

**THE IMPACT OF ADVERTISING AND SALES PERFORMANCE OF GBK DAIRY
COMPANY LTD**

A CASE STUDY OF NYAMITANGA DIVISION, MBARARA CITY UGANDA

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ABSTRACT

The study focused on the advertising and sales performance of GBK Dairy Company Ltd. The subject of this research was sales figures, which was gauged by share of the market, volume of sales, and profitably. The independent variable in this research was advertising, which was evaluated by print media marketing, billboard advertising, and broadcast media advertising.

As a result of the study's cross-sectional technique, the researcher was able to immediately gather samples from the neighborhood for examination. The study's primary subject was the responders from GBK Dairy Company Ltd. Stratified random sampling, which the researcher used as a cluster, was used to select the respondents from each tier of the cluster. We collected data from both primary and secondary sources. Gathering and analyzing the data were done using quantitative approaches.

The results of the study's correlation test frequently showed a substantial positive link between the advertising measurements and the sales success metrics (print media advertising, billboard advertising, and broadcast advertising). Moreover, regression models showed that the predictor variables (marketing in print, broadcast, and billboards) had the best ability to predict changes

in sales performance. Print media and television advertisements were the two most important predictors of the difference in sales success.

Key words: advertising and sales performance

Background to the study

Any organization's primary goal is to generate enough profit to meet stakeholders' needs and maximize shareholders' wealth (value added), as noted by Additionally, there are various sub-objectives like employee happiness, market leadership, and social responsibility. Whatever the goal, the company will perform better in terms of achieving the goal and sales volume the larger the sales volume. The corporate environment of today is distinguished by intense competition, dynamism, and operational complexity. As client expectations have increased, competition has compelled businesses to continuously change and improve.

As a result, monitoring the effectiveness of advertising and making adjustments to it in response to altering consumer demands and market conditions must be constant activities. In a fast-paced, cutthroat business world, advertising is essential for communicating with both current and potential clients.

Advertising is the impersonal transmission of marketing-related knowledge to a target audience for which the advertiser is often compensated in order to meet the advertiser's particular objectives. Advertising, as defined by Borden in 2007, is controlled persuading carried out by employing social media platforms. Advertising refers to any type of paid non-personal exchange of thoughts, goods, or services by a specified sponsor.

Advertising may occur through audio and video media, such as billboards and television, as well as print media, such as newspapers, magazines, and brochures (Kotler and Armstrong 2010).

By comparing various periods, sales performance describes the trajectory of government revenues (Mc Cathy 1994). The selling of goods or services to customers may constitute the sales.

PROBLEM STATEMENT

Any business's capacity to draw in and keep customers is essential to its success. For businesses to reach out to prospective consumers, build brand recognition, and increase sales, advertising is a crucial strategy. The effect of advertising on the overall sales of GBK Dairy Company Ltd, a prominent dairy firm in Nyamitanga Division, Mbarara City, Uganda, remains unknown, nevertheless. The goal of the problem statement is to ascertain how advertising has affected GBK Dairy Company Ltd's sales results in Nyamitanga Division, Mbarara City, Uganda. The study's objectives are to categorize the many forms of advertising that GBK Dairy Company Ltd. employs, evaluate how well these channels work to draw in customers, and establish a link between marketing and sales efficiency. The findings from this study will provide insights into the impact of advertising on the sales performance of GBK Dairy Company Ltd and inform the development of effective advertising strategies that can be used by other dairy companies in Uganda.

Specific Objectives

- 1. To analyze the relationship between print media advertising and sales performance of GBK dairy company.*

2. *To examine the relationship between billboard advertising and sales performance of GBK dairy company.*
3. *To assess the relationship between broadcasting advertising and sales performance of GBK dairy company.*

Hypothesis of the study

Ho: There is no relationship between print media advertising and sales performance of GBK dairy company.

Ha: There is a relationship between print media advertising and sales performance of GBK dairy company.

Ho: There is no relationship between billboard advertising and sales performance of GBK dairy company.

Ha: There is a relationship between billboard advertising and sales performance of GBK dairy company.

Ho: There is no relationship between broadcasting advertising and sales performance of GBK dairy company.

Ha: There is a relationship between broadcasting advertising and sales performance of GBK dairy company.

Research questions

1. *What is the relationship between print media advertising and sales performance of GBK dairy company?*
2. *What is the relationship between billboard advertising and sales performance of GBK dairy company?*
3. *What is the relationship between broadcasting advertising and sales performance of GBK dairy company?*

Methodology

Research Design

A case study approach, grounded in both the quantitative and qualitative paradigms, was used in the study. The study used a combination of qualitative and quantitative research methods. The paradigm additionally holds that there is a single experiential reality that can be known, classified, and measured. These assumptions are shared by the quantitative approach, which held that facts could be assessed using a particular set of objective procedures.

