

**ADVERTISING AND SALES IN MULTINATIONAL CORPORATIONS**

**A CASE STUDY OF MTN COMPANY IN UGANDA**

**By**

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**A RESEARCH REPORT SUBMITTED TO THE SCHOOL OF BUSINESS AND  
MANAGEMENT IN PARTIAL FULFILLMENT OF THE REQUIREMENTS  
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UNIVERSITY**

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## DECLARATION

I Uwineza Sabah Amur declare that this report under the topic of “*Advertising and sales in Multinational Corporation*” is my original work and has never been submitted to any Academic Institution for any academic award.

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### APPROVAL

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## DEDICATION

I dedicate this report to Mr. Ramadhan Salum, my mother Assiya Nassor, father Amur Mselem, brothers, sisters and friends who gave me their support during my studies and have always been by my side whenever needed.

## ACKNOWLEDGEMENT

I would like to thank God for giving me wisdom and the spirit to endure.

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## ABSTRACT

The study was conducted under the topic of “Advertising and Sales in Multinational Corporations” and it had three objectives; to establish the relationship between the types of advertising and sales performance in Multinational Corporation, to establish the contribution of advertisement towards sales in Multinational Corporations, to establish the relationship between the challenges faced in advertising and sales by Multinational Corporation.

The study adopted a quantitative, correlation, cross sectional survey research design based on secondary data and collected from internet based documents, and library based textbooks, journals and presentation documents.

The researcher collected the necessary information using Self Administered Questionnaires methods of data collection. The data was tabulated and then analyzed in order to draw inference from the data collected. The information collected from the respondents through questionnaires was used in order to answer the objectives of the study.

The study find out that advertising entices the buyer to come to the location where a sale takes place. It often attempts to persuade potential customers to purchase or to consume a particular brand of product or service.

It was recommended that manufacturers and producers should always conduct market surveys to establish what pleases the target customers, their testes and preferences, before they choose the type of advertising to use. This will help them to meet their customer expectations, create customer loyalty and gain a competitive edge, thus achieving the company overall objective.

# CHAPTER ONE

## 1.0 Introduction

This chapter covered the background, statement of the problem, purpose, objectives, research questions, hypothesis, scope and significance.

## 1.1 Background to the study

### 1.1.1 Historical perspectives

MTN Uganda is a Telecommunication Company that has been issued a second national operator (SNO) license in 1998. Under the SNO license, MTN is mandated to provide all categories of telecom services. MTN's investment over the past eight years has resulted into an intensive national network and capacity to provide total telecom solutions: Voice, data, and converged services. It offer services such as; internet access, web hosting, domain hosting, videoconferencing ( e-learning, e-health, other e-initiative), broadband wireless, storage services ( for disaster recovery).It is available along fiber backbone route underground plant available in major towns of Kampala, Jinja, Mbarara, Masaka, Arua, Lira and Guru among others continues to be expending. MTN is one of the organizations that spend money on advertising promoting items.

According to Belch and Belch (1995), to many managers, the only meaningful objective for their promotions program is sales. They took the position that the basic reason a firm spends money on advertising & promotion is to sell its product or service and they believed that monies spent on advertising and other forms of promotion should produce measurable results, such as increasing sales volume by a certain percentage or dollar amount or increasing the brand's market share. They believed that objectives should be based on the achievement of sales results.

However, effects of advertising often occur over an extended period. Many experts recognized that advertising has a lagged or carry-over effect; money spent on advertising does not necessarily have an immediate impact on sales. They continued to say that advertising may create awareness, interest and / or favorable attitudes toward a brand, but these feelings will not result in an actual purchase until the consumer enters the market for the product, which may occur later.

A review of econometric studies that examined the duration of cumulative advertising effects found that for mature frequently purchased, low-priced products, advertising's effect on sales lasts up to nine months. The carry over effect adds to the difficulty of determining the precise relationship between advertising and sales.

### **1.1.2 Theoretical perspective**

The study was based on 4Ps model of Forrest (1985) which explains the importance of marketing as (product, place, promotion & price). The study was interested in promotion (advertising) and price (gain of the company in terms of sales).

### **1.1.3 Conceptual perspective**

The dependent variable in the study is sales. The Oxford Dictionary (1998: 729) defined sales as the exchange of a commodity for money; an instance of selling; the amount sold; the rapid disposal of goods at reduced prices for a period; an event at which goods are sold. Futrell (1993) defined sale as an act of completion of a commercial activity. The "deal is closed", means the customer has consented to the proposed product or service by making full or partial payment (as in case of instalments) to the seller. In this study, sales were viewed as high or low.

The independent variable in the study is advertising. According to the Oxford Dictionary (1998:26), advertisement is a public notice or announcement, especially one advertising

goods or service in newspapers or in broadcast, a person or thing regarded as a means of conveying the merits of something. Belch and Belch (1995) defined advertising as any paid form of no personal communication about an organization product, service or idea by an identified sponsor. In this study advertising focused on types of advertising, challenges of advertising and benefits of advertising.

#### **1.1.4 Contextual perspective**

This study took place in Kampala where the effects of advertising on sales in MTN Company was studied.

#### **1.2 Statement of the problem**

The dependent variable in this study is sales. The firm's reason to spend money on advertising and promotion is to sell its product or service in attempt to increase sales volume. However, effects of advertising often occur over an extended period. Money spend on advertising does not necessarily have an immediate impact on sales. (Sub section 1.1.1.). According to Batra et al (1999), advertising is only one of the many forces that influence sales. The other forces include price, distribution, the sales force, packaging, product features, competitive actions and changing buyer needs and testes. MTN Uganda, despite the fact that it spends money on advertising to increase sales (Sub section 1.1.1.), the outcome is not always as expected. Thus sales are sometimes law other times high. This study tried to look at the types of advertising used to influence sales, its benefits and challenges in order to assess the effect of advertising on sales in MTN Uganda.

