DRINK COMPANIES IN SELECTED DISTRICTS, CENTRAL UGANDA

By:

RUFA' IBRAHIM USMAN
BIBA/40181/131/DF

A RESEARCH REPORT SUBMITTED TO THE COLLEGE OF ECONOMICS AND MANAGEMENT IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE BACHELORS OF INTERNATIONAL BUSINESS ADMINISTRATION KAMPALA INTERNATIONAL UNIVERSITY KAMPALA, UGANDA

DECEMBER, 2015

## DECLARATION

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


Date...15.....0!/2016...............

## APPROVAL

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


TOM MUGUME

DATE

## DEDICATION

TO Almighty Allah, my creator, my strong pillar, my source of inspiration, wisdom, knowledge and understanding. He has been the source of my strength throughout this program and on His wings only have I soared. I also dedicate this to my parents, HAJIYA UMMA and ALHAJI IBRAHIM, who has encourage me all the way and whose encouragement has make sure that I give it all it takes to finish that which I have started. To my brothers and sisters whom may be affected in every way possible by this quest. Thank you. My love for you all can never be quantified. God bless you all.

## ACKNOWLEDGEMENT

Glory is given to the Almighty Allah for his provisions towards the accomplishment of this dissertation.

Acknowledgement is due to management and Staff of Kampala International University particularly administration, College of Economics and Management sciences for their support during this course.

I also thanks in a special way his supervisor Mr. Tom MUGUME for his tireless efforts committed to critically read through this research and guiding me to the completion of this research.

I wish to acknowledge my indebtedness to my brothers and sisters, especially MARYAM IBRAHIM, UMMALA IBRAHIM and also ABUBAKAR YAHAYA, SA'IDU MAGAJI for the assistance, courtesy, advice and support they made to make this research a success.

Gratitude goes to staff and management of Century bottling Company Ltd, Kampala Uganda for all the support they offered in this research.

## TABLE OF CONTENTS

DECLARATION ..... i
APPROVAL ..... ii
DEDICATION ..... iii
ACKNOWLEDGEMENT ..... iv
TABLE OF CONTENTS ..... v
LIST OF TABLES ..... viii
ABSTRACT ..... ix
CHAPTER ONE ..... 1
INTRODUCTION ..... 1
1.1 Background of the Study ..... 1
1.2 Statement of the Problem ..... 3
1.3 Purpose of the study ..... 4
1.4 Study Objectives ..... 4
1.5 Research Questions ..... 4
1.6 Scope of the Study ..... 5
1.6.1 Content scope ..... 5
1.6.2 Context scope ..... 5
1.6.3 Time scope ..... 5
1.7 Significance of the Study ..... 5
CHAPTER TWO ..... 6
LITERATURE REVIEW ..... 6
2.1 Concepts, opinions, ideas from author/experts ..... 6
2.2 Related studies ..... 6
2.3 Conclusion ..... 13
CHAPTER THREE ..... 14
METHODOLOGY ..... 14
3.1 Research Design ..... 14
3.2 Sample Size ..... 14
3.3 Sampling Procedures ..... 14
3.4 Research Population ..... 15
3.5 Research Instruments ..... 15
3.6 Validity and Ratability of the Instruments ..... 16
3.7 Data Gathering Procedures ..... 16
3.8 Data Analysis ..... 17
3.9 Ethical Considerations ..... 18
3.10 Limitations of the Study ..... 18
CHAPTER FOUR ..... 20
PRESENTATION, ANALYSIS AND INTERPRETATION OF DATA ..... 20
4.0 Introduction ..... 20
4.1 Profile of respondents ..... 20
4.2 Level of marketing communications ..... 22
4.3 Level of Business success ..... 26
4.4 Significant difference between the level of advertisement and sales volume in selected soft drink companies, central Uganda ..... 30
CHAPTER FIVE ..... 33
FINDINGS, CONCLUSIONS AND RECOMMENDATIONS ..... 33
5.0 Introduction ..... 33
5.1 Findings ..... 33
5.2 Conclusions ..... 35
5.4 Recommendations ..... 36
5.5 SUGGESTED AREAS FOR FURTHER RESEARCH ..... 38
REFERENCES ..... 39
APPENDICES ..... 41
APPENDIX.A: QUESTIONNAIRE ON MARKETING COMMUNICATIONS ..... 41
APPENDIX.B: QUESTINNAIRE ON BUSINESS SUCCESS ..... 43

## LIST OF TABLES

Table 1: Respondents of the Study ..... 15
Table 2: Data Analysis ..... 17
Table 4.1: Profile of Respondents ..... 21
Table 3A:Degree of marketing communications in selected soft drink companies. ..... 23
Table 3B : Degree of marketing communications in selected soft drink companies ..... 24
Table 3C:Degree of marketing communications in Century Bottling Company ..... 25
Table 3D:Summary on level of marketing communications in selected soft drink companies ..... 26
Table 4A: Level of business success in selected soft drink companies ..... 27
Table 4B: Level of Sales volume in selected soft drink companies ..... 28
Table 4C: Level of business success in selected soft drink companies ..... 29
Table 5: Significant Difference Between the marketing communications and business success in Century Bottling Company ..... 30
Table 6: Relationship Between the marketing communications and business success selected soft drink companies. (SIG 0.05) ..... 31
Table7: Regression Analysis Between the marketing communications and business success in selected soft drink companies ..... 32


#### Abstract

This study established the relationship between advertisement and sales volume in selected soft drink companies, in selected districts central Uganda. The study was guided by four objectives, (i) profile of respondents (ii) level of advertisement (iii) level of sales volume and (iv) whether there was significant relationship in the level of advertisement and sales volume of selected soft drink companies. A survey design was used specifically descriptive correlation and descriptive comparative. Data were collected using self administered questionnaires as the key data collection instruments. The findings revealed that there was a high level of advertising strategies, high level of sales volume, no significant difference between advertisement and sales volume and no significant relationship between advertisement and sales volume was established, accepting the Null hypothesis. Fron the above findings appropriate conclusions, recommendations and areas for further research were made. Conclusions were made regarding various research objectives (i)' on profile of respondents, majority were of age group 20-39 ( $61 \%$ ), Gender ( $67 \%$ ) male and ( $33 \%$ ) female, ( $84 \%$ ) of respondents were married, $(80 \%)$ of respondents had university degrees, and $61 \%$ of respondents had working experience of above 8 years. (ii) High level of advertisement were used according to respondents (mean 3.70) (iii) High level of Sales volume was established (mean 3.67),(iv) no significance difference ( $\mathrm{F}=0.637$, sig. $=0.811$ ), (v) no significant relationship between advertising and sales volume was established ( $\mathrm{r}=0.280$, sig. $=0.033$ ) and regression indicated by a high Adjusted $\mathrm{R}^{2}$ of 0.048 was established. recommendations based on the findings were that, soft drink companies should; (i) develop marketing plans, (ii) improve branding, (iii)develop proper packaging (ix) improve marketing communications (v) segment and target markets (vi) improve on their distribution strategy, (vii) improve product strategy management, (viii) innovativeness and creativity be improved (ix) carry out marketing research ( x ) improve on completive intelligence (xi) develop quality products and services (xii) and establish good relationships with customers. Areas of further research were suggested as impact of new marketing communications technologies (ICTS) on communication effectiveness, further research on branding and sales volume were also suggested.


## CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

At the core of the beverage industry is the carbonated soft drink category. The dominant players in this area are (coca-cola and Pepsi cola) who own virtually all of the markets most widely distributed and best known brands. They dominate the world markets as well. As with many mature retail industries, the beverage giants have a problem-growth in sales of their flagship carbonated products are at a near standstill in key world markets like in U.S.A market, with $1 \%$ growth or less. To remedy that, these companies are rapidly expanding both globally as they enter and promote new markets for existing products and as they add new products in all categories. The prototype of all branding and marketing struggles, the "cola wars" keep expanding. The Pepsi and cola keep rolling out big guns: dueling pop stars, new branded products like "vanilla coke" and "Pepsi blue". They are fighting on TV, in fast food restaurants, supermarkets and are also dueling in schools. One of the biggest pushes in the last recent years has been convincing school districts universities and other institutions to go all coke or all Pepsi, in return for a (small) cut of the gross sales. Markets in Eastern Europe, china, India, and Mexico among others are expanding fast, and both coke and Pepsi are finding local partners (bottlers) in these countries to keep expanding in their reach(www.cola wars.com).
During the 1960's and 70's coke and Pepsi concentrated on a differentiation and advertising strategy. The "Pepsi challenge" in 1974 was a prime example of this strategy where blind taste tests were hosted by Pepsi in order in to differentiate itself as a better tasting product. However during the early 1990s bottlers of coke and Pepsi employed low priced strategies in the super market channel in order to compete with store brands, coke was more successful than Pepsi in international business due to its early lead as Pepsi had failed to concentrate on its international business after the world war and prior to the 70s.pepsi however later sought to correct this mistake by enter emerging markets where it was not at competitive disadvantage with coke as it failed to make any way in the European market ( www.cola wars.com).

