

Advertisement On Organizational Profitability. A case Of Harris International Ltd, Kampala**Kato Kennedy¹, Zikusooka Enock²****1, 2 Metropolitan International University****Abstract**

This study focused on Advertising and organizational profitability of Harris international ltd. In this study advertising (measured by e-mail marketing, social media marketing and mobile marketing) was the independent variable and organizational profitability (measured by psychological factors, social factors and economic factors) was the dependent variable. Primary data and secondary data sources were used. Quantitative methods were used to collect and analyze the data. The study objectives included: To analyze the relationship between e-mail marketing and organizational profitability; To examine the relationship between social media marketing and organizational profitability; To assess the relationship between mobile marketing and organizational profitability. The quantitative methods like questionnaires were used. The research findings shown by correlation analysis generally indicated that there was a significant positive relationship between the advertising measures (e-mail marketing, social media marketing and mobile marketing) and the organizational profitability ($r > .7$; $p = .000$ in all cases). Regression models also indicated that all the three factors of the independent variable were a better predictor of the variation in the organizational profitability (dependent variable). Social media marketing was the most significant predictor of the variation in organizational profitability, followed by mobile marketing. The researcher recommended further research into other factors that affect organizational profitability of Harris International ltd since the regression analysis indicated that only 87.6% variation in the organizational profitability was accounted for by the independent variable.

Keywords: Advertisement, Organizational and Profitability**Background to the study**

Advertising has evolved significantly over the decades as a crucial strategy employed by businesses worldwide to promote their brands, products and services while aiming to boost profitability (N. Faridah et al., 2023). Harris International Ltd is a leading manufacturer and distributor of household commodities incorporated in Kampala, Uganda that has invested heavily in advertising its vast portfolio over its 50 years of operations in the competitive fast-moving consumer goods sector (Polycarp et al., 2023). Given the overhead costs associated with advertising campaigns coupled with the challenging of directly quantifying returns, firms must carefully evaluate the effectiveness and profit impact of their advertising spend. As such, this study sought to conduct an in-depth examination of Harris International Ltd's varied advertising initiatives with specific focus on television, print, radio and digital mediums over a ten-year period (Polycarp et al., 2023). The purpose was to undertake empirical analyses of the company's annual audited financial statements as well as conduct interviews with senior marketing managers to uncover correlations between fluctuations in advertising expenditure and key performance metrics such as revenue, market share, profits and return on assets that are commonly utilized to measure corporate profitability (Polycarp et al., 2023). In order to counteract the expansion of the Coronavirus, schools and universities were closed in many countries around

Received: 23.02.2024**Accepted: 25.02.2024****Published on: 29.02.2024**

the globe, events were cancelled and retailers that did not sell essential products had to close, while supermarkets remained open (Oromo et al., 2023). Changes were introduced in most countries quite quickly and drastically, however, countries across the globe have taken different measures such as quarantine rules, curfews, and border closures (Nelson, Christopher, Teddy, et al., 2022). The pandemic outbreak and its following consequences have led to changes in consumer behavior, as indicated by a Nielsen investigation (Gracious, 2023). The investigation suggested a model of six key consumer behavior threshold levels that show early, changing, spending patterns for emergency items, health and food supply. Every single threshold level correlates with different consumption levels (K. Faridah et al., 2023). The first level is called the proactive health-minded buying, in which consumers are more interested in buying products that support their overall maintenance of health and wellness, leading to level number two the reactive health management, where products are prioritized that are essential for the virus containment, e.g. hand sanitizer, are prioritized (K. Faridah et al., 2023). At this level, the government launch safety and health campaigns. The next level is level number three, which is called the pantry preparation. At this point, the behavior of consumers changes in the way that stockpiling shelf-stable foods begin along with because the small quarantine (Gracious, 2023). Quarantined living preparation is the fourth level in the model by Nielsen; it includes an increased online shopping behavior and situations with out-of-stock in-stores. Level number five, the restricted living, is where the consumers start to have price concerns as limited stock availability impacts pricing in some cases and consumers reduce their shopping trips (Oromo et al., 2023). The last threshold, according to the Nielsen model, is living a new normal. At this stage, people return to their new daily routines but are more conscious about health issues and risks, and therefore e-commerce will be popular. The last level according to the model is reached when COVID- 19 quarantines lift beyond the country's most affected hotspots and life starts to return back to as it was before (Brighton et al., 2023).

Statement of the problem

The Internet emerged as an advertising medium. Social media marketing is the process of promoting one's site or business through social media channels (Phionah et al., 2023). In addition, the use of social media allows companies to promote their products, build relationships with customers, and understand customer needs.

Studies on consumer attitudes towards online advertising in Nairobi revealed that consumers were aware of online advertising and had no preference for types of internet advertising. (Davids et al., 2023) conducted a study on the effects of online advertising on the consumer buying behavior of university students in Pakistan. Ngenga (2015) conducted a study on the extent of using social media marketing for business growth. (Turyatamba et al., 2022) conducted a study on internet marketing and performance of SMEs in Nairobi County. Shopping behavior is considered part of consumer behavior research and its patterns can be traced back to the mid-1960s. As these models were developed, factors such as demographic, social, financial or cultural factors were investigated and their influence on purchasing behavior (Christopher & Felex, 2022).

