

**THE EFFECTS OF ADVERTISING ON SALES VOLUME  
A CASE STUDY OF WARID TELECOM  
UGANDA KIBUYE BRANCH**

**BY  
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**A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF  
BUSINESS AND MANAGEMENT IN PARTIAL FULFILLMENT  
OF THE REQUIREMENTS FOR THE AWARD OF A  
BACHELOR'S DEGREE IN BUSINESS  
ADMINISTRATION OF KAMPALA  
INTERNATIONAL  
UNIVERSITY**

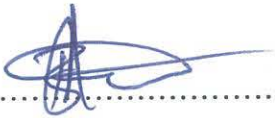
**July 2010**

## DECLARATION

I AKWI BARBARA declare that this research project is my own work and has never been submitted before by any other researchers in any other institution or higher learning or university for the same purpose. The literature and citation from other scholars work have been fully referred and acknowledged in the text and bibliography.

Signature

Date. 21/11/2010



.....

Name of student

AKWI BARBARA

## APPROVAL

This research project by AKWI BARBARA has been carried out under my supervision and is submitted to the school of business and management of Kampala International University with my approval

Supervisor's Signature: Shirley

Name: MR NALELA KIZITO  
(Supervisor)

Date: 22/11/2010 .....

## **DEDICATION**

This research is dedicated to my beloved mother Okure Florence, my father Mr. Okure William, my brother Opule James, and my sister Atim Brenda and with out forgetting Mr. Nkuntu Ronald for their financial, materials and moral supports toward different stages of my life are highly appreciated.

## **ACKNOWLEDGEMENT**

The completion of this research would not have been possible on researcher's effort without assistance from a number of committed individuals.

I thank the Almighty God who led me to the success of this study.

I would also like to express my gratefulness to my supervisor, Dr. Nalela Kizito, a lecturer at Kampala International University for his effort, advices, comments corrections encouragement and support in my research.

I cannot forget my brothers, cousins, all my fellow students, lecturers at Kampala international university plus Mr. Peter Johnson and the staff members of warid telecom Uganda for their cooperation that enabled me to accomplish my research.

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## **ABSTRACT**

This report carries the information collected by the researcher during her research. The study was to assess the effects advertising on sales volume a case study of warid telecom Uganda. Warid telecom was selected to form the basis of the research study. The main objective was to investigate the effects of advertising on sales volume in business organizations especially Warid telecom.

The methodology used by the researcher included analytical research designs including questionnaires, interviews and documentary review. Questionnaires were prepared and presented to the respondents for answering. During collection of the questionnaires the researcher interviewed the respondents for clarification of the primary data. The researcher reviewed the documentations of the company to obtain secondary data.

According to the findings advertising has been credited for its contribution in the Company hence increasing sales through advertising. Keeping advertising from time to time was recommended for the company to emphasize.

## **CHAPTER ONE**

### **I.0 Introduction**

This chapter includes the background of the study, the statement problem to research about, the purpose of the study, the objectives of the study and research questions, the scope of the study, significance of the study, and the conceptual frame work.

### **Background of the study**

Of the past warid telecom Uganda has been experiencing low sales resulting from poor methods of advertising. After realizing this effect that poor methods of advertising has caused low sales in past, warid telecom changed its advertising techginiques by introducing anew double simcard phone, cutting call rates to 3/= per second across all networks, and sponsoring different programs on radio and TV stations and now warid telecom of recent is doing well.

Advertising is any form of paid service presentation and promotion of ideas, goods or services.

Advertising is defined by the American marketing association as any paid form of non personal presentation of ideas, goods or services by an identified sponsor. Modes of advertising include; Television, Radio, direct mail, catalogs, outdoor advertising such as billboards.

Unlike the individual tailored presentation of sales representatives, advertising message appear in standardization form in print (news papers, magazines, books) and broadcast media that is radio and television and on internet as well as on billboards where interested people are likely to see them.

According to kottler (1983), Advertising consists of non-personal forms of communication conducted through paid media under clear sponsorship. It is always the viable marketing mix element and the oval objective is to disseminate messages to both current and potential customers.

Organizations carryout their advertising in many ways. In small

organization advertising is handled by some one in the sales department who occasionally work with an advertising agency. Large companies set up advertising departments, develop the total budget, approve agency adverts and companies handle direct internet advertising, and other forms of advertising not ordinarily performed by the agency.

Marketing management has five important decisions in developing an advertising program and these follow prior decisions on the target market, market positioning and marketing mix. The advertising firm has to choose one of the advertising media to carryout the advertising message and the steps taken here include:

- Deciding among major media types.
- Selecting specific media vehicles.
- Deciding on media timing.

In Uganda the major media types includes news papers, Television, internet, radios, magazines ad out door each having advantages and limitations and therefore choice has to be made by considering various variables thus, target audience, media habits, products, message and cost .

Advertising has no impact on sales volume if costumer perception on the product is negative therefore for it to have direct positive relations with sales volume the entire marketing mix has to be seen as positive. Sales volume refers to the amount of out put in terms of money that is got after a sale of an input such as raw materials or finished goods by a company or organization or firm.

### **Background of the case study**

WARID Telecom Uganda Ltd is fully owned by WARID Telecom International a subsidiary of the Abu Dhabi Group, a large investment group active both in the UAE, Pakistan and now numerous other

markets on the African continent including Uganda, Congo and Cote de Ivory.

In November 2006 WARID Telecom Uganda Limited was awarded its public infrastructure provider and public service provider licenses. In only 15 months we have completed the installation of hundreds of base stations, commercially launched and introduced a number of services to the Ugandan market on our prepaid network to name but a few of our achievements in this short space of time.

Warid Telecom licenses incorporate mobile, fixed, internet, email and international communication services all of which are products and services WARID will be rolling out during 2008.

Warid provides value for money innovative and customer relevant telecommunication services to achieve a new and modern corporate identity that is congruent with the dynamic changes taking place within the telecom industry. Warid Telecom's drive is to become the preferred choice as a universal communications provider of mobile, fixed line, internet, and business communications solutions within one year of operations.

### **Other mobile operations and services**

Warid Telecom Provides a number of services which include; Swing2MABeat, Tariff plan change, Missed call alerts, Friends and Family, Bonus inquiry, Balance share, Indirect voicemail access from any other WARID line or network, Voicemail activation, Voicemail access from your WARID line, Customer Care toll free, Customer Care from any other networks, Your WARID number display, Recharge, Recharge shortcut, Pakalast, Balance inquiry, Balance inquiry shortcut.

