



**ST. MARY'S UNIVERSITY COLLEGE
SCHOOL OF GRADUATE STUDIES
FACULTY OF BUSINESS**

**THE EFFECT OF ADVERTISING ON THE SALES PERFORMANCE IN
AMBALAY RAEY TRADE & INDUSTRIAL PLC**

**BY
BETELHEM GEZACHEW
(SGS/0324/2010A)**

**JUNE, 2019
ADDIS ABABA, ETHIOPIA**

**THE EFFECT OF ADVERTISING ON THE SALES PERFORMANCE IN
AMBALAY RAEY TRADE AND INDUSTRIAL PLC**

**BY
BETELHEM GEZACHEW
(SGS/0324/2010A)**

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

**JUNE, 2019
ADDIS ABABA, ETHIOPIA**

ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES

**THE EFFECT OF ADVERTISING ON THE SALES PERFORMANCE IN
AMBALAY RAEY TRADE & INDUSTRIAL PLC**

BY
BETELHEM GEZACHEW

APPROVED BY BOARD OF EXAMINERS

Dean, Graduate Studies

Signature

Advisor

signature

External Examiner

Signature

Internal Examiner

Signature

Declaration

I, the undersigned, declare that this thesis is my original work; prepared under the guidance of Temesgen Belayneh (PhD). All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or full to any other higher learning institution for the purpose of earning any degree.

Name

Signature

Endorsement

This thesis, titled “channel Management practice and challenges in the case of AmbalayRaey Trade & Industrial P.L.C” has been submitted to St. Mary’s University, School of Graduates Studies for MBA program with my approval as a university advisor.

Temesgen Belayneh (PhD)

Advisor

Signature

St. Mary’s University

January, 2019

Addis Ababa

Acknowledgements

I will praise the almighty God for keeping me all the way to here and furthermore with his mother St. Mary. I gave my sincere thanks for my mother Nigist Sahilu and my brother Dereje Ashenafi i couldn't be here without your support and encouragement. I am very thankful for my advisor Mr. Temesgen Belayneh Zerihun (PhD) for his continuous guide and fruitful comment and suggestions during the course of the study. I am very grateful for all my friends who consistently keep me in the right way. And for all the help I got from the staff and customers of Ambalay Raey for their cooperation in filling the questionnaires.

Betlehem Gezachew

Table of Contents

Contents	Pages
Acknowledgements.....	i
Table of Contents.....	ii
List of Tables.....	v
List of Figures.....	vi
Abstract.....	vii
CHAPTER ONE.....	1
1. INTRODUCTION.....	1
1.1 Background of the Study.....	1
1.2 Statement of the Problem.....	3
1.3 Research Questions.....	3
1.4 Objectives of the Study.....	4
1.4.1 Main Objective.....	4
1.4.2 Specific Objectives.....	4
1.5 Hypothesis.....	4
1.6 Scope of the Study.....	4
1.7 Significance of the Study.....	5
1.8 Organization of the Study.....	5
CHAPTER TWO.....	6
REVIEW OF RELATED LITERATURE.....	6
2.1 Introduction.....	6
2.2 Advertising.....	7
2.3 Sales.....	13

2.4 Sales Performance	15
2.5 Relationship between Advertising and Sales Performance	16
2.6 Conceptual Framework	18
CHAPTER THREE	19
RESEARCH METHODOLOGY	19
3.1 Research Approach	19
3.2 Research Design	19
3.3 Population of the Study	19
3.4 Sampling Technique and Size	20
3.5 Data Source and Collection Instrument	20
3.6 Reliability and Validity	21
3.7 Data Analysis Method	21
CHAPTER FOUR	23
4. DATA PRESENTATION, ANALYSIS AND INTERPRETATION	23
4.1 Respondents Information	23
4.2 Descriptive Analysis	24
4.2.1 Advertisement Type	24
4.2.2 Broadcasting Advertising	25
4.2.3 Printing Advertising	26
4.2.4 Sales Performance	27
4.3 Inferential Analysis	28
4.3.1 Classical Linear Regression Model Assumptions Test	28
4.3.2 Normality Test	28
4.3.3 Homoscedasticity Test	29

4.3.4 Linearity Test.....	30
4.3.5 Multi-Collinearity Test.....	31
4.4 Goodness of Fit of the Model Test.....	32
4.5 Regression Result and Interpretation	33
4.6 Discussion	35
CHAPTER FIVE	37
5. SUMMARY, CONCLUSION AND RECOMMENDATION.....	37
5.1 Summary of Major Finding.....	37
5.2 Conclusion.....	38
5.3 Recommendation.....	38
References.....	40
Appendices.....	42

List of Tables

	Pages
Table 3.1 Reliability Statistics	21
Table 4.1 Respondents' information	23
Table 4.2 Advertising type.....	24
Table 4.3 Broadcasting advertising.....	25
Table 4.4 Printing advertising.....	26
Table 4.5 Sales performance.....	27
Table 4.6 Multi-co linearity test.....	32
Table 4.7 ANOVA ^a	33
Table 4.8 Model Summary	34
Table 4.9 Coefficients ^a	34
Table 4.10 Summary of hypotheses testing	35

List of Figures

	Pages
Figure 4.1 Normality test	28
Figure 4.2 Homoscedasticity test.....	30
Figure 4.3 linearity test	31

Abstract

This study is conducted to demonstrate the effect of advertising on the sales performance of a business organization taking Ambalay Raey Trade and industry Plc as a case. The general objective of the study was to find out whether advertisement has any significant effect on the sales performance of Ambalay Raey Trade and Industry Plc. From the general objective, two specific objectives are explored. The study was conducted based on the data collected from customers of Ambalay Raey through structured questionnaires. Random sampling method was employed to draw sample from the population. Descriptive statistics has been used to measure the five likertscale type data. The response of the questionnaire show that the company used different forms of advertising like Television, Posters, Newspapers, Magazines, Bill =boards, Brochures, Stickers and Radio. The study showed that the broadcasting media has a better effect on the company for the sales performance. The paper suggested the measures to be taken for a better sales performance in the company in selecting the best advertising, the best media and the preferred channels.

Key Words: Ambalay Raey, TV

CHAPTER ONE

1. INTRODUCTION

1.1 Background of the Study

The business world is very competitive and each business must seek ways of getting that extra edge. To succeed, business and its products must be put before prospective buyers because they are not going to be looking around to find one's business. It is therefore all about putting the business forward and telling them who you are, where you are and what you can do for them.

The argument to advertise seems to be a part of human nature evidenced since ancient times. One of the earliest means of advertising was the use of signs. Early crafts men use designs to advertise their good send some traders like the Phoenicians planted commercial messages on prominent rocks. They were among the forerunners of modern day advertising (Keller,2005).

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

Advertising became a big business, offering many different jobs in advertising agencies and the marketing section. The use of the media, like newspapers, television, direct mail, radio, magazines, outdoor signs and of course the Internet made this growth possible. It is a form of transporting information to the consumer, but which does not only have

positive sides. There are many critical aspects about it, like persuading people to doing unhealthy things, like smoking, or producing special stereotypes everybody tries to follow. Nevertheless, advertising has become international, since producers and companies try to sell their products on a globalized market in almost every corner of the world. It is therefore not surprising to see a big sign for Coca Cola in third world countries (Ferguson. 2003).

There are different aspects of advertising, including its history and development as well as new approaches and the methods used. Today advertising is closely related to integrate marketing communications in many respects.

While integrated marketing communications involves a message dealing with buyer and seller relationships advertising consist of paid non-personal communication through various Medias with the purpose informing or persuading members of particular audience. Advertising is used by marketers to reach target markets with message designed to appeal to business firms. While the ability of the Internet to make every marketer a global marketer has become a truism. America remains home to most of the world's leading advertisers. Advertising agencies today are highly specialized companies which employ a large number of people in a variety of business and creative skills, including advertising and marketing specialists, designers, copy writers, artists, economists, psychologists, researchers, media analysts, product testers, librarians, accountants, bookkeepers, and mathematicians (Ferguson. 2003).

Sales performance describes the trend of collections in terms of revenue when comparing different periods (MC Cathy, 1994). The sales may be in form of offering products or services to consumers. A service is any activity or benefit that one party can offer to another that is essentially intangible and does not result in ownership of anything (Kotler and Armstrong, 2010).Sales volume is the core interest of every organization and is based on sales and profit .When volume goes up profits rises and management in organizations is made easier.

Ambalay Raey is an importer industry located in Addis Ababa city, from the manufacturer called Evyap industries in Turkey. It was established in 1980 and it deals in

the production of a variety of beauty products for example Evy baby Diaper, Evy baby wipes, Evy baby soaps, Duru Shampoos and Conditioner, Duru soaps, Blade Deodorants, Fax Air freshener, Arko shaving cream. Ambalay advertises using visual media for example the television and the radio.

