



**MARKETING COMMUNICATION STRATEGIES AND SALES PERFORMANCE  
AMONG BEVERAGE COMPANIES IN UGANDA: A CASE STUDY OF  
CENTURY BOTTLING COMPANY LIMITED**

**BY**

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## DECLARATION

I, **Suzan Lamwaka**, hereby declare to the best of my knowledge and understanding that this study is my original work and it has never been submitted to any University, College or Institution of Higher Learning for any award. However, sources of information have been duly acknowledged.

Signed.....

Date: .....

**APPROVAL**

This is to certify that this dissertation entitled “Marketing Communication Strategies and Sales Performance among Beverage Companies in Uganda: A Case Study of Century Bottling Company Limited” has been submitted by Suzan Lamwaka for examination with our approval as supervisors.

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Date.....

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Signature.....

Date.....

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Uganda Management Institute

## **DEDICATION**

This dissertation is dedicated to my brother Ken Ben (The late) because on top of being my brother, he was my best friend and to my dad and mum for always being proud of me and pushing me to do my Master's Degree.

## **ACKNOWLEDGEMENT**

This dissertation was made possible with the intellectual guidance of my dear Supervisors, Dr. Florence Bakibinga Sajjabi (Mrs) and Dr. Edgar K. Mwesigye. I thank them for the support rendered to me during the supervision process.

I am grateful to the Management and staff members at Century Bottling Company Limited and customers who provided the required information to make this study successful.

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## ABBREVIATIONS AND ACRONYMS

**CBCL:** Century Bottling Company Limited

**DAGMAR:** Defining Advertising Goals for Measured Advertising Results

## ABSTRACT

This research investigated the effect of marketing communication strategies on sales performance among beverage companies in Uganda, a case study of Century Bottling Company Limited (CBCL). The study was based on the following objectives: to establish the relationship between advertising and sales performance at CBCL, to establish the relationship between sales promotion and sales performance at CBCL and to establish the relationship between personal selling and sales performance at CBCL. In total, a sample of 105 respondents participated in the study. These included Heads of Departments, Finance and Administration, Marketing and Sales, and managed outlets (customers). The study design was a descriptive cross sectional, using both qualitative and quantitative techniques to collect and analyze data. Study findings revealed that personal selling had a significant effect on sales performance, advertising had a significant effect on sales performance while promotions were not a significant predictor of sales performance. The study concluded that regular advertisements through newspapers, radio and television improve sales performance. It was further concluded that personal selling positively influences sales performance. Therefore, the use of face-to-face contact with customers, retail and direct selling can improve sales performance. In addition, the study concluded that promotion positively influences sales performance. The study recommended that the marketing and sales department at CBCL should make more advertisements via newspapers, radio and television and use less of internet in marketing. In addition, management and the marketing and sales department at CBCL should carry out more trade shows across the country, and identify more areas in market places and supermarket entry points where to display products especially those newly introduced on the market. The researcher further recommends that management and the marketing and sales department at CBCL should encourage the company's sales agents to carry out more face-to-face selling techniques so as to reach out to many more customers.

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Introduction**

This research investigated the effect of marketing communication strategies on sales performance among beverage companies in Uganda, a case study of Century Bottling Company Limited (CBCL). Marketing communication strategies was the independent variable and sales performance was the dependent variable. There is a decline in sales performance at CBCL despite the marketing communication strategies employed. Chapter one provides background to the study, problem statement, purpose, objectives of the study, research questions, hypotheses, conceptual framework, significance of the study, its justification, scope of the study and operational definitions.

#### **1.2 Background to the Study**

This section includes the background of the study in terms of the historical, theoretical, conceptual and contextual perspectives.

##### **1.2.1 Historical Background**

Globally, sales performance measurement dates back to the 1970s, when players were dissatisfied with the backward looking accounting system. As the West realised that the success secret of the Japanese in the 1980s owed to operational efficiency and effectiveness, it drew huge attention to the study of performance measurement hence several strategies and approaches emerged in the same study. As a result, from 1994-1996, over 3600 articles were published on performance measurement. This response was described as a revolution in the trade arena.

During the period between 1976 and 1980, industrial manufacturing production growth in developed countries such as Greece had an annual average of 4.2%, but then declined to 0.1 % in 1981-1988, mainly due to the poor achievements of industry and its declining competitiveness (Aggelopoulos, 1990). Since the early 2000, Coca-Cola, Pepsi, and Cadbury Schweppes have been the prominent companies in the soft drink market. Hence Coca-Cola reported in 2004 that it registered the most sales worth 22 billion dollars while Pepsi registered 18 billion. They also enjoyed shared control of the market with Pepsi with 43.1% share and 31.7 % shares for Pepsi. However, both market shares reduced in between 2003-2004. Coca-Cola produced several soft drinks including Coca-Cola, Fanta and sprite. They sold more than 400 brands in the international market of about 200 countries (Murray 2006a). PepsiCo produced Pepsi, Mountain Dew and Slice while Cadbury Schweppes produced Canada Dry alongside A&W Root Beer and Dr. Pepper (Cadbury Schweppes, 2004; PepsiCo Inc., 2004).

