



The Impact of Advertisement on Sales Volume of Products (Goods and Services in Organisations: A Case Study in Chipata City of Zambia)

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ABSTRACT

The comprehensive objective of this research was to determine the impact of advertising on the sales, sales volume and profit of a business organization or business in Chipata. The over-all objective of the study was to conclude the impact of advertisement on sales volume on product(s) in organizations in Chipata, Eastern Province of the Republic of Zambia.

Longe (2001) defined advertising as any personal paid form of non-personal communication which is directed to the consumers or target audiences through various media in order to present and promote a product, services and idea.

Good advertising requires competent personnel including a number of specialists to enable it thrive in the ever dynamic and competitive business environment. It is therefore imperative that key personnel in departments that are directly involved to be carefully designated and positioned to ensure continuous success.

In recognizing the role, advertising can play a growing number of companies and establishments have to embark on a nationwide advertising campaign. Advertising campaigns clearly informed by depressed consumer demand, thrive by persuading the consumer on the need for consumptions. At the completion of this thesis, the impact of advertising in organizations should clearly be defined and it should have become a continuous practice for the organizations.

Keywords

- ✓ Advertising,
- ✓ sales, sales volume,
- ✓ Product or Merchandise,
- ✓ Consumer,
- ✓ Market,
- ✓ Outdoor
- ✓ Media

INTRODUCTION

The main goal for any business is to produce goods and services for sales and profit maximization for an institutions or businesses like DMI St. Eugene University, Zambia - Chipata campus. Businesses need to have enough sales in order to cover all the cost and to get sound profit. For generating greater sales, businesses needs to market their product in line with the marketing mix or the 4Ps i.e. product, price, place and promotion. Promotion is one of the factors that influence sales and advertising comes under the promotional mix. It is believed that through good promotion, businesses can generate greater sales by influencing consumers buying decision.

In today's world, advertisement is taken as an important tool to gain customer attention and to give information on product. All around the world billions of dollars are invested in advertisement of products and brands. In the year 2008 only, advertisement expenditure of Zambia, Zambia and China was \$ 158,547 million, \$26,802 million and \$57, 077 million respectively (Warc, 2009). As countries and businesses are spending these huge amounts of money, there must be some main reason behind it. The main reason might be to increase sales or profits. Advertisements have become very useful, have gained the status of an independent discipline, and have grown at very fast speed due to this it has become a special field of study (Khan, 2007). Therefore, advertisement is an important tool for businesses to promote their goods and services and increasing sales and profit. It is also important for the businesses to find out whether their advertising is effectively promoting their products or not.

The proposed research topic will try to find out the impact or how much influence do advertisements have in influencing the consumer's buying decision. This study will be dedicated to the subject area of the consumer behaviour and their buying decision about the influence of advertisement on it. It will help to gain in depth knowledge about the subject matter and will be of great benefit from both academic and practical side. The conclusion drawn from the study will provide feedback to the businesses about the advertising and it will find out the areas, which other researchers can explore into. In this 21st century role of technology is so important and advertisement comes under the communication tool, hence study on this important and current issue is really of great benefit.

Good advertising requires competent personnel including a number of specialists to enable it thrive in the ever dynamic and competitive business environment.

It is therefore imperative that key personnel in departments that are directly involved to be carefully selected and positioned to ensure continuous success.

In recognizing the role, advertising can play a growing number of companies and establishments have to embark on a nationwide advertising campaign. Advertising campaigns obviously informed by depressed consumer demand, thrive by persuading the consumer on the need for consumptions.

At the completion of this thesis, the impact of advertising in some organization in chipata - Zambia - are clearly defined and must become the continuous practice for the some organizations.

METHODOLOGY

Systematic way or process of solving or getting to the conclusion of any research or study can be defined as Research Methodology. It describes the methods and process applied in the entire aspect of the study. It includes all the procedures from theoretical foundation to the collection and analysis of data. "Research methodology refers to the various sequential step (along with a rationale of each step) to be adopted by a researcher in studying a problem with certain objects in view" (Kothari, 1994).

