

**ST. MARY'S UNIVERSITY**  
**FACULTY OF BUSINESS**  
**DEPARTMENT OF MARKETING MANAGEMENT**

**AN ASSESSMENT ON THE EFFECTIVENESS OF ADVERTISING  
PRACTICES IN THE CASE OF NIFAS SILK PAINTS FACTORY**

**BY:**  
**ENDRIAS SHIMELES**

**SMU**  
**2014**  
**ADDIS ABABA**

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PRACTICES IN THE CASE OF NIFAS SILK PAINTS FACTORY**

**A SENIOR ESSAY SUBMITTED TO THE DEPARTMENT OF  
MARKETING MANAGEMENT BUSINESS FACULTY**

**ST. MARY'S UNIVERSITY**

**IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE  
DEGREE OF BACHELOR OF ARTS IN MARKETING MANAGEMENT**

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Appendix one

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ቢዝነስ ስፋት-ሰጪ

የ ማር ኬቲን ግማኔ ጅምን ትምህርት ክፍል

ይህ መጠይቅ የ ተዘጋጀ ወቅት የ ቅድስት ማርያም ደምደም ኒ ቨር ስቲ የ ማር ኬቲን ግማኔ ጅምን ትምህርት 3ኛ አመት ተማሪ ነው። ፡ የ መጠይቁ አላማ የ ንፋስ ስልጠና ቀለም ፋብሪካ የ ማስታወቂያ ስራ ወጪ ተማኝ ትላይት ኩረት በ ማድረግ ለ መሥሪታ ቤቱ የ ተዘጋጀ መጠይቅ ነው። ፡ በ ቅድሚያ ይህን መጠይቅ ለ መሥሪታ ትግል ዘወትር ንጉሥ በ ትምህርት በ መሰብሰብ ማስታወቅ አለበት። ፡

ማስታወሻ፡

- በ መጠይቁ ላይ ስምና አድራሻ መጻፍ አስፈላጊ አይደለም። ፡
- በ ተዘጋጀ ወሳኝ ጥንድ ውስጥ ( ✓ ) በ መረጡት መልስ መሰብሰብ ጥንድ ውስጥ ያይኑ። ፡
- ተጨማሪ ሀሳብ ያለዎት ክፍት ቦታ ላይ በ አጭሩ ይጻፉ። ፡
- መልስ ያለ ጥናት ተክላ ማብቻ ይወላል። ፡

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ሀ ቴሌቪዥን  ለ ሬዲዮ  መ ቢልቦርድ

2.3. በቲቪ ወይም በሬዲዮ የድርጅቱ ማስታወቂያ የሚያስተላልፍበት በየትኛዉ ጊዜ ነዉ ብለዉ ይገምታሉ

ሀ ከዜና ቀጥሎ  ለ ከመዝናኛ ፕሮግራም ጋር

ሐ በበአል ቀናት  መ አላስታዉስም

2.4. አብዛኛዉ ጊዜ ማስታወቂያ የሚያስተላልፍበት ቋንቋ የትኛዉ ነዉ

ሀ አማርኛ  ለ ኦሮምኛ  መ ትግርኛ

2.5. የድርጅቱ ማስታወቂያ የድርጅቱን ምርቶች እንዲያዉቁ አስተዋጽኦ አለዉ በለዉ ያስባሉ

ሀ በጣም እስ ማማለሁ  ለ እስ ማማለሁ  ሐ መሀከለኛ

መ አልስ ማማም  ሠ በጣም አልስ ማማም

2.6. በምን ያህል መጠን የድርጅቱ ማስታወቂያ አስፈላጊዉን መልእክት አስተላልፏል ብለዉ ያስባሉ

ሀ በጣም ከፍተኛ  ለ ከፍተኛ  ሐ መካከለኛ

መ ዝቅተኛ  ሠ በጣም ዝቅተኛ

2.7. በየትኛዉ ሚዲያ የድርጅቱ መልእክት በቀላሉ ይተላለፋል ብለዉ ያስባሉ

ሀ ቴሌቪዥን  ለ ሬዲዮ  መ ቢልቦርድ

2.8. የድርጅቱ ማስታወቂያ በቂ ነው ብለው ያስባሉ

ሀ አዎ  ለ አይ

2.9. ድርጅቱ አዳዲስ ምርቶቹን በተገቢው መንገድ ለደንበኞቹ አሳውቋል ብሰው ይስማማሉ

ሀ በጣም እስ ማማለሁ  ለ እስ ማማለሁ  ሐ መሀከለኛ

መ አልስ ማማም  ሠ በጣም አልስ ማማም

2.10. የድርጅቱን ምርቶች ለመግዛት ወሳኔዎ ላይ የድርጅቱ ማስታወቂያ ምን ያህል ተጽእኖ አሳድሮታል?

ሀ በጣም ከፍተኛ  ለ ከፍተኛ  ሐ መካከለኛ

መ ዝቅተኛ  ሠ በጣም ዝቅተኛ

2.11. በማስታወቂያ የሚተላለፈው መልእክት ምን ያህል ይስብዎታል?

ሀ በጣም ከፍተኛ  ለ ከፍተኛ  ሐ መካከለኛ

መ ዝቅተኛ  ሠ በጣም ዝቅተኛ

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ሀ ደካማ የማስታወቂያ ሜዲያ መምረጥ  ለ ተደጋጋሚ የሆነ መልእክት

ሐ ተደጋጋሚ የሆነ ዘዴ መምረጥ  መ ሌላ \_\_\_\_\_

Appendix two

St. Mary's University

Faculty of Business

Department Of Marketing Management

These interview questions are prepared for marketing manager of the company.

- 1) What is the advertising objective of the company?
- 2) What considerations are taken to develop the company's advertising strategy?
- 3) What do you think the effectiveness of the strategy comparing to customer attractiveness?
- 4) What do you think of customers' perception toward your advertising message?
- 5) What are the main problems in your advertising practice?
- 6) Do you think the company is achieving the strategic objectives of its advertising?
- 7) How does the company allocate the advertising budget?
- 8) How do you evaluate the effectiveness of your advertising practice?

# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1. Background of the study**

According to (Belch, 2003:17) advertising can be defined as non-personal form of promotion that is delivered through selected media outlets that, under most circumstances, require the marketer to pay for message placement. The American Marketing Association, Chicago, has defined advertising as any form of non-personal presentation or promotion of ideas, goods or services, by an identified sponsor. Marketers also defined advertising as a communication process, a marketing process, an economic and social process, a public relation process or information and persuasion process.

In support of the above idea (Kumar, 2006:212) the essence of being by any business firm is to produce for sales and profits. In order to remain in business an organization must generate enough sales from its products to cover operating cost and earn reasonable profits. For many organizations sales estimate is the starting point in budgeting or profit planning. It must be determined before decision on production units could be arrived at as production units will in turn affect material purchase.

Therefore analyzing the significance of sales for business survival and the connection between customers and sales, it is essential for organization to engage in programs that can influence customer decision to purchase their products and one of the main tools to do so is advertising because it helps to communicate business information to the present and prospective customers in addition to this advertisement is indispensable for both the sellers and the buyers. However, it is more important for the sellers. In the modern age of large scale production, producers cannot think of pushing sale of their products without advertising.

There are different media available for advertising. In fact any medium can be used for advertising. Commercial advertising can include television and radio advertising, online

advertising, press advertising, billboard and so many others (P.Kotler & G. Armstrong 2004:416) depending on the target audience. A company can use one or more of these media to attract the attention of potential customers.

Nifas Silk Paints Factory was initially established as a private company in 1967, under the name Mega Paints factory. Later on, when Derg came to power, it was nationalized and its name was changed first to Tsedey then to Nifas Silk Paints Factory. Finally when Ethiopian People's Revolutionary Democratic Front (EPRDF) came to power, it was reestablished under public ownership with capital of Birr 683,352.00 keeping its name Nifas Silk Paints Factory. This factory has a total of 160 employees, out of which 133 are male while women's are only 27. The management of the factory is structured organizationally in to five departments, three services and eight divisions and of course the head of the factory is the General Manager designated under the board of management.