1.2 Statement of the Problem

Marketing problems often have far reaching effects on any company and if neglected can cause a great threat to the continued existence of the company, especially in the area of advertising as an aspect of corporate communication. (Giles, 1997).

In the light of the above statement, examining the effect of advertising on the sales performance of a product, using Ambalay Raey as a case is therefore a significant undertaking. The market is such that consumer tastes are increasingly differentiated and maintenance of high service quality in the face of rising cost of essential factors is needed.

The market is also characterized by a multiplicity of advertisements. Advertising of various competing brands in the major visual media segments is increasing very rapidly and consumers are now more knowledgeable.

The research effort geared toward examining how Ambalay Raey copied with both a competitive and dynamic market setting, though the company is doing many things to maintain its leadership role in the industry. Despite its efforts in advertising the sales of Ambalay had not improved to the desired targets.

1.3 Research Questions

- What are the forms of advertising used by Ambalay Raey?
- What is the effect of advertising on the sales performance in Ambalay Raey?

1.4 Objectives of the Study

1.4.1 Main Objective

The main objective of this study is to find out whether advertisement has any significant effect on the sales performance of Ambalay Raey Trade and Industry Plc.

1.4.2 Specific Objectives

- To determine the types of advertising that is used by Ambalay Raey.
- To determine the effect of advertising on the sales performance in Ambalay Raey.

1.5 Hypothesis

The following hypotheses are formulated for testing:

H₀: There is no significant effect of the print media on the sales performance

There is significant effect of the print media on the sales performance

H₁: There is no significant effect of the broadcast media on the sales performance

There is significant effect of broadcast media on the sales performance

1.6 Scope of the Study

Content scope

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

Geographical scope

The study was centered at the Ambalay Raey in Addis Ababa because it is the headquarter of the industry where marketing plan is carried out, and it has large sales volume

Time scope

The study looked at four financial years back that is 2016 to 2019

1.7 Significance of the Study

The research hoped to enlighten the organization on how to improve its advertising strategy by providing it with appropriate procedures, so as to avoid failure and bring about an increase in its profitability. The findings help the studied firm and other companies to appreciate the need of marketing, especially the consumer and marketing research, in order to meet the consumer needs and become competitive. The research will inform the general public about the relevance and significance of advertisement in the survival of business organizations.

For those who want to research further, the study shall serve as a reference point.

1.8 Organization of the Study

This paper was organized in to four chapters, chapter one include Background of the study, Statement of the problem, Objective of the study, Significance of the study and Scope of the study. Chapter two include the Related Literature Review. Chapter three Research Design and Methodology, the fourth chapter focused on the analysis, interpretation, presentation and discussion of the data. Lastly the Fifth chapter deals with summary, conclusion and recommendations based on the findings.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Introduction

The practice of advertising is as old as man. According to Keller (2005), the urge to advertise seems to be a part of human nature evidenced since ancient times. One of the earliest means of advertising was the use of signs. Early craftsmen used signs to advertise their wares and some traders like the Phoenicians planted commercial messages on prominent rocks. They were among the forerunners of modern day advertising.

However, excavations at Pompey reveal that each little shop had an inscription on the wall next to the entrance to tell the passerby whether the shop was the place to buy bread, drinks or other goods.

A significant event in the development of advertising was the invention of a system of casting moveable type by the German, Johannes Guterberg in 1938. The event revolutionized communication methods for the whole world. (Keller 2005)

William Catton, an early printer made advertising history in 1478 when he printed a handbill, regarded as the first printed English advert. In the handbill there was the advertisement of his book called "SALISBURY PYE", handbook of ruler for the guideline of the clergy at Easter. (McHugh, 2000, 451)

According to the American Marketing Association, quoted by Kotler P, Pfoetsch Wet al(2006) marketing can be defined as " an organization function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders". The marketing mix is defined as "The specific combination of marketing elements used to achieve objectives and satisfy the target markets. It encompasses decisions regarding four variables: product, distribution, promotion, and price"Evans J, Berman B et al(1997)

2.2 Advertising

As is generally known that the role played by advertising is increasing the sales volume of any company's product at any point in time cannot be overemphasized. As a matter of reality, it has contributed immensely to increasing growth of many companies in various industries. This is because it goes a long way in placing positive image about the companies' products in the mind of potential consumers; this can also influence their buying behavior.

In a study of the consumer view of advertising carried out in 1974 by the American Association of Advertising Agencies, more than half of the respondent described advertising as a channel of information from the manufacturer to consumer, some said it is manipulated, propaganda, and misleading.

Many scholars, professional bodies and associations and various authors have given diverse definitions of advertising. However, it is noteworthy that each definition is unique on its own, thus, we can say advertising is a complex field.

Longman (2000) says "advertising is an act of telling people publicly about a product or service in order to persuade them to buy it.

Alonge (2001) feels that advertising can be defined as any paid form of non-personal communication which is directed to the consumers or target audiences through various media in order to prevent and promote product, services and idea.

This means that advertising is branch of commerce which used to create awareness for particular product and it must be paid for. Advertising informs, educates and persuade people to buy the advertised goods or services.

Gillian (1982) views it as "means of drawing someone's attention to something or notifying or informing somebody of something".

Harri Tuomola says in one his class that advertising must be paid for by an identified sponsor and must be persuasive to influence consumers buying behavior. (Hamk UAS,

Finland) Tuflinger (1996) says “advertising is the non-personal communication of information usually paid for and usually persuasive in nature, about product, services or ideas by an identified sponsor through the various media.

Components of Advertising

The word advertising originates from a Latin word *advertise*, which means to turn to. The dictionary meaning of the term is “to give public notice or to announce publicly”. Advertising may be defined as the process of buying sponsor-identified media space or time in order to promote a product or an idea (Bennet, 2000).

The American Marketing Association defines advertising as “any paid form of non-personal presentation and promotion of ideas, goods and services by an identified sponsor. Advertising is non-personal as it is not directed to any single individual. Secondly, the sponsor i.e. the manufacturer or producer is identified as his name and address is always contained in an advertisement and he also bears all the cost involved in the process. Thirdly, the producer can also promote an idea regarding quality, design, packing and pricing, etc. of any product or service Thus, we can say, advertising consists of all activities involved in presenting a sponsored message regarding a product, service or an idea. The following is a figure of a model of advertising.

Features of Advertising

By looking into the meaning and definition of advertising from different authors, we can sum up the following features of advertising. Non-personal presentation of message in advertising there is no face-to-face or direct contact with the customers. It is directed to the prospective buyers in general.

Kotler, (2000) says that paid form of communication-In advertising the manufacturer communicates with prospective customers through different media like, newspapers, hoardings, magazines, radio, television, etc. He has to pay certain amount for using some space or time in those media. Promotion of product, service or idea Advertisement contains any message regarding any particular product, service or even an idea. It makes

people aware about the product and induces them to buy it. Sponsor is always identified: The identity of the manufacturer, the trader or the service provider who issues advertisement is always disclosed. Communicated through media: Advertisements are always communicated through use of certain medias. It is not necessary that there will be just one medium. All the media may also be used. Above are the features of advertising, let look at what should be included in advertising. This is what is Included in Advertising:

The information in an advertisement should benefit the buyers, It should give them a more satisfactory expenditure of their money, it should also suggest better solutions to their problems. The content of the advertisement is within the control of the advertiser, not the medium and advertising without persuasion is ineffective. The advertisement that fails to influence anyone, either immediately or in the future, is a waste of money, the function of advertising is to increase the profitable sales volume.

Advertising includes also the following forms of messages: The messages carried in newspapers and magazines; on radio and television broadcasts; circular of all kinds, (whether distributed by mail, by person, through tradesmen, or by inserts in packages); dealer help materials, Window display and counter, display materials and efforts Store signs, motion pictures used for advertising, novelties bearing advertising messages and signature of the advertiser, label stags and other literature accompanying the merchandise (Kotler 2000).

Objectives of Advertisement

The main purpose of advertising is to communicate message or information to the customers. But while communicating such message or information it also serves beneficial purposes for the sponsor or advertiser. Advertising is the promotion of a company's products and services carried out primarily to drive up sales of the products and services (Richardson, 2004).

It is also done to build a brand identity and communicate changes in old products or introduce new product/services to the customers. Advertising has become an essential

element of the corporate world and hence companies allot a considerable amount of resources towards their advertising budget. Advertising plays a major role in modern life. It shapes the attitudes of the society and the individual and inevitably influences customer behavior. The customer has to contend with a huge amount of information and be able to make a choice, draw conclusions and make important decisions (Richardson, 2004).