Research is a systematic and organizational effort to investigate a specific problem that needs a solution or a conclusion. This process of investigation involves a series of key activities like gathering, recording, analyzing and interpreting of the data with the purpose of finding answer of the research topic. The method chosen for this research will be the combination of quantitative, qualitative and descriptive methods. The study will be focused on finding the various aspects of the consumer behaviour and consumer response towards the advertisements and their preferences.

1. Research Design

As per Kumar (2008) Kinner defined Research Design as "the basic plan which guides the data collection and analyses the phases of the project. It is the framework which specifies the type of information to be collected, the source of data and the data collection procedure". Hence, research design can be considered as a logical and systematically developed plan in order to conduct the research. It is important in the sense that it helps to establish the guidance for proceeding and knowing what and how things needs to be done at every stage.

2. Research Strategy and Method of Data Collection

Survey strategy is the main strategy that I will be using in conducting this research. The data will be collected through both primary and secondary sources. For primary source, structured questionnaires will be prepared and will be conducting a questionnaire survey. Primary data will be the main source of data for this research. Questionnaire will be set in the guidance of the assigned supervisor so that the respondent can feel easier to fill in their information and to confirm the validity and reliability of the tools used for collection of primary data. Secondary data, if any required will be collected from the books, journals, company websites and internet.

3. Sample

The number of samples to be collected for this research is set as 150 samples from the whole population that will try to cover all the aspects and characteristics of the population. The simple random sampling technique will be used while doing primary research under the probability sampling technique. The samples will be taken randomly from the high streets and various shopping centres of London. I will try to ensure that the ratio of male and females will be equal in order to obtain an unbiased and clear picture of the whole population and their response can be related to the finding of the research.

4. Data Analysis

The data analysis was conducted using both qualitative and quantitative methods. All data will be analysed using various descriptive methods (mean, standard deviation, range, frequency and percentage etc.) and inferential statistical tests (correlation, regression, chi-square etc) as appropriate. However, the suggestions from the supervisor will always be implementing while conducting the analysis of the collected data.

5. Limitations of the study

This study will be limited to the area and population of London, therefore, the finding of the study cannot be generalized for other areas of UK.

Time is also another limitation for doing this research, which may somehow affect the conclusion.

Respondents can be non-co-operative.

6. Ethics

There will not be unethical acts in this proposed project and the laid down procedure will be followed at every step of the study. Information collected during research will be cited, referenced and will be given credit. The respondents will be told about the research objectives clearly and the confidentiality of the data collected will be maintained.

DATA ANALYSIS

The research yielded the following data:

A total 55 questionnaires were sent out and 30 were fully answered and returned.

4.1 Table Analysis.

4.1.1 Section 1

Question 1: Sex Table 1 Sex

Variable	Frequency	Percentage %
Male	16	53.3
Female	14	46.7

The above analysis (table 1) indicates that of the respondents who filled and returned the questionnaires males were 53.3% and female is 46.7%

Question 2: Age

Table 2 Age

Variable	Frequency	Percentage %
18-25	16	53
25-35	12	40

It can be seen in the above analysis (table 2) that 18- 25years was the age of 53% of the respondent, age group 25- 25 years formed 45% and 46 years and above were 7% of the respondents.

Question 3: Education Qualification

Table 3 E.Q.

Variable	Frequency	Percentage %
NCE/OND	5	17
BSC/HND	18	60
MSC/MBA	7	23
Total	30	100

The above analysis (table 3) indicates that most respondents were BSC/HND holders accounting for 60% of the respondents, while NCE/OND and MSC/MBA holders were 17% and 23% respectively.

Question 4: Designation

Table 4 Designation

Variable	Frequency	Percentage %
Manager	8	27
Head of Department	15	50
Staff (Junior & Senior)	7	23
Total	30	100

The table above (table 4) reveals that best of the respondents 50% were in the middle managerial level.

Question 5: Years of Service

Table 5 Years of service

Variable	Frequency	Percentage %
18-25	16	53
25-35	12	40
46-above	2	7
Total	30	100

The above table (table 5) shows that most respondents had been working for a period of 5 – 10 years which stands at 37%, below 2years 33% while respondents with work experience above 10 years were 30%

4.1.2 Degree of response tables

Question 1: Advertising will increase an organization's target market and boost sales.