#### **1.3 Purpose of the study**

To assess the effects of advertising on sales improvement in Multinational Corporations

#### **1.4 Objectives**

1. To establish the relationship between the types of advertising and sales performance in Multinational Corporation
2. To establish the contribution of advertisement towards sales in Multinational Corporations
3. To establish the relationship between the challenges faced in advertising and sales by Multinational Corporation

#### **1.5 Research Questions**

1. What effects do types of adverts have on sales in Multinational Corporation?
2. What contributions do advertising have on sales in Multinational Corporations?
3. What are the effects of the challenges faced in advertising on sales in Multinational Corporations?

#### **1.6 Hypotheses**

1. The types of advertising explain the differences in sales levels in Multinational corporations
2. Contributions made by advertising explain the differences in sales levels in Multinational corporations
3. Challenges faced in advertising explain the differences in sales levels in Multinational Corporations

#### **1.7 Scope of the study**

##### **1.7.1 Geographical scope**

The study was carried out in central Uganda in the district of Kampala where MTN Communication Company was taken as the case study.



### **1.7.2 Content scope**

The study focused on advertisement in Multinational Corporations and the effects of advertising on sales. This helped the researcher to correlate between advertisements and sales; it examined how advertisements contribute to sales and the challenges that businesses experience while advertising for Multinational Corporations.

### **1.7.3 Time scope**

It took a period of 5months starting from January 2010 to Jun 2010 to give the researcher enough time to concentrate on the study, it focused on the years stating from 2007 to the current year to assess the rend of how things have been carried out in reference to advertising and sales turnover.

### **1.8 Significance of the study**

The study result will be used by business community to understand the role played by advertisement in Multinational Corporations hence devising means on how advertisement can be enhanced. The study will benefit the researcher by gaining more knowledge and skills in areas related to the variable under study. The study result will be used by future scholars for reference in case they want to study the same or related problem in details.

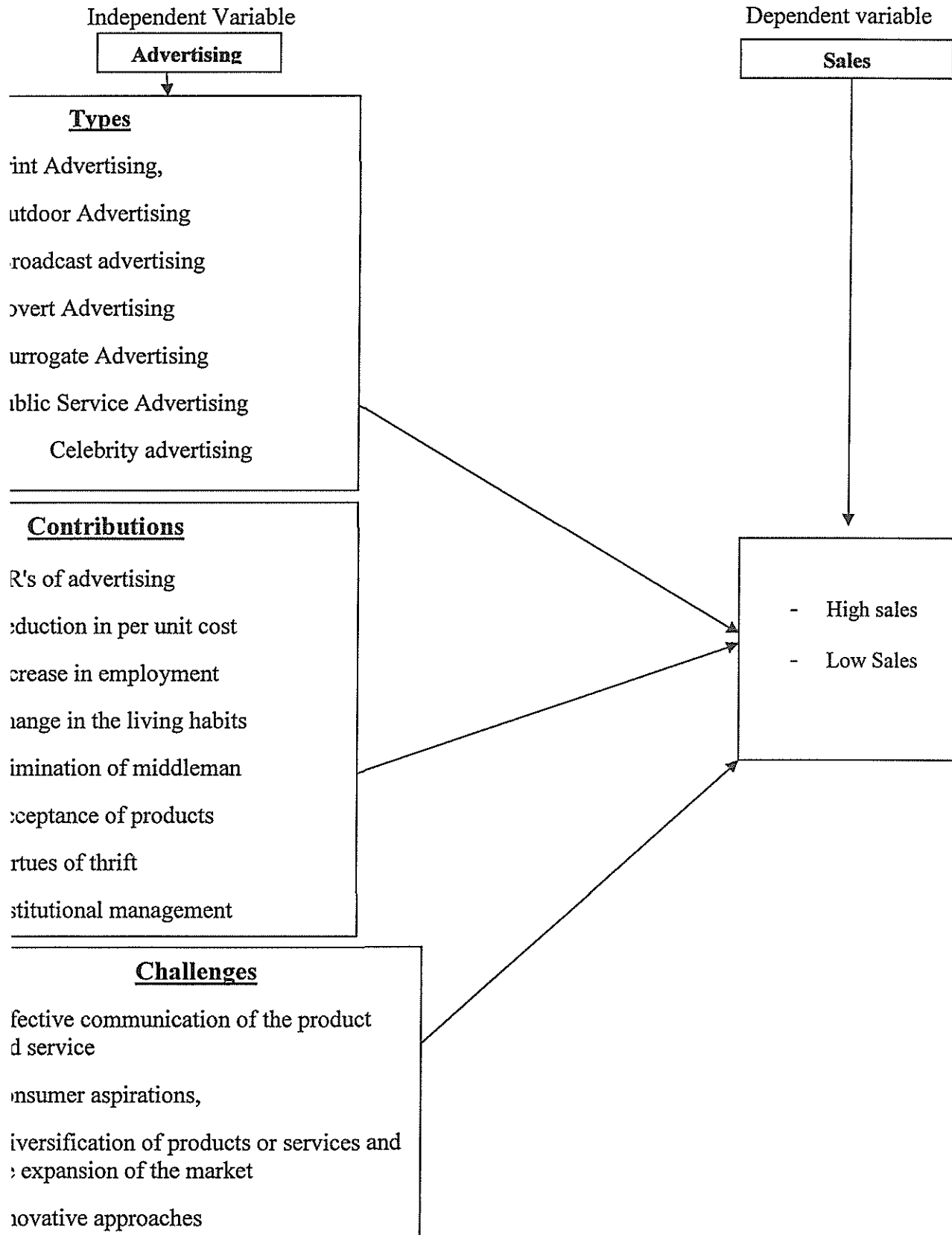
## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

In this chapter, the researcher reviewed related literature to advertising and sales in Multinational Corporations. The review was conceptualized under the objectives of the study and focuses mainly on different types of advertising, the challenges of advertising, the benefits of advertising and its relationship with sales. These were the main issues in the study.