Sample Techniques and Sampling Selection

The non-random sample was determined using the data saturation approach, while the random sample was determined using the Krejcie and Morgan (1970) methodology. When no further data is being gathered from the sample, data saturation has occurred. At that time, the researcher ends the data collection process, and the sample size is determined by the respondents who provided the data. The tables below provide a summary of the selecting process.

Table 1 Sample size determination

<i>Staff category</i>	<i>Target population</i>	<i>Sample size</i>	<i>Sampling techniques</i>
<i>Marketing and accounts</i>	<i>28</i>	<i>26</i>	<i>Simple random</i>
<i>Heads of Department</i>	<i>2</i>	<i>2</i>	<i>Purposive</i>
<i>Total</i>	<i>30</i>	<i>28</i>	

GBK dairy company (2018). Human Resource Records

Krejcie and Morgan (1970) sample determination table

As indicated in table 3.1 above, the actual sample for employees was 26 respondents.

Sampling Techniques and Procedure

The study's sample was chosen using both random and non-random selection methods. Every person in the population had a chance to be included in the sample thanks to random sampling techniques. This lessened bias and improved the sample's representativeness. This supports Amin's (2005) assertion that non-random selection techniques allow the researcher to choose respondents who are knowledgeable. Staff members were chosen using a stratified random

sampling technique. With this technique, more respondents in the population had a chance to be included in the sample.

Data Collection Methods

Data was collected from primary and secondary sources. A survey was adopted because the study involved reasonably large number of respondents. This involved the use of Self-Administered Questionnaires (SAQs). This method enabled the researcher to cover the respondents quickly and at reasonable cost. The SAQ-based method was suitable for the sampled respondents because of their high proficiency in the language which was used in the SAQ. A structured self-administered questionnaire and key informant interviews (KIIs) was used to collect data.

Survey Questionnaire

The questionnaire had items derived from the study objectives and Likert scale responses. The respondents ticked the responses that best described advertising elements and their influence on the sales performance.

Data Collection Instruments

Structured Questionnaire for Employees

Employees in the marketing and accounting divisions filled out a standardized questionnaire for the study in order to get quantitative data. Before giving the respondents a questionnaire to fill out, the researcher briefed them. The response that best characterized the typical form of advertising and its impact on the company's sales performance was required of the respondents to be checked. Structured questions were employed in the questionnaire because they enable the capture of certain data. Respondents have time to think about their answers after completing

questionnaires, preventing hurried responses. This helped the data that was gathered to be accurate. Sections A, B, and C made up the questionnaire.

Interview guide for Heads of departments

Data from department heads was gathered through in-depth key informant interviews. This approach was chosen because it made it possible to gather trustworthy, comprehensive data. The researcher was able to pick important informants for the interview by using the interview guide and questions developed from the study goals.

Procedure of Data Collection

The research was carried out basing on the laws or regulations governing research. Permission to conduct the research was obtained from the relevant authorities, i.e., an introductory letter from the faculty of Business Administration and management sciences. The letter was addressed to GBK dairy company, Mbarara, Uganda. The researcher explained the purpose of the study and its benefits and requested for permission to sample respondents

Data Analysis

Quantitative Data Analysis

Given that statistical techniques were utilized to address the study issues, univariate and bivariate quantitative data analysis were the two levels that were performed. The mean and percentages from the frequency tables served as the foundation for the univariate data analysis. For advertising and sales performance, the mean response rates and the percentage of frequency of responses were calculated. Simple linear regression analysis was used to investigate the overall impact of the independent factors on the dependent variable at the bivariate level.

Regression Analysis

The impact of the uncontrolled variables to the reliant variable throughout the two variables was determined by regression analysis. Regression is the most practical method for calculating and demonstrating a precise influence of one variable on another, according to Saunders et al. (2003). Consequently, to demonstrate how advertising impacts sales performance, both basic and multivariate regression analysis were performed. With the aid of a simple regression line, the effect was computed;

Because it concentrated on the conditional probability distribution of one variable given another variable, linear regression was used. Using linear predictor functions to model data and estimate unknowable model parameters.

RESULTS

Demographic characteristics of the respondents

Gender of the respondents

Table 1: Distribution of the respondents by their Gender

<i>Gender of the respondent</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
<i>Males</i>	16	57.1	57.1	57.1
<i>Females</i>	12	42.9	42.9	100.0
<i>Total</i>	28	100.0	100.0	

Source: Primary Data

From Table 1 it is indicated that of the 28 respondents, 57.1% of them were males while 42.9% were females. It implies that more males participated in the study compared to females.

