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**St. Mary's University, Ethiopia**

**SCHOOL OF GRADUATE STUDIES FACULTY OF BUSINESS**

**THE ASSESSMENT OF ADVERTISING PRACTICES IN THE CASE OF  
NATIONAL ALCOHOL AND LIQUOR FACTORY**

**BY: AMANUEL TEKESTE**

**JUNE, 2019 ADDIS ABABA ETHIOPIA**

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**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY SCHOOL OF  
GRADUATE STUDIES IN PARTIAL FULFILLMENT OF THE  
REQUIREMENTS FOR THE DEGREE OF MASTER IN MARKETING  
MANAGEMENT**

**JUNE, 2019 ADDIS ABABA, ETHIOPIA**

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## **Abstract**

*The study was done to assess the advertising effectiveness in the case of National Alcohol & Liquor Factory. The review of related literature discusses about the concept of advertisement and its effectiveness with a wider view on consumer behavior. Quantitative research approach study which identifies the qualitatively and quantitatively the advertising practice of NALF was used in this matter. Through questioners information was gathered from 200 respondents and were interpreted through numerical values and through word. Some of the major problems that were found among the company were, the company didn't work aggressively to maintain positively identified quality of advertising message, which refers to clarity, artistic and ethical on the other hand, the problems related to the attractiveness, convincing, appealing, and flexibility, updating the message, credibility and imposing variables of the message evaluate the designed message before implementing. The findings of the study revealed the company's advertisement didn't increase the level of awareness on its customers and it is not computable. The company's advertisement in influencing customers towards its product is low. As the finding of the content analysis of sample of from the company advertisement practices shows, the advertisement message is not adequate.*

***Key words: advertising effectiveness, advertisement, consumer behavior, awareness, advertisement message.***

# CHAPTER ONE

## INTRODUCTION

### 1.1. Background of the Study

In a competitive economic system, survival and development of the companies involve the existence of accurate and detailed information about consumers, so the concept of modern marketing highlights the need for having detailed and founded information about the consumer needs, motivation, attitude and actions. In the contemporary era is almost universally accepted idea that the main purpose of marketing is not finding and persuading people to buy what a company produces, but satisfying the consumer, which is the essence of consumer orientation. Developing effective ways by which consumers' needs could be satisfied is one of the main objectives of Promotional Strategy. Promotional strategy is the most vital matter for the success of a business organization. Promotion is one of the crucial and sensitive parts of marketing mix. Promotion is defined by Merriam Webster as “the furtherance of the acceptance and sale of merchandise through advertising, publicity, or discounting” (Merriam-Webster on Line, internet, 2010).

Advertisement is the process of communicating the most persuasive selling message possible to the right potential and attracting the traditional consumer of products or services at the right time and place at least with possible cost. Similarly, advertisement acts as a communicating bridge between producer and consumer. As advertisement continues to connect the producers and consumers the industrialization and expansion of market access, importance of advertising is steadily on the increase in modern society (Schudson & Michael, 1984).

In relation to expansion of industrialization and marketing human being interest increase from time to time and they are always face situations where they have to take decisions, and decide what is right and wrong in our day to day action and are always faced with the debate of what is moral or immoral, ethical or unethical and according to the perception of each individual, the right decision from their point of view is made (Schudson & Michael, 1984). The expansion and increase of marketing concept is nothing without the creative ways of communication. Over the years advertising and marketing communication messages have created a lot of debatable ethical issues, due to the public belief , that advertisements nowadays deeply affect the ways people perceive themselves and the world surrounding them, including crucial actions and behaviors.

For these reasons, Moral issues in marketing are important, given the fact that marketing is expected to identify, predict and satisfy customer requirements profitably (Foley et. al., 2005).

There are several reasons for measuring or not measuring advertising effectiveness as given below. Reasons to measure advertisement effectiveness: Increase efficiency of advertising in general; determining if objectives are achieved, Avoid costly mistakes and Evaluate alternative strategies. Reasons not to measure effectiveness: Cost of measurement; Problems with research; Lack of time; Disagreement about what to test and Objections of creative personnel (Moingeon, 1993).

According to Batra et al. (1995), the effectiveness of advertising should be considered for its effect on sales in the short term. This advertising performance measurement is based on the marginal theory (Chamberlin, 1948). The advertising is therefore regarded as an independent variable that can be combined with other marketing variables to have a certain effect on the dependent variable, i.e. sales. The aim is to seek the best combination of the determinants of the sales increase. The effect of communication refers to the ability to reach, with appropriate messages, a more significant share of public. Such effect is examined with sociological, semiotic, psychological and socio-psychological approaches.

The role of advertising and consumption in the society change is a very fertile topic. Sociology has examined how advertising influences opinions, attitudes and behaviors of individuals and social groups. There are two opposite sociological perspectives to the advertising function in contemporary society. The first maintains a positive approach to advertising. It is believed that the role advertising is to better organize economic and social relations, to harmonize social behaviors, to make people adhere to common values and to help them to better live together without problems. The second approach is, by contrast, rather critic, because advertising tends to generate a mass consumption. In order to adapt messages to a wider audience, introduces new, poorly differentiated, symbolic values (Belch, 2004).

Advertisements represent a fictional world, a world arbitrarily created. They enter the real world of their prospective customers and try to draw their attention to the fictional reality they simulate. Advertisements have to be created in such a way that they catch the eye of the prospective customers and engage them in the communication. The advertiser, when creating the advertisement, has to bear in mind that prospective customers will not engage in the communication deliberately, they do not seek advertisements on purpose (Jobber, 2001).

Advertising and trade promotion are important in the Ethiopian market. Government-owned mass media outlets (radio, television, and newspapers) and privately-owned magazines, satellite television stations, newspapers, radio stations and billboards are the major means of advertising. Annually, the Addis Ababa Chamber of Commerce organizes several international trade fairs in Ethiopia. (<https://www.export.gov>)

National Alcohol & Liquor Factory (NALF) is a state owned business organization and pioneer factory in manufacturing and distributing ethanol (C<sub>2</sub>H<sub>5</sub>OH), denatured alcohol and different brands of liquor in our Country. The factory comprises four branch factories which was once established and owned by individuals in different periods. NALF has four branch manufacturing factories. These are Maychew branch the main branch, Akaki branch and Mekanisa branch (company yearly magazine 2005 edition).

The company has several products like Baro Gin, ouzo, super mint, cognac, brandy, coffee, mini gin, lemon etc. and the company sales and distributes its products by using door to door selling, local agents and plant sales services for Addis Ababa customers. However for regional customers they use agents only. The company promotes its products by using different promotional tools like public relation, print media, and sales promotion.

## **1.2. Statement of the Problem**

Advertising can be defined as any paid form of non personal presentation or promotion of ideas, goods or services by an identified sponsor. Most of the managers believe that the advertisement directly affects the sales volume and hence they evaluate the effectiveness of the advertising campaign by the increase in the sales volume. There are two types of measures direct measures and indirect measures. Direct measures of advertising effectiveness measures establish a relationship between advertising and sales. A comparison of sales of two periods of time or two markets may be done and the comparative changes may be noted. Indirect measures of advertising effectiveness consider factors such as customer awareness or attitude or customer recall of advertising message affect the sales or profits or goals of the business indirectly (Corvi, 2007).

The indirect measures of advertising effectiveness measured in ways: exposure to advertisement; attention or recall of advertising message content; brand awareness; comprehension and attitude

change. *Exposure to advertisement*: the advertiser is concerned about the number of target audiences who see or hear the organization message set in the advertisement. Without exposure, advertisement is bound to failure. It is also known as reach and frequency factors. *Attention or Recall of Advertising Message Content*: Under this measure, a recall of the message content among a specified group or groups or prospective customers is measured within 24 hours of the exposure of the advertisement (Jobber, 2001). Attention value is the chief quality of the advertising copy the advertisements cannot be said to be effective unless they attract the attention of the target consumers. There are two methods for evaluating the attention getting value of the advertisements. One is pre-test and the other is post-test (Belch, 2004). *Brand Awareness*: the marketers who rely heavily on advertising often appraise its effectiveness by measuring the customer's awareness about the particular product or brand. The assumption of this type of measure is that there is a direct relationship between the advertisements and the awareness. *Comprehension*: consumers here are asked to comprehend the message of advertisements. Various tests like recall tests, asking questions etc. are used to measure comprehension. *Attitude change*: the results of attitude changes are important because of advertisements are measured in terms of attitudes among groups exposed to advertising communication. *Action*: The action of purchasing or behavior towards purchasing is measured because of the advertisements here (Kapferer, 1990).

The company spent a lot of money for the advertising campaigns, Despite the cost associated with the advertising practices, the effectiveness of each advertising in affecting purchase decision of the consumer is not well examined (company summary). The company doesn't know which advertising would be most effective and would influence the purchasing decision of consumers. Therefore, this thesis investigated the gap created by the limited scope of previous research on addressing the effectiveness of advertising on consumers' purchase decision in the context of the National Alcohol & Liquor Factory.

In this study the researcher will evaluate the effectiveness of the company advertising practice by mainly focused on the indirect measures of advertising effectiveness measured in ways: exposure to advertisement; attention or recall of advertising message content; brand awareness; comprehension and attitude change.

Based on the preliminary study performed by the researcher the following problems are identified on the message launched through the company's advertising that used to meet the

planned objectives by improving the consumers buying behavior. These are: the company didn't work aggressively to maintain positively the identified quality of advertising message, which refers to clarity, artistic and ethical on the other hand, the problems related to the attractiveness, convincing, appealing, and flexibility, updating the message, credibility and imposing variables of the message evaluate the designed message before implementing. The research questions will be addressed in the research is stated next.

### **1.3. Basic Research Question**

This study was attempted to assess the advertising practice of the company by giving special emphasis on the following basic research questions.

1. To what extent the customers understand the message communicated by the company's advertising?
2. How does the effect of the advertisement of the company on consumers make decision between different alternatives (e.g., brands, products, and retailers)?
3. How the company does measures the effectiveness of the advertisement?
4. What are the factors the company consider when advertising its products?

### **1.4 Objective of the Study**

#### **1.4.1 General Objective**

The general objective of the study is to assess the advertising effectiveness in the case of National Alcohol & Liquor Factory.

#### **1.4.2 Specific Objective**

Specifically this research will try to achieve the following specific objective;

- To investigate the extent of the customers understanding on the message communicated by the company's advertising.
- To investigate the effect of the advertisement of the company on consumers make decision between different alternatives (e.g., brands, products, and retailers).
- To evaluate the company does measure the effectiveness of the advertisement.
- To point out the factors the company consider when advertising its products.

## **1.5. Scope of the Study**

Both the theoretical aspect and empirical evidence show that the effective advertising has become a potentially valuable way of securing competitive advantage by changing the consumer buying behavior through enhancing advertising.

The geographic boundary of was Addis Ababa around Mexico, Piasa, Kasanchis, Saris and Bole. The researcher was adopted to consider the currently data. The data was collected from the customers National Alcohol & Liquor Factory and the respondents selected by using non probability sampling approach for the customer population under study, particularly convenient sampling technique.

Even if the study has strong design and excellent method, it can go through from limited impact from factors such as a strong focus, being too population-specific, or the field being only conducive to incremental findings. In addition to this, the findings were not generalizable for other businesses in Ethiopia. So that it requires future research which broaden the sample size to include other businesses.

## **1.6. Significance of the Study**

This research will be able to provide the following:-

This study is important to the management of National Alcohol & Liquor Factory and other similar organizations in Ethiopia by acting as reference point for identifying the important aspects of advertising effectiveness and consumer's buying behavior.

The other companies in the industry will also find this study an invaluable source of information by identifying the factors that play a major role in recognizing and understanding consumer's attitude on different promotional mixes.

Researchers and scholars will also benefit from the study as it will add on to the growing body knowledge and form a basis for further research. This will act as a source of reference for studies to be done on advertising effectiveness and their effect on consumer buying behavior.

As the company under research, National Alcohol & Liquor Factory will also benefit from information that could guide the company in making informed decisions based on facts found during this research.

### **1.7. Delimitation of the study**

This study is only focused on the city of Addis Ababa; it doesn't include any other regions, so information source was limited only to that area of liquor consumers. The research design used is descriptive with a quantitative data analysis and the speculative about the advertising effectiveness was done by the data collected by questioners which were collected from 200 respondents.

### **1.7. Organization of the Study**

The study was divided into five chapters in order to provide clarity and coherence on the discussion of the study. The first part of the study was discussed the background, problem statement, questions and objectives and the significance and limitations.

The second chapter was discussed the relevance of the study in the existing literature. After the presentation of the existing related literature, the researcher was provided a synthesis of the whole chapter in relation to the study.