## 2.1 Conceptual frame work



### **2.2. 1. Types of Advertising**

According to Chunawala and Sethia (2001), advertising is an integral part of marketing. The aim of an advertising campaign is to reach the masses in order to increase the demand for the products being promoted.

The following were the major types of advertising;

#### **2.2.1.1 Print Advertising – Newspapers, Magazines, Brochures, Fliers;**

This refers to advertising products via newspapers, magazines, brochures and fliers. The print media have always been a popular advertising medium. Often the newspapers and the magazines sell the advertising space according to the area occupied by the advertisement, the position of the advertisement (front page/middle page), as well as the readership of the publications. For instance an advertisement in a relatively new and less popular newspaper would cost far less than placing an advertisement in a popular newspaper with a high readership. The price of print advertising also depend on the supplement in which they appear, for example an advertisement in the glossy supplement costs way higher than that in the newspaper supplement which uses a mediocre quality paper. (Chunawala & Sethia 2001)

#### **2.2.1.2 Outdoor Advertising – Billboards, Kiosks, Tradeshowes and Events**

Outdoor advertising is also a very popular form of advertising, which makes use of several tools and techniques to attract the customers outdoors. The most common examples of outdoor advertising are billboards, kiosks, and also several events and tradeshowes organized by the company. The billboard advertising is very popular however has to be really terse and catchy in order to grab the attention of the passers by. The kiosks not only provide an easy outlet for the company products but also make for an effective advertising tool to promote the company's products. Organizing several events or sponsoring them makes for an excellent advertising opportunity. The company can organize trade fairs, or even exhibitions for

advertising their products. If not this, the company can organize several events that are closely associated with their field. For instance a company that manufactures sports utilities can sponsor a sports tournament to advertise its products. (Chunawala & Sethia 2001)

#### **2.2.1.3 Broadcast advertising – Television, Radio and the Internet**

Broadcast advertising is a very popular advertising medium that constitutes of several branches like television, radio or the Internet. Television advertisements have been very popular ever since they have been introduced. The cost of television advertising 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 going to be broadcasted. The radio might have lost its charm owing to the new age media however the radio remains to be the choice of small-scale advertisers. The radio jingles have been very popular advertising media and have a large impact on the audience, which is evident in the fact that many people still remember and enjoy the popular radio jingles. (Chunawala & Sethia 2001)

#### **2.2.1.4 Covert Advertising – Advertising in Movies**

Covert advertising is a unique kind of advertising in which a product or a particular brand is incorporated in some entertainment and media channels like movies, television shows or even sports. There is no commercial in the entertainment but the brand or the product is subtly (or sometimes evidently) showcased in the entertainment show. Some of the famous examples for this sort of advertising have to be the appearance of brand *Nokia* which is displayed on Tom Cruise's phone in the movie *Minority Report*, or the use of *Cadillac* cars in the movie *Matrix Reloaded*. (Chunawala & Sethia 2001)

#### **2.2.1.5 Surrogate Advertising – Advertising Indirectly**

According to Belch and Belch (2001), Surrogate advertising is prominently seen in cases where advertising a particular product is banned by law. Advertisement for products like cigarettes or alcohol which are injurious to health are prohibited by law in several countries and hence these companies have to come up with several other products that might have the same brand name and indirectly remind people of the cigarettes or beer bottles of the same brand. Common examples include Fosters and Kingfisher beer brands, which are often seen to promote their brand with the help of surrogate advertising.

#### **2.2.1.6 Public Service Advertising – Advertising for Social Causes**

Public service advertising is a technique that makes use of advertising as an effective communication medium to convey socially relevant messages about important matters and social welfare causes like AIDS, energy conservation, political integrity, deforestation, illiteracy, poverty and so on. David Ogilvy who is considered to be one of the pioneers of advertising and marketing concepts had reportedly encouraged the use of advertising field for a social cause. Ogilvy once said, *"Advertising justifies its existence when used in the public interest - it is much too powerful a tool to use solely for commercial purposes."* Today public service advertising has been increasingly used in a non-commercial fashion in several countries across the world in order to promote various social causes. In USA, the radio and television stations are granted on the basis of a fixed amount of Public service advertisements aired by the channel. (Nysten, 1975)

#### **2.2.1.7 Celebrity advertising**

Although the audience is getting smarter and smarter and the modern day consumer getting immune to the exaggerated claims made in a majority of advertisements, there exist a section

of advertisers that still bank upon celebrities and their popularity for advertising their products. (Nylen, 1975) , Using celebrities for advertising involves signing up celebrities for advertising campaigns, which consist of all sorts of advertising including, television advertising or even print advertisements.

## **2.2. 2. Benefits of advertising;**

Batra et al (1999), argued that it has been universally accepted that advertising is an important tool of marketing of the products. The expenditure on advertising is regarded as a profitable investment. According to Guinn et al (1998), the main benefits claimed of advertising included;

**3 R's of advertising;** these are **retaining** the loyal customer, **reducing** lost customers and **recruiting** new customers, **Reduction in per unit cost;** advertising enables a businessman to increase the sales of the product, **Increase in employment;** advertising increases the sales volume of goods and provides employment to a large number of workers, **Change in the living habits;** an effective advertisement brings about a rapid change in the habits and attitudes of people, **Elimination of middleman;** advertising awakens interest and provides utility of goods far and wide in the country, **Acceptance of new products;** it introduces new products to the customers, **Virtues of thrift;** it has a great educative value. It teaches the people the benefits of thrift and their responsibility to their dependents, **Institutional management;** advertising helps in building up a favorable image of the country and **some other benefits such as;** Sales of entire line of product, increasing the sales of entire industry, advantages to consumers, encourages competition, and social benefits . Batra et al (1999), ascertained that advertising is all about telling people what you do - but to succeed in advertising you must provide compelling reasons for your audience to do something; it could be to remember your brand name or more specifically purchase your good or service; this

"reason to buy" coupled with a good "call to action" are the two essential ingredients for successful advertising. Too much advertising is just a waste of (the client's) money, producing a shrug of the shoulders and a "so what?" reaction from prospective customers.

