

**THE EFFECT OF ADVERTISING ON MARKET
SHARE IN THE CASE OF FIVE-STAR
MANUFACTURING PLC**



**ST. MARY'S UNIVERSITY
SCHOOL OF POST GRADUATE STUDIES**

By

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Advisor: Dr Yibeltal Aschalew

June, 2023

Addis Ababa, Ethiopia

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

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Addis Ababa, Ethiopia

DECLARATION

I, Kirubel Dereje, confirm that this thesis titled "The effect of advertising on market share: in the case of Five Star Manufacturing Plc" is my original work and has not been submitted in full or in part for any academic award or degree to any other university or institution. I also confirm that any sources used in this thesis have been duly acknowledged and cited. The data presented in this thesis is based on my own study conducted under the guidance of Ass. Dr. Yibeltal Aschalew, and the analysis, interpretation, and conclusions drawn from the data are solely my own.

Kirubel Dereje

Name

Signature & Date

CERTIFICATION

As the advisor to Kirubel Dereje, I confirm that the thesis titled "The effect of advertising on market share: in the case of Five Star Manufacturing Plc" submitted in partial fulfillment of the requirements for the degree of Masters in Marketing Management complies with all applicable laws, regulations, and policies of St. Mary's University. Based on my review of the completed thesis, I recommend that Kirubel Dereje submits the thesis to the thesis board of examiners as it meets the requirements for the degree.

Dr. Yibeltal Aschalew



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APPROVAL SHEET

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SCHOOL OF GRADUATE STUDIES

We, the undersigned, members of the Board of Examiners of the final open defense by Kirubel Dereje have read, evaluated and examined her thesis entitled “The effect of advertising on market share: in the case of Five Star Manufacturing Plc”. Therefore, this is to certify that the thesis has been accepted in partial fulfilment of the requirements for the degree of masters in marketing management.

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ABSTRACT

This study investigates the effect of advertising on market share: in the case of Five-star manufacturing plc. The research used a quantitative approach and employed a descriptive and explanatory research design to examine a sample of 180 customers of Five-star manufacturing company. The study assessed the effect of broadcast advertising, print advertising, social media advertising and outdoor advertising on market share. Data was analyzed using both descriptive and inferential statistics in SPSS version 20. the Pearson correlation coefficient used in the study signifies that all independent variables (component of advertisements) and the dependent variable have positive relationships with one another r . The result from regression analysis concludes that all social media, outdoor, broadcast and print advertisement have a significant impact on market share. Based on these findings, recommendations for Five Star Manufacturing include increasing advertising spending across different media types, prioritizing social media advertising, and improving the quality of broadcast advertisements. The multiple regression model had a high R-squared value of 0.62, indicating that the model explains a significant proportion of the variance in market share. These findings provide important insights into effective advertising strategies for Five Star Manufacturing to improve its market share and remain competitive in the market.

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ABBREVIATIONS/ACRONYM

ANOVA	Analysis of Variance
BAT	Broadcast advertisement
df	Degree of freedom
MST	Market share
OAT	Outdoor advertisement
PAT	Print advertisement
RSS	Residual Sum squares
SAT	Social media advertisement
SPSS	Statistical Packages for Social science
Std	Standard Deviation
TSS	Total Sum of Squares
VIF:	Variance Inflation Factor
α :	Alpha Coefficient of an equation
β :	Beta Coefficient of an equation
ε :	Error

CHAPTER ONE

INTRODUCTION

1.1. Background of the study

Advertising is a marketing strategy that involves paying for advertising space to promote a product, service, or cause. Advertisements, or ads for short, are the real commercial messaging. Advertising's purpose is to contact those who are most likely to be willing to pay for a company's products or services and persuade them to buy. It is often a paid kind of marketing intended to lead to sales. Advertising can be short-term for a specific campaign or continuing, but it typically needs a financial commitment. Advertising may be done through print media such as newspapers, magazines, and brochures, audio media such as radio, and visual media such as billboards and television (Kotler, 2010).

Advertising is an important part of many marketing promotional mixes. Because it is a cost effective method for communicating to large audiences, it creates brand images and symbolic appeals for a company therefore advertising her become increasingly important to business enterprises both large and small. (Monle and Johnson, 2003:19) Market share is the portion of revenue within a certain industry that a specific business controls. It is essentially the percentage of the overall industry income generated by the sale of your company's goods and services. Companies with greater market shares are industry leaders and smaller businesses must compete with them. Market share has always been considered more as a control function than as a tool for decision-making. "The difference between the number of units of the product type sold by that firm and the total number of suppliers of that product" (1974; 43; Chevalier and Catry) For example, Kollat et al. (1972; 35) defined market share as "a company's sales of a brand as a percentage of total sales or a company's sales as a percentage of the total sales of all companies classified as in the same industry category" with respect to the market boundaries at the product/brand and company levels. Market share has an effect on how much advertising is needed. Low-share brands often require greater advertising expenditure as a proportion of sales since doing so requires more advertising spending than merely maintaining existing share.

1.2. Company Background

Five-star elevator manufacturing plc is an authorized partner of glarie elevator and escalator manufacturing plc, which is based in Dukem, eastern industry zone. The company shareholders have been in the Ethiopian construction materials sector for five years and have employed approximately 200 people.

The elevator showrooms and head office are located in Bistrate Gebreal, Addis Ababa, with their sister company L&H building Materials PLC products, which is well known for VICTOR safety doors, which held a large portion of the market with main products of various kinds of fashion designed iron security doors, with the ability to manufacture 300 doors daily.

Main products and services are:

- ❖ Hospital Elevator - Hospitals and healthcare buildings are crucial and must be up and running 24/7. Five Star is committed to providing products and services to ensure that the elevator is there when needed.
- ❖ Home Lift - Home is where people want to feel safe. Designs from standard to custom, there is no compromise on quality at any cost point, knowing that the goal is to have a safe, reliable mode of transportation for buildings where people live.
- ❖ Escalator - Five Star understands that the quality of each visit is important to customer retention and perception. Brand considerations and building design can be taken into account in almost unlimited ways.
- ❖ Car Elevator - Five Star's Car Elevators have incorporated world-leading full-computer modularized elevator technology, the products can be widely used in plants, shopping centers, and cargo transportation locations with diverse loading requirements and special construction conditions.
- ❖ Freight/ Cargo Elevator - With full specifications, good performance, high reliability, and superior performance-price ratio, Five Star's freight/cargo elevators provide relevant solutions for diversified cargo carrying and can be suitable for different architectures' construction, extensively used in goods transportation locations.

1.3. Statement of the Problem

For the success of any corporate organization, it is crucial to increase customer awareness of products and services. Making items and services well-known is another technique to establish a connection with your clients. Tenant (2002) claims that, advertising is a key to an organization survival and success under intense competition. The study further states that if a product or service marketing is properly communicated, it will affect the target audience's attitude and lead to recurrent purchases of that product. In contrast, the chances that a product will reach potential clients and distinguished from the competition are poor if it is not advertised.

A variety of variables have been ascribed to market share losses. One of them is limitations in how Industries advertises. The effect of the problem is extremely large, including financial losses to incorrect public impression of the products and services. According to the 2023 annual sales report of Five Star elevator manufacturing, sales have been growing for the three previous years in a row. Clients are more aware of efficiencies in making stuff available to them. However, the market share of five-star manufacturing is not progressing as planned. Based on the roots of the issue, this research advocates for effective methods to advertising in order for the industry to remain competitive and increase performance in the business domain.

1.4. Basic Research Questions

- ❖ What is the effect of Broadcast advertising on market share?
- ❖ What is the effect of Print advertising on market share?
- ❖ What is the effect of Outdoor advertising on market share?
- ❖ What is the effect of Social media advertising on market share?
- ❖ Which advertisement channel is the most effective in order to influence market share of the company?

1.5. Objective of the Study

1.5.1. General Objective

The main objective of this study was to assess the effect of advertising on market share in the case of five-star elevator manufacturing plc.

1.5.2. Specific Objective

More specifically, the objectives of the study was:

- ❖ To identify the effect of Print Advertisement on market share of Five-star elevator manufacturing company in Addis Ababa.
- ❖ To identify the effect of Broadcast Advertisement on market share of Five-star elevator manufacturing company in Addis Ababa.
- ❖ To identify the effect of social media Advertisement on market share of Five- star elevator manufacturing company in Addis Ababa.
- ❖ To identify the effect of Outdoor Advertisement on market share of Five-star elevator manufacturing company in Addis Ababa.
- ❖ To determine the advertisement channel that is most effective market share of Five-star elevator manufacturing company in Addis Ababa.

1.6. Significance of the Study

The results of this study was significant from both theoretical and practical standpoints. Five-star elevator manufacturing company knows its problem on advertising and takes its corrective measures as well.

Practical side: This study will provide a clear understanding of how advertising might affect market share, which will inspire numerous businesses to employ advertisements to sell their goods. When businesses begin increasing their sales and earnings as a consequence of advertising, nation economy will grow quickly, and the government will also see an increase in tax revenue.