The third part of the study was discussed the methods and procedures used in the study. The chapter was comprised the presentation of the utilized techniques for data collection and research methodology. Similarly, it was also containing a discussion on the using techniques in data analysis as well as the tools used to acquire the said data.

The fourth chapter had discussion of the results of the study. The data presented statistically treated in order to uncover the relationship of the variable involved in the study. With the said data, the chapter seeks to address the statement of the problem noted in the first chapter.

The last chapter was comprised three sections: the summary of the major findings, conclusions of the study, and the recommendations. With the three portions, the chapter was addressed the problem stated in the initial chapters of the study.

Reference and annex also provided in the final part of the paper.



## CHAPTER TWO

### REVIEW OF THE RELATED LITERATURE

#### 2.1. Meaning and Definition of Advertising

Brassington and Pettit, (2000) define advertising strategy as any paid form of non-personal communication directed towards target audiences and transmitted through various mass media in order to promote and present a product, services or idea. The key difference between advertising and other promotional tools is that it is impersonal and communicates with large numbers of people through paid media channels. Meidan (1996) states that a healthcare services organization can use its advertising for either its short-term or its long-term objectives. The organizations attempting to create a long-term relationship, should build up of its name by using institutional advertising, while a laboratory services organizations interested in promoting its brand name and its differentiated services would use a brand advertising policy.

The institutional advertising consists of promotion of the firms' image as a whole and promotion of the products offered, with extra emphasis on the specific firm's name organization. The organization seeks through its marketing communications to build awareness and to impress customers looking for the best range of healthcare services, due to the former impression of laboratory services organizations as impersonal institutions with no interest in their customers as people, and of healthcare services as abstract and quite similar the institutional advertising has become more and more important (Meidan, 1996).

Brand advertising follows closely in the footsteps of institutional advertising. Its purpose is to create awareness of the laboratory services organizations' name and to advertise the different services it is offering. Since the firms are serving a mass of people, the problems of brand advertising are to know who to advertise to, and how to advertise (Pettit, 2000). While institutional advertising is directed towards the whole population, the brand advertising of particular products has to be much more selective since it has to show that the consumer will benefit from the service. Furthermore, all the individual campaigns of brand advertising have to be compatible in tone and presentation and match the image the laboratory services organizations has created through its institutional advertising (Mortimer, 2001).

Mortimer, (2001) states that an important part of advertising is to make the service tangible in the mind of the consumer in order to reduce perceived risk and provide a clear idea of what the service comprises. Furthermore she considers it important to advertise consistently, with clear brand image in order to achieve differentiation and encourage word-of-mouth communication. Meidan, (1996) suggests that there are two types of advertising channels appropriate for advertising. That is “above-the-line” and under-the-line” advertising. Above-the-line advertising contains different channels of communication such as television, radio, posters, magazines and newspapers. Under-the-line advertising constitutes a huge part of a healthcare organization advertising activities. It is the invisible advertising of the company including leaflets, pamphlets, explanatory guides and manuals that can be used to support selling of a specific service.

Advertising defined as a paid form of non-personal communication of any information a brand product and a company by sponsor on a media Advertising can reach mass of geographically dispersed buyers at a lower cost per exposure and it enables that sever to repeat a message many times. Large scale advertising say something positive about the services size popularity and success because of advertising public nature customers lead to view advertised products as a more legitimate (Kotler, 2006: 147). According to Johnson, (2007: 238) advertising is very expressive it allows the company to dramatic its predictor through the artful use of visuals prints sound and color. On the one hand advertising can be used to build-up long term image for a product on the other hand advertising can trigger quick sales. However through advertising can reach many people it is impersonal and cannot be as directly persuasive as a company sales people for the most part advertising can carry a one way communication with the audience and the audience addition advertising can be very costly. Although some advertising can be done on small budgets other forms such as network TV billboard advertising requires very large budgets.

Business enterprise whether they are involved in profit making or non-profit charitable mission they need to build a good corporate image with their supplier’s employee’s intermediary customers and the public in general this act of building a good corporate personality is done by self-promoting. Advertising play a great role in increasing seller creating a good corporate image which can be communicated through different media for instance TV, Radio, Billboard, and poster. Thus it can be said that advertisement are tools to project the identity or the reputation of the company (Armstrong, 2004: 324).

According to Belch (2005: 59) the product advertising as component of promotion mixes is different from institutional advertising. Product advertising focuses on producing a specific product or services and focuses on stimulating short run action on sales of causes on stimulating short run action on sales of a new product line, decrease or an increase on a specific products price. But institutional advertising mainly focuses on the company reputation or good will, when implemented as part of integrated marketing communication system with the objective of communicating a uniform corporate objective. Thus organization use product advertising as a means or tool to increase sales volume of the company. But it does not mean that, the firm which uses product advertising, has no any intention of attaining company reputation or favorable corporate image. Instead, it is in the long-run on which the promoting firm can attain its objectives of the desired level of company reputation.

On the other hand (Milner, 2006 defined institutional advertising as:- An advertising done by an organization speaking of its work views and problems as a whole, to gain public good will and support rather than to sell a specific product”, This definition of institutional advertising explains its future. It shows that this kind of advertising doesn’t focus on the specific product attributes, rather it presents about the company’s accomplishments, the way it views or benefits the society and in avoiding its communication problems with the public. These messages presents by institutional advertising are aimed at creating a good corporate image.

## **2.2. Importance of Advertising**

The public/ consumers benefits greatly from advertising expenditures. First, advertisements are informative. The newspaper ads are full of information about products, prices, features and more. Businesses spend more on direct mail than radio or magazine advertising. Direct mail (e.g. catalogs and letters sent by mail to people’s homes and offices) is an informative shopping aid for consumers. Most times consumers receive mini catalogs in their newspaper, that tells them what’s on sales, where at what price, for how long and more. Advertising not only informs us about products, it also provides us with free television and radio programs because money advertisers spend for commercial time pays for production costs. Advertising also covers the major costs of producing newspapers and magazines. Newspapers, magazines and radio are especially attractive to local advertisers. However, television offers many advantages to a national advertiser but it’s expensive. But few media besides television allow advertisers to reach

so many people with such impact. Marketers must choose which media and which programs can be used to reach the audience and what they desire (Armstrong, 2004: 344).

Different kinds of advertising are used by various organizations to reach different market targets. (Kotler, 2005;776) stated that in an effort to improve managing and gain audience attention, advertisers create branding moment that will resonate with target markets, and motivate audiences to purchase the advertised product or service, advertisers copy test their advertisement before releasing them to the public.

### **2.3. Product and Institution Advertising**

All advertising may be classified as product or institutional product advertising focuses on a particular product or brand while institutional advertising presents information about the advertiser's business or tries to create a favorable attribute, or build good will towards the organization. Its objective is to create a particular image for a company. Product advertising is subdivided into direct action and indirect action advertising. Direct Action advertising:- asks a quick response but indirect action advertising is designed to stimulate demand over a long period of time; it is intended to inform or remind consumers that the product exists and to point out its benefits. A marketing manager must make five important decisions when developing advertising program (Belch, 2004: 18):-

- I. Set Advertising objective setting
- II. Set advertising budget
- III. Develop advertising message
- IV. Develop Advertising media and
- V. Evaluate Advertising campaign

#### **2.3.1. Setting Advertising Objective**

According to Black, (2004, 98) advertising plays a vital role in marketing consumers' purchasing decision and promotion to particular. Most consumers have the erroneous impression that promotion is synonymous with advertising and vice-versa. The partnership between producers and consumers through advertisement is solely aimed at achieving certain mutually beneficial objectives. There are; To introduce new product: One of the roles of advertising is to inform

consumers about the existence of a new product in the market i.e. creation of awareness. Persuade customers to buy: Advertising helps in arousing the customer's interest and by so doing persuades them to buy the product. Creation of demand: Advertising stimulates demand by constantly reminding potential consumers about the availability of the product in the market. To change consumer belief: Advertisement is a very good instrument that can be used to change consumer mindset about a product or service. Hence, help to tap into their buying power and influence their thoughts. To create brand loyalty: The demand of the consumers can be maintained by constantly arousing their interest on a particular product and this will ultimately create brand loyalty. Develop large market: Advertising create large market segment which leads to the development of larger market. To promote the image of the firm: Advertising builds a corporate image for a company.

- It helps to familiarize consumers with the new style of product in the market.
- Alert and sensitizes member of marketing channel.
- Helps to reduce consumer dissonance.

### **2.3.2. Advertising Budget**

According to Belch (2004: 18-19) Different business enterprises allocate some percentage of their promotional budgets on advertising TV, Billboard, Poster and Radio in order to implement the ideal or desired goals as intended. The cost of advertising can be determined as a percentage of sales (current or anticipated), or cost of sales, or as to what the company can afford, or as to the objectives and task of the firm in advertising campaign. Johnson further listed the four methods of budgets allocation system which are:-

#### **2.3.2.1. The Percentage of Sales Approach**

When this method is employed, advertising budget is set based on a specified percentage of sales (either current or anticipated) or the percentage of the sales price. The advantages of this method are; first, advertising expenditures would vary with what the company can afford, second, it encourages management to think in terms of the relationship between advertising cost, selling price and profit per unit. While using the percentage of sales approach, the budget allocated can be effectively and efficiently measured as to the sales result of territories, the sales force, or distribution outlets. The other advantage of this method is the management can be benefited to

justify the cost by comparing or correlating the allocation of costs with the volume of sales profit per unit of the sales force, profit unit of territories etc (Kalakota, 1999: 213).

### **2.3.2.2. The –all- you can Offer approach**

It applies a method on which the advertiser thinks that he can afford. This method has a disadvantage than an advantage. This approach can result in overestimation or under estimation of allocation of costs. What a company can afford perhaps may not coincide with the desired implementation of objectives intended as to sales or profit. Generally, it is unsatisfactory, lately because there is no relation between liquidity and the richness of the advertising opportunities (Belch, 2004).

### **2.3.2.3. The Competitive Parity Approach**

In this approach the size of the optimum outlay is affected by rivals' advertising plans by employing the average of the advertising cost of competitive parity method. One is that the competitor's expenditures represent the collective wisdom of the industry. According to this argument the collective wisdom of the industry, since the amount of budget to be allocated in advertising is derived from the competitor's allocation of costs, this implies that the cost contains the collective wisdom of experts who are experienced in the field. The other supporting argument presented by Kotler is that, competitive parity approach helps prevent promotion wars. Because of the nature of relatively tantamount allocation of resources, that this method will prevent competition through advertising. The competition may be by additional costs of advertising for better and effective advertising campaign. But this problem doesn't occur in a competitive parity-method (Belch, 2004: 19).

To further emphasize Kotler (2003:148) Even if it seems true that this supporting argument is practical, they are exposed to reputation. The ground for the reputation of these arguments is that there is no guarantee, whiter they (the competitors) have allocated their resources in a cost effective way to claim the collective wisdom of the industry. The second point is that, the only factor for advertising betterment is not only the budget allocated. But there are also other factors which can result in serious promotion war. Thus, it cannot be claimed that a competitive parity method prevents promotion war.

### **2.3.3. Advertising Message**

According to Belch (2004 19-20) an advertising message is defined as: “An element of the creative mix comprising what the company plans to say in its advertisements and how it plans to say it –verbally on non –verbally”.

The messages transmitted can be verbal and /or nonverbal. The verbal messages are presented by speech and words, and can be backed by a music or instrument. Besides, the tone, pitch and the typography or layout of the letters on the TV screen can be customized to create a strong impact and grab the attention of viewers. On the other hand, non-verbal messages are gestures, facial expressions etc. which express internal feelings based on the presentation manner. And finally, a mere presentation of products by demonstration on TV screen can be a non –verbal way of presentation of a message.

Generally, the elements included in an institutional or product advertising can be the headline, the text, the illustration and the typography –or possibly the information presented or the symbolism.

The message to be presented through the medium must have appeals. Which are grouped under three categories as this are emotional, rational and moral appeals. These appeals are used to grasp the attention of viewers; by stirring up their emotions (emotional); or by telling them to attain their desired benefits (rational); or by encouraging them to support or participate in social affairs, which is helpful to the welfare of the society (moral) (Kotler, 2003: 147).

### **2.3.4. Advertising Media**

According to Belch, (2004; 20) the major steps in media selection are: deciding on reach, frequency and impact, choosing among major media types, selecting specific media vehicles and deciding on media timing. To select media the advertiser must decide what reach and frequency are needed to achieve its objectives. Reach is a measure of the percentage of people in the target market who are exposed to the end campaign during a given period of time. Frequency is a measure of how many times the average person in the target market is exposed to the message. The advertiser also must decide on the desired media impact and the qualitative value of a message exposure through a given medium.