In 1987, Uganda liberalized economy which led to the liberalization of the manufacturing sector in line with macroeconomic adjustment and structural reform with support from international monetary fund (IMF) and the World Bank (www.buddle.com].

According to [Ogong, 2011] the liberalization of manufacturing industry has revitalized Uganda's manufacturing industry since Century bottling Company Ltd (Coca-Cola) Crown Beverages Ltd (Pepsi-Cola), Highland natural mineral water, Victoria Beverages Ltd, Blue Wave Beverages Ltd, House of Eden (U) Ltd, Hema Beverages Ltd, Delight (U) Ltd, Saturn Limited have all entered the Ugandan Market Increasing Competitive way. The intensified competition has led to unsustainable advertising Strategies which was accelerated competitive rivalry in the domestic market. However with market penetration still below the African average, hundreds of millions US dollars are being invested in new manufacturing industry.

Advertising is defined by American Marketing Association as any paid form of non personal presentation of ideas, goods, or services by an identified sponsor. This definition had been used for a long time and it pin points a key of advertising. Advertising has been very instrumental creating awareness and differentiating the comparative advantages over other competing products such that customers can adopt it hence increasing sales volume. To raise the sales volume century bottling has been offering informative advertisement which is persuasive in order to attract more customers and making sure that it fulfills its promises to its customers.

In Uganda the major media types include newspapers, TV, internet, radio, magazines and cutdoor, each having advantages and limitations and therefore choice will be made by considering several variables thus, target audience, media habits, product, message and cost. Advertising will not have an impact on sales volume if customer perceptions on the product are negative therefore, for it to have positive results, the customers perception will have to be positive. Sales volume refers to the amount of output in terms of money that was got after a sale of an input such as raw material or finished goods by a company or organization or firm.
It is on the basis of these advertising wars in the soft drink industry, that the study was based to fill the knowledge gap that other scholars could have not yet exposed about advertising strategies and sales volume by looking at selected soft drink companies.

### 1.2 Statement of the Problem

The battle to win over customers through the use of attractive communication strategies by the soft drink companies in Uganda is getting harder every day, and one would wonder which of the companies will bow down to the weight of this challenge [Ogong, 2011]. Advertising wars in the soft drink industry are getting fierce as days go by, currently Uganda has nearly over twenty soft drink and water companies which include Century bottling Company Ltd (Coca-Cola), Crown Beverages Ltd (Pepsi-Cola), Highland natural mineral water, Victoria Beverages Ltd, Blue Wave Beverages Ltd, House of Eden (U) Ltd, and many other including Hema Beverages Ltd, Delight (U) Ltd, Saturn Limited, and other new entrants will soon launch their services in the country. The advertising wars in the industry have been caused largely by liberalization of the soft drink industry which has seen the flooding of the Ugandan market with so many players with different strategies and tactics of doing business which has increased stiff or unhealthy advertising wars in the sector, this unhealthy advertising wars are indicated by the latest moves by the Uganda Manufacturers Association (UMA) the regulator of the industry to come up with proposals of looking into the products and services advertised to end anti-completive and unethical advertising practices in the industry by soft drink and water companies advertising benefits that they do not actually provide. The UMA argues that such practices have resulted into significant loss of government revenue, incomes to the soft drink companies as well as distributors of the products, low GDP, loss of jobs due to reduced earnings, deterioration of quality of soft drink and water products such as low quality of packaged water, and substandard related products, bad reputation to the players in the industry and various ways including failure to conduct business and therefore need to be controlled. This tag of war, over who has the best profile is bound to create another argument- that perhaps soft drink companies can afford to lower their prices and still be able to stay in business.

It is on the basis of the above that the researcher chose to study advertising strategies and sales volume in the selected soft drink and water companies in central Uganda, since advertising wars seem to be new in the sector and little or no research perhaps could have been taken on the cost of persistent soft drink industry advertising wars or the brunt of ruthless advertising wars that the government and companies are bearing that was sparked off by liberalization of the economy.

### 1.3 Purpose of the study

The purpose of this study is to establish the impact of marketing communications on business success.

### 1.4 Study Objectives

a) To examine the level of marketing communications in terms of (product and company advertising, advertising forms, broadcast advertising, print, outdoor, New media, in store advertising, and other advertising forms) in selected soft drink companies in selected districts in central, Uganda.
b) To establish the extent business success in terms of (sales, profits, and quality of products, customer satisfaction, employee satisfaction, and owner's satisfaction) selected soft drink companies in selected districts in central, Uganda.
c) To determine the relationship between marketing communications on business success in selected soft drink companies in selected districts in central, Uganda.

### 1.5 Research Questions

a) What is the level of marketing communications (product and company advertising, advertising forms; broadcast advertising, print, outdoor, New media, in store advertising, and other advertising forms) in selected soft drink companies in selected districts in central, Uganda?
b)What is the level of business success selected soft drink companies (sales, profits, and quality of products, customer satisfaction, employee satisfaction, and owner's satisfaction) selected soft drink companies in selected districts in central, Uganda?
c) What is the relationship between marketing communications and business success in selected soft Drink companies?

### 1.6 Scope of the Study

### 1.6.1 Content scope

The study was on the relationship between marketing communications on business success in selected soft drink companies in selected districts central Uganda.

### 1.6.2 Context scope

The study was conducted in selected soft drink companies, located in central districts Uganda.

### 1.6.3 Time scope

The study took three months that is from October 2015 to December 2015

### 1.7 Significance of the Study

The study will help the organizations to know how important marketing communications is on improving business success and this will enable them to increase on the level of marketing communications mode.

The study will help in identifying the reaction of customers towards marketing communications by measuring the level of business success after marketing communications. It will also give researches platform and knowledge of how fundamental advertising can be in increasing the level of sales volume. It was to also help selected soft drink companies and future researches plus knowledge building.

## CHAPTER TWO

## LITERATURE REVIEW

### 2.1 Concepts, opinions, ideas from author/experts

Advertising; According to the American marketing association is any paid form of non-person presentation of ideas, goods, or service by an identified sponsor. It was a non personal quantity, unlike the individually tailored presentation of sales representative, advertising massage appear in standardized home in print (newspapers, magazines and books) and on broad cast media that is radio and television and on internet as well as on billboard where interested people are likely to see them.

Advertising involves a non personal form of communication conducted through a paid media under clear sponsorship to enhance the delivering of messages to both current and potential customers. Advertising should be a priority for every business because sales volume and profitability depends on customer awareness and sensitization.

Advertising is more important in many organizations roles for instance introducing new product, promoting, sales staff; it should be treated and handled respectively before putting it to the press.

### 2.2 Related studies

## Factors affecting marketing communications and business success

Very many factors can lead to customer satisfaction but both customers and other businesses are likely to consider the following:

How clear and understandable an advertisement is in the ears of the customer.

How well the product matches with the messages in the advertisement.

The Efficiency and reliability of the advertisement mode.

The professionalism and expertise portrayed when phrasing an advertisement.

How will you keep your customers informed and aware?

The after sales services e.g. bonuses, free SMS's etc.

## The Concepts of marketing communications

Salami (1993): sales volume refers to the sales of the company to ensure productivity. Broadly, sales volume includes work done (output). According to O'Connor (1984), sales volume is the sales of the company that have been distributed, while Maheshwari (1999) and Dupta (1994) assert that sales are the goods to be distributed. Sales volume is estimated to take approximately $60 \%$ of the current assets maintained by the firm. The sales are the products of the firm manufactured and distributed for sale.

## The types of marketing communications

According to Kenner (1983), the types of advertisements include; Print advertising; include newspapers and local entertainment guides. Product and company advertising, advertising forms; broadcast advertising, print, outdoor, new media, in store advertising, and other advertising forms

Print advertising; According to Kotler (2001), a newspaper is a publication containing news; information and advertising also feature political news and events. Advantages of newspapers such as; here someone can look at the newspaper's audience figures and choose the right paper or section for your choice product. Production costs can be reduced, but this depends on the design of the adverts that grabs and holds the audience's attention. You're likely to be upstaged by bigger advertisers whose ad can be placed right next to yours. Careful selection of newspaper and section are very essential.

Magazines; According to wood (1997) a magazine is a periodic publication containing pictures, stories and articles of interest to those who purchase it. It is usually published monthly. Advantages of magazines include; they are highly targeted so, it's possible to purchase space magazine that will be read by your target audience no matter how specialize it may be. Another
advantage is that it has a high geographical and demographic selectivity; Lead time getting into print and getting responses.

The disadvantages of magazines include; Most magazines are issued monthly therefore it can involve long in time getting in to print and getting response. Smaller advertisers don't get the best positioning in magazines and are usually crowded together at the back. And be careful to verify the stated circulation figure of the magazine

According to Kotler (2001), yellow pages are a telephone directory or section of a directory (usually printed on yellow paper) where business products and services are listed alphabetically by field a long by with classified advertising. The advantage of yellow pages is that your advertisement lasts for an entire year and placed in such a way that your prospects can find you at the time they want to.