On the theoretical side: The study covers a significant gap in the literature by investigating the effect of advertising on the market share of a five-star manufacturing in Addis Ababa. For marketing academics and professionals, the study served as a foundation for reference on the topics of advertising and market share. The results of

this research may thus be added to the body of literature and used as a foundation for further research.

1.7. Scope of the Study

Content scope

The primary goal of this study is to determine the key factors that influence the effect of advertising on market share in the case of five-star elevator manufacturing plc and how these factors connect to market share. The study is restricted to Five-star elevator manufacturing plc Addis Ababa Office. **Geographical scope**

A chance to include other customers located in different regions of the country would have made the study considerably better and more thorough. Nevertheless, the researcher only considers customers of the Five-star elevator manufacturing plc Addis Ababa Office customers. due to resource and time constraints. Therefore, careful consideration should be given to the study's findings. Despite the study's limitations, the findings offer insight into this topic.

1.8. Organization of the study

The study was organized into five major chapters in order to make presentable to readers. The first chapter is dedicated to an introductory part composed of background of the study, research problem and questions. The second chapter present the literature reviewed. In the third chapter is the research methodology that includes research design, population and samples of the study, data collection and analysis tools are presented. The fourth chapter covered the data analysis and presentation part, and finally it included research finding and conclusion part.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1. Theoretical Literature Review

Advertising aids businesses in increasing consumer awareness of their goods and services while also boosting the brand image of goods and services available in the target market. Practitioners and academics alike (e.g., Martin 1989, Shahet al. 2009, Graham and Frankenberger, 2000) point to the importance of advertising in building powerful brands that, in turn, can affect a company's performance. For instance, Chu and Keh (2006) suggest that spending on advertising helps to build brand value. Although it is advantageous for a producer to introduce a new good or service to the market, it is also crucial for the manufacturer to explain its benefits to the potential target market.

2.1.1. Definition of Advertisement

Advertising, according to Arens and Bovee (1989; 17), is the non-personal dissemination of information about products, services, or ideas by known sponsors through various media. This information is often paid for and tends to be persuasive in character. Advertising is not personal since it is targeted at groups of people rather than individuals, according to an analysis of its components. That indicates that advertising is a kind of compensated non-person communication about a company or its goods that is disseminated to a target audience through a mass/broadcast medium. According to the American Marketing Association, advertising is a compensated method of a sponsor's non-personal presentation and promotion of their products, services, or ideas.

2.1.2. Advertising as a Communication Tool

Chunawalla (2003: 4) defines advertising as a marketing communication instrument. In the course of communication, a message is transmitted by the sender through a medium to the recipient. Any communication process depends on the message being sent from a sender to a receiver. The process of communication culminates with the message being understood. We strive to convey information, ideas, or opinions when we communicate. The message is sent via particular mediums or channels. By getting feedback from the recipient, one may determine how the message was received.

Marketing communication may be boiled down to advertising communication. The advertiser is the sender. The written advertising, pamphlet, TV or radio commercial, or other form of mass media, is the message.

2.1.3. Type of Advertising

There are four different forms of advertising according to the media categorization for advertising. Broadcast media, such as television and radio, outdoor media, speciality advertising, and print media, such as newspapers, magazines, and direct mail, are all included in the media categorization for advertising (Kumar and Mittal, 2002:206).

Broadcast advertisement: is a highly popular kind of advertising that has several different channel-branches, such as radio, television, and the Internet. Since they were first introduced, television commercials have gained a lot of popularity. The length of the advertisement, its airing period (prime time vs. slack time), occasionally the program it was featured on and of course the popularity of the television channel itself all affect how much it will cost to run a television ad. Due to new age media, the radio may have lost its appealing qualities.

H1: Broadcast advertisement has a significant positive effect on market share

Print Media advertisement- According to kumar and mittal (2002:292) the print media have been divided into newspapers magazines and direct mail advertising. Newspaper is a local adverting medium. It has local coverage in the sense that it reaches daily basis. Newspaper depends on their circulation and select news. Features (kumar and mittal, 2002; 224 B. Magazines are a means of reaching different markets, both regional and national and of general and specific interest (rather, 2005; 2005) C Direct Mail Direct mail advertising refers to any advertising matters sent directly to the person the market wishes to influence. these advertisements take the form of letters, catalogs, and soon (lee and Johnson, 2003).

H2: Print advertisement has a significant positive effect on market share

Social media advertisement: online advertising and digital marketing that focuses on social networking services are together referred to as social media advertising. The ability of marketers to target their adverts effectively by utilizing user demographic data is one of the main advantages of this sort of advertising.

The benefits and drawbacks of utilizing social media are highlighted by Hensel and Deis (2010). They advise company owners and entrepreneurs to be fully informed by maintaining an active social media presence. Additionally, they advise companies to constantly monitor the same to learn from customer feedback and to make sure that no one is attempting to defame them. Ramsay (2012), on the other hand, focuses on the social media etiquette that should be adhered to. They include broad social media dos and don'ts as well as Facebook, Twitter, YouTube, and LinkedIn user-specific etiquette guidelines. In order to document the user-advert interaction and its efficacy for small companies, Carmichael and Cleave (2012) ran two Facebook advertising and closely watched them. They discovered that for the money a small business would spend on such social media advertising, this type of promotion could significantly increase the exposure of such enterprises and simply route customer traffic to the advertised business page. Okazaki and Taylor (2013) review the literature on social media in international advertising and identify network capability, image transferability, and personal extensibility as the three key theoretical paradigms that provide insightful analysis of the benefits and drawbacks of social media advertising.

H3: Social media advertisement has a significant positive effect on market share

Outdoor advertising- encompasses many advertising forms, including outdoor, transit and a Variety of other media (Belch and Belch 2004: 432). Outdoor Advertising involves the use of signs and billboards, posters or displays (such as those that appear on a building's wall) and electric seculars (large, illuminated, sometimes animated designs and displays). Also advertisers place their ads on and in public transportation vehicles and locations. It includes bus advertising and ads at bus stations, advertising on subway cars and in subway stations, in taxi cabs, and in planes and at airports (Kumar and Mittal, 2002: 293). The marketers may purchase billboards on the basis of showings. A showing indicates the percentage of the total population of a particular geographic area that was exposed to it during a non-month period

(Rathor, 2005:138)

H4: Outdoor advertisement has a significant positive effect on market share

2.1.4 Advertising Message

An advertising message as defined as: “An element of the creative mix comprising what the company plans to say in its advertisements and how it plans to say it – verbally or non –verbally”. The messages transmitted can be verbal and /or nonverbal. The verbal messages are presented by speech and words, and can be backed by a music or instrument. Besides, the tone, pitch and the typography or layout of the letters on the TV screen can be tailored to create a strong impact and grab the attention of viewers. On the other hand, non-verbal messages are gestures, facial expressions etc. which express internal feelings based on the presentation manner. And finally, a mere presentation of products by demonstration on TV screen can be a non –verbal way of presentation of a message. Generally, the elements included in an institutional or product advertising can be the headline, the text, the illustration and the typography – or possibly the information presented or the symbolism.

2.1.5 Factors affecting advertising budget:

- ❖ Stage in the product life cycle
- ❖ Market share and consumer
- ❖ Competition and clutter
- ❖ Advertising frequency
- ❖ Product substitutability
- ❖

2.1.6 Methods of Setting Advertising Budget

The objective – and -task method: This is the most appropriate ad budget method for any company. It involves defining specific objectives, determining the task that must be performed to achieve them, and estimating the costs of performing the task.

Percent-of-Sales Method: the amount for advertising is decided on the basis of sales.

Comparative-Parity Method: it considers the competitors’ advertising activities and costs for setting advertising budget. The advertising budget is fixed on the basis of advertising strategy adopted by the competitors.

2.1.7 Advertising Classification

Product Advertising - The major portion of advertising expenditure is spent on product advertising the presentation and promotion of new products existing products and revised products.

Retail Advertising - In contrast to product advertising retail advertising is local and focuses on the store where variety of product can be purchased or where a service is offered. Retail advertising emphasizes • Price • Availability • Location • Hours of operation

Corporate Advertising -The focus of this advertisement is on establishing a corporate identity or on wiring. The public over to the organization's point of view. Most corporate advertising is designed to create a favorable image for a company and its products however image advertising specifically denotes a corporate companion that highlight the superiority or desirable characteristic of the sponsoring corporation. **Business to**

Business Advertising- This term related to advertising that is directed to industrial users (tires advertising to automobile manufacture resellers (wholesalers and retailers) and professionals (such as lawyers and accountants) Kee and Johnson, 2003:4-5) **Trade**

Advertising- Advertising targeted to marketing channel members such as wholesaler's distributors and retailers. The goal is to encourage channel members to stock promote and resell the manufactures branded product to their customers (Belch and Belch 2004:19)

2.1.8 Models of Advertisement

Though there are several models of advertisements just two models are reviewed in detail for the purpose of this study.