In general, the more reach, frequency, and impact the advertiser seeks, the higher the ad budget will have to be. To choose among major media types, the planner has to know the reach, frequency, and impact of each of these media types. In addition to these, nature of the product, type of message, cost and other factors have to be considered in making choice. After selecting among the best media types the next step is choosing the best needs vehicle- specific media within each general type. Finally the advertiser needs to schedule the ad over the course of a year. The schedule can follow the seasonal pattern, to oppose the seasonal pattern or to be the same all the year but generally there are two patterns of adds; the first one is continuing which follows even scheduling within a given period while the other is pulsing that is uneven scheduling over a given time period (Kalakota, 1999: 213).

## **2.4. Frequency, Complexity and Strategy of the Advertising**

### **2.4.1 Frequency of the Advertising**

Frequency involves the ideas of ‘wear-in’, i.e. starting with one exposure and building more, and ‘wear-out’, whereby the optimal number of exposure has been achieved and wastage is occurring. Frequency therefore deals with how often or the number of times the target audience is exposed on average in that period. There is no real consensus in this area as to what is best. Overexposure is seen both as a waste and potentially brand-damaging. The target might read the cost of frequent exposures as being paid for by them, in the price of the brand. Underexposure is seen as ineffective in achieving objectives and moving people. Repetition can be beneficial but only in a balanced way. The deliberate repetition of some advertising is so that the audience sees the message more than once. Effective frequency is a measure of the number of times the target needs to be exposed in order to achieve the objective, and several writers have estimated this. A key question therefore is ‘how many exposures do we need to achieve our objectives’, the answer to which will depend on the nature of the objectives (Kotler, 2000: 605).

### **2.4.2 Complexity of the Advertising**

The *complexity* of what appears to be a simple scenario should not be underestimated.

Some useful points are:

1. The atmosphere and environment surrounding the vehicle. Editorial tone, experience, credibility of journalists and prestige are all important. Two very similar-looking magazines are



different in some way or other. Different market versions of the same magazine will be different by the same logic, i.e. the environment will be different.

2. Repetition. This is beneficial because it helps to limit brand switching and aid believability in the brand. It works through top-of-the-mind awareness and if done properly can be a cue for brand quality. If not, then repetition can be a costly way of damaging the brand.

3. Technical and reprographic characteristics. This involves the usual characteristics of colour, movement and sound but also whether on a front page, back page, particular slots on television and so on.

4 Vehicle fit. Where a complex audience profile exists it may be difficult to match with just one vehicle. Here the marketer might think in terms of segmentation bases so that some of the target is reached through demography, some through psychographics and some through product usage, or a combination of bases.

5 The nature of the product. Clearly some products automatically match particular media and vehicles. Major consumer brands are well suited to peak time viewing of soap operas and situation comedies (Marbach, 2000).

### **2.4.3. Strategy of the Advertising**

The media strategy document should show how media would be selected to meet objectives. For example: 'Radio spots will be purchased every other week to extend support throughout the period up to and immediately after Christmas'. Media strategy statements include things like rationale for the use of one medium rather than another. For example: 'Television will be used as a primary medium because it offers the optimum combination of mass coverage flexibility in time and place and meets the creative requirements'(Losito, 1993).

Within this part of the chapter it is not our intention to focus in detail upon the individual elements of the communications mix, but rather to highlight the sorts of issues to which the marketing strategist needs to pay attention when developing the guidelines for the communications program. In doing this, the marketing planner needs to take account of eight areas:

**1** *The nature and detail of the target audience(s)* without this understanding, anything that follows will lack focus. The planner therefore needs to think about how the market might be segmented and then how the messages need to be tailored to fit the needs of each group.

**2** *The short- and long-term communications objective(s)* having identified the target audience, the planner's focus needs then to shift to the question of the communications objectives. In essence, these objectives relate to the cognitive, affective or behavior a responses that the campaign is designed to achieve. In other words, the planner might be aiming to put something into the consumer's mind, change the consumer's attitude or encourage the consumer to behave in a particular way.

The four models illustrated are based on the idea of a 'learn-feel-do' process, in which the buyer discovers something in general terms about the product, moves onto a more detailed understanding and then – and only then – takes action in the form of trying the product and possibly becoming a regular user. It is the role of the marketing and communications mixes to move potential buyers through this process. At the same time, of course, there are several elements that have the effect of slowing down or reversing this process; these include competitive action, memory lapses, poor previous experiences with the product or brand, and so on. However, it needs to be recognized that this sequence, although logical, is not necessarily the one that will always be followed. In the case of products in sectors in which there is little real or obvious differentiation and with which the buyer has little real involvement, the sequence may be that of 'learn-do-feel'. In these circumstances, the buyer buys the product and only after having used it develops a more detailed understanding of it and possibly a degree of brand loyalty (Kotler, 2000: 557).

**3** *The messages that are to be used.* Having developed an understanding of the sort of response that the communications campaign needs to achieve, the planner can then begin to focus upon the design of the message, a task which involves deciding upon four issues:

- (i) What to say (the content)
- (ii) How to say it logically (the structure)
- (iii) How to say it emotionally or symbolically (the format)
- (iv) Who should say it (the source).

In deciding upon the first of these – what to say – the planner is faced with a number of choices, including whether to use a highly *rational appeal* (by buying this product you will gain this distinct and tangible benefit) or an *emotional appeal*. Emotional appeals can, in turn, be either positive or negative. In the case of a positive emotional appeal, the planner sets out to associate the product with an especially favorable image; an obvious example would be the ways in which

cars, perfumes and expensive watches are advertised. *Negative* emotional appeals include fear, shame and guilt; an example of this would be how the advertisers of toothpastes typically play upon these sorts of emotions by emphasizing bad breath or the fear of tooth decay. However, irrespective of whether the appeal is positive or negative, the planner needs to identify the platform or selling proposition that the campaign is designed to rest upon (Kotler, 2000: 505).

**4** *The communication channels that will carry the message.* For the message to reach the target market, the planner needs to select the channels through which contact and communication can be made in the most effective way. These channels fall into one of two categories: *personal influence channels* and *non-personal influence channels*. In turn, personal influence channels can be subdivided into:

(a) *Advocate channels*, consisting primarily of the sales force and others who are employed by the company;

(b) *expert channels*, which consist of those whose views are seen to be independent and respected (these include independent authorities and advisers such as consumer groups, research institutes, *Which?* magazine and other bodies not employed by the company, but which comment on the value of a product); and

(c) *social channels*, made up of neighbors, friends, business associates and reference groups. (For a discussion of reference groups, refer to ‘social factors’.)

Non-personal influence channels include the mass media, such as newspapers, television, magazines, the cinema and posters, which have the advantage, not generally enjoyed by personal influence channels, of reaching large numbers of people. However, in doing this, they lack any personal element, with the result that the message is more easily ignored and misinterpreted.

**5** *The budget.* Although there are various ways in which the communications budget might be set, the most common of these are the *affordable approach*, *competitive parity*, a *percentage of sales*, and the *objective and task technique*, all of which have been discussed in detail in a variety of other books (Monle and Johnson, 2003).

**6 and 7** *The mix of communication tools that is to be used and how the elements of the promotions mix are to be integrated and how, in turn, the promotions mix is to be integrated with the marketing mix.* In deciding upon which promotional tools should be used, the marketing planner needs to take account of eight elements:

(i) The degree of control that is needed in terms of how the message is delivered.

- (ii) The financial resources that are available.
- (iii) The credibility of each of the tools in the eyes of the buyer.
- (iv) The size of the target markets and their geographic spread.
- (v) The nature of the product and market and, in particular, whether it is an industrial or a consumer product.
- (vi) Whether a push or a pull strategy is being used. (A *push* strategy, involving a heavy use of the sales force and trade promotions, is best suited to situations where there is a low level of brand loyalty; the choice is generally made at the point of purchase and the benefits are well understood by the buyer. A *pull* strategy, by contrast, is more appropriate when brand loyalty is high, differences between brands are easily perceived and there is a higher degree of involvement in the purchase.)
- (vii) The stage reached by the product in its life cycle.
- (viii) The buyer's readiness stage. Advertising and publicity are generally the most effective tools for raising levels of buyer awareness in the early stages and are more cost-effective than either personal selling or sales promotion. However, as levels of awareness and readiness increase, so personal selling takes on a more direct and valuable role. Closing the sale is also achieved most effectively by personal selling and sales promotion, while advertising then begins to increase in importance again at the re-ordering stage (Kotler, 2000: 512).

**8** *How the results of the campaign are to be measured.* An important part of any marketing activity is the measurement of the results that have been achieved. In the case of communications, this can be done using two dimensions: *qualitative measures* and *quantitative measures*. In the case of qualitative issues, the planner is concerned largely with attitudinal changes; quantitative measures relate to changes in sales levels, levels of satisfaction, and trial levels. The extent to which a campaign is successful is, however, influenced by a whole series of factors, many of which are outside the control of the marketing planner.

Although these eight areas are laid out sequentially, it needs to be recognized that, almost inevitably, a degree of iteration will be involved in arriving at a firm decision in at least some of these areas. This is perhaps most obvious in terms of the constraints that might be imposed by the budget. It could well be the case, for example, that having identified the target audience, the

communications objectives, the messages and the channels, the costs of implementing the campaign are simply too high for the organization. Given this, the planner is likely to be faced with having to go back and revise the objectives and/or time scales (Tony, 1998: 157).

## **2.5. Choosing Among Major Media Types**

According to Black (2004: 18) Media planners have to know the reach, frequency, and impact of each major media type. As summarized in table below, the major media types are television, newspapers, the Internet, direct mail, magazines, radio, and outdoor. Advertisers can also choose from a wide array of new digital media, such as cell phones and other digital devices, which reach consumers directly. Each medium has its advantages and its limitations. Media planners consider many factors when making their media choices. They want to choose media that will effectively and efficiently present the advertising message to target customers. Thus, they must consider each medium's impact, message effectiveness, and cost. Typically, it's not a question of which one medium to use. Rather, the advertiser selects a mix of media and blends them into a fully integrated marketing communications campaign. Each medium plays a specific role. The mix of media must be reexamined regularly. For a long time, television and magazines dominated the media mixes of national advertisers, with other media often neglected. However, as discussed previously, the media mix appears to be shifting. As mass-media costs rise, audiences shrink, and exciting new digital and interactive media emerge, many advertisers are finding new ways to reach consumers. They are supplementing the traditional mass media with more-specialized and highly targeted media that cost less, target more effectively, and engage consumers more fully.

Advertisers can take advantage of such "narrowcasting" to "rifle in" on special market segments rather than use the "shotgun" approach offered by network broadcasting. Cable and satellite television media seem to make good sense. But, increasingly, ads are popping up in far-less-likely places. In their efforts to find less-costly and more-highly targeted ways to reach consumers, advertisers have discovered a dazzling collection of "alternative media." These days, no matter where you go or what you do, you will probably run into some new form of advertising.

**Table: 1The Impact of Major Media Types for Advertising**

<b>Medium</b>	<b>Advantages</b>	<b>Limitations</b>
Television	Good mass-marketing coverage; low cost per exposure; combines sight, sound, and motion; appealing to the senses	High absolute costs; high clutter; fleeting exposure; less audience selectivity
Newspapers	Flexibility; timeliness; good local market coverage; broad acceptability; high believability	Short life; poor reproduction quality; small pass-along audience
The Internet	High selectivity; low cost; immediacy; interactive capabilities	Potentially low impact; the audience controls exposure
Direct mail High	Audience selectivity; flexibility; no ad competition within the same medium; allows personalization	Relatively high cost per exposure; “junk mail” image
Magazines	High geographic and demographic selectivity; credibility and prestige; high-quality reproduction; long life and good pass-along readership	Long ad purchase lead time; high cost; no guarantee of position
Radio	Good local acceptance; high geographic and demographic selectivity; low cost Audio only; fleeting exposure; low attention (“the half heard” medium); fragmented audiences  Outdoor Flexibility; high repeat exposure; low cost; low message competition; good positional selectivity	Little audience selectivity; creative limitations

Source: Black Donald

## **2.6. Measuring the Effectiveness of Advertising**

Advertising effectiveness can be defined as the level to which advertising generates a certain desired effect. Measuring the effects of advertising is very vital, given the amount of investments required for advertising. While it is not possible to achieve a global measure of the advertising effectiveness, we should seek to develop and apply methods and measures for a partial confirmation of results. Regarding the difficulty of measuring the overall effectiveness, it has believes that it is due essentially to considerations advertising interacts with other business variables (behavior, marketing policies, financial decisions etc.) and environmental variables (competition, economic conjuncture etc.), hardly isolable, the effects of advertising are varied and not always translatable into quantitative terms and advertising causes long-term effects, not always, therefore, the results occur in the same period in which are the costs.

