' personnel.

Research Instrument

Data was collected from both primary and secondary sources. Primary data was obtained from directors (2), and managerial staff (9) and sales and marketing personnel (47). Secondary data was acquired through reviewing related literature such as published books, magazines, journals and internet sources.

Questionnaire tool was administered to collect quantitative data from the selected respondents, besides greater convenience in the context of time, stability, uniformity and consistency. The researcher preferred this method because it was the most appropriate in collecting view respondents whose place was geographically spread.

Reliability and Validity of the Research

The valid questionnaires were pre-tested to questionnaires (2 of each) that were not intended in the study to test the ability of the items for consistency and to determine the degree of reliability.

To know the validity of the instruments, content validity was used to ensure that the content of the instrument corresponds to the content of the conceptual framework. These will in line with the views of Amin (2005). Content validity takes care of item validity and sampling validity.

Data Gathering Procedure

After getting an introductory letter from Kampala International University school of Post graduate Studies, the researcher sought permission from the directors of Hormud and Nation link to carry research. Then the researcher carried out a pilot study (4 respondents two of each company) before the actual research in order to check feasibility of the research, so that the research design can be improved or adjusted if necessary to avoid wasting time, money and other resources and to pre-test the questionnaire. Researcher then nominated research assistants in the selected telecom companies in Mogadishu Somalia.

Data Analysis

Data on completed SAQs was edited, categorized or coded and entered into a computer for the Statistical Package for Social Scientists (SPSS) to summarize the data using simple and complex frequency tables or cross – tabulations. The same package was used to analyze by computing relative frequencies, means, standard deviations and other relevant statistics at the uni-variate level, market share was correlated with the advertising (media, billboard and celebrity) using Pearson’s Linear Correlation Coefficient (PLCC), as was deemed appropriate (Amin, 2005; Foster, 1999).

Ethical Considerations

To safeguard against unprofessional conduct while carrying out this research like unnecessary pressures, which could cause the research findings to be undermined, the researcher:

Sought permission of the people who participated in the research for their consent in the intended study as such the researcher did not lie to subjects and record findings on hidden mechanical devices.

The researcher made sure the researcher's personal biases and opinions did not override other interests of the research and gave both sides fair consideration.

The findings of the research were kept confidential, done under the condition of anonymity to avoid embarrassing and harming respondents especially if got information could be used politically or otherwise to harm the respondents.

The researcher sought approval of the University Ethics Committee to make sure the research does not violate any of the Ethical considerations.

Limitations

Some of the respondents were not willing to share with the researcher some of the information that they considered confidential but the researcher promised to keep the information got as confidential and only to be used for academic purposes.

Choice of sample population also caused a limitation, but the researcher tried to choose a sample population that is truly representative in terms of statistics and large enough to give a true picture of the whole population.

Untruthfulness was witnessed, where some of the respondents did not say the truth, but the researcher probed the respondents further to establish the truth when it deemed necessary.

CHAPTER FOUR

PRESENTATION, ANALYSIS OF RESULTS AND INTERPRETATION

Introduction

This chapter shows the background information of respondents, description of the independent variable, and description of dependent variable and testing of the relationships between the two variables. The pertinent research hypotheses are also tested here.

PROFILE OF RESPONDENTS

Respondents in this study included employees and clients in Hormud and Nation link telecom companies in Mogadishu. The study sample involved employees and clients of different categories (male and female, different education levels, different management levels and different tasks) as described in this section.

Description of Respondents by sex

The study sample involved both male and female employees in Hormud and Nation link telecom companies in Mogadishu. The researcher distributed 58 questionnaires to all the selected respondents, however only 50 were received and used for analysis as indicated below.

Table 4.1: Employee description by sex

	Frequency	Percent
Male	30	60
Female	20	40
Total	50	100.0

Source: Primary data 2011

The findings of the study indicated that majority of respondents in the sample were male represented by 60% while females were minority represented by 40%.

Description of employees by age

The researcher described respondents according to their education level in order to establish the impact it might have on market share.

