



UNIVERSITY *of*
RWANDA

COLLEGE OF
BUSINESS AND ECONOMICS

**EFFECT OF ADVERTISING ON SALES PERFORMANCE OF
PRIVATE ORGANIZATIONS IN RWANDA**

Case Study: INYANGE INDUSTRIES

**Thesis Presented to the University of Rwanda, College of Business and
Economics in Partial Fulfillment of Requirements for the Award of the
Degree of Master of Business Administration in Finance.**

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DECLARATION

I MURAMIRA Jean d'amour, hereby declare that the work presented in this Thesis work entitled "Effect of Advertising on sales Performance of Private Organizations in Rwanda". A case study of Inyange industries is my original work and has never been presented elsewhere for academic qualification. Any references in terms of books or any other written or electronic materials are indicated in the bibliography.

Candidate's Signature.....

MURAMIRA Jean d'amour

Date

APPROVAL

I certify that, this Thesis work titled “Effect of Advertising on sales Performance of Private Organizations in Rwanda” Case study of Inyange Industries is an original work of Muramira Jean d’Amour, under my supervision and guidance.

Supervisor’s signature.....

Dr. RUBERWA Alex

Date.....

DEDICATION

I wish to dedicate this thesis to my beloved Mother Mukanyarwaya Immaculate for her motivation Mr. Gahigi Bosco, my Brothers and sisters and my supervisor for the guidance he has accorded me. Above all I do thank almighty God for his love and grace.

ACKNOWLEDGEMENTS

Just like any other major undertaking, this study is a collective endeavor, it's built from the words, guidance, advices prayers and passion that so many people shared with the researcher so generously. Their list is so long that one could not possibly capture every name, but the following deserves especial vote of thanks.

First of all thanks are due to the all mighty God for the gift of life and education. Nothing would happen in life without your mercy. You have been my alpha and Omega in this academic struggle. My savior Jesus, I love you with all my heart.

To my supervisor, Dr Ruberwa Alex for your time sacrificed in following up this work, yours comments and your thoughtful advice helped me to select order and present the material as it is in this study. What a joy it has been to work with you! I gained a lot from your experience and knowledge.

My sincere thanks and appreciation go to the entire staff and lectures of the school of Business and administration at University of Rwanda your regular intellectual guidance throughout the last Two years at the school. I feel so much indebted to my girlfriend, parents, brothers and sisters for your invaluable support, am very much blessed to have you around me.

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ABSTRACT

Advertising is a basic Marketing device and compelling correspondence medium. The fundamental goal of any advertisement is to empower the sales Promotion, straightforwardly or by implication by attempting to make grand claims about item execution. The question is, has any organization endeavored to survey the effect of its advertising on sales performance in Rwanda? The reason for this study was to investigate the effect of advertising on sales performance. The study was explorative in nature and likewise attempted to make a quantitative and qualitative evaluation of Advertising on sales performance of Inyange industries. The principle examination instrument utilized as a part of this study was Questionnaire and interview. The people from different departments in Inyange industries and customers help us in collection of data and co-operate with us. I use different statistical tools for finalizing the information. The result are described here are based upon different statistical test. Toward the end of the study, it was understood that the majority of the organizations bore witness to the way that advertising is powerful in boosting sales the greater part of the organizations did not have a year by year figures of promoting expense and sales expenditure for a quantitative and qualitative evaluation of the genuine increment in deals for every comparing increment in advertising expenditure.

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CHAPTER ONE.

GENERAL INTRODUCTION

1.0 Introduction

This chapter is comprised of introduction, the background of the study, statement of the problem, objectives of the study, research questions, and scope of the study, significance of the study and the organization of the study.

1.1 Background of the study

The companies are expanding at an increasing rate and is becoming intensely competitive. Today's dynamic business environment is continuously changing because of globalization, regulatory changes, increasing intensity of competition, increasingly demanding customers, new information technology, and mergers and acquisitions. This has resulted in markets that can be characterized as increasingly turbulent and volatile and has caused many organizations to seek competitive capabilities that enable them to exceed customers' expectations and enhance market and financial performance. Firms are increasingly adopting advertising to reduce costs, increase market share and sales, and build solid customer relations. When competition is keen, and the consumers are faced with brand choice in the market, it becomes imperative for the retailers to understand the major factors that can attract the attention of buyers to their outlets. These then form the basis for advertising to increase the sales and ultimately the performance of the outlet (Wing et al., 2006).

Advertising belongs to the modern industrial world, and to those countries, which are developing and becoming industrialized. In the past when a shopkeeper or stall-holder had only to show and shout his goods to passers-by, advertising, as we know it today hardly existed. Early forms of advertising were signs such as the inn sign, the red-and-white striped barber's pole, the apothecary's jar of colored liquid and the wheelwright's wheel, some of which have survived until today. The need for advertising developed with the expansion of population and the growth of towns with their shops and large stores, mass production in factories, roads and railways to convey goods, and popular newspapers in which to advertise. The large quantities of goods being produced were made known by means of advertising to unknown customers who lived far from the place of manufacture. This process developed some two hundred years ago in industrialized countries. (Perreault & McCarthy, 1997).

According to Clow and Black (2006), advertising represents an important mean by which organizations communicate with their customers, both current and potential. Thus, having clear objectives for advertising will aid operational decision making for advertising programs in effectively convey the intended message to the audience. The objectives of an advertising campaign may adopt many forms such as the following, increasing brand awareness of existing brand or create awareness of new brand, building brand image, increases customer traffic, increasing retailer or wholesaler orders, responding to inquiries from end users and channel members, providing quality information.

Thus, the modern world depends on advertising. Without it, producers and distributors would be unable to sell, buyers would not know about and continue to remember products or services, and the modern industrial world collapse. If factory output is to be maintained profitably, advertising must be powerful and continuous. Mass production requires mass consumption, which in turn requires advertising to the mass market through the mass media. (Dunn et al. (2008)

The first advertising agencies were space-brokers, and their legal position as agents of the media remains today as with the legal precedent of the agent acts as principal and is responsible for the payment of media bills even if the advertiser defaults. However, as printing processes improved, and it became possible to illustrate advertisements the early agencies competed for business by offering creative services to advertisers. Thus, the service agency took over from the mere space-broker. (Frank Jerkins, Daniel Yadin:2001,5)

Advertising is any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor (Kotler and Armstrong, 2010). There are various forms of advertising like informative advertising, persuasive advertising, comparison advertising, and reminder advertising. Informative advertising is used to inform consumers about a new product, service or future or build primary demand. It describes available products and services, corrects false impressions and builds the image of the company, (Kotler, 2010). Advertising can be done through print media which includes newspapers , magazines ,brochures ,Audio media for example Radio, and visual media which includes billboards, and television (Kotler and Armstrong 2010).

Advertising may influence consumers in many different ways, but the primary goal of advertising is to increase the probability that consumers exposed to an advertisement will behave or believe as the advertiser wishes (Stafford and Stafford, 2003). Thus, the ultimate objective of

advertising strategies is to sell things persuasively and creatively. Advertising is used by commercial firms trying to sell products and services; by politicians and political interest groups to sell ideas or persuade voters by not-for-profit organizations to raise funds, solicit volunteers, or influence the actions of viewers; and by governments seeking to encourage or discourage particular activities, such as wearing seatbelts, participating in the census, or ceasing to smoke. The forms that advertising takes and the media in which advertisements appear are as varied as the advertisers themselves and the messages that they wish to deliver (Schmidt and Spreng 2000). Advertising is an indicator of the growth, betterment and perfection of the business environment. Not only does advertising mirror the business environment, it also affects and gets affected by our style of life. It is not at all surprising that advertising is one of the most closely scrutinized of all business institutions. In today's environment, advertisers are closely examined by the target audience for whom the advertisement is meant for in the society.

Advertising has been existing for many decades. It is one means of promotional mix which has its ultimate function to set up channels of information and persuasion to sell goods and services or promote an idea (Belch, 1991). Advertising is considered one of the marketing communication tools. Communication is the process of giving or an exchange of information and the science of transmitting information as well (Smith, 1993). In the world's complicated society, advertising has developed into a significant communication system which connects both consumers and businesses (Belch, 1998).

Advertising as a marketing tool is used by business organization to inform consumer that the right product is available at the right place, right price and to convince the consumer to purchase them. Advertising comprises all messages that are paid for in the media owned and controlled by people other than the company making the advertisement. Therefore, advertising must be tailored towards consumer's satisfaction and organizational performance (Osogbo, 2014).

An advertising message to attract the attention or interest of customers and or influence their feelings toward the advertised product, service, or cause". In real sense, it is the method used by companies for creating awareness of their products, as well as making new products known to the new and potential consumers. Advertising as a promotional tool also tends to remind, reassure, and influence the decisions of the consumers because an advertisement itself enlightens, and persuades consumers on their acceptability of the product offering. For any promotional activity to be called advertisement, it must be paid for (Abiodun, 2011).

These adverts try to portray a positive sense of their brand on others to attract people to it. Advertising takes many forms. It can be done through public announcement in a newspaper, on a radio station, television channel, on the internet and other outlets such as, the use of posters, banners, billboards, and brochures. A number of studies have been done on impact of advertising on organizational performance but none of them has focused on the effects of advertising on Sales performance, therefore this study examined the effect of recent advertising on Sales Performance in Private Organizations.

1.2 Historical Background of INYANGE Industry- Rwanda

Inyange Industries is a leading food processing company in Rwanda, manufacturing a variety of products under their brand name- “Inyange”. The Inyange brand has been operating since 1997. However, it wasn’t until 1999 when it began operations including processing & selling pasteurized milk & yoghurt. In 2001 the plant introduced mineral water processing & packaging. Realizing that the domestic demand for all **Inyange products** was much higher than the facilities could supply, Inyange’s shareholders embarked on an ambitious expansion project, the construction of a USD 27 Million production plant in Masaka, which has since allowed for Inyange’s production capacity to increase tenfold.

This increased capacity more than fulfills local demand & additionally allows for Inyange to expand its market to neighboring countries, taking advantage of Rwanda being part of the East African Community (EAC) & its customs union. In modern & hygienic production facilities; Inyange manufactures a wide range of products & thus has quickly become a household name in the fast moving consumer goods industry in Rwanda known for high quality mineral drinking water, fruit juices, milk & dairy products.

“At Inyange, we take pride in our levels of high quality that we maintain from raw material procurement to delivery of the final product. This has earned the company the market leader position in many of the production lines.”

Vision, To be the leading Easter and Central African dairy & beverage brand, producing high quality products while enhancing shareholder value.

Mission,To secure the highest value for all stakeholders in the food value chain while enriching the lives & health of all consumers with the most nutritious & tasty choices through a wide range of dairy & beverage products.

Values

- **Results driven:** Our focus is driven by our desire to achieve & exceed intended goals.
- **Integrity:** We are honest, transparent, ethical & objective in everything we do.
- **Innovation:** We are always challenging ourselves & seek new ways of doing things (creativity).
- **Excellence:** We strive to exceed our highest standards in everything we do.
- **Leadership:** We should all take initiative, be proactive, be committed, demonstrate ownership & accountability, be visionaries, lead by example & be team players.
(www.inyangeindustries.com).

1.3 Statement of the Problem.

In every business organization, creating awareness or making your products and services known to consumers for business prosperity is essential. Also, making your products and services popular is one way of building rapport with your customers. According to David and James (1982) creating product awareness is a means to educate existing and prospective consumers about a product or service. In Rwanda, bigger industries such as Inyange are seen and heard on television making their product and Service popular of. Inyange Industries which forms entirely the basis of this thesis is one company that uses visual media to make known its products. This industry operates locally, but of recent has crossed to the East African region to have them try its products. The Industries believes that one way of achieving this importance is by drawing on one of the marketing strategies, in this case advertisement.

According to Tenant, (2002), advertisement is a gate way to the survival and the performance of organizations in stiff competitions. He also posits that, if messaging about a product or service is effectively transmitted, it influences target audience's attitude, hence repeat buying of a product. Conversely, if a product is not advertised, the likelihoods that it can reach potential customers and make your business stand out from the rest is limited

The brief background above, unequivocally identifies the status and importance of advertisement as inevitable tool for survival of business in highly competitive market. Despite this importance however, Inyange Industries meets challenges in trying to realize its objectives. The problem is that, despite spending huge amount of money on advertisement, sales have not improved to the desired targets. The Annual Report (2017) on sales revenues denotes that, for the past 3 years, expected sales in Inyange industry have differed from their actual sales. The report states that "Inyange expected 60% from sales in the year 2015 but the actual sales they had was 58%". Same report maintains that, in the year 2016, they expected "65% but realized 57% of sales, and in the year 2017, the industry expected to sale goods worth 62% but only managed to sale goods worth 56%".

There are a number of factors that have been attributed to the losses above. One of them is inefficiencies in which Inyange Industries carries out its advertising. It is argued for instance that, Inyange advertisements in the visual media is done in the foreign language, that is (English), a language that can only be understood by a few people in the country, making the advertisement appealing only to a group of people.

The other concern is that, the company advertisements lacks the unique selling proposition in the statements used to differentiate their products from competitors. More so, it is argued that advertisements are done in the same way as the competitors making it hard to differentiate its products from others. Besides their company advertisements don't provide room for further information about their products for clarification (New times April 2017). The same newspaper denotes that inyange industries faces high competition in Uganda, RDC, Burundi where it supplies its products they do not have enough raw materials especially fruits for juices, as the plant seeks to increase its product line.

The magnitude of the problem is quite high, ranging from financial losses to wrong public perception about the products and services. Sales in Inyange for the past 3 years have been declining (Annual Report 2017). Clients continue to defect due to inefficiencies in making product known to clients. Based on the background of the problem above, this study contends for effective approaches to advertisement for the industry to remain competitive and improved performance in business arena. It is in the line of the above argument that this study assessed the effects of advertising on sales performance in private organizations with a case study of Inyange industries

1.4 General objective of the study

The general purpose of this study was to assess the role of advertising as a marketing strategy of Inyange industries with a view of making suggestions for improved performance.

Specific objectives

The specific objectives of this study are:

1. To examine the role of advertising strategy in shaping the public perception towards Inyange products and services.
2. To determine the effectiveness of advertising on reach and creation of awareness.
3. To determine the effect of advertising on the levels of sales volume.

1.5 Research Questions.

1. What is the role of advertising strategy in shaping the public perception towards Inyange products and services?
2. What is the effectiveness of advertising on reach and creation of awareness.
3. What are the effects of advertising on the levels of sales volume in Inyange Industries?

1.6 Scope of the study

Content scope

The study covered advertising as the independent variable and sales performance as the dependant variable.

Geographical scope

The study was centered at the Inyange industry in Gasabo District, because it is the headquarter of the industry where marketing plan is carried out, and it has large sales volume.

1.7 Significance of the study

To the researcher: the study was enabling a researcher to have more knowledge, skills and experience about effect of advertising on performance of private organization. This study also was helping to put in practice the knowledge and skills acquired in research methodology as a course learn in class.