2.1.8.1 AIDA Model

The AIDA model produces a detailed illustration about the entire procedure of how advertising effects consumer behavior and the purchase decisions. It is an acronym, which consists of the factors of attention, interest, desire and action, all of them relevant to the relationship between consumer behavior and advertising. The first element, that is attention, describes the stage in which the brand manages to gain the attention of the consumer through the advertisement that he/she has come into contact with. Organizations creating attention, interest, desire, and attraction of their products in the market using appropriate channels of communication to reach the mass market are thus stimulating demand of existing and new products in the market. They all have three general stages in common, even though the amount or names of sub-stages might differ: cognitive stage

(what the receiver knows or perceives), affective stage (receiver's feelings or affective level), behavioral stage (consumer's action) (Aaker and Joachimsthaler, 2000). According to Colley (1984) one of the earliest models was AIDA: (Attention, Interest, Desire and Action). This model is also called DAGMAR, an abbreviation for designing goals for measured results. This model will be designed under four interrelated stages of communication: awareness, comprehension, conviction and action. Colley said that this model describes a learning process by which consumers“ progress through a series of predetermined functions to complete the purchasing process. The model assumes that a purchase will only be made when all the steps have been completed. The authors contend that the model is dynamic where each single step in the sequence depends upon the preceding step.

The steps of hierarchy of AIDA Model are as follow:

Awareness

It is the first step of hierarchy of AIDA model, where people get awareness about products. At this stage, advertisers introduce their products, services and information about the usage of products. Initially, advertisers create awareness about products in their target market and its benefits to use (Baca et al., 2005). According to Ashcroft and Hoey (2001) awareness is the cognitive stage to attract customers and is the first step of communication process.

Interest

Advertisement of a product or service is run with the aim to create interest among target viewers because creating interest is the priority of advertisers (Rowley, 1998; Broeckelmann, 2010). Continues buying of a particular product shows consumers“ interest (Ghirvu, 2013). Pharmaceutical companies, for example, often invest to create products interest in target market with aggressive sales force which attempts to motivate customers for further query (Baca, 2005).

Desire

It is the third step of hierarchy of AIDA model that deals with the aspiration of target customers to buy a product or service. From advertising view point, desire is said to be the intense level of wanting a product. Creating desire is the precedence of advertisers, where they explain the features and benefits of their products that how much value you have here (Richardson, 2013). At this level, advertisers try to give greater exposure of a product to the customers (Rowley, 1998).

Action

At the fourth level of hierarchy of AIDA model action on the part of a customer is taken i.e. actually purchasing a product or service. At this stage, customers are ready to pay for the products to fulfill their intense desire for a particular product or services. A number of incentives offered may persuade a customer to take action (purchase). For example discounted prices often entice customers to take action i.e. buy something (Rawal, 2013). As mentioned by Ashcroft and Hoey (2001) action is the behavior stage involving actual purchasing. According to Hoyer and Macinnis (2009) effective advertising creates positive feelings that lead to actual purchase of advertised products. 13 Figure 1: Advertisement Model (AIDA/ DAGMAR) Source: Colley and Russell H. (1984). Defining Advertising Goals for Measured Advertising Results, New York: Association for National Advertisers

2.1.8.2 Foote, Cone and Belding (FCB) Model

A paper by Richard Vaughn (1980) researched the other advertising model, FCB, an acronym for Foote, Cone and Belding. This model is a strategy matrix, suggesting that advertising works differently depending on the product involved. Vaughn's work allows advertisers to select the communication method based on the type of product or service they are advertising, and the attitudes that consumers are likely to have towards the product. He suggests: "Not all advertising functions in the same way, sometimes communication of key information and salient emotion will be needed to get a sale. At other times, consumers will need one, but not both; and often, a purchase may occur with little or no information and emotion. The purpose of strategy planning is to identify the information, emotion or action leverage for a particular product, build the appropriate advertising model and then execute it. The matrix divides advertising strategy into two attributes based on thinking versus feeling and low involvement versus high involvement. Vaughn points out "this suggests there are purchase decisions where thinking is most involved and others where feeling dominated; there are situations that require more involvement and those that require less. "The FCB model is powerful because it accommodates different versions of the learn-feel-do succession and proposes different advertising strategies for each of the four quadrants. Now let us take the quadrants separately and summarize them as follows:

Quadrant 1- High Involvement/ Thinking Informative

This quadrant implies that a large amount of information is necessary because of the importance of the product. Many major purchases qualify, (cars, homes and electronic equipment's), and these are likely to include almost any product which needs to convey what it is, its function, price and availability. The basic strategy model is to adopt the Learn-Feel- Do sequence where information is designed to build attitudinal acceptance and subsequent purchase. Vaughn (1980) says, "Consumers may be thought of as thinkers. Creatively, specific information and demonstration are possibilities. Long copy format and reflective, involving media may be necessary to get through with key points of consumer interest." Accordingly, NSPF consumers fall in this quadrant, since purchasing paint products requires the possession of detailed information and product awareness.

Quadrant 2- High involvement / Feeling (Affective)

This product decision has high involvement but requires less specific information; therefore, an attitude or feeling towards the product is more important. This is a psychological model, because the importance of the product is connected to the consumers' self-esteem. Perfume, expensive watches and sports cars are product examples that might fall into this quadrant. The advertising strategy requires emotional involvement on the part of the consumers so that they become connected with the product being advertised and subsequently become "feelers". Therefore, the proposed model is Feel-Learn-Do. Vaughn (1980) submits "Creatively, execution impact is a possible goal, while media considerations suggest dramatic print exposure or "image" broadcast specials."

Quadrant 3- Low involvement / Thinking (Doer)

Products in this category (including many common household items such as razors, insect repellent and household cleaners) involve little thought and a tendency to form buying habits for convenience. The hierarchy model is a Do-Learn-Feel pattern suggesting that simply inducing trial (through coupons or samples) can often generate subsequent purchases more efficiently than "undifferentiating copy points", leading in turn to increased brand loyalty. According to Vaughn (1980), the most effective creative strategy is to stimulate a reminder for the product.

Quadrant 4-Low involvement / Feeling (Self - Satisfaction)

This product decision is emotional but requires little involvement, and is reserved for those products that satisfy personal taste (for example, cigarettes, candy, beer or snack food). This is a Do-Feel-Learn model where imagery and quick satisfaction are involved, and the consumer is considered a reactor whose interest will be hard to hold. Vaughn (1980) argues that the creative objective is to get attention with some sort of consistency and suitable methods may include billboards, point-of-sale or newspaper advertising.

2.2 Market Share

What portion of a customer's overall purchases of a good or service goes to a firm determines its market share. There are different kinds of market shares. Value or volume market shares are also possible. Value market share is calculated using a company's overall share of all segment sales. In terms of the overall number of units sold in the market, volumes relate to the actual number of units that a firm sell. The relationship between value and volume market share is typically nonlinear since a unit's value and number may be high yet its volume market share may be low (William J. Stanson, 2000).

2.2.1 The Significance of Market Share

Market share is an indicator of consumer preference for a product over competing goods. Greater revenues, less work to sell more, and a high barrier to entry for rival businesses are often the results of having a larger market share. A leader who has a larger market share will also benefit more from market growth than the rest. Likewise, a market leader—defined by its market share—must broaden the market in order to continue growing. Just how much market share is required? Gaining a full market share is typically not a smart objective since the firm was severely impacted by market activities, such as changes in trend or in product or usage. Additionally, it may be highly expensive and deadly to retain 100% market dominance against agile, local, or more aggressive smaller competitors. The majority of businesses choose a target market share over which gaining market share is more expensive than it is profitable.

2.2.2 Market share and its Components

Peter M. Chinsnall, 1975) has explained and reviewed the components that must derive.

Percent of Sales

Market share can be expressed as a percentage. For example, if a tiny electronics company sells \$2 million in a market with total sales of \$100 million, its market share is 2%. However, that is only one market. Assume that the tiny electronics company distributes its goods in ten markets, with market shares ranging from 1% to 4% in each. The company's overall market share across all ten markets might be 2.5 percent.

Percent of Units

Sales units can be used by companies to calculate market share. A tiny bottled-water distributor, for example, may sell 10,000 units per year out of 100,000 distributed in a local market region by all rivals combined. As a result, its market share in that market is 10%. In other circumstances, unit market share may be more beneficial since corporations can better calculate rivals' average product pricing. They may use this knowledge to price their own items more effectively. However, it is preferable to have access to both sales and unit market share figures (Chinsnall, 1975)

2.2.3 Advantages and Disadvantages

Building market share has numerous major advantages. According to Quick MBA, one advantage is enhanced bargaining power. Because their purchasing power is likely to be greater than that of smaller companies, top companies with the largest market shares may receive special deals on products. The larger firm sells more items, resulting in larger orders from suppliers. Retailers, distributors, and showroom outlets may be ready to give additional space to larger enterprises. A smaller firm, on the other hand, may lose its superior profit margins by rapidly growing market share. For example, in order to increase sales volume, it may need to give an excessive number of special promotions. Smaller enterprises may aim to maintain their market shares low in order to minimize market disruptions. Smaller businesses may increase their market share in four ways. One method is to increase the amount of items available by adding multiple sizes, features, and styles, for example. This may assist to attract more clients. Another alternative is to dramatically reduce product pricing in order to attract more customers, sacrificing short-term earnings. Small businesses may also expand the range of markets

in which they sell or concentrate their efforts on certain means of distribution. Another alternative is to increase advertising spending in several markets, particularly those with high growth potential (V. Ryan, 2006).