Table 4.2: Age of respondents

Categories	Frequency	Percent
Under20	6	12
21-30	21	42
31-40	19	38
41 over	4	8
Total	50	100

Source: Primary data 2011

The findings of the study indicated that majority of respondents represented by 42% were of age bracket 21-30, minority represented by 8% were of the age bracket of 41 years and above.

Description of Respondents by Income level

The researcher described employees according to their income level in order to establish the impact it might have on market share.

Table 4.3: Income of employees

	Frequency	Percent
Low	18	36
Medium or middle	26	52
High or upper	6	12
Total	50	100.0

Source: Primary data 2011

The findings of the study revealed that the majority of the employees in the sample were of middle income group represented by 52%, while minorities of the employees in the sample were of upper income bracket.

Description of Respondents by Marital Status

The researcher described respondents according to their marital status in order to establish the impact it might have on market share.

Table 4.4: Designation of respondents in marital status

	Frequency	Percent
Married	21	42
Single	19	38
Widow/widowed	4	8
Divorced	6	12
Total	50	100.0

Source: Primary data 2011

The findings of the study revealed that the majority of the employees in the sample were married represented by 42% while, while minority of the employees in the sample were of Widow/widowed 8 % were Widow/widowed.

Description of employees by qualification

The study sample involved both male and female employees and clients in Hormud and Nation link telecom companies in Mogadishu.

Table 4.5: Employee description by qualification

Secondary	13	26
Diploma	12	24
Bachelor	16	32
Master	7	14
Other	2	4
Total	50	100.0

Source: Primary data 2011

The findings of the study indicated that majority of respondents in the sample were bachelors represented by 32% while others were minority represented by 4%.

Description of employees by experience

The researcher described respondents according to their education level in order to establish the impact it might have on market share.

Table 4.6: Experience of respondents

	Frequency	Percent
6 Months	10	20
1 year	11	22
2 years	10	20
3 years	9	18
4 years and above	10	20
Total	50	100.0

Source: Primary data 2011

The findings of the study indicated that majority of respondents represented by 22% were of experience bracket 1year, minority represented by 18% were of the experience bracket of 3 years.

Description of the independent Variable

The independent variable in this study was advertisement categorized into three forms namely media advertising, billboard advertising and celebrity advertising. Each of these three forms was measured using qualitative questions in the questionnaire and each of the questionnaire item was Likert scaled using four points, where 1 = very rarely or never used; 2 = rarely used; 3 = Often used; 4 = very often used. Their responses were analyzed using SPSS's summary statistics showing the means and standard deviations, as indicated in table 4.1;

Table 4.7: Means and Standard Deviations on How Respondents Rated the different Advertising Forms

Media Advertising	Sum	Mean	Std. Deviation	Interpretation
Advertising	161	3.22	0.708	Often
News paper	162	3.24	0.894	Often
Bus stop porters	105	2.10	0.953	rarely used
In store display	158	3.16	0.889	Often
Banner ads	126	2.52	1.165	Often
Web site or Internet	165	3.30	0.886	Often
Face book	174	3.48	0.677	Often
Mean index		3.00	0.823	Often
Celebrity Advertising				
Public figurer's likeness	147	2.94	0.935	Often
Use of famous people	147	2.94	0.935	Often

Use of opinion leader	169	3.38	0.667	Often
Brand association	122	2.44	1.033	rarely used
Mean index		2.93	0.853	Often
Billboard advertising				
Big boards	129	2.58	1.108	Often
Road site Billboards	156	3.12	0.689	Often
Billboard on buses and trains	113	2.26	1.046	rarely used
Bill board in bars, and Hotels and stadiums	127	2.54	1.014	Often
Use of three dimensional billboard	120	2.40	1.107	rarely used
Used mechanical billboard	129	2.58	1.108	Often
Used painted billboard	156	3.12	0.689	Often
Use digital billboards	165	3.30	0.789	Often
Use inflammable billboard	125	2.50	0.953	Often
Use billboard bicycles	124	2.48	0.707	rarely used
Mean index		2.69	0.872	Often

The means in table 4.1 suggest that all the three forms of advertising are oftenly used (all mean indices ≈ 3), which falls under often on the Likert scale. For example, all media advertising forms were rated as oftenly used (means ≈ 3), except bus stop porters which were rated as rarely used (mean ≈ 2). The same applies to celebrity advertising, except brand association which was found to be rarely used (mean ≈ 2). As regards billboard advertising, some forms were rated as rarely used for example billboards on buses and trains (2.26), use of three dimensional billboards (2.40) and use billboard bicycles (2.48). To generate a summary picture on how to employees rated advertising, an average index for all the items in table 4.1 was computed, which turned out to have a mean index of

2.87, indicating that the telecommunication companies used in the study often advertise (mean index \approx 3, which falls under often on the Likert scale).