Field (1990), in his opinion said that good advertising brings more customers or encourages existing customers to spend more with you; everything you, your company's employees and your company's goods or services represent is advertising; how many customer services departments forget that!

### **2.2.3. Challenges in Advertising**

This was due to factors such as;

#### **2.2.3.1 The communication revolution;**

this has set in motion a process of homogenization of consumer aspirations and value systems. This has also homogenized the very pattern and form of communication between the advertiser and the consumer. A more or less universal language of advertising is emerging, even though conditioned and modified by local usage and expressions, which are often a medley of western and Indian words, images, concepts and music. The communication explosion has invaded the home with its message of consumption-orientation. Multi-channelled television, through its entertainment programmer and advertising, has generated an awareness of entirely new concepts of living and with these, a desire for a whole range of consumer durables and non-durables, which had not been thought of earlier. (Field, 1990)

#### **2.2.3.2 Meet the growing consumer aspirations and value systems, particularly in terms of**

lifestyles, new products and services are coming in the market. These are meeting new needs, generated by new ways of living. This is leading to tremendous and even fierce competition among manufacturers of these products or providers of new services. This is because, although the Indian population is massive, the actual number of consumers of advertised



goods or services is relatively small. Different manufacturing, marketing or services organizations are offering the same products. Thus the consumer has a wider choice. Sometimes two different products or services might meet similar needs. For example, the consumer can choose between two cola drinks manufactured by different companies. It is in this context that in advertising and marketing one talks of brand names, brands or branded products. With the same product being manufactured by different manufacturers, each company has its own name for its product. Thus one brand of sunflower oil competes against another brand. If you come to services, a number of banks today offer you mutual funds as do insurance companies. Here too the consumer has a choice and every mutual fund is trying to sell to the same consumer. Here is a challenge that people in the advertising profession face every day – how to win over a consumer for one brand against another and retain loyalty to the same brand, sale after sale? (Field, 1990)

**2.2.3.3 Diversification of products or services and the expansion of the market** have been possible because of the opening up and liberalization of the economy. There is now very or no restriction on the goods and services to be provided. Lower tax on personal incomes has increased the disposable surplus in the hands of the expanding middle class for discretionary purchases to meet the aspirations for better living. The liberal entry of foreign manufacturers and the reduction in import restrictions have made many new products and services more easily available than before. The hire-purchase system, bank finance and credit cards are accelerating this process of consumption-orientation in a section of the population. Advertising intervenes at every stage of this process of a desire being transformed into a purchase, of a concept of a product or service being transformed into a sale. (Field, 1990)

#### **2.2.3.4 Innovative approaches**

According to Guinn et al (1998), advertising today offers unprecedented challenges and makes stringent demands on creativity, imagination and innovative approaches from

every person in the advertising profession, whatever is his or her specific job in the communication link between the product or service and the consumer. There is also the problem of proliferating media, through which advertisements reach the consumer. Here again is a challenge to the creativity and innovativeness of an advertising professional – how to choose between radio and television, between one television channel and another, between the electronic media and the newspapers or different periodicals. The point is that, considering the problems faced, the money available is always limited. How do you make the best use of every pie spent?

Batra et al (1999) argued that advertising does not offer a career to those who are looking for fun and glamour. It is not just playing with words or pretty pictures, the world of lovely models or even film stars, and dining and wining. A career in advertising demands long hours of work, high energy, imagination and ambition. As advertising is becoming more scientific, more mechanized more talent and skill intensive, the range of remuneration is also rising higher. In the new era of globalization, advertising too is becoming global both in character and institutionally. Hence, a good advertising professional has the global market as his or her area of operations and remunerations too at that level.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.0 Introduction**

This chapter covered the research design, studied population, sampling strategies, data collection methods, data collection instruments, data quality controls, procedure and data analysis.

#### **3.1 Research design**

The study was a quantitative, correlation, cross sectional survey. The quantitative paradigm was used in that it uses techniques and measurements that produce numerical or quantifiable data and statistical tools were used for analysis (Mugenda & Mugenda, 2003). The study was correlation in order to determine or describe in quantitative terms the degree to which the variable are related, that is the degree to which advertising is related to sales ( Amin, 2005:218). The study was survey in order to obtain descriptions of a particular group of individuals and cross sectional survey in that it uses to gather data from a sample of the population at a particular time (Amin, 2005:212).

#### **3.2 Population**

In this study, the target population involved 1 manager, 10 people in the marketing department, 3 cashiers and 20 customers of MTN- Kampala Branch in total of 34 respondents.

#### **3.3 Sampling strategies**

The study was based on sampling because of the large number of the target population. Using Krejcie and Morgan (1970) as cited in Amin (2005:454), the sample size for 1 manager was

1, 10 people on the marketing department was 10, 3 cashiers was 3 and 20 customers was 19 customers of MTN- Kampala Branch in total of 33 respondents.

### **3.4 Data collection methods**

Primarily, Self Administered Questionnaires (SAQs) were used because of their nature of use of one time data collecting device on the variables of interest in the study (Amin, 2005). Each item on the questionnaire was developed to cover the specific objectives, research questions and hypotheses under study (Mugenda & Mugenda, 2003: 71).

### **3.5 Data collection instruments**

The SAQ was composed of 2 sets. One set was directed to the staff of interest and the other one to the customers of MTN Company. Each questionnaire consisted of a title, and introduction, questions on dependent variable that is sales which was conceptualized in to high and low. Questions on the independent variable that is advertising which was conceptualized in to types, benefits and challenges as in Fig 2.1. All questionnaires had a classification item which helped to identify the respondents from the MTN Company and its customers. There were both open ended questions to obtain the in-depth feeling of respondents and close ended questions for easy administration.

