

**ADVERTISING AND SALES PERFORMANCE: A CASE STUDY OF BRITANIA
ALLIED INDUSTRIES (U) LIMITED**

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BEC/42350/91/DU

**A PROJECT REPORT SUBMITTED TO THE SCHOOL OF ECONOMICS AND APPLIED
STATISTICS IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR
THE AWARD OF A BACHELOR'S DEGREE OF ARTS IN ECONOMICS
OF KAMPALA INTERNATIONAL UNIVERSITY**

SEPTEMBER, 2011

DECLARATION

I KAWOOYA SHAFIQ hereby declares that this research report is of my efforts and therefore my own work. It has as such never been submitted anywhere for any other degree, qualification or award whatsoever.

I acknowledge and accept all secondary sources referenced in this report.

NAME: KAWOOYA SHAFIQ

SIGNATURE.....

DATE: 15th Oct - 2011.....

APPROVAL

This is to confirm that this work has been under my supervision and guidance. After review, as a university supervisor I contend that it is ready for submission and examination.

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DATE: 15/10/2011

ACKNOWLEDGEMENT AND DEDICATIONS

I am so grateful and remain thankful to the almighty God who has enabled me to be who I am today and to pass through this course.

Special thanks also go to my supervisor Ms. Nakawungu Faridah for being a source of inspiration through and during the earlier times of my research.

I dedicate this work to my dear Mum and Dad for their words of wisdom and all kinds of assistance rendered to me. For that alone I remain forever indebted to you and your support.

I wish to acknowledge the valuable assistance I got from all my classmates especially Herbert and Kangye during hard times of this work.

Lastly but not least appreciation also goes to Pauline for all the support, care and concern you accorded me in times of great need. You gave me reason to do it even harder and better.

However, I remain solely responsible for all the contents of this valuable project report.

Thank you all, and God bless you.

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ABSTRACT

This report provides an overview clear enough to understand the relationship between advertisement and sales performance. The report was based on the following objectives like to examine the relationship between advertising and sales performance, examine the various advertising media that can be employed and also to identify other sales promotional elements that can be used by manufacturing firms like Britannia.

The literature review highlights and analyses theories, findings and reports on the topic by previous authors and scholars. This helped provide a basis for the justification of the objectives of the report. The methodology employed a cross sectional design where both qualitative and quantitative approaches were used to clearly analyse respondents and disseminate information in the selected clusters respectively. In a bid to effect response, both questionnaire and interview tools were applied to collect data.

The findings of the study reveal that advertising not only has a positive effect on sales performance but it also is cardinal and instrumental in the success of any manufacturing firm as Britannia realised. The findings further revealed that advertising accords the firm higher sales volumes, profitability and increased customer loyalty.

Conclusively, it was established that there is a positive, direct and significant effect of advertising on sales performance of not only select products but all produce of Britannia allied industries.

The researcher recommended that advertising should be carried out as a promotional tool to boost sales performance together with other promotional mix elements as this helps manufacturers to make essential, critical and objective decisions that will not only better sales but also ensure continuity of the production unit as a whole.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Britania industry (U) limited was set up in 1992 as a small unit for manufacturing biscuits and bread. A confectionery unit was added to this in 1998. To utilize the abundant natural resources of fruits and vegetables in the country, Britania Foods (U) Ltd., a modern fruit and vegetable processing unit blossomed into existence in mid 1995. Late 2002 Britania Products and Britania Foods merged and a new entity Britania Allied Industries (u) Ltd was instituted (Hasmuck Dawda founder chairman). The Corporate Office and the factory remained in Ntinda Industrial Area in Kampala, a contributory factor being the land owned by the company that availed room for expansion. The years 2003 to 2006 saw tremendous growth for the company. Britania allied industries has five separate plants for production of biscuits, confectionery, powders, fruit juice and drinking water. The Powder section was added in 2005 and the Mineral Water plant started production in 2006 (an interview with the production manager powder section). Additional capacities were installed in the biscuits, confectionery and foods plants. The confectionery section consists of sweets and chewing gum sections. Among the several lip-smacking range of biscuits Glucose; Gluco-Max; Milk and Cream Biscuits are the most famous. Manta and Just Fruits among the Confectionery range are school children's favorites (Britania).