According to business analysts Kingsley and Paul (2009), common as promotional advertisement has emerged among manufacturing firms, the African countries like Nigeria that have given it full attention with the food and beverages companies investing huge funds into it has not received commensurate yields into better performance as expected. In Kenya, the food and beverage sector steadily improved its competitiveness domestically and internationally, particularly after 1997 where the sector managed to accumulate substantial amounts of capital through the increase in stock market prices (ACCI, 2000). In Uganda, CBCL and Crown beverage companies have been the leading beverage companies for the past two decades. According to Summit business (2017), CBCL is registering high distributor turnover. A case in point is in Hoima town, where more than four distributors have been changed since 2015 yet Crown Beverages has been stable.

Marketing Communication as a term first featured in 1989. In the early 1990s, the American Association of Advertising Agencies defined marketing communication as a comprehensive plan to further evaluate the strategic roles of a range of different communications disciplines (Boundless, 2015). As the 4As realized the importance of marketing information mediums like advertising, sales promotion, direct marketing and sales promotion in the 1990s in achieving their objective, several different methods were used in a coordinated manner to reinforce each other (Belch, 2012). The focus in marketing communication then turned beyond just advertising as the most dominant approach by then (Luxton, Reid & Mavondo, 2015).

Following the move to transcend advertising, Belch (2012) states that, marketing communication emerged as a new brand for direct email which burgeoned for a while but the reputation suffered with the introduction of databases and rising rivalry in the trade arena. Meanwhile, in the academic field, it was a reminder for more coordinated efforts and strategies in advertising and public relations activities. As US started a focus into studying the importance and extent to which marketing communication strategies were practiced by all its advertising agencies in the 1990s, many more agencies in other countries like New Zealand, UK, Australia, South Africa and India joined. The study then recommended for the deletion and replacement of the old IMC definition with a new one (Kliatchko, 2005; Kitchen, 2012). Haynes, Andy, Lackman, Conway, Guskey and Andrey, (1999) reported that as communication and information technology rapidly evolved, marketing activities also intensified. Following this trend, Proctor and Kitchen (2002) noted that success in the 21<sup>st</sup> century marketing requires a creative and integrated approach of communication strategies.



### **1.2.2 Theoretical Background**

This study was guided by Russell (1961) DAGMAR Theory. Written in full, Defining Advertising Goals for Measured Advertising results, is a marketing theory that measures the effect of advertisement campaign. On using it, advertisers set specific and measurable campaign objectives to be achieved by a given advertisement. It aims at communicating specific message using four steps of consumer awareness, comprehension, conviction and action. Through these steps, a consumer is informed of the existence of the product or company, the consumer is informed about the uses of the product, he/she is convinced to buy and finally actually buys it (Cheruvot, 2014).

According to Mackay (2005), the theory requires that the communication has to be specific and passed in a hierarchical manner as described above. Just like other theories in advertising, DAGMAR has also been criticized for its reliance on the hierarchical effect model. Critiques argue that customers do not always pass the four outlined stages in a linear way. They also criticize DAGMAR for focusing too much on strategies and so much concerned about quantitative measurements about the campaign yet advertisers are searching for unique creative and effective ways of campaigning (Belch, 2012).

In relation to this study, Coca Cola Company uses marketing communication strategies to enhance its goal which is sales performance. The company uses advertising through newspapers, television and internet to improve its sales results. In line with the theory of DAGMAR, Coca Cola Company has specific objectives for a campaign by way of sales promotion and personal selling to ensure that its sales objectives are met. Through marketing communication strategies, Coca Cola communicates messages to make consumers aware about its products. Therefore, the theory of DAGMAR was instrumental in explaining how marketing communication strategies contribute to sales performance.

### **1.2.3 Conceptual Background**

This study focused on two main concepts namely, marketing communication strategies and sales performance. Marketing communication is the process of transmitting market information to target audience using promotional tools to influence their purchase decision. It helps to shape and influence consumers' behavior and also helps to build a lasting relationship with them (Odunlami & Ofoegbu, 2011). In this study, marketing communication strategy involves a mix of communication tools such as advertising, sales promotion, and personal selling among others (Amoako, Baah and Junior (2012).