2.2.4 Factor that affect market share growth

Hofer and Schendel (1978) define six strategies using the product/market evolution of the industry in which the firm competes and its competitive position in the industry. These six strategies are share increasing, growth, profit, turnaround, market concentration and asset reduction and liquidation. Under share increasing, a firm significantly increases its market share by investing greater than the norm of the industry.

A growth strategy is designed to maintain a firm's position in rapidly expanding markets by investing equal to the industry average. The aim of the profit strategy is to maximize the utilization of resources and skills in order to increase cash flow. A turnaround strategy is a form of retrenchment strategy that focuses on operational efficiency. The market concentration and asset reduction strategy requires a realignment of resources to focused, smaller segments. A liquidation strategy is for firms that want to generate cash while withdrawing from market. Market share often is associated with profitability and thus many firms seek to increase their sales relative to competitors. Here are some specific reasons that a firm may seek to increase its market share:

- Economies of scale - higher volume can be instrumental in developing a cost advantage.
- Sales growth in a stagnant industry - when the industry is not growing, the firm still can grow its sales by increasing its market share.
- Reputation - market leaders have clout that they can use to their advantage.
- Increased bargaining power - a larger player has an advantage in negotiations with suppliers and channel members (Michael, 2000:175).

Ways to Increase Market Share

The market share of a product can be modeled as: $\text{Share of Market} = \text{Share of Preference} \times \text{Share of Voice} \times \text{Share of Distribution}$ According to this model, there are three drivers of market share:

- Share of preference - can be increased through product, pricing, and promotional changes.

- Share of voice - the firm's proportion of total promotional expenditures in the market. Thus, share of voice can be increased by increasing advertising expenditures.
- Share of distribution - can be increased through more intensive distribution. 15 From these drivers we see that market share can be increased by changing the variables of the marketing mix.
- Product - the product attributes can be changed to provide more value to the customer, for example, by improving product quality.
- Price - if the price elasticity of demand is elastic (that is, > 1), a decrease in price will increase sales revenue. This tactic may not succeed if competitors are willing and able to meet any price cuts.
- Distribution - add new distribution channels or increase the intensity of distribution in each channel.
- Promotion - increasing advertising expenditures can increase market share, unless competitors respond with similar increases, (Michael E. McGrath, 2000:176)

2.3 Empirical review

The relationship between advertising and market share has been the subject of a number of research studies and discussions in the developed world; "empirical studies intended to evaluate the effect of advertising on market share at both the firm and industry level date back at least to the 1930s" (Taylor and Weiserbs, 1972), but although developing countries have recently conducted researches on the subject. A case study conducted on Indian companies concluded that "there is a significant relationship between advertisement expenditure and market share, wherein advertisement expenditure positively impacts the business's sales revenue" (Sharma, Mahendru, & Singh, 2011).

Another case study was conducted on a Nigerian bottling firm to demonstrate the relationship between advertising and market volume. "Secondary data were gathered from the company's yearly financial records and span the years 1999 to 2009.

The main finding revealed that there is a considerable association between advertising and the company's market share. The analysis also revealed that advertising has resulted in a large increase in the company's revenues (Tolulope, 2011).

The impact of advertising on the sales performance of a business organization was studied in Ethiopia in 2019 using Ambalay Raey Trade and Industry Plc as a case study. Finding out whether advertising had any appreciable impact on Ambalay Raey Trade

and Industry Plc's sales performance was the study's primary goal. According to the study, broadcast media has a stronger impact on a company's sales success. The study made recommendations for actions to be done to improve sales performance in the organization by choosing the most effective media, channels, and advertising.

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

Pride F et al (1999) observes that advertising often stimulates demand thus stimulating sales. For advertising to have a direct relationship with sales revenue, the entire market mix must be viewed by the customer as the right one. (Engel et al 1991, McCathy and Perveault, 1988). Gordon (1993) states that companies advertise in order to compete in a new and aggressive way with in the marker, to increase their market share through increased customer, utilize the low cost way of teaching customers to create marketing approaches. David et al (1988) recognizes that many scholars have heard different views on the effect of advertising on sales performance. however most of them agree that effective advertising will eventually increase revenue. Jefikins (1990) has stated that in a competitive society there is not only competition between rival advertisers but choice between their rival products and services. Also people forget very easily and therefore the biggest advertiser in the world will get bankrupt very easily if he stopped advertising. Companies advertise to create familiarity with or of a product, which helps to create confidence in it. If a product is simply made available, it is important to inform people of its existence.

It is hard for viewers to tune out a commercial television advertisements engaged the senses and attract attention even when one would prefer not to be exposed to an advertisement (Lee and Johnson 2003:207-208)

2.4 Conceptual Framework

According to Wangila (2019), a conceptual framework is a model presentation in which a researcher expresses the links between variables in the study and displays the relationship diagrammatically. The conceptual framework specified four market share criteria that a Five-star manufacturing company should take into account.

The independent variables are broadcast advertisement, print advertisement, social media advertisement and outdoor advertisement. The dependent variable is market share in Five-star manufacturing. The study sought to link them as illustrated in figure 2.1 below.

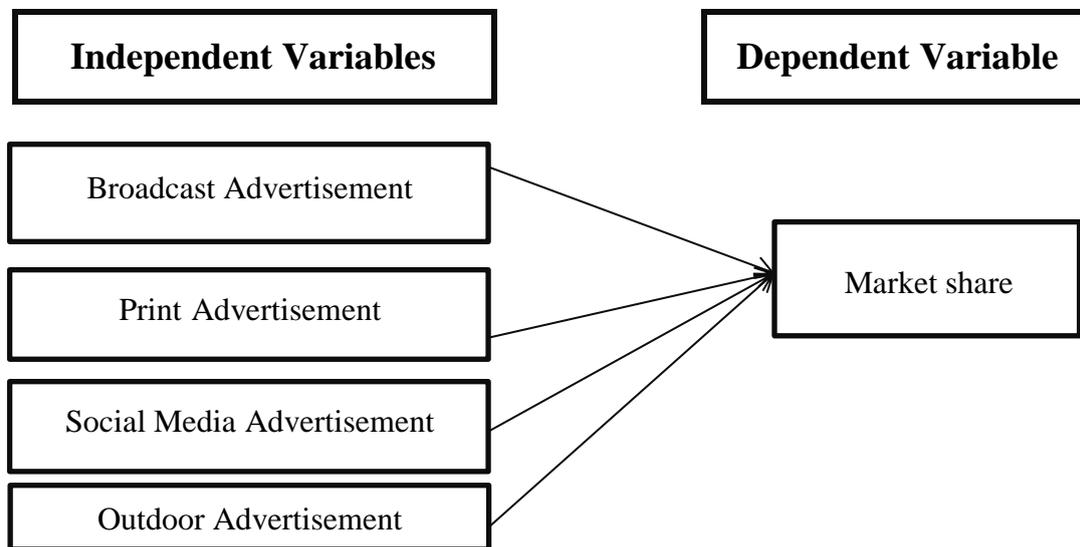


Figure 2.1. Conceptual framework adapted from Wangila (2019)

Variables	Hypotheses	β	p	Status
Broadcast advertisement	Broadcast advertising has a significant positive effect on market share	.244	.000	Accepted
Print advertisement	Print advertisement has a significant positive effect on market share	.198	.000	Accepted
Social media advertisement	Social media advertising has a significant positive effect on market share	.169	.000	Accepted
Outdoor advertisement	Outdoor advertising has a significant positive effect on market share	.272	.000	Accepted

Table 2.1 hypothesis testing

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1. Research Design

This study generally used a descriptive and explanatory research approach. This is due to Kothari's (2019) assertion that descriptive research designs and inferential analysis work together to answer research questions about the current situation, identify components and their correlations, and produce a thorough quantitative account of occurrences. Explanatory research is gathering information from a sample of people or things in order to assess the strength of links between two or more variables in order to potentially build predictions on these relationships.

3.2. Research Approach

The study used a quantitative approach. According to Kothari (2004), quantitative research is focused on the measurement of quantity or amount and allows the researcher to express phenomena in terms of numbers. It generates statistical data by employing large-scale survey research, which collects information using predefined instruments like closed-ended questionnaires and/or structured interviews. This data can then be statistically analysed to test objective theories by looking at the relationship between variables.