Despite all these studies on online advertising and organizational profitability, there is still more to be done. Thus, this study sought to address this knowledge gap by focusing on the effect of online advertising on consumer behavior. However, it is unclear whether the gap is due to poor email marketing, social media marketing or mobile marketing

Specific Objectives

1. To analyze the relationship between e-mail marketing and organizational profitability.
2. To examine the relationship between social media marketing and organizational profitability.
3. To assess the relationship between mobile marketing and organizational profitability

Methodology

The study used a case study design, rooted in both the quantitative and qualitative paradigms. A mixture of qualitative and quantitative research approaches was adopted in the study (Nafiu & Ph, 2012). The quantitative approach assumes that facts can be measured through a specific set of objective methods and the paradigm further believes there is a single apprehensive reality that can be known, categorized and measured (Jallow et al., 2021). In line with these views, the research assumed that advertising and organizational profitability were real occurrences that could be measured using specific methods (Nafiu et al., 2012). The Harris International Ltd (2019) records indicate that the company has a total of over 500 employees. The Krejcie and Morgan (1970) guide was used to determine the random sample while the non-random sample was determined using the method of data saturation (Lu et al., 2013). Data saturation is when data is collected from the sample until no new information is being collected. The researcher then stops the process of data collection at that point and respondents from which data has been collected make the sample size (Jallow et al., 2021). In this case, therefore, since the population is minimum 500 employees, a sample size of 217 was considered. The study used both random and non-random sampling techniques to select a sample. Random sampling strategies give every individual in the population a chance to be part of the sample (Olanrewaju et al., 2021). This reduces bias and increases the representativeness of the sample. This agrees with Amin (2005), that non-random sampling strategies enable the researcher to select respondents who have the information. Stratified random sampling was used to select staff members (A & Ahmed, 2019). This method was used in order to give more respondents in the population a chance of being part of the sample. This technique increases representatives that enable collection of a cross section of data. Purposive sampling was used to select heads of departments. This sampling method was used for this sub sample in order to collect in-depth responses from respondent who were well informed about the research problem. Data was collected from primary and secondary sources (Nafiu et al., 2013). A survey method 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) were used to collect data. The questionnaire had items derived from the study objectives and Likert scale responses. The

respondents ticked the responses that best describe advertising elements and their influence on the organizational profitability (Polycarp et al., 2023). The study used structured questionnaire to collect quantitative data from staff in the marketing and accounting departments. The researcher first gave a briefing to respondents and issued to them questionnaire to complete. The respondents had to tick the response that best describe the type of advertising commonly used and its influence on profitability of the company. The questionnaire had structured items; structured questions were used because they allowed the collection of specific data. Pre-test data was collected on the questionnaires and the procedure of data collection performed (Nafiu et al., 2017). This ensured that the questionnaire was reliable and that the participants responded in accordance with the instructions. The pre-test phase also examined the best way to handle unanticipated problems and gauged how long the respondents took to fill in the questionnaire. The pre-test sample included a total of 5 employees. Data was entered in the Statistical Package for Social Scientists (SPSS) and Cronbach's alpha coefficient test of reliability (Nelson, Christopher, & Milton, 2022). Given that statistical procedures were used to answer the research questions; Quantitative data analysis was done at different levels, namely univariate and bivariate. Data analysis at univariate level was based on percentages from the frequency tables and descriptive statistics. The percentage of frequency of responses and the mean response rates for advertising and organizational profitability were calculated. At the bivariate level, simple linear regression analysis was used; the researcher examined the overall effect of the independent variables on the dependent variable (Nelson et al., 2023). Regression analysis was done to establish the contribution of the independent variables to the dependent variable across the two variables. As recommended by Saunders *et al*; (2003) regression is the most practical way to calculate and show a specific influence of one variable on another(s). Therefore, simple and multiple regression analysis was used to show the effect of advertising on sales performance. The effect was estimated using simple regression line of; $1+b_1X_1+b_2X_2+...$; Where;

Y=Dependent Variable (consumer behaviour)

X=Explanatory Variables (e-mail marketing, social marketing and mobile marketing)

b_1 = Slope of gradient (regression Coefficient)

b_0 = intercept (value of Y when X is Zero) (constant)

Linear regression was used because it focuses on the conditional probability distribution of one variable given another variable. Data was modeled using linear predictor functions to estimate unknown model parameters.

RESULTS

Table 1: Pearson Correlations Matrix

Correlations		ORGANIZA TIONAL PROFITABI LITY	E-MAIL MARKETING	SOCIAL MEDIA MARKETING	MOBILE MARKETING
ORGANIZATIONAL PROFITABILITY	Pearson Correlation	1	.728**	.837**	.823**
	Sig. (2-tailed)		.000	.000	.000
	N	217	217	217	217
E-MAIL MARKETING	Pearson Correlation	.728**	1	.765**	.623**
	Sig. (2-tailed)	.000		.000	.000
	N	217	217	217	217
SOCIAL MARKETING	Pearson Correlation	.837**	.765**	1	.571**
	Sig. (2-tailed)	.000	.000		.000
	N	217	217	217	217
MOBILE MARKETING	Pearson Correlation	.823**	.623**	.571**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	217	217	217	217
**. Correlation is significant at the 0.01 level (2-tailed).					