Description of the Dependent Variable

The dependent variable in this study was company market share, which was measured in terms of sales volume for the company in the market. Sales volume was measured using eight qualitative questions in the questionnaire, with each Likert scaled between one to five, where 1 = very big market share; 2 = big market share; 3 = neither big nor small; 4 = small market share and 5 = very small market share. Their responses were analyzed using SPSS's summary statistics showing the means and standard deviations, as indicated in table 4.2;

Table 4.8: Means And Standard Deviations on How Respondents Rated Company's Market Share

Sales Volume	Sum	Mean	Std. Dev.	Interpretation
Proportion of the market share controlled	81	1.62	0.923	big market share
Sales growth	98	1.96	1.212	big market share
Reputation in the market	85	1.70	0.886	big market share
Bargaining power	125	2.50	1.359	neither big nor small
Customer preference	105	2.10	1.093	big market share
Customer awareness	108	2.16	1.376	big market share
Distribution or supply of goods	123	2.46	1.328	big market share
Index		2.07	1.125	big market share

The means and standard deviations in table 4.2 indicate that on average respondents rated their companies as having a big market share on most of the items; for example on the proportion of the market share controlled by the

company, most employees rated it as big (mean=1.62). The same applied to sales growth (mean=1.96), reputation in the market (mean=1.70), Customer preference (mean=2.10), etc refer to the above table 4.2. However regarding the company bargaining power in the market, most employees rated their companies' share as just average (or neither big nor small).

To get a summary picture on how to employees rated their companies' market share in terms of sales volume, an average index for all the eight items in table 4.2 was computed, which turned out to have a mean index of 2.07, indicating that employees rated the telecommunication companies they work for as controlling a big share of the market (mean index \approx 2, which falls under big market share on the Likert scale).

TESTING OF RELATIONSHIPS BETWEEN VARIABLES

The Relationship between Media Advertising and Organizational

Market Share in Telecom Firms in Mogadishu Somalia

The first objective/question in this study was to determine the relationship between media advertising and Organizational market share in telecom firms in Mogadishu, Somalia. Media advertising in this study was operationalised using seven items or forms (see table 4.2), for which a numerical index (MEDIA) was computed using the SPSS's "Transform>Compute" procedure. This numerical index (MEDIA) was then correlated with the market share numerical index (MKTSHARE) computed using the same procedures. In correlating the two indices, the researcher was testing a null hypothesis that the two numerical

indices (MEDIA and MKTSHARE) are not significantly related. In testing this hypothesis, the Pearson's Linear Correlation Coefficient (PLCC) was used, results of which are indicated in table 4.3.

Table 4.9: Pearson's Linear Correlation Coefficient results Correlating Media Advertising with Market Share

Indices	Mean	Std. Deviation	r-value	Sig.
MEDIA	3.00	0.823	0.860	0.000
MKTSHARE	2.07	1.125		

The PLCC results in table 4.3 indicate a positive significant relationship between media advertising and a company's market share ($r=0.860$, $\text{sig.} = 0.000$). Basing on these results, the researcher rejected the null hypothesis, since the sig. value (0.000) was less than 0.05 (or 5%) which is the required level of significance in social sciences for us to reject a null hypothesis. These results imply that the more a company advertises using media advertisements, the more sales it is likely to make and the bigger the market share it is likely to control and vice versa. The computed PLCC statistic ($r=0.860$) suggests that leaving other factors constant a one percent change in media advertisements by a company (e.g. in terms of expenditure budget) is likely to increase sales by 0.86 and vice versa.