According to Brassington and Pettit (2000), advertising is any form of targeted communication that is paid for and passed via mass media to present or promote a product. It is different from other promotional tools because of its impersonal nature, huge audience and its communication through paid media channels. Different promotional tools can be employed but the sales products and the market audience dictates. They include advertising, sales promotion, personal selling and public relations (Ismail et al, 2012). Advertisement empowers buyers to know uses and importance of available products in a given firm or organization. In this case, producers and consumers interact freely without obstruction in the market (Lopez, Herrera and Rodriguez, 2002). Marketing communication strategies are a means of communication to make customers aware customers and influence their interest in favor of new products in the market. (Kotler & Armstrong, 2010). In this study, advertising was conceptualized into the use of newspapers, television, radio and internet to communicate to customers about Coca-cola products.

According to Onditi (2012), sales promotion is a temporary marketing approach where sellers endeavor to incentivize consumers and distributors financially or materially to make goods and services more attractive to them. Through promotional events facilitate a free

communication and feedback system at all times right from production, through sales time and during consumption and after. During the study, sales promotion involved trade shows, point-of-purchase displays and premium and how they contribute to sales performance.

According to Kotler (2006), face-to-face exchange or personal selling is defined as a physical interaction with one or more potential buyers so as to present to buyers, clarify on products and or answer questions as well as procure orders. Additionally, Jobber (2007) also adds that the two-way interaction between the buyer and seller helps the buyer to know specific needs and expectations, challenges/problems of consumers and adjust sales presentation accordingly. During the study, personal selling involved face to face contact, retail selling and direct selling as used by Coca Cola to improve performance in sales.

It is critical for a sales department to focus on sales performance monitoring in the organization. It helps the organization to strategize for timely sales since it provides information for both sales representatives and management to make evidence informed decisions about the business. Because of its critical role in determining the firms total output periodically, it inevitably presents as one of the best practice for businesses in the near future. However, sales returns are also affected by other factors like pricing, customer care and relationship and motivation among others.

There is an important and established relationship between sales force control systems and performance (Flaherty et al. 2014). As an organization establishes the goals it wants to achieve, naturally sales management must manage the sales personnel accordingly. This way an organization is able to control the performance of the sales personnel and ultimately is able to control the performance of the organization. Sales performance can be thought of as a two dimensional construct. First, the behavioural activities (behavioural performance) carried out, including sales calls, offers made and customer meetings. Second, the actual amount of

sales achieved (output performance) (Baldauf et al. 2001). Output performance is measured by the monetary amount of sales that the salesperson produces. In this study, sales performance was measured in terms of revenue, customer base, customer loyalty and sales volumes which reflect the overall performance for Century Bottling Company Limited.

#### **1.2.4 Contextual Background**

Century Bottling Company Limited (CBCL) is a subsidiary of Coca-cola. Dr. John Pemberton invented and used it as an energy drink and a syrup in pharmaceuticals in Atlanta, USA in the 1870s but significant sales gained during the Second World War, as a result of serving it during monument services. Since then, the ownership changed through several hands including Woodruff, who developed the business to the current level of bottling it as soft drink. (CBCL sales report, 2003).

Century Bottling Company Limited officially opened in Uganda in 1989 through partnership between Coca Cola and the Bagaalaliwo family with production of three main brands of Coca Cola, Sprite and Fanta orange and later to include Novida, Stoney, Krest Bitter lemon, Schweppes Tonic Water, Schweppes Soda water, Minute Maid and Dassani Water to mention but a few (CBC Business plan report, 2014).

The business grew steadily with a major boost of 50% from the Coca cola brand sales but this contribution reduced considerably to 36% in the past two decades (CBCI sales report March 2016). This fluctuation and fall led to the introduction of several promotional themes like the “life tastes good”, “enjoy Coca cola”, “open happiness” etc. This was accompanied by promotional activities like Bongane Coke, Coca cola music wave, enjoy Coca cola etc. All was to revamp through consumer attraction and retention (CBCL sales report Dec. 2015). This however did not regain the lost glory. The 2016 CBL annual report states that Coca Cola

revenue declined by 12 million USD. In addition, the number of customers declined by 15% which shows a reduction in customer base and reduced loyalty. The report further shows that the sales volumes reduced by 22% which indicates a decline in the company's sales performance. Basing on the above, the study therefore focused on the promotional activities of advertising, sales promotions and personal selling. They were considered integral activities used for establishing how promotional activities relate to business performance.