3.3. Population and Sampling

3.3.1. Target Population

The population frame is customers of Five-star elevator manufacturing company and building owners or managers found in Addis Ababa and they were asked about their attitudes, behaviors and expectations on advertising and market share. In Addis Ababa, 326 clients purchased goods from five-star manufacture, according to data obtained from the company' statistics unit (2023). 326 clients of a Five-star manufacturing company in Addis Ababa city was the targeted population for this study.

3.3.2. Sample Size Determination

Yamane (1967) provided a simplified formula to calculate sample sizes. According to Yamane for any sample, given the level of precision of 0.05 and 95% confidence level, the sample size is given by:

$$n = \frac{N}{1 + N(e)^2}$$
$$n = \frac{326}{1 + (326)(.05 * .05)}$$
$$n = 179.6$$
$$= 180$$

Where

n is the sample size,

N is the population size,

e is the level of precision (5%).

Following the above formula provided by Yamane (1967), the sample size considered for this study is determined to be 180 customers who live in Addis Ababa.

3.3.3. Sampling technique

A simple random sampling was employed to select customers. The aim of using simple random sampling is to be sure that each customer has equal chance of being chosen.

3.4. Data Type and Sources

The researcher mainly employed primary data types in this study for analysis and interpretation of the study outcomes. A self-administered five-Point Likert-scale (Likert, 1932) questionnaire was used to obtain primary quantitative data from customers of five star elevator manufacturing company in Addis Ababa. Furthermore, reliable secondary data was gathered from a review of related literature, previous research, and published

journals, internal company records, the company's website (on the Internet), relevant books and articles, and other available sources.

3.5. Tools for Data Collection

A closed-ended five-point Likert-scale questionnaire was used to collect data in this study to determine effect of advertising on market share in five star manufacturing company. The questionnaire consisted of two parts. The first part is the demographic profile, which helped the researcher identify the participants' gender, age, educational background, monthly income, occupation, and so on. The second part consisted of various items that will help the researcher investigate each determinant factor that reflects the perception level of customers towards the life insurance demand.

The questions was created using a five-point Likert scale (Likert, 1932), with 1 indicating strongly disagree, 2 indicating disagree, 3 indicating neutral, 4 indicating agree, and 5 indicating strongly agree. Respondents were asked to indicate their level of agreement or disagreement with each of the questions provided. The data obtained was presented using different statistical tools and models.

3.6. Methods of Data Analysis

This study used the most common statistical methods used for prediction purposes: simple and multiple regression analyses. In order to analyse and present the findings of the study, the Statistical Package for Social Science (SPSS) software program, version 20, was used. Each response of the respondents was coded, feed to the software, and analysed using descriptive statistical analysis techniques like frequency, percentage, mean, and standard deviation to summarize and describe the responses of participants. Both descriptive statistics and inferential analysis (regression and correlation) was employed to analyse the quantitative data obtained from the distributed questionnaire. Descriptive statistics such as the arithmetic mean, frequency distribution, standard deviation, and percentages was used to assess the demographic profile of the respondents to make the analysis more meaningful, clear, and easily interpretable. Descriptive statistics allow the researchers to present the data acquired in a structured, accurate, and summarized manner.

3.6.1. Model specification

The multiple regression model of the study is based on the theoretical regression model as indicated follows

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Where:

Y = Market share β_0 = the constant.

X_1 – Broadcast advertisement

β_1 = the regression coefficient of broadcast advertisement X_2

– Print advertisement β_2 = the regression coefficient of print advertisement X_3

– Social media advertisement β_3 = the regression coefficient of social media advertisement

X_4 – Outdoor advertisement β_4 = the regression coefficient of Outdoor advertisement e = error term.

3.7. Expected Sign and Measurement of the Variables

Table 3.1. Measurement of the Study Variables

Variables	Expected Signs	Measurement	Hypothesis
Broadcast advertisement	+ve	Five point Likert scale	Broadcast advertising has a significant positive effect on market share in a five-star manufacturing company.
Print advertisement	+ve	Five point Likert scale	Print advertisement has a significant positive effect on market share in a five-star manufacturing company.
Social media advertisement	+ve	Five point Likert scale	Social media advertising has a significant positive effect on market share in a five-star manufacturing company.
Outdoor Advertisement	+ve	Five point Likert scale	Outdoor advertising has a significant positive effect on market share in a five-star manufacturing company.

Source: Own data (2023)

3.8. Ethical Considerations

The study adhered well-established and detailed research ethics. The goal of the research was explained to respondents, and personal information was kept anonymous. Furthermore, each study subject provided written informed permission. They were notified that they have the right to terminate the interview at any moment. At all stages of the research, confidentiality was maintained.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION

4.1. Response Rate

By considering 100% return rate a total of 180 questionnaires were distributed to these taxpayers and returned filled completely and properly. The collected data has been analyzed and interpreted in this chapter. The reliability of the questionnaire and a summary of the sample profile are first provided, followed by descriptive statistics of the variables and correlation analysis was conducted. Lastly, the result of multiple linear regression analysis was conducted to answer the research questions and the results are interpreted.

4.2. Reliability Analysis

To maintain reliability of the instrument and to make sure that the data collection tool provides consistent results, reliability analysis was conducted on the instrument employed in this research after full scale data collection and then interprets our study reliability according to George and Mallery (2003) table Cronbach's Alpha value as shown table.

Table 4.1: Cronbach's Alpha values and interpretation

Cronbach's Alpha	Interpretation
> .9	Excellent
> .8	Good
> .6	Acceptable
> .5	Poor
< .5	Unacceptable

Source: George and Mallery (2003)

Table 4.2: Reliability statistics

Cronbach's Alpha	Number of items	Results (Interpretation)
0.810	5	Good

Source: (own data, 2023)

4.3. Descriptive Statistics

The descriptive statistics conducted on the demographic information of the respondents are presented and discussed below.

4.3.1. Demographic Information of Respondents

Under this section, the demographic information of the respondents which include gender, educational qualification and work experience were presented.

Table 4. 3: Demographic Information

Variable	Categories	Frequency	Percent	Cumulative Percent
Gender	Male	98	54.4	54.4
	Female	82	45.6	100.0
	Total	180	100.0	
Age	18-28	10	5.6	5.6
	29-38	18	10.0	15.6
	39-48	81	45.0	60.6
	49-58	28	15.6	76.1
	Above 58	43	23.9	100.0
	Total	180	100.0	
Education	High school and below	12	6.7	6.7
	Certificate	16	8.9	15.6
	Diploma	41	22.8	38.3
	First degree	69	38.3	76.7
	Masters and above	42	23.3	100.0
	Total	180	100.0	

Martial-status	Single	26	14.4	14.4
	Married	145	80.6	95.0
	Separated	4	2.2	97.2
	Divorced	5	2.8	100.0
	Total	180	100.0	
Monthly Income	Below 10000	32	17.8	17.8
	10001-20000	49	27.2	45.0
	20001-30000	46	25.6	70.6
	Above 30000	53	29.4	100.0
	Total	180	100.0	
How long have you been a customer of Five-star manufacturing company	Below 1 year	45	25.0	25.0
	1-3 years	50	27.8	52.8
	3-5 years	49	27.2	80.0
	More than 5 years	36	20.0	100.0
	Total	180	100.0	

Source: (own SPSS, 2023)

As shown in table 4.3, the majority of the respondents, (54.4%) were male and (45.6%) were female. With regard to educational qualification, the highest number of the respondents 38.3% had first degree followed by 23.3% masters and above holders then 22.8% had diploma. Therefore, it is possible to say that the most customers of five-star manufacturing are those respondents with first degree, diploma and masters completed holders.

The table shows that the largest age group of respondents falls within the 39-48 age bracket, with 81 respondents (45% of the total sample) falling in this category. The smallest age group is the 18-28 bracket, which only has 10 respondents (5.6% of the total sample). The majority of respondents (80.6%) were married, followed by single respondents (14.4%). Only a small percentage of respondents were divorced (2.8%) or separated (2.2%).

The table shows that the largest group of respondents (29.4%) had a monthly income above 30,000, followed by those in the 10,001-20,000 bracket (27.2%). The smallest group of respondents (17.8%) had a monthly income below 10,000. The largest group

of respondents (27.8%) had been customers of Five-star Manufacturing PLC for 1-3 years, followed by those who had been customers for 3-5 years (27.2%). The smallest group of respondents (20%) had been customers for more than 5 years.