### **3.6 Data quality control**

The researcher ensured the content validity of the said instruments ( section 3.5) by ensuring that questions or items corresponded to the conceptual frame work (fig 2.1). The lecturers of the school of Business &Management were used as judges to evaluate the relevance, wording and clarity of the questions or items. The content validity index (CVI) was computed and it was above 0.7 and it has been accepted (Amin, 2005:288). The reliability of the instrument was computed using split half reliability test and spearman Brown Prophecy was applied to obtain the result. It was above 0.7 and it has been accepted (Amin 2005:299).

### **3.7 Procedure**

After submitting the proposal to the School of Business and Management of Kampala International University (Main Campus), the researcher seeks permission from the School of Business and Management to continue with the study. After the obtaining of the letter of introduction to the MTN Company as a student carrying out research for academic purposes, the researcher proceeded to collect data after seeking permission from the Company.

### **3.8 Data analysis**

The SAQs which had completed data were edited, categorized and entered in computers for SPSS to summarize them using simple and complex frequency tables or cross tabulation. The computation of relative frequencies, mean, standard deviation and other relevant statistics were done using the same package of SPSS.

## **CHAPTER FOUR**

### **DATA PRESENTATIONS, ANALYSIS AND INTERPRETATION**

#### **4.0 Introduction**

This chapter explains the findings of the study according to the research objectives and questions as described in chapter one. The results are the reflections of respondents' perceptions on the different questions presented and regarding the effect of advertising on sales in MTN- Uganda. The different aspects examined in this chapter include different types of advertising used to influence sales, the challenges faced in advertising, and the benefits of advertising toward sales.

#### **4.1 Background**

A total number of 33 questionnaires were sent and distributed to respondents according to their different categories and of the distributed questionnaires, only 22 questionnaires were filled in and returned which represented 66.7% of responses with the highest response coming from the Customers which registered 14 responses representing 63.6%; followed by 6 responses from the Marketing department; representing 27.3%; and finally 2 responses from the cashiers; representing 9.1%, as presented in the table 4.1,

**Table 4.1: Response of respondents according to their status**

Category	Frequency	Percentage
Customers	14	63.6%
Marketing department	6	27.3%
Cashiers	2	9.1%
total	22	100%

Source: primary data: MTN – Uganda Staff and customers

From the table 4.1, one can realize that majority of the respondents were customers; representing 63.6%, where by minorities were cashiers; representing 9.1 % ( Staff- MTN- Uganda). These will increase the possibility of getting more views on customer's tests and preferences as well as their perceptions on the company's services in terms of advertising.

#### **4.1.1 Responses according to the age group**

When the responses were analyzed according to their age group, outcome was that 11 respondents were from age group of 15 – 25 covering 50%, 6 respondents from 26 – 35 covering 27.3%, 3 respondents from 36 – 45 covering 13.6%, and 2 respondents from 46 and above covering 9.1%, as presented in the table 4.2;

**Table 4.2: Showing age group of respondents**

Age	Frequency	Percentage
15 – 25	11	50%
26 – 35	6	27.3%
36 – 45	3	13.6%
46 and above	2	9.1%
Total	22	100%

Source: primary data: MTN – Uganda Staff and customers

From the table 4.2, one can realize that majority of respondents were between the age 15 – 25; representing 50%, while minorities were between the age 46 and above; representing 9.1%. Young people are creative, they are new blood; bring new ideas. This will increase the chances of getting new ideas. On the other hand, old people are more experienced; thus possibilities of getting insufficient information on the company's good performance.

#### **4.1.2: Responses according to the gender**

When the data was analyzed according to the gender, the following were realized. 15 respondents were male representing 68.2% and 7 respondents were females representing 31.8%, as shown on the table 4.3;



**Table 4.3: Showing gender response**

Gender	Frequency	Percentage
Male	15	68.2%
Female	7	31.8%
Total	22	100%

Source: primary data: MTN – Uganda Staff and customers

From the table 4.3, one can realize that majority of respondents were male; representing 68.2%, while minorities were female; representing 31.8%. This shows that male are more participative than female where by equal participation is required.

#### **4.1.3: Responses according to the marital status**

When the data was analyzed according to the marital status, the following were realized. 17 respondents were single representing 77.3% and 5 respondents were females representing 22.7%, as shown on the table 4.4;

**Table 4.4: Showing respondents' marital status**

Marital status	Frequency	Percentage
Single	17	77.3%
Married	5	22.7%
Total	22	100%

Source: primary data: MTN – Uganda Staff and customers

From the table 4.4, one can realize that majority of the respondents were singles; representing 77.3%, while minorities were married; representing 22.7%.

#### 4.1.4: Responses according to the level of education

When the data was analyzed according to the level of education, the following were realized. 2 respondents were of secondary level representing 9.1%, 3 respondents were of diploma level representing 13.6%, 3 respondents were of professional certificate representing 13.6%, and 14 respondents were of degree level representing 63.6%, as shown on the table 4.5;

**Table 4.5: showing respondents' level of education**

Education level	Frequency	Percentage
Secondary	2	9.1%
Diploma	3	13.6%
Professional Certificate	3	13.6%
Degree	14	63.6%
<b>Total</b>	22	99.9% = 100%

Source: Primary data: MTN – Uganda Staff and customers

From the table 4.5, one can realize that majority of respondents were of degree level; representing 63.6%, while minorities were of secondary education level; representing 9.1%. This shows the possibility of getting accurate informations since majorities are skillful and educated people.