## **Customer Car**

WARID Telecom Uganda countrywide Sales and Customer Care centers provide instant problem solving and customer support from our highly trained Customer Care. 24hour Customer Care/support help lines available toll free from WARID numbers on 100 or from any other number 070 0100 100

## **Prepaid services**

WARID Telecom Uganda commercially launched its prepaid services in Uganda on February 7<sup>th</sup> 2008 with a series of nationwide simultaneous activations. We are the first network provider ever in Uganda to switch on and have sizeable network coverage at time of launch.

## **Coverage in Uganda**

Warid Telecom network in Uganda is extensive and still growing to reach customers everywhere. Warid increases its coverage so that its customers can enjoy a service that keeps getting better.

## **Strategic investments**

Strategic investment is responsible for identifying and exploiting new growth opportunities on behalf of warid group, in Africa and beyond. The division also manages the warid group's investment in non mobile ventures including Warid research and development unit responsible for exploitation of innovation and intellectual property and the Warid group's electronic fund transfer operation.

## **1.2 Statement of the problem**

Despite the efforts by warid telecom Uganda towards the improvement on the performance of the firm through efficient advertising using the media such as print, internet direct response, television and radios,

the company is still experiencing high sales levels in terms of profits from the input and output raw materials like work in progress and finished goods such as air goods and internet services and sponsorship of different activities. And if management fails to recognize and appreciate the effects of advertising on the performance of the organization this could lead to the eventual collapse of organization or low levels of sales returns to the organization.

### **1.3 purpose of the study**

The Purpose of the study was to establish the relationship between advertisements and sales volume in WARID Telecom Uganda, Kibuye branch.

### **1.4 Objectives of the study**

- i).To establish how digital advertising (TV, Radio) etc affects sales volume in Uganda telecom Uganda.
- ii).To establish how physical advertising (news papers, sales magazine etc) affects sales volume in WARID Telecom Uganda.
- iii).To establish the relationship between advertising and sales volume in WARID Telecom Uganda.

### **1.5 Research questions**

- i).How does digital advertising (TV, Radio. etc) affects sales volume in Uganda telecom Uganda?
- ii).How does physical advertising (news papers, sales magazine etc) affects sales volume in WARID Telecom Uganda?
- iii).What is the relationship between advertising and sales volume in



WARID Telecom Uganda?

### **1.6 Scope of The Study**

The study was largely concerned with the effect of advertising on sales volume, a case study of WARID Telecom Uganda Kibuye branch. The study covered the top management, subordinates and clients of WARID Telecom Uganda at its branch office Kibuye Kampala.

### **1.7 Significance of the Study**

With the successful completion of this research study, the following was its significance;

It helped the organization to identify how both digital and physical advertising affects sales volume.

It also helped to equip the researcher with the knowledge of how advertising can affect the sales volume and its effectiveness on profitability.

Other beneficiaries, academicians and students will use this as a stepping ground for further study and knowledge building.

### **1.8 Conceptual framework**

This explains the relationship between the independent variables and dependent variables of the study or the research topic;

The independent variable is advertising and the dependent variable is sales volume.

Advertising is the independent variable and sales performance is the dependent variable. An advertisement is affected by factors such as media, news prints, internet and billboards which if well managed

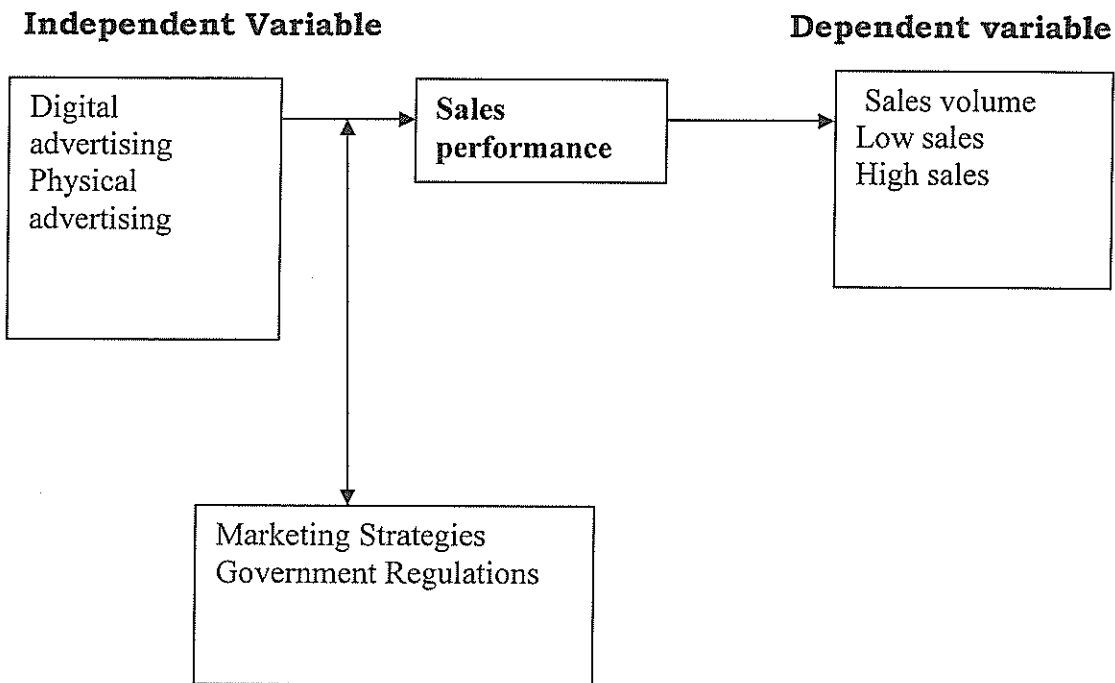
could benefit, increase on sales performance.

Intervening variables are the external forces that affect advertising directly and indirectly they include government policies, marketing strategies and other company policies.

This has an impact to the company bringing outcomes such as; good sales performance and company's profitability.

## **Advertisement**

### **Outcome**



**Source: Researcher's own concept.**

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.0 Introduction

This chapter includes concepts of advertising, types of advertising, factors affecting sales volume, benefits of advertising on sales volume and ways to improve sales volume, and criticisms of advertising. This part incorporated the ideas drawn from books, journals, and internet based information.

#### 2.1 Common concepts of advertising

Advertising is a non –personal communication of information paid for by an identified sponsor such as an individual or an organization.

Modes of advertising include; Television, Radio, direct mail, catalogs, outdoor advertising such as billboards. 'According to Charles Futrell, Fundamentals of Selling, (4<sup>th</sup> edition)'.