It is widely known that advertising has a direct relationship to sales and according to Baker (1996), advertising increases demand to the point where economies of scale are achieved hence mass sales result because consumers will demand more of a product and advertising improves the selling environment and plays a very important role in sales. If the advertising department generates a potential customers list, it can be beneficial for sales (Paul H. Selden

December 1998). This is not different with the objectives of marketing department at Britania industries which advertise for its products to maximize sales performance of the products that they offer to the market. According to existing literature, there is a relationship between advertising and sales performance and according to Hastings and Athens, (1995) advertising is related to sales performance as much as in the long run employed with the right tools will increase the sales turnover.

Britania allied industries employ a variety of advertisements with a major aim of increasing sales performance, the company has been registering high advertisement costs as compared to the sales performance records within the period of the advertisements and even after that period. The problem of high advertisement costs is persisting because the industry uses expensive media of advertising such as television which is not easily afforded by prospective customers and this has resulted into poor sales performance (Doctoroff, T.2006).

1.2 Statement of the Problem

Although Britania allied industries limited like any other manufacturing firm carry out advertising with a major aim of increasing its sales volume, the company has been recording very small increases in the sales turnover despite of continued efforts by the management to advertise the products that the company offers to the market. In February 2011 the company spent 20millions on television advertisement alone and this high advertising cost could not create any significant improvement on sales performance as sales volume for that month remained unchanged at 1billions. Although some studies have reported a positive influence of advertising on sales, no conclusive empirical evidence has been brought to bear on the major premise. This study aimed at establishing the relationship between advertising and sales performance.

1.3 Purpose of the Study

Advertising and sales are core activities which are important predictors of stability and growth in manufacturing companies. The purpose of this report is to examine the relationship between advertising and sales performance in Britannia Allied Industries (u) limited.

1.4 Objectives of the study

- a) To examine the relationship between advertising and sales performance
- b) To examine the various advertising media that can be employed by a manufacturing firm like Britannia allied industries limited.
- c) To identify other sales promotional elements that can be used by manufacturing firms.

1.5 Research Questions

- a) Examine various advertising media use by manufacturing firms like Britannia allied industries limited.
- b) Identify sales promotion elements used by manufacturing firms.
- c) Examine the relationship between advertising and sales performance

1.6 Scope and Area of Study

The study sought to establish the relationship between advertising and sales of products produced by Britannia industries limited .The study was carried out from the month of July to August 2011.

1.7 Significance of the Study

The study will be significant to the following parties;

- a) **Management of Britania allied industries limited.** It will aid the marketing and finance managers when making decisions regarding advertisements and sales performance in order to make better decisions
- b) **Research and consultancy firms.** The report will act as a secondary data for further research and in making comparisons with other reports on the same topic overtime
- c) **Scholars.** It will benefit undergraduate students and particularly will provide a guide to students when doing a related subject.
- d) **Researcher.** It will enable the researcher acquire skills and knowledge on report writing and also graduate with a bachelor's degree of Arts in Economics of Kampala International University.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter includes a review of the existing literature from other scholars and researchers on various media of advertising and their relationship with sales performance.

2.1 Definition of Key Terms

2.1.1 Advertising

Advertising is a form of communication intended to persuade its viewers, readers or listeners to take some action. It usually includes the name of a product or service and how that product or service could benefit the consumer, to persuade potential customers to purchase or to consume that particular brand. Modern advertising developed with the rise of mass production in the late 19th and early 20th centuries (Plummer Robert 2006). Advertising is a paid, mediated, form of communication from an identifiable source, designed to persuade the receiver to take some action, now or in the future (Perrault 1996).

According to Hornsby A.F and Gatanby G in their advanced learner's dictionary defined advertising as public announcement intended to notify people of something or generally make known in journals or public notice boards. Advertising is any paid form of no personal presentation and promotion of ideas, goals or services by an identified sponsor. Philip Kotler and Kevin Lane Keller. Advertising is a mass paid communication which is used to transmit information, develop attitudes and create a form of positive response from the target audience. Palmer, (2001) Advertising may be placed by an advertising agency on behalf of a company or other organization

2.1.2 Sales

A Sale is the exchange of a commodity for money or any other valuable consideration (Oxford advanced learners dictionary 2000). According to G.Gatenby, sales are part of the finished stock that are exchanged for money or any other consideration.

A sale is the pinnacle activity involved in selling products or services in return for money or other commodity. A sale is completed by the seller or the owner of the goods. It starts with consent (or agreement) to an acquisition or appropriation or request followed by the passing of title (property or ownership) in the item and the application and due settlement of a price. Selling is a practical implementation and part of marketing. It often forms a separate grouping in a corporate structure, employing separate specialist operatives known as salespersons (singular: salesperson. A sale is considered by many to be a sort of persuading "art". Contrary to popular belief, the methodological approach of selling refers to a systematic process of repetitive and measurable milestones, by which a salesperson relates his offering of a product of service in return enabling the buyer to achieve his goal in an economic way (Cathy and Prault 1996).