According to Hawkins (2002); there are several reasons for advertising, some of which are as follows: Increasing the sales of the product or service, creating and maintaining a brand identity or brand image, communicating a change in the existing product line, introduction of a new product or service, to assist salesman, to retain existing customers.

The most important task for a business advertising itself is to present its product in such a manner that the whole environment around the buyer turns into a positive emotional stimulus. The main goal of advertising a certain product or service is to attract the customer's attention and analyze the impact of advertising on customer behavior.

Customers are valuable assets for the enterprise, but they can be costly to acquire and retain. The customers' differences in the course of their relationship with the enterprise are reflected in their contributions to the enterprise value throughout their tenure. To the extent that different acquisition strategies bring different "qualities" of customers, the acquisition effort has an important influence on the long-term profitability of the enterprise (Kotler et al. 2003)

Indeed, both practitioners and scholars have emphasized that enterprises should spend not to acquire just any customer but rather the "right" kind of customer because advertising plays a very important role in this field. Advertisers pay a particular attention to the customer in order to attract and retain him/her.

According to Kotler et al. (2003), both the businesses and individual sellers should ask themselves what should the advertising of their products and services be and what impact on the customer should it make. Therefore, these aspects should be anticipated and evaluated and the following questions answered: what should the ad be; what should the emphasis be put on; what visual design should be chosen; what psychological impact is it

going to have on the customer?

Research literature pays most attention onto the ad creation process itself, the potential users of the product or service advertised the stages of advertising impact are tackled; psychological aspects influencing customer behavior were analyzed however a further thorough and complex research is necessary.

Kotler et al. (2003) emphasize that businesses advertising their merchandise should pay attention not to the amount of money spent but to the process of advert creation, the product of which, therefore is the advert itself making impact on the customer.

Furgason (2003) states that in the centre of advertising lies the potential product advertised and the user of the service. In order to acquire the product advertised, the customer has to get through” the stages of the ad impact The impact of advertising on the market is especially large, as advertising serves as a channel of information dissemination and the presumption for the market feedback. In today’s market the range of products and services is especially large, they are all impossible to remember or purchase.

The main goal of advertising a certain product or service is to attract the customer’s attention and analyze the impact of advertising on the customer behavior, which is determined by a number of cognitive, emotional and behavioral aspects. In the centre of advertising is the customer, whose psychology is determined by numerous aspects and advertising itself, which aims at arousing the customers wish to acquire the product advertised, and most importantly, at achieving the act of purchasing the product (Dolak, 2003).

Characteristics of Advertisement

There are three broad dimensions that characterize great advertisements Strategy, creativity, and execution. Every great advertisement is strategically sound. In other words, it is carefully directed to a certain audience, it is driven by specific objects, its message is crafted to speak to that audience's most important concerns, and it is run in media that will most effectively reach that audience. The measure of an advertisement's

success is how well it achieves its goals, whether they are increased sales, memo ability, attitude change or brand awareness (Hawkins, 2002).

The creative concept is a central idea that gets the attention and prevails in the consumer's mindset. A concern of creative thinking drives the entire field of advertising. Planning the strategy calls for creative problem solving, research efforts are creative; the buying and placing of the advertisements in the media (newspapers/television) are creative. Good advertisers know that how a message is conveyed is just as important as what is being said in the advertisement (Blackwell, 2005).

What is said comes from the strategy; whereas how the message is conveyed is a product of creativity and execution. Thus, great advertisements are those that are strategically sound, have an original creative concept, use exactly the right execution for the message.

Print Advertising: (Newspapers, Magazines, Brochures, Fliers, Print media) has always been a popular advertising option. Advertising products via newspapers or magazines is a common practice. In addition to this, the print media also offers options like promotional brochures and fliers for advertising purposes. Often, newspapers and magazines sell the advertising space according to the area occupied by the advertisement, the position of the advertisement in the publication (front page/middle page, above/below the fold), as well as the readership of the publications. For instance, an advertisement in a relatively new and less popular newspaper will cost far less than an advertisement in an established newspaper that has a high readership. The price of print adverts may also depend on quality of the paper and the supplement in which they appear.

Outdoor Advertising: (Billboards, Kiosks) it makes use of several tools and techniques to attract the customers outdoors. The most common examples of outdoor advertising are billboards, kiosks, organized by the company. Billboard advertising is very popular. However it has to be really terse and catchy in order to grab the attention of the passersby.

Kiosks not only provide an easy outlet for the company's products but also make for an effective advertising tool to promote the company's products.

Broadcast Advertising: (Television, Radio and the Internet Broadcast advertising) is a very popular advertising medium that constitutes several branches like television, radio or the Internet. Television advertisements have been very popular ever since they were introduced. The cost of television advertising often depends on the duration of the advertisement, the time of broadcast (prime time/lull time), sometimes the show on which it will be broadcast, and of course, the popularity of the television channel itself. The radio might have lost its charm owing to new age media.

However it remains the choice of small-scale advertisers. Radio jingles have been very a popular advertising medium and have a large impact on the audience, which is evident in the fact that many people still remember and enjoy old popular radio jingles.

Covert Advertising:(Advertising in Movies) Covert advertising is a unique kind of advertising in which a product or a particular brand is incorporated in some entertainment and media channels like movies, television shows or even sports. There is no commercial advertising as such in the entertainment but the brand or the product is subtly (or sometimes evidently) showcased in the entertainment show.

2.3 Sales

According to stein (2006) it is believed that the right sales approach consists of sales training that supports a company's sales methodology and related processes.

Designing or adopting sales methodology is critical, without this methodology in place, training is a tactical attempt to a larger problem. The selling methodology must be developed based on the company's unique situation in their market, their customers, how the customers buy, the complexity and price levels of the products and services the company offers, competitive pressures, reporting requirements, the participation partners and the skill level of their current sales people (stein 2006).

In the past years some organizations have found that their sales process are becoming more challenging while the performance of some of their sales professional who were past stars are deteriorated. Selling complex products and services, versus selling

commodities has always been more difficult and sales professionals must have different skill sets (Stein, 2006)

Most companies recognize that the world and their buyers buying processes probably have changed forever. But some companies have not recognized the need to make change in their sales force (Stein 2006).

In dealing with falling or declining sales, it is advisable to invest in some short term training to upgrade the skills of sales and customer service staff. If you cannot afford to fire experience, train the staff you can afford. This is an investment you cannot afford to miss. Find training that produces results tailored to get to your situation. It can be seminars or distance learning that does not require time away from the property or the job (verret, 2004).

According to Hardesty (2006), sales training programs encompass a variety of necessary components, things like company policies , sales paper work, customer relationship management, sales force automation orientation, sales processes ,company services ,sales skill training and product features and benefits . stein 2006 further urges that , even when companies do decide that sales training is a step in the right direction, they do not always proceed forward for the right reasons in the right order ,or in a way that results in them, driving more sales revenue companies have learned how to employ sales training as a strategic tool.

Those that are leaders in the industry, offering their stake holders maximum return on their input are able to quickly adapt to changing market conditions. ,are respected by their customers ,and provide rock solid ,consistent sale performance .the sales people that work for those companies are motivated ,stay at their jobs longer and are proud to help in recruiting their friends who have been successful selling for other companies. This therefore leads to improved sales performance.

2.4 Sales Performance

Sales in business terms are the actual sales in money values, a company receives after necessary collections are made from different sales channels of the original total production put on the market (Mc Cathy et al, 1994) .it is sales that stimulate production in a company and consequently profits which are affected by various factors some of which are controllable like quality and others are uncontrollable like competition and general price changes.

Sales performance is an integrated frame work that enables organizations to plan and model sales strategies and ensure timely execution of sales initiatives while ensuring both front line sales people and decisions-markers have visibility into performance . Sales performance represents the next generation of best practices for sales. (Michael D, 2006).

Sales performance also refers to the total amount of firm's output sold to the market especially on monthly or annually basis .this is affected by many factors including customer relationship, marketing management of the firm and sales force skills and motivation and even the pricing of the goods and services (Amanda D.H 2002)

Sales revenue is the total amount of money that the firm gets from the sale of all its goods and services in a given period of time. This is usually six months or a year if a firm produced only one product or service, the sales revenue will be the price of the product multiplied by the number of products sold. In the case of more than one product or service the revenue from each needs to be added together (wood, 1996).

The figure for sales revenue in profit and less account does not necessarily mean that the firm has received all the money because although they may have sold that quantity of the product, they may still be owed some of the money as debtors)Baker 2001).

Sales performance refers to consistent and satisfactory turnover of goods and services produced and put on the market by an organization or company. It is the sole economic goal of companies to have as much goods sold on the market. This facilitates the rate of goods turn over and consequently revenue and increased production.