According to Collins .J. (1998), Advertising is said to be any paid form of non personal presentation and promotion of ideas, goods or services by an identified sponsor and from management view point. Advertising is a strategic device for gaining or maintaining a competitive advantage in the market.

**Advertising campaign** is an advertising effort on behalf of a particular product or service that extends for a specified period of time.

Ultimately, the realities of an increasing competitive market place lead to the recognition of advertising as a tool to maintain economic sales volume. Generally, the more competitive the market, the market place becomes more of advertising involved in convincing customers that one's offers on the market will gratify him or her better than others. Here advertising exists as a marketing tool to reach consumers. However internally, according to the company parameters it may be

used as a tool to ease the flow of stock from suppliers to final consumes.

According to Burnet (2003), Effective advertising works on two levels; first they should satisfy the consumers' objectives by engaging them and delivering a relevant message and the advertisement must achieve the advertiser's objectives which may include increasing sales. Initially, a consumer would be interested in watching advertisement for its entertainment value or to satisfy her curiosity. If advertising is sufficient entertaining, she or he would remember it.

Kotler (2001), defines performance of business as 'a means through increased production met by demand on market that generates cash flows which add value to business through profit'.

Performance is the function of both effort and abilities. Belch and Belch (1998), states that an organization can easily attain its goals by exploiting the available resources in an effective manner. It is how strong the organization pushes towards the direction that it will be able to maintain profitable status and for this advertisement is one tool that maintain a meaningful trust towards the above goal.

## **2.2 Types of advertisements**

According to Kenner (1983), the types of advertisements are print advertising, online advertising, outdoor advertising, Television advertising or media advertising and mobile advertising;

- **Online advertising**

Online advertising is a form of advertising that uses the internet and World Wide Web in order to deliver marketing messages and attract consumers. For example pay per click, burners, and media search engines.

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



- **Magazines**

A magazine is a periodic publication containing pictures, stories and articles of interest to those who purchase it. It is usually published monthly, weekly.

**Advantages of magazines**

They are highly targeted so it is possible to purchase space magazine that will read by your target audience no matter how specialized it may be. Another advantage is that it has a high geographical and demographic selectivity; lead time getting into print and getting responses.

**Disadvantages of magazines**

Most magazines are issued monthly therefore it can involve long time in getting into print and getting response.

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

- **Print advertisement**

Which includes news papers and local entertainment guides. A news paper is a publication containing news; information and advertising also feature political news and events. A supplementary section may contain advertising, comics and coupons.

**Advantages of news papers**

Here someone can look at the news papers 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 audiences attention.

**Disadvantages of news papers**

The company is likely to be upstaged by bigger advertisers whose adverts can be placed right next to yours. Careful selection of news

papers is very essential even the same newspaper can have different readers on different days.

- **Yellow pages**

Yellow pages are a telephone directory or section of a directory where business products and services are listed alphabetically by fielding a long with classified advertisement.

### **Advantages of yellow pages**

Is that your advisement lasts for an entire year and placed in such away that the advertisers prospects can find target customers at any time they want to.

### **Disadvantages of yellow pages**

Most yellow pages advertising are expensive. Bigger advertisers and those who have been advertising than others will be at the front of the section.

- **Media advertising**

Television advisement also known as television commercial is a span of television programming produced paid for by an organization that conveys a message. Advertisement revenue provides a significant portion that conveys a message.

For the TV advertising activity, it is possible to examine how each ad execution has performed in the market in terms of its impact on sales volume. Marketing mix model can also provide information on TV effectiveness at different media weight levels, as measured by Gross Rating Points in relation to sales volume response within a time frame, be it a week or a month. Information can also be gained on the minimum level of GRPs (threshold limit) in a week that need to be aired in order to make an impact, and conversely, the level of GRPs at which the impact on volume maximizes (saturation limit) and that the further activity does not have any payback.

### **Advantages of 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 where your targeted audience segment is most likely to be viewing.

### **Disadvantages of television**

The television is an expensive medium- the cost of airtime, for reducing commercials and difficulties to get quality for budgeting advertisers often rules it out however depending on what your trying to sell you might be able to promote on cable or satellite television using a show that primarily will be viewed by members of your target audience.

#### **• Radio advertising**

Is a form of advertising via the medium of radio? Airtime is purchased from a station or net works in exchange for airing the commercials

### **Advantages of radio advertising**

Radio can be affordable enough to allow repetition of the company's offer. The advertiser can select a station accurately by its demographics and home on their target audience.

Commercial production costs are low. It is an immediate medium that works well for promoting events such as special sell, on the day

### **Disadvantages of radio advertising**

The audience of any station is geographically scattered and may not take advantage of your offer. There is a lot of clutter when four or five different adverts are run on one after the other .Radio impact is limited in that you can not show your product, nor can you expect to get a close detail about it.

#### **• Out door advertising**

Bill board or out door is a large out door 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 slogans and distinctive visuals.

Out door advertising is quickly gaining popularity, the wide impact and cost effective nature of bill board advertising is un deniable. Bill board advertising continues to gain a quality method of expressing a company's sales message and market their services.

### **Advantages of billboard or out door advertising**

Billboard advertising grabs the attention of potential customers like nor other form of advertising can, they portray brand awareness and stronger name recognitions.

They are colorful, creative and eye catching advert which have impact and reaches out to thousands of people daily.

### **Disadvantages of outdoor advertising**

It is a cost effective form of out door media which has 24 hour exposure compared to a TV commercial or a news paper advert.

- **Mobile advertising**

Mobile advertising is the use of telecom net works to advertise to customers.

### **Advantage of mobile advertising**

They reach a high number of people on the daily basis.

### **Disadvantage of mobile advertising**

It is expensive.

## **2.3 Roles of advertising**

There are two schools of thought on advertising's role in the economy;

- The first theory, Advertising market power views advertising as a persuasive communication tool that is used to make consumers



less sensitive to price and to increase the organizations power in the market place:

Advertising affects consumer preferences and tastes, changes product attributes, and differentiates the product from competitive offerings.

Consumers become brand loyal and less price sensitive and perceive fewer substitutes for advertising brands.

Potential entrants must overcome established brand loyalty and spend relatively more on advertising.

Firms are insulated from market competition and potential rivals; concentration increases, leaving firms with more discretionary power. Firms charge higher prices and are not as likely to compete on quality or price dimensions innovation may be reduced.

High prices and excessive profits accrue to advertisers and give them even more incentive to advertise their products. Output is restricted compared to conditions of perfect competition.

- The second theory; Advertising information, considers advertising as informative, making consumers more price sensitive, and stimulating competition.