2.1.3 Performance

Performance is the act of Executing, carrying out or doing some activity to create a change process or manner of functioning or operating of an activity advanced learners (Mick Jagger 1998).

2.2 The various Advertising Media used by Manufacturing Companies

Different types of media can be used to deliver these messages, including traditional media such as print media, public service adverts, celebrity adverts and outdoor adverts among others as seen below

Print advertising describes advertising in a printed medium such as a newspaper, magazine, or trade journal. This encompasses everything from media with a very broad readership base, such as a major national newspaper or magazine, to more narrowly targeted media such as local newspapers and trade journals on very specialized topics (Rumbauskas, Frank 2006). A form of print advertising is classified advertising, which allows private individuals or companies to purchase a small, narrowly targeted ad for a low fee advertising a product or service (Machesney, Robert W 1987)

Public service advertising is also used by manufacturing companies in that same advertising techniques used to promote commercial goods and services can be used to inform, educate and motivate the public about non-commercial issues, such as HIV/AIDS, political ideology, energy conservation and deforestation (Davis, Sid 2005).

Another type of advertising focuses upon using celebrity power, fame, money, popularity to gain recognition for their products and promote specific stores or products. Advertisers often advertise their products, for example, when celebrities share their favorite products or wear clothes by specific brands or designers (Baran, Paul and Sweezy, Paul 1964). Celebrities are often involved in advertising campaigns such as television or print adverts to advertise specific or general products. The use of celebrities to endorse a brand can have its downsides, however. One mistake by a celebrity can be detrimental to the public relations of a brand. For example, following his performance of eight gold medals at the 2008 Olympic Games in Beijing, China, swimmer Michael Phelps' contract with Kellogg's was terminated, as Kellogg's did not want to associate with him after he was photographed smoking marijuana (Melanie Rother 2008).

Another media of advertising is Outdoor advertising includes billboards, kiosks, trade shows and events. Outdoor advertisement makes use of several tools and techniques to attract the

customers outdoors. Billboard advertising includes newspapers, magazines, fliers and brochures (Veronis Suhler Stevenson 2005). Billboards are large structures located in public places which display advertisements to passing pedestrians and motorists. Most often, they are located on main roads with a large amount of passing motor and pedestrian traffic; however, they can be placed in any location with large amounts of viewers, such as on mass transit vehicles and in stations, in shopping malls or office buildings, and in stadiums (Britt, S.H. 2000).

Covert advertising also known as guerrilla advertising is when a product or brand is embedded in entertainment and media. It is a unique kind of advertising in which a product or a particular brand is incorporated in some form of entertainment and media channels like movies, television shows or even sports. There's no commercial in the entertainment but the brand is sometimes showcased in the entertainment show (McChesney, Robert W 1987)

Internet/Web Advertising is also often used media and this rapidly growing marketing force borrows much from the example of press advertising internet advertising is now very common and interactive. Mobile Advertising done using Personal mobile phones have become an attractive advertising media to network operators, but are relatively unproven and remain in media buyers' sidelines.

Broadcast advertising is the most popular advertising medium that constitutes of several branches like television, radio, and the internet. Television advertising has been very popular ever since they were introduced. The cost of advertising on television often depends on the duration of the advertisement, the time of broadcast (prime time/peak time) and of course the popularity of the television channel on which the advertisement is being run. Radio might have lost its charm owing to the age media however; the radio remains to be the choice of small scale advertisers (Daniel Gross 2005). The TV commercial is generally considered the

most effective mass-market advertising format, as is reflected by the high prices TV networks charge for commercial airtime during popular TV events. The annual Super Bowl football game in the United States is known as the most prominent advertising event on television. The average cost of a single thirty-second TV spot during this game has reached US\$3 million as of 2006 (Christopher Lasch 2007). Radio advertising is a form of advertising via the medium of radio. Radio advertisements are broadcasted as radio waves to the air from a transmitter to an antenna and a thus to a receiving device. Airtime is purchased from a station or network in exchange for airing the commercials. While radio has the obvious limitation of being restricted to sound, proponents of radio advertising often cite this as an advantage.