Current age of the respondents and Gender of the respondents

Table 2: Distribution of respondents by their age

<i>Age of the respondent</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
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10-20	3	10.7	10.7	10.7
21-30	6	21.4	21.4	32.1
31-40	7	25.0	25.0	57.1
41-50	8	28.6	28.6	85.7
50+	4	14.3	14.3	100.0
Total	28	100.0	100.0	

Source: Primary Data

From the Table 2, it was noted that majority (28.6%) of the respondents were in the age group 41-50 years, followed by 25.0% in the age group 31-40, 21.4% in the age group 21-30, 14.3% in the age group 50+ and 10.7% in age group 50+ respectively. Thus, majority of the participants were from the age group 41-50 while the least number of participants were aged 10-20 years.

Duration of time working in the company

Table 3: Distribution of respondents by how long they have been in the company

<i>How long in the company</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
1year	5	17.9	17.9	17.9
2 years	6	21.4	21.4	39.3
3 years	9	32.1	32.1	71.4
4 years	7	25.0	25.0	96.4
5 years	1	3.6	3.6	100.0

Total	28	100.0	100.0
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Source: Primary Data

Table 3 shows that of all the respondents, 17.9% had worked for 1 year, 21.4% had worked for 2 years, 32.1% had worked for 3 years, 25.0% had worked for 4 years while 3.6% had worked for 5 years.

Education of the respondents

Table 4: Distribution of respondents by their level of education

Level of education of the respondent

Level of education	Frequency	Percent	Valid Percent	Cumulative Percent
"O"	3	10.7	10.7	10.7
"A"	5	17.9	17.9	28.6
Certificate	6	21.4	21.4	50.0
Diploma	6	21.4	21.4	71.4
Bachelor's degree	4	14.3	14.3	85.7
Postgraduate diploma	2	7.1	7.1	92.9
Master's degree	2	7.1	7.1	100.0
Total	28	100.0	100.0	

Source: Primary Data

Table 4 shows that 10.7% of the respondents had attained “O” level certificates, 17.9% had attained “A” level certificates, 21.4% had attained certificates, 21.4% had attained diplomas, 14.3% had attained bachelor’s degrees, 7.1% had attained postgraduate diplomas and 7.1% had attained master’s degrees.

Gender and Age of the respondents

Table 5: Distribution of respondents by their gender and age

<i>Gender of the respondent</i>	<i>Age of the respondent</i>					<i>Total</i>
	<i>10-20</i>	<i>22-30</i>	<i>33-40</i>	<i>44-50</i>	<i>50+</i>	
<i>Males</i>	1	2	5	5	3	16
<i>Females</i>	2	4	2	3	1	12
<i>Total</i>	3	6	7	8	4	28

Source: primary data

From Table 5, it was noted that of the total respondents, 16 were males while 12 were females. Of the 16 males, 1 were aged 10-20 years, 2 were aged 21-30 years, 5 were aged 31-40 years, 5 were aged 41-50 years while 3 were aged 50+ years.

Of the 12 female respondents, 2 were aged 10-20 years, 4 were aged 21-30 years, 2 were aged 31-40 years, 3 were aged 41-50 years while 1 were aged 50+ years.

Gender and level of education of the respondents

Table 6: Distribution of respondents by their gender and level of education

<i>Level of education of the respondent</i>	<i>Gender of the respondent</i>		<i>Total</i>
	<i>Males</i>	<i>Females</i>	
<i>“O”level</i>	1	2	3
<i>“A”level</i>	2	3	5
<i>Certificate</i>	4	2	6
<i>Diploma</i>	3	3	6
<i>Bachelor’s degree</i>	4	0	4
<i>Postgraduate diploma</i>	1	1	2
<i>Master’s degree</i>	1	1	2
<i>Total</i>	16	12	28

Source: primary data

Table 6 shows that of the 3 respondents, who had attained “O” level certificates, 1 was a male and 2 were females. Of the 5 respondents who had attained “A” level certificates, 2 were males while 3 were females. Of the 6 respondents who had attained certificates, 4 were males while 2 were females. Of the 3 respondents who had attained diplomas, 3 were males, 3 were females. Of the 4 respondents who attained bachelor’s degrees, 4 were males while 0 were females. Of the 2 respondents who had attained postgraduate diplomas, 1 was males and 1 was a female. Of the respondents who had attained master’s degrees, 1 was a male and 1 was females.