2.5 Relationship between Advertising and Sales Performance

The essence of advertising is to increase sales revenue hence improving sales performance. (David et al 1988). Advertising combines with a host of other influences to determine what contribution advertising makes to the buyer's purchase decision. The retailer John Wanamaker is said to have remarked that he knew that only half of his advertising was effective but he was unable to know which half it was.

It is through advertising or other forms of promotion that brands in different market segments can effectively tell people in the market that a product is intended specially for them. (Engel 1991, Mc Gann and Russell, 1998).

The significance of advertising is to let customers know that an established brand is still around and it has certain characteristics, uses and benefits. (Pride et al 1989). Effective advertising can increase sales of advertisers products, and by so doing increase their profits. Advertising provides consumers and other prospects with information about different products that are available to them. This enables consumers to compare and choose between the products and encourages competition. Competition encourages companies to be more price and quality conscious so as to retain customers and clients (Cambridge international college training manual, 2000).

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

Dunn 1968 points out that the market needs and conditions are changing; therefore there is need for creativity in selling. This will show the company what to produce so as to satisfy the needs of the users. When companies produce such a commodity and they advertise, there is an automatic high response in consumption. Thus showing the relationship between advertising and sales performance.

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

Pride F et al (1999) observes that advertising often stimulates demand thus stimulating sales. For advertising to have a direct relationship with sales revenue, the entire market mix must be viewed by the customer as the right one. (Engel et al 1991, McCathy and Perveault, 1988).

Gordon (1993) states that companies advertise in order to compete in a new and aggressive way with in the marker, to increase their market share through increased customer, utilize the low cost way of teaching customers to create marketing approaches.

David et al (1988) recognizes that many scholars have heard different views on the effect of advertising on sales performance .however most of them agree that effective advertising will eventually increase revenue.

Jefikins (1990) has stated that in a competitive society there is not only competition between rival advertisers but choice between their rival products and services. Also people forget very easily and therefore the biggest advertiser in the world will get bankrupt very easily if he stopped advertising.

Companies advertise to create familiarity with or of a product, which helps to create confidence in it. If a product is simply made available, it is important to inform people of its existence.

An empirical review a case of Mukwano industry Lungazo Concepta revealed that the industry uses television in advertising than other forms. It was also found out that Mukwano advertises through all media types which included visual, audio and print media. It was established that the level of sales is declining by the decline sales revenue. This was due to failure to involve the public and use of advertising media that is not accessible by most Ugandans. Failure of the industry's adverts reaching the intended audience was also seen to be major cause of decline in the sales volume.

Adekoya Olusola Abiodun (2011) A case study of Starcomms Plc, Nigeria in their study evaluated in the mind of the consumers the company was using advertising strategies suitable for the company as well as the market in which it exists.

More so, the findings reveal that the advertising position of a product or service is strong in the mind of the consumer in order to encourage repeated purchase of the product, so that the competitors will not have an edge over them. This also creates brand loyalty and product differentiation. According to various sources, the past experience and state of mind of the person subjected to advertising may determine the impact that advertising has on him/her

2.6 Conceptual Framework

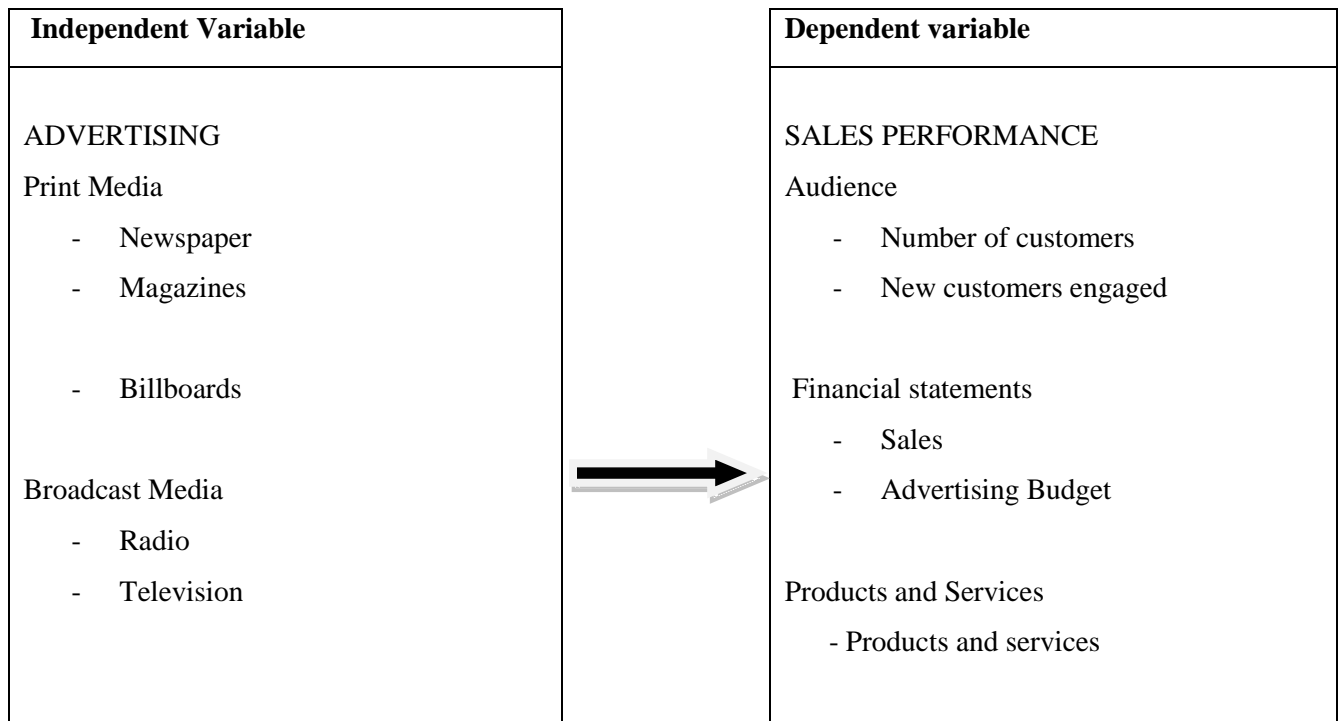


Fig. 2.1. Conceptual framework (Source Eric Nyandwi, 2011)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Approach

In this study, quantitative approach is preferred to utilize. Quantitative research helps to generalize the evidence found in the sample of a given population in order to understand a certain phenomenon. It provides a wide range of different age groups, indicates the extensiveness of attitudes held by participants, and provides results which can be condensed to statistics. Finally, it is considered the most suitable method to answer the kind of questions that have already been established by theory that can operationalize the main variables of this research.

3.2 Research Design

A descriptive survey design was utilized for the study. This design usually enables researchers to investigate current practices, conditions, processes, trends, effects, etc under a study (Singu, 1985). Similarly, Creswell (1994) stated that descriptive survey inquiry helps to gather data at a particular point with the intention of describing the entire nature of the existing conditions in generalizing from sample to population. Consequently, in describing the effects of the advertising on sales performance in the study area, descriptive survey design was found to be relevant and appropriate.

3.3 Population of the Study

According to Adams (2007), population consists of any well-defined set of elements. The population of this research found from the data base of Ambalay Raey, is composed of employees of Ambalay Raey marketing department where the total number of population is 11 and customers buying Ambalay Raey's product living in Addis Ababa city around 389.

3.4 Sampling Technique and Size

Random sampling technique was used to this thesis to collect unbiased information from Marketing department staff and customers since the target population is supposed to be homogeneous. This enabled to the researcher to collect normally distributed unbiased data.

From the total population of 400, the total sample size is identified using Taro (1967) as cited in Shewmen (2014) statistical formula with 95% confidence level and 5% error. Hence, the total sample size will be 200 and the same population classifies the study for each process.

$$n = \frac{N}{1 + N(e)^2}$$
$$n = \frac{400}{1 + 400(.05)^2}$$
$$n = 200$$

Where

N= total population size= 400

n=sample size=200

e= sampling error = 0.05

3.5 Data Source and Collection Instrument

Both primary and secondary data sources were used for the study. The primary data sources were sampled customers and staffs of Ambalay Raey. The data were collected through questionnaires. Questionnaires were developed for the selected customers and marketing staffs. Structured questionnaires were given to each customer and marketing staff. The major secondary data source were articles, journals, reports, websites... were cited for the reviewing related literatures.

The questionnaire is developed to collect significant information relating to effects of advertising on sales performance of Ambalay Raey. Finally, a structured questionnaire with 43 questions is prepared on four different categories of variables. The survey was conducted by a five-point Likert scale which is developed ranging from 1; “Strongly disagree”, 3; “neither agree nor disagree” and finally to 5; “Strongly agree”.