4.3.2. Descriptive statistics of variables

Table 4.4: The range of the score

Strongly Disagree	1.00 - 1.80
Disagree	1.81 - 2.6
Neutral	2.61 - 3.4
Agree	3.41 - 4.20
Strongly Agree	4.21 - 5.00

Source: Own result 2023

Table 4.5: Descriptive statistics of statements

Variables	Statements	Mean	Std.
Broadcast advertisement	I have heard and seen advertisements of five-star manufacturing in broadcast media, including radio and television frequently.	3.81	1.219
	Five Star Manufacturing broadcasts radio and television advertisements with the intended message.	3.68	1.126
	Advertisements on television convince me to purchase elevators.	3.36	1.294
	The duration of television and radio advertisements is neither too long nor too short.	3.51	1.404

Source: (own SPSS, 2023)

According to The table, statements relating to Broad cast advertisement affects the Market share. The mean values for these statements range from 3.51 to 3.81, indicating a mean response from participants. The standard deviation values range from 1.126 to 1.404, suggesting some variability in responses. Some individuals may view Broad cast advertisement effective and other may not

Print advertisement	I frequently see advertisements in magazines and newspapers promoting five-star manufacturing.	4.37	.812
	Five Star Manufacturing adverts in magazines and newspapers are not tedious to read.	4.15	.924
	Five Star Manufacturing adverts in magazines and newspapers are unforgettable.	4.37	.725
	Print adverts from Five Star Manufacturing encourage me to purchase a product.	4.23	.833

According to The table, statements relating to Print advertisement affects the Market share. The mean values for these statements range from 4.15 to 4.37, indicating a mean response from participants. Which is the highest mean from all The standard deviation values range from .725 to .833, suggesting some variability in responses. Some individuals may view Print advertisement effective and other may not

Social media advertisement	I've seen social media advertisements of five-star manufacturing.	4.04	.844
	Five-star manufacturing social media advertisements were effective.	4.06	.853
	Five-star manufacturing's social media advertisements were interesting.	4.52	.593
	Five-star Manufacturing used short and clear social media promotion.	4.18	.840

According to The table, statements relating to social media advertisement affects the Market share. The mean values for these statements range from 4.04 to 4.52, indicating a mean response from participants. Which is the effective and interesting mean from all The standard deviation values range from .593 to .853, suggesting some variability in responses. Some individuals may view Print advertisement effective and other may not

Outdoor advertisement	I've seen five-star manufacturing advancements on billboards, buses, and streets.	4.27	.824
	Outdoor advertising such as billboards, bus advertisements, and street advertisements are interesting and noticeable.	4.31	.806
	I've seen five-star manufacturing renew when outdoor advertisements get old.	4.33	.777

According to The table, statements relating to outdoor advertisement affects the Market share. The mean values for these statements range from 4.27 to 4.33, indicating a mean response from participants. Which is the noticeable and attention grabbing mean from all The standard deviation values range from .777 to .824, suggesting some variability in responses. Some individuals may view out door advertisement effective and other may not

The study utilized a Likert scale questionnaire to collect data from a sample of participants who have been exposed to Five Star Manufacturing's advertisements in broadcast, print, social media, and outdoor platforms. The results suggest that mean of print advertisements were the a little high. Social media advertisements means were also high to be effective and interesting, while outdoor advertisements mean were considered noticeable and attentiongrabbing. However, broadcast advertisements mean were found to be less effective in convincing the participants to purchase the products.

4.4. Inferential Analysis

4.4.1. Correlation Analysis

The subsequent section presented and discussed the effect of advertising on market share in the case of five-star manufacturing plc. In this regard, the section covered the direction and magnitude of the relationship between the advertising and market share.

Table 4.5: Correlation coefficients interpretation

Pearson correlation (r) value	Interpretation
0.70 or higher	Very strong positive relationship
0.4 to 0.69	Strong positive relationship
0.30 to 0.39	Moderate positive relationship
0.20 to 0.29	Weak positive relationship
-0.19 to 0.19	No or negligible relationship
-.20 to -.29	Weak negative relationship
-.30 to -.39	Moderate negative relationship
-.40 to -.69	Strong negative relationship
-.70 or higher	Very strong negative relationship

Table 4.6: Correlation coefficients result

		BAT	PAT	SAT	OAT	MST
BAT	Pearson Correlation	1				
	Sig. (2-tailed)					
PAT	Pearson Correlation	.105	1			
	Sig. (2-tailed)	.161				
SAT	Pearson Correlation	.212**	.224**	1		
	Sig. (2-tailed)	.004	.002			
OAT	Pearson Correlation	.066	.141	.202**	1	
	Sig. (2-tailed)	.377	.060	.006		
MST	Pearson Correlation	.540**	.475**	.427**	.420**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
**. Correlation is significant at the 0.01 level (2-tailed).						

Source: Own SPSS, 2023

The correlation table shows the Pearson correlation coefficients between the four independent variables, broadcast advertising, print advertising, social media advertising, and outdoor advertising, and the dependent variable, market share. The results indicate significant positive correlations between all types of advertising and market share. The strongest correlation is between broadcast advertising and market share, followed by print advertising, social media advertising, and outdoor advertising.

The strong correlation between broadcast advertising and market share may be due to the wide reach and influence of television advertising. Print advertising also shows a significant positive correlation with market share, which may be attributed to the ability to target specific audiences through newspapers and magazines. Social media advertising and outdoor advertising also show significant positive correlations with market share. Social media advertising can be a cost-effective way for five-star manufacturing to reach their target audience, while outdoor advertising can be effective in building brand awareness and reaching a wide audience. These findings suggest that a diverse advertising strategy that targets different audiences through various media channels can be an effective strategy for increasing market share. The results of this study provide insights into the relationship between advertising spending across different types of media and market share. The findings suggest that five-star manufacturing should consider a diverse advertising strategy that targets different audiences through various media channels to maximize the impact of their advertising spending.

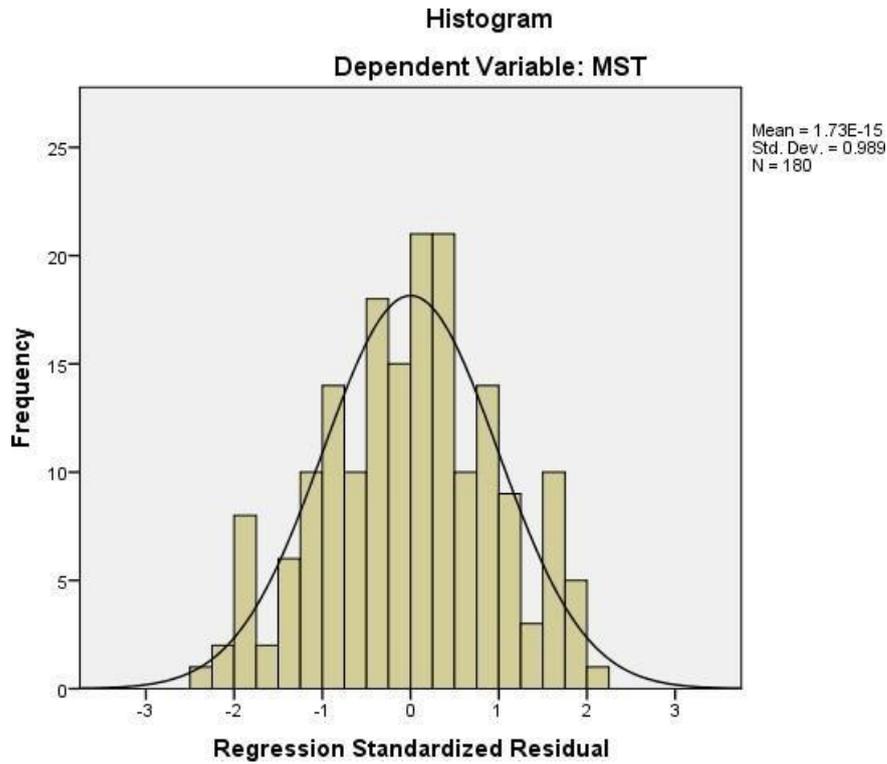
4.5. Regression Analysis

4.5.1. Assumptions

According to Field (2019), to run a simple linear and multiple regressions, checking critical assumptions is essential and it is helpful to draw conclusion about the population under study. In this regard, the following assumptions are checked.

4.5.1.1. Normality

According to Field (2019), the assumption of normality is important in research using regression (or general linear models) and helpful to generalize the results of the analysis beyond the sample collected. Among several ways to check for the normality assumptions for regression analysis, it is advisable to inspect to see if a distribution is normal through histogram.



Source: (own SPSS, 2023)

Figure 4.1: Histogram for normality

Figure 4.1 above shows the underlying frequency distribution, which has bell-shape curve indicating that the data are normally distributed and the inferences made about the population parameters from the sample statistics tend to be normal. As a result, it was possible to conclude that the distribution was roughly normal and the assumption is fulfilled.

4.5.1.2. Linearity

The dots are closely plotted to the straight line, which indicate a small deviation from normality and there are no extreme cases observed. Therefore, the assumption of regression has been met and possibly assumes that the model is linear.