Online advertising; According to Wood (1997) Online advertising is a form of advertising that uses internet and World Wide Web in order to deliver marketing messages and attract customers. For example; pay per click, banners rich media search engines and among others. Pay per click (internet); is an internet advertising model used on search engines, advertising networks and content sites, such as blogs, in which advertisers pay their host only when their ad is clicked.

Media advertising; According to wood (1997)'television advertisement also known as television commercial is a span of television programming produced paid for by an organization that conveys a massage. Advertisement revenue provides a significant portion that conveys a massage.

Advantages of a television; A medium with high effect where there is possible airtime to purchase in slot that can be finely selected to be at a time when your targeted audience segment is most likely to be viewing. Disadvantages; Television is an expensive medium -the cost of airtime, of producing commercials, and difficulties to get quality slots for budget advertisers often rules it out. However, depending on what you're trying to sell, you might be able to promote on cable or satellite television using a show that's primarily will be viewed by members of your target audience.

According to kotler (1999) (Radio in USA called a spot by people in the business.) Radio advertising Is a form of advertising via the medium of radio. Airtime is purchased from a station or networks in exchange for airing the commercials. The advantages of radio advertising; Radio can be affordable enough to allow repetition of your offer. You can select a station pretty accurately by its demographics and home in on your target audience. Commercial production costs are low. It's an immediate medium and works well for promoting events such as a special sale, on the day.

The disadvantages; The audience of any station is geographically scattered and may not be to take advantage of your offer. There is a lot of clutter when four or five different ads are run on one after another. Radio impact is limited in that you can't show your product, nor can you expect to get across a lot of detail about it (myers2000)

Outdoor advertising; According (1999), a billboard is a large outdoor advertising structure, typically found in high traffic areas such as a long side busy road. They present large advertisements to pedestrians and drivers. Typically show large ostensibly with slogans and distinctive visuals Outdoor advertising is quickly gaining in popularity, the wide impact and cost effective nature of billboard advertising is undeniable. Billboard advertising continues to gain as quality method of expressing a company's sales message and market their services.

## Objectives of the Sales Volume

In most cases always firms have had conflicting needs (i) to find out the factors that affect advertising on sales volume; (ii) to maintain minimum level of investment in sales volume to maximize profits and (iii) to maintain a large size of sales volume for efficient and smooth production and sales operation.

The two conflicting objectives lead to situations of excessive and inadequate sales which aren't always good for the firm. However, some scholars like Pundey (1995) assumes that the sales objective of inventory or sales management should be to determine and maintain optimum levels this will lie between the two danger points: excessive and inadequate inventories.

Approaches to Sales Volume; There are major approaches that are used in sales volume. These are: Economic Order Quality (EOQ), Just In Time approach (JIT), and ABC analysis.

Economic Order Quantity (EOQ) This technique answers the question of how much to order. According to (Julius Kakuru) the model seeks to minimize cost of inventory while at the same time maximizing benefits associated with inventory or sales. Lacey (1994) looks at the economic order quantity as the quantity at which carrying and ordering costs are at a point minimum

Just In Time Approach (JT) This is a recent one in the management of sales developed by the Japanese manufacturing enterprises and its being recognized as a fast management tool. It maintains zero balance inventories. Lucy (1994) asserts that JIT aims at producing the required items of high quality at the right time with the exact resources available to acquire high sales volumes.

ABC Analysis; At times this is known as selective control method, this analysis clarifies items of inventory into their relative importance according to their annual relative requirement

Items are received in high values (in monetary terms are classified as A category) those with medium need are categorized as B and those with low utilization value categorized C.A. are highly controlled and their demand is determined through existence. However these demands are relaxed for categories B and C.

## Factors effecting sales volume

According to William [2000], the main advertising company turned to be unproductive, because of lack clarity regarding the focal objectives of a specific objective of specific complain. Advertising is a force that increase productivity and sales .results are measurably provided, specific advertising objectives are defined. The factors to be considered in setting an effective advertising, as mentioned bellow. Product personality and perception advertising a product, distinguishes it from other products and can lead to the success of the product.

## Advertising and Marketing Objective

Every company sets formally an informal long term, short term objectives before developing strategies to meet them.

Advertising is one of the strategies that can help to achieve objectives. Advertising can help to achieve objectives like maintain an optical level of sales or inventory through delivering enough to the consumer at the right time and also receipt of just the right sales volume from the right source. To facilitate production demand and to meet advertising objective in 1890 Christopher Galion and Herold Berkman). Therefore there is a relationship between effective advertising and sales volume.

## Advertising Objectives;

Advertising objectives are the results that advertising will be expected to achieve in helping meet the overall marketing objective of increased sales which in turn results into reduction in stock piles and thus high sales volumes. Advertising objectives are communication-oriented and are stated as such and they take into account:
(i) The consumer who will be at the receiving end of communication.
(ii) The kind of behavioral results the communication is expected to achieve on the market.
(iii) The consequence of the communication on the inventory or sales volume of the advertised commodity.
(iv) How the results will be measured, preferably within a specified time period. Take the case of century bottling company -Uganda; the advertising objective could be set in such form;
(v) By running adverts to create an immediate level of customers traffic of $80 \%$ per week. selected soft drink companies products will presumably get $50 \%$ sales a week to meet the targeted sales volume.
(vi) To create awareness of selected soft drink companies products/services and their advantages so as to increase the distribution of sales from the firm's premises to the final destination.
(vii) To develop favorable attitudes towards the selected soft drink companies -Uganda such that consumers increase their desire and demands for products/services.

## Importance of marketing communications and business success

Any advertising campaign meets a number of importance/uses and possibly several at same time (1999 Sugie). (i) Since advertising introduces new products/services in market, its campaign follows the life cycle of a product, like when a new product is introduced for example when Century bottling compeny -Uganda introduced the Century bottling company Mobile money it easily gained acceptance within the target market there by affecting its inventory thus increasing the sales volume of the company (ii) Strives to the increase use of the product to the existing customers. Century bottling company -Uganda encourages and shows people why its services are good for example when it introduced the Century bottling company -Jagaza. This keeps people buying and loading air time on their plones such that the stock (finished goods) of air time isn't left redundant in stores thus increasing the sales volumes of the company.
(iii) Advertising induces brand switching, advertising campaign can also persuade consumers to leave one brand and follow a different one For example when century bottling company Uganda came into existence many of the MTN and UTL customers left the network and joined the Century bottling company network. This is the notion behind comparative advertising that states that the hero product claims large market share (superiority claim), stocks for products are always kept fast moving and low. They are easily depleted or reduced due to the above factor.
(iv) Enhances awareness of the existing prodrct. Sornetimes a product that has been around for a while without getting its fame share of attention but when advertised it will begin to gets its own market share and thus its stocks at the manufacturing premises will greatly reduce for example when Century bottling company -Uganda started sponsoring some programs and associations like schools, Century bottling company Africa Challenge, it gained fame and many customers joined it thus increasing the sales volume of the company.
(v) Advertising allows customers who aiready use the product to enjoy more thus leading to brand loyalty for example century bottling company -Uganda gives out free SMS to every
customer when you load air time on your phone. Brands that have loyal customers are always very predictable and does not cause sales problems like loss, change, congestion and obsolesce.

## Advertising Approaches

The approaches of advertising relate to the way in which they try to activate a buyer's Action. This is the list of some of the approaches (1980 Christopher Gilson and Herlod Burkman) 1. Information 2. Argument or reasoning (why) 3. Motivation with psychological appeals 4. Repeat assertion 5. Commands, the advert reminds us to do something 6. Symbolic association 7. Imitation

Target and Media Audience the pivotal consideration in media strategy is to select a media vehicle that reaches the target audience with minimum waste coverage. Computers have made it possible to undertake considerable precision and analysis. This means that the analyst must know the nature, scope and uses of available sources of audience date. (1994, Engel, Warshaw, Kinear)

Media audience is the actual number of people exposed to medium on both one time and repeat basis. Media audience falls into readers, viewers and listeners of radios, newspapers, journals and magazines Television and internet. Other audiences of media such as outdoor and transit advertising provide no information regarding audience evaluation since the total audience of the medium and potential for advertising expressively coincide.

### 2.3 Conclusion

The effects noted were particularly important for the organization so as to improve its performance and profitability that led to high sales volume. If management failed to recognize the significance of advertising on sales volume, it would lead to poor organization performance thus low sales. It was imperative to make choice of a good or facial advertising mix that would allow a positive impact on the sales volume in the organization.