In some manufacturing firms, In-store advertising is used and In-store advertising is any advertisement placed in a retail store. It includes placement of a product in visible locations in a store, such as at eye level, at the ends of aisles and near checkout counters, eye-catching displays promoting a specific product, and advertisements in such places as shopping carts and in-store video displays. Lastly but not the least is Specialty Advertising. This includes giveaway of items such as pencils, pens, buttons, calendars and refrigerator magnets these are called Specialty Advertising in the advertising business (McGraw-Hill, 2002).

2.3 Sales Promotional Elements used by Manufacturing Firms.

The overall firm's marketing force is called promotion mix. Promotional mix elements include sales promotion, customer days, social responsibilities, advertising, Personal selling and public relations.

According to Cathy and Perrault (1996) sales promotion includes activities that stimulate purchase of a product by final consumer or any other person in the channel. Philip Kotler (2003) asserted that a key Ingredient in marketing campaigns consists of a collection of

Incentive tools mostly short term designed to quicken purchase of products or services by consumer.

Another element of sales promotion includes Consumer days which are special days that a Firm arranges for its Customers such that they can inform them about the innovations in the company and for customers to deliver their views on company's offerings to them. Another sales promotion tool is Public relation. Kelvin Lane Keller viewed Public as any group that has an actual or Potential Interest in or Impact on a company's ability to achieve its Objectives. Public relations include a variety of programs designed to promote and protect a company's Image or Individual Products. Not only must the company relate to Customers, suppliers and dealers, it must also relate to a large number of Interested Publics.

Another tool for sales promotion is Personal Selling. Personal selling is an ancient art. Effective sales people today however have more than instinct; they are trained in methods of analyzing consumer management. According to Cathy and Perrault,(1996), personal selling involves direct spoken communication between sellers and potential customers. Face to face selling provides immediate feedback which helps sales people to adopt. Personal selling is highly interactive, excellent for communicating detailed Product information and features, relation can also be built.

Social responsibilities done by companies as a way of giving back to the customers where effective internal marketing must be matched by a strong sense of ethics, Values and social responsibilities. A number of forces are driving companies to practice a higher level corporate social responsibility, rising customer expectations, evolving employee goals and ambitions. Virtually, many firms have decided to take more active strategic role with corporate responsibility- Wal-Mart CEO LEE SCOT said 'we thought we would fit in

Bentonville (Arkansas) to take care of associates and the world would leave us alone. It does not work that way anymore’.

2.4 The Relationship between Advertisement and Sales Performance

Past studies reveal a fairly strong relationship between advertising investments and sales. Twedt and Knitter (1964) observed some relationships between larger investments in print media and profits. Sturgess and Young (1981) identified the direct relationship between sales and advertising expenditures as more relevant to a company’s sales performance than any other test of communication effectiveness Advertising and sales performance are seen to be different according to fact that the two aim at different short term objectives however, Correct advertising influences the minds of your target audience. So when the salesperson is sitting down with a prospect, the stage has been set for the salesperson to close the deal (Paul H. Selden December 1998).

According to Hastings and Athens, (1995) advertising is related to sales as much as advertising in the long run employed with the right tools will increase the turn over. In the absence of advertising (also referred to as branding, positioning, and a bevy of other trendy and traditional names), sales is much more difficult. It can be impossible in a highly competitive environment, or in a market where the prospect has compelling options in their mind from companies that have successfully advertised. On the other hand, without sales, advertising alone must close the transaction without any human interaction, such as in e-commerce or direct mail. Or commissioned sales people become salaried clerks and order takers, who are not charged with affecting or closing sales, such as in retail. The error of (some) advertising people is they tend to believe advertising does all the work, and salespeople aren't necessary (United Professional Sales Association, 2007).

The error of (some) sales people is they tend to believe they do all the work, and advertising doesn't have anything to do with the sales they make. They are even suspicious of the investment in advertising. On the contrary, however, depending on the product and the market, both are required, in varying complimentary degrees. In the case of manufacturing firms, more than one company has tried to disinter mediate sales people, otherwise known as company agents, from the transaction. Sales people are required to effectively transact sales in manufacturing industries, because the transaction is inherently complex. Such a market environment requires sales people to initiate, monitor, nurture, cajole, or whatever it takes to close transactions. Advertising has a number of positive effects on the manufacturing firms, sales performance. Advertising and sales are very different, but have the same goal. Advertising improves the selling environment and plays a very important role in sales. If the advertising department generates a potential customers list, it can be beneficial for sales (Paul H. Selden December 1998).