A researcher was acquiring the relevant information about dissertation writing in order to become familiar with research activities as a whole. Finally, the study was enabling a researcher to fulfill the requirement for the award for a master's in Business and administration in University of Rwanda.

To Inyange: This study was helping the company and its shareholders to look for appropriate measures to keep the company with positive advertisement.

The study hopes to generate knowledge and bring out the Effect of advertising on performance of private organization in Rwanda of Inyange industries.

To the future researchers

The data obtained went for future references on the topic by academicians who went studying in the same area of the study.

1.8 Limitations of the study.

- Financial constraint. Due to financial limitations, the researcher chose Inyange Industry instead of choosing many business organizations operating in the country. The researcher lacks a sponsor to pay for the study. Therefore, he was using his own meagre resources to meet the research expenses.
- Limited time. The research topic went covered a wide area. Therefore, it was need a lot of time to reach the entire respondents. Confidentiality of information. Some of the information was treat as confidential and, therefore, deny access to it by the researcher.
- Uncooperative attitudes by potential respondents This was a common problem where common people who was not know the importance of the research and even the educated once who was using to giving out the opinions and see nothing being done went not willing to cooperate with the researcher.

1.9. Organization of the study

The study is composed by five chapters

Chapter one is composed by introduction, background of the study, problem of the statement, objectives of the study, research questions, significant of the study, scope of the study, purpose of the study, and organization of the study.

Chapter two is composed of literature review of the related literature with critical references, sources of the data such the E-library, books, journals, magazines, etc.

Chapter three were present methodology, research sampling population and questionnaires, interview which was used in research process, code and tabulation of collection data.

Chapter Four includes data presentation, analysis and interpretation of collected data with reference of research objectives.

Chapter Five were present the findings, conclusion and recommendations about the research topic.

CHAPTER TWO

LITERATURE REVIEW

2.1. Introduction

The review of the literature is crucial in any research work. This is because it enables the researcher to study different theories related to the identified topic and gain clarity of the research topic (Katsikeas and Leorned, 1996). In this chapter, a detailed literature review on advertising is provided. The chapter is divided into two parts, namely; theoretical literature review and the empirical literature review. It also provides the conceptual framework of the study.

2.2. Definition of key concepts.

Advertising is: "the non-personal communication of information usually paid for and persuasive in nature about products, services or ideas by identified sponsors through the various media" (Bovee and Arens, 1992). Organizational Performance is defined as an analysis of an organization's performance as compared to goals and objectives. Within corporate organizations, there are three main outcome analyzed: financial performance, market performance and shareholder value performance, and in some cases production capacity performance may be analyzed (Kates and Galbraith, 2007).

2.3. Theoretical Literature Review

Advertising not only helps companies generate awareness among customers for their products and services but also serves as a useful vehicle in promoting brand image for products and services offered in the target market. Practitioners as well as academics (e.g., Martin 1989, Shah et al. 2009, Graham and Frankenberger,2000) indicate a role for advertising in creating strong brands that ultimately can have an influence on firms' performance. Chu and Keh (2006), for instance, indicate that advertising expense contributes to brand value creation. While it is useful for a producer to bring a new product or service to the market, it is equally important for the producer to communicate its virtues to the prospective target market. One of the primary task for the producer is to let the potential purchasers know that a specific product or service exists and to keep its brand name uppermost in the minds of consumers. Advertising helps fulfill this task for the producer. This, in turn, leads to customer trial and higher customer demand and ultimately

leads to brand loyalty and facilitates possible increases in revenues in the current and future periods.

Figure 2.1 Advertising Generating an Intangible Asset



According to Borden (1942), although maintenance of brand quality is not entirely dependent upon advertising, nevertheless advertising has some influence because the advertised brand usually represents a goodwill asset which has been built at considerable expense and injury to which would represent a business loss. Similarly, Chauvin and Hirschey (1997) argue that advertising is a key strategic factor contributing to market leadership, and may be necessary to build market value. White and Miles (1996) also indicate that advertising is a strategic investment in the organization's stock or intangible assets, future cash flows, and market value.

In addition to its informative role, advertising is also viewed as conveying guarantee about the quality of the product or service advertised. This derives from the fact that most advertising products or services entail with it the identification of the sellers. Moreover, advertising subsidizes various media through sponsorship which, in turn, facilitates the provision of entertainment by these various media. Firms also rely on advertising to enter an industry and

make their way into the market to compete with the already existing firms (see Kessides 1986). Advertising is viewed as one of the potentially important sources of providing needed information to prospective customers.

2.3.1. Aaker's Model on Brand

Aaker's model has outlined some dimensions which may lead to achievement of brand equity and hence performance of the organization.

Brand Loyalty

According to (Graham et al., 1994). said that Loyalty is an important concept in marketing strategy and as Aaker said the brand loyalty is the center core of brand equity. Loyalty causes customers to spend less time in seeking information. Loyalty-based buying decisions might turn into a habit and this may be resulted from current brand equity. The loyal customers would have benefit for an organization in the reducing costs and implementing its works (Rundle,2001). Moreover, loyalty can give a company a chance to react against threats such as competition because as consumers become loyal to a brand they become less sensitive to a price increase because of the product's ability to satisfy their needs "Loyalty development is often associated with the actual service encounter but advances in technology, particularly social media, have allowed the customer brand connection to be enhanced (King, 2015).

Brand awareness

According to (Bumm,2005). said that Brand awareness is recalled brand memorization power in customer's mind. There are four types of brand awareness:

- i. High mental awareness,
- ii. Brand reminding,
- iii. Brand recognition,
- iv. Unawareness

The role of brand awareness depends on the level of awareness achieved. In the higher awareness level buying, the possibility of considering brand and the effect of awareness on buying decision are increased said by (Rundle and Bennet, 2001). It is one of the fundamental dimensions of brand equity and is often considered a pre-requisite of consumers' buying decision as it represents the main factor for including a brand in the consideration set.

Brand awareness can also influence consumers' perceived risk assessment and their confidence in the purchase decision, due to familiarity with the brand and its characteristics. On the other hand, brand awareness can be depicted into at least two facets – unaided (brand recall) and aided (brand recognition) – each of the two facets spoken by (Rundle and Bennet, 2001).

Having its more or less effective influence on buying decision and perceived risk assessment.

Entrepreneurial firms, organizations, and institutions use brand name, logos, slogans, jingles, brand characters/personalities, URL, signage, packaging, letterhead paperwork, and advertising to increase brand awareness as part of their external branding efforts. Brand logos are also seen on labels, promotion materials, trade dress and employee uniforms, distribution trucks, and business cards. These external branding strategies and tactics help firms build not only corporate identity and brand personal to differentiate themselves from the competition, but also brand loyalty. Entrepreneurs can develop their brand's personal throughout the years with guided and planned actions and in turn consumer responses to their brand. Said by (Rundle and Bennet, 2001).

According to Herskovitz and Crystal (2010),state that brand personal is essential in driving the continuity of the overall brand message. According to (Herskovitz and Crystal, 2010) the add that brand persona is "what makes the difference in strong or weak brand associations". Consumers attach human like characteristics to brands based on their understanding of brand's values and behaviors. Logo is an important part of the brand as it signals brand character through a stylized treatment of the company or brand name. It is like a signature of a person. Its main function is to remind the brand and make e sure that "it remains at the forefront of the audience's thoughts"state by Herskovits and Crystal, (2010).

According to Schecter, (1993),defines that logos as "the official visual representation of a corporate or brand name, and the essential component of all corporate and brand identity programs". Due to the entrepreneurial importance of logos in consumer sentiments (positive or negative attitudes) and brand awareness, great amounts of "investments are made because management expects that logos can add value to the reputation of an organization"said by van Riel and van den Ban, (2001). Indeed, in 1994 over 3,000 new companies in the United States spent an estimated total of \$120 million to create and implement a new logo said by (Anson, 1998). according to Timmons (1999),said that however, points out that entrepreneurs work with minimal resources.

Although the theoretical assumptions and evidence from practice underline the importance of logos in consumer perceptions of a company and its products said by (Schechter, 1993) and their preference of brands, empirical research on the added value of logos are limited (Green and Lovelock, 1994). As the brands become more similar and struggle to gain unique associations in the presence of strong competitors, investigating the correlation of brand and logo associations, become critical. As brand association researchers mentioned, brands are focusing on trivial attributes for unique brand associations and losing the core value of the brand. Logos may help brands to avoid lose focus. They may act as cues to elicit stronger associations than mere attributes and help differentiate in the presence of strong competitors. According to Boyle (2003) suggests that brand building efforts are more likely to succeed if associations are created based on personal identification rather than on abstract concepts.

2.3.2. Advertising Theory

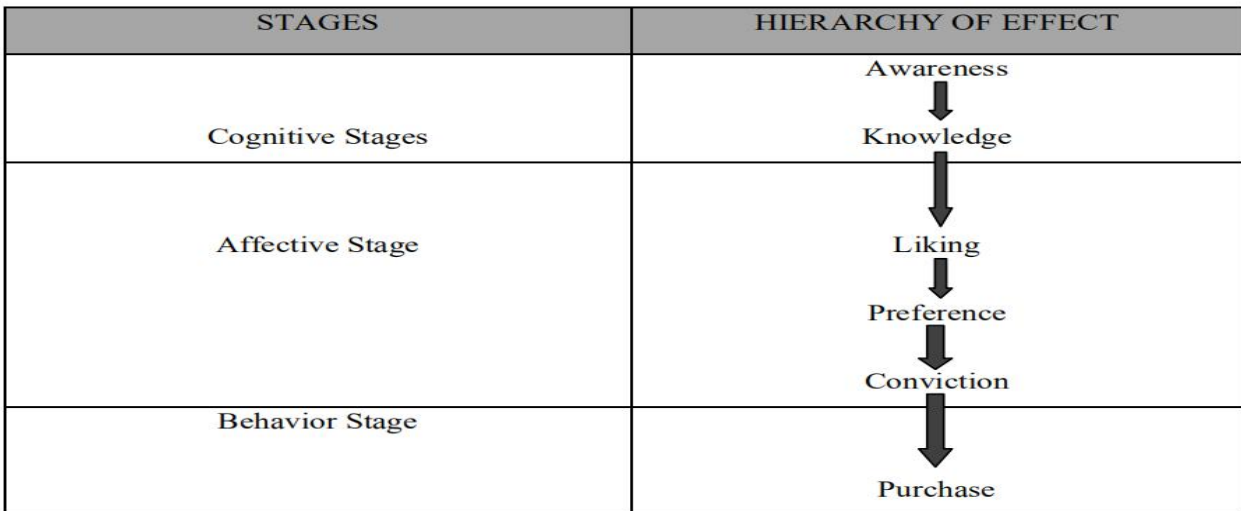
The Response Hierarchy Theory

The Hierarchy of effects theory was advanced by Lavidge and Steiner (1961), this marketing communication theory proposes six steps from broadcasting a product advertisement to product acquisition. The advertiser persuades the consumer to go throughout the six steps and procure the product. The six steps are Awareness, Knowledge, Liking, Preference, Conviction and final Purchase. As stated by Lavidge and Steiner (1961), it is a hierarchy of effects because the quantity of customers decrease from one phase to another which implies that business corporations should struggle to attain a lot of customers to the final phase of buying through innovative marketing communication messages that transmit distinctive value or service intentions to the target audience. The response hierarchy model presumes that the customer goes through three stages; cognitive, affective and behavioural stages. First the learn-feel-do progression is appropriate when audience has high involvement – high differentiation product category example a house or furniture. Secondly do-feel-learn sequence is appropriate when an audience has high involvement there is no differentiation product category example

airline tickets and the third is learn-do-feel sequence once an audience has low involvement there is little differentiation example sugar. Hence by deciding on the right sequence, the marketer can do a superior job of planning marketing communication.

Figure 2.2.illustrates how the response hierarchy model is applied in marketing communication

Figure 2.2: Response Hierarchy Model



Source: (Kotler et al., 2009).

From the figure, the third category of the model of learn-do-feel category involves products which have low involvement and no little differentiation like soft drinks. Hence the advertising decisions made on such products will have an impact on the sales performance of the product because the customers of soft drinks have to learn about the product through different source of information such as advertisement, brochures and sales promotions and then purchase the product. And then feel the experience they get from purchase of such product. If the experience is positive it means that there will be a repeat purchase and if it is negative it means consumer will look for alternative product from the competitors (Kotler et al., 2009).

2.3.3. Objectives of advertising

Four main objectives of advertising are: Trial, Continuity, Brand Switch, Switching back

Let's look on these various types of objectives.

Trial, the companies which are in their introduction stage generally work for this objective. The trial objective is the one which involves convincing the customers to buy the new product introduced in the market. Here, the advertisers use flashy and attractive ads to make customers take a look on the products and purchase for trials. (Rizwan Amjed, 1987)

Continuity, this objective is concerned about keeping the existing customers to stick on to the product. The advertisers here generally keep on bringing something new in the product and the advertisement so that the existing customers keep buying their products. (RizwanAmjed, 1987)

Brand switch, this objective is basically for those companies who want to attract the customers of the competitors. Here, the advertisers try to convince the customers to switch from the existing brand they are using to their product. (Rizwan Amjed, 1987)

Switching back, this objective is for the companies who want their previous customers back, who have switched to their competitors. The advertisers use different ways to attract the customers back like discount sale, new advertise, some reworking done on packaging etc. (Rizwan Amjed, 1987)

Basically, advertising is a very artistic way of communicating with the customers. The main characteristics one should have to get on their objectives are great communication skills and very good convincing power. (Rizwan Amjed, 1987)

2.3.4. Forms of advertising

Kotler and Armstrong, (1999). Classified forms of advertising into the following, persuasive, informative, and reminder advertising.

Persuasive advertising can be defined as the process of influencing a person to do something. It refers to the process of modify the values, wants and actions of others (O'Shaughnessy and O'Shaughnessy, 2004). Persuasion is advertising's second most important function apart from informing and reminding consumers of products and services. Successful advertising aims to not just to inform, demonstrate, attract or entertaining the consumer, but to persuade them to buy (Benson-Eluwa, 2004) Advertising often persuades through the use of selective appeals. Appeals refer to various approaches used to attract the attention of the audience or influence their feelings or behavior towards a particular product or service (Trehan, 2010). Appeals arouse the interest of consumers towards an advertisers' product or service. An appeal may be through the product's colour, shape or message.

Advertisers often try to persuade consumers by appealing to their needs and desires such as; security, safety, health, comfort, pride, happiness etc. The availability of numerous needs and desires of consumers informs the existence of various kinds of rational and emotional appeals.