3.6 Reliability and Validity

To measure the consistency of the Questionnaire, the reliability analysis was done using Cronbach's Alpha (α), the most common measure of scale reliability test. As indicated below in Table 3.1. below the value for Cronbach's Alpha (α) was 0.821 for all variables which exceed 0.70 the accepted value for Cronbach's Alpha (Field, 2009; Cohen and Sayag, 2010). In short nut, the responses generated for all of the variables used in this research was reliable enough for data analysis.

Table 3.1 Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.821	.872	43

Validity is achieved when the methodology and research data that is shown in the survey is accurate and true. Wainer and Braun (1998) describe the validity in quantitative research as “construct validity”. The construct is the initial concept, notion, question or hypothesis that determines which data is to be gathered and how it is to be gathered. They also assert that quantitative researchers actively cause or affect the interplay between construct and data in order to validate their investigation, usually by the application of a test or other process.

3.7 Data Analysis Method

Descriptive analysis has been used to analyze Likert scale type data. According to Marczyk et.al, (2005) descriptive statistical procedures allow researchers to describe groups of individuals and events, examine the relationships between different variables, and examine and generalize results obtained from a sample back to the population from which the sample was drawn. Furthermore, descriptive statistics of frequency tables are used to describe the data collected in research studies and to accurately characterize the variables under observation within a specific sample. The analysis was done with the help

of Statistical Package for Social Sciences (SPSS) 20 was employed. The responses in the questionnaire were coded into common themes to facilitate analysis. Data was presented in descriptive form supported by tables, frequency distributions, graphs and percentages.

The five-point Likert-scale questionnaires were analysed by determining the cut-off value of the points. The Problems with mean score of greater than 3.5 were considered most important in the sales performance activities of the firms; mean scores between 2.5 and 3.5 were considered as moderately important and problems with mean score lower than 2.5 were considered as low degree of importance.

CHAPTER FOUR

4. DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Respondents Information

The study targeted a sample size of 200 respondents from which 169 were filled in and returned the questionnaires making a response rate of 84.5%. This response rate was satisfactory to make conclusions for the study.

Descriptive statistics using frequencies was used to analyse the demographic characteristics of the respondents and hence the result of the analysis is described in detail hereunder: Output of study indicated that most of the respondents were males 81 (52%) and there were 77(48%) of female respondents of customers. on the other hand, there were 3(27%) male marketing department employees and 8 (73%) female workers.

Table 4.1 Respondents' information.

Variables	Categories	Frequency (n)	Prc. (%)		
Sex	Customers	Male	81	52	
		Female	77	48	
	Employees	Male	3	27	
		Female	8	73	
	Age	Customers	Below 25 years	42	26.5
			25- 35 years	56	35
36- 45 years			48	30	
46- 55 years			23	14.5	
Above 55 years			-	-	
Employees		Below 25 years	4	36.3	
		25- 35 years	7	63.6	
		36- 45 years	-	-	
		46- 55 years	-	-	
		Above 55 years	-	-	
Education level	Customers	Below diploma	55	34.8	
		Degree	66	41.7	
	Employees	Master and above	37	30.3	
		Below diploma	3	27.2	
		Degree	5	45.6	
		Master and above	3	27.2	

From the above table, the age distribution of customers' respondents was highly dominated by age category of 25- 35 years i.e. 56 (35%) and 36- 45 years i.e. 48(30%) while no respondents' of customer were fall under the age category of above 55 years old. In addition, the age distribution of marketing department workers was highly dominated the age category of 25 up to 35 which was 7 (63.6) while the remaining 4(36.3%) was under 25 years old.

Concerning customers' education level majority of the respondents fall under the category of first degree i.e. 66 (41.7) holders. While the remaining 55 (34.8%) respondents' education level were below diploma and holders of master degree and above were 37 (30.3%). On the other hand, the education level of marketing stuff also dominated by first degree holders i.e. 5(45.6), the remaining 3 (27.2%) employee were below diploma and master and above it respectively.

4.2 Descriptive Analysis

In this section, the analysis is made based on the questions, which were prepared to assess the effects of advertisement on sales performance. The questions were categorized under four variables for assessing the study area thoroughly. The data collected for all the four variables are first analysed separately and then analysed jointly to associate their cumulative result.

4.2.1 Advertisement Type

Table 4.2 Advertising type

	N	Mean	Std. Deviation
Television	158	4.58	1.382
Posters	158	2.09	1.448
Newspapers	158	2.11	1.474
Magazines	158	2.11	1.347
Bill boards	158	3.07	1.402
Newsletters	158	2.79	1.415
Brochures	158	2.96	1.358
Stickers	158	2.08	1.369
Radio	158	3.40	1.407
Mobile Advertising	158	1.99	1.423

From the above table 4.2 finding of the study, it is evident that there are various forms of advertisements used by the organization. But according to the responses there are some forms which are mostly used than others, this includes radios and televisions. These have helped the organization to raise awareness about the existence of various types of products produced by the company. Score the mean score of 4.58 and 3.40 i.e. television and radio respectively.

4.2.2 Broadcasting Advertising

Table 4.3 Broadcasting advertising

Items	N	Mean	Std. Deviation
3.1.1 Ambalay Raey advertises on Radio frequently	158	2.85	1.404
3.1.2 The Radio ad conveyed the intended message	158	3.04	1.395
3.1.3 The ad convince you should buy the product	158	3.05	1.497
3.1.4 The ad's duration are neither too long nor too short	158	2.99	1.330
3.1.5 The Radio ads are effective	158	3.09	1.485
3.2.1 Ambalay Raey advertise on TV regularly	158	3.12	1.430
3.2.2 The TV ad was visually appealing and engaging	158	3.04	1.375
3.2.4 The TV ads are memorable	158	3.09	1.479
3.2.5 The ad was better than other ads for the same product	158	3.06	1.430
Average mean		3.03	

In the above table, the descriptive analysis of broadcasting advertising related was presented. As one can see in the above table the average mean value of the variables is greater than 3.03 mean value it imply that the respondents agreement on the broadcasting ads were addresses both on the radio and TV regularly and frequently. Majority of respondents agreed on the radio ad conveyed the intended message (Mean= 3.04, SD=1.3), the majority of respondents also agreed on that the radio ads were effective i.e. mean score of 3.09. on the other hand, the TV ad was visually appealing, engaging and

memorable. In addition, the respondents also agreed on the ad was better than other ads for the same product.

4.2.3 Printing Advertising

Table 4.4 Printing advertising

Items	N	Mean	Std. Deviation
2.1.1 Newspapers are influential over your buying behavior.	158	2.99	1.378
2.1.2 Do you agree Newspapers are memorable	158	2.85	1.439
2.1.3 Ambalay Raey uses Newspapers for its advertising	158	2.92	1.399
2.2.1 You feel rewarded for investing your time to read Magazines	158	2.03	1.378
2.2.2 Magazine ads are effective	158	2.05	1.409
2.2.3 Ambalay Raey uses Magazines for its advertising	158	2.22	1.431
2.3.1 Billboard ads are entertaining	158	2.95	1.384
2.3.2 Billboard ads focused on communicating your community's promise	158	2.99	1.334
2.3.3 Ambalay Raey uses the billboard advertising	158	2.83	1.499
Average mean		2.64	

The study also sought to assess the printing media. As the data shown above, most of the respondents were neutral on their response as it has an average mean value of 2.64 that is fall under neutral level of agreement. However, the printing media concerning with newspaper, the media not look very important in its influentially over buying behaviour of the customers (Mean= 2.99, SD= 1.3) and its memorability (Mean=2.85, SD= 1.4). on the contrary, billboard ads were the list important among printing medias in entertaining and effectiveness.

4.2.4 Sales Performance

Table 4.5 Sales performance

Items	N	Mean	Std. Deviation
4.1.1 The advertising idea is meaningful to your target audience	11	3.82	1.377
4.1.2 Advertising of AmbalayRaey meet the intended message	11	3.03	1.437
4.1.3 Media used are accessible by the target market	11	3.04	1.513
4.1.4 Advertising helps in increasing the number of customers	11	3.99	1.347
4.1.5 High consumers engagement with a message, results in attracting new customers	11	3.99	1.431
4.2.1 The level of sales in AmbalayRaey has been increasing	11	3.00	1.456
4.2.2 Advertising will boost sales	11	3.09	1.336
4.2.3 The advertising program of the company has no impact on the sales volume of the products	11	2.88	1.366
4.2.4 The advertising budget doesn't have an effect	11	3.07	1.460
4.2.5 Does the advertisement return the cost	11	3.18	1.469
4.3.1 Advertising results in better product for public	11	2.88	1.451
4.3.2 Ads increase the cost of product.	11	2.95	1.538
4.3.3 Unreasonable expectation of product quality & performance is stimulated directly or indirectly	11	2.96	1.397
4.3.4 The advertising message has no relevance to the product	11	2.90	1.396
Average mean		3.19	

The sales performance is also investigated through computing the average results of all the items. As the above table shows, the result providing an average mean value of 3.19 indicating the agreement of majority of the respondents on the items provided to them in the form of questionnaire. Which indicate higher level of agreement and fall under above 2.5 value of average mean score.