### **1.3 Statement of the Problem**

According to Reid (2002), attainment of long term relationship and better performance requires adoption of integrated marketing communication practices if small and large organizations are to survive, attract and retain customers in the competitive market. Ismail et al., (2002) reiterate that performance in such competitive market is determined by increased revenue from the increased customer-base, loyal to the business. CBCL employs various marketing communication tools which include advertising, sales promotions and personal selling (CBCL, 2014). Despite the marketing communication efforts employed by CBCL, there is evidence of decline in sales performance. CBCL Audit report (2016) revealed that in 2015, the company's revenue declined by \$1.2 million, while the revenue further declined by \$2.5 million in 2016. The same report revealed that in 2016, the company's customer base reduced by 15%, which indicates a decline in sales performance. According to CBCL report (2015), the company spent over \$3million in marketing annually and providing free point of sale equipment's like fridges to over 40% of the total sales outlets, yet sales performance has continued to decline. If the situation is not reversed, CBCL risks being outcompeted and it opts out of business. Therefore, this study investigated the relationship between marketing communication strategies in terms of advertising, sales promotion, personal selling and sales

performance in terms of revenue, customer base, customer loyalty and sales volumes to suggest ways how to improve CBCL's performance.

#### **1.4 Purpose of the Study**

To establish the relationship between marketing communication strategies and sales performance among beverage companies in Uganda: a case study of Century Bottling Company Limited.

#### **1.5 Study Objectives**

- i. To establish the relationship between advertising and sales performance at Century Bottling Company Limited.
- ii. To establish the relationship between sales promotion and sales performance at Century Bottling Company Limited.
- iii. To establish the relationship between personal selling and sales performance at Century Bottling Company Limited.

#### **1.6. Research Questions**

- i. What is the relationship between advertising and sales performance at Century Bottling Company Limited?
- ii. What is the relationship between sales promotion and sales performance at Century Bottling Company Limited?
- iii. What is the relationship between personal selling and sales performance at Century Bottling Company Limited?