Any business organization, which tries to increase sales volume and build accompany reputation through advertising should know how to measure the effectiveness of its campaigns. Measuring the communication effect of ad message testing-tells whether the ad is communicating well. Text testing can be done before or after an ad is printed or broadcast. There are three major types of ad

testing. The first is through direct rating, where the advertiser exposes a customer's panel to alternative ads and asks them to rate the ads. These direct rating indicate how well the ads get attention and how they affect consumers (Kotler, 2003: 186).

Although this is an imperfect measure of ad's actual impact high rating indicates a potentially more effective advertising. In portfolio tests, customer's view or listen to a portfolio of advertisements, taking as much time as they need. They then are asked to recall all the ads and their content, aided or unaided by the interviewer. Their recall level indicators the ability of an ad to stand out and its message to be understood and remembered. Laboratory tests use equipment to measure consumer's physiological reaction to an ad-heartbeat, blood pressure, pupil dilation and perspiration. These tests measure an ad's attention –getting power, but reveal little about its impact on beliefs, attitudes, or intentions (Kotler, 2003: 187).

The evaluation of advertising effectiveness has used two basic models (the dichotomous model and the three-dimensional model). The dichotomous model is applied mainly in product and brand advertising, tending to isolate and evaluate the sales effect and the communication effect separately. The sales effect refers to the assessment of the capability of advertising to affect the sales volume and/or the market share, regardless of the possible influence of other variables. For Batra et al. (1995), the effectiveness of advertising should be considered for its effect on sales in the short term. This advertising performance measurement is based on the marginal theory (Chamberlin, 1948). The advertising is therefore regarded as an independent variable that can be combined with other marketing variables to have a certain effect on the dependent variable, i.e. sales. The aim is to seek the best combination of the determinants of the sales increase. The effect of communication refers to the ability to reach, with appropriate messages, a more significant share of public. Such effect is examined with sociological, semiotic, psychological and socio-psychological approaches.

Sociological analysis focuses on the community, considered as a system governed by rules and social norms, and on the social behavior (Moingeon, 1993). The role of advertising and consumption in the society change is a very fertile topic. Sociology has examined how advertising influences opinions, attitudes and behaviors of individuals and social groups. There are two opposite sociological perspectives to the advertising function in contemporary society. The first maintains a positive approach to advertising. It is believed that the role advertising is to better organize economic and social relations, to harmonize social behaviors, to make people adhere to common values and to help them to better live together without problems. The second

approach is, by contrast, rather critic, because advertising tends to generate a mass consumption. In order to adapt messages to a wider audience, introduces new, poorly differentiated, symbolic values (Friedman, 1979).

Communication in general and advertising in particular, were treated by psychologists starting from the motivations of recipients, which occupy a central position in the analysis. This is because of their influence on the perception of the recipient (Mittelstaedt, 1990). They believe that the motivations drive consumer behavior. So the purpose for the advertising creator, is to identify the reasons of consumer behavior, in order to identify the most effective advertisement message or to remove the communication barriers. With the psychological approach, other types of research and investigation have emerged, thanks to the contribution of neuroscience. The evidence (obtained through scientific experimentation) has become a necessary support to verify the assumptions. The psychological approach has the advantage to measure the effectiveness of advertising with reference to the recipient of the message, particularly to the consumers' characteristics. On the other hand, the approach does not provide exhaustive answers, not delving into the exact causes that lead the recipient of the message publicity to expose themselves voluntarily to the message, decode it, to store and, eventually, to make the purchase. So it is not taken into account the entire communication process, and, in particular, the external factors, especially those related to the environment, that may play a crucial role in determining the behavior of the recipient (Mittelstaedt, 1990).

The socio-psychological approach takes simultaneously into account the message and the recipient of the message. This approach aims to study the effectiveness of advertising in terms of persuasiveness (Ray, 1982), observing the effects on the formation process of attention, memory, attitude and behavior (Kapferer, 1990). This research methodology considers the environment of the communication process and its actual interactions. The experimentation is widely used. It also allows to consider all hypotheses tested together, and all the links that may exist between variables, through a pre-test, getting an advantage in terms of validity of the research. Rather than focusing solely and exclusively on direct effects of certain variables taken individually, that is difficult to control in reality, this approach studies the actual contribution of these variables in explaining the evolution of the dependent variable, sales.

The major criticisms to the dichotomous model concern the partial evaluation and the inability to provide reliable breakdowns of the effects achieved by advertising and by other company politics (marketing and communication). For these reasons, sometimes, the three-dimensional models (i.e. AIDA model and model Dagmar) are preferred. These models are used both in planning



advertising campaigns and evaluating their effectiveness. They propose a hierarchy of communication effects, cognitive affective and behavioral (Brasini et al. 1993; Marbach and Fabi 2000).

Namely the analysis of cognitive dimension concerns the messages understanding and storing and must take account of different types of memory: spontaneous recall, without any added indication; stimulated recall, facilitated by the presentation of certain evidence; related memory, when respondents are able to describe at least one specific element of the communication; recognition, or identification of the advertising; brand allocation, the memory not only of the advertising but also of the advertised brand).

The affective dimension is linked to the attitude toward and perceptions of communication. Affective reactions and emotional acceptance of that type of campaign are investigated. The affective attitude towards the images proposed and the spread opinion of consumers is detected. The behavioral dimension describes changes in buying behavior, detectable by intentions and actions measured by sales and market share. Moreover a fundamental element for an effective communication process is the use of the same code by the source and recipient. Otherwise, the recipient will not understand the message or give a different meaning and this will lead to the phenomenon Eco called "aberrant decoding". All the models mentioned so far are mainly focused on three elements of the communication process: the recipients (in terms of audience, memory, storage), the media used (in terms of impact, coverage, frequency, etc.) and the feedback (in terms of attitudes, behaviors, opinions, etc...). They totally omit other elements (source, code, context) assuming essentially that the communication process was conducted in optimal conditions or at least without distortion (Mohandi, 1998).

## **2.7. Empirical review**

Neslin and Shoemaker's (1989) examined two thousand families; the study product was coffee. The finding of the study suggested that, after promotion, the personal repurchase ratio remained unchanged while the overall repurchase ratio was reduced by impact of sales promotion. This study concluded that the decrease of overall repurchase resulted from the fact that most of the subjects in this study were new brand buyers and brand switchers whose incentives for the purchase were sales promotion. Comparatively, the repurchase ratio would decrease after the promotion period, which also brought about the decrease of overall repurchase. However, this reason did not absolutely contribute to creating a reduction of individual repurchases.

Cox and Cox (1990) concluded that promotion in advertising efficiently directed to consumer association that products from this store were low price. Dickson and Sawyar's (1990) in their study found that as consumers perceived purchased products as promoted ones, the value of consumer brand image would be decreased. Corresponding to the findings of Cox and Cox (1990), Grewal, Baker, and Borin (1998), studied the significant effect of store name, brand name, and price discount on consumer brand value as well as consumer purchase intention. The results found that discount depth was negatively related to perceived quality. That means, the more discount depth, the less perceived quality. The finding inferred that information of price promotion would not absolutely result in positive purchase intention and might damage brand value.

Raghubir and Corfman (1999), in their study taking service products (dental services, health club, and mutual funds) as products of their empirical study and investigated the relationship between price promotions on brand value before using products. They suggested that if consumers who never had purchase experience on a promoted brand or a new promoted brand, they would regard the promoted brand as one with lower quality. The study found that price promotion had a negative impact on consumer brand value before consumers began using a new product. Yoo (2000) also found that price promotion generated negative effects on perceived quality and brand association which were dimensions of brand equity. Owing to price variability which increases consumer uncertainty about brand quality, the decrease of quality perception and increase of considered perceived risk may happen (Yoo et al., 2000).

Low and Mohr (2000) showed in their study, senior marketing managers were interviewed to process the survey either in pre-tests or in real survey. They found that brands with higher budget provisions for advertising have more advantages than brands with those to sales promotion in terms of manipulating consumer attitude, brand equity, and market share. Even though many studies stated the negative impacts of sales promotion on brand equity, some researchers still resisted that brand equity was not negatively influenced by sales promotion.

Davis, Inman, and McAlister (1992) assumed that sales promotion has a negative impact on brand value. They directly measure the effect of price promotion on brand value on three brands and four product categories (microwavable popcorn, saline solution, cereal, mouthwash), with college students as study subjects and the grocery stores on campus as the experimental environment. The measures of brand evaluations contained three elements which were affective,

cognitive, and behavior intention and the results found that sales promotion leveraged the ratio of consumption, but it did not create a negative impact on brand value. Davis et al. (1992) concluded that consumption type in grocery stores was of low involvement consumption type; therefore sales promotion allowed creating immediate and positive effects. However, the promotion content with low involvement consumption would be forgotten by consumers, and accordingly, negative effects of sale promotion on brand equity would not be generated.

Chen, Monroe, and Lou (1998), investigated the influence of price promotion incentive on consumers' perceptions and purchase attitudes, they found that, in the coupon promotion, consumers with no coupons still had to pay money corresponding to the original price to buy the product; therefore, the original price was still an effective price and consumers did not down value the quality of the promoted product. The study also concluded that, in coupon promotion, customers would have perceptions of beneficial price inequity which resulted in influence of perceived value. Furthermore, some customers, in coupon promotion, believed that some people purchased the same products with the original price. Hence, most customers did not lower internal reference prices. These researchers incidental that coupon promotion endured overall a perceived value of promoted products much more than a direct price-off deal did.

D'Astous and Jacob (2002) conducted a three-study research program to calculate what kinds of conditions can gain consumer appreciation of premium - based promotional offers. The development of the study's procedure was made up of a tested typology of premium-based promotions, a qualitative study, and a survey of adult consumers. The results showed that there were positive relationships between consumer gratitude of premium-based promotional techniques and some independent variables, including a high direct degree of premium, positive consumer brand attitude and great interest in the premium, high deal-prone consumer traits, and high obsessive consumption prepositions.

Parker and Pettijohn's (2003) studied the issue about the argument for /against promotional gifts or free samples was particularly to be investigated. The researchers selected physicians in a mid-western regional health center as the subjects who responded to the questionnaires which centered on the topics about whether promotional gifts or free samples from pharmaceutical representatives would influence their decisions to prescribe, and whether pharmaceutical direct-to-consumer advertising would increase the request possibilities of both drug brand choices and drug category. The findings showed that direct-to-consumer advertising made the rates of both

drug class and drug brand choices higher, and the rates of physicians' prescriptions on those drugs also increased. However, most respondents (physicians) reported that the acceptance of gifts or samples did not affect their prescription. When they believed that the generic products were effective for patients, they stuck to the usage of that brand product, without switching to another brand. Daly (1993) reported that promotional gifts (nonmonetary sales promotion) could facilitate in creating a positive perception, supporting a buying decision, strengthening relationships and stimulating interest, the study's finding showed sales promotion appeared not to achieve its goal to strengthening brand relationship with consumers.

The research by Mahmud I et al. (2014), identified the degree of promotional mix elements practice in Jordanian shareholding Ceramic and glass production companies. Their results indicate that the degree of Promotional activities practicing in Jordanian shareholding Ceramic and glass production companies, which has ranked according to their importance are as followed: Advertising, personal selling, sales promotion, followed by publicity, and finally, public relations.

The by Nor Amira (2013), found that the four independent variables that have been used (advertising, internet marketing, public relation, personal selling) have contributed to only 31.5 percent of the purchased decision by the target audience. It reveals that there are other variable (68.5 per cent) that may contribute to the buying decision of the target audience. Thus, the automotive industry in Malaysia should enhance other promotion strategies such as sales promotion, road shows and sponsorship event to enhance the customers' attention, arouse the customers' interest and desire and finally lead the customer's action to buy the car. In a nutshell, the automotive companies in Malaysia have used the common promotional strategies to attract the customers to buy their cars but there are still other means or ways that need to be improved by the companies to ensure that the promotional strategies are well received and would influence the buying decision of consumers.

In addition , according to Sukhmani et al.( 2012),to study the role of elements of promotion mix which help the companies in increasing their sales, the respondents were asked to rate the elements in ethnical issues involved with the product ,distribution channel, PCL stage, Government Regulations, market size and location and strategies for competitors. The factors chosen by the rural consumers which they consider accountable for deciding the optimal promotion mix confirm the level of awareness among the rural respondents about the elements of

promotion mix. Each of the elements of promotion mix has its own impact on the rural masses. They understand the significance of various elements of promotion mix in increasing the sales of the company wherein public relations have been considered as the most important element, followed by Sales Promotion, Direct Marketing, Advertising and Personal Selling. Observations clearly depict the role of various elements of promotion mix in raising the sales of the companies.