Persuasion thus causes advertising to become very powerful and controlling; penetrating in to the subconscious regions of the minds of the public. Persuasion motivates people in to action by influencing their beliefs and desires yet in some cases it can be resisted or refused. Resistance to persuasion often arises when the target does not have the right perspective or right mindset (O'Shaughnessy and O'Shaughnessy, 2004). This mindset could be as a result of religious, political or cultural beliefs. For example, it is difficult to persuade a person to stop smoking unless that person accepts the traditional medical perspective that smoking induces lung cancer and heart attacks. There is therefore the need for advertisers to devise strategies for influencing the minds set of target audience if products are to be sold. In marketing, advertising is the major channel of persuasion. Other sales promotion activities such as; price reductions, raffle draws, contests, sampling etc. are also used to convince customers to sample and then purchase products. Persuasion in marketing can be likened to customer hunting. Through the informative and persuasive powers of advertising and sales promotion, marketers are able to increase their number of customers and sales

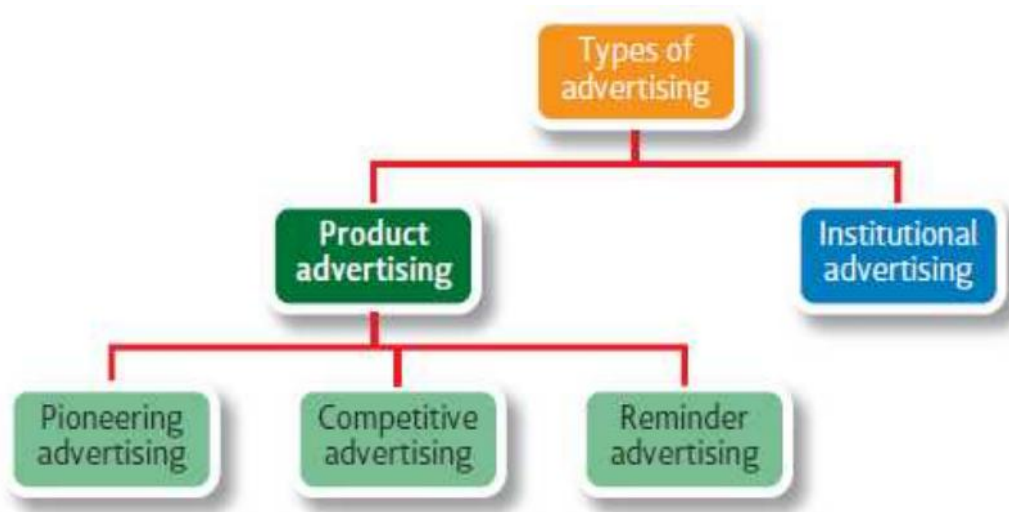
Informative advertising, according to Boone and Kurtz, (1998), informative ad seeks to develop initial demand for a good, service, organization, person, place, idea or cause. The promotion of any new market entry tends to pursue this objective, because marketing success at this stage often depends simply on announcing availability. Therefore, informative advertising is common in the introductory stage of the product life cycle. It helps give information about the suitability and quality of a product. The information given tends to help generate a good reputation.

Cartwright, (2002) observed that informative advertising is often combined with persuasive advertisement on the grounds that as customers become more sophisticated they will require more information about products. Advertising for public sector may be completely informative although the trend has been for these to be more sophisticated, including humour. Informative advertising aims to create brand awareness and knowledge of new products or new features of existing products, Kotler and Keller, (2013). According to Kotler and Armstrong, (2010) informative advertising is used heavily when introducing a new product category. In this case, the objective is to build primary demand. According to McCarthy and Perreault, (1993) informative advertising also helps to present the company's name and the merits of its product. According to Bone and Kurtz, (1998) the promotion of any new market entry tends to pursue this

objective because marketing success at this stage often depends simply on announcing availability; informative advertising is common in the introductory stage of the product life cycle.

Reminder advertising, according to Kotler and Armstrong, (1999) the form is used to keep consumers thinking about the product or service .it is important for mature products or services. It reminds customers that the products May be needed in their near future, where to buy the product and maintaining top of mind product awareness. which means that the messages in this media remind the audience about the same campaign in other media such as print or television (Lichtenthal, Yadav & Donthu 2006). This also requires the application of denotation based message theories to remind the audience in the simplest way possible.

Figure 2.3: Type of Advertising



Source: (Stanley, 1982)

The advertising objectives largely determine which of two basic types of advertising to use product or institutional as shown in figure 2.3 above. Aida Model

This model was propounded by Elmo Lewis. This is an approach used by many advertisers to describe the different phases of consumer engagement with an advertisement. It explains the way consumers' process information they are exposed to in the media. (Collye, 1984). In order for advertising communication to be, successful, prospective buyers become a target for advertising messages (Rossitor,1985).

The individual must process the elements in an intended manner so that the advertising results which in appropriate circumstances will produce action (Purchase of the product or service). Actions can also include a variety of desired targeted behavior on the part of distributors or consumers. This behavior can be in the form of sales enquiries, or visit to retail outlets. It identifies the stages which describe the processes a consumer goes through to become a potential customer. The stages identified by this model are; Awareness, Interest, Desire and Action (Glowa, 2002).

The model depicts that; awareness will cause or attract the attention of the consumer to the product. This will further arouse the interest and possibly lead to the consumer's desire for the product. Advertisers believe that when the consumer gets to the stage of "desire information" for the product, he, or she is likely to an action which the advertiser see will be purchasing the product (Lavidge and Steiner, 1961). Different advertisers publicize advertising information differently and try to make consumers aware by getting their attention through modern communication methods. Advertisers use appealing information and images to convince consumers about the benefit they will get from a product or service and how that product can help solve their problems. Therefore, it is very necessary for the information to spark the consumer's interest with a concise, brief, and accurate explanation of features and benefits of the products that are being promoted (Hansen, 1972).

The desire is created, by the use of keywords to convince the consumer that the product is what they really need. Advertisers propagate their offers and the value of their product and people are moved because of the action it projects. (Jones, 1986). This demonstrates that consumers must be aware of a product's existence, be interested enough to pay attention to the product's features, benefits and develop a strong desire to have benefits from the products offerings. Thus, the fourth stage (action) would come because of the individual's movement through the three stages of awareness, interest, and desire.

Bovee et al. (1995) indicates that whether the variety, these models are based on the assumption that people first learn something from advertising, then form feelings about the product in question. Finally, they take action (purchasing a product). This order of stages is often called the "learn-feel-do sequence" (Bovee et al., 1995).

2.3.5. AIDA Model

AIDA is a communication model applied by firms to facilitate them to sell their products and services. The AIDA model was an early effort to explain how advertising's potential audience might go through a number of steps, with attention being the first and most important one. It was developed by Elias St. Elmo Lewis in 1925 who was an advertising and sales pioneer and believed if an advertisement contained the four qualities, then it is effective. Palmer (2005) hypothesizes that the message is offered according to an easy model which is: encourage the attention of your prospect; interest your prospect in the product; prompt your prospect to desire the product, and entail action from the prospect. AIDA concept implies that getting attention is marketing communication first task.

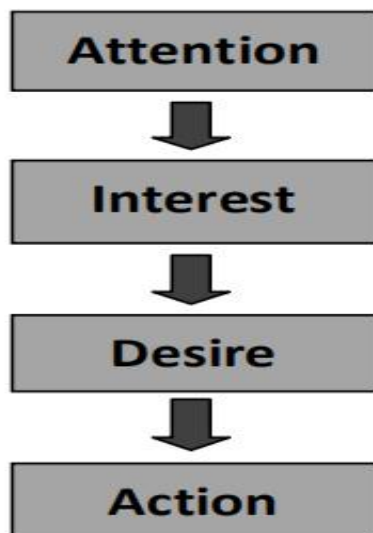


Figure 2.4: AIDA model

Source: Kelley and Hyde, (2002).

From figure 2.4, the AIDA model is a concept that explains how a promotion element can be used by marketers to influence a consumer's perception and attitude towards a product or service. Several elements of marketing communication mix can be integrated with the model to measure how effective each strategy is at every stage of the model. The model has four stages; attention, interest, desire and action. First marketing communication mix is advertising strategy which is very effective in the attention and interest stages, somehow effective in building up a desire but

cannot be guaranteed in conveying the consumers action into the buying decisions. Second is the public relations strategy which is very effective in creating attention, the interest and the desire towards a product or service however it is not effective in the action to purchase the product or services. The third strategy of sales promotions is somewhat effective in generating attention and interest but moreover it is very effective in leading to desire and as a result it is somehow effective in bringing action. Fourth is personal selling strategy which somewhat creates attention, and effectively bring about interest, desire and actions to purchase a particular product or service (Kelley & Hyde, 2002).

According to Kelley and Hyde,(2002), when a product is introduced the first aim is to grab attention. The technique used to get attention will depend on the product; choices comprise hospitality events, sponsorship and huge promotion campaigns. The next goal is to hold people's interest. This is completed by promoting goods attributes and visibly stating the advantage the product has to offer. The goal at this phase is to offer the consumer with information. Desire is a third stage, where at this stage marketers desire the information (interest) consumers have about the products to generate a desire to have their products. A distinctive selling point will reduce consumers' desires over competitor's products. The last stage is the purchase which is Action; if a company has been prosperous with its AIDA strategy then customers will purchase its products. The duty at this stage is to facilitate the purchase action by making it easy.

This AIDA model can be applied in the conceptual model of this research study whereby in order for an advertising, sales promotion and personal selling strategies to be effective they have to possess the four qualities of the model. First successfully catching the attention of the audience, then create an interest to gather more information about the product, and the information obtained should be able to generate some desire to acquire the product and hence appropriate actions of purchasing a product should result as a response from the audience. Public relations strategies and direct marketing bring about attention, interest and desire towards a product (Kelley & Hyde, 2002).

2.3.6. Advertising Repetition

Pechmann and Stewart, (1988) define advertising repetition effects as the “differential effects of each successive advertising exposure, i.e., the differential effects of a given exposure within a

sequence of exposures”. This view includes wear-in effects (i.e., an advertisement has a significant positive effect on consumers at a certain level of exposure) and wear-out effects (i.e., an advertisement has no significant effect on consumers or may even have a negative effect at a certain level of exposure). The definition does not refer to cumulative effects of successive advertising exposure (carryover effects).

2.3.6.1. Repetition Effects on Attitudes

We suggest that advertising repetition has a negative curvilinear effect on attitudes. The two-factor theory (Berlyne 1970; Cacioppo and Petty 1979; Stang 1975) provides the theoretical basis for research about repetition effects on attitude. As an extension of the mere-exposure effect (Zajonc, 1968), which argues that mere repetition enhances stimulate evaluations, the theory states that there are two factors—a positive and a negative factor—that interact with each other and influence the effect of advertising repetition on attitude. Positive factors include habituation (Berlyne, 1970) and learning (Stang, 1975) and result in positive thoughts (Cacioppo and Petty, 1979). A negative factor is redundancy or boredom (Berlyne, 1970), which result in negative thoughts (Cacioppo and Petty, 1979).

Although researchers use different terms for both factors, all explanations indicate an inverted U-shaped curve as the net effect of the positive and negative factors of repetition. That is, the course of the repetition effect is initially positive. Attitude increases with exposure until familiarity and learning is saturated, which is indicated by the highest level of attitude. Additional exposures past this point lead to boredom and to negative thoughts that outweigh positive ones. Attitude decreases and the course of effect becomes negative.

2.3.6.2. Repetition and Recall

We suggest that advertising repetition has a logarithmic course of effect on recall. The explanation of the advertising repetition effect on recall is based on learning theory, that is, on implicit or explicit learning. Stimulus-reaction theories provide the basis for learning information consciously or subconsciously (Blythe, 2013; Pavlov, 2003). When processing information, respondents establish associations by which they link new information to objects and experiences that are already stored in memory (Schacter, 1996). Recipients recall information more easily the more often the information is repeated, because the number of associations with already stored

information increases (Fuentes et al. 1994). Furthermore, recall for non advertised objects is inhibited through repetition, thereby enhancing memory of the advertised object (Jin,Suh, and Donavan 2008).

2.3.7. Advertisement and factors influencing.

Advertisement is an attempt at creativity which influences the consumer's motive to buy a particular product and change or make the perception of the product in the mind of the consumers. Advertisement appeal act as a supplier to arouse the psychological motive of the consumer for buying. Advertisement involves rational and emotional appeals. In rational appeals the product can be emphasized mainly on its benefits and the problems which it can solve while on the other hand emotional appeal meet the consumer's psychological, emotional and social requirements (GUNJAN BAHETI, 2012).

Rafique et al, 2012 argued that advertisement is a way to communicate with the audience. They believed that culture highly influence the buying behaviors of the people because every person has different wants and trends according to their life styles. Thus if we say that advertisement is like a magic than it will not be false because advertisement actually changes the needs and wants of the people and sometimes it creates the need among the people (Yasir Rafique, 2012). People are highly affected by the advertisements and organizations are trying to target the masses of the people. Organizations are using above the line and below the line techniques of the advertisement which fit best with their products.

2.3.8. Consumer attitude and behaviors

As mentioned earlier, consumer buying pattern is directly evolved from the consumer behavior and its attitude. Many things combine to build up the behavior of any individual. The first thing which influences the consumer behavior and shapes it is his culture. Culture builds the strong perceptions of the products in the mind of the customers (hye-Shin Kim, 2008). According to Rai, 2013, there are several national and international brands which people recognized and have strong perception in their minds. These perceptions are pinched in their mind because of their culture, life styles and surroundings. Also advertisements have very important role in shaping the consumer behavior. Advertisements are the source of motivation which forces them to buy a particular product. Advertisements are also a source of building trust. Consumer is induced

significantly if he is looking for the quality and prices of the products. Purchase attitude can also be build up by product evaluation and brand recognition (Rai, 2013).

Consumers in all over the world are attracted towards the brand and products which are emotionally attached with their behaviors. Studies found that emotional attachments put a huge influence on the customers and their buying behavior as people tend to associate themselves with the brand. Advertisements shape the behaviors of the people through cognition. Cognition is the perception of a person towards the information communicated through advertisements. These cognitions are observed by the individual through his senses, perception, attention, memory, reasoning, language, etc. best way of attracting the customers is to understand the psychological cognitive aspects of the consumers (Sandra Jakštienė, 2008).

2.3.9. Consumer buying behavior:

According to the surveys conducted, this market is highly competitive in nature and mainly comprises on the female with the males as par with them. Consumer is considered as a king of market and marketers are focusing on the different factors to attract more and more customers. These factors include the buying habits, preferences, taste, like and dislikes of consumers and accordingly they need to revise its policies and marketing mix. As we see the buying behavior of consumers of this market it is obvious that people are highly quality conscious. People are highly associated with the brand due to quality and results of the specific brand. They are attached emotionally with the brands and they can wait for the product during the non availability of the product. Although people are becoming brand conscious but the actual brand decision is in their hands (Desai,2014).

2.3.10. The concept of clutter

Paying homage to Rosengren's, (2008) efforts in developing a shared language for discussion of clutter, this paper likewise draws upon a variety of literature's to attempt as comprehensive of a conceptualization of the term as possible.

Both academics and practitioners employ clutter to denote a large or excessive amount of advertisements in a medium (Speck and Elliot, 1998; Ha and McCann, 2008; Rosengren, 2008). With advertising space high in demand, media providers are incentivized to cram in as much advertisement as possible. The level of advertising eventually reaches a breaking point, where it

exceeds that which is desirable or even tolerable by consumers and so becomes clutter. It is perceived to be undesirable not only to consumers, but by consequence also advertisers and media providers (Ha and McCann, 2008).