### **Advertising**

Informs consumers about product attributes and does not change the way they value those attributes.

### **Consumer buying behavior**

Consumers become more price sensitive and buy best 'value' only the relationship between price and quality effects elasticity for a given product.

### **Barriers to entry**

Advertising makes entry possible for new brands because it can communicate product attributes to consumers.

### **Industry structure and market power**

Consumers compare competitive offerings easily and competitive rivalry is increased. Efficient firms remain, and as the inefficient leave, new entrants appear, the effect on concentration is ambiguous.

### **Market conduct**

More informed consumers put pressure on firms to lower prices and improve quality. Innovation is facilitated via new entrants.

## **2.4 Advertising classifications and strategies**

According to Ralph M. Gaedeke, Denis H. Tootelian. (1983), Marketing Principles and Applications, (pages 405-412). Advertising has the following classifications and strategies:

- **Classifications of advertising**

### **Product advertising**

Is a non personal communication undertaken to stimulate demand for a particular product, service, or brand. The objectives of product advertising may be to stimulate primary demand such as consumer demand for a class or category of products.

### **Cooperative advertising**

Is a joint promotional effort between a national advertiser (manufacturer) and a retailer? The manufacturer's product is advertised at the local level by a retailer. The national advertiser helps pay for the advertising costs.

### **Comparative advertising**

This is an advertising strategy where the advertiser names are comparative product directly rather than referring to 'brand' or to the 'leading brand.'

## **Corporate or institutional advertising**

This is a non personal communication undertaken for the direct benefit of the corporation or institution, rather than for its products or services. The purpose of such advertising may be to enhance a company's name or nature of business; to educate the audience; or to establish the company's concern for social or environmental issues.

- **Advertising strategies**

**Pre testing-** this measures the effectiveness of advertisements against some predetermined objectives before they are actually used in a campaign. The purpose of pre testing is to evaluate the communication effectiveness of commercials. Advertising agencies often use the consumer panels that screen alternative- advertisements and rate them on such bases as awareness, interest, conviction, or charge attitude.

**Post testing-** measures effectiveness of advertisements against some predetermined objectives after they have been used. The most frequently used post testing methods are recall and recognition tests; Recall tests can either be aided or unaided recall. Here with aided recall specific products, brands are shown to stimulate the subject's' memory. While unaided recall, respondents receive little, if any, aid is jogging their memory.

Recognition test method- of post testing advertisements in print media is the starch message report service. Daniel Starch and staff Inc. a marketing research company reports on the readership of advertisements I general magazines, business publications, and news papers.

## **2.5 The concept of sales volume management**

Williams, U (2003), sales volume refers to the sales of the company to ensure productivity. Broadly, sales volume includes work done (output).

According to Pander (1998), sales volume is the sales of the company that have been distributed, while Denis H. Tootelian. (1983), asserts that sales are the goods to be distributed. The sales are the products of the firm manufactured and distributed for sale.

Marketing mix modeling is an analytical approach that uses historic information, such as syndicated point-of-sale data and companies' internal data, to quantify the sales impact of various advertising activities. Mathematically, this is done by establishing a simultaneous relation of various marketing activities with the sales, in the form of a linear or a non-linear equation, through the statistical technique of regression. Marketing mix modeling defines the effectiveness of each of the marketing elements in terms of its contribution to sales-volume, effectiveness (volume generated by each unit of effort), efficiency (sales volume generated divided by cost) and returns on inventory.

The sales objective of sales management should be to determine and maintain optimum levels which will lie between the two points; excessive and inadequate inventories.

## **2.6 Approaches to sales volume**

There are major approaches that are used in sales volume. These include; economic order quantity (EOQ), Just in time delivery (JIT) and ABC analysis.

- **Economic order quantity (EOQ)**

This technique answers the question of how much to order. According to Julius Kakuru (2003), the model seeks to minimize the costs of inventory while the same time maximizing the benefits associated with the inventory or sales.

Kenner (1983), looks at the economic order quantity as the quantity at which carrying and ordering costs are at a point minimum or also equal. There is no lead time between ordering and receipts of sales of sales volume in business.

However EOQ model is not realistic since total demand is not known with certainty and there is always a lead time between when you place an order and when you actually receive the stock and when the goods are actually paid for. In addition, it should be noted that these weaknesses do not invalidate the model but they only mean that the model should be adjusted to make it more realistic and the more important adjustment in this model should be to provide for safety for the sales. This sales carter for un timely deliveries in cases of problems.

- **Just in time approach (JIT)**

This is a recent one in the management of sales developed by the Japanese manufacturing enterprises and it is being recognized as a fast management tool. it maintains zero balance inventories. Kenner (1983), 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 volume.

- **ABC Analysis**

This is at times known as the selective control method .this analysis clarifies items of inventory into their relative importance according to

their relative value requirement.

Items are received in higher values, those with medium need are categorized and those with low utilization value are also categorized. They are highly controlled and their demand is determined through existence. However these demands are relaxed for different categories.

## **2.7 Factors affecting sales volume**

According to William (2000), the main advertising companies turned out to be unproductive because of lack of clarity regarding the focal objectives of a specific campaign. Advertising is a force that increases productivity and sales. Results are measurably provided specific advertising objectives are defined. The factors to be considered in setting a voluminous advertising are as below:

- **Market segmentation**

Through careful market segmentation, the target audience could be identified. Market segmentation is a continuous process in order to keep the changed on consumer type, the buyer's behavior and social economic and environmental parameters in check, failure to keep the parameters, advertiser's strategy may result in un satisfactory return on advertising investment.

- **Product personality and perception**

Advertising a product gives distinct form and can contribute to the success of a brand. It is not only characteristic and properties of a product or special features of a service which contributes towards the sale because this can be copied by competitors. It is the perception of the product and the brand in the mind of the consumer which contributes to grater sales.

- **Situational factors**

Sales volume would be derived from marketing objectives which will

be based on an on going assessment of the market situation, competition, price position, distribution channels and their incentives among others. Due consideration should be given to time period to which the objectives are confined.

## **2.8 Features of a good advert**

A good advert can simply be termed as associated feelings with brands .Such advertising involves developing associations with the brand or brand users such that the experience of using the brand is transformed or changed into something different .to achieve such transformational associations or a good advert .it is necessary to have a substantial media budget, maximum consistency over time and closely connect the brand with advertising.

According to Crawford (2000), there are different approaches that advertisers can use in order to stay creative. All adverts use creativity to lead to a more effective good advertisement that delivers the advertisements objective. Advertisement need to contain a persuasive message to take action. There has to be a relative connection with its audience and present a selling idea in an expected way.