Source: primary data

To analyze the relationship between e-mail marketing and organizational profitability.

Table 1 indicated that there was a significant positive relationship between e-mail marketing and organizational profitability where, $r = .728^{**}$; $p = .000 < .01$. This implied that a change in e-mail marketing leads to a change in organizational profitability in the same direction (Nelson et al., 2023). Therefore, to enhance organizational profitability, the company needs to ensure that e-mail marketing is given attention. It is important to note that the diagonal correlation values are such that $r = 1$, because the relationship between a variable and itself is perfect.

To examine the relationship between social media marketing and organizational profitability.

Table 1 showed that there was high and significant positive relationship between social media marketing and organizational profitability since $r = .837$, $p = .000 < .01$. As social media marketing changes, organizational profitability changes in the same direction. Thus, to enhance organizational profitability in the view of respondents; there is need for the company management to ensure better social media marketing strategies are designed (Alex et al., 2023). Therefore, company management should ensure that social media marketing are also given serious consideration.

To assess the relationship between mobile marketing and organizational profitability.

Table 1 showed that there existed a high positive and significant correlation between mobile marketing and organizational profitability with $r=.823$ and $p=.000<.01$.

The significant value $p = .000 < .01$, implied that the relationship between mobile marketing and organizational profitability. Therefore, Harris International ltd company management needs to put effort on mobile branding (Akankwasa et al., 2022).

Table 2: Regression Model for the study variables

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	3.394	.756		4.487	.000
	E-MAIL MARKETING	-.014	.024	-.023	-.583	.561
	SOCIAL MEDIA MARKETING	.502	.034	.560	14.783	.000
	MOBILE MARKETING	1.089	.066	.518	16.624	.000
a. Dependent Variable: ORGANIZATIONAL PROFITABILITY						
R Square =.878		F Statistic =510.394				
Adjusted R Square =.876		Sig. F Statistic =.000				
Predictors in the Model: (Constant).(E-mail marketing, Social media marketing and Mobile marketing).						
Y=-3.394+BiXi		i = 1,2,3,4				

Source: Primary Data

Table 2 above showed that R Square =.878 was adjusted to .876 to provide for the potential errors in the raw data. This means that a combination of E-mail marketing, social media marketing and mobile marketing accounted for only 87.6% variation in organizational profitability. The other 51.8% variation in sales was explained by other factors (Damasus et al., 2023). This implies there are other factors other than the ones under study that affect organizational profitability.

Conclusions

From the findings presented in Table 1, it was found out that there existed a significant positive relationship between e-mail marketing and organizational profitability since in the Table 1, $r = .728$ and $p = .000 < .01$. Still in relation to the first objective, Regression analysis was carried out and it was noted that generally e-mail marketing contributed significantly to the explanation of the variations in organizational profitability as evidenced by the Table 2. This further explains the significant positive relationship acknowledged by the correlation results.

In relation to the first objective, there was a significant positive relationship between e-mail marketing and organizational profitability. Thus, there is need for the company to make sure that they focus on the e-mail marketing though with comparatively more emphasis on social media marketing and mobile marketing. Furthermore, considering Regression analysis in relation to second objective it was found out as shown in Table 2 that social media contributed significantly to the explanation of the variation in organizational profitability. Therefore, the company needs to ensure that social media marketing is considered with more emphasis. Regarding the third objective, it was found out that the correlation between mobile marketing and organizational profitability was high, positive and significant as evidenced by the $r = .823$ and $p = .000$ in (Table 1).

Recommendations

In relation to the first objective (“To analyze the relationship between e-mail marketing and organizational profitability.”), it was found out that there is a significant positive relationship between e-mail marketing and organizational profitability in the view of the respondents.

The researcher therefore wish to recommend to the company that e-mail marketing should be given consideration as evidenced by the r , p and Beta values in the correlation Table 1 and regression Table 2 after considering social media marketing and mobile marketing.

In relation to the second objective (“To examine the relationship between social media marketing and organizational profitability.”), the researcher recommends that the company should consider injecting resources in social media because they significantly impact on the organizational profitability.

In Regression analysis, it was evidenced by Table 2, that the contribution of social media marketing to the variation in organizational profitability was more significant than others, this implies that social media contributed more significantly to the variation in organizational profitability; hence should be given consideration.

Regression analysis in regard to the third objective, in Table 2, it was found out that all the three factors of advertising under study e-mail marketing contributed less significantly to the prediction of overall 87.6% variation in organizational profitability. It is therefore recommended that the company should provide all the necessary support in regard to the three factors so as to improve on organizational profitability. From the Regression Table 2, it was observed that, e-mail marketing, social media marketing and mobile marketing contributed to 87.6% variation in organizational profitability. However, of the three, it is recommended that social media marketing be given priority, though, e-mail marketing and mobile marketing also significantly contributed to the variation in organizational profitability.

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