Advertising clutter can also be operationalized as a state of high intrusiveness and a high quantity of advertisements in a media vehicle (Ha and McCann, 2008). In fact, these are the two components which effectively make up the non-competitive dimension of advertising clutter (Kent, 1993) and can be defined more specifically: Quantity concerns the physical number of ads present as well as the relative proportion of ad space in the media vehicle. Clutter quantity has a cumulative and negative effect on consumer attention and processing; too many ads will overload consumers with information (Ha, 1996; Al Shuaili, 2016). Intrusiveness represents the extent to which advertisements interrupt the flow of editorial content in the media vehicle. Consumers of the media might react negatively to these intrusions and consciously try to resist persuasion or altogether avoid the ads (Ha, 1996; Rosengren, 2008).

There rests, however a third component to clutter, that is the competitive dimension of advertising clutter: Competitiveness or competitive advertising interference (Kent and Allen, 1994), represents the degree of similarity between ads from brands competing in the same category, and the proximity of these ads in relation to one another in the medium (Ha, 1996; Kent and Kellaris, 2001). The closer the resemblance or placement the more likely it is they will breed confusion amongst consumers (Rosengren, 2008).

2.3.11. Classification of Advertising

The nature and purpose of the advertising differ from one industry to another or across situations. Marketers advertise to the consumers market with national, local and direct-response advertising which may involve stimulating primary or selective demand. They use industrial, professional and trade advertising for business and professional markets. To better understand the nature and purpose of advertising it can be classified by the following criteria:

a. National Advertising: Advertising done by a company on a nationwide basis or in most regions of the country and targeted to the ultimate consumer market is known as national advertising. The companies that sponsor these ads are generally referred to as national advertisers. Most of the advertisements for well-known brands that we see on TV or in other

major media are examples of national advertising. It informs or reminds consumers of the brand and its features, benefits, advantages and uses or reinforces its images. Mollahoseyni, A. (2012).

b. Retail/Local Advertising:

Another prevalent type of advertising directed at the consumer market is classified as retail/local advertising. This type of advertising is done by major retailers or smaller local merchants to encourage consumers to shop at a specific store or use a local service such as local financial companies, bank, hospitals, fitness club, restaurants, show rooms etc. While the national advertisers sell their products at many locations, retail or local advertisers must give the consumer a reason to patronize their establishment. Retail advertising tends to emphasize specific customer benefits such as store house, credit policies, services, atmosphere, merchandise assortment and other distinguish attributes Pauwels, K., Hanssens, D. M (2003).

c. Direct-Response Advertising:

Direct-response advertising is a method of direct marketing whereby a product is promoted through an advertisement that lets the customer purchase directly from the manufacturer. Direct response advertising has become very popular in recent years owing primarily to changing life-styles. The convenience of shopping through the mail or by telephone has led to the tremendous increase in direct-response advertising. Risso, J. S. (1999).

d. Primary and Selective Demand Advertising:

Another way of viewing advertising to the ultimate customers is in terms of whether the message is designed to stimulate either primary or selective demand. Primary Demand

Advertising is designed to stimulate demand for the general product class or entire industry; Selective Demand Advertising focuses on creating demand for a particular manufacturer's brands.

Primary demand advertising is often used as part of a promotional strategy to help a new product gain acceptance among customers. Products in the introductory or growth stages of their life cycles often have primary demand stimulation as a promotional objective because the challenge is to sell customers on the product as much as it is to sell a particular brand. Michal Register & Judy Larkin, (2003)

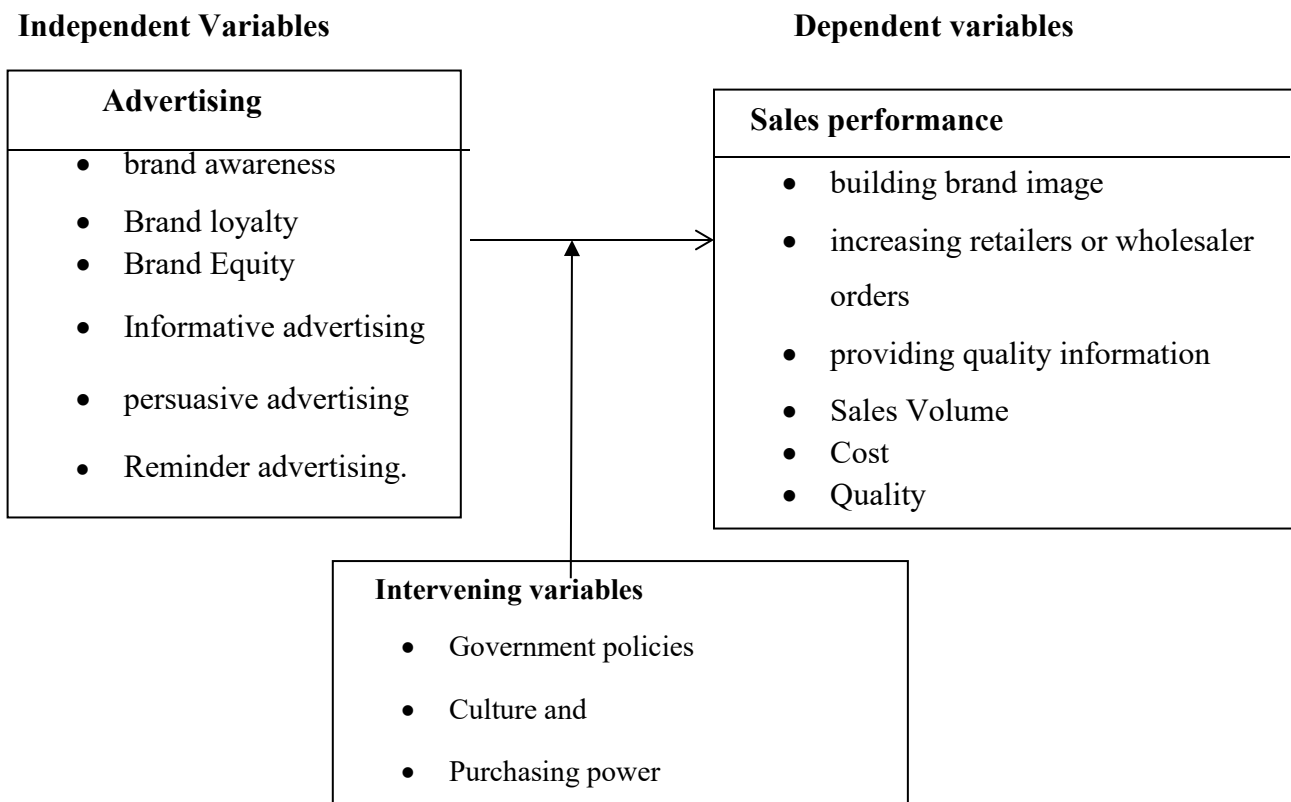
e. Business to Business Advertising:

Sometimes the ultimate customer is not the mass consumer market but rather another business, industry, or profession. Business-to Business advertising is used by one business to advertise its products or services to another. It is categorized in three basic categories like industrial, professional, and trade advertising. Mang, M.B. (1992).

2.4. Conceptual Framework for the Study

The following figure 2.5. represents the conceptual framework of the study;

Figure 2. 5: Conceptual Framework for the Study



Source: Adapted from: Pride, F et all (1989); *marketing concept and strategies* (sixth edition) Boston Houghon miffin company

The diagram above shows the relationship between independent, dependent variables and intervening variables. The independent and dependent variables will focus on how effective advertising affects sales volume in the private companies in terms of either informative, Informative advertising persuasive advertising Reminder advertising leading to brand awareness building brand image increasing retailers or wholesaler cost and orders providing quality

information Whereas the intervening variable will affect both independent and dependent variables. Lastly, the framework postulates that advertising which leads to product awareness, product loyalty and later brand equity leads to achievement of sales volume. Therefore, the framework postulated a positive relationship between advertising and sales performance.

2.5. Empirical Literature Review.

2.5.1 Advertising

Advertising is one of the fundamentals of the promotion mix which is believed well known in the general marketing mix. This element is as an outcome of its visibility and occurrence in all the other marketing communication essentials. Advertising is any rewarded type of non-personal arrangement and promotion of thoughts, product or services by an acknowledged benefactor (where the origin is the sponsoring business).(Kotler & Armstrong, 2010).

Perreault, (2000) states that advertising demands to endorse the seller's products by ways of making them public through various kinds of media like printed and electronic. This is validated on the grounds that messages can reach enormous numbers of people and make them alert, convince and remind them about the organization's offerings. From a marketing organization perspective, advertising is an essential strategic tool for preserving a competitive advantage in the marketplace. Advertising budgets symbolizes a sizeable and developing aspect in the cost of products and service (Kotler & Armstrong, 2005).

Borden, (1964) claimed that advertisement deals with guidelines and proceedings associated to amount to utilize for example the delay to be placed on advertising and copy platform to assume product image preferred and corporate desired and finally mix of advertising to the business through the exchange to consumers. He then concluded that advertising stimulates new consumers to an organization besides increasing customer loyalty, as it finds to make the brand well known to people. Yen et al., (2008) argued that investing big money on advertising results to enhancing customer's acknowledgment on its product and customer's good feeling on its brand image. A study by Aliata et al. (2012) established that the amount spent in advertising a product or service has a statistically significant relationship with the sales performance measured by profits. However, the studies did not indicate the effectiveness of advertising strategy in relation to improving sales volume of a product.

Similarly, Abbott et al. (1997) analyse the significance of long-run advertising investment in the UK brewing industry and report that both main media and below the line advertising have no significant impact on the total barrelage sales in the UK. Using unbalanced panel data of 34 meat-processing companies in Greece, Yiannaka et al. (2002) report total advertising by the companies of the sector as a very important determinant of their sales. Using Chinese data, Zhou et al. (2003) show that advertising has a long-term effect on sales of consumer durables, but find no long-term effects on sales of consumer non-durables. More recently, Osinga et al. (2010) report that in general, direct to consumer advertising has only a modest sales impact.

Studies relating advertising influence on profitability of the company or industry (e.g., Abraham and Lodish 1990, Lev and Sougiannis, 1996, Graham and Frankenberger 2000) also report mixed evidence. Paton and Williams,(1999), for instance, report a positive link between advertising and profitability for those companies operating mainly in consumer goods industries.

Similarly, Notta and Oustapassidis, (2001), examining the influence of various media advertising on profitability, find that only TV advertising has an influence on profitability in the Greek food manufacturing sector. Eng and Keh, (2007) indicate that advertising expense leads to higher return on assets and the effects last up to four years.

According to Aaker and Myers (1982), advertising is part of a total marketing program and its function is usually to communicate to large audiences, and it often performs this function very efficiently. There exist a large number of studies that examine advertising effects on sales (Magna and Mueller 1991, Duffy 1999, Yiannaka et al. 2002), earnings (Abraham and Lodish 1990, Lev and Sougiannis 1996, Graham and Frankenberger 2000), and more recently on market value or returns of firms (e.g., Hirschey and Weygandt 1985, Graham and Frankenberger 2000, Shah and Akbar 2010, Shah et al. 2009, Joshi and Hanssens, 2010).

Theoretically, advertising can have a direct influence on sales performance through its impact on market value or generating high returns for the advertising firms. Similarly, advertising can also have an indirect influence on sales performance by virtue of its ability to influence sales and profitability of a firm (Srinivasan and Hanssens 2009; Joshi and Hanssens, 2010).

Empirical evidence on advertising influence on sales performance, however, is largely mixed and inconclusive (see e.g., Bublitz and Ettredge, 1989, Chauvin and Hirschey 1997, Graham and Frankenberger 2000, Shah et al. 2009, Core et al.2003).

Similarly, studies of advertising effects on sales performance, earnings or market value largely come from developed countries with little such evidence in developing economies. Our study contribute to the extant literature by providing some initial empirical evidence of a positive and statistically significant influence of advertising on sales, earnings, and market value of a sample of listed firms in consumer goods sector in Pakistan. We do so using a pooled sample of consumer goods firms listed on Karachi Stock Exchange (KSE) for the period 2004-2007.

According to Musa, (2012) did the research about the relationship between advertising and performance of private organizations in Rwanda using a case study of MTN Company. He found that advertising has a direct relationship with overall business performance in a company.

2.5.2. Sales Performance

Sales performance is the extent of the quantity of products sold or services sold in the regular operations of an organization in a specified period. It is the amount of goods sold in number or quantity of units throughout the regular working times of an organization (Moghareh et al. 2009). Sales performance is the addition of number of aspects consists of returns, gross sales, delayed shipments, delayed billings and credit memos as defined by Haskell, (1980). Colletti and Tubridy (1993) give the subsequent directory of sales activities for victorious salespeople: selling, entertainment, working with distributors, be present at meetings, working with orders, servicing goods, servicing accounts, training and recruiting, travel, communication/information. It is also mentioned that the performance procedures functioning at varied times are not greatly connected and the relations between various performance procedures are not powerful (Chonko, Roberts &Dubinsky, 2002).

A different set of criteria mentioned by Campbell, (1990) include 10 elements which are customer relations, sales volume and ability to achieve quotas and management of expense accounts, company knowledge and product understanding, customer information and competitor comprehension and time management and planning that are significant for sales performance. From a another point of view, Campbell's checklist can be successfully summarized to four

mainly objective performance measures such as yearly sales volume, customer relations, profit growth and gross profit per sale. However, accomplishing significant outcome through higher sales growth, sales volume and profit is believed to be tricky for most companies, in that, customers often use price as quality signal. This makes it complicated to accomplish perception of both high quality and low price that have direct attitude with volume of sales, growth in sales and profit (Karmani & Rao, 2000).

Al-Rfou, (2015) conducted a study on Competition and Organizational Performance: Empirical Evidence from Jordanian Firms. The study surveyed 33 industrial firms listed at Amman Stock Exchange by the beginning of 2010. The result of multiple regression analysis indicated that the intensity of market competition had a positive strong effect on organizational performance of such companies. This result, however, is expected as Jordanian companies have faced intense competition lately due to attractive investment climate of Jordanian market. The study was a quantitative approach study which aimed at industrial sector of Jordan hence further research can be conducted on other sectors in other countries since the results from the study cannot be concluded. A qualitative research can be conducted to include a wider examination on the time perspective of the variables.

Norouz et al. (2015) focused on the evaluation of the connection between competition and management accounting systems change and performance of companies. The study carried out measurement samples with 120 questionnaires from accounting managers and experts in production companies accepted in Tehran stock exchange valuable papers and also the service companies of 3 foods, health and make up and dress companies. This research is an applied research; its combination is analytical – descriptive. By using correlation and regression method, the research assumptions were tested. The result showed that change is the most effective factor between competition and company management. The results concluded that competition has a significant effect on company performance, strategic decisions, technology selection and production quantities. The study was based on evaluation of competition which is one part of the micro environmental factors hence a study in other micro environmental factors will be useful. Further research can be conducted on the selected competition intensity on organization performance.