## **2.9 Critisms of advertising**

The communication process is usually not complete .It involves the sender, the message and the receiver where by all should get feed back from each other but in advertising the receiver does not send his feed back to the sender. Some advertising may not be well understood by the customers this is because the type of advertising used nay has failed to reach the target market. The planning of advertising campaign is expensive because it needs creativity which requires mixture of marketing skills.

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

Availability of some media for advertising may be limited in particular geographical area; this factor reduces media alternatives for the company to choose.

### **2.10 Benefits of advertising on sales volume**

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

- **Information**

Consumers need information about various goods and services. Due to ignorance a customer may purchase inferior products or aim higher prices. Information given in an advert could be above the company and its products and or services.

- **Innovation**

Advertising performs this task more effectively for new products in any way; it reduces that risk of innovation. The cost innovation can be recovered by sales which advertising may have generated and these encouraged manufacturers to undertake research and development. Advertising does not guarantee for all these products.

- **Brand image building**

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

- **Catalyst for change**

Advertising acts as a catalyst of change. Creativity inherent in advertising leads to the discovery of new relationship that can change the perception of a prospect. The ability to bring about changes comes



from originality ingenuity, innovation and imagination in advertising.

- **New product launch**

New product launch is another catalyst of change. Various strategies including advertising were employed to make buyers aware of new products. The term new product may include modification of existing products, introduction of competitive products upcoming innovations

- **Benefits of economic performance**

Advertising plays many roles which bring out different implications to the economic performances of the company. These roles are; communication with consumers, advertising which reminds the existing customers as well as cultivating new ones. Advertising is thus described as effective communication with the target audience.

### **2.11 Relationship between advertising and sales volume**

According to Collins .J. (1998), advertising works if sales are going down as a competitive pressure on brand in the market place because effective advertising helps slow the process of sales going down. Also both direct and indirect relationship between advertising and sales volume. Advertising is used as a tool for achieving organizational goals and objectives for every business its main objective is to improve on the sales.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.0 Introduction**

This section includes various techniques and procedures the researcher employed such as, proposed research design, population and sample, methods of data collection, analysis and presentation procedures and measurement of variables.

#### **3.1 Research design**

The study used descriptive research design to examine the effect of advertising on sales volume. The design is preferred because it could enable the researcher to collect original data; Primary data was got directly from the local business respondents while secondary data was got from reading various publications that contain data.

#### **3.2 Population of the study**

The study focused mainly on management of WARID Telecom Uganda at the branch office Kampala, Plot 240, Block 38, Wandegaya. The population includes the managers directly involved with the promotions in the marketing department in warid telecom Uganda.

#### **3.3 Sample design**

The researcher used simple random sampling technique to get respondents from the sales and marketing, ICT, human resource and accounts and finance department, top management and customer representatives to come up with 28 respondents out of 250 respondents.

### **3.4 Methods of data collection**

Data are the raw facts which are collected but not yet processed into meaningful information. And there are two types of data namely;

- **Primary data**

This is original data that has been collected from the sources for example, through observation, questionnaires and interviews among others.

- **Secondary data**

This is the already existed data which have been filed or documented by other researchers. This section described data collection procedures where the data collection instruments are identified. The researcher used basically three methods of data collection to collect the required data; these included observations, interview and questionnaires, as illustrated below;

#### **Observation**

The researcher visited the respondents in the field as he observes all the activities they are involved in, the observation process was done on the businessmen in their businesses, through this the researcher also visited the market where the businessmen operate. After observing naturalistically the researcher then recorded down what ever he observed to make data.

#### **Questionnaire**

The researcher organized questionnaires which contained questions that correspond to the research objectives or questions that suits the researcher's topic. The researcher then administered the questionnaires to the respondents including businessmen, customers and tax officials who then filled the questionnaires that enabled the researcher to collect the necessary data.

## **Interview**

This involved face-to-face/verbal conversation between the interviewer and the interviewee, it attends to provide in-depth information and also in case of problem in the questions, the interviewer would change the questions, hence interview is flexible and it is both structural and non structural interview. Structural interview, involves formulating questions regarding the study to be imposed to respondents and the answers are expected from the respondents and non structural interview, include imposing questions to the respondents at random.

### **3.5 Data editing and coding**

This ensured that the researcher has cleaned up all relevant data for making contemplated analysis and making data error free.

**Data editing** is a process of examining the collected raw data to detect errors and omissions and to correct the completed questionnaires and schedules. It involves two stages; field editing and central editing.

Field editing is used to check field interviews, questionnaires and documents on the spot for their accuracy, while in central editing all wrong responses which are quite obvious must be dropped from the final data, for example, entries recorded in days instead of weeks.

**Coding** is the process of assigning numerals or other symbols to answer so that responses can be put into a limited number of categories or classes. It is necessary for efficient analysis; responses are reduced to a small numbers of classes which contain the critical information required for analysis.

### **3.6 Methods of data analysis**

The researcher employed descriptive and inferential statistics as the technique of data analysis. This is because descriptive statistics summarizes data and describe the sample and inferential statistics

enables the researcher to infer the sample results to the population. For example, correlation, tables, graphs, pie chart and regression used as descriptive tools to analyze data.

This data analysis technique will be chosen in order to show the direction and magnitude of the relationship between given variables.

### **3.7 Data representation method**

After the data has been analyzed, they represented in form of tables or bar graphs, pie-charts, among others for easy interpretation.

### **3.8 Limitations**

This section gives the obstacles the researcher found in the activities undertaken, it outlines the problems the researcher found while collecting and processing data. The limitations which were encountered during the research are;

- Confidentiality.

Some of the information is Confidential and not always allowed to link with outside the company.

- Time factor.

The study was exhaustive because of the limited time as the researcher has to balance her time with studies.

- Limited financial resources.

The study was costly due to fewer funds available to the researcher.



## CHAPTER FOUR

### PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS

#### 4.0 Introduction

This chapter presents the findings and conclusions on the effects of advertising and sales volume in warid telecom-Uganda. The purpose of the study was to find out the relationship between advertising and sales volume.