## CHAPTER THREE

## METHODOLOGY

### 3.1 Research Design

The study used a survey design, specifically descriptive correlation and descriptive comparative. The study was a survey since it involved a large sample, descriptive in that data collected were used to describe phenomenon, co-relation in that the study is interested in relating advertisement(broadcast advertising, print, outdoor ,New media, in store advertising, and other advertising forms) to sales volume and pertinent data was collected from the respondents once and for all to reduce on time and costs involved on such a large population; comparative in that the study determined whether there was significant difference in the level of advertisement and sales volume among soft drink companies in selected districts in central Uganda. The study also took a quantitative approach in that it was based on variables measured with numbers and analyzed with statistical procedures (Kann, 1993, Kumar, 2005, Martin, 2008)

### 3.2 Sample Size

The minimum sample size was computed using Slovene's formula, which states that, for any a given population, the required sample size in given by;
$\mathrm{n}=\underline{\mathrm{N}} \quad, \quad$ where; $\mathrm{n}=$ the required sample
$1+\mathrm{N}\left(\mathrm{e}^{2}\right) \quad$ size; N known population size; and $\mathrm{e}=$ the level of significance, which is 0.05. Given a total population of 435 respondents in central Uganda, a sample of 208 respondents was used as illustrated in the table.

### 3.3 Sampling Procedures

The target population of 435 ( which include 120 Coca-cola employees, 100 Wava water employees, 110 Pepsi-cola employees and 105 Highland Natural Mineral water respondents being large, a sample of 208 respondents was used got using stratified random sampling to reduce costs, of doing research and to increase the degree of accuracy of the study (sanders et al, 2005) regarding sample size, the sampling frames (i.e. employees) in selected companies were stratified according to departments in selected soft drink companies in selected districts in

Uganda in central Uganda. Then proportionate systematic random samples were chosen from the respective stratum sampling frames.

### 3.4 Research Population

Target Population
In the study, the research population comprised of 435 employees of selected soft drink companies in selected districts in central Uganda. All the categories of employees (top level managers, middle level managers, and lower level managers) were involved as they are all directly affected by whatever pricing strategy used which in turn affects sales volume.

Table 1: Respondents of the Study

| Company | Total target population | Sample size |
| :--- | :---: | :---: |
| Coca-Cola | 120 | 62 |
| Wava water | 100 | 41 |
| Pepsi-Cola | 110 | 55 |
| Highland Natural Mineral water | 105 | 50 |
| Grand total | $\mathbf{4 3 5}$ | $\mathbf{2 0 8}$ |

### 3.5 Research Instruments

There were three sets of questionnaires directed towards employees in soft drink companies in selected companies in severed districts in central Uganda. One was on profile of respondents, another on advertisement and another on sales volume. The questionnaire also consisted of the main title and introductory letter, with a bio-data question, to help classify respondents.

The questionnaire on advertisement(independent variable) consisted of 32, questions divided un five, subsection distributed as follows, 8 questions on broadcast advertisement items 1-8, 4 questions on print advertisement items $9-13,3$ questions on outdoor advertising and items 1416, 5 questions on other advertising forms $17-21$ and 11 general items, 22-32. all questions in this section were close ended, based on four likert scale ranging from one to four where; $1=$ strongly disagree, $2=$ disagree, $3=$ agree, $4=$ strongly agree .

The questionnaire on sales volume (dependent variable) consisted of 35 questions divided 7 in sub-sections distributed as follows; 5 questions on sales items 1-5; 5 questions on market share items 6-10; 5 questions on profits items 11-16; 3 questions on quality products items $17-29 ; 6$ questions on customer satisfaction items $20-25 ; 5$ questions on owners satisfaction items $\mathbf{3 0 -}$ 35. all questions in this section were close ended, based on four likert scale, ranging from one to four, where; $\mathbf{1}=$ strongly disagree, $2=$ disagree, $\mathbf{3}=$ agree $4=$ strongly agree .

### 3.6 Validity and Ratability of the Instruments

The researcher tested for validity and reliability on the advertisement questionnaire which was non- standardized, content validity was achieved by making sure that items on the questionnaire conform to the study's conceptualization, supervisors and other senior staff in KIU who are experts in the field of study helped evaluate the relevance, wording and clarity of questions or items in instrument. Pre-testing for reliability was done by administering the questionnaire to employees in the actual study.

Construct validity was ensured by using multi item variables (e.g. broadcast, print media, online advertising and other advertising forms) were tested and Cronbach alpha methods and 9 Cronbacha alpha (9) of at least 0.7 (Amin, 2003) which made questionnaire to be declared reasonably reliable or consistent (Amin 2005).

While on sales volume, the construct and criterion validity of the sales volume questionnaire will be empirically proven by Porter (1980) that will be adopted in this study.

### 3.7 Data Gathering Procedures

The following data collection procedures were implemented.

## Before Administration of the Questionnaire

The researcher requested for an introduction letter from the college of Economics and Management addressed to the authorities of soft drink firms under study for the researcher to be permitted to conduct the study. The letters were the criteria for selecting the respondents and the request to be provided with the list of employees from the selected soft drink companies. After
approval, the requested list of respondents provided to the researchers by the selected soft drink firms which were used by the researchers as a guide in identifying the participants of the study, a few which pre-testing of the instrument on pricing followed. The researcher prepared questionnaires and discussed with selected research assistants and briefed them on sampling techniques and data gathering procedures. The researcher used the table of respondents (table 1) to determine the number of participants.

## During the Administration of the Questionnaire Specifically,

The researcher together with research assistant requested the respondents: (1) To sign the informed consent; (2) to answer all questions hence should leave no question unanswered; (3) to avoid blazes and to be objective in answering questionnaires.
The researcher together with researcher assistants tried to collect back the questionnaire within two weeks from the date of distribution. All questionnaires retrieved were checked if completely filled out.

### 3.8 Data Analysis

To determine the profile of respondents, the frequency and percentage distribution was used. The mean will be used to compute for the level of advertisement and sales volume. To interpret the obtained data, the following numerical values and descriptions were used.

Table 2: Data Analysis

| Mean range | Description | Interpretation |
| :--- | :--- | :--- |
| $3.26-4.00$ | Strongly agree | Very high |
| $2.51-3.25$ | Agree | High |
| $1.76-2.50$ | Disagree | Low |
| $1.00-1.75$ | Strongly disagree | Very low |

The $t$ - test for difference in means will be utilized to test the hypothesis for difference between means at 0.05 level of significance.

Pearson linear correlation (PLC) was used to test the hypothesis on correlation between advertisement and sales volume at 0.05 level of significance. Regression analysis was used to determine the influence of innovation on sales volume.

### 3.9 Ethical Considerations

To ensure confidentiality of the information provided by the respondents and to ascertain the practice of ethics in this study, the following activities were implemented by the researcher:

1. Sought permission to adopt the standardized questionnaire through a written communication to the author.
2. The respondents and firms were coded instead of reflecting the names.
3. Solicited permission through a written request to the concerned officials of the selected firms in the study.
4. Requested the respondents to sign the Informed Consent Form (Appendix2)
5. Acknowledged the authors quoted in this study and the author of the standardized instrument through citations and referencing.
6. Presented the findings in a generalized manner.

### 3.10 Limitations of the Study

In view of the following threats to validity, the researcher claimed an allowable $5 \%$ margin of error at 0.05 level of significance. Measures are also indicated in order to minimize if not to eradicate the threats to the validity of the findings of this study.

1. Extraneous variables which were beyond the researcher's control such as respondents' honesty, personal biases and uncontrolled setting of the study.
2. Instrumentation: The research instruments on profitability are not standardized. Therefore a validity and reliability test were done to produce a credible measurement of the research variables.
3. Testing: The use of research assistants can bring about inconsistency in the administration of the questionnaires in terms of time of administration, understanding of the items in the questionnaires and explanations given to the respondents. To minimize this threat, the research assistants were oriented and briefed on the procedures to be done in data collection.
4. Attrition/Mortality: Not all questionnaires were returned completely answered nor
even retrieved back due to circumstances on the part of the respondents such as travels sickness, hospitalization and refusal/withdrawal to participate. In anticipation to this, the researcher reserved more respondents by exceeding the minimum sample size. The respondents were reminded not to leave any item in the questionnaires unanswered and were closely followed up as to the date of retrieval.

## CHAPTER FOUR

## PRESENTATION, ANALYSIS AND INTERPRETATION OF DATA

### 4.0 Introduction

This chapter presented, analyzed and interpreted data gathered from the field on profile of respondents, level of advertising, level of sales volume, significant differences between the degree of advertisement and sales volume in selected soft drink companies central Uganda and the relationship between advertisement and sales volume in selected soft drink companies central Uganda.