2.5.3. Effects of Advertising on Organizational Performance

Coming to the other aspect like whether high a high or low quality firm engages in high advertising there is huge signaling literature on advertising spending. Osogbo, (2014) found that the high quality firm will reduce advertising spending and increase price from their respective complete information levels. The intuition behind this is that when information is incomplete, the high quality firm cannot exploit its advantages.

Whenever there are advantages in quality, a firm will want to spend less on advertising. Nelson (1974) explained the way in which advertising as information operates. Manufacturers of experienced goods can increase the demand by advertising heavily, lowering the prices, and increasing the quality; however, consumers have greater marginal revenue for search goods as compared to the experienced goods. In the pharmaceutical industry, researchers have found small primary demand effects of detailing and direct-to-consumer advertising (Fischer and Albers (2010); Iizuka and Jin (2005)). For consumer package goods, Slade, (1995) estimates a dynamic model in which firms choose prices and advertising intensity for the saltine crackers category and advertising expands the demand for the category. In cigarette and auto industries, researchers have documented mixed associations between advertising and primary demand. The main reason for this mismatch is the inelastic demand for these products. (Kwoka, 1993). Erdem and Sun (2002) use individual scanner panel data and showed an increase in advertising can reduce uncertainty across categories for the advertised brand. Balachander and Ghose, (2003) also show advertising spillovers to extended brands in the consumer product Category.

2.5.4. Relationship between advertising and sales performance

The objective of advertising is to increase sales revenue hence improving sales performance David et al (1988).

Effective advertising can increase sales of advertisers products, and by so doing increase their profits. Advertising provides consumers and other prospects with information about different products that are available to them. This enables consumers to compare and choose between the products and encourages competition. Competition encourages companies to be more price and quality conscious so as to retain customers and clients (Cambridge international college training manual, 2000). Advertising combines with a host of other influences to determine what contribution advertising makes to the buyer's purchase decision. The retailer John Wanamaker is

said to have remarked that he knew that only half of his advertising was effective but he was unable to know which half it was.

It is through advertising or other forms of promotion that brands in different market segments can effectively tell people in the market that a product is intended specially for them. Engel 1991, mc Gann and Russell, 1998). The significance of advertising is to let customers know that an established brand is still around and it has certain characteristics, uses and benefits. (Pride et al 1989).

Gordon, (1993) states that companies advertise in order to compete in a new and aggressive way with in the marker, to increase their market share through increased customer , utilize the low cost way of teaching customers to create marketing approaches. David et al (1988) recognizes that many scholars have heard different views on the effect of advertising on sales performance .however most of them agree that effective advertising will eventually increase revenue.

Jefikins, (1990) has stated that in a competitive society there is not only competition between rival advertisers but choice between their rival products and services. Also people forget very easily and therefore the biggest advertiser in the world will get bankrupt very easily if he stopped advertising. Dunn 1968 points out that the market needs and conditions are changing; therefore there is need for creativity in selling. This will show the company what to produce so as to satisfy the needs of the users. When companies produce such a commodity and they advertise, there is an automatic high response in consumption. Thus showing the relationship between advertising and sales performance.

Penchman, 1992 found out that advertising has a greater potential of building awareness of people hence obtaining a high preference in the market share because a big percentage of the population has one or more of the mass medium such as radios and television. This fact introduces the advertised company to many people.

Pride F et al (1989) observes that advertising often stimulates demand thus stimulating sales. For advertising to have a direct relationship with sales revenue, the entire market mix must be viewed by the customer as the right one. Engel et al 1991, mc Cathy and perveault(1988). Companies advertise to create familiarity with or of a product, which helps to create confidence in it. If a product is simply made available, it is important to inform people of its existence.

The decision to advertise implies a decision to compete in a new and aggressive way with in the market. This means the provider will no longer rely too solely upon personal sales man ship to gain distribution. Instead he implies his readiness to and intention of speaking directly to consumers in abroad countries. The decision to advertise also helps the marketer to expand his share in the market. Advertisement helps in development and expansion of the market and the consumer acceptance of the product hence there is a relationship between advertising and sales performance.

2.5.5. The relationship between sales promotions and consumer buying behavior

According to Quelch (1989) promotional tools, materials and techniques have dramatically increased in the recent years by marketers. Then Blattberg and Neslin in (1990) admitted that sales promotion has an impact on consumer buying behavior by focusing on promoting occasion. Schneider and Currim (1991) argued that customer's promotion acceptance is based on the out and in store sales promotion. Later on Schultz (1998) indicated that sales promotion has a direct effect on customers' behaviors.

Chandon, Wansink, and Laurent (2000) pointed that there are other factors can influence consumer buying behavior rather than reasons beyond price saving. Pramataris (2001) argued about sampling which is a good technique and it has less cost and an effective tool to attract customers. Fill (2002) indicated that promotion tools has a huge impact on consumer buying during any competition; therefore discounted price one of these tools which effect customers decisions. In regards to Pickton and Broderick research (2005) sales promotion can result in increasing sales volume with less profit. Others also agreed that sales promotions' is aiming to influence consumer buying behavior by introducing new brand product which is going to be targeted the customers who have no previous experience with it(Solomon, Marshall and Stuart, 2008; Kotler and Armstrong, 2004). However, Esfahani and Jafarzadeh (2012)found that psychological variables have a significant relationship with sales promotion; therefore they concluded that there is no significant relationship between impulsive behavior and sales promotion.

2.5.6. Private organization

According to (Lafayelle App.2007) said that private organization refers to any person, partnership, corporation, association or agency which is not a public body that is operated for

profit. It can be a self-sustaining, non-federal entity, constituted or established and operating on Federal property, by individuals acting outside any official capacity in the federal Government.

The following is an example of a case law on private organization:

A private organization is an establishment which maintains selective members, is operated by the membership, does not provide food or lodging for pay anyone who is not a member or a member's guest and is not profit oriented. (Chris Pisarski 2009).

Investopedia Explains private companies may issue stock and have shareholders. However, their shares do not trade on public exchanges and are not issued through an initial public offering. In general, the shares of these businesses are less liquid, and the values are difficult to determine.

Private companies do not sell shares on a publicly-traded stock exchange. They include partnerships, sole proprietorships, or corporations. They usually do not want to be public so that they can protect proprietary technologies, maintain unique marketing strategies, and control disclosure of their financial. Therefore, in order to find information about a private company, you need to determine likely sources where they would be found. In addition to directories and websites, those include industry publications, regional sources, trade shows and expert interviews. (Chris Pisarski, 2009).

As a consequence, we employ three types of models linking advertising with sales, profit, and market values. We aim to contribute to the literature in a number of ways. First, we provide one of the initial evidence of advertising influence on various performance metrics in a developing economy. Second, we use a homogeneous sample of firms in the consumer goods industry. Third, rather than using a single performance metric largely used in the existing studies, we employ three performance metrics (sales, earnings, and market value) predominantly used in the extant literature to gain an insight into the nature of advertising. Finally, our results can provide a good starting point for initiating further empirical studies on the influence of advertising on sales performance in the developing markets where there is limited existing evidence.

2.6. Research gap

With the rapid growth in technology, the internet is becoming an important one stop point for consumers in finding most of their needs. Be it communication, entertainment, shopping, information search, internet serves as a panacea for all their requirements. While a lot of research

has been done on advertising, but the effect of advertising on sales performance of the private organizations in Rwanda is a segment that has been missing from these studies.

Research done by Ismail, K., Hussain, J., Shah, F., Hussain, A., (2012) “Effect of marketing communication on sales performance of multinational companies: a case of proctor & gamble company” Results shows there is a significant connection between marketing communication and sales performance; marketing communication tools help firms to access target current and potential customers and persuade them to purchase their products. The study was conducted on a global company hence may not apply in local companies within a country. The study can be conducted in a local company setting so that to associate with the local environment. The study failed to show how different marketing conditions (Eg developed countries) may be explained.

Research done by Keramati, A., Ardalan, A., Ashtiani, P., (2012) “Relationship between advertising and sales performance in the context of the Iranian steel private companies” The results indicated that advertising has considerable link on sales performance. Limitation of the study was the methodology employed only 12 sample of private firms instead of all steel companies and customers. Further research should be on investigating other forms of advertising which should be able to grow sales performance. The study has not indicated the independent relationship between advertising strategies and sales performance. The study did not examine all variables of the advertising. To fill these gaps, the current study sought to determine the effect of advertising on sales performance of private organizations in the context of the Inyange industries.

CHAPTER THREE.

RESEARCH METHODOLOGY

3.0. Introduction

This chapter presents various methodological aspects. It presents the target population, the techniques used in sampling selection, data collection and the data analyse. It also discusses the administrative formalities that enabled the researcher to access data and the units of analysis and identification on the ground. The approach also presents the analytical strategies for data collection and research ethics.

3.1 Research Design

Research design refers to the way information is gathered from subjects and, in the case of experimental research, the nature of the treatments that are controlled by the investigator. The study adopts the quantitative approach of data gathering. This approach is concerned with the acquisition and interpretation of data that is presented in the form of discrete units. The data compared with other units by using statistical techniques (Gall et al., 1996). Quantitative research approach attempts to discover something about a large group of individuals by studying a smaller group. Unlike qualitative research, quantitative methods are those which emphasize on facts, numbers, and frequencies. The respondents can represent the opinions of the whole population (Ibid). The larger group is the population and the smaller group is referred to as the sample (Gall et al., 1996).

3.2. Choice of the Study Area

Gasabo district was chosen as the area of study (case study) also references from Inyange industries served as an important source of most of the contents of this research.

3.3. Population of the Study

According (Kothari, 2002). Population is a group of individuals who have one or more characteristics in common. To achieve good population validity, quantitative researchers must select their sample from a defined population to which they wish to generalize their results (Gall et al., 1996). The population represents the larger group which the researcher intends to generalize the results of the research. However, due to the large size of the population, the researcher cannot test every individual in the population. This limitation is due to cost and

limited time; accessible population was therefore used for this research. I selected an accessible population from the target population and from this accessible population, I drew the sample.(Saunders et al., 2007).

The target population of the study comprised of inyange industries operating in Kigali region in Rwanda. The unit of analysis included Inyange industries and customers located in Kigali city in Rwanda with 212 inyange employees and managers from marketing department and others departments and 168 consumers. This population was relevant for the study because Inyange industries are located in Kigali, Rwanda. The researcher adopted a census survey to select Inyange industries operating within Kigali region because a census eliminates sampling errors and provides data on all the individuals in the population (Saunders et al., 2009). Data was collected from Inyange soft drink companies in Kigali.

3.4. Sampling Design and Sample Size Selection

A sample is part of the population or, sub set from asset of unit provided by some process or other usually by deliberate selection with the objective of investigating the properties of parent population or set.

3.5. Sample Design

Stratified sampling technique was used to select the units for study. 54, employees and management of the inyange industries and customers were used as a study sample to represent the population of consumers and staff. This sample was stratified into each of the groups of study and respondents were randomly selected from each stratum to come up with the representative sample of 54 for the entire population. This was a viable sampling technique since it gave the advantages of focusing on important sub-populations and allowed the use of different sampling technique for different sub-populations in improving the accuracy of estimation.

Sample size

According to the theory of Bouchard said that when all population is between 5000 and 100 the sample will be: $n = \frac{63}{n+63}$

63 formulas

$380 \times 63 / 380 + 63$

$23940 / 443 = 54$

Table 3.1: Sample size

Product company	Management and staff	Customers	Simple Size
Inyange industries	34	20	54

3.6. Source of Data Collection

A researcher was obtaining the information from primary and secondary data source.

3.6.1. Primary Data

The primary data information was that information drawn from targeted group by a researcher. So, this information is taken as personal judgment of the researcher. This gave the data which was given by targeted sample. In source I used questionnaires as data collection method.

3.6.2. Secondary Data

This is the information that is gotten from the written documents or likewise Berman 1982-63) therefore the main source of secondary data was be from text books, journal, reports, magazines papers libraries as well as internet search.

3.7. Data Collection Methods

The various tools that were used as a practical means of obtaining primary and secondary data related to the topic include: Questionnaires were distributed to respondents were taken as the appropriate techniques of data collection for this research As researcher acquired more information from libraries, E-libraries, because I was not a pioneer to carry out a research, so, from libraries and documents I obtained the basic effective data about the fields, interviews and case studies for this research because under the circumstances these were the best methods to collect the data needed to address the research questions.

3.7.1. Interview

Furthermore, the used of interview was preferred based on bell's (1993), argument that interviews Centre around the topic and in skilled hands may produce quite valuable data, though the interview may require a great deal of experience and can be time consuming. An interview approach helped me, answering my research questions by allowing me to know the participants, perception, aspirations, and expectations on the topic of my inquire.

Cohen and Manion (1985), state that interview may serve three purposes as distinctive research techniques: first, interview may be used as a principal mean of gathering information having direct bearing on the research questions.

Cohen and Manion (Ibid), described this a process that provides access to what is "inside a person's heads" making it possible to understand what a person knows, what a person likes or dislikes (values and preference), and what a person thinks (attitudes and beliefs).

Secondly, it may be used to test hypotheses or suggest new one or as an explanatory derive to help identify variables and relationships.

3.7.2. Questionnaires

This is an instrument that consists of a set of questions where by a large number of people is asked to answer in order to provide data/information to the research. The questionnaire was written in very simple language to avoid ambiguous answers from the respondents. A questionnaire can be a useful tool for gathering information. It can be used for survey research, gathering data or testing a hypothesis. For a questionnaire to be effective and give you the information, you are looking for, you were needing to design a survey that is easy to understand and easy to complete. There are three basic types of questionnaire. The close-ended, open-ended and a combination of both (Kumar, 2005).

The questionnaire contains both close ended and open-ended questions. This makes it possible to find out how many people use a product or service and what they think of it in the same form (Kumar, 2005).

The close-ended questions include all possible answers or pre-written response categories. Respondents are asked to choose their answer among the questions. This type of question is used to generate statistics in quantitative research. In addition, because these follow a set of formats, most responses can be entered easily into a computer for easy analysis (Kumar, 2005).

The open-minded questions allow respondents to answer in their own words. These kind of questions does not contain boxes to tick but instead leaves a blank section for respondents to write in an answer. Due to the fact that there are no standard answers to these questions, data analysis is more complex. This is because opinions are sought rather than numbers. Fewer-open minded questions were included. Whereas close-ended questionnaires might be used to find out how many people use a product or service, open-minded questionnaires might be used to find out what people think about a service (Kothari, 1985).

3.7.3. Observation

This is a systematic viewing coupled with consideration of the seen phenomenon as they occur in nature with regard to cause and effect mutual relationship. The researcher used this instrument to observe the attitudes of respondents towards the topic being researched on.