The advertisement department's goal is to increase the number of interactions between potential customers and company, which includes the sales team using advertising techniques such as celebrity advertising, public relations, , creating new sales channels, or creating new products (new product development), among other things. It also includes bringing the potential customer to the company's website for more information, or to contact the company for more information, or interact with the company via social media (Rumbauskas, Frank 2006)

Many companies find it challenging to get advertising and sales on the same page. Both departments are different in nature, but handle very similar concepts and have to work together for sales to be successful. Building a good relationship between the two that encourages communication can be the key to success even in a down economy (Gerhard. Inside CRM Nov 25, 2008)

CHAPTER THREE

METHODOLOGY

3.0 Introduction;

This chapter presents the methodology adopted in carrying out the study, it is comprised of research design, study population and the sample size, sampling design and procedure, data sources, data collection methods, data analyzing and presentation, measurements of variables and limitations to the study.

3.1 Research Design

The researcher used cross sectional design whereby qualitative and quantitative approaches were used to study the respondents in Britannia allied industries (u) factory premise and other outlets of Britannia. The design was further chosen because case studies were suitable for intensive investigations and analysis of a single phenomenon structure.

3.2 Study Population and Sample size

The study focused on 80 marketing department employees of Britannia allied industries limited (Marketing department employee payroll). 66 employees were selected as representative sample (Krejcie, Robert V., Morgan, Daryle W (1970) and it was done after writing each employee name on a piece of paper, putting them in a box and randomly picking pieces of paper with employee names until the sample size of 60 was got.

3.3 Sampling Design and Procedure

The sample was drawn using simple random sampling which ensured that all member listed in the target department had an equal opportunity of being selected for inclusion in the study sample. This helped ensure homogeneity in the sample.

3.4 Sources of Data

The researcher used secondary and primary data sources to obtain relevant information about the topic. Primary data was obtained about media of advertisement that Britania uses and about the past sales performance records vis-à-vis advertising costs. Secondary data was obtained concerning the relationship between sales and advertisement from sources such as internet, libraries, newspapers and magazine.

3.5 Data Collection Instruments

The researcher used a questionnaire that was sent to various marketing department employees of Britania to fill in to obtain the data relevant to the study. Direct interviews and observations also came in handy.

3.6 Measurement of Variables

Variables were measured according to previous scholars and researchers and includes;

According to Perreault and McCarthy (2000), advertising includes, people, media, product or service being advertised and the target market. Sales performance was measured According to David M. Brudney (1979) and it includes, includes annual room revenue and Cost of sales. And according to Associates of Rancho Palos Verdes (1979), sales performance includes Effectiveness in selling previously identified goods or services, Percentage of “booked” business that did not materialize (the “wash out” factor) and revenue generated by the sales department.

3.7 Data Processing, Presentation and Analysis

Both qualitative and quantitative data analysis techniques were used. Data was processed and analyzed using Microsoft word and excel package programs and then presented using tables and bar graphs to clearly illustrate the relationship between advertising and sales performance

3.8 Problems Encountered

The researcher faced the following problems while carrying out the study;

Inadequate funds. The study was limited by inadequate funds to enable movement of the researcher to and from the Britannia factory premise in Ntinda and it was also expensive to access internet to obtain online journals and magazines necessary to the study.

Limited literature. The researcher was faced with a problem of accessing relevant literature to the study area as text books, journals and other publications were not easily accessible.

Time constraint. The study was also limited by time, the researcher had limited time to meet the supervisor for guidance in the course of the study and at Britannia where primary was obtained, and respondents were not easily accessible.

CHAPTER FOUR

DATA PRESENTATION, INTERPRETATION AND DISCUSSION OF FINDINGS

4.0 Introduction

This chapter presents data presentation, interpretation and discussion of findings in relation to the research objectives mentioned in chapter one it was done using tables, graphs and figures

4.1 Sample Characteristics

Table 1: Gender of respondents

Sex	Frequency	Percentage
Male	35	53
Female	31	47
Total	66	100

Source: primary data

According to table 1 above, there were more male respondents who constituted 53% than 47% of the female respondents. This means that there were more male respondents than female.

Table 2: Marital status of Respondents

Status	Frequency	Percentage	
Married	62	93.9	
Widowed	0	0	
Single	4	6.06	
Total	66	100	

According to the table above, Sixty two (62) respondents were found to be married and none was widowed while four (4) respondents were single.