Correlations Analysis

The correlations were obtained to show the relationship between the variables with reference to the three research objectives;

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Table 7: Pearson Correlations Matrix

Correlations		PRINT MEDIA	BILLBOAR D	BROADCAST ING	SALES PERFORMA NCE
PRINT MEDIA	Pearson Correlation	1	.709**	.830**	.784**
	Sig. (2-tailed)		.000	.000	.000
	N	28	28	28	28
BILLBOARD	Pearson Correlation	.709**	1	.770**	.712**
	Sig. (2-tailed)	.000		.000	.000
	N	28	28	28	28
BROADCASTING	Pearson Correlation	.830**	.770**	1	.979**
	Sig. (2-tailed)	.000	.000		.000
	N	28	28	28	28
SALES PERFORMANCE	Pearson Correlation	.784**	.712**	.979**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	28	28	28	28

**. Correlation is significant at the 0.01 level (2-tailed).

Source: primary data

To analyze the relationship between print media advertising and sales performance of GBK dairy company.

The correlation coefficient 0.784 shows a strong positive correlation between print media advertising and sales performance of GBK dairy farm. This means that the two variables are related but the influence is not too much. The relationship is significant at 5% level of significance since the p-value $(0.00) < 0.05$.

To examine the relationship between billboard advertising and sales performance of GBK dairy company.

The correlation coefficient 0.712 shows a strong positive correlation between billboard advertising and sales performance of GBK dairy farm. This means that the two variables are related but the influence is not too much. The relationship is significant at 5% level of significance since the p-value $(0.00) < 0.05$.

To assess the relationship between broadcasting advertising and sales performance of GBK dairy company.

The correlation coefficient 0.979 shows a strong positive correlation between broadcasting advertising and sales performance of GBK dairy farm. This means that the two variables are related but the influence is not too much. The relationship is significant at 5% level of significance since the p-value $(0.00) < 0.05$.

Regression analysis

Table 8: Regression Model for the study variables

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
(Constant)	1.489	1.334		1.116	.275	-4.241	1.264
PRINT MEDIA	.170	.170	-.071	3.002	.000	-.521	.180
BILLBOARD	.110	.075	-.090	1.465	.156	-.265	.045
BROADCASTING	2.057	.145	1.107	14.193	.000	1.758	2.356

a. Dependent Variable: SALES PERFORMANCE

R Square = .964

F Statistic = 215.814

Adjusted R Square = .960

Sig. F Statistic = .000

b. Predictors in the Model: (Constant), print media, billboard and broadcast).

$$Y = -1.489 + B_i X_i$$

$$i = 1, 2, 3, 4$$

Source: Primary Data

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Ho: There is no relationship between billboard advertising and sales performance of GBK dairy company.

Ha: There is a relationship between billboard advertising and sales performance of GBK dairy company.

Ho: There is no relationship between broadcasting advertising and sales performance of GBK dairy company.

Ha: There is a relationship between broadcasting advertising and sales performance of GBK dairy company.

Keeping other factors constant, a one percent increase in print media advertising leads to 0.170 percent increase in sales performance of GBK dairy company.

The p-value (0.00) is less than 0.05 which implies that print media advertising has a statistical significance on sales performance of GBK dairy company and thus the null hypothesis is rejected.

Keeping other factors constant, a one percent increase in the bill board advertising lead to 0.110 percent increase in sales performance of GBK dairy company. The p-value (0.156) is greater than 0.05 which implies that bill board advertisings are statistically insignificant at 95% confidence interval and thus the null hypothesis is accepted.

Keeping other factors constant, a one percent increase in broad casting advertising lead to 2.057 percent increase in sales performance of GBK dairy company.

The p-value (0.00) is less than 0.05 which implies that between broad casting's advertising has a statistical significance on sales performance of GBK dairy company and thus the null hypothesis is rejected.

The R squared value (0.964) is greater than the adjusted R squared value (0.962) because it takes degrees of freedom into consideration

Conclusions

Advertising served as the independent variable in this study while sales performance served as the dependent variable. Print, billboard, and broadcast advertising were used to measure advertising. Market share, sales volume, and profitability were used to gauge sales performance.

The research further concentrated on three distinct objectives as shown in to be able to accomplish the main goal. Regression analysis was conducted in order to continue with the first aim, and it was discovered that, as shown in Table 7, print media advertising qualities typically contributed significantly to the explanation of the variances in sales performance. This clarifies the correlation results' recognition of a strong positive link.

Print media and sales performance had a sizable positive association in relation to the first objective. Furthermore, considering Regression analysis in relation to second objective it was found out as shown in Table 48 that billboard advertising contributed significantly to the explanation of the variation in sales performance.

Recommendations

The researcher advises the corporate management to give broadcast advertising all the support it requires since, if they don't, the sales performance will be severely impacted. This is because broadcast advertising has the highest level of relevance, as shown in Tables 7 and 8.

It was also noted using the regression model that there are additional elements that affect how sales perform. As a result, given that they don't all contribute to variance in the same way, the researcher advises the corporate management to prioritize some other factors above others.

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