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

Advertising serves as a major tool in creating product awareness on the mind of potential customer and to take eventual purchase decision. In order to achieve the intended result of advertising, management must take four important decisions when developing advertising program. Setting advertising objectives, setting the advertising budget, developing advertising strategy (message decisions and media decisions) and evaluating advertising campaigns (Belch & Belch, 2003:16).

Generally advertising is a relatively low-cost method of conveying selling messages to numerous prospective customers. It has become increasingly important to business enterprises both large and small. The advertiser goal is to get enough relevant market data to develop accurate profile of buyers to find the common groups of communications. The objectives of advertising were traditionally stated in terms of direct sales. Now it is to view advertising as having communication objectives that seeks to inform persuade and remind potential customers of the worth of the product (P.Kotler&G.Armstong, 2005:468).

In support of the above idea advertising has become an essential marketing activity in the modern era of large scale production and serve competition in the market it has the primary goal to reach prospective customers and influence their awareness, attitude and buying behavior. Marketers spend a lot of money to keep individuals interest in their product. To succeed, they need to understand what makes potential costumers behave the way they do.

Moreover, (Wright and et.al 1984:10) state that advertising is controlled identifiable information and persuasion by means of mass communication media. It is considered controlled information because it has to use the time, space and content of the message effectively and economically. It is controlled because it is directed at a particular group. Advertising should not be messily done to attract a number of persons without fruitful result. It is identifiable because it identifies the product and the source of the product, so that the message should be definite and appealing to the target group. Persuasion is the main objective of advertising, which is creative and information is designed to attract prospective buyers.

In Ethiopia, after the introduction of market economy advertising become a widely used promotional tool. Various businesses have been established and many of firms have been using advertising as their primary communication tool. Based on the preliminary observation, the student researcher initiated by lack of creativity in advertising, low research assessment on the relevancy and effectiveness of advertising and lack of considering advertising as the main communication tools are the main problem and in addition to this the invisibility of advertising practice. In mind of the above problems this paper has attempted to assess advertising practice of Nifas Silk Paints Factory.

### **1.3. Basic research questions**

To investigate the stated problems, the student researcher was attempted to answer the following basic research questions.

1. What are the main factors that affect the advertising activities of the company?

2. What is the role of advertising in the company's product?
3. What type of media advertisement the firm uses to advertise its product?
4. What perception do customers have toward the advertising activities of the company?

#### **1.4. Objectives of the study**

##### **1.4.1 General objectives**

To understand the effectiveness of advertising practice in Nifas Silk Paints Factory.

##### **1.4.2 Specific Objective**

1. To understand main factors that affects the advertising activities of the company.
2. To identify the role of advertising in the company's product.
3. To identify the type of media advertisement the firm uses to advertise its product.
4. To understand what perception do customers have toward the advertising activities of the company.

#### **1.5. Significance of the study**

Besides its academic achievement, conducting this research has its own contribution for different parties. For the company this research paper has great significance to the company by trying to point out unseen opportunities of the company's promotional practice. Secondly for the student it has created good opportunities to get more knowledge and expertise in the subject area and to have experiencing in conducting research. Finally it will serve as input for another researcher who will become interested to make further study.

#### **1.6. Delimitation of the study**

The student researcher have concentrate on the company's advertising practice specially television and radio advertisement and also the study have focus on the advertising



activities at the head office in Addis Ababa, namely Mexico branch. The time under consideration have been limited to period between 2004 to 2006 E.C

### **1.7. Limitation of the Study**

While conducting the research study there were some factors that hindered the study not to be carried out as it was expected from; questionnaires were not fully returned for analysis, business customers didn't give sufficient answer for the study and confidentiality of some information from the company side. Even though the above problems were faced, the student researcher finally managed to collect the necessary data successfully even if it wasn't easy.

### **1.8. Research Design and Methodologies**

#### **1.8.1 Research Design**

In choosing a research design for conducting marketing research, it has been important to consider what type of research have been conducted. So, the student researcher used descriptive research method in order to describe the advertising practice in Nifas Silk Paints Factory. As the name implies, the major objective of descriptive research is to describe the characteristics of function.

#### **1.8.2 Population and Sampling Techniques**

It is wide to cover the whole population. Therefore the student researcher will use non-probability sampling approach particularly convenient sampling technique because non-probability sampling approach enables the student researcher to get some idea of the population and characteristics of the problem using well informed member in a short time. The target population of the study will include the marketing department manager and 180 customers of the firm and the student researcher will use model provided by Malhotra, (2006:339).

### **1.8.3 Types of Data Collected**

To make the study completed and adequate both primary data and secondary data have been collected. The primary data will be obtained from sources like customers and the marketing manager of the company.

### **1.8.4 Methods of Data Collected**

The study has employed two basic data collection tools, the questionnaires and interviews. The questionnaires have been delivered to the customers of the company. In collecting the primary data the researcher has used the interview method which has face-to-face contact with the interviewee because this helps the research to be more reliable on the answer.

### **1.8.5 Method of Data Analysis**

Raw data have been collected through interviews and questionnaires. Then the researcher displays the collected data using tables, so that the findings have been organized, analyzed by using descriptive statistical tools like percentages, proportions, and ratios. Based on the analyzed data, the results have been interpreted.

## **1.9 Organization of the study**

The study has been presented in four chapters.

- The first chapter has included introduction parts such as: background of the study, statement of the problem, objectives of the research, significance of the study and finally research design and methodologies.
- The second chapter has included a review of related literature, which has great importance in showing a direction of advertisement theories from different scholars' perspectives.
- The third chapter has covered data analysis, presentation and interpretation of the study.
- Finally, the fourth chapter has included summary, conclusion and recommendation.

## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

The important of this section is to review literature related to the study. Therefore, the student researcher try to see the works of different writers regarding advertising and definition, the scope of advertising, defining advertising objective, developing advertising strategy and other related concept.

#### **2.1 Concept of Promotion**

The company makes its first contact with customers through its promotion efforts. A customer does not buy a product unless he has formed certain expectation about the product. Promotion shapes the expectation of customers about the product and increase sale.

According to (Rathore.s, 2005:4).Promotion is the element in an organization's marketing mix that serves to inform, persuade and remind the market of the organization and for its products. Basically, promotion is an attempt to influence. Whether a particular promotion activity is designed to inform, persuade or remind the ultimate objective is to influence the recipient's feelings, beliefs or behavior. In our socio economic system, this is not only acceptable, it is essential. One of the attributes of the free society is the right to use communication as a tool of influence.

Moreover Promotion is the most visible as well as the most culture bound of the firm's marketing functions. Marketing includes the whole collection of activates the firm perform in relating to its markets, but in other function the firm relates to the market in a quieter, more passive way. With the promotional function, however, the firm is standing up and speaking out, wanting to be seen and heard. (Belch,2004:661)

There are five promotion mixes (Advertising, personal selling, sales promotion, publicity and direct marketing). Advertising is any paid form of non-personal communication of company idea and message by identified sponsor. Personal selling is

use of personnel to interact with the target customer. Sales promotion is providing short term incentives when there is lack of cash and high stock. Publicity is non-paid, non-personal and uncontrollable communication.

## **2.2 Definition of Advertising**

According to (Kumar and Mittal, 2002:1). advertising is any paid form of non-personal presentation and promotion of ideas, goods and services by identified sponsor The word advertising comes from Latin word “Advert ere” which means to turn the mind broadly speaking advertising turn the attention of public to a commodity or service and in the broad sense it might be said that anything that turn attention to an article or service might be called as attention (Pride and et.al 1998:404).

Moreover, (Wright and et.al 1994:10) stated that advertising is controlled identifiable information and persuasion by means of mass communication media. It is considered controlled information because it has to use the time, space and content of the message effectively and economically. It is controlled because it is directed at a particular group. Advertising should not be messily done to attract a number of persons without fruitful result. It is identifiable because it identifies the product and the source of the product, so that the message should be definite and appealing to the target group. Persuasion is the main objective of advertising, which is creative and information is designed to attract prospective buyers. In addition, advertising is any paid, paid for the time and space to a medium of information and persuasion of consumer, non-personal communication that involves mass media and cannot receive immediate feedback by identified sponsor, identifiable for the source of the product and product itself so that the message convince the target group.