4.3 Inferential Analysis

4.3.1 Classical Linear Regression Model Assumptions Test

It is common to test CLRM assumptions before go to the regression result estimation and interpretation. Here the researcher tested some of the important classical linear multiple regression model assumptions which are more related with the cross sectional data. Given the Gauss-Markove Theorem it is known that the Least Squares Estimator β_0 and β_1 are unbiased and have minimum variance among all unbiased linear estimators, where the expected value of our error terms is zero, $E(\epsilon_i)=0$ and variance of the error terms is constant and finite. Accordingly, in this thesis five of the multiple regression assumptions have been tested as discussed below.

4.3.2 Normality Test

To test the normality assumption it is important to view whether the residuals are skewed or not. If the residuals are not skewed, that means the assumption of normality has been satisfied.

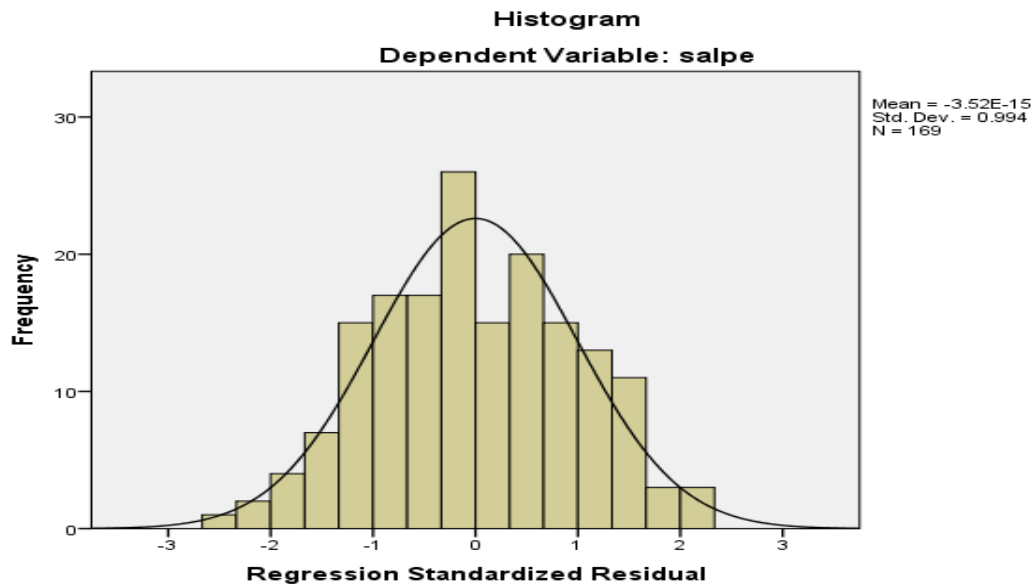


Figure 4.1 Normality test

According to G.David (2012) the normal distribution takes the form of asymmetric bell-shaped curve. The standard normal distribution is one with a mean of 0 (zero) and Standard Deviation of 1 (one). G.David added that normality can be visually assessed by looking at a histogram of frequency or probability plot output that normal distribution forms the asymmetry of bell-shaped curve. As a rule of thumb when the cases are distributed normally, the area under normal curve represents probability of 68.26% of a case will lie within the 1 Standard Deviation of the mean while 95.44% lies within 2 SD and 99.14% cases lie within 3rd Standard Deviation.

As it is indicated in the figure 4.1 above, visualizing the figure, the area under the normal curve represents probability of 95.44% case lies within the Standard Deviation of 2. And when the Standard Deviation increased to 3 about 99% of the cases lie under the 3 Standard Deviation. Under the normal distribution of standard error or sample data there is less than 0.05% chance that a sample case might lay outside 2 standard deviation of the mean and less than 0.01 chances that sample might lay outside 3 Standard Deviation. So this distribution can satisfy the assumption of normality distribution of sample population. Assumption of normal distribution of the sample variable among population has been met. That is the independent variable are normally distributed

4.3.3 Homoscedasticity Test

If the classical linear assumption of homoscedasticity is violated or when the error term does not have constant variance it is said to be homoscedasticity (Ranjit, 2011). homoscedasticity can be occurred because of different reason such as measurement error, model misspecification, etc.

When heteroscedasticity is presented in the model, OLS estimators are no longer BLUE and it doesn't provide unbiased estimator with smallest variance. Therefore, it is important to test the homoscedasticity of the variances of the disturbances in the model. In general there are two ways of detecting the presence of homoscedasticity; the informal and formal ways of homoscedasticity detection. The graphical way of inspection is simple to detect the existence of homoscedasticity (ibid).

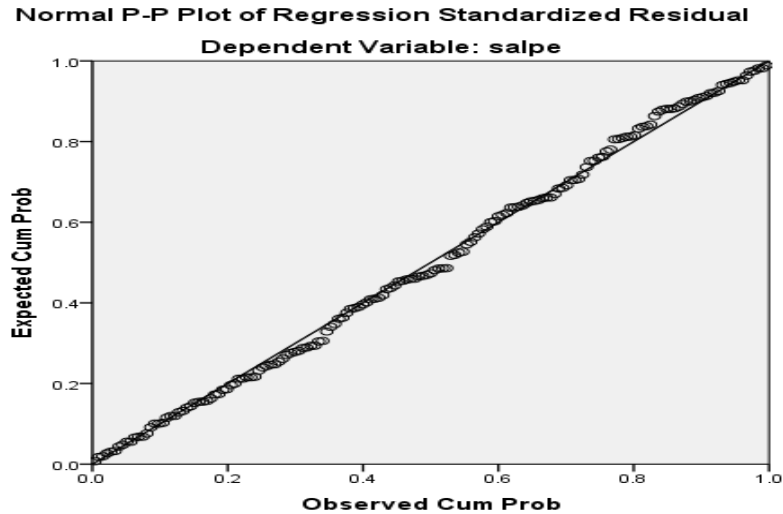


Figure 4.2 Homoscedasticity test

The figure 4.2 above indicates that there is no homoscedasticity in the model which indicates that proper distribution of error term /constant variance of error term. The error terms have constant variance since there are not outliers. I.e. the variance of the error term is constant meaning that error term is dependent on the change of explanatory variables. Since there is homoscedasticity /constant variances/ of the error term the model can meet the OLS estimate to be best estimator to the population parameters

4.3.4 Linearity Test

Linearity assumption can be checked using the graphical techniques through scatter plot. The researcher draws the scatter plot of residuals and Y value to test the linearity of the model using SPSS computer software. According to many scholars' such as Gaurav Bansal et. al. (2008) if the scatter plot follows a linear pattern (not curvilinear pattern) that shows the linearity assumption has been met. However, if the scatter plot shows curvilinear pattern that means the model do not met the linearity assumption. In line with this guideline the SPSS result shows that, taking Y value on the **Y-axis** and the standardized residuals plotted on the horizontal **X-axis** indicated that the model is more or less follows linear pattern that satisfies the linearity assumption.

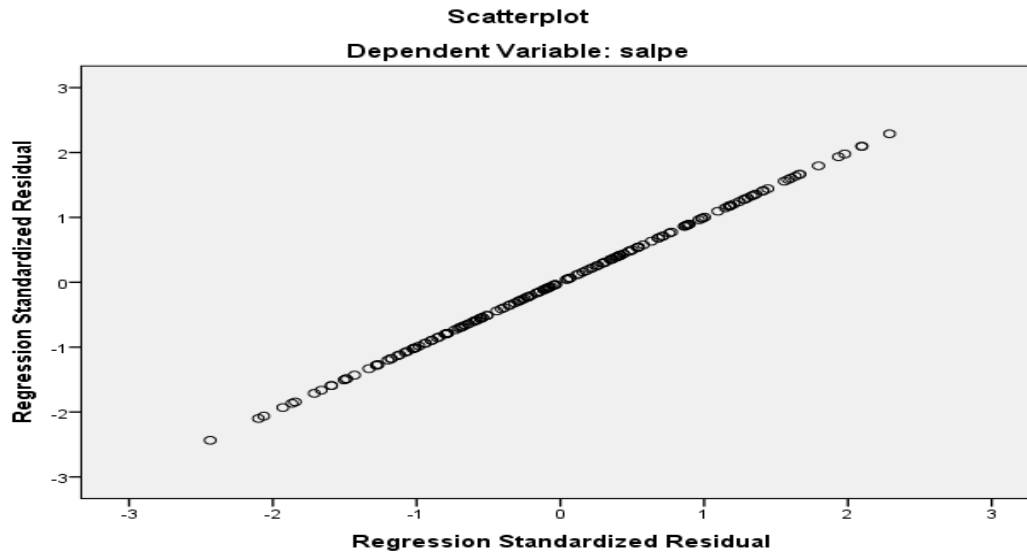


Figure 4.3 linearity test

As depicted in the figure 4.3, follows the linearity patterns that satisfied a linearity assumption. It is linear because there is no any curve linearity patterns although some of the residuals seems dotted scatter, all the plots follow the same dimension. So that the researcher concludes that the model is linear.