Table 3:Level of Education

Education level	Frequency	Percentage
O'level	5	8
A' level	8	12
Degree	35	53
Masters	18	27
Total	66	100

Source: primary data

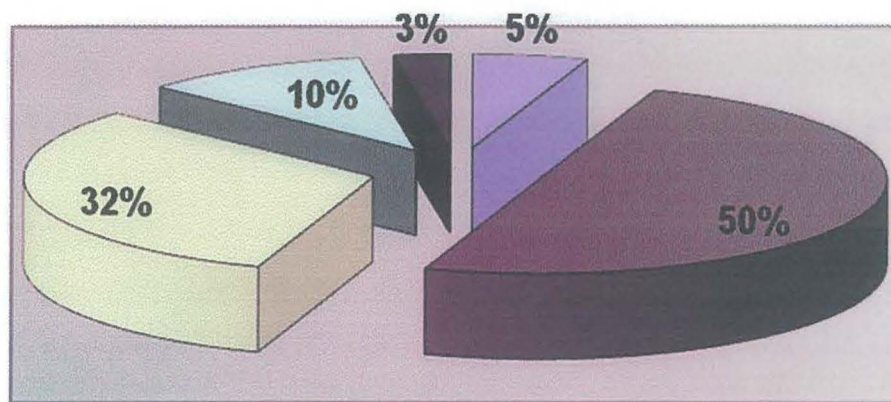
According to the figure above, 8% of the respondents had O'level certificate of education, 12% had A' level certificates, 53% had degree and only 27% had masters Degree.

4.2 Findings on Advertising

4.2.1 Findings on the various media of advertising used by manufacturing companies

According to the study objectives identified in chapter one, the objective was to examine the media of advertising used by Britania allied industries (u) limited and the findings are presented in the chart below

Figure 1 Advertising Media used by Britania Allied Industries (u) limited



■ Television ■ Radio □ Newspapers □ Internet ■ Mobile phones

Source: Primary data

Figure1 shows that Britania mainly uses radio advertisement media (49%) to reach out to its target customers. This can explained by the fact that most Ugandans can afford radios as compared to other media of communication as compared ton others media such television which is very expensive to be afforded. Britania uses only (32%) of newspaper advertisement as got from the answers from the respondents however; little advertisement is done using the internet mainly because internet is a new tool in marketing and also quite expensive as shown in the pie chart above having only 11%. Though almost Ugandans have phones, Britania is not employing a lot of mobile advertising as it is seen by a share of only 3%.

4.2.2 Findings on Factors Considered When Selecting a Media of Advertising Used by Britania Allied Industries.

The second objective was to examine the promotional mix elements used by Britania Allied Industries (u) limited and the respondents were asked to identify the as listed on the questionnaire given to them

Table 4: Factors Considered When Selecting a Media of Advertising by Britania Allied Industries (u) limited

Factors	Frequency	Percentage
Cost	28	42.4
Message characteristics	15	22.7
Target market	10	15.1
Urgency	7	10.6
Brand being advertised	6	9.09
Total	66	100

Source: Primary Data

According to the table above, 42.4 percent of the respondents said Britania considers cost as a factor when deciding the media of advertising to use. This shows that cost is a major factor to consider when deciding on the media of advertising to use followed by others as illustrated by the figure in the table above.

4.3 Findings on Sales Performance

4.3.1 Findings on Sales Promotional mix Elements used by Britania Allied Industries (u) limited.

Respondents were asked about other sales promotional mix elements that Britania uses and which actually produces realistic changes in sales performance. Their answers were as follows

Table 5: Promotional Mix Elements used by Britannia

Promotional mix elements	Yes	No
Personal selling	16	50
Social Responsibilities	56	10
Customers days	12	54
Total	66	66

Source: Primary data

From the answers above, many respondents believed that social responsibility programs help a company to sell its image to the outside people from whom the products it produces are sold and thus can increase on its sales performance. Britannia therefore can embark on social reasonability activities as these activities also sell company image as well as its products to the consumers.

4.3.2 Findings on sales revenue performance of Britannia allied industries (U) limited

Respondents were asked whether sales revenue of Britannia Allied Industries (U) Limited contributes greatly to increases market share and the responses are presented in the table below.

Table 6: Sales revenue of Britannia Allied Industries (u) limited

Response	YES	NO
Total	28	38

Source: Primary data

The table above shows that 28 respondents said the sales revenue generated by Britannia greatly leads to increased market share while 38 of them said the sales revenue does not affect the market share as compared to the company's competitors.