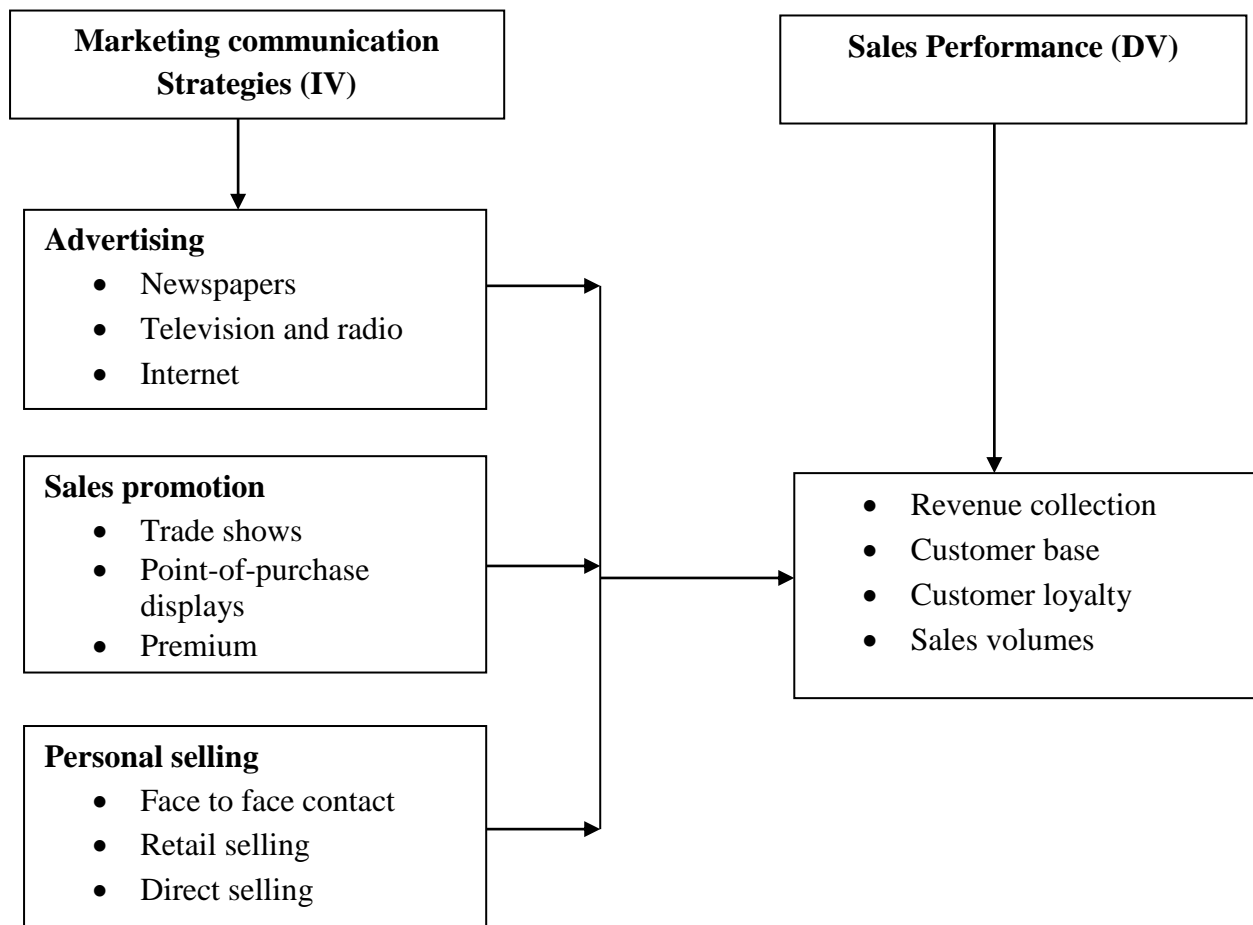
#### **1.7 Research Hypotheses**

- i. There is a significant positive relationship between advertising and sales performance.
- ii. There is a significant positive relationship between sales promotion and sales performance.
- iii. There is a significant positive relationship between personal selling and sales performance.

## 1.8 Conceptual Framework

The conceptual framework shows the relationship between marketing communication strategies (Independent variable) and sales performance (Dependent Variable). It is conceptualized that sales performance depends on the effectiveness of advertising, sales promotion and personal selling.

## 1.7 Conceptual Framework



**Source:** Adopted from Mbayisi M E and Ngari B (2015); Cheruiyot, (2014) and modified by the researcher.

The conceptual framework above shows the relationship between marketing communication and sales performance. Marketing communication strategies involve advertising through

newspapers, television and radio and internet. In addition, sales promotion is conducted through trade shows, point of purchase displays and premium while personal selling involves face to face contact, retail selling and direct selling. It is conceptualized that effective marketing communication strategies contribute to improved sales performance in terms of revenue, customer base and customer loyalty, sales volumes.

### **1.9 Justification of the Study**

Competitive sales environment has conditioned CBCL to inject in more funds in a bid to attract and retain customers through marketing communication strategies. However, the company's sales performance remained on the decline (CBCL sales report, 2016). For example, in 2015, CBCL's revenue declined by \$1.2 million, and \$2.5 million in 2016. In addition, the company's customer base reduced by 15% in 2016. According to CBCL report (2015), the company spent over \$3million in marketing annually and providing free point of sale equipment's like fridges to over 40% of the total sales outlets, yet sales performance has continued to decline. This called for a study to establish the relationship between marketing communication strategies and sales performance to suggest possible solutions.

### **1.10 Significance of the Study**

The study may help management at CBCL to understand the marketing communication strategies dimensions that directly contribute to improved sales performance for strategic decision making.

To academicians, the study contributes to the knowledge base of the studies conducted in marketing communication strategies and provides future reference for studies conducted in the same field. In addition, the study adds to the existing literature on sales communication strategies and sales performance.



To the researcher, study findings helped her acquire in-depth knowledge and practical value marketing communication strategies and how it contributes to a company's sales performance.

## **1.11 Scope of the Study**

### **1.11.1 Content Scope**

This research was limited to the independent variable of marketing communication strategies through sales promotion, personal selling and advertising and how each of them relates to the dependent variable of sales performance in terms of revenue, customer base, customer loyalty and sales volumes.

### **1.11.2 Time Scope**

This study covered the period between 2014 and 2016 because during this time, the company experienced a decline in sales performance despite the intensive marketing communication strategies employed (CBCL sales report, 2016).

### **1.11.3 Geographical Scope**

The study was carried out at Century Bottling Company Limited Head Office in Namanve Kampala, Uganda, East Africa, because it is where decisions on marketing communication strategies are taken, and at the same time has data on the company's sales performance.

## **1.12 Operational Definition of Key Terms and Concepts**

**Marketing communication** strategies refer to management of all marketing messages to customers. It is identification and correlation of the right method of communication to customers and or other targeted audiences. For this study, marketing communication

strategies encompassed advertising, sales promotion and personal selling techniques which were used by CBCL to improve sales performance.

**Advertising** refers to any presentation or promotion of impersonal ideas and products that are sponsored by a given entity. In this study, advertising referred to the use of newspapers, television, radio and internet to make CBCL products known to customers for purposes of improving sales performance.

**Sales promotion** is a temporary marketing technique where sellers endeavor to incentivize consumers and distributors financially or materially to make goods and services more attractive to them. For purposes of this study, sale promotion involved trade shows, point-of-purchase displays and premiums used to improve sales performance at CBCL.

**Personal selling** is the physical or face-to-face direct interaction between a seller and one or more customers or potential buyers so as to sell and or gather information about a given product and customers to inform future business positioning in production and sales. For this study, personal selling involved face to face contact, retail selling and direct selling used by CBCL to improve sales performance.