3.8. Data Processing and analysis

In a study which is mainly qualitative like this, the analysis for the most part, is also based on the interpretation of the researcher. So, for this particular study, the analysis started from the phase of data collection. After all data had been collected, the researcher had to obtain a holistic picture of all the data and to analyse it. The researcher used the process described by (Yusoff, 2004:11-99 and Mouton 2001:194) during the data analysis process:

Data from different data collecting methods (interviews, literature and case studies) was organized and then categorized according to research questions. Information was compared with categories in order to identify variations and similar meanings:

Similar data was categorized together Variations were categorized together Useless information was eliminated.

Where information was still needed, it was easily identified, obtained and then categorized

After each interview,

The researcher discussed the answers with specific respondents to make sure that he/she had been well understood.

Findings on the case study and literature were discussed with colleagues for better understanding.

The aforementioned approach assisted the researcher in ascertaining in which areas review was needed in order to maximize advertising.

3.8.1. Validity of the Instrument

In order to ensure validity, the researcher used multiple sources of data such as literature, interview and case study. Literature was discovered from sub-specific published journals, text books, articles etc to ensure that information was taken from valid and reliable sources. An interview schedule with previously developed questions based on the key concepts and research questions of the study was used in each interview. The interview schedule ensured that the respondent categories that belonged to the same unit were asked similar questions during the interviews. Each participant provided answers to his or her personal experience, and recorded. The researcher discussed his interpretation with the participants to ensure that it was interpreted correctly. The results of the case study were discussed with an experienced colleague to ensure that the researcher interpreted the said results correctly.

3.8.2. Reliability of the Instrument

The researcher represented how data was collected (literature, interviews and case study), how it was analysed, how the sampling was done and how conclusions were reached. The researcher interviewed respondents who were investigated in the advertising, performance, private organization. This is because, under the circumstance, they were the most experienced people from whom to obtain information in this research. Information was categorized and documented in such a manner that should another researcher use these notes he/she would be able to replicate the study. However it needs to be kept in mind that should interviews be conducted with the same respondents using the same interview schedule in the future, the answers might appear different because the respondents might have gained training and experience in the meantime.

3.9. Data Analysis

Putting the data into some tables, with percentages used to express the data in a ratio form used. The tabulation plays a big role in presenting the information concisely and precisely, thus easy to read, interpret and understand the gathered data. So the data obtained was summarized into tables where necessary applicable. These are elements included in data analysis

3.9.1 Editing

This method facilitates the researcher to examine errors and omissions in the collected data and mark necessary correction in the same. It involves checking all question so as to detect errors and

Eliminate unnecessary information and effort made to reduce errors that could appear during the course of the researcher process, thus create better ground for coding and tabulation.

3.9.2. Coding

In this study, coding was used to summarize data by classifying different responses in categories easily understandable. Coding was done by developing coding frames that was made from questionnaires asked. Answers to particular questions were noted leading to coding patterns for which coding frames frequently accounts were done to facilitate tabulation.

3.9.3. Tabulation

In this study, statistical tables such as percentages and frequency occurrence of responses to particular questions were used. The tabulation process involves putting statistical table and determination of the frequency of the responses to popular questions and their calculated percentages. Tabulation was opted because it helps to arrange data in a numerical form and interpret accordingly.

CHAPTER FOUR

4.0. PRESENTATION, ANALYSIS, AND INTERPRETATION OF THE FINDINGS

4.1. Introduction

This chapter focuses on the presentation and discussion of findings on the relationship between advertising and sales performance. It is based on demographic and objectives of the research which includes examining the forms of advertising, establishing the level of sales and relationship between advertising and sales performance. It is to be presented in form of tables of percentages and frequencies.

4.2 Findings on Respondent's Profile

This section aims at gathering basic information on the subject. The information sought includes gender, age, education level, and departments. All these variables helped to sort out the influence of each category towards advertising and sales performance.

Table4. 2: Respondent's Profile

Details		Age for Employees & Management		Details		Age for Customers	
Age	Frequency	Percentage	Age	Frequency	Percentage	Age	Percentage
50-59	6	17.64	50-59	5	25.00		
40-49	9	26.47	40-49	11	55.00		
30-39	13	38.24	30-39	3	15.00		
20-29	6	17.64	20-29	1	5.00		
Total	34	100.0	Total	20	100.0		
Gender for employees & management			Gender for customers				
Gender	Frequency	Percentage	Gender	Frequency	Percentage		
Female	21	61.76	Female	14	70.00		
Male	13	38.24	Male	6	30.00		
Total	34	100.0	Total	20	100.0		

Level of education for Employees & Management			Level of Education For customers		
Level of education	Frequency	Percentage	Level of education	Frequency	Percentage
Master	5	14.71	Master	0	0.00
Degree	24	70.59	Degree	9	45.00
Diploma	3	8.82	Diploma	4	20.00
O and A level	2	5.89	O and A level	7	35.00
Total	34	100.0	Total	20	100.0
Marital status for Employees & management			Marital status for customers		
Details	Frequency	Percentage	Details	Frequency	Percentage
Married	21	61.76	Married	13	65.00
Separated	2	5.88	Separated	0	0.00
Single	7	20.58	Single	4	20.00
Widowed	4	11.76	Widowed	3	15.00
Total	34	100.0	Total	20	100
Department of respondents					
Details	Frequency	Percentage			
Management	11	32.32			
Marketing	23	67.64			
Total	34	100.0			

Source: primary Data,2019

4.2.1. Interpretation For Inyange industries employees and management.

The table above indicates that 17.64 per cent of the respondents were between the age of 20-29, 38.24 per cent of the respondents were between 30 -39, 26.47 per cent of the respondents were between 40-49, and 17.67 per cent of the respondents were between 50 -59. This shows that most Inyange industries employees and management of the respondents were mature people.

Here a high percentage of inyange industry employees lie between the ages of 30-39 years is shows most of them are mature and having completed in the higher learning institutions now days leading them to get employment, gaps show that probability of employees of Inyange industry are between 29 and 41 which means these are a combination of youth and mature, the people who understand the significance of research.

The table above indicates that 30 per cent of the respondents were male while 70 per cent of the respondents were female. This shows that research was not gender balanced. This means that the majority of employees who are working in Inyange industry are women compared by men. And this also means that Women are more preferred to men in food processing because are able to maintain the cleanliness and hygiene standards required food processing.

From the above indicates that, 70.59 per cent of the respondents were degree holders, 14.71 per cent of the respondents were masters holders, 8.82 per cent of the respondents were Diploma holders and 5.89per cent were O and A level certificate holders. This implies that most of the employees were degree holders who understand the significance of advertising and research.

The table above indicates that 61.76 per cent of the respondents were married, 20.58 per cent of the respondents were single, 11.76 per cent of the respondents were widowed and 5.88 per cent of the respondents were separated. This implies that most of employees of inyange industry were having a family.

The table above indicates that 67.64 per cent of the respondents were from the marketing department, 32.32 per cent were from management. This implies that the marketing department understands the importance of advertising.

4.2.2. Interpretation For customers.

The table above indicate that 25 per cent of the respondents lie between 50-59 years, 55 per cent of the respondents lie under the ages of 40- 49 years, 15 per cent of the respondents lie between

the ages of 30-39 years, and 5 per cent of the respondents lie under 20- 29 years. This means their products liked mostly by mature people.

The table above indicate that 70 per cent of the respondents were female and 30 per cent of the respondents were men. This means that the majority of clients of inyange industries who were influenced by advertising were women. This means mostly attract and psychology behaviour when they compared by men.

The table above indicate that 45 per cent of the respondents were degree holders, 20 per cent of the respondents were diploma holders and 35 per cent were O and A level certificate. This implies that most of customers were degree holders.

The table above 65 per cent of the respondents were married, 20 per cent were single and 15 per cent were windowed. This means that most of customers of inyange products and services were having a family.

4.3 Presentation and Discussion of the Findings

This section presents the findings of the study as per stated objectives. The analysis and discussions are based on the responses from questionnaires, interview, and secondary data information.

4.4. Findings From to Customers,

First Objective Examine the role of advertising strategy in shaping the public perception towards Inyange products and services.

Issues examined to relate advertising and public perception are measuring media exposure, measuring engagement and influence if the company has produced positive products and services or not. The first objective of the study intended to examine the extent to which advertising relates to public perception.

According to Pandey (2010), Advertising plays a major role in modern life. It shapes the attitudes of the society and the individual and inevitably influences consumer behaviour. The consumer has to contend with a huge amount of information and be able to make a choice, draw conclusions and make important decisions. The most important task for a business advertising

itself is to present its product in such a manner that the whole environment around the buyer turns into a positive emotional stimulus. The main goal of advertising a certain product or service is to attract the consumer's attention and analyse the impact of advertising on consumer behaviour, which is determined by a multitude of factors, in which the behavioural factors play the most important role. Private organizations need to respond to public perceptions regarding public needs and demands, and maintain equity in provision of public goods and services (Jones & Thompson, 2007). Mention is often made of effectiveness or ineffectiveness in most discussions on management of private sector organizations. To different people in different situations and environments, effectiveness means different things. In profit-oriented organizations, it often refers to monetary returns or outputs in respect of a given input (Siddiqi, 1995). According to Malik, (2006), effective managers are result-oriented, they achieve management objectives. They are holistic in thinking and actions, carry everyone along and limit themselves to few important carefully selected activities that are central to the organizations' goal.

Respondents were asked to state whether there is recognition of the inyange industry products. The findings are presented in Tables below,

Table 4.3. Advertising plays a major role in shaping public perception towards to the inyange products and services?

Details	Frequency	Percentage
Strongly agree	11	55.00
Agree	6	30.00
Not sure	2	10.00
Disagree	1	5.00
Strongly disagree	0	0.00
TOTAL	20	100.0

Source: Primary data,2019

The table above indicates that 55% of the respondents strongly agreed that advertising plays a major role in shaping public perception towards the company products and services, 30% of respondents agreed that advertising is a key used by inyange industries to plan of action a major role in constructing public perception towards the company products and services and 10% of respondents were not sure that inyange industry made advertising design as major role in shaping public perception towards the company products and services. This implies that Advertising is one of the most important and a basic ingredient in today’s business environment. Malik, (2006), Without advertising neither the inyange industries nor the consumer can survive. Inyange Industries cannot survive because; it will not have any tool to communicate to the consumers. Survival becomes difficult for consumers because, they will not have any information about the product, service or company. Hence, comparison and search for a better product is impossible. And also Inyange industries create faith and goodwill in the minds of the consumers and it should contain the core principles of believability, uniqueness, reputation and reasonable claims.

Table 4.4: Advertising is providing important information about goods and services to consumers.

Details	Frequency	Percentage
Strongly agree	13	65.00
Agree	7	35.00
Not sure	0	0.00
Disagree	0	0.00
Strongly disagree	0	0.00
Total	20	100.0

Source: Primary data,2019

Data from the field indicate that 65 per cent of the respondents strongly agreed and reported that advertising play big role in providing important information about goods and services to consumers, 35 per cent of the respondents reported that advertising is providing important information about goods and services. This implies that Consumers generally use advertisement as a means of obtaining information about the products and services, or brand or the inyange

industries. They cannot be informed unless they comprehend the message (grasp the message mentally and understand it fully). Which means advertisement is like a channel that should be used by Inyange industries to communicate to the customers and let them to know the new subscribers, and the marketer must inform consumers of the existence of the new item and convince them of the benefits flowing from its use. Nowadays, people have access to the endless supply of advertisements. However, they fancy something new, entertaining and something that can grab their attention. Boring advertising will not sustain in consumers' minds long enough. Therefore, entertainment has been termed as a significant advertising strategy for increasing advertising effectiveness and imploring them to make a purchase (Madden & Weinberger, 1982).

Table 4.5: Consumers can often become victims to advertising through the purchase of unnecessary items

Details	Frequency	Percentage
Strongly Agree	0	0.00
Agree	12	60.00
Not sure	5	25.00
Disagree	3	15.00
Strongly Disagree	0	0.00
Total	20	100.0

Source: Primary data,2019

The table above indicates that 60 per cent of the respondents agreed that consumers can often become victims of advertising through the purchase of unnecessary items, 25 per cent of the respondents were not sure that consumers can often become victims of advertising through the purchase of unnecessary items and 15 per cent of the respondents disagreed that consumers can purchase unnecessary items because of advertising. This implies that with the development of communication, we are continually influenced by the diversity of messages and images that seduce us and intoxicate us through the most varied forms of media. Among them is advertising, with its strategic maneuvers, addressing to our emotions its seductive appeal of sale. Because the majority of Peoples believe what they see and hear, they also believe that the products or services advertised will actually provide the benefits and pleasures that advertising promises.

Even though it is something absolutely unreal and impossible to be realized, that's cause the customers to be victims of buying unnecessary products and services.

Table 4.6. advertising methods in Inyange Industries make you feel less inclined to buy a product from a brand

Details	Frequency	Percentage
Yes	7	35.00
No	13	65.00
Total	20	100.0

Source: Primary data,2019

The table above indicate that 65 per cent of the respondents disagreed that advertising methods in Inyange industry make them feel less inclined to buy a product from a brand and 35 per cent of the respondents agreed that advertising methods in inyange industry make feel less inclined to buy a product from a brand. This implies that methods inyange industry used to advertises doesn't make them to feel less inclined to buy a product from a brand. The finds revealed that Inyange industry has a goodwill that has positive impact on its customers as well as the organizational performance. Many customers are always motivated to purchase goods from a company that has goodwill to the society as goodwill means that the company has a good impression to all the stakeholders.

An example it donated hundreds of Cows to the Farmers various area in Rwanda, such acts helps a company gain faith with its esteemed customers showing that it has good intent with the surrounding vicinity.

Table 4. 7: Are you satisfied with the means used by Inyange management in communicating its products to you?

Details	Frequency	Percentage
Yes	8	40.00
No	12	60.00
Total	20	100.0

Source: Primary data,2019

The table above indicates that 60 per cent of the respondents reported that they were not satisfied with communication to their Inyange products and services to their clients and 40 per cent of the respondents reported that inyange industry management communicate to the clients effectively. This indicates that there is not effective communication used by inyange industries to let customers to know their products and services. Included language barrier Using foreign language like English as channel communication which can help inyange industry to link with customers, and to let them know what the new on the market. even using television as the channel of communication but they forget that more peoples in Rwanda don't have television even others don't have time for watching it.

Table 4. 8.What influences you the most to try Inyange Industry products and services?

	RATING	Column1	Column2	Column3	Column4	Column5
Items	Very high	High	Moderate	Low	Very Low	Total Percentage
Recommendations from friends	6.00	5.4	6.7	54.00	27.9	100.0
Advertisement	39.00	31.00	20.00	10.00	0.00	100.0
Personal experience	5.00	14.00	17.00	51.00	13.00	100.0
Expert advice	1.00	4.00	3.00	31.7	60.3	100.0

Source: Primary data,2019

The table above indicate that 39% of the respondents were very highly influenced by advertising and this made customers to try Inyange industry products and services, 6 per cent of the respondents were very high interested by recommendations from friends. 5 per cent of the respondents prefer personal experience. And1.00 per cent of the respondents prefer expert advice.This implies that the Advertising made the products and services of Inyange to be recognized and made the people to be interested in their products and services.