The Relationship between Celebrity Advertising and organizational Market Share in Telecom Firms in Mogadishu Somalia

The second objective/question in this study was to determine the relationship between celebrity advertising and Organizational market share in telecom firms in Mogadishu, Somalia. Celebrity advertising in this study was operationalised using four items or forms (see table 4.2), for which a numerical index (CELEBRITY) was computed using the SPSS's "Transform>Compute"

procedure. This numerical index (CELEBRITY) was then correlated with the computed market share index (MKTSHARE) using the same procedures. In correlating the two indices, the researcher was interested in testing a null hypothesis that the two numerical indices (CELEBRITY and MKTSHARE) are not significantly related. The PLCC was used to test this hypothesis and results are indicated in table 4.4.

Table 4.10 Pearson's Linear Correlation Coefficient Correlating Celebrity Advertising with Market Share

Indices	Mean	Std. Deviation	r-value	Sig.
CELEBRITY	2.93	0.853	0.864	0.000
MKTSHARE	2.07	1.125		

The PLCC results in table 4.4 indicate a positive significant relationship between celebrity advertising and a company' market share ($r=0.864$, sig. = 0.000). These results led to rejection of the null hypothesis, because the p-value value (0.000) was less than the known 0.05 (or 5%) level of significance in social sciences. These results suggest that the more a company advertises using celebrity methods, the more sales it is likely to make and the bigger the market share it will control. The computed PLCC statistic ($r=0.864$) imply that leaving other factors constant a one percent increase in celebrity advertisements by a company (e.g. in terms of expenditure on it) is likely to increase sales by 0.86.

The Relationship between Billboard Advertising and Organizational Market Share in Telecom Firms in Mogadishu Somalia

The third and last objective/question in this study was to determine the relationship between billboard advertising and Organizational market share in telecom firms in Mogadishu, Somalia. Billboard advertising in this study was

operationalised using 11 items or billboard forms (see table 4.2), for which a numerical index (BILLBOARD) was computed using the SPSS's "Transform>Compute" procedure. This numerical index (BILLBOARD) was then correlated with the market share index (MKTSHARE). In correlating the two indices, the researcher was interested in testing a null hypothesis that the two numerical indices (BILLBOARD and MKTSHARE) are not significantly correlated. The PLCC was used to test this hypothesis and results are indicated in table 4.5.

Table 4.11: Pearson's Linear Correlation Coefficient Correlating Billboard Advertising with Market Share

Indices	Mean	Std. Deviation	r-value	Sig.
BILLBOARD	2.69	0.872	0.911	0.000
MKTSHARE	2.07	1.125		

The PLCC results in table 4.5 showed a positive significant relationship between billboard advertising and a company's market share ($r=0.911$, sig. = 0.000). Since the sig. value (0.000) was less than the minimum required level of significance in social sciences, the stated null hypothesis, was rejected and its corresponding alternative accepted to the effect that the two numerical indices are significantly correlated at 5% level of significance. These results suggest that the more a company advertises using billboards as a media, the more sales it is likely to make and the bigger the market share it will control.

The computed PLCC statistic ($r=0.911$) imply that leaving all other factors constant a one percent increase in celebrity advertisements by a company (e.g. in terms of expenditure on it) is likely to increase sales by 0.911.

CHAPTER FIVE

FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

Introduction

This chapter presents the findings, conclusions and recommendations following the study objectives and pertinent hypotheses. The areas for further research are also suggested here.

FINDINGS

This study was set out to establish the effects of advertising promotion on organizational market share in two selected telecommunication firms in Mogadishu was guided by the following objectives; to establish the effects of media advertising on organizational market share in the telecom firms in Mogadishu; to establish the effects of billboard advertising on organizational market share in the telecom firms in Mogadishu; and to establish the effects of celebrity advertising on organizational market share in the telecom firms in Mogadishu.

Data analysis using SPSS's descriptive statistics for means and standard deviations, showed that; (i) media advertising (mean \approx 3); (ii) celebrity advertising (mean \approx 3); billboard advertising (mean \approx 3); influences organizational market share in telecommunication firms in Mogadishu.