**Sales performance** was used to refer to the revenue, customer base, customer loyalty and sales volumes at CBCL.

## CHAPTER TWO

### LITERATURE REVIEW

#### **2.1 Introduction**

In this chapter, review of the theory and literature related to the study variables is presented. The literature is based on the objectives of the study whereby the researcher presents what other scholars have written on advertising, sales promotion, personal selling and how they affect sales performance while identifying the research gaps which this study sought to bridge. The sources of literature were journals, text books and other publications on marketing communication strategies and sales performance.

#### **2.2 Theoretical Review**

This study was guided by Russell Colley (1961)'s Defining Advertising Goals for Measured Advertising (DAGMAR) Theory. This is a marketing theory that measures the effect of advertisement campaign. The theory advocates for setting of specific and measurable campaign objectives to be achieved by a given advertisement. It aims at communicating specific message using four steps of consumer awareness, comprehension, conviction and action. Through these steps, a consumer is informed of the existence of the product or company, the consumer is informed about the uses of the product, he/she is convinced to buy and finally actually buys it (Cheruvivot, 2014).

In line with DAGMAR, Mackay (2005) recommends that communicating for product promotion has to be clear, specific and in measurable terms. He argues that communication has to be packaged in a hierarchical sequence that lead customers step by step from learning about a product to the actual purchase. According to Belch and Belch (1995), it is also criticized for over-focusing on strategies. Critiques claim that advertisers are looking for unique, creative and effective ways of campaigning, not just strategies and figurative

measurements. In this study, the products to be promoted were those produced by CBCL which included Coca Cola, Sprite and Fanta orange, Novida, Stoney, Krest Bitter lemon, Schweppes Tonic Water, Schweppes Soda water, Minute Maid and Dassani Water.

### **2.3 Advertising and Sales Performance**

Advertising is any presentation or promotion of impersonal ideas and products that are sponsored by a given entity aimed at attracting customers' attending and improving the firms' performance. Through the platform provided by advertisement, firms and organization are able to inform buyers, customers or consumers about availability and usefulness or importance of a given product. According to Olusegun (2006), all advertisement must be presented honestly in an ethical way and therefore should not be in any way perceived as a lie so that company image is not damaged. He adds that, an effective advertisement should be appealing, draw interest and conviction from the audience (Frank, 2005).

Similarly, Okeji (2008) states that selection of the right medium and ensuring that the package reflects the life cycle of a product in an advertisement are important. He states that these two attributes ensures targeting the right audience and avoids releasing a boring advertisement. According to Adeyeye (2011), in western African countries like Nigeria, food and beverages companies use advertisement more than other companies since it sends information to their buyers and consumers more robustly. They are considered as a model sector in the application of this strategy. Elliot (2011) claims that the purpose of advertising is to so as to compete favorably in the market environment. He states that this results into increased customer base and higher market share. Much as scholars have contrasting views on how advertisement influences sales performance, they agree that it eventually result into increased revenue (Jefikins, 2010).

Choice of the communication medium and audience for advertisement is in the hands of the marketer. Television seems to be the favorite medium for national marketers although it is expensive. On the other hand local marketers still prefer radio broadcast and print media for their advertisements yet it does not reach as many people as television does (Kotler, 2005).

Kotler (2005) also concurs that television offers the most popular medium and argues that it is used by small, big, local and national firms. Television advertising increases a customer's liking for a given good because it is presented live with vivid visual impression that makes consumers yearn for products. This in turn creates a culture of consumerism (Gary, 2008).

Mumel, Hocevar and Snoj (2007), also report that although marketers who use print media get better sales performance their customer loyalty to the firm is still wanting. This may explain why Mattila (2010) asserts that customers do not automatically develop interest for a given service or good once advertised to them. They may like it or not take it. However, according to Mattila (2010), there are some common attributes of advertisements that have been proven to have more likelihood of attracting and influencing customers to buy. In this study it was established that advertising has a positive effect on sales performance.

Scholars have also identified different approaches for traditional marketing and electronic marketing. According to Molenaar (2012) states that both marketing type consider Price of goods and services, the product or item being sold, the place or point of sale and promotion as dubbed as the 4 Ps. However, he argues that there is a further consideration in approaching consumers in that e-marketing is based on individual consumer's circumstances and or relationship while the traditional marketing is dependent on the existing market circumstances. Stokes (2011) states that e-marketing influences better demand for goods and services but du Plessis, Strydom and Jooste (2012) argue that both approaches are similar because they zero down to the customers situation but not organizational determinants.