4.5. Relationship between advertising and Public perception

In our first objective we try to find out the relationship between the advertising and public perception. It is important to check the relationship between advertising and public perception.

Results of this objective test are given below:

Table 4.9. Descriptive Statistics

	Mean	Std. Deviation	N
Advertising	2.2700	0.63262	20
Public_Perception	2.1890	0.66414	20

Source: Primary data, 2019

Table 4.10. Correlations

		Advertising	Public_Perception
Advertising	Pearson Correlation	1	-0.03
	Sig. (2-tailed)		0.339
	Sum of Squares and Cross products	9.95525	-2.473
	Covariance	0.4	-0.012
N		20	20
Public_Perception	Pearson Correlation	-0.03	1
	Sig. (2-tailed)	0.339	
	Sum of Squares and Cross products	-2.473	1.0972
	Covariance	-0.012	0.441
N		20	20

Source: Primary data,2019

The significance level of this test comes out 0.339 which is far more than 0.05, it means that there is no relationship between advertising and Public perception in the Inyange industries. In Inyange industries people do not only rely on the advertising on building their perceptions and they believe more on the trial of the products. On the other hand people also listen from their peer and friends and build some perceptions. Thus there are many other options which help in

building the perceptions in the mind of the customers but advertisements is not an option for building the perception in the mind of the customers. Human beings do not build the positive or negative perception by just watching the product they will try to use those products at least one time while building any perception in their mind. Experience is the major driver of building the perceptions because of this fact most of the Inyange industries are using tool of sales promotions along with the advertisements in which they give free trial or sample product to the customers to use. The aim behind these sales promotions is to provide the experience to their customers, this help them to build the perception of their products.

Second objective, Determine the Effectiveness of advertising on reach and creation of awareness

The second objective of the study was to determine the effectiveness of advertising on reach and creation of awareness. The study sought to establish whether the respondents were aware of various forms of advertisements adopted by various companies. This illustrates that the effectiveness of advertising on reach and creation of awareness was determined by the level of knowledge about the existing platforms of advertisements adopted by inyange industries.

The respondents were asked to indicate their attitude towards advertisements.

Table 4.11. Attitude towards Advertisements

	Frequency	Percent
Informative	9	45.00
Creates awareness	5	25.00
Entertaining	2	10.00
Irritating	2	10.00
Annoying	1	5.00
Waste of time	1	5.00
Total	20	100.0

Source: Primary data,2019

As shown in Table Above, most of the respondents 45 per cent indicated that advertising was informative, with a near percentage indicating creation of awareness. 10 per cent indicated that advertising was an irritating, and 5 per cent indicated that advertising was either annoying or a waste of time. These findings mean that most of the respondents had a positive attitude towards advertising as illustrated by their various perceptions about the use of advertising. This clearly shows a positive attitude toward advertising and hence is a good indication for marketers. In order to further identify the effectiveness of advertising on reach and creation of awareness, the respondents were requested to indicate that spent much time on various platforms of advertising. The responses were rated on a five point Like rt scale where: 1=less 1hr, 2=1 - 2hrs, 3=2 - 4hrs, 4=4 - 6hrs while 5=over 6hrs.

Table 4. 12. Time spent on various platforms of advertising

	Mean	Standard deviation
TV, Movies	2.42	1.241
Newspaper, Mags	1.11	1.372
Radio	1.03	0.927
Internet	4.21	0.515

Source: Primary data,2019

According to the findings in Table Above, on an average, a person spends more than 4 hours on the internet during his free time which is more than that of TV and movies,radio and print medium. Hence, on an average the exposure of internet to an individual is around 40 per cent more than that of other mediums i.e. the reach of medium internet is much better than that of others.The study sought to establish whether the respondents watched the TV/ or listened to Radio commercials during commercial break.

Table 4.13. Watching the TV commercials during commercial break

	Frequency	Percent
Yes	13	65.00
No	7	35.00
Total	20	100.0

Source: Primary data,2019

According to the findings, the majority of the respondents attested to watching the TV/ commercials during commercial break. This implies that for television commercials, around 65 per cent of customers had a positive perception towards advertising on TV.

Table 4.14.Change the channel during commercial breaks

	Frequency	Percent
Never	3	15.00
sometimes	6	30.00
depends on ad	8	40.00
Often	2	10.00
every time	1	5.00
Total	20	100.0

Source: Primary data, 2019

Respondents were asked to indicate if they changed channels during commercial and the results were tabulated. Table above. shows that the degree of attractiveness of the advert and its relevance to the respondents determined their attention to the advert. The viewers would see the advertisement if the ad is attractive and appealing. Hence there is a probability of 0.85 of a consumer viewing the particular advertisement (for creating awareness and information) on television making it an effective mode of communication.

The study established that the effectiveness of advertising on reach and creation of awareness was determined by the level of knowledge about the existing platforms of advertisements adopted by inyange industries. Most of the respondents had a positive attitude towards advertising as illustrated by their various perceptions about the use of advertising. This clearly shows a positive attitude toward advertising and hence is a good indication for marketers. The findings augment the findings of Baltas, (2003) who indicated that marketing is perceived by the advertising users as a major source of information on available product in the market as reflected by their positive attitude in the world over. According to Calisir, (2003) advertising is an effective channel for marketing as the ad is attractive and appealing which changes from time to time. The study established that even though the reach of internet is much higher than that of other modes, its ability to attract consumers for awareness creation is very low.

4.6. Relationship between advertising and Creation of awareness

Table 4.15. Descriptive Statistics

	Mean	Std. Deviation	N
Advertising	2.0675	0.63883	20
Creation_Awareness	2.189	0.66414	20

Primary data,2019

Table 4.16. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics		
					R Square Change	F Change	df1
1		.598 ^a	0.357	0.351	0.59324	54.773	2

Source: Primary data,2019

Table 4.17. ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.8553	3	1.2851	5.1404	.000 ^b
	Residual	6.9332	17	0.4078		
	Total	10.7885	20			

Source: Primary data,2019

From the ANOVA table it can be seen that significance level is $0.000 < 0.05$, Results conclude that there is an impact of advertising and creation awareness. From the table of Model Summary we can see the value of R square which is 0.357, it means that although there is relationship present between to those variables but that impact is not so strong as value is much smaller than +1. From this analysis we can also say that there is positive relationship present between of advertising and creation awareness. From our literature review, we find that awareness and advertising are the two main drivers which force customers to buy the particular product. In Inyange industry people usually buy the products if they know enough about the product or it is recommended by any close person. Along with that several other options are also consider in buying behaviors of the people such as brand consciousness, social class effect, good experiences, suitability or loyalty with the brand. But all of these factors will be applicable when the people have awareness of a particular brand and they also have the positive perceptions in their mind. Advertisements are used to create these factors in the customers but despite of advertisements social circle, peers, friends and family greatly affect the perception.

4.7. Findings from Inyange industries Employees and management,

This study of findings based on the data that was gathered from the sample of the management of Inyange industries and employees with the use questionnaires. The results were analyzed as follows below,

Table 4.18. There are a number of Medias through which advertisement is conducted. From the list provided below in the table, please rate the best media for Advertisement that Inyange Industries uses.

Forms of advertising	Strongly agree	Agree	Not sure	Disagree	Strongly disagree	Total Percentage
Television	61.00	37.00	2.00	0.00	0.00	100.00
Posters	13.00	24.00	32.00	12.00	19.00	100.00
Internet	29.00	51.00	20.00	0.00	0.00	100.00
Magazines	7.00	12.00	67.00	14.00	0.00	100.00
Bill boards	54.00	21.00	15.00	10.00	0.00	100.00
Mobile phone	3.92	7.84	60.78	15.68	11.76	100.00
Brochures	59.00	33.00	8.00	0.00	0.00	100.00
Stickers	7.00	12.00	67.00	14.00	0.00	100.00
Radio	21.00	30.00	0.00	0.00	0.00	100.00
Sponsoring Event	8.00	22.00	25.00	45.00	0.00	100.00
Newspapers	7.84	11.76	62.74	17.64	0.00	100.00

Source: primary Data,2019

The table above indicate that Television is the most favourite medium of advertising by 61.1 per cent of the respondents. The second most favourite medium is brochures (59.0 per cent). 41 per cent prefer Radio as their favourite medium of advertisement. 29 per cent prefer internet. 8.00 per cent prefer sponsoring events. 54 per cent of the respondents prefer bill boards as their favourite medium of advertising. 7 per cent of the respondents prefer magazines. 7 per cent of the respondents prefer stickers and 3.92 per cent of the respondents prefer mobile phone and 7.84 per cent of the respondents prefer newspapers From the table we can see that majority of the respondents prefer television as their favourite medium of advertising. Ranks given by the respondents for their favourite medium of advertising. Television is the most preferred medium followed by brochures, Radio and newspapers. This implies that A Since there is a significant difference between advertising media regarding the level of influence on consumer's behavior,

that is advertising through television have the most effect on consumer's behavior of consumer durables and the reason of that is its extensive level of coverage and most of the people sit to watch Television within hours of the day and advertising through brochures and internet have the least effect on consumer's behavior .

Third Objective To determine the effect of advertising on the levels of sales volume.

The relationship between advertising and sales has been the topic of lots research and discussions designed to determine the shape of the response curve. Almost all advertisers subscribe to one of two models of the advertising/ sales response function.

According to Julian Simon and Johan Arndt concluded that the effects of advertising budgets follow the micro-economic law of diminishing returns. That is, as the amount of advertising increases, its incremental value decreases. The logic is that those with the greatest potential to buy will likely act on the first (or earliest) exposures, while those less likely to buy are not likely to change as a result of the advertising. For those who may be potential buyers, each additional advert will supply little or no new information that will affect their decision. Thus, according to the concave-downward function model, the effect of advertising quickly begins to diminish. Budgeting under this model suggests that fewer advertising Inyange industries may be needed to create the optimal influence on sales.

4.8. Sales Performance

Table 4.19. presents responses on descriptive information on sales performance. The respondents were required to respond the statements to a scale ranging between 1 and 5. The total number of respondents who responded to the statements on sales performance was 34.

Table 4.19. Descriptive Statistics on Sales performance

Statement	N	Min	Max	Mean	Std. Deviation
Sales performance on presence of alternative media	34	2.00	4.00	3.0000	0.69282
Sales performance with mode of publicity used	34	2.00	5.00	3.1923	0.80096
Sales performance on profit maximization	34	3.00	4.00	3.5769	0.50383
Sales performance on increase of market share	34	2.00	4.00	3.1538	0.4641
Sales performance on increase sales calls	34	3.00	5.00	3.3846	0.5711
Aggregate score				3.2615	0.6065

Source: Primary data, 2019

From table above, in reference to the mean, most respondents thought that presence of alternative media boosted the sales performance of their company's products to a moderate extent (mean= 3.0000). The respondents thought that their preferred mode of advertising had increased their sales performance to a moderate extent (mean= 3.1923) and that their company sales growth and profit maximization of their products was the outcome of customer care activities to a moderate extent (mean= 3.5769). Respondents agreed that advertising had definitely led to increase in market share of their company products to a moderate extent (mean= 3.1538) and that frequency of advertising by their companies had led to the attainment of sales calls per day to a moderate extent.

Adebisi and Babatunde, (2011) supported this finding by commenting that proper application of the promotional mix will increase market share and improve organization growth in the face of a strong competition and as well as promotional mix has a significant positive influence on sales turnover. Al-Rfou (2012) supported the findings by arguing that intensity of market competition has a positive impact on organizational performance of such companies trying to satisfy their customers by increasing the quality of their products. Nwielaghi & Ogwo (2013) concluded that full utilization of trade promotion strategies affects marketing performance by enhancing sales turnover, increase market share and profitability which support the finding of the study.

4.9. Relationship between Advertising and sales performance

The second objective of the study was To determine the effect of advertising on the levels of sales Performance. Respondents were asked to indicate the mode advertising that mostly influenced their sales performance of companies.

4.4.1. Inferential statistics

In determining the effectiveness of advertising on sales performance, the study conducted a multiple regression analysis to determine the nature of relationship between the variables.

The regression model specification were as follows,

$$Y = \alpha + \beta_1 X_1 + \varepsilon.$$

Where;

Y= Sales performance

X₁= Advertising

ε = error term

β =coefficient

α = constant

The study further applied multiple regressions to determine the predictive power of advertising on sales performance. The researcher conducted a multiple regression analysis so as to test relationship among variable (independent) on sales performance. The researcher applied the statistical package for social sciences (SPSS) to code, enter and compute the measurements of the multiple regressions for the study.

Coefficient of determination explains the extent to which changes in the dependent variable can be explained by the change in the independent variables or the percentage of variation in the dependent variable (sales performance) that is explained by the independent variable (advertising)

Table 4.20. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.919	0.845	0.789	0.6273

Source: Primary data,2019

The independent variable that was studied, explain only 84.5% of the sales performance as represented by the R². This therefore means that other factors not studied in this research contribute 15.5% of the sales performance. Therefore, further research should be conducted to investigate the other factors that affect sales performance.

Table 4.21. ANOVA of the Regression

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.534	10	0.2534	2.7904	.000 ^a
	Residual	9.307	24	0.388		
	Total	11.841	34			

Source: Primary data,2019

The significance value is 0.000 which is less than 0.05 thus the model is statistically significance in predicting how advertising affects the sales performance. The F critical at 5% level of significance was 1.615 Since F calculated is greater than the F critical (value = 2.7904), this shows that the overall model was significant.

Table 4.22. Coefficient of determination

Model		Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	1.147	0.2235		5.132	0.000
	Advertising	0.752	0.1032	0.1032	7.287	0.000

Source: Primary data,2019

Multiple regression analysis was conducted as to determine the relationship between sales performance and the one independent variable (advertising). As per the SPSS generated table , regression equation

$(Y=\alpha+\beta_1X_1 +\epsilon)$ becomes:

$$(Y= 1.147+ 0.752X_1+ \epsilon)$$

According to the regression equation established, taking all factors into account (advertising) constant at zero, sales performance will be 1.147. The data findings analyzed shows that taking all other independent variables at zero, a unit increase in advertising will lead to a 0.752 increase in sales performance; This infers that advertising contribute most to the sales performance. At 5% level of significance and 95% level of confidence, advertising was a significant, factor in predicting the sales performance.

To quantify the strength of the relationship between the variables, the study used Karl Pearson's coefficient of correlation. The Pearson product-moment correlation coefficient (or Pearson correlation coefficient for short) is a measure of the strength of a linear association between two variables and is denoted by r. The Pearson correlation coefficient, r, can take a range of values from +1 to -1. A value of 0 indicates that there is no association between the two variables. A value greater than 0 indicates a positive association, that is, as the value of one variable increases so does the value of the other variable. A value less than 0 indicates a negative association, that is, as the value of one variable increases the value of the other variable decreases. The data

presented before on advertising was computed into single variables per factor by obtaining the averages of each factor. Pearson’s correlations analysis was then conducted at 95% confidence interval and 5% confidence level 2-tailed.

The Table 4.23. below indicates the correlation matrix between the advertising and sales performance.