### 4.1 Profile of respondents

Respondents in the study were described according to age, gender, and marital status, highest level of education, working experience, and Soft Drink Company. In each case respondents were asked through a close ended questionnaire, to provide their perspective profile information, to enable the researcher classify and compare them accordingly. Their responses were analyzed using frequencies and percentage distributions as summarized in table 2 below;

Table 4.1: Profile of Respondents

| Category | Frequency | Percent |
| :--- | :--- | :--- |
| Age group |  |  |
| $20-39$ | 130 | 61 |
| $40-59$ | 78 | 39 |
| 60 and above | 00 | 00 |
| Total | 208 | $\mathbf{1 0 0}$ |
| Gender |  |  |
| Male | 138 | 67 |
| Female | 70 | 33 |
| Total | 208 | 100 |
| Marital status |  |  |
| Single | 20 | 9 |
| Married | 178 | 84 |
| Divorced | 10 | 7 |
| Total | 208 | $\mathbf{1 0 0}$ |
| Highest level of education |  |  |
| Diploma | 17 | 8 |
| Degree | 166 | 80 |
| Masters | 25 | 12 |
| PhD | 00 | 00 |
| ToTAL | 208 | 100 |
| Working experience |  |  |
| Below 3 years | 10 | 5 |
| Between 3-7 years | 70 | 34 |
| Above 8 years | 127 | 61 |
| Total | 208 | $\mathbf{1 0 0}$ |
| Soft drink company |  |  |
| Century bolting company | 62 | 30 |
| Crown beverages ltd Uganda | 55 | 26 |
| High land natural mineral water ltd. | 50 | 20 |
| Wava water ltd Uganda | 41 | $\mathbf{1 0 0}$ |
| Total | 208 |  |
| Sor |  |  |

Source: primary data 2015

Table 2 showed that most of the respondents in the study were of age group between 20-39 (61\%), while the rest were of age group $40-59$. This is because employees in the youthful age are
preferred because they are still energetic and can afford to work for more extended hours, beyond scheduled time if need arises. In relation to gender majority of the sample respondents were male ( $67 \%$ ) and ( $33 \%$ ) female. This is in line with African statistics that indicate men dominate office work.

In terms of marital status, majority of the sample respondents were married ( $84 \%$ ) while the rest were single $(9 \%)$ and others divorced (7\%) this is because majority of the working population are of adult age and have enough income to sustain marriage relationship. New entrants are young and still single, where as the elderly are most found to divorce and live single life.

Regarding highest level of education, majority of the sample respondents had university bachelor's degree ( $80 \%$ ) the rest had diploma ( $8 \%$ ) and masters ( $12 \%$ ) this is because most organizations employ educated employees who can deliver quality services. In relation to working experience majority of the sample respondents ( $61 \%$ ) had worked for above 8 years, this indicates high retention capacity of the companies. In terms of distribution of soft drink companies, findings indicate that respondents were fairly distributed although century bottling company ( $30 \%$ ) and crown beverages ( $26 \%$ ) dominated as they are leading players in the industry.

### 4.2 Level of marketing communications

The independent variable in this study was marketing, (broadcast, print, outdoor, New media, in store and other advertising forms). Advertisement was measured using questions divided in five sub sections distributed as follows 9 questions on broadcast advertising, 4 on print media advertising, 3 on outdoor advertising, 5 New media advertising 11 on other advertising forms. All questions on advertisement were likert scaled using four points ranging between $1=$ strongly agree, $2=$ disagree, $3=$ agree, $4=$ strongly agree. Respondents were required to indicate the extent to which they agree with each of the items or statements by filling the number that best describes their preparations. Their responses were analyzed and described using means as sanctioned in table 3.

Table 3A:Degree of marketing communications in selected soft drink companies

| Broadcast advertising | Mean | Interpretation | Rank |
| :---: | :---: | :---: | :---: |
| r organization uses broadcast advertising | 3.86 | Very high | 1 |
| adcast advertising helps the company to achieve its munication objectives | 3.85 | Very high | 2 |
| adcast advertising is cost-effective to use | 3.84 | Very high | 3 |
| ir organization uses television to advertise | 3.83 | Very high | 4 |
| y of your customers use broadcast advertising to get sumption related information | 3.83 | Very high | 4 |
| rr organization uses prestige pricing | 3.73 | Very high | 6 |
| ir organization uses radios to advertise | 3.72 | Very high | 7 |
| ad cast advertising offers you wide reach | 3.63 | Very high | 8 |
| adcast media is easily accessible to your organization | 3.58 | Very high | 9 |
| rage mean | 3.76 | Very high |  |
| at advertising |  |  |  |
| ir organization uses print advertising | 3.77 | Very high | 1 |
| rr organization uses news papers to advertise its products services | 3.79 | Very high | 2 |
| ir organization uses magazines to advertise products | 3.68 | Very high | 3 |
| It advertising offers your company mass coverage | 3.62 | Very high | 4 |
| h print advertising high levels of information about your mpany can be delivered | 3.62 | Very high | 5 |
| It advertising is flexible to use | 3.77 | Very high | 6 |
| at advertising helps your company to deliver specific and cialized target audiences | 3.79 | Very high | 7 |
| erage mean | 3.69 | Vey high |  |

Source: primary data 2015

Table 3B : Degree of marketing communications in selected soft drink companies

| Outdoor advertising | Mean | Interpretation | Rank |
| :--- | :---: | :---: | :---: |
| Your organization uses outdoor advertising | 3.58 | Vey high | 1 |
| Your organization uses bill boards to advertise | 3.58 | Vey high | 1 |
| Your organization uses street furniture to <br> advertise | 3.72 | Vey high | 2 |
| Your organization uses transit form of <br> advertising | 3.62 | Vey high |  |
| Outdoor advertising is location oriented | 3.69 | Vey high |  |
| Outdoor advertising offers high frequency and <br> reach | 3.55 | Vey high |  |
| Average mean | 3.62 | Vey high |  |
| New media advertising | 3.84 | Vey high | 1 |
| New allows tight targeting | 3.69 | Vey high | 2 |
| Your organization uses internet, digital <br> television, and CD Room new advertising forms | 3.68 | Vey high | 3 |
| New media offers high level of customer <br> interaction | 3.68 | Very high |  |
| Average mean | 3.66 | Vey high | 4 |
| Your organization uses new media to advertise <br> products | 3.55 | Vey high | 5 |
| New media allows immediate response from <br> audience |  |  |  |
| New media has low absolute and relative costs |  |  |  |

Source: primary data 2015

Table 3C:Degree of marketing communications in Century Bottling Company

| In store advertising |  |  |  |
| :--- | :--- | :--- | :--- |
| Your organization uses in store advertising | 3.76 | Very high | 4 |
| Your organization uses point of purchase advertising | 3.75 | Very high | 5 |
| Your organization uses packaging to advertise | 3.60 | Very high | 11 |
| In store advertising offers high attention getting <br> properties | 3.74 | Very high | 6 |
| In store advertising is persuasive | 3.95 | Very high | 2 |
| In store advertising is flexible | 3.369 | Very high | 8 |
| Average mean | 3.74 | Very high |  |
| Other advertising forms | 3.74 | Very high | 2 |
| Your organization uses cinema advertising | 3.65 | Very high | 1 |
| Other advertising forms are effective in achieving <br> organization communication objectives | 3.96 | Very high | 2 |
| Your organization uses product placement to advertise | 3.81 | Very high | 3 |
| Your organization uses other advertisement forms not <br> mentioned above | 3.68 | Very high | 9 |
| Your organization uses exhibitions to advertise | 3.75 | Very high |  |
| Average mean | 3.70 | Very high |  |
| Overall average mean |  |  |  |

Table 3D:Summary on level of marketing communications in selected soft drink companies

| Advertisement indicators | Mean | Interpretation | Rank |
| :--- | :--- | :--- | :--- |
| Overall mean | $\mathbf{3 . 7 0}$ | Very high |  |
| Broadzast advertising | 3.76 | Very high | 1 |
| Other advertising forms | 3.75 | Very high | 2 |
| Print advertising | 3.69 | Very high | 3 |
| In store ac.vertising | 3.65 | Very high | 4 |
| Outdoor advertising | 3.62 | Very high | 5 |

## Source: primary data 2015

Results in Table 3A, 3B, 3C and 3D indicated that there are different levels of communication strategies. Respondents rated the level of broadcast advertisement to be very high (mean 3.76) equivalent to strongly agree, other advertising forms very high (mean 3.75) equivalent to strongly agree, print advertising rated high (mean 3.69) equivalent to strongly agree, in store advertising was also rated high (mean 3.62) equivalent to strongly agree and also outdoor advertising was ;ated to be very high (mean 3.68) equivalent to strongly agree on likert scale. Overall, all items on advertisement were rated to be high (mean 3-70) indicating that the soft drink companies used various advertising strategies.

### 4.3 Level of Business success

The dependent variable of this study was Business success operationalised as sales, market share, profits, employee satisfaction, owner's satisfaction, customer satisfaction and quality products. Each aspect was measured using different questions in the questionnaires; each question was rated on likert scale where $1=$ strongly disagree, $2=$ disagree, $3=$ agree and $4=$ strongly agree. This objective was set to determine the level of sales volume where respondents were required to rate the level of sales volume by indicating the rate to which they agree with each item. They had to do this by filling in the number that best describes their perceptions. Their responses were analyzed and described using means as summarized in table 4A and 4B.