According to (Pride& Ferrell, 2000:404) advertising has a history of being considered a one-way form of marketing communication where the message receiver (i.e. target market) is not in position to immediately respond to the message (i.e. seek more information). The simplest definition of advertisement was that it is a public announcement and in earlier times to advertise meant merely to announce or to inform. It is an announcement to the public of a product, service or idea through a medium to

which the public has access. The medium may be print, electronic or any other. An advertisement is usually paid for by advertiser at rates fixed or negotiated with the medium.

As,(Pride & Ferrell, 2000:405) advertisement is paid for by the identified sponsor. This element means that advertising is openly and directly paid for as against publicity, which is not openly paid for. As it is paid, the sponsor has control over the form, content and scheduling of the advertising.

### **2.3 Features of Advertising**

According to (Khan and et al, 2004) advertising has so many features from those basic features some of them are as follows:

- **Communication:** Advertising is means of mass communication reaching the masses. It is a non-personal communication because it is addressed to masses.
- **Information:** Advertising informs the buyers about the benefits they would get when they purchase a particular product. However, the information given should be complete and true.
- **Persuasion:** The advertiser expects to create a favorable attitude which will lead to favorable actions. Any advertising process attempts at converting the prospects into customers. It is thus an indirect salesmanship and essentially a persuasion technique.
- **Profit Maximization:** True advertising does not attempt at maximizing profits by increasing the cost but by promoting the sales. This way it won't lead to increase the price of the product. Thus, it has a higher sales approach rather than the higher-cost approach.
- **Non-Personal Presentation:** Salesmanship is personal selling whereas advertising is non-personal in character. Advertising is not meant for anyone individual but for all. There is absence of personal appeal in advertising.

- **Identified Sponsor:**A sponsor may be an individual or a firm who pays for the advertisement. The name of reputed company may increase sale or products. The product gets good market because of its identity with the reputed corporate body.
- **Consumer Choice:**Advertising facilitates consumer choice. It enables consumers to purchase goods as per their budget requirement and choice. Right choice makes consumer happy and satisfied.
- **Art, Science and Profession:**Advertising is an art because it represents a field of creativity. Advertising is a science because it has a body of organized knowledge. Advertising is profession is now treated as a profession with its professional bodies and code of conduct for members.
- **Element of Marketing Mix:**Advertising is an important element of promotion mix. Advertising has proved to be of great utility to sell goods and services. Large manufactures spend cores of dollars on Advertising.
- **Element of Creativity:** A good advertising campaign involves lot of creativity and imagination. When the message of the advertiser matches the expectations of consumers, such creativity makes way for successful campaign.

## **2.4 Importance of Advertising**

According to (Khan and et al, 2004:20) advertising has become an essential marketing activity in the modern era of large scale production and serves competition in the market. It performs the following functions:

- **Promotion of Sales:** It promotes the sale of goods and services by informing and persuading the people to buy them. A good advertising campaign helps in winning new customers both in the national as well as in the international markets.

- **Introduction of New Product:** It helps the introduction of new products in the market. A business enterprise can introduce itself and its product to the public through advertising. A new enterprise can't make an impact on the prospective customers without the help of advertising. Advertising enables quick publicity in the market.
- **Creation of Good Public Image:** Builds up the reputation of the advertiser. Advertising enables a business firm to communicate its achievements in an effort to satisfy the customers' needs. This increases the goodwill and reputation of the firm which is necessary to fight against competition in the market.
- **Mass Production:** Advertising facilitates large-scale production. Advertising encourages production of goods in large-scale because the business firm knows that it will be able to sell on large-scale with the help of advertising. Mass production reduces the cost of production per unit by the economical use of various factors of production.
- **Research:** Advertising stimulates research and development activities. Advertising has become a competitive marketing activity. Every firm tries to differentiate its product from the substitutes available in the market through advertising. This compels every business firm to do more and more research to find new products and their new uses. If a firm does not engage in research and development activities, it will be out of the market in the near future.
- **Education of People:** Advertising educates the people about new products and their uses. Advertising message about the utility of a product enables the people to widen their knowledge. It is advertising which has helped people in adopting new ways of life and giving-up old habits. It has contributed a lot towards the betterment of the standard of living of the society.
- **Support to Press:** Advertising provides an important source of revenue to the publishers and magazines. It enables to increase the circulation of their publication

by selling them at lower rates. People are also benefited because they get publications at cheaper rates.

## **2.5 Role of Advertising**

According to (Jones J.P, 1999:250) advertisers create advertising with a variety of objectives in mind from getting people to sample a product, to persuading them to donate money for an environmental cause or vote for a political candidate. Here are some categories of advertising purpose, arranged from most direct to most indirect

- **To promote action:** Direct action advertising is designed to motivate people to act.
- **To encourage information search:** In some cases, it is unreasonable to assume that a customer is ready to make an immediate purchase based solely on advertising. In this case, customers need more information a test drive or a demonstration before making up their minds. This is often the case for big ticket items and such advertising often includes a telephone number or website so the consumer can seek more information.
- **To relate product to needs:** A less direct form of advertising, this category includes those advertising that draw a link in the consumers' minds between product and their needs as a consumer.

Advertisements work because they make an effective appeal to some need or desire in the people who view, read or listen to them. The advertising appeal is an attempt to draw a connection between the product and audience. At the broadest level, there are two main types of appeals, logical and emotional. Logical appeal aim for the buyers head while, emotional appeal aim for the buyers heart (Jones J.P, 1999:254).

## **2.6 Types of Advertising**

For most people that question what is meant by "type" of advertising, might be responded by defining it in terms of how it is delivered (e.g., television ad, radio ad, etc.).But, According to(Kumar and Chunawalla,2004:36) in marketing, type of



advertising refers to the primary 'focus' of the message being sent and falls into one of the following four categories: i.e. product oriented advertising, image advertising, advocacy advertising, public service advertising.

### **2.6.1 Product-Oriented Advertising**

As (Kumar and Chunawalla, 2004:38) most advertising spending is directed toward the promotion of a specific good, service or idea, what we have collectively labeled as on organizations product. In most cases the goal of product advertising is to clearly promote a specific product to a target audience. Marketer can accomplish this in several ways from a low-key approach that simply provides basic information about a product (informative advertising) to blatant appeals that try to convince customers to purchase a product (persuasive advertising) that may include direct comparisons between the marketer's product and its competitor's offerings (comparative advertising).

However, sometimes marketers intentionally produce product advertising where the target audience cannot readily see a connection to a specific product. Marketers of new product may follow this 'teaser' approach in advance of a new product introduction to prepare the market for the product. For instance, one week before the launch of a new product a marketer may air television advertisement proclaiming "after next week the world will never be the same" but do so without any mention of a product or even the company behind the advertisement. The goal is to create curiosity in the market and interest when the product is launched.

### **2.6.2 Image Advertising**

Image advertising is undertaken primarily to enhance an organization's perceived importance to a target market. Image advertising does not focus on specific products as much as it presents what an organization has to offer. In these types of ads, if products are mentioned it is within the context of "what we do" rather than a message touting the benefits of a specific product. Image advertising is often used in situation where an organization needs to educate the targeted audience on some issue. (Kumar and Chunawalla, 2004:40)

### **2.6.3 Advocacy Advertising**

Organizations also use advertising to send a message intended to influence a targeted audience. In most cases there is an underlying benefit sought by an organization when they engaged in advocacy advertising. For instance, an organization may take a stand on political issue which they feel could negatively impact the organization and will target advertisements to voice their position on the issue. (Kumar and Chunawalla, 2004:44)

### **2.6.4 Public Service Advertising**

In some countries, not-for-profit organizations are permitted to run advertisements through certain media outlet free-of-charge if the message contained in the advertisement concerns an issue viewed as for the “greater good” of society. For instance, advertisement directed at social causes, such as teen-age smoking, illegal drug use and mental illness may run on television, radio and other media without cost to organizations sponsoring the advertisement. (Kumar and Chunawalla, 2004:47)

### **2.6.5 Institutional Advertising**

The object of institutional advertising is to build manufacturers reputation in the minds of the public in general. The advertising message is directed to tell about the Company, its people, its contribution in promoting social welfare activities, in promoting consumer satisfaction its achievements in technology its broad philosophies, its share in economic progress of the Company etc. Such advertisements do not bring benefits in the form of higher sales immediately. But they create good footing for the company in the long run. The competitive strength of the company goes up with the enhancement of corporate image. It is much easier for a highly reputed company to launch a new product in the market. Basically the institutional advertising aims at getting public support for raising the capital through public subscription. (Kumar and Chunawalla, 2004:48)

### **2.6.6 Public Relations Advertising**

It is a part of institutional advertising. The basic objective of public relations advertising is to establish cordial and healthy relations with the customers, bankers, suppliers, Government. Through public relations advertising company announces the changes in its policies, its developmental activities its position and stand when the employees are on strike. It helps the company to remove misconceptions about the company created by interested groups. During the periods of short supply of goods the public relations advertising helps to hold the interest of the customers. The company assures about the normalcy of supply and requests its customers to bear with the company. Institutional advertising and public relations advertising are complimentary to each other. Both are directed in building up corporate image (Kumar and Chunawalla, 2004:49).