4.3.5 Multi-Collinearity Test

Assumption of classical linear regression model requires that there is no actual linear relationship among the sample value of explanatory variables. When this assumption of CLRM violated the multi-collinearity problems occurs. If the model contains Multi-collinearity problems this leads to OLS methods estimates no longer provide unique estimators with the smallest variance for the population parameters (Dimitrios and Stephen, 2007). Although there are many diagnostic methods or models to detect the Multi-collinearity problems the researcher found that it is simplest and understandable to use VIF and R^2 to test the Multi-collinearity problems.

According to Dimitrios and G. Hall (2007) if value of VIF (Variance Inflater factor) exceeds 10, it generally indicates that there is Multi-collinearity in the model. As VIF value increases the value of SE (standard error) becomes large and the coefficient leads to

uncertain. As a result, the OLS estimator not provide unique estimator to the population parameters. Also if the values of R^2 and VIF value rise in the same direction it is also indication of existence of Multi-collinearity. Moreover, tolerance and VIF value move indirectly and indicates that as the tolerance values are near to zero and VIF value become more than 10 then there may be Multi-collinearity in the model. Fortunately, based on the guideline discussed above, the study's finding indicates that there is no Multi-collinearity problem in the model. Because, as clearly indicated in the table 4.6 below, all VIF values is below 10 and the tolerance values also more than zero which moves opposite direction with variance inflator factor (VIF).

Table 4.6 Multi-co linearity test

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	print	.985	1.205
	broad	.995	1.025

4.4 Goodness of Fit of the Model Test

Before running the analysis, testing of overall significance of the model must be tested. There are number of ways to validate the goodness –of –fit of the model, R^2 .. However, the researcher used the R^2 together with adjusted R^2 to test over all goodness-of-fit of the model. As a result, the study found that adjusted R^2 became 82.5%, which indicates the model is adequately described by the selected explanatory variables. Most of scholarliness agrees that, as the values of R^2 and adjusted R^2 close to one that tells us the model is significantly determined by the included explanatory variables and the model is more significant. Therefore, the model is correctly specified and the explanatory variables explained the dependent variable, y very strongly. It shows that there are no omitting significant causal variable or including correlated but causally extraneous ones. Similarly, the researcher found that values of R^2 84.1 % of the dependent variable

determined by the explanatory variables included in the model. Therefore, it can be concluded the model is specified properly and the OLS model estimated better to the true estimator of population parameters.

Table 4.7 ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	1.088	5	.218	52.453	.000 ^b
Residual	13.578	139	.098		
Total	14.666	144			

a. Dependent Variable: salpe

b. Predictors: (Constant), broad, print

Therefore, the researcher revealed that the model is specified properly and all the measurements and the parameters beta are linear, and there are no omitted or casually included variables in the model. So that OLS model estimates the best estimator of the sample to the true population parameters.

4.5 Regression Result and Interpretation

Multiple regression analysis was conducted to examine the effect of the dependent variable-sales performance, and the explanatory variables.

Looking at the multiple regression result in table 4.9 below the p-value of the statistical t test for each predictor indicates the contribution level of each variable to the model. Using the multiple linear regression models, significance of two explanatory variables such as printing and broadcasting advertisement were analyzed to examine the contribution of each variable to determine dependent variables.

The coefficient β (the standardized coefficient) provides us with the information to predict the dependent variable (sales performance) from the stated independent variables. In addition, it shows us that whether the independent variable contributes significantly or not.

Table 4.8 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.917 ^a	.841	.825	.977

a. Predictors: (Constant), broad, print

b. Dependent Variable: salpe

In addition to R², there is ANOVA model of F-test to overall significance of the explanatory variables in-group. The values of F-test 52.453 with the P-values of 0.00 which is less than the critical value P= (0.05) indicates that R² is significant measure of overall significance of the model.

Table 4.9 Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.470	.276		12.590	.000
	print	.097	.064	.016	1.511	.003
	broad	.267	.062	.183	1.078	.000

a. Dependent Variable: salpe

$$Salpe = 3.47 + .097print + .267broad$$

Where *salpe*, sales performance
print, printing advertisement
broad, broadcasting advertisement

As one can see from the above table 4.9 the two variables (*printing and broadcasting advertisement*) have positive relation with sales performance.

According to the above table, *printing advertisement* significantly affect the sales performance of Ambalay Raey ($\beta = .097$, $p = .003$). In addition, the beta coefficient of

printing advertisement is positive which means the sales performance and *printing advertisement* has direct relationship i.e. as *printing advertisement* increase, sales performance also increase. As *printing advertisement* increase in 1% sales performance increase in 9.7% and it is significantly, and positively related to sales performance. (certes paribus)

Broadcasting advertisement significantly affect the sales performance of Ambalay Raey ($\beta = .267, p = .000$). In addition, the beta coefficient of *broadcasting advertisement* is positive which means the sales performance and *broadcasting advertisement* has direct relationship i.e. as *broadcasting advertisement* increase, sales performance also increase. As *Broadcasting advertisement* increase in 1% sales performance increase in 26.7% and it is significantly, and positively related to sales performance. (citrus paribus)

Table 4.10 Summary of hypotheses testing

Hypothesis	Beta (β)	Sig. ($p > .05$)	Result
<i>H₀</i> : There is no significant effect of print media on the sales performance	.097	.003	Rejected
There is significant effect of print media on the sales performance	.097	.003	Accepted
<i>H₁</i> : There is no significant effect of broadcast media on the sales performance	.267	.000	Rejected
There is significant effect of broadcast media on the sales performance	.267	.000	Accepted

4.6 Discussion

The essence of advertising is to increase sales revenue hence improving sales performance. (David et al 1988). Advertising combines with a host of other influences to determine what contribution advertising makes to the buyer's purchase decision. The retailer John Wanamaker is said to have remarked that he knew that only half of his advertising was effective but he was unable to know which half it was.

As the number of reviewed literatures stated the effects of advertisement on sales

performance in general are similar with findings of this study. As Comanor et. al. (2014) studied result and justified that the relationship between advertising and sales performance. The study shows that there is a positive relationship between advertising and sales performance. This study also found out that advertisement has positive and significant effects on sales performance on the organization. Azizi and Moghadasi (2011) also revealed that there were significant effect of advertisement on sales performance on their study that evaluating the effect of advertising on performance among Iranian automotive and food industries. It was noted that advertising had a significant impact on the sales volume of a product and consumers' decisions. Advertising also carries the message far and wide to a scattered target audience that the advertiser or producer could not have reach it at once so easily.

A study conducted by Abah and Olohiliy (2015) has the objective to analyse the effect of advertising on salesperformance of Benue Brewery Limited (BBL). From the analysis, majority (46.90%) of respondents got to know about BBL products through the broadcast media, majority (86.34%) of respondents stated that the advising media used reach their target audience, majority (89.13%) of the respondents stated that the messages influence their buying behaviour, majority (81.68%) stated that they clearly understood the messages, majority (81.68%) of respondents stated that the advertising messages attracted them to BBL products, majority (81.68%) of the respondents enjoy the messages and majority (89.13%) of the respondents stated that the messages influence their buying behaviour. The study concludes that the media of advertising used by BBL were suitable, the messages were effective and there was a significant relationship between advertising and sales volume of BBL products.

CHAPTER FIVE

5. SUMMARY, CONCLUSION AND RECOMMENDATION.

5.1 Summary of Major Finding

The researcher collected primary data using structured questionnaires questions to collect data. The questionnaire was designed based on Likert scale type data measurement techniques ranged from strongly disagree to strongly agree in order to measure the perceptions of respondents. And the data was analysed using classical linear multiple regression model. Then after all necessary assumptions had been tested the findings were analysed and interpreted to estimate the best-estimated Beta coefficient of population parameters to arrive at conclusion. The study targeted a sample size of 200 respondents from which 169 were filled in and returned the questionnaires making a response rate of 84.5%.