Law et al., (2010) acknowledges the advent of ICT and its fast spread has influenced approach to marketing. He notes that all producers are considerably investing in e-marketing because advertisement is instant and not geographically limited. Much as he maintains that e-marketing is more popular and that its contribution to sales returns is much dependable, he also acknowledges that it has both pros and cons. To him the extent of the pros and cons depend on how the organization in question manages ICT. Above are arguments in firms with different contextual back grounds to CBCL. In this study, findings revealed that advertising does not attract many customers because few people use internet services, which are only concentrated in urban areas.

Ozitarun and Roney (2003) and Lacovou (2004), identified reduced marketing cost, instant two-way communication hence improvement in relationship, inclusive geographical scope with unlimited access to a large number of potential buyers as some of the advantages of e-marketing. They therefore prefer it to the traditional approach since the above advantages relate to increased sales turnover hence increased performance. However, in this study, it was established that e-marketing has little influence on sales performance at CBCL because few people accessed internet services.

#### **2.4 Sales Promotion and Sales Performance**

According to Peter and Donnelly (2004), elements in an advertisement need to have the right mix in such a way that the product is well understood and liked. Batra, Myers and Aaker (1996) also emphasize a careful mix of elements so that weaknesses in some areas are covered by strengths in others. Meanwhile, Peter and Donnelly (2004) moved a step ahead and identified some of the important elements to consider. They are the nature of the product, the role of promotion and role of market. They recommend them as the three main basic factors to be considered when designing a promotion mix. They however acknowledge the

ever-changing nature of the market and advice that the mixes also need to adopt the trends in the volatile market.

Promotion is the endeavour of an organization to ensure that its products are desired by potential buyers in the competitive market. It entails all efforts put in place to increase the desire for its products (Griffin & Pustay, 2007). Griffin and Pustay (2007) stress that flexibility in promotions are particularly better for local contexts. Richard et al., (2009) say that this kind of approach has an effect on organizational sales performance. Another form of occasionally or periodically employed form of promotion is through trade shows. They are usually sponsored by industries for their network members. (Griffin et al, 2004). Ricky (2004) states that trade shows are less costly and more effective since buyers come ready for a given product. He argues that this explains why international trade shows are more common and favoured in foods and beverages where the customer exercises choice in a rational market (Hubbard & O'Brien, 2010). Findings in this study revealed that trade shows attract customers who come to participate in the show, hence positively affecting sales performance.

Point-of-purchase (POP) is another technique used to attract customers to a specific product location. They are usually set in particular retail stores to encourage buyers to purchase the advertised items there and then (Ricky et al., 2015). Through a designated website, this can also be done on the internet where customers can view available products in the store and order accordingly without customers physically visiting the store. However, internet was found not to be an effective means of marketing CBCL products within Uganda.

Premium is another method of sales promotion where buyers are given free or negotiated products on condition that a customer buys another given product. It baits customers using the free items that are tagged to another on sale. But sometimes free samples are as well

given for customers to experience Blanchard et al. (2009); (Ricky et al, 2005). However, it may not work since customers have the freedom to shift to a competitor's brand. Whereas CBCL used premiums to attract and retain customers, the company's sales performance remained below the expected standards.

## **2.5 Personal Selling and Sales Performance**

In personal selling, products are sold through physical face-to-face experience. Through the interpersonal mutual communication with clients, this method facilitates building relationship between sellers and customers for a long-lasting business partnership. The personal interaction also helps sellers to properly understand customers and satisfy their needs accordingly. This mutual benefit is suitable for both parties (Weitz & Castleberry, 2014). According to Engel and Kotler (2011), in personal selling, success is determined by the mutual benefit gained by both parties after striking a common goal. Like the other scholars, Kotler (2013) also concurs that it is the means of gaining insight about present and potential customers. She adds that it can also be done through telephone conversation, video calls and other interactive ICT platforms. However, it still remains largely a human intensive technique even with the advancement of technology.

Much as direct selling gives the vender a greater chance in decision making, sales messages can also be distorted due to inconsistency during the uncontrolled discussions between buyers and sellers. Pierrey, Low and Cravens (2014), and Cravens (2012) advice that producers should regulate the communication to reduce risks of jeopardy. Under the third objective of this study, the researcher examined how personal selling contributes to sales performance at CBCL and established that it significantly improved sales performance.

Spiller and Baier (2010); Kotler and Keller (2009) introduce direct marketing. To them, it entails communicating directly to buzzer using databases so that price lists are also sent and



received for buyers to make orders remotely using ICT devices like phones and platforms like the internet. They reason that the direct communication in the long run creates a lasting relationship with consumers upon which better sales performance results. Similarly, Kotler and Keller (2009) contend that with the potential to build a lasting relationship with customers, direct marketing still remains favorite in business marketing. They note that the lasting relationship created keeps customers around. Results from this study revealed that direct marketing by way of personal selling influences sales performance at CBCL.