Results using Pearson's Linear Correlation Coefficient found that advertising promotion in telecom companies in Mogadishu (dependent variable, measured by an index MARKET SHARE) significantly correlated with; (i) Media

advertising (first independent variable component, measured by index ADVERTISING) with $r=0.860$ and $\text{sig.} = 0.000$; (ii) Celebrity advertising independent variable component, measured by an index MARKET SHARE) with $r = r=0.864$ and $\text{sig.} = 0.02$); and billboard advertising independent variable component, measured by an index MARKET SHARE) with $r = r=0.911$ and $\text{sig.} = 0.00$).

CONCLUSIONS

In this section, the researcher gives conclusion to the study findings in relation to the study objectives.

Media Advertising Promotion and Market share in Mogadishu telecom companies

The first objective of the study was to establish the effects of media advertising promotion on organizational market share in the telecom firms in Mogadishu, for which it was hypothesized that there is no effects of media advertising promotion on organizational market share. Basing on PLCC results, this the researcher rejected the null hypothesis. Based on the study findings, the researcher generated the following conclusions:

Properly conducted media advertising strategies will significantly lead to low market share of the telecom firms.

Sales volume is subjective to the media advertisement (any form) made by the firm, this means, the media advertising is direct proportionate to market share; Market share (Share of preferences, share voice, and share of distribution) of the organization increases with the result of the media advertising; the agency-client relationship is significantly affected by Media

advertising and the media planning is more than only selling and buying only, it is also creation of relationship; and media advertising positively changes the consumer changes the consumer buying behavior highly.

Celebrity advertising promotion and Market share in Mogadishu telecom companies

The second objective of this study was to establish the effects of celebrity advertising promotion on organizational market share in the telecom firms in Mogadishu, which was hypothesized that there is no effect of celebrity advertising promotion on organizational market share. Basing on PLCC results, the researcher rejected the null hypothesis and basing on these findings, the following conclusions were generated.

Properly conducted celebrity advertising strategies will significantly lead to low market share of the telecom firms.

Celebrity advertising has a huge impact to the sales volume, if celebrity advertising is implemented effectively than sales volume goes up and market share can be increased by increase of celebrity advertising expenditure.

Billboard Advertising promotion and Market share in Mogadishu telecom companies

The second objective of this study was to establish the effects of media advertising promotion on organizational market share in the telecom firms in Mogadishu, which was hypothesized that there is no effect of media advertising promotion on organizational market share. Basing on PLCC results, the researcher rejected the null hypothesis and basing on these findings, the following conclusions were generated.

Properly conducted billboard advertising strategies will significantly lead to high market share of the telecom firms.

Billboard advertisements catches a person's attention and create a memorable impression very quickly; that means the money you pay for creating the billboards is just for a one-time fee that you don't have to pay again; billboard is cost effective because they are produced only once; it can Capture attention easily, the best thing is, anyone (drivers, employees, students) can see them, so it may create easy awareness; and billboard advertising produces a short-term sales increase quickly.

RECOMMENDATIONS

This section deals with recommendations arising from the pertinent findings and conclusions of this study, following the study objectives and hypotheses;

Hypothesis one

Basing on the findings of the first hypothesis (i.e. there is no effects of media advertising promotion on organizational market share in telecom companies in Mogadishu), the researcher recommends that if market share of telecommunication companies in Mogadishu is to be improved, the following should be noted;

- a) The firms should maintain the current digital advertisement (radio, TV, online and product placement), because, this digital commercial is generally considered the most effective mass-market advertising format, improve physical advertisement and try to implement Media advertising

programs effectively. Despite their suitability as a promotional tool for services, competitions still appear to be somewhat under-represented within services markets.

- b) The firm should train their marketing and sales staff. Since the firms' market share depends on sales volume as research revealed. Sales volume rely on promotions offered to customers than, effective communication requires knowledge of how communication works. So, this training may help to effectively implement the promotion programs.
- c) Communications efforts should be viewed from the perspective of managing customer relationships over time.

Hypothesis two

Basing on the findings of the first hypothesis (i.e. there is no effects of celebrity advertising promotion on organizational market share in telecom companies in Mogadishu), the researcher recommends that if market share of telecommunication companies unit in Mogadishu is to be improved, the following should be noted;

Firms should think of using appropriate celebrities who have influence where they stay.