Table 6 Advertising

Variable	Frequency	Percentage %
Strongly Agree	10	34
Agree	12	40
Undecided	7	23
Strongly Disagree	0	0
Disagree	1	3
Total	30	100

Question 2: Consumer buying attitude can be influenced through consistent advertising

Table 7 Consumer buying attitude

Variable	Frequency	Percentage %
Strongly Agree	10	34
Agree	13	43
Undecided	3	10
Strongly Disagree	0	0
Disagree	4	13
Total	30	100

In the above table (table 7) 34% of the respondents strongly agreed, 43% agreed, 10% were undecided and 13% disagreed with the argument that advertising influences customer buying attitude.

Question 3: Advertising is a powerful tool capable of reaching and motivating large audiences.

Table 8 Audiences

Variable	Frequency	Percentage %
Strongly Agree	18	60
Agree	11	36.7
Undecided	0	0
Strongly Disagree	0	0
Disagree	1	3.3
Total	30	100

The table (table 8) shows that 60% of the respondents strongly agreed that advertising is a powerful tool capable of reaching and motivating large audiences, 36.7% agreed and 3.3% disagreed.

Question 4: No product can survive competition without intensive advertisement.

Table 9 Product

Variable	Frequency	Percentage %
Strongly Agree	7	23
Agree	21	70
Undecided	0	0
Strongly Disagree	0	0
Disagree	2	7
Total	30	100

In the table above 23% of the respondents strongly agreed, 70% agreed and 7% disagreed with the argument that without advertising no products can survive competition.

Question 5: The existing facilities and services in the advertising organization are considered inadequate to face any competition.

Table 10 Considered

Variable	Frequency	Percentage %
Strongly Agree	0	0
Agree	4	13.3
Undecided	3	10
Strongly Disagree	16	53.3
Disagree	7	23.3
Total	30	100

In the table above (table 10) 13.3% of the respondents agreed, 10% were undecided, 53.3% strongly disagreed and 23.3% disagreed with the argument that existing facilities of the advertising organization were inadequate to face any competition.

Question 6: Advertising justifies the existence when it is used in the interest of public.

Table 11 Advertising

Variable	Frequency	Percentage %
Strongly Agree	10	33.3
Agree	17	56.7
Undecided	1	3.3
Strongly Disagree	2	6.7
Disagree	0	0

The data above (table 11) indicates that 33.3% of the respondents strongly agreed, 56.7% agreed, 3.3% were undecided and 6.7% strongly disagreed with the argument.

Question 7: Selection of advertising media is of primary concern to an organization.

Table 12 Selection

Variable	Frequency	Percentage %
Strongly Agree	21	70
Agree	7	23.3
Undecided	0	0
Strongly Disagree	0	0
Disagree	2	6.7
Total	30	100

The above table (table 12) shows that 70% of the respondents strongly agreed, 23.3% agreed while 6.7% disagreed with the argument that selection of advertising media is the primary concern to an organization.

Question 8: An organization must consider its financial status before embarking on advertisement.

Table 13 Advertisement

Variable	Frequency	Percentage %
Strongly Agree	10	33.3
Agree	13	43.3
Undecided	0	0
Strongly Disagree	0	0
Disagree	7	23.3
Total	30	100

The analysis above (table 13) shows that 33.3% of the respondents strongly agreed, 43.3% agreed while 23.3% disagreed with the argument that an organization must consider its financial status before embarking on advertisement.

Question 9: The effect/impact of advertising can change as the market grows older.

Table 14 Effect/impact

Variable	Frequency	Percentage %
Strongly Agree	18	60
Agree	11	36.7
Undecided	1	3.3
Strongly Disagree	0	0
Disagree	0	0
Total	30	100

In the table (table 14) above 60% of the respondents strongly agreed, 36.7% agreed, 3.3% were undecided with the argument that the effect of advertising can change as the market grows older.

Question 10: Advertising gives room for product comparison.