## 4.2 Types of advertising used to influence sales

When the data was analyzed according to the types of advertising used to influence sales, the following were realized. 3 respondents ticked on print advertising; representing 13.6%, 2 respondents ticked on covert advertising; representing 9.1%, 5 respondents ticked on outdoor advertising; representing 22.7%, 3 respondents ticked on broadcast advertising; representing 13.6%, and finally 9 respondents ticked on celebrity advertising; representing 40.9%, as shown on the table 4.6;

**Table 4.6: showing types of advertising used to influence sales**

Types of advertising	Frequency	Percentage
Print advertising	3	13.6%
Covert advertising	2	9.1%
Outdoor advertising	5	22.7%
Broadcast advertising	3	13.6%
Celebrity advertising( All)	9	40.9%
<b>Total</b>	22	99.9% = 100%

Source: Primary data: MTN – Uganda Staff and customers

From the above table 4.6, one can realize that celebrity advertising is the most type of advertising used to influence sales in MTN – Uganda; representing 40.9%, it is the most known and preferred by staff and customers of the company while covert advertising; representing 9.1% is the least one since its awareness is too low compare to other types of advertising as illustrated in the Fig 4.1

**Pie chart showing types of advertising used to influence sales**

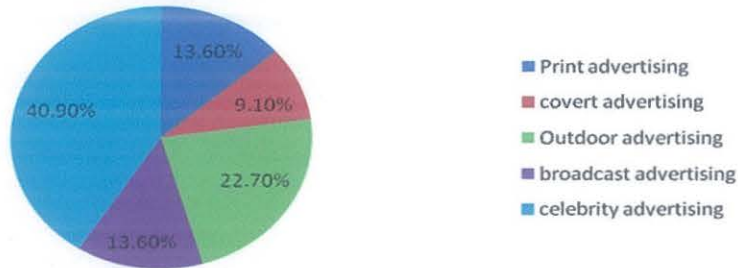


Figure 4.1

Source: Primary data: MTN – Uganda Staff and customers

#### 4.2.1 Time taken to get feedback from the customers after advertising

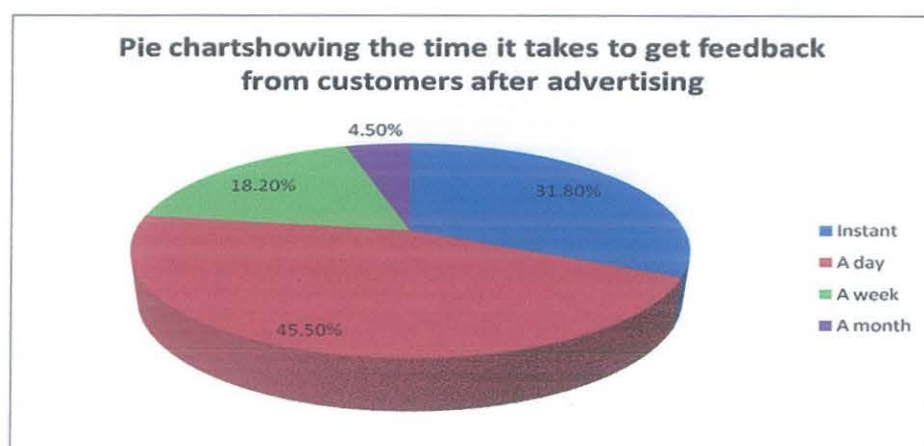
When the data was analyzed according to the time taken to get feed back from customers after advertising, the following were realized. 7 respondents replied that it takes instant times to get feedback which represent 31.8%, 10 respondents replied that it simply takes a day; representing 45.5% which is the highest response, 4 respondents replied that it can take a week; representing 18.2%, and finally only one respondent replied that it can take even a month to get feed back from customers, representing 4.5%, as shown on the table 4.7;

**Table 4.7: showing the time it takes to get feedback from customers after advertising**

Time	Frequency	Percentage
Instant	7	31.8%
A day	10	45.5%
A week	4	18.2%
A month	1	4.5%
Total	22	100%

Source: Primary data: MTN – Uganda Staff and customers

From the above table 4.7, one can realize that mostly it takes a day to get feed back from customers; representing 45.5%, after advertising and in very rare case a month; representing 4.5%. This shows that the outcomes of advertising are relevant, that the types used are effective since they bring feedback in a very short period of time and which at the end will lead at the company profitability as illustrated in the Fig 4.2



**Figure 4.2**

Source: Primary data: MTN – Uganda Staff and customers

#### 4.2.2 Views of respondents on which types of advertising most reach the customers

When the data was analyzed according to the views of respondents on which types of advertising most reach the customers, the following were realized. 9 respondents replied Broadcast advertising as the best type of advertising which represent 40.9%, 7 respondents replied Print advertising as the best one; representing 31.8%, and finally 6 respondents replied outdoor advertising; representing 27.3% as shown on the table 4.8;

**Table 4.8: showing views of respondents on which types of advertising most reach the Customers**

Types of advertising	Frequency	Percentage
Broadcast advertising	9	40.9%
Print advertising	7	31.8%
Outdoor advertising	6	27.3%
total	22	100%

Source: Primary data: MTN – Uganda Staff and customers

Majority of the respondents preferred Broadcast advertising; representing 40.9%, while minorities appointed outdoor advertising; representing 27.3%. This shows that many people prefer broadcast advertising than any other types of advertising one can use, that it is the one which most reach the customers and that the company should more focus on using in order to increase sales as illustrated in figure 4.3

**Pie chart showing views of respondents on which types of advertising most reach the customers**



Figure 4.3

Source: Primary data: MTN – Uganda Staff and customers

#### 4.3 Contribution of advertising toward sales

When the data was analyzed according to the contribution of advertising, the following were realized. Majority of the respondents that is 12 respondents representing 54.5% mentioned that all the contributions mentioned are observed. This is followed by 3 respondents representing 13.6% that mentioned that advertising contribute only to the acceptance of the products, 2 respondents mentioned that it contribute rather to an increase in employment; representing 9.1%, and other contributions where by we find only one of the respondents mentioned them as the only contribution of advertising as shown on the table 4.9;