### **2.7 Types of Advertising Agency**

According to (George E. & Michael A. Belch 2003:75) an advertising agency is a firm that specializes in creation design and placement of advertising and in the planning and execution of promotional campaigns for products and services for their clients. There are two types of advertising agencies:

#### **2.7.1 In House Agencies**

According to (George E. & Michael A. Belch 2003:75). Some companies, in an effort to reduce cost and maintain greater control over agency activities, have set up their own advertising agency internally. An in house agency is advertising agency that is set up, owned, and operated by the advertiser. Some in house agencies are little more than advertising departments but in other companies they are given a separate identity and are responsible for the expenditure of large sums of advertising dollars.

A major reason for using an in-house agency is to reduce advertising and promotion costs. Companies with very large advertising budgets pay a substantial amount to outside agencies in the form of media commissions. With an internal structure, these commissions go to the in-house agency. An in-house agency can also provide related

work such as sales presentation and sales force materials, package design, and public relation at a lower cost than outside agencies.

### **2.7.2 Outside Agencies**

Since advertising agencies can range in size from a one-or-two person operation to large organizations with over 1000 employees, the service offered and functions performed will vary. (George E. & Michael A. Belch 2003:76)

#### **2.7.2.1 Full service Agency**

Many companies employ what is known as a full-service agency, which offers its clients a full range of marketing, communications, and promotions services, including planning, creating, and producing the advertising ;performing research ;and selecting media. A full-service agency may also offer non advertising service such as strategic marketing planning, sales promotion, direct marketing, and interactive capabilities; package design; and public relation and publicity.(George E. & Michael A. Belch 2003:76)

#### **2.7.2.2 Account Service**

According to (George E. & Michael A. Belch 2003:79) account service, or account management, is the link between the advertising agency and its clients. Depending on the size of the client and its advertising budget, one or more account executive serves as liaison. The account executive is responsible for understanding the advertisers marketing and promotions needs and interpreting them to agency personnel. He or she coordinates agency efforts in planning, creating, and producing advertisements. The account executive also presents agency recommendations and obtains client approval.

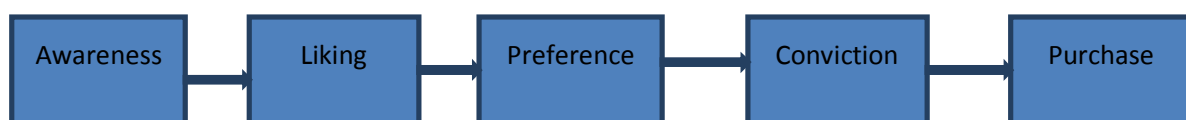
As the focal point of agency-client relationships, the account executive must know a great deal about the client's business and be able to communicate this to specialists in the agency working on the account. The ideal account executive has a strong marketing background as well as a thorough understanding of all phase of the advertising.

## 2.8 Advertising and Customer Decision

Advertising are constantly trying to define and models how advertising works, and from these model, they often try to pick meaningful communications objecinves.one of such model is a hierarchy effect model (S.A Chunaulalla and others 1992:2). One of the earliest influential models was called DAGAMA, an acronym for defining goals for measured results, a book that was first published.

The model was built around for stages of communication results: awareness, comprehension, conviction and action. It is possible to pick the appropriate stage in the communication process and use it to define advertising objectives. Since its first publication thee have been numerous variation published, each a variation of the hierarchy of effects model since they show several phases of communication progressing from initial awareness up to the decision to make a purchase (Jones J.P, 1999:236).

First suggested that customers respond in terms of hierarchy of effects which is sequence of stages a prospective buyer goes through from initial awareness of product to eventual action (S.A Chunaulalla and others 1992:3)

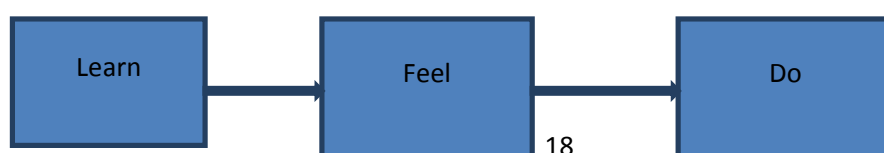


Such models present a learning process by which customers' progress through a series of predetermined functions to complete the buying process. These models assume that a purchase will only be made when all the steps in the hierarchy of effects have been completed. The model is dynamic in that each single step in the sequence depends upon the preceding step concludes "a major problem with this model is to identify all the single steps in the process, and it is question above whether the assumption is valid that all consumers pass through all steps".

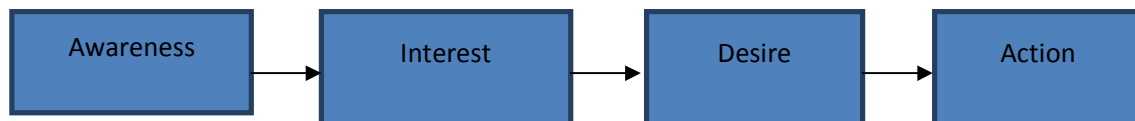
Whatever the variety, a hierarchy of effects model is based on the assumption that people first learn something from advertisers, then from feeling about the product in question and take action (for example purchasing a product).this order of stage often called the learn-feel-do sequence. While enjoyed because of its simplicity advertising does not always work in such clear straight forward, and logical manner.

An examination of typical purchasing decision for the average consumer suggests that the learn-feel-do sequence of often violated. For example consider a routine decision that May customers face every day where to purchase lunch. Does the customer need at ways to be aware of a potential restaurant, develop strong feelings (or at least strong enough to try) before deciding on place to eat? What if the customer sees a restaurant and simply walks in to give it a try? Perhaps the customer saw friends walking out of a restaurant and decide it might be worth exploring, or maybe he or she made decision simply because he/she was hungry and this was the only convenient place to eat (Jones J.P, 1999:236).

There are two main problems associated with learn-feel-do sequence of customer behavior. The steps do not always occur in this order, and the customers does not always go though each step. For instance for some products that customers give little thought to, (for example purchasing light bulbs), feelings may not be formed for the product after the purchase has been made, suggesting a learn-do feel sequence. Another possible sequence is feel-learn-do, where a customer first gets positive feeling about the product,(for example a car or personal computers), learn more about it, and then makes purchase. A final possible sequence and according to Jones (1999) it is the most common, is the do-feel-do sequence, in these circumstances no learning is going on, the customer is aware of the product and has probably used it before. A customer buy a product, likes the way it works or satisfied with the purchase, and advertising reinforces those feelings prompting the customer to purchase the product again and again. These variations in the learn- feel-do trial are illustrated below.



The traditional hierarchy model and proposed that some consumers, under certain conditions, might follow a sequential path for some products. This modified model is.



This model is more flexible by recognizing the importance of learning, and also accounted for non- standard sequence (Jones J.P, 1999:236).

## **2.9 Developing an Advertising program**

According to (Michael J.Etzel& et.al, 2005: 538) an advertising program consists of all the tasks involved in transforming them in to a coordinating advertising program to accomplish a specific goal for a product or a brand. A program involve several different advertising messages, presented over an extended period of time, using a variety of media An advertising program is planned within the frame work of the overall strategic marketing plan and as part of a border promotional program. The establishment of this frame work requires identification of the target audience establishes the overall promotional goals, setting of the total promotional budget, determination of the overall promotional them (Michael J.Etzel& et.al, 2005: 538)

With these task completed, the firm can begin formulating an advertising campaign, the steps in conducting an advertising program are setting the advertng objectives, setting the advertising budget, developing advertising strategy (message decision and media decision), and evaluating effectiveness (Kotler & Armstrong, 2006:455).