The responses from the respondents show that sales revenue in Britannia does not contribute to increased market share therefore the company needs to improve sales performance by taking

on other sales promotional mix elements as identified here in order to increase its market share and thus leading to increased market share (Randle, J. 2003).

4.3.3 Findings on the Markets that Britannia serves.

The responses on the market segment where Britannia registers more sales revenue are presented in the tables below.

Table 7: Markets for Britannia Allied Industries (u) Limited

Market	No. of responses	Percentage
Local	9	13.6
International	2	3
Both	55	83.3
Total	66	100

Source: Primary data

The table above shows that Britannia serves both international and local market as it is shown by the figures where 83.3% of respondents said the company serves both international and local markets, 13.6% said Britannia serves local market while 3% said the company serves only international consumers. This is not different from what Connor-Linton; J. (2003) who said that serving both international and local market is essential for every business which aims at increasing market share and competitiveness.

4.4 Findings on the Relationship between Advertising and Sales Performance

4.4.1 Relationship between advertising and sales volume

According to chapter one the third objective was to examine the relationship between advertising sales performance and according to the questionnaire sent to respondents, they were asked whether there existed any relationship between advertising and sales performance. The respondents provided the answers below

Table 8: Relationship between Advertising and Sales Performance

Response	Number of Responses	Percentage
Increased number of prospective buyers	7	10
Increased company image	9	13.6
Increased sales volume	50	75.7
Total	66	100

Form the table above, advertising has a number of positive effects on a manufacturing company (Britania). Among 10% of the respondents believe it has increased the number of prospective buyers, 13.6% believe advertising has improved public image of the company while 75.7% believe it has increased on the company's sales volume. This shows that advertising and sales performance have a positive relationship and according to Sturgess and Young (1981), the direct relationship between sales and advertising expenditures is more relevant to a Company's sales performance than any other test of communication effectiveness which shows that advertisement should undertaken to increase the sales volume of products manufactured.

4.4.3 Increase in sales performance of a specific product as a result of advertising

The respondents were asked whether Britania registers any increases in sales volume as a result of a specific advertisement campaign for a specific product of the company. The responses are presented in the table below;

Table 9: Increase in sales performance of a specific product as a result of advertising

Responses	Frequency	Percentage
Yes	63	95.45
No	3	4.5
Total	66	100

Source: primary data

The table above shows that 63 respondents believed that advertisement campaign on a single product had a great influence on its sales performance while 3 respondents did not say that

advertising affected the sales performance of the product that was advertised which shows that there is a positive relationship between advertising and sales performance.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS, RECOMMENDATIONS AND AREAS FOR FURTHER REASEARCH

5.1 Introduction

This chapter contains the summary of findings, conclusions, recommendations of the study and areas for further research.

5.2 Summary of Findings

When conducting the study, research questions were guided towards obtaining data required to explain the effect of advertising had on sales performance. This was so because the cardinal objective in chapter one was to ascertain whether advertising led to increase in sales performance. The study was considerably successful in providing a detailed analysis of the increase in sales performance and the data presented using tables and graphs provided the details on the increase in sales performance as a result of advertising. Advertising was found to increase the awareness of the company's products as a result of advertisements run on Television, radio, news papers and billboards among others. The findings also show that advertising is important as it informs, persuades and reminds people of the various products on the market for consumption. Advertising in this way earns a firm higher sales volume, profitability and customer loyalty among other things. The study was therefore successful in meeting the objectives of providing information on the relationship between advertising and sales performance to the management of Britannia allied industries (u) limited and to researchers.

5.3 Conclusion

Greater benefits accrue when advertising is fully integrated into the whole mass of marketing and communication. Therefore, for good advertising output, the message characteristics and format of advertising are the joint responsibility of the manufacturing company and

advertising agencies. The choice of advertising media is a critical success factor in an advertising campaign which should be adopted in order to reduce the cost of advertising activity.