According to Sardar Mohammadi et al. (2012) , choosing the right, consistent and effective communication model to direct consumers and customers to achieve short-term and long-term goals of marketing is a complex and important topic. In their research, to evaluate promotional mix in production sector of sport industry, AIDA model as the best scientific models was used. They said that choosing a good and dynamic promotional mix to promote communicative goals of the organization and promotion of organization products are one of the main challenges of marketing managers. They found that advertisement was significant in comparison with public relations, personal sale and face-to – face selling. “The importance of most of the advertisements in comparison with other promotional tools is due to the effective role of advertisement to inform the market about the good and new services, explanation of the commodity or service performance, correcting wrong perceptions, convincing the customer to make a purchase, changing the customers attitudes about the characteristics of commodity or service, reminding the consumer about his need to the commodity or service in near future and reminding the purchase place to the customer.”

## **2.8. Marketing Communication Foundation**

Various theories have been suggested by different authors in relation to marketing communication. Some of the theories include; AIDA theory, hierarchy of effects theory, and relationship marketing theory.

### **2.8.1 AIDA Theory**

The AIDA (attention, interest, desire and action) model produces a detailed illustration about the entire procedure of how advertising effects consumer behavior and the purchase decisions. It is an acronym, which consists of the factors of attention, interest, desire and action, all of them relevant to the relationship between consumer behavior and advertising. AIDA model is

initiatory and simplest (Aaker and Joachimsthaler, 2000). It explains how personal selling works and shows a set of stair-step stages which describe the process leading a potential customer to purchase.

The first element, that is attention, describes the stage in which the brand manages to gain the attention of the consumer through the advertisement that he/she has come into contact with. It could be either positive or negative attention or sometimes, in a worse case, no attention at all. From the advertiser's standpoint, only the first case is a favorable one where the consumer pays positive attention to the advertisement and eventually the brand (Kotler, 2007). The company should creating attention, interest, desire, and attraction of their products in the market using appropriate channels of communication to reach the mass market thus stimulating demand of existing and new products in the market.

Therefore, adoption of the theory by firms promotes tremendous growth of the companies in terms of client base and revenue (Aaker and Joachimsthaler, 2000). They all have three general stages in common, even though the amount or names of sub-stages might differ: cognitive stage (what the receiver knows or perceives), affective stage (receiver's feelings or affective level), behavioral stage (consumer's action) (Aaker and Joachimsthaler, 2000).

### **2.8.2 Hierarchy of Effects Theory**

The Hierarchy of Effects Model was created in 1961 by Lavidge and Gary. This marketing communication model, suggests that there are six steps from viewing a product advertisement (advert) to product purchase. The job of the advertiser is to encourage the customer to go through the six steps and purchase the product which include; awareness, knowledge, liking, preference and purchase.

Customers see many adverts each day but will only remember the brand of a tiny fraction of products. Knowledge of the customer begins when the product is advertised using various communication channels which include; the internet, retail advisors and product packaging. In today's digital world this step has become more important as consumers expect to gather product knowledge at the click of a button. Consumers will quickly move to competitor brands if they do not get the information they want. The advertiser's job is to ensure product information is easily available (Belch and Belch, 2003).

Liking of the product involves customer willingness to buy a product after information search in the market concerning the product on offer. Preference involves consumers being loyal to a particular brand compared to competitor brands. At this stage advertisers will want the consumer to disconnect from rival products and focus on their particular product. Advertisers will want to highlight their brand's benefits and unique selling points so that the consumer can differentiate it from competitor brands. Conviction to a product is a stage of creating the customer's desire to purchase the product in the market. Advertisers may encourage conviction by allowing consumers to test or sample the product (Buzzell, 2004).

Purchase involves is the final stage that consumers experience in the buying process. The advertiser may want the customer to purchase their product by emphasizing on the benefits of the product to the consumer (Belch and Belch, 2003). This stage needs to be simple and easy, otherwise the customer will get fed up and walk away without a purchase. For example a variety of payment options encourages purchase whilst a complicated and slow website discourages purchases. Companies should identify new ways of increasing purchase habits among consumers. Modern technologies like online purchase and mobile phone technologies should drive competitive companies thus minimizing costs of operation (Alexander and Schouten, 2002).

### **2.8.3. Importance of Promotional Strategy**

A number of factors are responsible to boost consequence of promotional efforts for an organization. First factor among those is customer's wide variety of choice. Promotion is essential to persuade these customers to transform their buying habit. Another factor is the rising gap of physical and emotional distance, this means manufacturer use association and channel to provide products information to the customer, and this must be taken in to relation to make a communication strategy. Next factor is the growing competition in the industry. Lastly, the most active factor is technological matters. All of these factors should be accounted to build a proper promotional strategy. (Strydom, 2004)

#### **Factors leading to increase promotional efforts**

Promotional activities at intermediary level turn into more noteworthy if the product is extra complex, technological or expensive (Zeithaml & Bitner, 2003).

While, a business that uses an intermediary frequently cannot handle the ultimate promotions at the intermediary stage, as the intermediary may concern only about its own interests and use a promotional strategy contradictory with the business's purposes. Because, organizations and intermediaries are frequently hold altered goals and different views of channel performance. (Zeithaml & Bitner, 2003)

Business organizations that sell tremendously demanded products or services regularly increase the authority to influence intermediaries' conclusion. Therefore, the level of product charisma to customers may sway intermediaries' conclusion to participate in the organization's promotional program (Murry and Heide, 1998).

## **2.8.4. Consumer Buying Behavior**

### **2.8.4.1. Concept of Consumer Buying Behaviors**

Armstrong (2009, p.148) suggest that ' Consumer buying behavior refers to the buying behaviors of final consumers-individuals and household who buy goods and services for personal consumption.' Consumer buying behavior can be described as the study of persons, groups or different organizations and their guide of selecting, using, processing, disposing and securing of products, services, ideas or experiences of a particular business organization (Ville, 2012).

According to Peterson (1995) the consumers are constantly showing the moving behavior while they do shopping but there are a number of customers, who are extremely strict to their choice and loyal to the business organization.

These are most frequently experiential that, in fashion industry the exchange cost is small. Even though the moving of customers show pathetic relationship with the business organizations. That might be the reason, why customer satisfaction is declining (Reinartz and Kumar, 2000). For this reason, the business organizations are constantly offerings package of selections to be loyal with them. Moreover, when they change their dealer, they don't need any cost (Sheth and Parvatiyar, 1995).

Rust and Zahorik (1993) stated that- "customers maintenance depends on customer pleasure and satisfaction and some other drivers." Consumer buying behavior has been changed dramatically in the last few decades, especially in the retail and fashion sectors and the main reason is



increasing number of competitors, which is making impact of customers moving rasion (Reinartz and Kumar, 2000).

Actually consumer buying behaviors is the system of the individuals or groups and it covers lots of field in marketing. Customer satisfaction and loyalty also affect consumer buying behavior. Moreover, understanding consumer buying behavior is very important in business because it is an important marketing concept to make customer happy and loyal.

A business organization should better understand their customer and their needs and make customers believe that their products and services are better than their competitors. The responses from customer are the result of company's marketing strategies whether it is successful or not. However, a company can be successful in the market if they can use the information and knowledge from the customer properly. With using of the information a business organization can make positioning themselves in the market and find the strength and weakness compare with its competitors (Solomon, 2004).

According to Berry (1969) - there are a number of consequences which are depending on consumer behavior correlated with the stores. To boost the stores images rewarding strategy is very imperative which also shopper loyalty. On the other hand, the difficult consequences make the critical brand image.

#### **2.8.4.2. Consumer Buying Behavior Process**

Every business needs to be successful in its sector to make profit. Customer value is important to be successful for a business organization. To offer a great customer value, business organization needs to satisfy its customer's needs. If organization has a good understanding of customer buying behaviors, they will be capable to offer a great value to the customers. This is the main reason, how some companies make differentiate themselves from others (Ville, 2012).

Ville (2012) shows the steps of consumer buying process-

1. The first step in this process is consumer identification of needs for a specific service or product.
2. In the second step, Consumers look for related information to make a perfect decision on how to make satisfy them. Such as what product or what kind services they want.
3. After assessment of this product or service related information, the consumers will buy the product or service on which they are determined

4. At last, consumer will try to evaluate the quality and performances of product and service to know whether it was able to satisfy their needs or not. In this stage, consumer may select that product or service as a permanent option or they can avoid the product or service if they are not satisfied.

### **Consumer Buying Process**

Understanding consumer buyer behavior needs more than just investigating buying process. Consumption is a very important part in this case. It continues after buying process. The value of product and service can be justified only after consumption of the products and services. In some case, this process takes long as utility of some product and services can be realize at once and decision of customer to buy this kind of products and services come through a long calculation for future satisfaction. The managers, who really understand the consumer needs, can make a good products value to the customers. This quality help organization to improve relationship with customer and ultimately it makes a business organization profitable (Pride & Ferrell, 2012).

#### **2.8.4.3. Factors Influencing Consumer Behavior**

Consumer buying behavior can be affected by numerous factors. Kumar, (2010) indicates some factors which are influencing consumer buying behaviors:

- Culture: (culture, subculture, social class);
- Personal: (age and life cycle, education, economic situation, life style, personality, self concept);
- Social: (reference group, family roles and status)
- Psychological: (motivation, perception, learning, belief, attitude)

#### **2.8.4.4. Models of Consumer buying behaviors**

On consumer buying behaviors, many prospective authors of marketing studies made some models, which are very useful to understand this concept. These model normally discuss many stimuli, influence factors, the decision making and result. In this section- Kotar's, Engel's, Hawkin's models of consumer buying behavior should be mentioned.

##### ***Kotler's Model of Buyer Behavior:***

Kotler (2000) shows a model of buyer behavior:

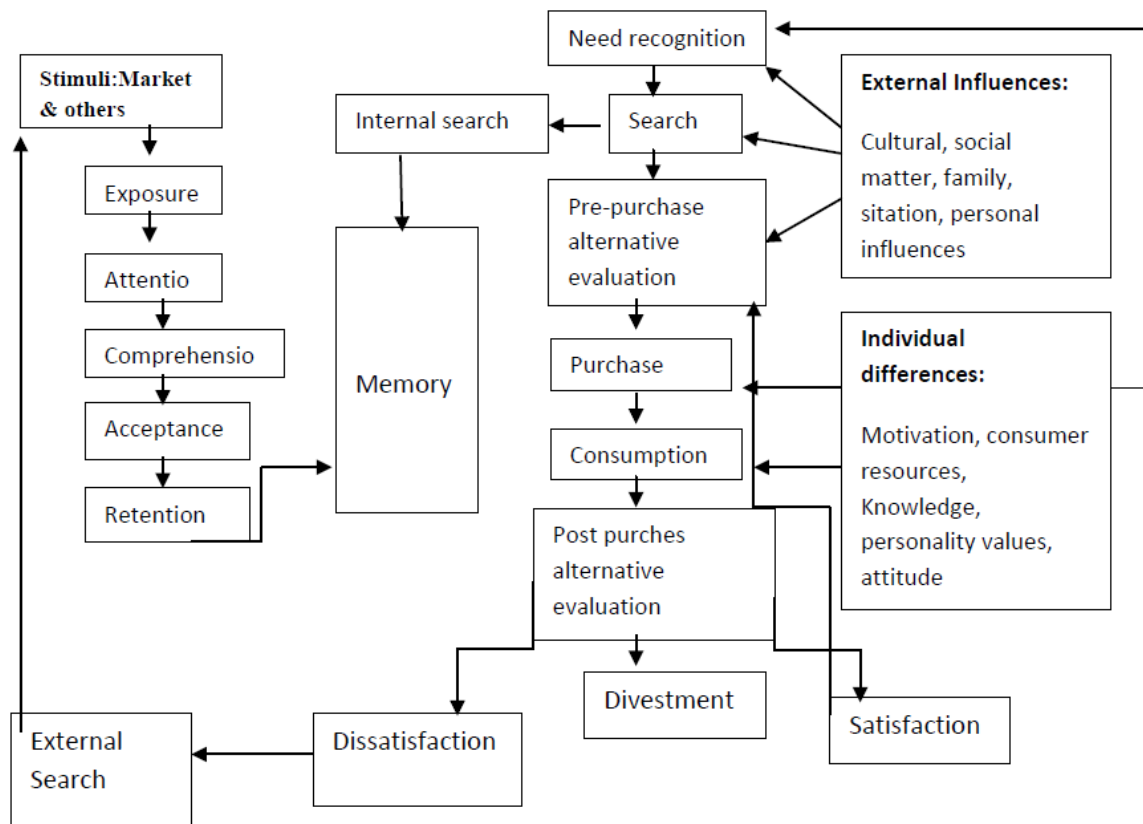
Marketing Stimuli	Other stimuli		Buyers Decision		Buyers Characteristic	Buyers decision process
Marketing mix *Product *Place *promotion *Place	*Political *Cultural *Technological *Economic		*Choosing of brand *Choosing of products *dealer choice *timing of purchase *amount		*Psychological *personal matter * cultural matter *Social matter	*Problem finding *information *evaluation *decision taking *post purchase behaviour

**Model of Buyer Behaviour (Kotler, 2000. P161).**

Figure: 1 model of buyer behavior

This model of Kotler shows that, how consumer think about marketing and other factors. Afterward, consumer makes purchasing decision certainly with the influence of their characteristic. At the end customers do post purchase behavior which is the total out comes from the process, it can be negative or positive.