## **2.10. Determinants of Advertising Media**

According to (Khan and et al, 2004:50).Selection of a right type of advertising media is a difficult task. Any media that is selected must be capable of accomplishing at least the three main objectives:

- It must reach the largest number of people possible.
- .It must attract their attention.
- It must be economical.

But in practice there is hardly any single media that satisfies the above three objectives. There are number of advertising media choices available to the company in the world. However, the real managerial task is to identify from among them the one (s) which is relevant for the company. For this purpose the management should consider the following factors:

- **The Nature of the Product:** The nature of the product determines the choice of the advertising media. For instance, cinema, television, color periodicals would be the obvious choice for products like fabrics and toilets requiring visual presentation. In this connection, management should develop a product-media match.
- **Market Requirements:** While selecting advertising media, the company's market requirements should be considered. When they meet these requirements, they lend themselves to good use. For example, specialized high fashion color magazines would be the proper media for consumers with high income groups and sophisticated tastes. Similarly, outdoor media would be appropriate when consumer action is to be induced at the point of purchase.
- **Advertising Objectives:** The advertising objectives also determine the type of media to be selected. For example, the press is preferred to project corporate image while radio and television is relevant for product advertising.
- **Distribution Strategy:** The advertising media should be compatible with the distribution strategy adopted by the company. For example, if the company is selling through middlemen wholesalers and retailers etc., then outdoor advertising media duly supported by television, radio and cinema etc. may help to pull the product out of channel.



- **Nature of the Message and Appeals:** The nature of advertising message appeal also determines the advertising media for a company. The media should be able to carry the message and appeal to the right persons in the perspective. For example, if time is the essence of communication, daily newspaper and radio may be the best choice. Mass consumption items like soaps, toothpastes, hair oil etc. may determine television, newspapers as the best selection.
  
- **Budget:** The budget available for advertising purpose will decide the choice of media of advertising. For example, a manufacturer having comparatively large funds for advertising may choose television or radio or both as a media of advertising. On the other hand a medium or small sized businessman may prefer newspaper and magazine as an advertising media.
  
- **Competitors Choices:** A company should also take into account the wisdom of competitors' media choices despite differences in advertising objectives and appropriations. It is not desirable to outright dismiss their choices. Generally, the advertising media used by competitors are preferred so as to make an impressive appeal for the product.
  
- **Media Circulation:** The Company should take into account the circulation of the advertising media. Media circulation must match the distribution pattern of the product. This applies to the press media. Circulation should not be confused with readership. Circulation means the number of copies sold after deduction of free copies, returns and other differences between the total number of printed copies and total number sold at full price.
  
- **Media Availability:** The question of media availability is quite relevant while considering advertising media alternatives because not all Medias are available to a company at all times whenever required. For instance, in 1973, and 1974, owing to acute newsprint shortage, space availability in national dailies was a real problem.

- **Penetration:**How can we penetrate the market most thoroughly or how can we reach the greatest number of potential customers is also an important factor influencing the choice of a particular advertising media. Shall we reach housewives at the kitchen-sink by means of television or radio and which is likely to have the greater impact? This fact should be considered.
- **Size and Nature of the Business Enterprise:**The size and nature of the business enterprise also play an important part in making a choice for the advertising media. Different media will suit to departmental stores, chain stores, small shops, manufacturers and producers etc. A big business enterprise may make use of television, radio and newspapers having national network, whereas a small unit may prefer local newspapers and cinema-slides etc.

### 2.11 Setting Advertising Objectives

The purpose of advertising is to sell something be it good, service ideas, person, or place either now or later. This goal is reached by setting specific objectives that are reflected in individual advertisements (Michael J.Etzel& et al, 2005: 539) therefore the first step is to set advertising objectives. These objectives should be based on past decisions about the target market, positioning and marketing mix which define the job that advertising do in the total marketing program.

An advertising objective is a specific communication task to be accomplished with specific target audience during a specific period of time.According to (Kotler & Armstrong, 2006:455). Advertising objective can be classified by primary purpose whether the aim is to inform, persuade or remind.

Informative advertising is used mainly when introducing a new product. In his case the objective is to build primary demand, thus, early producers of certain product first had to inform customers of the image quality and convenience benefit of the new product. Persuasive advertising become more important as competition increase. Here the company's objective is to build a selective demand. For example, once similar products

become established, a company may try to persuade consumers that its brand offers the best quality for their money (Kotler & Armstrong, 2006:455).

Reminder advertising is important for mature products it keeps consumers thinking about the product. A mature product television advertisement primarily remind people about the product rather than information or persuading them (Frances & Stephen, 2003:604).

### **2.11.1 Creating a Message**

According to (Michael J. Etzel & et.al, 2005:541) Whatever the objective of an advertising campaign, to be successful the individual ads must get and held the attention of the intended audience, and influence that audience in the desired way. Likewise no matter how big the budget, such campaign can succeed only if advertisements gain attention and communicate well.

In addition, attention can be achieved in many ways. Television makes possible special visual effects. Radio can use listeners' imaginations to create mental images that would be impossible to actually produce. Surprising, shocking, amusing, and arousing curiosity are stated as common technique to gain attention (Kotler & Armstrong 2006:457).

Moreover, (Michael J. Etzel & et.al, 2005:541) If the advertisement succeeds in getting the audience's attention the advertiser has a few second to communicate a message intended to influence beliefs and/or behavior. The appeal and the execution are the two elements of the message. The appeal in an advertisement is the reason or justification for believing or behaving. It is the benefit that individual will receive as a result of accepting the message. Execution is coming in a convincing compatible way the feature or device that gets attention with the appeal.

### **2.11.2 Selecting Media**

Kotler pointed out the four steps involved in media selection. These are Deciding on reach, frequency, and impact; Choosing among major media types; Selecting specific media vehicles; and Deciding on media timing (Kotler & Armstrong, 2006:463). A brief

discussion of these steps would be useful to understand the tasks marketer have in selection media.

- **Deciding on reach, frequency, and impact:** making a decision on the reach and frequency needed to achieve advertising objectives is essential to select media. Reach is a measure of the percentage of people in the target market who are exposed to the advertisement campaign during a given period of time. For example, the advertiser might try to reach a certain percent of the target market during a certain period of the campaign. Frequency is a measure of how many times the average person in the target market is exposed to the (Kotler & Armstrong, 2006:463).

Moreover deciding on the desired media impact is also essential. This is the qualitative values of message exposure through a given medium. Message on television may have more impact than message on radio for products that need demonstration. The same message in one newspaper (say, reporter) may be more believed than in another (say, the Ethiopian herald). In general, the more reach, frequency and impact the advertiser seeks, the higher the advertising budget will have to be (Kotler & Armstrong, 2006:463).

- **Choosing among major media types:** the marketer has to know the reach, frequency and impact of each of the major media types. The major media types like newspaper, television, direct mail, radio, magazine, outdoor, and the internet will have their own advantages and limitations.

There are many factors to be considered when making media choices. The media habits of target consumers are the one factor and the marketer has to understand the target consumer to choose the media accordingly. The nature of the product, the type of the message and are factors that affect media choice (Kotler & Armstrong, 2006:464).

Therefore the marketer must consider each of these factors when deciding a media to effectively reach the target consumer.

- **Selecting a specific media vehicle:** this step relates to a choice of the best media vehicle which is selecting a specific media within a general media type. Radio vehicle may include FM 98.10, FM.102.1; OR FM97.1 newspaper vehicle can include the reporter, fortune, Ethiopian herald and soon many others. Unfortunately

three vehicles are available for television in Ethiopia. In selecting specific media vehicles the market or must consider the cost per number of persons reached by a vehicle, costs of producing advertisement for different media as well as the target market (Kotler& Armstrong, 2006:466).