The firms should use other forms of advertising together with celebrity form of advertising such as radio, printed, online, in-store, word of mouth, endorsements etc.

Hypothesis three

Basing on the findings of the first hypothesis (i.e. there is no effects of billboards advertising promotion on organizational market share in telecom

companies in Mogadishu), the researcher recommends that if market share of telecommunication companies unit in Mogadishu is to be improved, the following should be noted;

Telecom companies should use all possible billboards such as roadside billboards, ads on buses and trains, billing board, Posters, printed billboards, digital billboards, inflatable billboards etc. which typically showing large, ostensibly witty slogans, and distinctive visuals because they are cost effective, they can capture attention easily and they are available to around the Clock. So the higher levels of awareness are reached, the conversion to preference comes more quickly

Suggested areas for further research

There is need to do research in pricing and market share, further research can also be done in product quality and market share.

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APPENDICES

Appendix A



Ggaba Road - Kansanga
P.O. Box 20000, Kampala, Uganda
Tel: +256- 41- 266813 / +256- 41-267634
Fax: +256- 41- 501974
E- mail: admin@kiu.ac.ug
Website: www.kiu.ac.ug

OFFICE OF THE COORDINATOR, BUSINESS AND MANAGEMENT SCHOOL OF POSTGRADUATE STUDIES AND RESEARCH (SPGSR)

November 21, 2010

Dear Sir/Madam,

**RE: REQUEST FOR MOHAMED ABDISTAR ABDISALAN MBA/4174791/DF
TO CONDUCT RESEARCH IN YOUR ORGANIZATION**

The above mentioned is a bonafide student of Kampala International University pursuing a Masters of Business Administration (Marketing). He is currently conducting a field research of which the title is "Advertisement Promotion and Market share Growth in Telecom Companies". As part of his research work; he has to collect relevant information through questionnaires, interviews and other relevant reading materials.

Your organization has been identified as a valuable source of information pertaining to his research project. The purpose of this letter is to request you to avail him with the pertinent information he may need.

Any information shared with him in your organization, rest assured the data you provide shall be treated with utmost confidentiality.

Any assistance rendered to him will be highly appreciated.

Yours truly,

Mr. Malinga Ramadhan
Coordinator
Business and Management (SPGSR)



"Excellence the Heights"

Appendix B

Questionnaire

I Mohamed Abdisatar Abdisalan a student at Kampala International University studying Master of Business Administration in Marketing , I am carrying out research on the contribution of advertising on market share of two selected telecommunication companies in Mogadishu.

This study is purely academic, and you have been selected to provide reliable. I kindly request you to answer the flowing questions honestly.

Part 1

Circle the appropriate response

1. Gender	Male	<input type="checkbox"/>
	Female	<input type="checkbox"/>

2. Age	<20	<input type="checkbox"/>
	21-30	<input type="checkbox"/>
	31-40	<input type="checkbox"/>
	41-50	<input type="checkbox"/>
	>51	<input type="checkbox"/>

3. Marital status

Married	<input type="text"/>
Unmarried	<input type="text"/>
Widow/widower	<input type="text"/>
Divorced	<input type="text"/>

4. What qualifications have you attained?

Secondary	<input type="text"/>
Diploma	<input type="text"/>
Bachelor	<input type="text"/>
Master	<input type="text"/>
Other specify	

5. Experience

6 months	<input type="text"/>
1year	<input type="text"/>
2 year	<input type="text"/>
3 year	<input type="text"/>
4 year and above	<input type="text"/>

SECTION B:

QUESTIONNAIRE TO BE COMPLETED BY THE RESPONDENTS

1	very rarely or never
2	Rarely
3	Often
4	very often

Please indicate how other than your company uses the following media to advertise its products in month or quarter: your respective answers should range between 1= very rarely or never; 2= rarely; 3= often; 4= very often

Media advertising

Advertising media	1	2	3	4
Televisions				
News papers				
Bus stop porters				
In store display				
Banner ads				
Web site or Internet				
Face book				

Please indicate how other than your company uses the following celebrity to advertise its products in month or quarter: your respective answers should range between 1= very rarely or never; 2= rarely; 3= often; 4= very often