Table 4A: Level of business success in selected soft drink companies

| Business indicators | Mean | Interpretation | Rank |
| :--- | :--- | :--- | :--- |
| Sales |  |  |  |
| Sales in your organization are high compared to other <br> players in the market | 3.33 | Very high | 4 |
| Sales in your organization are increasing compared to <br> other players | 3.33 | Very high | 4 |
| Sales in your organization are set to be increasing in <br> future | 3.44 | Very high | 3 |
| Sales in your organization are as good as other players <br> in the industry | 3.51 | Very high | 2 |
| Sales in your organization meet your organization <br> expectations | 3.82 | Very high | 1 |
| Average mean | 3.48 | Very high |  |
| Market share | 3.83 | Very high | 1 |
| Market share of your organization is high compared to <br> other players | 3.72 | very high | 4 |
| Market share of your organization is increasing because <br> of charging consumer friendly prices | 3.65 | Very high | 4 |
| Market share of your organization is set to be <br> increasing in the future compared to other players | 3.63 | Very high | 5 |
| Market share of your organization faces little or no <br> challenges | 3.76 | Very high | 2 |
| Market share of your organization is as big as the <br> organization expects | 3.74 | Very high | 3 |
| Average Mean | 3.7 |  |  |

## Source: primary data 2015

Table 4B: Level of Sales volume in selected soft drink companies

| Profits |  |  |  |
| :--- | :--- | :--- | :--- |
| Net profits in your organization are high compared to <br> other players in the industry | 3.70 | Very high | 2 |
| Net profits (after deducting taxes and interest) in your <br> organization are high | 3.62 | Very high | 4 |
| Net profits in your organization are set to be measuring <br> in the future | 3.57 | Very high | 5 |
| Net profits in your organization are as good as the best <br> players in the market | 3.63 | Very high | 3 |
| Net profits in your organization satisfy organizational <br> expectations | 3.73 | Very high | 1 |
| Average mean | 3.65 | Very high |  |
| Quality products |  | Very high | 4 |
| Yours organization produces products and services that <br> are reliable | 3.66 | Very high | 5 |
| Your organization provides products that are safe | 3.65 | Very high | 2 |
| Your organization produces that customers want | 3.67 | Very high | 7 |
| Your organization provides products services that are <br> accessible to consumers whenever needed | 3.55 | Very high | 1 |
| Your organization communicates to consumers in the <br> language they last understand and listens to them | 3.82 | Very high |  |
| Average mean | 3.66 |  |  |

## Source: primary data 2015

Table 4C: Level of business success in selected soft drink companies

| Consumer satisfaction | Mean | Interpretation | Rank |
| :--- | :--- | :--- | :--- |
| Your organization gives consumers value for their <br> money | 3.72 | Very high | 2 |
| Your organization offers consultant channel of <br> distribution management for its services | 3.70 | Very high | 1 |
| Your organization keeps consumers informed | 3.61 | Very high | 4 |
| Your organization offers well after sales services | 3.70 | Very high | 3 |
| Average mean | 3.69 | Very high |  |
| Employee satisfaction | 3.85 | Very high | 1 |
| Your organization pays you on time | 3.70 | Very high | 4 |
| Your organization pays you're commensurately to your <br> efforts. | 3.77 | Very high | 2 |
| Your organization gives employees benefits that are <br> adequate | 3.75 | Very high | 3 |
| Your organization of employees | 3.75 | Very high | 4 |
| Your organization offers safe working environment for <br> its employees | 3.70 | Very high |  |
| Average mean | 3.75 | Very high | 2 |
| Owners satisfaction | 3.74 | Very high | Your organizations earnings per share are better than <br> those of other players in the market |
| Your organizations gives earnings per share on time | 3.64 | Very high | 5 |
| Earnings per share in your organization are set to be <br> increasing | 3.73 | Very high | 4 |
| Your organization is committed to keep safe earn per <br> share for its share holders | 3.81 | Very high | 1 |
| Your organization keep share holders informed of the <br> latest development | 3.75 | 3.67 | Very high |
| Average mean | Overall average mean |  |  |

## Source: primary data 2015

Table 4A, 4B, 4C and 4D results show that the level of business success is very high in selected districts in central Uganda. All Sales volume indicators were measured, as perceived by the respondents. Employee satisfaction was rated very high (mean 3.75) rated very high on the likert
scale; owner's satisfaction was rated high (mean 3.74) rated strongly on likert scale, market share was rated very high mean 3.72 ) rated strongly agree on likert scale; customer satisfaction was rated very high (mean 3.69 ) rated strongly agree on the likert. Scale; quality products was rated very high (mean 3.66) rated strongly agree on likert scale, profit level was rated high (mean 3.65 ) rated strongly agree on likert scale and sales high (mean 3.18) rated strongly agree on the likert scale. Overall mean on sales volume indicators was high (mean 3.67) rated strongly agree on likert scale.

### 4.4 Significant difference between the level of advertisement and sales volume in selected

 soft drink companies, central UgandaThe fourth objective of the study was to determine whether there was significant difference between the level of advertisement and sales volume of selected soft drink companies in selected districts in central Uganda. To determine this the researcher compared the mean perceptions computed in table 3 and 4 for respondents involved in this study, using fisher's one way analysis of variance (ANOVA) results of which are indicated in table 5 below;

Table 5: Significant Difference Between the marketing communications and business
success in Century Bottling Company

| $\mathbf{F}$ | Sig. | Interpretation | Decision on Ho |
| :---: | :---: | :---: | :---: |
| .637 | .811 | Insignificant difference | Accepted |

Source: Primary data 2015

One way ANOVA results in table 5 indicate that there is no significant difference in the level of marketing communications and business success in selected soft drink companies central Uganda. For example, the overall mean perceptions obtained from all the three items analyzed did not significantly. For instance, and overall advertising was $(\mathrm{F}=0.637$, sig. $=0.811$ ) Therefore, basing on these results, the null hypothesis is accepted, leading to a conclusion that advertisement and sales volume in selected soft drink companies central , Uganda significantly differed.

Relationship between level of marketing communications and business success in Century Bottling Company
The fifth objective of the study was to determine whether there was significant relationship between the level of advertisement and sales volume of selected soft drink companies in selected districts in central Uganda. To determine this the researcher compared the mean perceptions in Table 3 and 4 for respondents involved in the study, using person's linear correlation coefficient (PLCC,) results of which are indicated in table 5 below;

Table 6: Relationship Between the marketing communications and business success selected soft drink companies. (SIG 0.05)

| Variables correlated | R-value | Sig | Interpretation | Decision on Ho |
| :---: | :---: | :---: | :---: | :---: |
| marketing communications Vs <br> business success | 0.280 | 0.121 | No significant <br> relationship | Accepted |
| marketing communications Vs <br> business success | 0.596 | 0.289 | No significant <br> relationship | Accepted |
| marketing communications Vs <br> business success | 0.554 | 0.333 | No significant <br> relationship | Accepted |
| marketing communications Vs <br> business success | 0.109 | 0.861 | No significant <br> relationship | Accepted |
| marketing communications Vs <br> business success | 0.730 | 0.270 | No significant <br> relationship | Accepted |
| marketing communications Vs <br> business success | 0.991 | 0.009 | Significant <br> relationship | Rejected |
| marketing communications Vs <br> business success | 0.540 | 0.347 | No significant <br> relationship | Accepted |
| marketing communications Vs <br> business success | 0.498 | 0.209 | No significant <br> relationship | Accepted |

## Source: Primary data 2015

Table 6 showed that marketing communications and business success were not positively and significantly correlated in selected soft drink companies central Uganda $(r=0.280$, sig. $=$ 0.121 ). For example, sales $(r=.596$, sig. $=0.289)$; market share $(r=0.554$, sig. $=0.033)$; profits ( $\mathrm{r}=0.531$, sig. 0.033 ); quality products $(\mathrm{r}=0.730$, sig. 0.270 ); employee satisfaction; ( $\mathrm{r}=0.540$, sig. 0.0347 ); owners satisfaction( $\mathrm{r}=0.498$, sig. 0.209 ); except consumer satisfaction( $\mathrm{r}=0.991$, sig. 0.009 ) which was positively related. On the basis of the above findings with the sig. value indicate that there is no significant correlation (sig. $=0.000<0.05$ ), leading to a conclusion that advertisement do not significantly influence sales volume in selected soft drink companies central , Uganda at a $5 \%$ level of significance.

Therefore the null hypothesis which states that "there is no significant relationship between marketing communications and business success in selected soft drink companies central Uganda" is accepted. To get a general picture on the overall relationship between all the categories of advertisement and items of sales volume, two mean indices were computed for advertising and sales volume, after which the indices were linearly regressed, as per results in table 7.

Table7: Regression Analysis Between the marketing communications and business success in selected soft drink companies

| Variables regressed | Adjusted $\mathbf{R}^{2}$ | F | Sig. | Interpretation | Decision on Ho |
| :---: | :---: | :---: | :---: | :---: | :---: |
| marketing <br> communications Vs <br> business success | .048 | 2.548 | .121 |  | Insignificant effect | Accepted 1 .

## Source: primary data 2015

The Linear regression results in Table 6 above indicate that marketing communications (independent variable) on regression model contribute over $48 \%$ towards variations in business success (dependent variable) in selected soft drink companies central, Uganda as indicated by a high Adjusted $\mathrm{R}^{2}$ of 0.048 . This implies that strict attention has to be put on advertisement if soft drink companies in central Uganda have to flourish.