- **Deciding on media timing:** scheduling the advertising over the course of a year is essentials and how to decide is the final step in the process of media selection. Sales of a product may vary from one season to another and marketers can also vary their advertising to follow the seasonal pattern. This means less media timing for peak seasons and high media timing for drop seasons.

According to (Kotler& Armstrong, 2006:467) The advertiser has to also choose the pattern of the advertisements. Continuity means scheduling advertisement evenly with in a given period. Pulsing means scheduling advertising unevenly for a short period to build awareness that carrier over to the next advertising period.

## **2.12 Advertising Budget**

After the determination of the advertising objectives the next step is making decision on budget for the accomplishment of advertising objectives. According to (Belch, 2004 : 211) two questions are asked at this point: what will the advertising program cost? How will the money be allocated? Ideally, the amount a firm needs to spend on advertising should be determined by its objective. In this regard facts tell us advertising budget are mostly determined by using simple approach, such as how much money is available or a percentage of a company's or brand's sale revenue. So, at this stage, that budget is often tentative. It may not be finalize until specific advertising strategies are developed.

According to (Kotler, 2006:440) it is difficult to conclude that all companies follow this simplistic approach. Other popular authors put it in the following way. "we look at four common methods used to set the total budget for advertising: the affordable method, the percentage-of-sales method, the competitive parity method and the objective and task method."

Let us see in brief what these methods look: affordable method is setting advertising budget, if the company is able to afford. In such situation, where advertising is a critical to the firm's success the management place advertising last priority or all expenses. This leads us to uncertain budget, which makes long range planning difficult. In the other extreme the affordable method can lead us in overspending on advertising, if there is huge excess money. Percentage of sales method is the second method used by some companies. According to (Kotler, 2006:440) this method is used in setting advertising budget at a certain percentage of current or forecasted sales, or percentage of the unit sales price. This method is advantageous because, it is simple to use and helps management think about the relationship between advertising spending, selling price and profit per unit, this method has also its own problems: the budget varies with year-to-year sale, long range planning is difficult and it does not provide any basis for choosing a specific percentage, except what has been done in the past or what competitors are doing. The third method is competitive parity which is used in minority competitors advertising spending estimates from publication or trade associations, and then set their budget based on the industry averages. In this case, since companies differ greatly and each has its own advertising needs, there is no evidence following competitors is the effective way. The last is objective-and-task method. This method is the most logical budget setting method by the company sets its advertising budget based on what is want to accomplish with advertising. According to (Kotler, 2006:440) this budgeting method entails (1) define specific advertising objectives (2) determine the task needed to achieve these objectives, and (3) estimating the cost of performing these tasks. The advertising of this method is it forces companies to think about the relationship between money spent and advertising results.

### **2.13 Evaluating the Advertising Effort**

The final step in conducting advertisement program is to evaluate the advertising effort. The advertising program should evaluate both the communication effects and the sales effect of advertising regularly. Measuring the communication effects of an advertisement is referred to as a copy testing that tells whether the advertisement is

communicating well. Copy testing can be done before or after advertising is printed or broadcast.

(Kotler & Armstrong, 2006:467) Before the advertisement is placed, the advertiser can show it to customers, ask how they like it, and measure message recall or attitude changes resulting from it. After the advertisement is run, the advertiser can measure how the advertisement affected consumer recall or product awareness, knowledge and preference (Michael J. Etzel & others, 2005: 548).

Regarding measuring the sales effects of advertising there are often harder to measure than the communication effects. Sales are affected by many factors besides advertising such as product features, price and availability (Kotler & Armstrong, 2006:467).

Comparing past sales with past advertising cost can be one way to measure the sales effect of advertising. Conducting experiments is also said to be another way in this regard. For example a company can evaluate the effects of advertising on sales in three market areas. In doing so it will make all other marketing effort the same for the three marketing area, but will vary the advertising costs different for each marketing area. Then it will compare the sales volume in the three markets. The difference in the sales volume can therefore, be related to the advertising level (Kotler & Armstrong, 2006:467).

Although the above stated experiments and other more complex experiments are available to the marketers, measuring, advertising, effectiveness remains a difficult task. However inspires of this markets are trying and must try to evaluate the effectiveness of advertising.

## **2.14 Evaluation Advertising Effectiveness**

According to (Kotler, 2003:606) good planning and control of advertising depend on measures of advertising effectiveness, yet the amount of fundamental research on advertising effectiveness is appallingly small. Accordingly forester, “probably no more

than 1/5 of 1% one percent of total advertising expenditure is used to achieve an enduring understanding of how to spend the other 99.8 percent (%).

Most measurement of advertising effectiveness deals with specific advertisement and companies most of the money is spent by agencies on pre-testing advertisement, and which less is spent on evaluating their effectiveness. A proposed campaign should be tested in one or a few cities first and its impact evaluated before rolling it out nationally. Most advertisers try to measure the communication effect of an advertising that is potential effect on awareness, knowledge, or preference they would also like to measure the advertising sales effect.



## **CHAPTER THREE**

### **DATA PRESENTATION, ANALYSIS AND INTERPRETATION**

This chapter includes data presentation, analysis and interpretation of the study based on the data gathered from the respondent customers and interview respectively.

All the data were collected through questionnaires containing close and open ended question and through interviewing the Nifas Silk Paints Factory marketing manager. 180 copies of questionnaire were distributed for customers and 150 customers cooperated in filling out the questionnaires while the rest 30 questionnaires were not properly filled. And referring the rates of return for questionnaire are 150 (83.33%) and 30(16.67%) from company marketing manager.

The information obtained from the marketing manager customer is summarized using descriptive statistical where by raw data is computed in percentage. The summarized data is then analyzed by applying descriptive analysis method using table, following explanations. At last, interpreted is made to demonstrate implications of the major finding.

#### **3.1 Finding from questionnaires**

##### **3.1.1 Analysis of major finding from questionnaires**

The student researcher tried to examine an assessment on the effectiveness of advertising in the case of Nifas Silk Paints Factory from the point of customer view and company marketing manager. To this end, different questions were posed to sample respondents mainly related with advertising practice like awareness of Nifas Silk Paints product, which product they purchase frequently if they seen the advertisement of Nifas Silk Paints if they believe the advertisement enable them to know about Nifas Silk Paints Factory and if they were use competitor product before they were the customer.

### 3.1.1.1 Personal profile of respondent

The following table has information on the personal profile of the sample respondents including sex, age and educational level.

Item no	Description	Alternative	Respondent customer in	
			NO	%
1	Sex	Male	110	73.33
		Female	40	26.66
		<b>Total</b>	150	100
2	Age	18-30	60	40
		31-40	70	46.66
		41-51	10	6.67
		Above 51	10	6.67
		<b>Total</b>	150	100
3	Educational background	Under 12 <sup>th</sup> grade	20	13.33
		12 <sup>th</sup> complete	100	66.66
		Diploma	18	12
		Degree	10	6.7
		Above Degree	2	1.33
		<b>Total</b>	150	100

According to the data collected and analyzed as can be seen in the item of 1 among the total respondent 110(73.3%), 40(26.66%) of the respondent customer were male and female respectively. From this, one can deduce that the majority of the respondents were male.

In the item 2 of table one the age of the respondent is explained and 60(40%) of customer found in the age range of 18-30, 70(46.66%) of the respondent customers found in the age range of 31-40, 10(6.67%) of the respondent customers found in the age range of 41-51 and the rest 10(6.67%) of the respondent customers found in the range of above 51.

There is no respondent whose age is below 18 years and from this one can understand that all respondents are capable of give correct response to the question raised.

In the item 3 of the table 1 the educational background of the respondents are explained in details. Among the same respondent 20(13.33%) of the sample respondent customers are under 12<sup>th</sup> grade, 100(66.66%) of the respondent are completed 12<sup>th</sup> grade, 18(12%) of customers are diploma holder, 10(6.7%) of the customers are degree holder and finally among who are engaged in responding the questionnaire 2(1.33%) of customers are above degree.

This implies that the majority of the respondents were finish 12<sup>th</sup> grade and some of them have diploma so we can say that they have rational thinking and are able to replay with concern.

### 3.1.1.2 Customer response regarding if they see/hear the advertisement of the company

The following table has information regarding if the respondent see/hear the advertisement of Nifas Silk Paints.