Table 15 Advertising gives room for product comparison

Variable	Frequency	Percentage %
Strongly Agree	2	6.7
Agree	13	43.3
Undecided	5	16.6
Strongly Disagree	3	10
Disagree	7	23.3
Total	30	100

The analysis above (table 15) shows that 6.7% of the respondents strongly agree, 43.3% agreed, 16.6% undecided, 10% strongly disagreed and 23.3% disagreed with the argument that advertising forms a basis for comparison.

4.2 Testing for hypothesis

The chi-square distribution method was used to test the hypotheses.

Its formula is

$$\chi^2 = \sum \frac{(o - e)^2}{e}$$

Where o = Observed frequency

e = Expected value

c = Column

r = Row

Level of significance is 0.05

TEST OF HYPOTHESIS 1: That the advertising programme of the company has no impact on the sales volume of their products or services.

Table 16 Hypothesis 1

Gender	Male	Female	Total
Positive	11	13	24
Negative	5	1	6
Total	16	14	30

Male Positive = Negative

Female Positive = Negative

$$\text{Observed value} = \frac{CT \times RT}{GT} = \frac{\text{Column Total} \times \text{Row Total}}{\text{Grand Total}}$$

$$\begin{aligned} \text{Expected value} &= \frac{16 \times 24}{30} = 12.8 &= \frac{16 \times 6}{30} = 3.2 \\ &= \frac{14 \times 24}{30} = 11.2 &= \frac{14 \times 6}{30} = 2.8 \\ &= \frac{30}{5} = 6 \end{aligned}$$

F_o	F_e	$F_o - F_e$	$(F_o - F_e)^2$	$(F_o - F_e)^2$
12.8	6	6.8	46.25	7.71
3.2	6	-2.8	7.84	1.31
11.2	6	5.2	27.04	4.51
2.8	6	-3.2	10.24	1.71
				15.24

Required Frequency = 15.24

Table 18 Significance table

Optiom	F_o	F_e	$F_o - F_e$	$(F_o - F_e)^2$	$(F_o - F_e)^2$
SA	8	6	2	4	0.6
A	16	6	10	100	16.6
U	1	6	-5	25	4.16
SD	0	6	-6	36	6
D	5	6	-1	1	0.16
Total					27.52

$$\frac{(c-1)(r-1)}{2} = \frac{(2-1)(4-1)}{2} = 1 \times 1 = 1$$

χ^2 Level of significance is 0.05

Therefore $\chi^2_c > \chi^2_t$ $c = 27.52$

Decision: Since the hypothesis that the advertising programme of the company has no impact on the sales volume of the products and services is rejected.

TEST FOR HYPOTHESIS 2: That there is no positive and significant relationship between advertising and sales volume of a product.

Gender	Male	Female	Total
Positive	13	16	29
Female	1	0	1
Total	14	16	30

Table 19 Hypothesis 2

$$Observed\ value = \frac{CT \times RT}{GT} = \frac{Column\ Total \times Row\ Total}{Grand\ Total}$$

Male Positive =	$\frac{14 \times 29}{30} = 13.5$	$= \frac{14 \times 1}{30} = 0.46$	Negative
Female Positive =	$\frac{16 \times 29}{30} = 15.5$	$= \frac{16 \times 1}{30} = 0.53$	Negative
Expected value =	$\frac{30}{5} = 6$		

Table 20 Required Frequencies

F_o	F_e	$F_o - F_e$	$(F_o - F_e)^2$	$(F_o - F_e)^2$
13.5	6	7.6	57.76	9.63
0.5	6	-5.5	30.25	5.04
15.5	6	9.5	90.25	15.04
0.5	6	-5.5	30.25	5.04
				34.75

Required Frequency = 34.75

Table 21: Significance table;

Optiom	F_o	F_e	$F_o - F_e$	$(F_o - F_e)^2$	$(F_o - F_e)^2 / F_e$
SA	1	6	-5	25	4.16
A	11	6	5	25	4.16
U	0	6	-6	36	6
SD	18	6	12	144	24
D	0	6	-6	36	6
Total					44.32

$$(c - 1)(r - 1)$$

$$(2 - 1)(2 - 1) = 1 \times 1 = 1$$

Level of significance is 0.05

Therefore

$$c = 44.32$$

Decision: Since the hypothesis that there is no positive and significant relationship between advertising and the sales volume of a product is rejected.