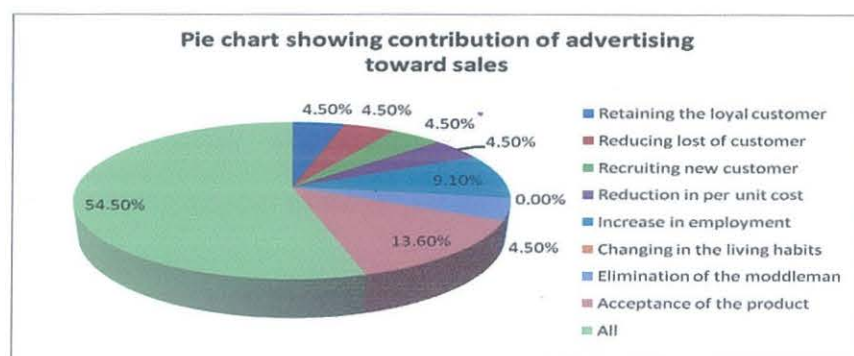


**Table 4.9: showing contribution of advertising**

Contribution of advertising	Frequency	Percentage
Retaining the loyal customer	1	4.5%
Reducing lost of customers	1	4.5%
Recruiting new customers	1	4.5%
Reduction in per unit cost	1	4.5%
Increase in employment	2	9.1%
Elimination of middleman	1	4.5%
Acceptance of products	3	13.6%
All	12	54.5%
<b>Total</b>	<b>22</b>	<b>99.7% = 100%</b>

Source: Primary data: MTN – Uganda Staff and customers

From the above table 4.9, one can realize that advertising has many contributions to the company and not only one which at the end lead to an increase in sales since the above contribution leads to the maximum profit thus increase in sales as illustrated in figure 4.4



**Figure 4.4**

Source: Primary data: MTN – Uganda Staff and customers



#### 4.4 Challenges faced by the company during advertising and sales

When the data was analyzed according to the challenges faced by the company during advertising and sales, the following were analyzed. 3 respondents mentioned effective communication of the product or services as the most challenge faced by the company; representing 13.6%, 8 respondents mentioned consumer aspirations such as test and preferences as the most challenge; representing 36.4%, 6 respondents mentioned diversification of the product or services as the most challenge; representing 27.3%, 4 respondents mentioned innovative approaches as most challenge; representing 18.2%, and finally 1 respondent who mentioned that all the above challenges are faced by the company, as shown on the table below.

**Table 4.10 showing challenges faced by the company during advertising and sales**

Challenges	Frequency	Percentage
Effective communication of the products or service	3	13.6%
Consumer aspirations Such as test and preferences	8	36.4%
Diversification of products or services	6	27.3%
Innovative approaches	4	18.2%
All	1	4.5%
<b>Total</b>	<b>22</b>	<b>100%</b>

Source: Primary data: MTN – Uganda Staff and customers

From the above table, one can realized that the biggest challenge faced by MTN Company is Consumer aspirations such as test and preferences; representing 36.4%. This implies that the company should more focus on improving their products and services in order to meet their customers test and preferences. Also the company should try to be innovative enough and improve effective communication since any challenge even if it appear to be small can cause power performance as illustrated in figure 4.5

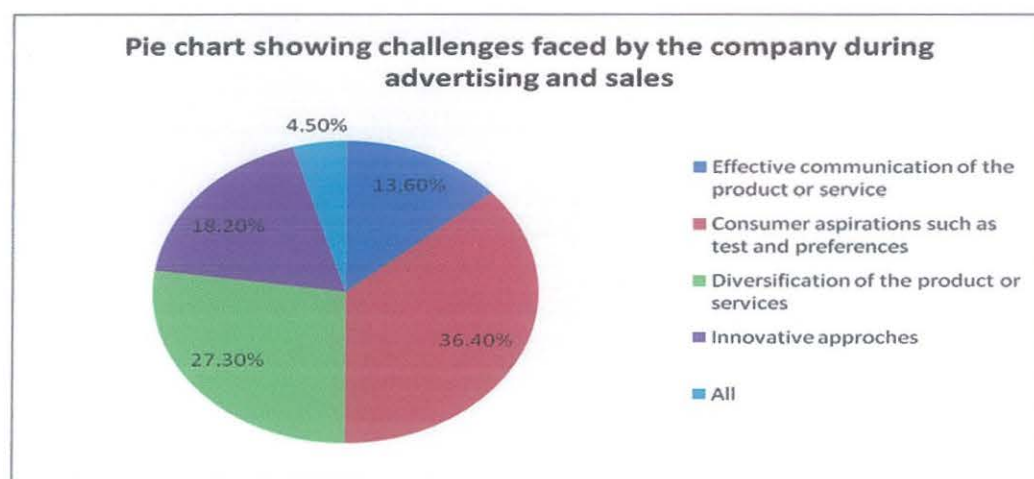


Figure 4.5

Source: Primary data: MTN – Uganda Staff and customers

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.0 Introduction**

This chapter summarized the main findings to the research objectives and questions, conclusions were drawn to the study from the findings and proposed possible recommendations that would improve the effect of advertising on sales in MTN- Uganda.

#### **5.1 Summary**

Summary of the findings has been done in accordance with research objectives, research questions and in line with literature reviewed as seen in chapter two.

##### **5.1.1 Types of advertising used to influence sales**

The findings according to the types of advertising used to influence sales showed that advertising outcome; that is sales performance, depends on the type of advert used, that mostly reach the customer and the most relevant was celebrity advertising especially Broadcasting advertising; represented 40.9%. The study also showed that the time taken to get feed back from the customer after advertising varied between instant time and a day which is a positive side from the company showing that their advertising ways are more effective since they attract customers and motivate them to buy in a short time. Concerning the views of respondents on which type of advert most reach the customer and if compare with what MTN - Uganda use (figures 4.1 and 4.3), one can realize that the company is on the right track.

##### **5.1.2 Benefit of advertising towards sales performance**

The study showed that advertising has many contributions to the company. The study collaborated with Batra et al (1999), who ascertained that advertising is all about telling

people what you do - but to succeed in advertising you must provide compelling reasons for your audience to do something; it could be to remember your brand name or more specifically purchase your good or service; this "reason to buy" coupled with a good "call to action" are the two essential ingredients for successful advertising. It also collaborated with Field (1990), in his opinion who said that good advertising brings more customers or encourages existing customers to spend more with you; everything you, your company's employees and your company's goods or services represent is advertising.