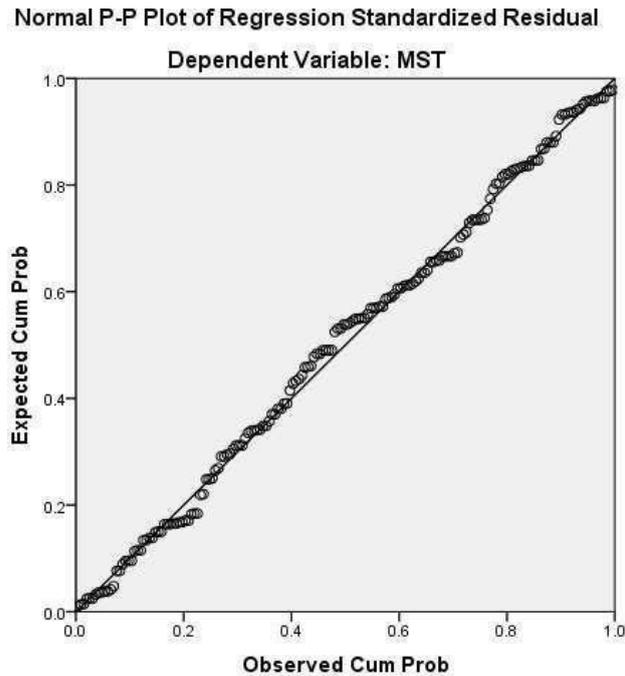


Figure 4.2: Linearity test plot

4.5.1.3. Autocorrelation

Durbin-Watson is used to check whether the values of the residuals are not related to independent variable (Autocorrelation). If the value is between 1.5 and 2.5, there is no relationship between the residual variable and the independent variable. In this study Durbin Watson value was 1.852 which is between the standard range and it is concluded that there is no relationship (autocorrelation assumption was fulfilled)

Table 4.7: Durbin Watson value

Model	Durbin-Watson
1	1.852

4.5.1.4. Multi-co linearity

If independent variables have tolerance values greater than 0.1 and VIF values less than 10, it is considered as free of multicollinearity. According to Table 4.8, the tolerance values of all independent variables are greater than 0.1, and the VIF values are less than 10, indicating the free of multicollinearity. Table 4.8. Tolerance and variance inflation factor

Variables	Collinearity	
	Tolerance	VIF
BAT	.951	1.051
PAT	.937	1.067
SAT	.887	1.127
OAT	.949	1.054

Source: (own SPSS, 2023)

4.5.1.5. Homoscedasticity

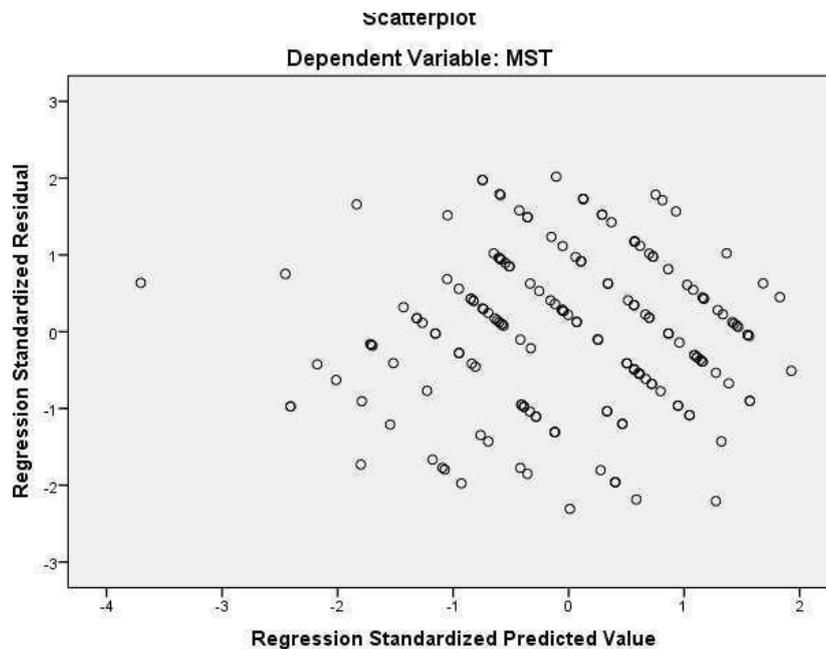


Figure 4.3 Homoscedasticity

If there is a no clear pattern on the scatter plot, it shows that there is homoscedasticity. As shown on figure 4.3, it appears that the points are scattered and do not create a clear specific pattern. Therefore, it can be concluded that homoscedasticity assumption is fulfilled.

4.5.2. Multiple Regression Analysis

A multiple regression analysis was conducted to further examine the relationship between advertising market share. The results of the analysis indicate a significant

positive relationship between the four independent variables (broadcast advertising, print advertising, social media advertising, and outdoor advertising) and the dependent variable (market share). The regression coefficient (R) is 0.782, indicating a strong positive relationship between the variables.

The coefficient of determination (R Square) is a statistical measure that indicates the proportion of variation in the dependent variable (market share) that can be explained by the independent variables (broadcast advertising, print advertising, social media advertising, and outdoor advertising). The R Square value of 0.612 indicates that approximately 61.2% of the variation in market share can be explained by variations in advertising spending across different types of media. This means that advertising spending across different types of media is a significant predictor of market share. However, it also indicates that there are other factors that may influence market share that were not included in the analysis. The remaining percentage (38.8%) represents the variation in market share that cannot be explained by these advertising variables. Future research could explore other factors that may influence market share, such as product quality, pricing strategies, and customer service, to gain a more comprehensive understanding of the factors that contribute to market share.

The standard error of the estimate is 0.29916, which represents the average distance between the actual market share values and the predicted market share values based on the regression equation. The small standard error of the estimate suggests that the model is a good fit for the data and can be used to predict market share based on advertising across different types of methods.

Table 4.9: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.782 ^a	.612	.603	.29916
a. Predictors: (Constant), OAT, BAT, PAT, SAT				
b. Dependent Variable: MST				

Table 4.10: Analysis of variance

ANOVA ^a					
Model	Sum of Squares	df	Mean Square	F	Sig.

1	Regression	24.728	4	6.182	69.074	.000 ^b
	Residual	15.662	175	.089		
	Total	40.390	179			
a. Dependent Variable: MST						
b. Predictors: (Constant), BAT, PAT, SAT, OAT						

The Analysis of Variance (ANOVA) table provides information about the statistical significance of the multiple regression model. The table shows that the regression model is statistically significant, with a p-value less than 0.001. This means that the model is a good fit for the data and that the independent variables (broadcast advertising, print advertising, social media advertising, and outdoor advertising) are significant predictors of the dependent variable (market share). The table also shows the sum of squares, degrees of freedom, and mean squares for the regression model and the residual (error) term. The F-value of 69.074 indicates that the regression model accounts for a significant proportion of the variance in the dependent variable compared to the residual term. This provides further support for the positive relationship between advertising spending across different types of media and market share.

4.5.3. Optimal regression coefficients

The unstandardized beta coefficients in the regression model provide information about the strength and direction of the relationships between advertisings across different types of methods and market share.

Table 4.11: Analysis of variance

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.591	.243		2.427	.016
BAT	.244	.027	.443	9.177	.000

1	PAT	.198	.028	.342	7.031	.000
	SAT	.169	.043	.196	3.920	.000
	OAT	.272	.043	.303	6.263	.000
a. Dependent Variable: MST						

The results show that all four types of advertising (broadcast advertising, print advertising, social media advertising, and outdoor advertising) have a significant positive relationship with market share. The unstandardized beta coefficient for broadcast advertising is 0.244, indicating that a one-unit increase in broadcast advertising is associated with a 0.244-unit increase in market share, holding other variables constant.

The unstandardized beta coefficient for print advertising is 0.198, indicating that a one-unit increase in print advertising is associated with a 0.198-unit increase in market share, holding other variables constant. Similarly, the unstandardized beta coefficient for social media advertising is 0.169, indicating that a one-unit increase in social media advertising is associated with a 0.169-unit increase in market share, holding other variables constant. Finally, the unstandardized beta coefficient for outdoor advertising is 0.272, indicating that a one-unit increase in outdoor advertising spending is associated with a 0.272-unit increase in market share, holding other variables constant.

Therefore, the multiple regression model of the study is based on the theoretical regression model as indicated follows. $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$

$$Y = .591 + .244X_1 + .198X_2 + .169X_3 + .272X_4 + e$$

Where:

Y = Market share $\beta_0 =$

the constant.

X_1 – Broadcast advertisement $\beta_1 =$ the regression coefficient

of broadcast advertisement X_2

– Print advertisement $\beta_2 =$ the regression coefficient of

print advertisement X_3

- Social media advertisement β_3 = the regression coefficient of social media advertisement
- X_4 – Outdoor advertisement β_4 = the regression coefficient of Outdoor advertisement
- e = error term.