TEST FOR HYPOTHESIS 3: That there are no benefits in the various advertising programme employed by the organization.

Table 22 Hypothesis 3

Gender	Male	Female	Total
Positive	13	14	27
Female	3	0	3
Total	16	14	30

$$\chi^2_{\text{table}} = 3.84$$

$$\chi^2$$

$$\chi^2_{\text{table}} > \chi^2$$

SUMMARY OF FINDINGS

The role of advertising on the sales volume of a product is very significant because often times consumers' decisions as regards what to buy is motivated by what has been seen heard of or practically used.

Advertising helps in that it carries the message everywhere to a scattered target audience that the advertiser or producer could not have reached it at once so easily.

It was gathered from the responses of the respondents who filled the questionnaire that the organization is unrelenting in its efforts to ensure effective advertising programmes for their various services and products. In the mind of the consumers, the company was also 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 experience and state of mind of the person subjected to advertising may determine the impact that advertising has on him/her.

In an effort to improve messaging and to gain the audience's attention, advertisers create branding and moments that will resonate with target markets and motivate the audience to purchase the advertised product or service.

RECOMMENDATION

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

Due to the competitive nature of the industry, the marketing manager of those organizations or business must develop and formulate marketing programmes that will satisfy the needs of the consumers. Since other service providers have similar advertising messages, it is recommended that for a more distinguished and effective response from the customer, other forms of advert should be used.

Regular and consistent up-to-date training on product information should be awarded to the advertising agency so that they will have the current knowledge and skills to handle the adverts and to ensure that product information is being emphasized to enlighten the customers. As advert campaigns are relayed from different service providers, the adverts should be used to aid the customers to identify the company's products or service when they are making a purchase decision.

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

For over fifteen months, there has been a slight backward shift in the market position of SPAR Chipata Limited and there is fall in the regular rate of increase in turnover because of negligence from angle of advertising. It is thereby recommended that organizations get back to their intensive and aggressive advertising practice to keep their pace of growth.

Finally, it is suggested that market research and other studies be conducted to enable in organizations identify those areas where promotional activities with effective advertising is lacking. They should also regularly examine the segments of the market that have been appealing to hold strongly on to them and to look for ways of attracting more customers.

CONCLUSION

In a study of consumer views on advertising carried out in 1974 by the American Association of Advertising Agency, more than half of the respondents described advertising as a channel of information from the manufacturer to the consumers. Some said it was a manipulation, propaganda and a misleading marketing instrument. While advertising can be seen as necessary for economic growth, it is not without social costs, it is increasingly invading public spaces, such as schools, hospitals, buses, etc, which some critics have argued is a form of consumer exploitation.

However, the same advertising techniques used to promote commercial goods and services can be used to inform, educate and motivate the public about non-commercial issues such as AIDs, political ideology, etc.

The most effective media are often very expensive; the inexpensive media may not reach your target market, thereby making it difficult for most organizations to run adverts. According to Ferguson (1974). "Advertising increase barriers to entry and reduce competition as measured by increase in monopoly profit".

Moreover, according to Nickels et al (1999) advertising not only helps to maintain superior stand in the industry and profit maximization, it provides information about a products or services and also gives consumers free television and radio programmes.

Giles (1997) sees advertising as non-personal communication directed at a target audience through various media in order to present and promote products, services and ideas. The cost of media space, time and advertisement production is borne by the sponsor or sponsors.

Advertising gives a clear image for any product or service of a company that is a great asset. A well-structured and continuous advertising might stand as one of those strategies to sustain a distinct market position. It could also help to identify strong market competitors.

Advertising has taken SPAR Chipata Limited far in their industry and built up a strong image for the company but recently, due to relent in their advertising effort, some little problems have been identified there.

No matter how successful a product or service is for a company and regardless of the edge the company has in the industry, advertising is necessary and should be a continuous activity.

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