## CHAPTER FIVE

## FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

### 5.0 Introduction

This chapter presents a summary of the findings, conclusions drawn and recommendations with relevance to specific objectives of this study.

### 5.1 Findings

A summary of the major findings are indicated below in answer to specific objectives of the study.

## Profile of the respondents

Regarding age, most of the respondents were of age group 20-39 (61\%) and the rest were 40-59. This was because youthful and energetic employees were preferred. In terms of marital status majority of the respondents were married (84\%) while the rest were single (9\%) and divorced (7\%) on the highest level of education majority of the respondents were educated with university degrees ( $80 \%$ ) Diplomas ( $8 \%$ ), and masters (12\%) respectively. This was because most companies preferred highly trained and competent workforce.

In relation to working experience majority of the sample respondents ( $61 \%$ ) had work experience for above 8 years, and the sample respondents were fairly distributed among the selected soft drink companies although century bottling company ( $30 \%$ ) and crown beverages ( $26 \%$ ) dominated as they are the leading players in the industry.

## Level of marketing communications in selected soft drink companies

The findings indicate that there are different levels of communication strategies. Respondents rated the level of broadcast advertisement to be very high (mean 3.76) equivalent to strongly agree, other advertising forms very high (mean 3.75) equivalent to strongly agree, print advertising rated high (mean 3.69) equivalent to strongly agree, in store advertising was also rated high (mean 3.62 ) equivalent to strongly agree and also outdoor advertising was rated to be very high (mean 3.68) equivalent to strongly agree on likert scale. Overall, all items on
advertisement were rated to be high (mean 3-70) indicating that the soft drink companies used various advertising strategies.

Level of business success in selected soft drink companies in selected districts, central Uganda
The findings show that the level of business success was very high in selected districts in central Uganda. All Sales volume indicators were measured, as perceived by the respondents. Employee satisfaction was rated very high (men 3.75) rated very high on the likert scale; owner's satisfaction was rated high (mean 3.74) rated strongly on likert scale, market share was rated very high mean 3.72) rated strongly agree on likert scale; customer satisfaction was rated very high (mean 3.69) rated strongly agree on the likert. Scale; quality products was rated very high (mean 3.66 ) rated strongly agree on likert scale, profit level was rated high (mean 3.65) rated strongly agree on likert scale and sales high (mean 3.18) rated strongly agree on the likert scale. Overall mean on sales volume indicators was high (mean 3.67) rated strongly agree on likert scale.

## Significant difference between the level of marketing communications and business success

 in Century Bottling CompanyThe findings indicate that there is no significant difference in the marketing communications and business success volume in selected soft drink companies central Uganda. For example, the overall mean perceptions obtained from all the items analyzed did not significantly differ. For instance, demand $(\mathrm{F}=0.210$, sig. $=0.935)$, competition $(\mathrm{F}=1.307$, sig. $=$ $0.021)$ and other pricing objectives $(\mathrm{F}=3.719$, sig. $=0.384)$ and overall pricing was $(\mathrm{F}=0.637$, sig. $=0.811$ ) Therefore, basing on these results, the null hypothesis is accepted, leading to a conclusion that advertisement and sales volume in selected soft drink companies central , Uganda significantly differed.

## Relationship between the level of marketing communications and business success in Century Bottling Company

Findings show that marketing communications and business success were not positively and significantly correlated in selected soft drink companies central Uganda $\quad(\mathrm{r}=0.280$, sig. $=$
0.121 ). For example, sales( $\mathrm{r}=.596$, sig. $=0.289$ ); market share ( $\mathrm{r}=0.554$, sig. $=0.033$ ); profits ( $r=0.531$, sig. 0.033 ); quality products $(r=0.730$, sig. 0.270 ); employee satisfaction; ( $r=0.540$, sig. 0.0347 ); owners satisfaction( $r=0.498$, sig. 0.209); except consumer satisfaction( $r=0.991$, sig. 0.009 ) which was positively related. On the basis of the above findings with the sig. value indicate that there is no significant correlation (sig. $=0.000<0.05$ ), leading to a conclusion that advertisement do not significantly influence sales volume in selected soft drink companies central , Uganda at a 5\% level of significance.

## Regression analysis between the marketing communications and business success in Century Bottling Company

The Linear regression results indicate that marketing communications (independent variable) on regression model contribute over $48 \%$ towards variations in business success (dependent variable) in selected soft drink companies central, Uganda as indicated by a high Adjusted $\mathrm{R}^{2}$ of 0.048 . This implies that strict attention has to be put on advertisement if soft drink companies in central Uganda have to flourish. Results further suggest that the independent variables included in the model significantly influence changes in the dependent variable (sales volume) $(\mathrm{F}=2.548$, sig. $=0.000)$. These results lead to a conclusion that advertisement significantly explains the high rates of sales volume in selected soft drink companies' central, Uganda.

### 5.2 Conclusions

Based on the study findings the study concludes that there is no significant relationship between marketing communications and business success ( $\mathrm{r}=0.280$, sig. $=0.121$ ). The level of sales volume was very high in selected districts in central Uganda. Employee satisfaction was rated very high (men 3.75), owner's satisfaction was rated high (mean 3.74), market share was rated very high mean 3.72), customer satisfaction was rated very high (mean 3.69), quality products was rated very high (mean 3.66), profit level was rated high (mean 3.65) sales was rated high (mean 3.18) Overall mean on sales volume indicators was high (mean 3.67). On the level of advertisement findings indicate that there are different levels of pricing strategies. Respondents rated the level of broadcast advertisement to be very high (mean 3.76) equivalent to strongly agree, other advertising forms very high (mean 3.75) equivalent to strongly agree, print
advertising rated high (mean 3.69) equivalent to strongly agree, in store advertising was also rated high (mean 3.62 ) equivalent to strongly agree and also outdoor advertising was rated to be very high (mean 3.68) equivalent to strongly agree on likert scale. Overall, all items on advertisement were rated to be high (mean 3-70) indicating that the soft drink companies used various advertising strategies.

The findings indicate that there is no significant difference in the level of advertisement and sales volume in selected soft drink companies central Uganda. For example, the overall mean perceptions obtained from all the items analyzed did not significantly differ. For instance, broadcast $(\mathrm{F}=0.210$, sig. $=0.935)$, print $(\mathrm{F}=1.307$, sig. $=0.021)$ and other advertising forms $(\mathrm{F}=3.719$, sig. $=0.384)$ and overall advertising was $(\mathrm{F}=0.637$, sig. $=0.811)$ Therefore, basing on these results, the null hypothesis is accepted, leading to a conclusion that advertisement and sales volume in selected soft drink companies central , Uganda significantly differed.
The Linear regression results indicate that advertisement(independent variable) on regression model contribute over $48 \%$ towards variations in sales volume (dependent variable) in selected soft drink companies central, Uganda as indicated by a high Adjusted $R^{2}$ of 0.048 .

The study therefore concurs with Drucker (1920) three sigma's theory of business which states that fundamental advertising decisions/assumptions made about society, markets and products are key for sales volume. Since the future is uncertain and the social environment is constantly changing every business and organization should periodically examine their fundamental assumption or decisions to see if they continue to reflect the current realities they face and if not how should they be changed, if this is done it will result in increased sales and profits, market share, customer satisfaction, strong reputation and sustained growth which subsequently leads to increased sales volume.

### 5.4 Recommendations

Based on the findings of the study, the following are suggested.

Soft drink companies should develop proper marketing plans as this will help all employees and their mangers to work towards common goals. In addition it will serve as a basis upon which
actual and expected performance will be measured. Further still marketing plan will provide a sense of direction to the organization.

Soft drink companies should improve on their branding as this will help them to properly distinguish themselves before their customers in this highly competitive business environment.

Proper packing needs to be done by the soft drink companies as this will help ease their distribution and also help the members of distribution channel in easily carrying and distributing their products.

Soft drink companies need to improve on their marketing communications, specifically by tailoring their messages to the specific characteristics and interests of free selected customers. Modern ICTS can help the companies in achieving this objective.

Market segmenting and targeting needs also to be improved by the soft drink companies this will help in figuring out the rightful customers and therefore help to develop products that appeal and satisfy the selected customers.

Soft drink companies need to improve on their distribution strategy. This can be done specifically by creating company owned agents in various parts of the market. Further still partnership can be done with private retailers and wholesalers through giving them incentives like discounts, sharing advertising costs and giving them storage facilities for these products.

Soft drink companies need to improve on their product strategy management. Care should be taken in developing the proper product lines, product mix and other related product strategy decisions.

Soft drink companies need to improve eon their innovativeness and creativity. They need to keep come up with new products and services that appeal to customers.

Continuous market research needs also to be done by the soft drink companies so as to find out the needs and complaints of customers. Marketing research will also help the soft drink companies in finding out whether their marketing strategies are meeting the objectives of the company.

Soft drink companies need also to improve on them competitive intelligence as this will help them to monitor the plans and actions of their competitors and recent accordingly.