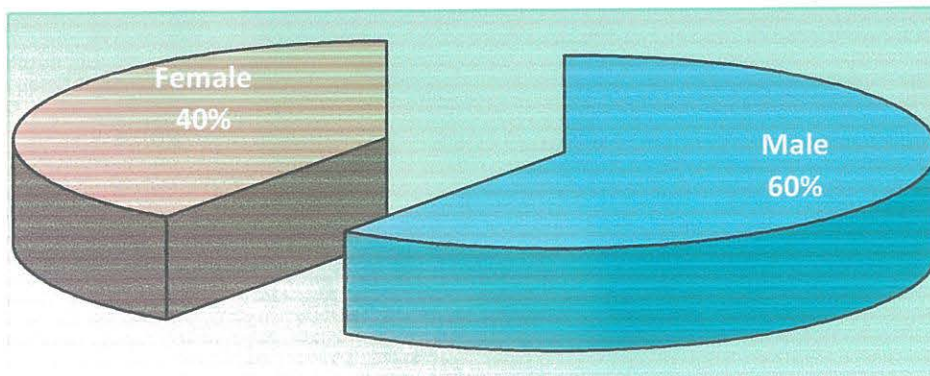
Data was purposely collected to ensure that the study objectives were achieved through the provision of answers to the research questions.

**Table 1: Gender of the respondents**

Gender	Frequency	Percentage
Female	8	40%
Male	12	60%
Total	20	100%

Source: Primary Data

**Figure 1: Distribution of Gender of the respondents**



The finding revealed that the majority of the respondents represented by 60% were male while minority represented by 40% female.

This implied that the company should cater for the interest of males since they are the majority than females.

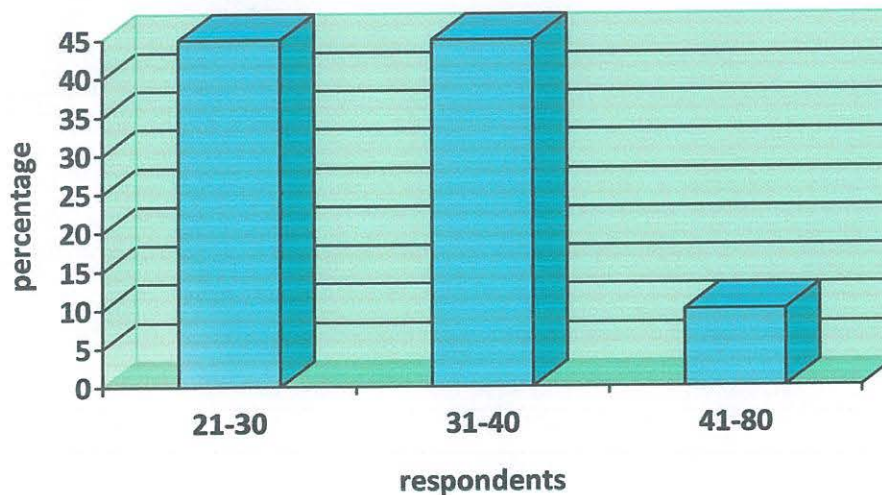
**Table 2: Responses on the age of the respondents**

Class	Frequency	Percent
21-30	09	45
31-40	09	45
41-80	02	10
Total	20	100.0

Source: Primary Data

This can also be represented by the graph as follows

**Figure 2: Distribution of the age of the respondents**



The finding revealed that majority of respondents fall into the energetic bracket of 21-30 and 31-40 represented by 45% while minority fall into age bracket of 41-80 represented by 10% .The Company should cater for the interest of those age brackets of people.

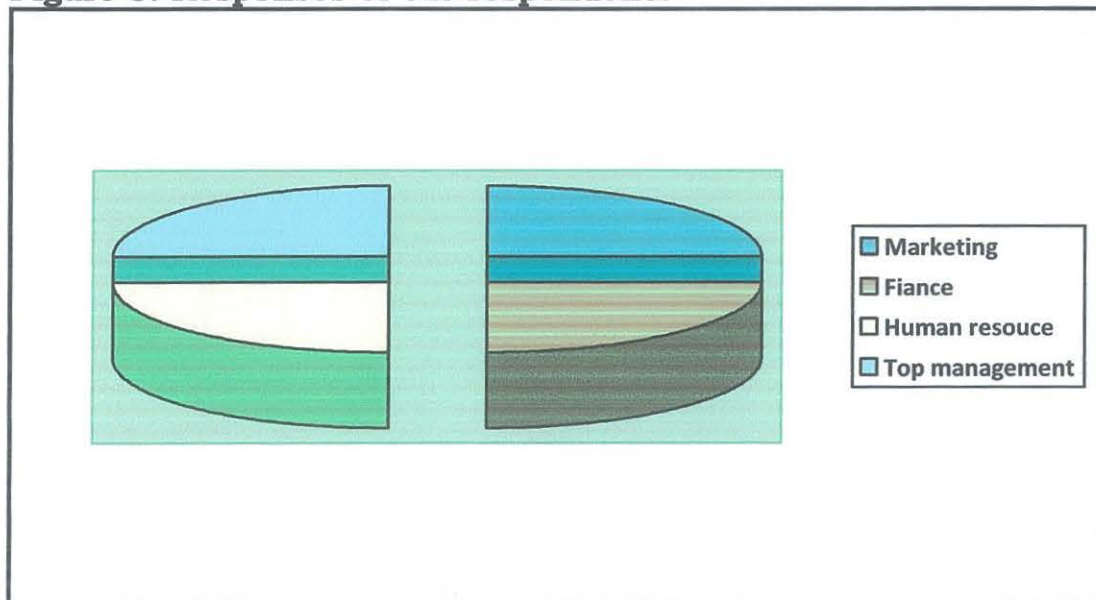
Distribution of questionnaires

**Table 3: Distribution of questionnaires**

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

Source; primary Data

**Figure 3: Responses of the respondents**



Since all departments had equal representation, findings of this research represent are of many benefits as all departments had equal participation