Item no	Description	Alternative	Customer response in	
			No	%
1	Have you seen advertisement of the company	Yes	50	33.33
		No	100	66.66
		<b>Total</b>	150	100
2	In which media did you see/listen the advertisement of Nifas Silk Paints?	TV	20	13.33
		Radio	120	80
		Billboard	10	6.66
		<b>Total</b>	150	100

From the above table 50(33.33%) of the respondent have seen the advertisement of Nifas Silk Paints factory and the remaining 100(66.66%) rated the total respondent did not seen/hear the advertisement of Nifas Silk Paints factory.

From the above information, one can deduce that the majority of the respondent did not saw the advertisement of the company.

As depicted in table 2 of item 2 majority of the respondent 120(80%) mostly listen Nifas Silk Paints from Radio advertisement and 20(13.33%) respondent mostly observe from TV. Whereas from the total number of population 10(6.66%) of the respondents are observed Nifas Silk Paints advertisement from billboard in the street.

From this analysis one can clearly understand that, large number of customer mostly listen Nifas Silk Paints from radio advertisement.

### 3.1.1.3 Customer Response about the Time of the Advertisement Released

The following table has information regarding the time of the advertisement released.

Item no	Description	Alternatives	Respondent response in	
			No	%
1	Could you remember the time in which the company advertisement reaches to their customer in TV or Radio	After news	10	6.66
		With Entertainment program	20	13.33
		During holiday	50	33.33
		I don't remember	70	46.66
		<b>Total</b>	150	100

As It is depicted in item 1 of table 3, respondents were asked about the time of the advertisement released and 10(6.66%) of respond they see the advertisement after news, 20(13.33%) with entertainment program, 50(33.33%) of respondent respond they see the advertisement during holiday and the rests 70(46.66%) of the respondent do not remember the time of the advertisement.

From the above finding we can understand the majority of the respondent did not remember the time in which the advertisement of Nifas Silk Paints realized. As the fact shown in the study of

literature review when advertisement is designed it has to have a systematic and psychological manner to influence the prospective customer to remember the advertisement.

### 3.1.1.4 Customer response regarding by which language they see the advertisement

The following table has information on which language does the customer see/hear the advertisement.

Item no	Description	Alternative	Customer response in	
			No	%
1	Most of the time by which language do you see the advertisement?	Amharic	130	86.6
		oromigna	10	6.67
		Tigrina	10	6.67
		Total	150	100

As it is denoted in item 1 of table 4 the respondent were asked by which language did they see the advertisement and 130(86.6%) of the respondent see the advertisement in Amharic, 10(6.67%) of the respondent see the advertisement in Oromigna and the rest 10(6.67%) of the respondent see the advertisement in Tigrina.

From the above information one can infer the company does not frequently use by other language. As it is described in literature review when one company advertise its product it should be understandable by the society or it will be just cost.

**3.1.1.5 Customer response regarding weather the advertisement enables the customer to know about the Nifas Silk Paints product.**

The following table has information regarding on how the customers believe the advertisement enable them to know about the company's product.

Item no	Description	Alternative	Customer response in	
			No	%
1	How do you believe the advertisement enable you to know about the Nifas Silk Paints products?	Strongly Agree	40	26.6
		Agree	30	20
		Neutral	-	-
		Disagree	70	46.6
		Strongly Disagree	10	6.6
		Total	150	100

As it is depicted in item 1 of table 5, respondent were asked about if the advertisement enable them to know about Nifas Silk Paints products. 40(26.6%) of the respondent are strongly agree, 30(20%) of the respondent were agree, 70(46.6%) disagree and the rest 10(6.6%) were strongly disagree.

From the above information one can deduce that Nifas Silk Paints advertisement in some way enable them to know about the products.

### 3.1.1.6 Customers response regarding how much the advertisement transfer the required information

The following table has information regarding how the company's advertisement transfers the required information.

Item no	Description	Alternative	Customer response in	
			No	%
1	How much do you think the advertisement transfer the required information?	Very high	20	13.3
		High	20	13.3
		Medium	40	26.66
		Low	20	13.3
		Very low	50	33.3
		Total	150	100

As it is described in the above table 6 item 1, the respondent were asked to rate the advertisement if it transfer the required information. 20(13.3%) of the respondent rated very high, 20(13.3%) of them rated as high, 40(26.66%) of them replied as medium, 20(13.3%) of them rated low and the rest 50(33.3%) of them rated as very low.

Based on the above information it is possible to deduce that the advertisement does not transfer the require information.

### 3.1.1.7 Customer response regarding at which media the company's advertising message easily delivered to the customer

The following table has information on the type of media that can be easily delivered to customers.

Item no	Description	Alternative	Customer response in	
			No	%
1	At which media do you suggest the company advertising message easily delivered to the customer?	TV	90	60
		Radio	50	33.3
		Billboard	10	6.6
		Total	150	100

As it is described in item 1 of table7, the respondent were asked which media they suggest the company's to advertise the message. 90(60%) of the respondent recommend TV and 50(33.3%) of the respondent recommend Radio and the rest 10(6.6%) of the respondent recommend billboard.

Moreover, it is possible to deduce that the majority of respondents recommend the company to advertise by using television and the reason why they recommend this media is most of the people prefer watching television rather than listening to the radio.

### 3.1.1.8 Customers response regarding if the advertisement is enough or not

The following table has information on whether the advertisement is enough or not

Item no	Description	Alternative	Customer response in	
			No	%
1	Do you belief the advertisement is enough?	Yes	50	33.3
		No	100	66.6
		Total	150	100



On the other hand as item 1 of table 8, described, about if they believe the advertisement is enough 50(33.3%) of the respondent replied it is enough whereas the rest 100(66.66%) of the respondent replied it is not enough. This implies that Nifas Silk Paints advertisement is not enough.

### 3.1.1.9 Customer response regarding in Nifas Silk Paints work to bring attitude about new product

The following table has information regarding the company work to bring strong attitude about new product.

Item no	Description	Alternative	Respondent customer in	
			No	%
1	Do you believe Nifas Silk Paints work to bring strong attitude about its new products?	Strongly agree	20	13.33
		Agree	40	26.67
		Neutral	-	-
		Disagree	70	46.67
		Strongly disagree	20	13.33
		Total	150	100

As it is depicted in item 1 of table 9, respondent were asked about their belief regarding if Nifas Silk Paints bring attitude about the new product. 20(13.33%) of respondents replied strongly agree, 40(26.67%) of respondent replied agree, 70(46.67%) of the respondent replied disagree and the rest 20(13.33%) rated strongly disagree.

Moreover, it is possible to deduce that significant number of respondent agrees that Nifas Silk Paints Factory does not bring strong attitude about new product. As the fact shown in the literature review advertisement is closely linked to consumer behavior, belief, opinion, life style and bring attitude about the product.

### 3.1.1.10 Customer response regarding how much the company's advertisement influence purchases decision

The following table has information regarding how much the company's advertisement influence purchase decision.

Item No	Description	Alternative	Respondent customer in	
			No	%
1	How much the company's advertisement influences purchase decision?	Very high	20	13.3
		High	20	13.3
		Medium	10	6.67
		Low	70	46.67
		Very low	30	20
		Total	150	100

As it is depicted in item 1 of table 10, the respondents were asked about how much the company's advertisement influence their purchase decision 20(13.3%) of the respondent rated very high, 20(13.3%) of the respondent also rated high, 10(6.67%) of the respondent rated medium, 70(46.67%) of the respondent rated low and the rest 30(20%) of the respondent rated very low.

From the above information, one can deduce that most of the customers are not got influence by the company's advertisement on their purchase decision.

### 3.1.1.11 Customers response about the attractiveness of the message delivered through the advertisement.

The following table has information regarding the attractiveness of the message delivered through the advertisement.

Item no	Description	Alternative	Respondent customers in	
			No	%
1	How much do you think the message is attractive delivered through the advertisement?	Very high	10	6.67
		High	20	13.3
		Medium	10	6.67
		Low	75	50
		Very low	35	23.3
		Total	150	100

As it is depicted in item 1 of table 11, respondents were asked about the attractiveness of the message delivered through the advertisement. 10 (6.67%) of the respondent rated very high, 20(13.3%) of the respondent rated high, 10(6.67%) of the respondent replied medium, 75(50%) of the respondent replied low and the rest 35(23.3%) of the respondent replied very low.