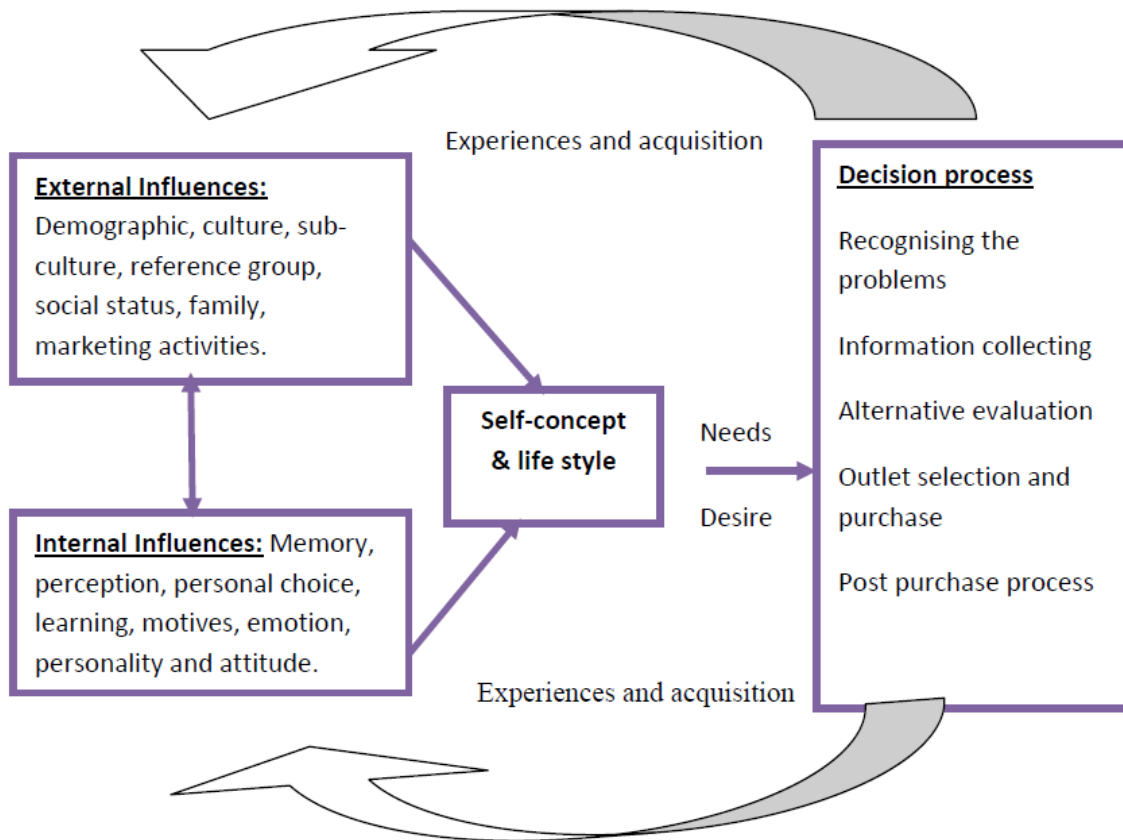
Engel, Blackwell &Miniard (1995, p155) showed buyers behavior model more descriptively:



**Figure: 2 Consumer decision process model. (Engel, Blackwell & Miniard, 1995, p.155)**

Engle’s consumer decision process shows that, how different factors impact on environmental matters and individual customers. All of these factors have a vital role in customer purchasing decision making process. Memory recall also encouraged by this process, which is used to know whether products and services are satisfactory or not.

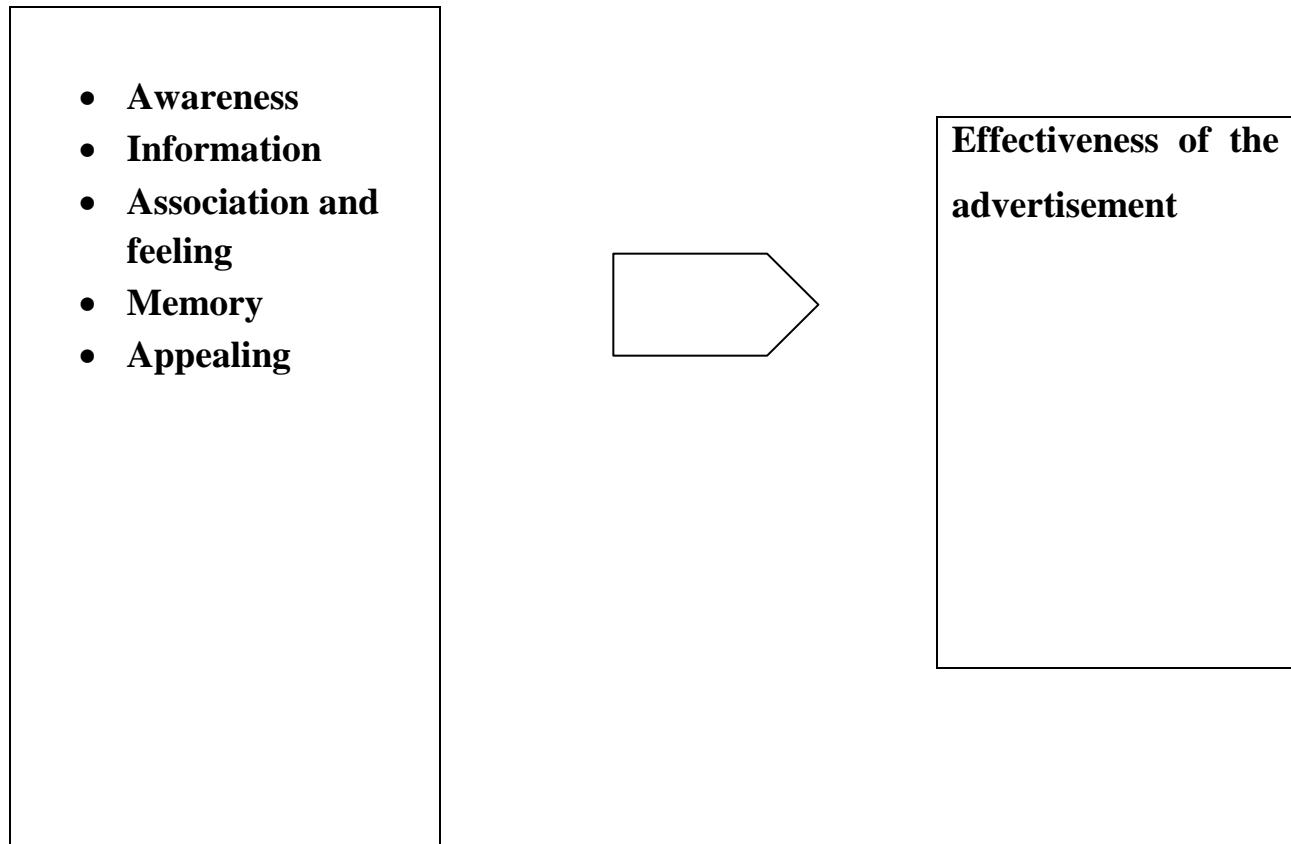
Hawkins, D., Best, R., and Coney, K. (2001, p.26) have given a model of consumer behavior, which is simple and easy to understand:



**Figure: 3 Model of consumer behavior (Hawkins et al, 2001, p.26)**

Hawkins et al (2001) think that- self-concept & life style are the central part of the buying behavior process. In addition, consumer’s needs and desire can be affected by external and internal influences. Through this process a consumers gain experience of the products and services and come to know, are they satisfied or not.

## 2.9. CONCEPTUAL FRAMEWORK



**Figure: 4 Conceptual framework**

**Source: Developed from own Research (2019)**

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

This part describes the methodologies that were used in this study: the choice of particular research designs, data type and source of data, research approach, data gathering technique and instruments, sampling and sampling techniques and data analysis techniques along with an appropriate justification associated with each approach.

#### **3.1. Research Approach**

In order to attain the objectives of the study quantitative research design was used. Quantitative research involves counting and measuring of events and performing the statistical analysis of a body of numerical data. The assumption behind the positivist paradigm is that there is an objective truth existing in the world that can be measured and explained scientifically. The main concerns of the quantitative paradigm are that measurement is reliable, valid, and generally in its clear prediction of cause and effect. The strengths of the quantitative method include: stating the research problem in very specific and set terms, clearly and precisely specifying both the independent and the dependent variables under investigation, following firmly the original set of research goals, arriving at more objective conclusions, determining the issues of causality, achieving high levels of reliability of gathered data due to controlled observations, laboratory experiments, mass surveys, or other form of research manipulations, eliminating or minimizing subjectivity of judgment and allowing for longitudinal measures of subsequent performance of research subjects (Cassell & Symon, 1994).

#### **3.2. Sampling and Sampling Techniques**

##### **3.2.1. Target Population**

According to Hair (2010), sampling design begins by specifying the target population. This is the collection of elements or objects that possess the information sought by the researcher and about which inferences are to be made. The target population must be defined precisely. Imprecise definition of the target population will result in research that is ineffective at best and misleading at worst. Defining the target population involves translating the problem definition into a precise statement of who should and should not be included in the sample. The target population should be defined in terms of elements, sampling units, extent and time. An element is the object about

which or from which the information is desired. In survey research, the element is usually the respondent. A sampling unit is an element, or a unit containing the element, that is available for selection at some stage of the sampling process. Target population is said to be a specified group of people or object for which questions can be asked or observed made to develop required data structures and information. Therefore, for this study, the target population was customers of National Alcohol & Liquor Factory in Addis Ababa around Mexico, Piasa, Kasanchis, Saris and Bole.

### **3.2.2. Sampling Techniques and Sample Size**

For populations that are large, Cochran (1963:75) developed the equation yields a representative sample for proportions. Due to the difficulty nature of determining sample size of the customers of the National Alcohol & Liquor Factory the researcher used the recommendation of Malhotra's (2006) suggestion of 200 respondent customers as representative sample in order to have sufficient and reliable data. In order to select the sample size of the study the researcher used non-probability sampling approach. For the customer population under the study was used convenient sampling technique which means being the sample representative of the population is homogeneous and has no selection bias.

### **3.3. Data Type and Source of Data**

The researcher was used primary data for the entire analysis of this study. The information was gathered through questionnaire from the selected sample of respondents of customers of National Alcohol & Liquor Factory. The data collected from the respondents through questionnaires were used as primary data. According to Biggam (2008), primary data is the information that the researcher finds out by him/herself regarding a specific topic. The main advantage with this type of data is that it was collected with the research's purpose in mind. It implies that the information resulting from it is more consistent with the research questions and objectives.

### **3.4. Data Gathering Technique and Instruments**

The primary data was gathered particularly using survey questionnaire. The questionnaire, whether it is called a schedule, measuring instrument, is a formalized set of questions for obtaining information from respondents. The researcher was distributed the questionnaires to

sample respondents. For the purpose of this study a quantitative methodology involving a close-ended questionnaire was used as the measuring instrument. The close-ended questionnaires were administered to groups of people simultaneously, since they are less costly and less time consuming than other measuring instruments. The Likert-type scale method was used a range of responses: 'Strongly Disagree', 'Disagree', 'Neutral', 'Agree', and 'Strongly Agree' and the 5-point rating scale also used a range of responses: no extent, small extent, moderate extent, great extent and very great extent. The usage of this particular scaling method was ensured that the research study was illustrated the ability to assess the responses and measure the responses quantifiably so that a pattern or trend was produced in order to assess research objective. As Neuman (2003) hypothesized, it is a process of asking many people the same questions and examining their answers.

### **3.5. Data Analysis**

The data collected in the research was edited, coded and entries made into made into statistical software (Statistical Package for Social Sciences, SPSS version 20). This involved converting quantitative (nominal and ordinal data) into numerical codes. Descriptive statistics was then run which consist of frequencies, percentages, means and standard deviation to summarize the data. Accordingly, the data that was obtained from close ended questionnaires analyzed quantitatively and presented by tabulation and percentage.

### **3.6. Ethical Consideration**

Never mention about their ethnicity, political and religious view points and their private concerns. Because these whole things are their personal backgrounds that they don't want to explode. Confidentiality was the researcher's concern and duty to keep the respondents safe under psychological discipline.