Responses on advertisement that attracts customer's attention

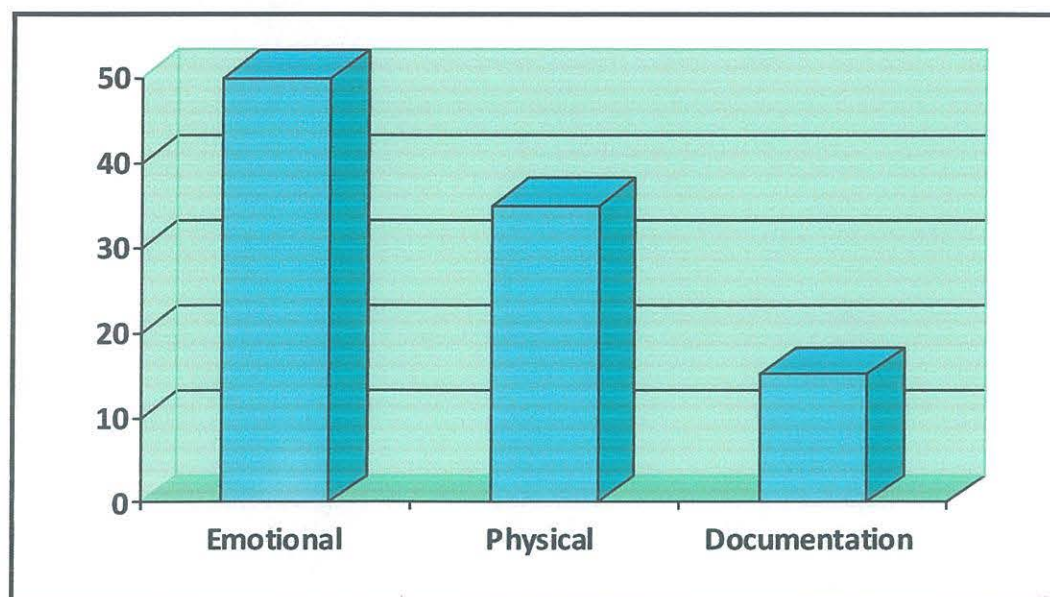


**Table 4: Responses on advertisement that attracts customer's attention**

Category	Frequency	Percentage
Emotional	10	50%
Physical	07	35%
Documentation	03	15%
Total	20	100%

Source: Primary data

**Figure 4: Responses on advertisement that attracts customer's Attention**



The findings revealed that the majority of the respondents represented by 50% feel that emotional advertising attracts customers' attention while the minority of 15% preferred documentation advertising respectively. This implied that warid telecom-Uganda should put emotional advertisement into consideration since it attracts more customers' attention than other advertisements.

## Educational level of the respondents

**Table 5: Responses on the educational level of the respondents**

Educational level	Frequency	Percentage
O' level		-
A' Level		-
Certificate		-
Diploma	05	20
Degree	10	60
Masters	05	20
Total	20	100

Source: Primary Data

From the findings above it was revealed that the majority of the respondents represented by 60% were degree holders while the other minority of the respondent represented by 20% were Diploma holders and master's holders. Thus from the findings most of the employees in warid telecom Uganda are degree holders

**Table 6: Responses on Marital status of the respondents**

Gender	Married	%	Unmarried (Singles)	%	%
Female	04	50	04	50	100
Male	07	58.3	05	41	100
Total	11		9		20

Source: Primary Data

The findings revealed that the majority of the respondents represented 50% of the not married workers are single and 50% of the female respondents are married, and 58% of the male respondents are married while minority of the respondents represented 41% of the male respondents are not married. This implies that the effectiveness of the respondents (workers) will not be easily affected by any form of

unethical relationship at work that leads to inefficiency and above all the organization labor is classified as being stable since married people tend to be clearly focused.

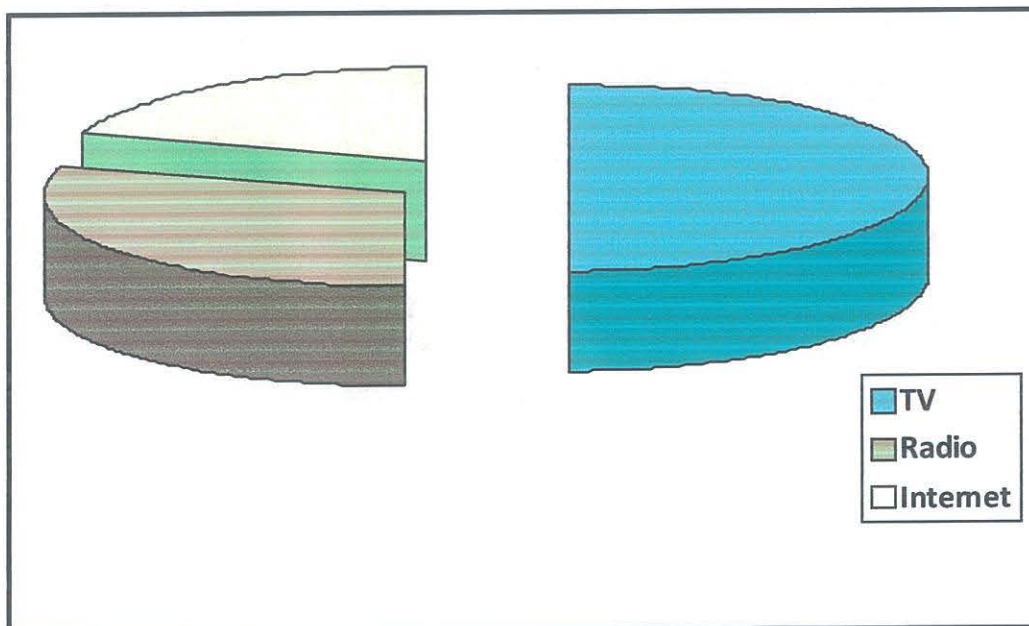
Responses on type of media channel proffered by warid telecom-Uganda customers

**Table 7: Responses on type of media channel proffered by warid telecom-Uganda customers**

Category	Frequency	Percentage
TV	10	50%
Radio	06	30%
Internet	04	20%
Total	20	100%

Source: Primary data

**Figure 5: Response on type of preferred media**



Basing on the findings it was revealed that the majority preferred TV as a media that attracts them most reason being the customers are able to follow each step of advert and the are able to change to which advert that pleases them and convince while the minority preferred internet, because may people cannot access the internet.

Factors that affect sales volume

**Table 8: Responses on the factors that might affect sales volume**

Category	Frequency	Percentages
Market Segmentation	07	35
Consumer behavior	03	15
Product personality	03	15
Product perception	05	25
Situational factor	02	10
Total	20	100%

Source: primary data

The findings revealed that the majority of the respondents represented by 35% suggested that market segmentation was one of the factors that affected sales volume while the minority represented by 10% suggested that situational factor affected sales volume

This agrees with William (2000) who asserts that some factors can improve sales volume while others can lead to sales decline thus agreeing with the statement

Responses on how to improve on sales volume

**Table 9: Responses on how to improve on sales volume**

Suggestion category	Frequency	percentages
Brand loyalty promotion	07	35
Awarding customers	07	35
Customer loyalty	01	05
Stressing unique features	02	10
Creating good will for the product	02	10
Aggressive advertising	01	05
Total	20	100%

Source: primary data

The finding revealed that the majority of the respondents represented by 35% suggested that in order to improve on factors that affect sales volume brand loyalty and awarding of customers should be put into consideration while the minority of the respondents represented by 5% suggested that aggressive advertising and customer loyalty did not fit the suggestions on how to improve sales volume though other suggestions were proposed such as stressing unique features and creating good will for the product.