From the above information one can deduce that significant number of respondent do not attracted by the company's advertisement. As the fact shown in the literature review if advertisements lack attractiveness the possibility to convince customer become low.

**3.1.1.12 Customers response regarding, what factors influence the effectiveness of the advertisement of the company.**

Item no	Description	Alternative	Respondent customer in	
			No	%
1	What are the factors that influence the effectiveness of the advertisement of the company?	Choosing poor medium	45	30
		Repetitive message	95	63.33
		Repetitive way of advertising	10	6.67
			150	100

As it is depicted in item 1 of table 12, respondents were asked about factors that influence the effectiveness of the advertisement of the company. 45(30%) of the respondent replied it's because of choosing poor medium, 95(63.33%) of the respondent replied repetitive message and the rest 10(6.67%) of the respondent replied repetitive way of advertising.

This implies that the majority of the respondent replied it's because of choosing repetitive message. But the fact shown in the literature review the message should not have to be repetitive not to be boring.

In general the respondents were asked few open ended question to give their suggestion on what should be done to improve advertisement of the company.

- The advertisement should be convincing.
- The advertisement should catch the attention, hold interest and arouse the desire of target audience.
- The company needs to advertise more often.
- The company needs to advertise in different language.

- The advertisement should be easy to memorized
- The company should advertise in entertainment program; it will get exposure than any program.

### **3.1.2 Interview analysis**

The company performs its marketing activity in marketing department which is organized with the main objective of advertising media, message type, deciding on advertising budget in collaboration with management and measuring the effectiveness.

From the result of the interview conducted with the marketing manager of the enterprise established the budget amount in collaboration with the management. The marketing department will analyzed and study the budget need in relation to the company's objective and state the amount of budget needed based on Affordable method in order to minimize their cost. Then it will be presented to the management department and they will allow the proposed budget or reject it.

#### **Decision on the advertising message and type:**

Companies can find their advertising message by communicating with the customers like message generation, message selection and evaluation, message execution and social responsibility are done.

Generally, in creating the advertising message company will discuss with customer, dealer, experts and competitors.

#### **Decision on media used by the company**

Media selection is common problem that is seen in many companies created by the problem of finding the most effective media to deliver the desired message to the target audience. Television, Radio and Billboard are the advertising mixes that Nifas Silk Paints uses to communicate with target buyers. According to the marketing manager the media the company considers has three factors cost, product life cycle and media coverage.

### **Evaluating the advertising effectiveness of Nifas Silk Paints**

Evaluating the effectiveness of advertising activity is critical element that critical element that could help to avoid costly mistakes that is usually occurred at the final version. The evaluation is based on the sale. This is because the objective that is used to make comparison with performance is not something concrete and measurable. The evaluation may help them to improve the advertising, decide on additional media and decide on the allocation of the budget. The company will provide 200,000 birr for promotional expenses over the year.

According to the marketing manager the objective of the advertising activity is based on their product lifecycle (introduction stage-informing, growing and maturity stage-persuasion and decline stage-reminding)

## Chapter Four

### Summary, conclusion and recommendation

For the analysis and interpretation made in the previous chapter the following summary, conclusion and recommendation are drawn. The main objectives of the study are to assess the effectiveness of advertising in Nifas Silk Paints Factory. The study attempted to address the 4 question posed in the first chapter of the research paper. In order to achieve this objective related literature were viewed, relevant interview raised for marketing manager for those question which are not answered by the respondent and questionnaires also distributed for those convenience sampling technique selected number of respondents.

The questionnaires applying convince sampling technique for the data that obtained from the questionnaires and interview were presented and analyzed using percentage and tabulation depending on the analysis the following finding summarized, conclusion were drawn and recommendation forwarded.

#### 4.1 summary

- ❖ Significant number of respondent (66.66%) never seen the advertisement of Nifas Silk Paints Factory while, the rest (33.33%) of the respondent see the advertisement of Nifas Silk Paints Factory.
- ❖ In relation to the media type that the company use to advertising its product 20(13.33%) of the respondent said TV, 120(80%) of the respondent said radio and the rest 10(6.66%) of respondent said billboard.
- ❖ 70(46.66%) of respondent does not remember the time of advertisement release, 10(6.66%) of respondent replied after news,20(13.33%) replied with entertainment program and 50(33.33%) replied during holiday.
- ❖ With regard to which language the respondents see or hear the advertisement 130(86.6%) replied they see and hear the advertisement in Amharic, 10(6.67%) see and hear the advertisement in Oromigna and 10(6.67%) replied in Tigrina.
- ❖ With regard to weather the advertisement enables the customers to know about the company's product 40(26.6%) of the respondent replied strongly agree, 30(20%) of the

respondent replied agree, 70(46.6%) of the respondent disagree and the rest 10(6.6%) of the respondent strongly disagree.

- ❖ In relation to how much the company's advertisement transfer the required information 20(13.3%) of the respondent replied very high, 20(13.3%) of the respondent replied high, 40(26.66%) of the respondent replied medium, 20(13.3%) of the respondent replied low and the rest 50(33.3%) of the respondent replied very low.
- ❖ In relation to the customers suggestion about at which media the company's advertising easily delivered to customers 90(60%) of the respondent replied TV, 50(33.3%) of the respondent replied Radio and the rest 10(6.6%) of the respondent replied Billboard.
- ❖ 50(33.3%) of the respondent belief the company's advertisement is enough while the rest 100(66.6%) does not belief the advertisement is not enough.
- ❖ Regarding the belief of respondent about the company bring strong attitude about its new product, 20(13.3%) of the respondent strongly agree. 40(26.67%) respondent agree, 70(46.67%) disagree and 20(13.33%) of respondent strongly disagree.
- ❖ In relation to how much the company's advertisement influence purchase decision 20(13.3%) respondents replied very high 20(13.3%) of the respondent replied high 10(6.67%) replied medium 70(46.67%) replied low and the rest 30(20%) of the respondent replied very low.
- ❖ Regarding the attractiveness of the message 10(6.67%) replied very high, 20(13.3%) replied high, 10(6.67%) replied medium, 75(50%) replied low and the rest 35(23.3) of the respondent replied very low.
- ❖ Regarding factors that affect the effectiveness of the advertisement 45(30%) replied because of choosing poor medium, 95(63.33%) replied because of repetitive message, and the rest 10(6.67%) replied because of repetitive way of advertising.
- ❖ The company does not provide budget for advertising specifically but it will assign budget for all promotional mix element.



## **4.2 conclusion**

Based on the data gathered from customer and the company using questionnaire and interview data gathering method one can conclude that the company has the following weak sides.

- From the result of the response of the customers one can conclude that the majority of the respondent did not see or hear the company's advertisement.
- According to their response of the customer the company does not bring strong attitude about new products. One can infer from this customer are not aware of new paint products existence.
- The study indicated that the majority of the respondent does not remember the time of the advertisement release because it is not identifiable from the competitors and the advertisement is not frequent. For this reason it is possible to say that the customer does not remember the advertisement.
- Based on the response of the customer mostly the company advertises its product by Amharic language. For this reason it is possible to say that the message of the language should have to balance.
- Generally, it is possible to deduce from the above statement that the company has different negative side that should be improved when advertising its product for the customers.

## **4.3 Recommendations**

After analysis of finding, conclusions are made and the study has forwarded the following recommendation for the company to recheck the advertising practice and to take corrective action.

- The company should advertise its product with entertainment and at holiday to see and heard.
- To get more demand the company should have to position in to the customers mind by increasing its campaign, for new paints products they should develop awareness creation

program, for matured product they should remind the customer that they are still existed and they are here for them.

- The company should develop the advertising message attractively and by discussing with advertising agency, it is advisable to design its advertisement more unique and identifiable from the competitors.
- The company should advertise its product by focusing on making customer remember the advertise brand and its distinctive offering rather than focusing only on creative appeal.
- With respect to the language of the advertisement, it is advisable to use different language that the customers will understand the message that are been told.
- The company needs to have appropriate mechanism to evaluate the advertisement effectiveness by designing feedback gathering mechanism and by comparing how much they go with the objective.