### **5.1.3. Challenges of advertising towards sales**

The study indicated that the company is faced by many challenges and the biggest challenge faced by the company is Consumer aspirations Such as test and preferences; representing 36.4%, follow by Diversification of products or services; representing 27.3%, Innovative approaches; representing 18.2% and finally effective communication of the products or service; representing 13.6% as shown in the figure 4.5. To overcome those challenges, the company has to conduct market research in order to get information about their customer test and preferences, their competitors performance, about different innovations they can come up with and outcompete more effectively, and also try to improve effective communication of the product by using attractive logos, design, and sweet language well admire and understandable by targeted customers during their advertising campaign.

## **5.2 Conclusion**

Advertising entices the buyer to come to the location where a sale takes place. The relationship between the two functions is very close knit and relies entirely on one another. Advertising brings in the consumer for the sales department to reassure the potential customer and help create the purchase. Without the advertising, most sales would never exist or at least there wouldn't be as many.

### 5.3 Recommendations of the study

The following recommendations were proposed in accordance with what the study has revealed. The study recommends that producers and manufacturers should always conduct market surveys to establish what pleases the target customers, their tastes and preferences, before they choose the type of advertising to use. This will help them to meet their customer expectations, create customer loyalty and gain a competitive edge, thus achieving the company overall objective.

The study also recommends that manufacturers and marketing executives should continue to be innovative by coming up with new attractive ways of advertising in their marketing campaigns in order to influence sales performance. This will enable them to achieve and sustain the desired sales.

Also, manufacturers and marketing executives should be able to communicate their products or services more effectively during advertising campaigns if they are to transfer the message to their targeted audience more effectively and efficiently.

In my recommendation, it must be remembered that this study was purely literature review based. Thus, the facts and findings in this report are based on the studies conducted in the past and my own research. Therefore, further research should be conducted to advance this study using the same variables but with more vigorous methodologies such as cross-sectional, longitudinal and correlational research methods using both primary and secondary data.

Further research should also be conducted to establish;

- The effect of price on sales performance
- The effect of distribution channels on sales performance
- The effect of sales force on sales performance

- The effect of product features on sales performance
- The effect of competitive actions on sales performance
- The effect of changing buyer needs and testes on sales performance
- The effect of packaging on sales performance.

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## APPENDICES

### APPENDIX A: THE TIME FRAME OF THE STUDY

Proposal	April
Data collection	April
Dissertation writing	May
Submitting	May

### APPENDIX B: BUDGET FOR THE STUDY

Items	Amount on Uganda shillings
Literature collection	50,000
Data collection	100,000
Typing and printing	100,000
Miscellaneous	100,000
<b>Total</b>	<b>350,000</b>

## APPENDIX C: QUESTIONNAIRES

I am called Uwineza Sabah Amur, a bachelor student of Kampala International University. I am conducting research on “effect of advertising on sales in multinational corporations” a case study of Kampala International University in Uganda. The purpose of this study is to fulfill my academic requirements. Therefore I kindly request you to answer for me the following questions.

**Note:** Your responses will be treated with the highest degree of confidentiality.

### Back ground information

Please tick in the most appropriate box

#### 1. Age

- |                |                      |
|----------------|----------------------|
| a) 15-25 ( )   | c) 36-45 ( )         |
| b) 26 - 35 ( ) | d) 46- and above ( ) |

#### 2. Sex

- |             |               |
|-------------|---------------|
| a) Male ( ) | b) Female ( ) |
|-------------|---------------|

#### 3. Marital status

- a) Married
- b) Single

#### 4. Level of education qualification

- |                        |                                 |
|------------------------|---------------------------------|
| a) Primary level ( )   | c) Professional certificate ( ) |
| b) Secondary level ( ) | d) Diploma ( )                  |
| e) Degree ( )          |                                 |

#### 5. Status

- |              |                 |
|--------------|-----------------|
| a) Staff ( ) | b) Customer ( ) |
|--------------|-----------------|

## OTHER QUESTIONS

### Objective No1: Relationship between the types of advertising and sales

#### Performance

1. What are the different types of advertising used by MTN Company?

- a) Print Advertising ( )
- b) Celebrity advertising ( )
- c) Covert Advertising ( )
- d) Outdoor Advertising ( )
- e) Broadcast advertising ( )
- f) All ( )
- g) None ( )
- h) Other

(Specify).....

2. Do you approve the types of advertising used by MTN Company?

a) If Yes (Why) .....

b) If No (Why) .....

3. How long does it take to get feedback from customers after advertisements?

- a) Instant ( )
- b) A day ( )
- c) A week ( )
- d) A month ( )
- e) None ( )

Other (specify)...

4. Your views on which form of advertising reaches most of the customers.

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

**Objective No2: Contributions of advertising towards sales**

5. What are the contributions of advertising in the Company?

- (a) Retaining the loyal customer ( )
- (b) Reducing lost of customers ( )
- (c) Recruiting new customers ( )
- (d) Reduction in per unit cost ( )
- (e) Increase in employment ( )
- (f) Change in the living habits ( )
- (g) Elimination of middleman ( )
- (h) Acceptance of products ( )
- (i) All ( )
- (j) None ( )
- (k) Other (Specify).....

6. Are you satisfied with those contributions of advertising in the company?

- a) If Yes (Why) .....
- b) If No (Why) .....

7. How does advertising contribute to sales in MTN Company?

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

**Objective No3: Challenges faced in advertising and sales**

8. What are the challenges faced by the Company during advertisement?

- a) Effective communication of the products or service? ( )
- b) Consumer aspirations Such as test and preferences? ( )
- c) Diversification of products or services and the expansion of the market? ( )
- d) Innovative approaches? ( )
- e) None ( )
- f) Others (specify) .....

9. How does the Company over come those challenges?

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

10. Do you approve with the way the company overcomes the challenges they face during advertising?

- a) If Yes (Why) .....
- b) If No (Why) .....

**THANKS!**