The error term (e) represents the variability in market share that is not explained by the independent variables in the model. By using this regression model, the study were able to analyze the effect of advertising on market share in five-star manufacturing plc and provide specific estimates of the impact of each type of advertising on market share.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Discussion of results

This section will present the findings of the study in line with the objectives of the study. With respect to the first objective, the result of the survey indicates that Print advertisement has a significant impact on Market share of five-star elevator within Addis Ababa. This is shown by the regression analysis constructed. The p-value of print advertisement is below 0.05 which implies that it has significant relationship with Market share. Respondents have shown a moderately high attitude towards the print advertisements with Mean = 4.37 and SD = .833. Hypothesis H1 is Accepted. This result is consistent with the study in Ethiopia Ambalay trading who analyzed the impact of advertisement on sales performance they found that Print media was found to be effective media to influence. The second and third objectives of the study were to examine the impact of broadcast and outdoor advertisement on market share towards five star customers consumed in Addis Ababa. Two hypotheses were formulated for each objective to test these relationships. When conducting the descriptive statistics on attitude of customers on broadcast and outdoor advertisements the mean (3.65 and 4.30 respectively) of the responses implied that the respondents had a moderately high attitude towards these types of advertisements. Also social media with 4.2 mean can be considered as it has an impact on the market share. None the less, the multiple regressions conducted reveals that even though All variables have a positive and significant effect on the market share.

In total advertisement significantly affects Market share. Parallel to most past), a Nigerian bottling firm revealed that advertising has resulted in large increase in the company revenue. Also the study conducted on Amabaly industry made recommendation that for actions to be done on improving sales performance in the organization by choosing the most effective media channels and advertising

5.2. Summary of Findings

To examine the relationship between advertising across different types of methods and market share, a correlation analysis was conducted. The results showed that all types of advertising (broadcast, print, social media, and outdoor) were significantly positively correlated with market share. The strongest correlation was observed between broadcast advertising and market share ($r = 0.540$, $p < .05$), followed by print advertising ($r = 0.475$, $p < .05$), social media advertising ($r = 0.427$, $p < .05$), and outdoor advertising ($r = 0.420$, $p < .05$). These findings suggest that advertising across all types of methods is positively associated with market share in Five-Star Manufacturing PLC.

To further investigate the impact of advertising across different types of methods on market share, a multiple regression analysis was conducted. The results showed that advertising spending across all types of media was a significant predictor of market share ($F= 69.074$, $p < .05$), with an R Square value of 0.612. This indicates that approximately 61.2% of the variation in market share can be explained by variations in advertising across different types of methods.

The unstandardized beta coefficients provided estimates of the strength and direction of the relationships between each type of advertising spending and market share. The results showed that a one-unit increase in broadcast advertising was associated with a 0.244-unit increase in market share, a one-unit increase in print advertising was associated with a 0.198-unit increase in market share, a one-unit increase in social media advertising was associated with a 0.169 unit increase in market share, and a one-unit increase in outdoor advertising was associated with a 0.272 unit increase in market share. These findings suggest that investing in advertising across all types of methods can be an effective strategy for increasing market share in Five-Star Manufacturing PLC.

Overall, the findings of this study suggest that advertising across different types of methods is an effective strategy for increasing market share in Five- Star Manufacturing PLC.

5.3. Conclusions

The results of this study provide evidence of the positive impact of advertising using different types of methods on market share in Five-Star Manufacturing PLC. The findings suggest that investing in advertising across all types of media can be an effective strategy for increasing market share. The positive correlation between advertising and market share, as well as the significant beta coefficients in the regression model, indicate that each type of advertising has a unique impact on market share.

The results also suggest that customers of Five-Star Manufacturing PLC have a positive attitude towards advertising, which may contribute to the effectiveness of advertising in increasing market share. The findings of this study are consistent with previous research on the effectiveness of advertising in increasing market share in different industries.

The implications of these findings for Five-Star Manufacturing PLC and other companies are significant. By investing in advertising across multiple types of media,

companies can increase their reach and influence among consumers, ultimately leading to greater market share. These findings can be used to inform advertising strategies for companies seeking to increase their market share, and to allocate their advertising budgets more effectively.

In conclusion, this study provides evidence that advertising across different types of methods is an effective strategy for increasing market share in Five-Star Manufacturing PLC. The findings suggest that the company should consider investing in advertising across all types of media to maximize their impact on market share.

5.4. Recommendations

As per the findings, the researcher makes the following recommendations to five star manufacturing plc.

Developing a clear advertising strategy: The regression analysis showed that advertising is positively associated with market share. This suggests that Five Star Manufacturing should develop a clear advertising strategy that outlines the types of media to be used and the target audience to increase its market share.

Investing in high-quality creative content: The mean scores for the statements related to print advertisements were relatively high compared to other types of advertising, indicating that customers respond well to engaging and memorable print advertisements. Therefore, Five Star Manufacturing should invest in high-quality creative content that is tailored to the target audience and resonates with customers.

Utilizing influencer marketing: The mean scores for the statements related to social media advertising were relatively high, indicating that social media is an effective platform for reaching customers. Therefore, Five Star Manufacturing should consider utilizing influencer marketing to reach a wider audience and increase its brand awareness.

Leveraging social media platforms: The regression analysis showed that social media advertising is positively associated with market share. Therefore, Five Star Manufacturing should leverage various social media platforms to promote its products and services and engage with customers in real-time.

Monitoring advertising effectiveness: The regression analysis showed that advertising across all types of media is positively associated with market share. Therefore, Five

Star Manufacturing should regularly monitor the effectiveness of its advertising campaigns by tracking changes in market share, customer engagement, and other relevant metrics to optimize its advertising strategies.

Overall, the data suggests that Five Star Manufacturing should develop a clear advertising strategy that tailors messages to customer needs and preferences, utilizes a mix of advertising channels, and continuously improves advertising effectiveness to increase its market share and reach a wider audience.

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ANNEX

Questionnaire

ST. MARY'S UNIVERSITY
SCHOOL OF POST GRADUATE STUDIES

Customer Perception Survey
(To be filled by Customers)

Dear respondent,

My name is Kirubel Dereje and I am a postgraduate Marketing Management student at St Mary University in Addis Ababa. The primary goal of the research is to determine the effect of advertising on market share in five-star manufacturing in Addis Ababa. This research was carried out only for academic purposes.

I further promise that any information you provide was kept confidential and will not be used for any other purpose. Your thoughtful responses to the questions are critical to the successful completion of my thesis. To conclude, please accept my heartfelt thanks for your cooperation and for devoting some of your valuable time to assist me. Your participation is entirely voluntary, and there is no requirement for you to write your name.

Please contact me at (+251991852201) if you have any queries about this study.

Direction:

- Do not write your name.
- Put a tick mark “√” in the space provided in front of each item.
- The questionnaire has three parts that includes respondents profile and study related questions.

Best Regards,

Thank you

Part I: General Profile.

Direction: Please select an appropriate response category by putting a check mark (✓) on the one that corresponds to your response.

1. Gender

❖ Male ❖ Female

2. Age

❖ 18- 28 ❖ 49-58

❖ 29- 38 ❖ Above 58

❖ 39- 48

3. What is your level of Education?

❖ High school and below ❖ First Degree

❖ Certificate ❖ Masters and
above

❖
Diploma

4. Marital status

❖ Single ❖ Separated

❖ Married ❖ Divorced

5. Monthly Income

❖ Below 10,000ETB ❖ Above 30,000ETB

❖ 10,001- 20,000ETB

❖ 20,001-30,000ETB

6. How long have you been a customer of Five-star manufacturing company?

- ❖ Below 1 year
- ❖ 1-3 years
- ❖ 3-5 years
- ❖ More than 5 years

Part II: Advertisement Dimensions

Direction: Please rate your perception towards the following variables. Please respond to the following statements by placing a check mark (√) in the answer box that corresponds to your response, Where (1=strongly disagree (SD); 2=Disagree (D); 3=Neutral (N); 4=Agree (A); and 5=strongly agree (SA))

No	Measurement Items	Measurement Scale				
		SD	D	N	A	SA
		1	2	3	4	5
Broadcast advertisement	I have heard and seen advertisements of five- star manufacturing in broadcast media, including radio and television frequently.					
	Five Star Manufacturing broadcasts radio and television advertisements with the intended message.					
	Advertisements on television convince me to purchase elevators.					
	The duration of television and radio advertisements is neither too long nor too short.					
Print advertisement	I frequently see advertisements in magazines and newspapers promoting five-star manufacturing.					
	Five Star Manufacturing adverts in magazines and newspapers are not tedious to read.					
	Five Star Manufacturing adverts in magazines and newspapers are unforgettable.					
	Print adverts from Five Star Manufacturing encourage me to purchase a product.					
Social media advertisement	I've seen social media advertisements of five- star manufacturing.					
	Five-star manufacturing social media advertisements were effective.					

	Five-star manufacturing's social media advertisements were interesting.					
	Five-star Manufacturing used short and clear social media promotion.					
Outdoor advertisement	I've seen five-star manufacturing advancements on billboards, buses, and streets.					
	Outdoor advertising such as billboards, bus advertisements, and street advertisements are interesting and noticeable.					
	I've seen five-star manufacturing renew when outdoor advertisements get old.					
Market share	I believe that advertising contributes to an increase in the number of customers.					
	Market share is significantly impacted by a company's advertising program.					
	Five-star manufacturing advertising successfully conveys its desired message.					
	The target market has access to advertisements of five-star manufacturing.					

Thank you for taking your quality time to respond to this research questionnaire

Thank you so much for your kind replies. If you have any further information or comments, please use the space provided below.