## CHAPTER FOUR

### DATA PRESENTATION, ANALYSIS AND INTERPRETATION

This chapter envisages the data presentation, analysis and interpretation that collect from the customers of National Alcohol & Liquor Factory by distributing questionnaires. The respondent customers are selected using non probability sample approach specifically convenient sample technique. Among the distributed 200 questionnaires all of them were volunteer to give their response. The data obtained from close ended questionnaires are analyzed quantitatively and presented by tabulation and percentage.

#### 4.1. Analysis of the Questionnaire

**Table: 2. General Background of the Respondents (Demographic Information)**

Item	Alternatives	Frequency	Percentage
1. Gender	Male	135	65
	Female	65	35
	<b>Total</b>	<b>200</b>	<b>100</b>
2. Age	Below 25		
	25-30	86	43
	31-35	60	30
	36-40	24	12
	Above 40	30	15
	<b>Total</b>	<b>200</b>	
3. Educational Background	High School Complete	40	20
	Diploma	26	13
	BSC or BA	90	45
	MSC or MA	44	22
	PHD		
	<b>Total</b>	<b>200</b>	<b>100.00</b>

Source: Own Survey, (2019)

On the table two the demographic information of the respondents shows that 35% of the respondents are female and 65% of them are male. On the item 2 of the same table the age distribution of the respondent 43% of them are between 25 and 30 years, 30% of them between 31 and 35, 12% of them between 36 and 40 and 15% of them are above 40 years. Based on the data majority of the respondents are found between the age of 25 and 40 years. This implies that the respondent have good media exposure to evaluate the company's advertising.

On the third item of the table the educational background of the respondents shows that 20% of the respondents are high school complete, 13% of them are diploma graduate 45% of them are graduated by first degree and 22% of them graduated by second degree. Based on the data majority of the respondents are graduated from different higher institutions. This implies that the respondents can easily understand the ideas of the questionnaire.

**Table: 3 Informational Supplements of the Company Advertisements**

Item	Alternatives	Frequency	Percentage
1. The message transferred by the company's advertisement easily understandable by the customers.	Strongly agree		
	Agree	62	31
	Neutral		
	Disagree	26	13
	Strongly disagree	112	56
	<b>Total</b>	<b>200</b>	<b>100.00</b>

Source: Own Survey, (2019)

As be seen on the item one of table 3, regarding the message transferred by the company's advertisement easily understandable by the customers, 31% of the respondents agree, 13% of them disagree and 56% of them strongly disagree. Based on the data majority of the respondents didn't agree for the statement. This implies the message transferred by the company's advertisement didn't easily understandable by the customers.

**Table: 4 The Message by Transferred the Company's Advertisement**

Item	Alternatives	Frequency	Percentage
1. The Company advertisement is successful by exposing to reach the consumer.	Strongly agree	46	23
	Agree	62	31
	Neutral		
	Disagree	66	33
	Strongly disagree	26	13
	<b>Total</b>	<b>200</b>	<b>100.00</b>
2. The company used telemarketing that involves telephoning people to offer the company's products.	Strongly agree	24	12
	Agree	26	13
	Neutral		
	Disagree	46	23
	Strongly disagree	104	52
	<b>Total</b>	<b>200</b>	<b>100.00</b>
3. The company's advertisement transferred ideas on the customer's memory by using short messages.	Strongly agree		
	Agree		
	Neutral	12	6
	Disagree	78	39
	Strongly disagree	110	55
	<b>Total</b>	<b>200</b>	<b>100</b>

Source: Own Survey, (2019)

As be seen on the item 3 of table four, for the statement the advertisement of the company frequency of exposure is acting on the message, 23% of the respondents strongly agree, 31% of them agree, 33% of them disagree and 13% of them strongly disagree. Based on the data majority of the respondents didn't agree for the statement. This implies that the advertisement of the company frequency of exposure didn't act on the message.

On the item two of table, for the statement the company used telemarketing that involves telephoning people to offer the company's products, or information about products 13% of the respondents neutral, 17% of them strongly agree, 13% of them agree, 23% of them disagree and 52% of them strongly disagree. Based on the data majority of the respondents didn't agree for the statement. This implies that the company didn't used telemarketing that involves telephoning people to offer the company's products, services, or information about products or services.

On the item three of table, regarding the company's advertisement transferred ideas on the customer's memory by using short messages, 6% of the respondents neutral, 39% of them disagree and 55% of them strongly disagree. Based on the data majority of the respondents didn't agree for the statement. This implies that the company's advertisement didn't transferred ideas on the customer's memory by using short messages.

**Table: 5 The Company's Advertising on the Reaching the Customers**

<b>Item</b>	<b>Alternatives</b>	<b>Frequency</b>	<b>%</b>
1. The company advertisement considers audience segmentation.	Strongly agree		
	Agree	10	5
	Neutral	36	18
	Disagree	32	16
	Strongly disagree	122	61
	<b>Total</b>	<b>200</b>	<b>100</b>
2. The company advertisement is successful by reaching the consumer attention.	Strongly agree		
	Agree		
	Neutral	52	26
	Disagree	52	26
	Strongly disagree	96	48
	<b>Total</b>	<b>200</b>	<b>100</b>
3. The company advertising attracts the customer and makes them interested in the product.	Strongly agree		
	Agree		
	Neutral	66	33
	Disagree	62	31
	Strongly disagree	72	36
	<b>Total</b>	<b>200</b>	<b>100</b>

Source: Own Survey, (2019)

As be seen on the item one of table five, regarding the company advertisement considers audience segmentation, 16% of the respondents agree, 23% of them neutral, 14% of them disagree and 47% of them strongly disagree. Based on the data majority of the respondents didn't agree for the statement. This implies that the company advertisement didn't considers audience segmentation.

On the item two of table 4, for the statement the company advertisement is successful by reaching consumer attention, 5% of them agree, 18% of them neutral, 16% of them disagree and 61% of them strongly disagree. Based on the data majority of the respondents didn't agree for the statement. This implies that the company advertisement isn't successful by getting the consumer attention.

On the item three of table, for the statement the company advertising attracts the customer and makes them interested in the product, 26% of the respondents were neutral, 26% of them disagree and 48% of them strongly disagree. Based on the data majority of the respondents didn't agree for the statement. This implies that the company advertising didn't attract the customer and makes them interested in the product.

**Table: 6 The Company's Advertising Exposure, Effectiveness in Achieving the Objectives**

<b>Item</b>	<b>Alternatives</b>	<b>Frequency</b>	<b>Percentage</b>
1. The meaning attached by the company's advertising is consistent with the customers understanding.	Strongly agree		
	Agree	62	31
	Neutral		
	Disagree	26	13
	Strongly disagree	112	56
	<b>Total</b>	<b>200</b>	<b>100.00</b>
2. The company advertisement is effective on the creating awareness for the customers	Strongly agree		
	Agree		
	Neutral	26	13
	Disagree	46	23
	Strongly disagree	128	64
	<b>Total</b>	<b>200</b>	<b>100.00</b>
3. How do you evaluate the company advertising on enhancing the company credibility as an organization?	Very good	78	39
	Good	110	55
	Moderate	12	6
	Poor		
	Very poor		
	<b>Total</b>	<b>200</b>	<b>100</b>

Source: Own Survey, (2019)

On the item one of table 5, for the statement the meaning attached by the company's advertising is consistent with the projected meaning, 13% of the respondents neutral, 23% of them disagree and 64% of them strongly disagree. Based on the data majority of the respondents didn't agree for the statement. This implies that the meaning attached by the company's advertising is not consistent with the projected meaning.

On the item two of the same table, 32% of the respondents evaluate as moderate, 22% of them as low and 6% of them as very low for the company's advertising exposure effectiveness in achieving objectives and moving people. Based on the data majority of the respondents evaluate as low the company's advertising exposure effectiveness in achieving objectives and moving people. This implies that the company's advertising exposure is not effective in achieving objectives and moving people.

**Table: 7 Customer Perception of the Company's Advertisement**

No	Item		Frequency	Percentage
1	How do you evaluate the company advertisement on the increasing the level of awareness of customers?	Very high	-	-
		High	34	17
		Medium	96	48
		Low	70	35
		very low	-	-
	Total	200	100	

Source: Own Survey, (2019)

As it is shown in item 1 of the above table, the respondents were asked to evaluate the company's advertisement on increasing its customer's awareness. The majority of the respondents 48% evaluated as medium and 35% of them as low, only 17% evaluate the case company's advertisement on increasing the level of awareness on its customers as it is high. This shows that the company must work on its concept of advertising.

**Table: 8 The attractiveness of the Company Advertising**

S.No	Item	Alternative	Frequency	Percentage
1	The Company advertising enhances the product credibility	Strongly agree		
		Agree		
		Neutral	32	16
		Strongly disagree	79	39.5
		Disagree	89	44.5
		Total	200	100
2	The Company's advertisement easily	Strongly agree		
		Agree		

	accessible by the customers.	Neutral	15	7.5
		Disagree	43	21.5
		Strongly disagree	142	71
		Total	200	100
3	The Company's advertisement transferred ideas on the customer's memory by using creative emotional and appealing messages.	Strongly agree		
		Agree	68	34.
		Neutral	0	
		Disagree	132	66
		Strongly disagree	0	
		Total	200	100
4	The company advertising is very useful in providing information about the product.	Strongly agree	10	5
		Agree	52	26
		Neutral	36	18
		Disagree	26	13
		Strongly disagree	74	37
		Total	200	100
5	The performance of the product that you get from the company is similar with the advertisement	Strongly agree	0	0
		Agree	21	10.5
		Neutral	105	52.5
		Disagree	69	34.5
		Strongly disagree	5	2.5
		Total	200	100

Source: Own Survey, (2019)

The respondents were asked to indicate their degree of agreement for the Company advertising enhances the product credibility, item 1 of table 8 shows that 44.5% of the respondents disagree 39.5% of the respondents strongly disagree and, 15.8% them neutral. This depicts that the Company advertising didn't enhances the customers' trustworthiness on the Company.

On the message transferred by the Company's advertisement easily accessible by the customers, item 2 shows that 71.1% of the respondent strongly disagree, 21.1% of them disagree and 7.9% of them neutral. This shows that among the print media, newspapers were used more effectively by Lancet. This implies that the message transferred by the Company's advertisement is not easily accessible by the customers.

On the item 3 of the same table for the Company's advertisement transferred ideas on the customer's memory by using creative, emotional, and appealing messages 65.8% of the respondent gives their degree of agreement as disagree and the rest 34.2% of them as agree. This implies that the message transferred by Company's advertisement isn't perceived by the customers easily.

For the Company advertisement considers audience media segmentation. On the item 4, 36.8% of the respondents strongly disagree, 26.3% of them disagree, 18.4% of them as neutral, 13.2%

of them as agree, and 5.3% and the rest 5.3% of them strongly agree. This shows that the Company advertisement didn't consider the audience preferable media type. Regarding the Company advertisement is successful by exposing to reach the consumer. As item 5 shows that 52.6% of the respondent gives their degree of agreement as neutral, 34.2% of the respondents as disagree. This implies advertising of the company didn't designed consider to address all the society.

**Table:9 Company's Advertisement Strategy**

No.	Item	Alternative	Frequency	Percentage
1.	How does the company's advertisement influences you towards the Company's product?	Very high	-	-
		High	60	30
		Medium	54	27
		Low	76	38
		very low	10	5
		Total	200	100
2.	How do you evaluate the company's advertising exposure effectiveness in achieving objectives	Very high	20	10
		High	24	12
		Medium	68	34
		Low	88	44
		very low	-	-
		Total	200	100
3.	How do you evaluate the message clarity of the advertisement?	Very high	32	16
		High	94	47
		Medium	50	25
		Low	24	12
		very low	-	-
		Total	200	100
4	How do you evaluate convincing power of the advertisement by the company?	Very high	-	-
		High	48	24
		Medium	56	28
		Weak	84	42
		Very weak	12	6
		Total	200	100

Source: Own Survey, (2019)

As it is indicated in item 1 of the above table 30% of respondents rated the company's advertisement influencing them towards its product as high, 27% rated medium, 38% indicates that it is low and other 5% very low, the majority of respondents 38% rated the company's advertisement influences customers towards its service low. This indicates that the company should have to work hard on its advertisement attractiveness and message content in order to maximize its capacity through advertising.

In item 2 of the same table, respondents were asked to the frequency of the company advertisement. Out of the total respondents, 10% evaluated as it is very good, 34% evaluated

good, 44% evaluated medium, 12% evaluated bad. The evaluation made by the majority of respondents 44% as medium implies, the frequency of the company advertisement is not comfortable for customers.

As it is shown in item 3 of the same table, 16% evaluate very high, 47% high, 25% medium and other 12% say low. The majority of respondents 47%, evaluate the message clarity of the company's advertising high. This impels that the company use Clear advertising method.