Table 4.23. Correlation matrix and the coefficient of determination

	Sales performance	Advertising
Sales performance (r)	1.000	
(p) Sig. (2 tailed)		
Advertising (r)	0.894	
(p) Sig. (2 tailed)	0.018	1.000

Source: Primary data,2019

According to the Table above, there is a positive relationship between sales performance and advertising of magnitude 0.894.

The positive relationship indicates that there is a correlation between the sales performance with advertising. This notwithstanding, all the factors had a significant p-value ($p < 0.05$) at 95% confidence level. The significance values for relationship between sales performance and advertising was 0.018. This implies that advertising was a significant factor on sales performance.

Table 4.24: How do you relate advertising strategy to the increased profitability and productivity in Inyange Industries?

Details	Frequency	Percentage
Very High	4	11.7
High	8	23.5
Moderate	16	47.05
Low	6	17.64
Total	34	100.0.0

Source: Primary data,2019

The above table shows that 11.7 per cent of the respondents reported that there was very high profitability, 23.5 per cent of of respondents reported that profitability was high, 47.05 per cent of the respondents said that profitability was Moderate and 17.64 per cent of the respondents said that profitability was low.

This implies that increasing profitability and productivity in Inyange industries were not increasing to the expected level, which means, as you compare the past years there are some changes because the revenue increased and made break-even, though profitability has not increased at the expected level.

Table 4.25: Increased sales volume is determined by the impact of product advertising on the buying attitude of buyers.

Year	Frequency	Percentage
Strongly agree	7	20.5
Agree	19	55.88
Not sure	2	5.89
Disagree	6	17.64
TOTAL	34	100.0

Source: Primary data,2019

The table above indicates that 20.5 per cent of the respondents strongly agreed that inyange industries increased sales volume, 55.89 per cent of the respondents agreed that inyange industries increased sales volume, 5.89 per cent were not sure that inyange industries increased sales volume and 17.64 per cent of the respondents disagreed that increased sales volume of inyange industries is determined by the impact of product advertising on the buying attitude of buyers.

This implies that comparing sales volume last Year's and previous years, Inyange industry products kept increasing in selling due to advertising but not exactly to the standard which is expected.

Table 4.26. To Assess the effect of advertising strategies on the levels of financial performance.

	Mean	Std. Deviation	Comments
Advertising strategies have increased Inyange's liquidity	4.6538	0.48038	Very strong homogeneity
Advertising strategies have increased Inyange return on investment	4.6154	0.49125	Very strong homogeneity
Advertising strategies have increased Inyange's returns on asset	4.5962	0.49545	Very strong homogeneity
Advertising strategies have increased Inyange's profitability	4.5385	0.50338	Very strong heterogeneity
Overall comments	4.5884	0.49476	Very strong homogeneity

Source: Primary data,2019

The table above indicates that In analyzing the effects of advertising on the levels of financial performance in Inyange, this was done by analyzing different sub construct. The research wanted to find out if advertising has increased inyange's liquidity; this was shown by a very strong mean of 4.6923 and homogeneity standard deviation of.46604. This implies that advertising has increased inyange's liquidity. In ascertaining whether advertising has increased inyange return on investment, the findings was shown by a very strong mean of 4.6346 and homogeneity

standard deviation of .48624. This implies that advertising has increased inyange return on investment. Furthermore the researcher wanted to find out if advertising has increased inyange's returns on asset; this was seen by very strong mean of 4.6154 and homogeneity standard deviation of .49125. This implies that advertising has increased inyange's returns on asset. Lastly the study established if advertising has increased inyange's profitability, this was seen by a very strong mean of 4.7308 and homogeneity standard deviation of .44789. Overall summary: The analysis shows that advertising has effects on financial performance of Inyange, this was seen by an overall very strong mean of 4.6682 and Very Strong homogeneity of .47285.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter seeks to draw a conclusion and offer some recommendations on the basic findings of this study in relation to the objectives. The brief recommendations will guide decision makers, implementers and beneficiaries to understand the purpose of the application of advertisements.

5.1 Summary of findings

This chapter summarizes the findings of the study,

The findings or otherwise the empirical facts are presented in a categorize of three specific objectives. The specific objectives including, Examine the role of advertising strategy in shaping the public towards inyange products and services, Determine the Effectiveness of advertising on reach and creation of awareness, and To determine the effect of advertising on the levels of sales value the study findings have been categorized differently and presented under each of the working themes.

Concerning the first objective about examine the role of advertising strategy in shaping the public towards inyange products and services,

- ✓ Findings indicate that In Inyange industries people do not only rely on the advertising on building their perceptions and they believe more on the trial of the products. On the other hand people also listen from their peer and friends and build some perceptions. Thus there are many other options which help in building the perceptions in the mind of the customers but advertisements is not an option for building the perception in the mind of the customers. Human beings do not build the positive or negative perception by just watching the product they will try to use those products at least one time while building any perception in their mind. Experience is the major driver of building the perceptions because of this fact most of the Inyange industries are using tool of sales promotions along with the advertisements in which they give free trial or sample product to the customers to use. The aim behind these sales promotions is to provide the experience to their customers, this help them to build the perception of their products.

Second objective Determine the Effectiveness of advertising on reach and creation of awareness,

- ✓ The study found that the effectiveness of advertising on reach and creation of awareness was determined by the level of knowledge about the existing platforms of advertisements and time spent on these media. On average, a person spent more than 4 hours on the internet during his or her free time than that of TV and movies and print medium and therefore the reach of internet medium is much better than that of other media. A higher percentage indicated that they were made aware of existence of various products through advertising and therefore it was effective in creating awareness.
- ✓ Findings revealed that In Inyange industry people usually buy the products if they know enough about the product or it is recommended by any close person. Along with that several other options are also consider in buying behaviors of the people such as brand consciousness, social class effect, good experiences, suitability or loyalty with the brand. But all of these factors will be applicable when the people have awareness of a particular brand and they also have the positive perceptions in their mind. Advertisements are used to create these factors in the customers but despite of advertisements social circle, peers, friends and family greatly affect the perception.

Third objective concerning to determine the effect of advertising on the levels of sales volume,

- ✓ The data findings analyzed shows that taking all other independent variables at zero, a unit increase in advertising will lead to a 0.752 increase in sales performance; This infers that advertising contribute most to the sales performance. At 5% level of significance and 95% level of confidence, advertising was a significant, factor in predicting the sales performance.
- ✓ The findings show that Inyange dispersed its products across the country, the company have entered into franchise which other companies. Furthermore the research also established whether Inyange have opened its products to international market and lastly, in ascertaining whether Inyange have introduced different product according to its different customers. Advertising has improved the company return on investment, profitability, return on asset and liquidity.

5.2 Conclusion

According to (Pride & Ferrel, 2008: 126) said that Advertising is very important to any business performance however, it is not absolute. It may serve, as a platform to inform or remind consumers of the existence of a product but the purchase decision needs more than that. After the purchase, the buyer begins evaluating the product to ascertain if its actual performance meets expected levels the consumer must be satisfied and convinced with all other factors such as product quality and endorsement among others to take action towards the product.

Normally advertising managers would like to know the effect of advertisements on the overall performance of the business firm i.e., return on investment and on profitability. A sale is a determining factor of company performance. Commonly, communication measures are easy to follow than sales effectiveness measures. If the measures of advertising are more relevant they will be difficult and costly. If it is less difficult and cheap the measures will not be more relevant. From the findings of the research on the situation of advertisement in inyange industry. It is evidenced that thought it was to have an advertisement approach in inyange industry, there is still gap between the capacity of advertisement. Needs and wants and what it possesses and therefore the management of inyange industries need to put in place a system of building very strong marketing service department to achieve its objectives.

5.3 Recommendations

Having analyzed, discussed and interpreted the data collected in this study, the author therefore recommends the following:

- ❖ Due to the competitive nature of the industry the marketing manager of Inyange industries must develop and formulate marketing programmes that will satisfy the needs of the consumers. Since other service providers have similar advertising messages, it is recommended that for a more distinguished and effective response from the customers, other forms of advert should be used. Regular and consistent up-to-date training on product information should be given to the advertising agency so that they will have the current knowledge and skills to handle the adverts and also to ensure that product information is being emphasized so as to enlighten the customers.
- ❖ As advert campaigns are relayed from different service providers, the adverts should be used to aid the customers to identify the company's products or service when they are making a

purchase decision. The company should also ensure that advertising agencies place their product adverts on stations and places where the consumers will easily identify with them make a purchase. A good advert should be effective, persuasive and contain the necessary information on the products.

- ❖ A Since there is a significant difference between advertising media regarding the level of influence on consumer's behavior, that is advertising through television have the most effect on consumer's behavior of consumer durables and the reason of that is its extensive level of coverage and most of the people sit to watch TV within hours of the day and advertising through radio and internet have the least effect on consumer's behavior .so his recommended to activists of industry that if it's products have special and distinct features from competitors and feel that an immediate and contagious providing information should be done use television as their own advertising media.
- ❖ The study found out that Inyange industries marketing practices enables the inyange to improve their sales performance, it is recommended that the inyange industries should adapt and develop their marketing practices in line with the conditions in the business environment, and with their internal capabilities, as they are able to exploit the full potential of inyange marketing practices and achieve superior sales performance.
- ❖ The study established that the reliability of advertising is low and therefore recommends that the management of inyange using advertising should provide unique experience to its customers based on customer analysis to deliver a personalized experience to the customers, Calisir (2003). The study also found that advertising is effective in reach and creation of awareness and recommends that inyange should invest more in advertising to increase their market share and provide product information.

5.4. Suggested areas for further research.

Due to limited time, this research is not conclusive as such. It is therefore important that further research be carried out on the following.

Since this study explored the effect of advertising on sales performance in private organizations: the case of inyange industries, the study recommends that a similar study should be done in others different private organizations for comparison purposes and to allow for generalization of findings on the effect of advertising on sales performance in private organizations.

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APPENDICES

RESEARCH QUESTIONNAIRE

Dear sir / madam,

I am a student of University of Rwanda carrying out a research on the effect of advertising on performance of private organization as part of the requirement for the fulfillment of the award of a degree of Masters' in Business Administration. I therefore humbly request you to spare some of your time and fill this questionnaire. Please be assured that all information you provide will be strictly for academic purposes and will be treated with great confidentiality. Thank you for your time.

SECTION A

Respondent's background information.

In each section, tick in the box or fill in your response in the space provided as appropriate.

1. Age of respondent.

Above 60	59-50	49-40	39-30	29-20

2. Gender

Male	Female

3. Level of education

PHD	Masters' Degree	Bachelors' Degree	Diploma	A and O level	Primary level

4. Marital status

Married	Separated	Divorced	Widowed	Single

5. Number of years worked with Inyange industry.

Over 10 years	5-10 years	1-5 years	Less than a year

SECTION B: QUESTIONNAIRE FOR CLIENTS

6. What influences you the most to try Inyange Industry products and services? Provide ratings as indicated in the table below

ITEM	RATING			
	Very high	High	Moderate	Low
Recommendations from friends				
Advertisement				
Personal experience				
Expert advice				
Please specify other				

7. Advertising plays a major role in shaping public perception towards the company products and services? Please tick the rating that you consider most favorite in the table below.

ITEM	RATING			
Strongly agree				
Agree				
Disagree				
Strongly disagree				
Total				

8. Consumers can often become victims to advertising through the purchase of unnecessary items. To what extent do you agree with this statement based on your experience with Inyange Industry’s approach?

ITEM	RATING				
Strongly Agreed					
Agreed					
Not sure					
Disagreed					
Strongly Disagreed					

9. Advertising is beneficial to consumers because it provides important information about goods and services.' Based on your experience with Inyange Industry's advertisement, to what extent do you agree with this statement?

ITEM	RATING				
Strongly agreed					
Agreed					
Disagreed					
Strongly disagreed					

10. Do any advertising methods in Inyange Industries make you feel less inclined to buy a product from a brand?

- A. Yes
- B. No

ii. Please specify for the response

chosen

.....

11. Advertisement is a way of getting products and services closer and known to the public. Are you satisfied with the means used by Inyange management in communicating its products to you?

- a. Yes
- b. No

ATTITUDES, REACH AND AWARENESS

12. Do you like Advertisements?

- Yes
- Informative
- Entertaining
- Creates awareness
- No
- Irritating
- Annoying
- Waste of time

How much time do you spend on?

- TV, Movies < 1hr 1 - 2hrs 2 - 4hrs 4 - 6hrs > 6hrs
- Newspaper, Mags < 1hr 1 - 2hrs 2 - 4hrs 4 - 6hrs > 6hrs
- Radio < 1hr 1 - 2hrs 2 - 4hrs 4 - 6hrs > 6hrs

Internet < 1hr 1 - 2hrs 2 - 4hrs 4 - 6hrs > 6hrs

Do you watch the TV/ or listen to Radio commercials during commercial break?

- | | |
|--|--|
| <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <input type="checkbox"/> Informative | <input type="checkbox"/> Annoying |
| <input type="checkbox"/> Creates awareness | <input type="checkbox"/> Irritating |
| <input type="checkbox"/> Entertaining | <input type="checkbox"/> Waste of time |

I change the channel during commercial breaks...

- Never sometimes depends on ad often every time

SECRIION C: QUESTIONNAIRE FOR INYANGE INDUSTRY MANAGEMENT AND EMPLOYEES

13. There are a number of Medias through which advertisement is conducted. From the list provided below in the table, please rate the best media for Advertisement that Inyange Industry uses.

Forms of advertising	Strongly agree	Agree	Not sure	Disagree	Strongly disagree
Television					
Posters					
Newspapers					
Magazines					
Bill boards					
New letters					
Brochures					
Stickers					
Radio					
Giving prizes with company product name					
Business cards					

14. To what extent do you agree with the following as the effect of advertising on sales performance of your Inyange Company?

1 (Strongly disagree) 2 (Disagree) 3 (Moderate) 4 (Agree) 5 (Strongly agree)

Statement	1	2	3	4	5
Advertising have increased inyange Liquidity					
Increased Return on investment					
Increased stock turnover rate					
Efficiency in service delivery					
Increased number of sales units					

15. Advertisement leads to growth and profitability in corporate companies. From your experience, at what level do you rate advertisement strategy in the increased profitability and productivity in Inyange Industries?

Very high	High	Moderate	Low	Very Low

16. In reference to your answer in question about effect of advertising on sales performance, please indicate the extent to which you agree or disagree with the statements on how advertising affect your Inyange company sales performance.

Statement	1	2	3	4	5
My company considers cost of frequency of advertisement when marketing our products					
My company considers target market when scheduling the timing for advertisement					
My company considers level of technology of media used when advertising our products					
Presence of alternative media for advertisement has resulted to boost in the marketing effort of our company					
Increased sales volume is determined by the impact of product advertising on the buying attitude of buyers.					

16. What is the relationship between advertising and sales performance, Please tick where appropriate:

Very great extent	Great extent	Moderate extent	Little extent	No extent

THANK YOU FOR YOUR CONTRIBUTION