Soft drink companies should improve on the quality of their products and services as this will improve on the customer satisfaction levels and improve them market share.

Soft drink companies need to develop proper relationship management strategies as this will result into repeat business, positive word -of- month, increased sales and profits and subsequence sales volume.

### 5.5 SUGGESTED AREAS FOR FURTHER RESEARCH

There is need to do research on new marketing technologies (ICTS) and communication effectiveness, further research can also be done on branding and sales volume of selected soft drink companies in central Uganda.

## REFERENCES

Coskun S. \&. Hill, J. S. (1998). Marketing Globally, Planning and practice NTC publishing group west toughy avenue Linclin wood Chicago USA.

Beome \& Kurtz (1998). Contemporary marketing 9th edition by Havcourt college publishers.
IBoone \&Kurtz (2002). Contemporary marketing 4th edition Harcourt college publishers.
Collins J. (1998) Marketing principles for today 1st edition London prentice hall. Collins J. (1998). Marketing practice for today 1St edition New York McGraw hill publishers.

ICoupcom L. (2000). Annual report 1St edition library of Congress cataloging practice hail USA.

De Vous D.A. (2002). Survey in social research 5th edition library of cataloging p publication data MC. Grew Hill USA.

Berkwhz E. N. (1989). Marketing 2rd edition Irvin library of Congress cataloging in publication Boston USA.

J,M,C. (2004) Good to great 1st edition library of congress cataloging practice hall USA.

Evans J. R. \& Berman B.. (1997). Marketing 7th edition prenctice hall UK. London.

Guiltinan J. P. \& Garden W. P (1991). Marketing management practice \& programmes 4th edition MCGrewHill, inc USA.

Beokownz, K. \& Rudelius, H. (2003). Marketing 7th edition Mc Graw Hill companies, inc.

Hartlex, K. \& Rudelius, B. (2006). Marketing 8th edition McGrew Hill publishers in

Lacex T. (1996). Hospital reports 5th edition lashing DP publication Makerere University. Lamb, Hair, Mc Daniel (2004). Marketing library of congress cataloging in publication data

Micheal J. E. (2001). Marketing 12th edition library of cataloging publication data McGrew Hill USA.

Etzel M. J., Bruce J. W, \& Stanton, W. J. (2004). Marketing practices 13th edition McGraw Hill companies inc.

Solomon, M. R. \& Stucet, E. W. (2000). Marketing real people, real choices 2nd edition prentice hall UK. London.

Pander I. M (1998). Financial management 7th edition Yiloas publishing house PVT limited.

Philip Kother (1983). Principle of marketing 6th edition library of congress cataloging practice Hall USA.

Kother P. (1984). Marketing Management 5th edition Library of Congress cataloging practice Hall USA.

Robin S. (1996). Organisation Behaviour 7th edition London prenctice Hall. Sanyu, M. Dessertation, it study of organization culture and performance of all companies (1997) Kampala unpublished report.

Akhter, S. H. (1995) Global marketing 1St edition by South Western College publishing Ciricmnati Ohio USA.

Pride, W. M. \& Ferell O. C., (1993). Concepts \& strategies 18th edition library of cataloging

Houghton Milfflin USA.
Hoell, W. F. \& Guiltinan, J. P. (1987). Contemporary concepts and practice, 3rd edition Allyn and Bacon, inc. Boston
Stanton, W. J. (1984). Fundamentals of marketing, 7th edition McGraw Hill USA.

Bearden, W. Q., Ingram, T. N. \& Lafouge R. W. (2001), Principles \& practice of marketing, 9th edition, McGraw Hill companies inc.

## APPENDICES

## APPENDIX.A: QUESTIONNAIRE ON MARKETING COMIMUNICATIONS

| Broadcast advertising |  |  |  |
| :--- | :--- | :--- | :--- |
| our organization uses broadcast advertising? |  |  |  |
| roadcast advertising helps the company to achieve its |  |  |  |
| ımunication objectives |  |  |  |
| adcast advertising is cost-effective to use |  |  |  |
| ır organization uses television to advertise |  |  |  |
| ay of your customers use broadcast advertising to get |  |  |  |
| sumption related information |  |  |  |
| ar organization uses prestige pricing |  |  |  |
| ar organization uses radios to advertise |  |  |  |
| adcast media is easily accessible to your organization |  |  |  |
| nt advertising |  |  |  |
| ar organization uses print advertising |  |  |  |
| Ir organization uses news papers to advertise its products |  |  |  |
| services |  |  |  |
| Ir organization uses magazines to advertise products |  |  |  |
| ht advertising offers your company mass coverage |  |  |  |
| h print advertising high levels of information about your |  |  |  |
| upany can be delivered |  |  |  |
| at advertising is flexible to use |  |  |  |
| ar advertising helps your company to deliver specific and |  |  |  |
| cialized target audiences |  |  |  |
| adoor advertising |  |  |  |


| ur organization uses street furniture to advertise |  |  |  |
| :---: | :---: | :---: | :---: |
| ir organization uses transit form of advertising |  |  |  |
| door advertising is location oriented |  |  |  |
| door advertising offers high frequency and reach |  |  |  |
| v media advertising |  |  |  |
| v allows tight targeting |  |  |  |
| ir organization uses internet, digital television, and $C D$ m new advertising forms |  |  |  |
| $v$ media offers high level of customer interaction |  |  |  |
| arage meam |  |  |  |
| ir organization uses new media to advertise products |  |  |  |
| $v$ media allows immediate response from audience |  |  |  |
| $v$ media has low absolute and relative costs |  |  |  |
| tore advertising |  |  |  |
| ır organization uses in store advertising |  |  |  |
| ir organization uses point of purchase advertising |  |  |  |
| ir organization uses packaging to advertise |  |  |  |
| tore advertising offers high attention getting properties |  |  |  |
| tore advertising is persuasive |  |  |  |
| tore advertising is flexible |  |  |  |
| arage mean |  |  |  |
| ter advertising forms |  |  |  |
| ir organization uses cinema advertising |  |  |  |
| er advertising forms are effective in achieving anization communication objectives |  |  |  |
| ir organization uses product placement to advertise |  |  |  |
| ir organization uses other advertisement forms not ationed above |  |  |  |
| ir organization uses exhibitions to advertise |  |  |  |

## APPENDIX.B: QUESTINNAIRE ON BUSINESS SUCCESS

| Sales |  |  |  |
| :--- | :--- | :--- | :--- |
| 1. Sales in your organization are high compared to <br> other players in the market? |  |  |  |
| Sales in your organization are increasing compared to <br> other players |  |  |  |
| Sales in your organization are set to be increasing in <br> future |  |  |  |
| Sales in your organization are as good as other players <br> in the industry |  |  |  |
| Sales in your organization meet your organization <br> expectations |  |  |  |
| Market share |  |  |  |
| Market share of your organization is high compared to <br> other players |  |  |  |
| Market share of your organization is increasing because <br> of charging consumer friendly prices |  |  |  |
| Market share of your organization is set to be <br> increasing in the future compared to other players |  |  |  |
| Market share of your organization faces little or no <br> challenges |  |  |  |
| Market share of your organization is as big as the <br> organization expects |  |  |  |
| Profits |  |  |  |
| Net profits in your organization are high compared to <br> other players in the industry |  |  |  |
| Net profits (after deducting taxes and interest) in your <br> organization are high |  |  |  |


| Net profits in your organization are set to be measuring <br> in the future |  |  |  |
| :--- | :--- | :--- | :--- |
| Net profits in your organization are as good as the best <br> players in the market |  |  |  |
| Net profits in your organization satisfy organizational <br> expectations |  |  |  |
| Quality products |  |  |  |
| Yours organization produces products and services that <br> are reliable |  |  |  |
| Your organization provides products that are safe |  |  |  |
| Your organization produces that customers want |  |  |  |
| Your organization provides products services that are <br> accessible to consumers whenever needed |  |  |  |
| Your organization communicates to consumers in the <br> language they last understand and listens to them |  |  |  |
| Consumer satisfaction |  |  |  |
| Your organization gives consumers value for their <br> money |  |  |  |
| Your organization offers consultant channel of <br> distribution management for its services |  |  |  |
| Your organization keeps consumers informed |  |  |  |
| Your organization offers well after sales services |  |  |  |
| Employee satisfaction |  |  |  |
| Your organization pays you on time |  |  |  |
| Your organization pays you're commensurately to your <br> efforts. |  |  |  |
| Your organization gives employees benefits that are <br> adequate |  |  |  |
| Your organization of employees |  |  |  |
| Your organization offers safe working environment for |  |  |  |


| its employees |  |  |  |
| :--- | :--- | :--- | :--- |
| Owners satisfaction |  |  |  |
| Your organizations earnings per share are better than <br> those of other players in the market |  |  |  |
| Your organizations gives earnings per share on time |  |  |  |
| Earnings per share in your organization are set to be <br> increasing |  |  |  |
| Your organization is committed to keep safe earn per <br> share for its share holders |  |  |  |
| Your organization keep share holders informed of the <br> latest development |  |  |  |