Consequently, the study found out significant factors that influence the sales performance of Ambalay Raey using the primary data collected from respondents. Hence, out of two variables regressed in this thesis, both explanatory variables were the most determinant factors Ambalay Raey. That is:

- From the finding of the study, it is evident that there are different forms of advertisements used by the Ambalay Raey. But mostly used were radios and televisions.
- As *Broadcasting advertisement* increase in 1% sales performance increase in 26.7% and it is significantly, and positively related to sales performance. (citrus paribus).
- As *printing advertisement* increase in 1% sales performance increase in 9.7% and it is significantly, and positively related to sales performance. (certes paribus)

The study also conclude that the *Broadcasting* and *printing advertisement* accounted about for approximately 84% ($R^2=0.841$) in determining the sales performance of

Ambalay Raey. That means, the effect of these two independent variables contributed for the dependent variable; sales performance were 84%, and the remaining 16% were other variables that are not included in this study.

5.2 Conclusion

Nowadays, the advertising has become one of the main hurdles in the development of the company. The organization has to spend it's a major portion of its revenue to serve the advertising expenses. It is assumed that advertising can help the organizations to meet their objectives easily. Ambalay Raey has relied much on advertising to improve their sales and profitability.

From the finding of the study, it is evident that there are various forms of advertisements used by the Ambalay Raey. But according to the responses there are some forms which are mostly used than others, this includes radios and televisions. These have helped the organization to raise awareness about the existence of various types of products produced by the company results in informing the current customers of the firm about the available products so they increase their contacts with the sales person.

Improving its advertising on the TV and Radio results in attracting new customers, indirectly increase sales performance with the potential of bringing additional reputation to the firm. Making broadcast a priority in its marketing strategy results in a higher sales performance and eventually greater revenue to the firm.

5.3 Recommendation

On the basis of the above findings and conclusions, the following recommendations can be forwarded.

- Top management should be involved in the continuous evaluation and monitoring of advertising to ensure that the goals and objectives set are achieved and appropriate corrective actions are taken in the event of deficiencies by conducting market research.

- Ambalay Raey should pay more attention to broadcast media since it has better reach to its target market.
- The Ambalay Raey should choose the most effective media for advertising. A media that is affordable by many people for example radios and TV.
- The management of Ambalay Raey should carry out periodic review of the advertising message, its effect on their sales and Medias that are appropriate to increase their sales performance.
- As advertising campaigns are relayed from different service providers, the advertising should be used to help customers to identify the company's products or service when they are making a purchase decision.
- The management of Ambalay Raey should continue to improve on their budget for advertising in order to maintain a steady increase in sales volume. A good advertising should be effective, persuasive and contain the necessary information on the products.

References

- Keller, P. K. (2005). *Marketing Management*. Printice Hall Private Limited.
- Kotler, P. and Armstrong, G. (2010), *Principles of Marketing* (12th edition). Printice Hall of India
- Ferguson, J. (2003). *Advertising and competition*. Chicago: Printice Hall International.
- Hawkins, D. (2002). *Consumer behavior: Building Marketing Strategy*. New Delhi: Printice Hall of India.
- Giles, 1997, *Successful Marketing Technique Approach*, Mac-donald and Evans Ltd.
- Alonge, 2001 *Essentials of Commerce for Secondary School, Advertising*, Tonad publishing Limited,Ikeja Lagos.
- Baker Jim, 26-27 November 2001, —*Corporate Social Responsibility and Economic Development*”, OECD Global Forum International Investment, New Horizons and Policy Challenges for Foreign Direct Investment inthe 21st Century.
- Stein, D. S. (2006) *The Politics of the Economics of Advertising*, Journal of Advertising Research Foundation
- Pride, F et all (1989); *marketing concept and strategies* (sixth edition) Boston Houghton miffing company.
- McCarthy, J.J, (1994), *Prosodic morphology I: Constraint interaction and satisfaction* cited by 2400 - Related articles
- David, M (1988) *Human resource management practice*, (7th edition) .London kogan.
- Jefkins, F (1990); *Introduction toMarketing, Advertising and Public Relations* (third edition) Macmillan education ltd
- Creswell, J.W., (1994). *Research Design: Qualitative & Quantitative Methods*.

- Dimitrios A and G.Hall, (2007) applied Econometrics a modern approach using reviews' Microfit. Published Palgrave MACMILLAN.
- Shewamene H. (2014). Determinants of internal audit effectiveness in the public sector, case study in selected Ethiopian public sector offices, Jimma university.
- G. David Garson (2012) Testing statistical assumptions, North Carolina state University.
- Ranjit Kumar,2011. Research methodology. Step by step guide line for beginners. 3rd edition. Los Angeles/ London/New DelhiRob Johns, 2010. Likert Items and Scales. Survey questions bank: Methods fact sheet 1. University of Strathclyde.
- Comanor, William S. and Wilson, Thomas A. (2014). "Advertising, Market Structure and Performance," *The Review of Economics and Statistics*, 49: 423- 40.
- Azizi, SH, Moghadasi M.(2011). Evaluating the effect of advertising on performance among Iranian automotive and food industries, *Commercial journal quarterly*, 1390; 65: 137-166, winter of 1391.
- Abah Daniel and Abah Patience Olohiliye (2015), Analysis of the Effect of Advertising on Sales. Volume of an Agro-Allied Company: A Case of Benue Brewery Limited, Makurdi, Benue State,Nigeria, *American Journal of Economics, Finance and Management*, Vol. 1, No. 5, 2015, pp. 473-481. <http://www.aiscience.org/journal/ajefm>

Appendices

St. Mary's University

School of Graduate Studies

Questionnaire to be filled by Customers of Ambalay

Dear sir / madam,

I am a student of ST. Mary University carrying out a research on the effect of advertising on sales performance as part of the requirement for the fulfillment of a Masters of Marketing Management in the University. I therefore humbly request you to spare some of your time and fill in this questionnaire. Please be assured that all information you give here will be strictly for academic purposes and will be treated with great confidentiality.

Thank you for your time.

Part I: Demographic Factors:

1. Age Group

<25 26-35 36-45 46-55 >55

2. Gender

Male Female

3. Occupational status

Student Employed Unemployed Other

4. Educational level

Diploma/TVET BA/BSc degree Master's Degree PhD

Part II: Questions about advertising and sales performance

Impact of Effective Advertising on the sales performance	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
ADVERTISING					
1.1 Ambalay Raey advertise all its products					
1.2 Ambalay Raey uses the following forms of advertising					
1.2.1 Television					
1.2.2 Posters					
1.2.3 Newspapers					
1.2.4 Magazines					
1.2.5 Bill boards					
1.2.6 Newsletters					
1.2.7 Brochures					
1.2.8 Stickers					
1.2.9 Radio					
1.2.1 Mobile Advertising					
Print Advertising					
2.1 Newspapers					
2.1.1 Newspapers are influential over your buying behavior.					
2.1.2 Do you agree Newspapers are memorable					
2.1.3 Ambalay Raey uses Newspapers for its advertising					
2.2 Magazines					
2.2.1 You feel rewarded for investing your time to read Magazines					
2.2.2 Magazine ads are effective					
2.2.3 Ambalay Raey uses Magazines for its					

advertising					
2.3 Billboard					
2.3.1 Billboard ads are entertaining					
2.3.2 Billboard ads focused on communicating your community's promise					
2.3.3 Ambalay Raey uses the billboard advertising					
BROADCAST MEDIA					
3.1 Radio					
3.1.1 Ambalay Raey advertises on Radio frequently					
3.1.2 The Radio ad conveyed the intended message					
3.1.3 The ad convince you should buy the product					
3.1.4 The ad's duration are neither too long nor too short					
3.1.5 The Radio ads are effective					
3.2 Television					
3.2.1 Ambalay Raey advertise on TV regularly					
3.2.2 The TV ad was visually appealing and engaging					
3.2.4 The TV ads are memorable					
3.2.5 The ad was better than other ads for the same product					
SALES PERFORMANCE					
4.1 Audience					
4.1.1 The advertising idea is meaningful to your target audience					
4.1.2 Advertising of Ambalay Raey meet the intended message					
4.1.3 Media used are accessible by the target market					
4.1.4 Advertising helps in increasing the number of					

customers					
4.1.5 High consumers engagement with a message, results in attracting new customers					
4.2 Financial Statment					
4.2.1 The level of sales in Ambalay Raey has been increasing					
4.2.2 Advertising will boost sales					
4.2.3 The advertising program of the company has no impact on the sales volume of the products					
4.2.4 The advertising budget1 doesn't have an effect	2				
4.2.5 Does the advertisement return the cost					
4.3 Products and services					
4.3.1 Advertising results in better product for public					
4.3.2 Ads increase the cost of product.					
4.3.3 Unreasonable expectation of product quality & performance is stimulated directly or indirectly					
4.3.4 The advertising message has no relevance to the product					

THANK YOU!!!