As it is shown in item 4 of the same table, respondents were asked to evaluate the convincing power of the company's advertising and evaluate 24% strong, 28% medium, 42% weak and 6% evaluate very low. 42% of the respondents evaluate the convincing power of the company's advertisement low, this shows that the case company have to improve on its way of advertisement and it way presentation.

**Table: 10 Evaluation of Advertising Strategy**

No.	Item		Frequency	Percentage
1	How do you evaluate the company's advertising activity by comparing other competitors, which provides identical product?	Very high	-	-
		High	38	19
		Medium	60	30
		Low	88	44
		Very low	14	7
	Total	200	100	

Source: Own Survey, (2019)

In item 3 of table 9 only 7% of the respondents evaluated the company's advertising activity comparing to other company which provide identical service very low, 44% agreed that it is low, 30% medium, 19% say high. The majority of respondents 44% of the respondents agreed on the company's advertising computability were low. This implies that other computing companies are more effective than the case company.

**Table: 11 The Content of the company advertising**

No.	Item	Alternative	Frequency	Percentage
1.	How the company's advertisement influences you towards the Company's product?	Very high	-	-
		High	60	30
		Medium	54	27
		Low	76	38
		very low	10	5
	Total	200	100	



2.	How do you evaluate the content of the message of the advertisement?	Very high	20	10
		High	24	12
		Medium	68	34
		Low	88	44
		very low	-	-
		Total	200	100
3.	How do you evaluate the overall effectiveness of the advertisement?	Very high	32	16
		High	94	47
		Medium	50	25
		Low	24	12
		very low	-	-
		Total	200	100

Source: Own Survey, (2019)

As it is indicated in item 1 of the above table 30% of respondents rated the company's advertisement influences them towards its product high, 27% rated medium, 38% indicates that it is low and other 5% very low, the majority of respondents 38% rated the company's advertisement influences customers towards its product low. This indicates that the company should have to work hard on its advertisement attractiveness and message content in order to maximize its sales through advertising.

In item 2 of the same table, respondents were asked to evaluate the message content of the company's advertising. Out of the total 138 respondents, 10% evaluated as it is very good, 34% evaluated good, 44% evaluated medium, 12% of them evaluated as bad. The evaluation made by the majority of respondents 44% as medium implies, the company is not doing hard as it must be doing in order to compete with other competitors.

As it is shown in item 3 of the same table, 16% evaluate very high, 47% high, 25% medium and other 12% say low. The majority of respondents 47% evaluate the message clarity of the company's advertising high. This implies that the company provides sufficient information advertising method.

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATION

#### 5.1. Summary of the Major Findings

Based on the analyzed data, the following summaries are made:-

- According to the evaluation made, the majority, i.e. 65% of the respondents are male, found between the age of 25 and 40 years and were single. In addition, the majority of them were graduated from different higher institutions. This implies that the respondents can easily understand the ideas of the questionnaire.
- As the majority i.e. 69%, of the respondents the message transferred by the company's advertisement didn't easily understandable by the customers.
- As most i.e. 68% of the respondents the advertisement of the company frequency of exposure is not retaining.
- As more than half which is 75%, of the respondents the company does not use telemarketing that involves telephoning people to offer the company's products or information about products.
- Majority, i.e. 94, of the respondents indicated that the company's advertisement does not transfer ideas on the customer's memory by using short, simple messages.
- Majority, i.e. 61%, of the respondents implied that the company advertisement does not consider audience segmentation.
- Majority, which is 77%, of the respondents evaluated that the company advertisement were not successful by exposure to reach the consumer.
- Majority, which is 74%, of the respondents believed that the company advertising doesn't attract the customer and makes them interested in the product.
- As the majority, i.e. 69%, of the respondents the message transferred by the company's advertising is not stored in the memory so that retrieval is possible.
- The meaning attached by the company's advertising is not consistent with the projected meaning according to the majority, i.e. 87%, of the respondents evaluation.
- Majority of the respondents evaluated the company's advertising exposure effectiveness were low in achieving objectives and moving people in to action.
- Majority of respondents, i.e. 38%, rated the company's advertisement in influencing customers towards its product is low.

- The majority of respondents 47% evaluated that the message clarity of the company's advertising as low.
- According to 42% of the respondents evaluated the convincing power of the company's advertisement as low.
- The case company's advertisement on increasing the level of awareness on its customers was low according to the majority of the evaluation.
- The majority of respondents, i.e. 44% of the respondents the company's advertising computability were low.

## **5.2. Conclusion**

Based on the findings of the study the researcher has drawn the following conclusion.

The company didn't use telemarketing that involves telephoning people to offer the company's products. The problem on the message clarity of the company's advertising makes the convincing power of the advertisement as low. The company's advertisement didn't increase the level of awareness on its customers and it is not computable. The company's advertisement in influencing customers towards its product is low.

As the finding of the content analysis of sample of from the company advertisement practices shows, the advertisement message is not adequate. Moreover, some advertisements contain information which is totally irrelevant to customer's product knowledge. Saying it differently, advertisers could not understand what messages are worthwhile to customers. In other word, the company advertisement messages have no logical link with the product or products being communicated.

The company advertisement was not successful by exposure to reach the consumer. The company advertising doesn't attract the customer and makes them interested in the product. The meaning attached by the company's advertising is not consistent with the projected meaning according. The company's advertising exposure effectiveness were low in achieving objectives and moving people in to action. According to the respondents the advertisements are more irritating than enjoyable to initiate purchase. Some of the reasons mentioned by respondents include presenting different products with different features in similar manner; the tone of the presenters used is not pleasant and appealing to positive emotion; and presenter in general lack creative power to show emotion and initiate audiences to buy.

The company's advertisement isn't easily understandable by the customers. The message

transferred by the company's advertising is not stored in the memory so that retrieval is possible. The advertisement of the company frequency of exposure is not retaining and frequency of exposure was not acting on the message. The company's advertisement does not transfer ideas on the customer's memory by using short, simple messages. The company advertisement does not consider audience media segmentation. The frequency of the company advertisement didn't comfort for customers. Moreover, the contents of the company advertisings, as per the finding, are inadequate in terms of the cues communicated and most advertising are difficult to understand. The problem in understanding the message due to lack of clarity, results in interpretation of the message in a way other than the advertiser wants them to be interpreted. The reason may be due to lack of professional's touch in identifying the relevant message content and presenting it accurately and clearly for carefully identified target.

### **5.3. Recommendation**

The company advertising to plays a vital role in consumers' purchasing decision the following recommendations are forwarded:

- The message transferred by the company's advertisement should be easily understandable by the customers. The company has to use telemarketing that involves telephoning people to offer the company's products, for example advertising the company product by text messages.
- The company's advertisement should transfer ideas on the customer's memory by using short messages and it should consider audience media segmentation. The company advertisement should be successful by exposure to reach the consumer. In order to attain the objective of the advertising and to increase the perception level of the customers.
- The company advertising should be attract the customer and makes them interested in the product. The message transferred by the company's advertising should be stored in the memory so that retrieval is possible, it enhanced by the redundancy and by the attractive design of the advertisement. The meaning, the customer's perception, attached by the company's advertising should be consistent with the projected meaning.
- The company's advertising exposure should be effective in achieving objectives and moving people. The company's advertisement should be influencing customers towards its product. It attain by predicting the product to attract the customers by comparing from the compotators. The frequency of the company advertisement should be comfortable for customers and the message is not clear.

- The advertisements should have the convincing power. It should increase the level of awareness on its customers and it should have competitive advantage. Therefore the company should allocate the advertisement by considering the effectiveness of the past performance and the targeted profit for the future.
- Those who design the message should have adequate training on the advertisings and customer behavior subjects by the company with those professional who have knowledgeable in marketing and related issues. In addition, it is quite advisable for the message designers to have clear understanding of the major objectives of the organization.
- The company should collect feedback on advertisements transmitted. The effectiveness advertising program should frequently be accessed through market research.

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# APPENDICES

**APPENDIX I**  
**ST MARY'S UNIVERSITY**  
**SCHOOL OF GRADUATE STUDIES**  
**MBA PROGRAM**

**Questionnaire to be Distributed for the Customers National Alcohol and Liquor Factory**

Dear Respondents;

This questionnaire is developed for an academic effort planned for the collection of data to conduct a thesis paper on the title “**Assessment of Advertising Effectiveness in the case of National Alcohol and Liquor Factory**”, in order to fulfill the University’s (St Mary’s University) requirement set for awarding of a Master of Marketing Management . The information obtained from this questionnaire will be kept confidential and will not be used for any other purposes. Hence, I am kindly asking respondents to give your candid information.

NB:

- It is not necessary to write your name
- Try to address all the question given below
- For the closed ended questions use (√)mark for your choice in the given box

**Contact Address**

If you have any query, please do not hesitate to contact me and I am available as per your convenience at (Mobile: +251912657709)

*Thank you for your cooperation!*

**I. General Background of Respondents (Demographic Information)**

1. Gender

A. Male  B. Female

2. Age group

A. 18 - 25  B. 26-30  C. 31-35   
D. 36-40  E. 41 - 45  F. 46 – 50  G. 51 and above

4. Educational Qualification

A. Grade 1- 12  B. Certificate  B. Diploma  C. BSC/BA   
D. MSC/MA and above

## II. Questions Directly Related With the Study

1. How do you evaluate the company's advertising on enhancing the company credibility as an organization?

- A. Very good  B. Good  C. Medium  D. Poor   
E. Very Poor

2. The message transferred through the company's advertisement is easily understandable by the customers.

- A. Strongly agree  B. Agree  C. Neutral  D. Disagree   
E. Strongly disagree

3. How the company's advertisement influences you towards the Company's product?

- Very high  High  Medium   
Low  very low

4. The Company advertising enhances the product credibility.

- A. Strongly agree  B. Agree  C. Neutral  D. Disagree   
E. Strongly disagree

5. The Company's advertisement easily accessible by the customers.

- A. Strongly agree  B. Agree  C. Neutral  D. Disagree   
E. Strongly disagree

6. The Company's advertisement transferred ideas on the customer's memory by using creative emotional and appealing, messages.

- A. Strongly agree  B. Agree  C. Neutral  D. Disagree   
E. Strongly disagree

7. The Company advertisement considers audience media segmentation.

- A. Strongly agree  B. Agree  C. Neutral  D. Disagree   
E. Strongly disagree

8. The Company advertisement is successful by exposing to reach the costumers.

- A. Strongly agree  B. Agree  C. Neutral  D. Disagree   
E. Strongly disagree

9. The Company advertising attracts the customer and makes them interested in the product.

- A. Strongly agree  B. Agree  C. Neutral  D. Disagree   
E. Strongly disagree

10. How do you evaluate the company advertisement on the increasing the level of awareness of the customers?

Very High  High  Medium   
Low  Very Low

11. The company used telemarketing that involves telephoning people to offer the company's products, service, or information about products or services.

A. Strongly agree  B. Agree  C. Neutral  D. Disagree   
E. Strongly disagree

12. The company's advertisement transferred ideas on the customer's memory by using short, simple messages.

A. Strongly agree  B. Agree  C. Neutral  D. Disagree   
E. Strongly disagree

13. The company advertisement is effective on the creating awareness for the customers

A. Strongly agree  B. Agree  C. Neutral  D. Disagree   
E. Strongly disagree

14. How do you evaluate the company's advertising exposure effectiveness in achieving objectives?

A. Very good  B. Good  C. Medium  C. Poor   
D. Very Poor

15. The company advertisement is successful by reaching the consumer attention.

A. Strongly agree  B. Agree  C. Neutral  D. Disagree   
E. Strongly disagree

16. The company advertising is very useful in providing information about the product.

A. Strongly agree  B. Agree  C. Neutral  D. Disagree   
E. Strongly disagree

17. The meaning attached by the company's advertising is consistent with the customers understanding.

A. Strongly agree  B. Agree  C. Neutral  D. Disagree   
E. Strongly disagree

18. The performance of the product that you get from the company is similar with the advertisement.

A. Strongly agree  B. Agree  C. Neutral  D. Disagree   
E. Strongly disagree

19. How do you evaluate the content of the message of the advertisement?

- A. Very high       B. high       C. Medium       C. low   
D. Very low

20. How do you evaluate the message clarity of advertisement?

- A. Very high       B. high       C. Medium       C. low   
D. Very low

21. How do you evaluate the company's advertising activity by comparing other competitors, which provides identical product?

- A. Very high       B. high       C. Medium       C. low   
D. Very low

23. How do you evaluate convincing power of the advertisement by the company?

- A. Very high       B. high       C. Medium       C. low   
D. Very low

24.. How do you evaluate the overall effectiveness of the advertisement?

- A. Very high       B. high       C. Medium       C. low   
D. Very low

25. If you have additional comment and suggestion about the content advertising practice of the company, please, specify?

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