Celebrity Advertising	1	2	3	4
Public figurer's likeness				
Use of famous people				
Use of opinion leader				
Brand association				

Please indicate how other than your company uses the following billboard to advertise its products in month or quarter: your respective answers should range between 1= very rarely or never; 2= rarely; 3= often; 4= very often

Billboard Advertising

Billboard advertising	1	2	3	4
Big boards				
Road site Billboards				
Billboard on buses and trains				
Bill board in bars, and Hotels and stadiums				
Used three dimensional billboard				
Used mechanical billboard				
Used painted billboard				
Use digital billboards				
Use inflammable billboard				
Use billboard bicycles				

Market share

How do you rate your company in terms of market share in relation to other companies in the market on the following aspects, your responses should range between 1= very big market share; 2=big market share; 3= neither big nor small; 4= small market share; and 5= very small market share.

Sales Volume	1	2	3	4	5
Proportion of the market share controlled					
Sales growth					
Reputation in the market					
Bargaining power					
Customer preference					
Customer preference					
Customer awareness					
Distribution or supply of goods					

Appendix C

Curriculum Vitae (CV)

Personal Data	• Name	Mohamed Abdisatar Abdisalan
	• Date of Birth	1980
	• Place of Birth	Mogadishu
	• Sex	Male
	• Status	Married
	• Contact	252-1-5560957/252-5-960957 mobile
	• E-mail	abdisatar1980@hotmail.com/ mabdisataar@gmail.com
Education	209-2011	KAMPALA INTERNATIONAL UNIVERSITY (KIU) Kampala, Uganda. Master of Business Administration in Marketing
	2009-2010	Cyprus Institute of Marketing (CIMA), Kampala, Uganda. Master of Business Administration in Logistics.
	2008-2009	SIMAD UNIVERSITY Semester Three in Information Technology (IT) Yet to complete

	2004-2008	<p>Somali Institute of Management and Administration Development (SIMAD), Mogadishu, Somalia. Bachelor in Business Administration</p> <p>Courses covered include:</p> <ul style="list-style-type: none"> • Strategic management • Project Management • Total Quality management • Production and Operations Management • Marketing Management
	2001 – 2004	<p>Al-Mathal Secondar school, Mogadishu, Somalia. Secondary School certificate</p>
Languages		<ul style="list-style-type: none"> • Somali • English • Arabic
Work Experience	2008-2009	<p>April-August Head Of Business Administration Department in SIMAD in Mogadishu, Somalia</p>
	2007-2008	<p>September-April Assistance of Business Administration Department in SIMAD</p>
	2007-2009	<p>lecturer in SIMAD and subjects I used to delivered include:</p> <ul style="list-style-type: none"> ➤ Strategic Mgt ➤ Principles of Marketing

	➤ Introduction to business	
	➤ Commercial Studies	
	March & April (2007)	Cashier of QARAN BANK, Bay Branch
	2004 – 2006	Business Consultant, Mogadishu, Somalia
Seminars	2004	Chairman of Al-Mathal Graduate Student Union (AGSU).
	2011	January –February Seminar two weeks training for statistical Package of Social Science (SPSS)
	2011	January Training of Trainers (TOT) Course
	2002	September One month seminar in HADSO center titled: General Education Discussions
	2003	February, Teacher Training for one Month seminar
Interests	2008	One week for Research Methodology
	<ul style="list-style-type: none"> • Playing and watching football • Reading good history • Watching TVs specially business programs 	
Referees	1. Abdurrahman Mohamed Hussein (Odawaa) RECTOR of SIMAD UNIVERSTY Tel:+25216500061 Email: odowaay@hotmail.com	

- | | | |
|--|---|--|
| | <p>2. Abdinaisr Omar Katib
Finance Officer, Islamic Relief, Somalia
Mobile +254700070092
Address :Nairobi, Kenya

Email: - katib114@yahoo.com</p> | |
| | <p>4. Hassan Ahmed Mahmud
Admin and Finance SIMAD University
Mogadishu, Somalia
<u>Tel:+252699961956</u></p> | |

I assure that all information declared above is true and accurate.

2nd FEBRUARY 2011
Signature

Mohamed Abdisatar Abdisalan