This agrees with Wood (1997) who asserts that sales volume would be improved by customer loyalty, creating a good will for the product and motivation respectively.

Relationship between advertising and sales volume



**Table 10: Responses on the relationship between advertising and sales volume**

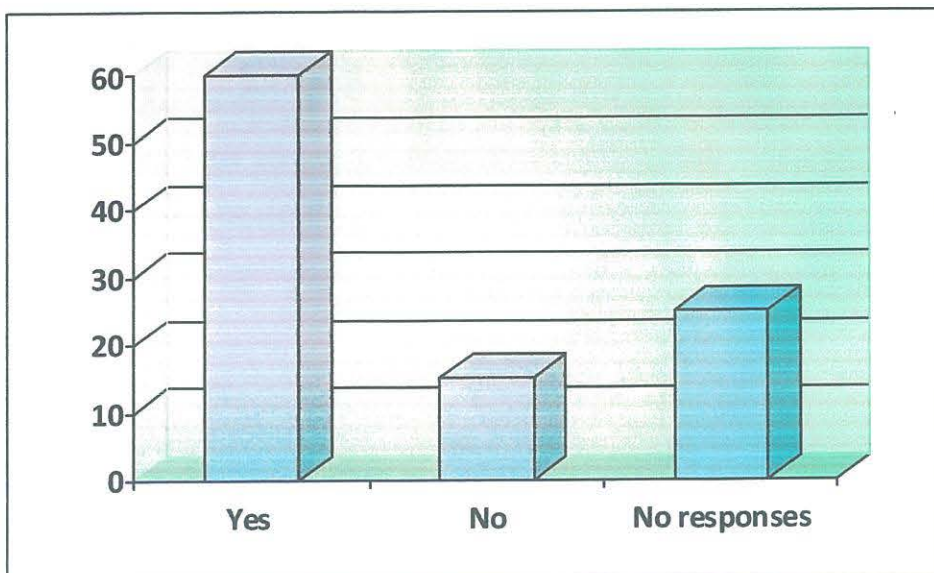
Responses	Frequency	Percentage
Yes	12	60%
No	03	15%
No response	05	25%
Total	20	100%

Source: Primary data

The findings revealed that the majority of the respondents represented by 60% agreed that there was a relationship between advertising and sales volume while the minority represented by 15% stated that there was a relationship between advertising and sales volume thus advertising has a big impact on sales volume for warid telecom-Uganda.

This corresponds with Philip (1980), where advertising would be effective if sales are declining due to competitive pressure on the brand in the market place because effective advertising may be to slow thus process of sales declining

**Figure 6: Relationship between advertising and sales volume**  
**Relationship between advertising and sales volume**



**Table 11: below explains on the respondent's understandability of advertising**

Category of the respondents	Frequency	Percentage
No. of the respondents who new the meaning	11	55%
No. of respondents who didn't the meaning.	09	45%
Total	20	100%

**Source:** Primary Data

The finding revealed that majority of the respondents represented by 55% understood the meaning of advertising while the minority of the respondents represented by 45% did not understand the meaning of advertising. This agrees with Burnet (2003) who asserts that there are two levels of effective advertising;

One is that they should satisfy consumer's objectives by engaging them delivering and verifying relevant messages.

Secondly, advertising must achieve the advertiser's objectives which may include increasing sales volume.

Reponses on the benefits of advertising

**Table 12: Responses on the benefits of advertising**

responses	Frequencies	Percentages
Yes	15	75%
No	05	25%
Total	20	100%

**Source:** Primary Data

Basing on the research findings it was revealed that the majority

of the respondents represented by 75% agreed that there are benefits of advertising While the minority represented by 25% disagreed that there was no benefit from advertising

Thus according to Crawford (200) who asserts that advertizing offers information to consumers need information about various goods and services, builds brand image to the audience among others



## **CHAPTER FIVE**

### **SUMMARY OF THE FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.0 Introduction**

This chapter presents the summary of the research of findings, conclusions and recommendations based on the findings of the research and areas of further research.

#### **5.1. Summary of the major findings**

##### **5.1.1 Importance of advertising**

Find the findings of the research revealed that the use of advertising in warid telecom-Uganda had many merits to warid telecom-Uganda which included helping consumers >t aware of information about various products and services, it also gave a favorable image which help generating a brand loyalty and a disposition to buy that brand in preference to another, helps in product launch and acceptance of advertising enhanced the potential for raising advertising revenues.

##### **5.1.2 Factors that affect sales volume**

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

##### **5.1.3 Ways to improve sales volume**

The findings of the research indicated that the ways to improve on sales volume included building customer and brand loyalty that is by

offering affordable brands to the customers, by use of aggressive advertising that attracted customers attention, sales were also improved by stressing unique features of the product, by creating good will for the product, brand and motivation of the customers.

## **5.2 Conclusion**

Based on the research findings it was concluded that there was a close relationship between advertising ad sales volume. When advertising is done efficiently and effectively it leads to increase in sales volume. Therefore, warid telecom-Uganda needs to advertise efficiently and effectively to survive in today's competitive world.

## **5.3 Recommendations**

Based on the research findings the following are the recommendations for warid telecom -Uganda;

Warid telecom-Uganda should have effective and efficient market segmentation; the marketing department should invest more in sport branding a good example sponsoring sports where by they use the company name and colors

Have good adverts that are creative and innovative, thus most respondents complained that their adverts were unpredictable, where by most people did not understand them easily.

Have customer's loyalty: warid telecom-Uganda should provide all the information that the customers need in their phone kits that is through phone messages. This gives that company good image thus a better public image that leads to attraction of more customers.

Warid telecom-Uganda should have brand loyalty that is reduce the

price of their brands in order to make their services cheaper and more affordable than their rivals.

Warid telecom-Uganda should focus more on the Ugandan market especially when it comes to advertising in order to make customers accept their products more. This can be possible with the use of local languages

Warid telecom-Uganda should select communication channels which\* are effective or efficient and enables the advertiser to deliver the message to the intended audience or segments thus increasing its sales volume.

Warid telecom-Uganda should establish total communications budget, how much would be spent on promotion if it fits in the media cost. The advertising budget often depends on the product life stage for instance, new products need large advertising budgets to create awareness and inform consumers about the existing product.

Warid telecom-Uganda should decide on the most effective and efficient communications mix-advertising, sales promotion, public relations should also be used to communicate the intended market audience effectively.

#### **5.4 Suggested areas for further research**

There is need to do research in motivation and sales volume, further research also can be done in customer care and sales volume.

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