Britania allied industries (u) limited ought to use radio and billboards as advertising media because the two are the most audible media to their customers as well as not being very expensive as compared to television. The major effects of advertising on manufacturing company were found to include increased sales performance, increased number of prospective buyers and improved company image therefore advertising should be matched with the objectives of the company and the desires of the target audience

5.4 Recommendations

Based on the findings, the Researcher recommends the following to the management of Britania Allied industries (u) limited in a bid to reduce advertising costs without affecting sales performance. The researcher recommends,

- a) That Britania should use radio advertisement more often to advertise its products because information passed over radio stations in Uganda reaches more people than any other media. It is so because many Ugandans can afford radios.
- b) That the company use billboards to illustrate in the minds of target people the information ran on radio stations. This as a combination will have a positive effect on sales performance as discussed in the earlier chapters of this report.
- c) That in accordance to the findings, advertising should be carried out as a promotional tool to boost sales performance together with other promotional mix elements. Advertising should be done to remind the customers about the product and persuade them to consume more thus companies like Britania allied industries (u) limited should capitalize on their strong points by exploiting the opportunities and strengths they have over competitors.

- d) That there is need for the companies to specify and describe the target market in order to position their products rightly in the minds of the consumers. The researcher recommends the management of Britannia industries (u) limited that in order to reduce on the high advertisement costs, the company should resort to cheaper yet better media of advertising to reach out to the target customers because by reducing the advertisement costs, more revenue will be available for the firm to use in other key sectors of the company such as expansion.

5.5 Areas for Further Research

The researcher identified the following as areas for further research;

- a) The impact of packaging on sales performance
- b) The effect of distribution on sales performance
- c) The effect of pricing on sales performance
- d) Cost of advertising media and sales performance
- e) Effects of publicity and social responsibility on sales performance

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APPENDIX

KAMPALA INTERNATIONAL UNIVERSITY

QUESTIONNAIRE ON ADVERTISING AND SALES PERFORMANCE IN BRITANIA

ALLIED INDUSTRIES (U) LIMITED

Dear respondent,

I am conducting a research on advertisement and sales performance of products manufactured by Britania allied industries Uganda limited. To do this, I need some information from you please take a few minutes to help by filling in this questionnaire. It has been designed as part of project work for fulfilment of the requirements for the award of a bachelor's degree of Arts in Economics of Kampala International University. Your answers are confidential and I will use them only for the intended purpose. Where there are boxes please tick the one corresponding to your preferred alternative and where space is provided, kindly write down your answer.

Section A: Background information

1. Sex: Male ☐

Female ☐

2. Date of birth: Day Month Year

3. Marital Status

Single

Married

Widowed

Divorced

4. Education

O'level

A' level

11. Is there any relationship between advertising expenditure and sales figure? (If Yes tick, No cancel)

Increased sales volume

☐

Increased number of prospective buyers

☐

Improved company image

☐

12. Does Britania register any change in sales performance as result of increased customer awareness?

Yes

☐

No

☐

Not sure

☐

13. Does Britania have any advertising cost reduction tools?

Yes

☐

No

☐

14. What media of advertising does Britania use more frequently?

Radio

☐

Television

☐

Newspaper

☐

Billboards

☐

Others

☐

15. Is reminder advertisement also carried out by Britania allied industries (u) limited?

Yes

☐

No

☐

SECTION C: Sales Performance

16. Do Britania use sales score cards to measure its sales revenues?

Yes

☐

No

☐

17. Apart from advertising, what other sales promotion mix elements does Britania use to market its products?

Personal selling

☐

Social responsibility

☐☐

Degree

Masters degree

SECTION B: Advertising

5. What media of advertising does Britania use for its products?

Television

Radio

Newspaper

Celebrities

Internet

Mobile phone

All

6. If not any of the above list below the type they use

.....

.....

7 Is the use of advertising dependent on the measurability of its results?

Yes

No

8. Are most of the advertisements by Britania persuasive?

Yes

No

9. In your own view are customers motivated by any free samples of some products of Britania to buy others?

Yes

No

10. The factors considered when selecting a medium of advertisement

Cost

Message characteristics

Target market

Urgency

Brand being advertised

Customer days

18. Does Britania register any increase in sales performance as a result of advertising efforts it undertakes?

Yes

No

Not sure

19. Does Britania industries Uganda limited carry out market segmentation?

Yes

No

Not sure

20. Does sales performance in Britania Allied industries (u) limited contribute greatly to increased market share?

Yes

No

21. How much in terms of profit does Britania allied industries (u) limited realize as a result of a given advertising campaign?

Average

high

low

22. Does sales volume registered by Britania favorable to the management goals?

Yes

No

23. Does sales department have any method for measuring sales performance?

Yes

No

24. Does Britania export its products to other external markets apart from the neighboring countries?

Yes

No

25. In which market segment does Britania register more sales revenue?

Local	<input type="text"/>
International	<input type="text"/>
Both	<input type="text"/>

Thank you for helping me by filling in this questionnaire.