## **2.6 Summary of the Reviewed Literature**

The reviewed literature has revealed that there are various marketing communication techniques which are employed to improve performance in sales of an organization or company. It revealed that companies mainly advertise for the reasons of increasing competitiveness in the market and increase their customer base through informing customers cheaply for a marketing approach. However, the literature further reveals that advertisement does not necessarily mean that a consumer will buy a given product (Mattila, 2010). Therefore flexibility in advertisement is encouraged since it suits both local and national contexts (Griffin & Pustay 2007). Among the sales marketing techniques used by sellers, trade show participation and “point-of-purchase” (POP) techniques serve marketers by sponsoring and linking intermediaries and affiliates of a given industry together in a common market for a certain period of time.

Meanwhile, Kotler and Keller (2009) also identified potential benefits in direct marketing because of its focus and enhancement of customer relationship which is key in e-marketing. Although the reviewed literature shows the importance of marketing communication strategies towards performance, few attempts were known to link it to sales performance in Beverage Companies. In this study, it was established that marketing communication strategies significantly influenced sales performance at CBCL.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Introduction**

This chapter entails and presents the methods the study adopted. The heart of any research is its methodology, based on evidence gathered by data collection methods, testing theory and practice (Salking, 2006) thus the rationale for the study. The chapter entails the research design, study population, sample size and sampling techniques, methods and instruments for collecting data, quality control, techniques for analyzing data, measurement of variables and ethical considerations.

#### **3.2 Research Design**

The study employed a descriptive cross sectional design because it was a research design that allowed the researcher to employ both qualitative and quantitative techniques to collect and analyze data from a large population at within a particular time (Sekaran, 2003). The researcher used the design to collect data covering the period between 2014 and 2016. In this study, quantitative techniques were used to solicit information expressed in numerical format while the qualitative techniques complemented the quantitative approach by soliciting more detailed information expressed in textual format (Mugenda & Mugenda, 1999). Combining numerical and textual information helped the researcher to enrich the study findings.

#### **3.2 Study Population**

According to Ogula (2005) a population refers to any group of people, objects or institutions which have similar characteristics. The study population was 210 comprising Heads of Department (8), Finance and Administration (15), Marketing and sales department (67), Managed Outlets/Customers (120), and these informed the study on Marketing Communication and Sales Performance at CBCL.

### 3.3 Sample Size Determination

#### 3.3.1 Sample Size

A sample size of 136 respondents was selected with the aid of Krejcie and Morgan (1970)'s table for determining sample size as indicated in Table 3.1

**Table 3.1 Target population and sample size selection**

Category	Total Population	Sample size	Sampling technique
Heads of Department	8	5	Purposive sampling
Finance and Administration	15	10	Purposive sampling
Marketing and Sales Department	67	43	Simple random sampling
Managed Outlets (customers)	120	78	Simple random sampling
Total	210	136	

**Source:** CBCL records (2017)

### 3.4 Sampling Techniques and Procedures

Probabilistic and non-probabilistic sampling techniques were used in data collection. A probabilistic sampling is when all members of the population has equal chance of being selected to participate in the study (Amin, 2005). Non-probabilistic sampling is where the chance of selection of a unit in the population is not equal but based on the characteristics of the population in question (Mugenda & Mugenda, 2003). In this study, simple random sampling was the probabilistic technique while purposive sampling was the non-probabilistic technique used. This was because valid and reliable information was obtained from specific persons in the accessible population in specific time basing on knowledge ability of the study (Amin, 2005).

#### 3.4.1 Purposive Sampling

Purposive sampling is a technique used to select respondents because of the valuable information they hold. The researcher used purposive sampling for selecting key informants

who were knowledgeable about marketing communication and sales performance at CBCL. These included Heads of Department and staff members from Finance and Administration. This is because they held positions with specialized knowledge (Neumann, 2006) as they are the planners and decision makers at CBCL

### **3.4.2 Simple Random Sampling**

Simple random sampling technique is where all members of the population have equal chances of being selected to participate in the study (Mugenda and Mugenda, 2003). This technique was ideal for selecting staff members from marketing and sales department. The rationale for using simple random technique was that it gave respondents an equal chance of participating in the study and giving reliable data.

## **3.5 Data Collection Methods**

During the study, the researcher utilized Questionnaire Survey Method, Interview Method and Document Reviews.

### **3.5.1 Interview Method**

This is a purposeful discussion between the researcher and the respondent. Interviews are face to face meetings (Mugenda and Mugenda, 2003). Interviews were used to obtain data from key informants such as Heads of Departments and staff members from Finance and Administration who were purposively selected because of the information they held. The interviews contained open ended questions comprising a set of issues on marketing communication strategies and sales performance. The rationale for using interviews was that they gave a chance for probing, flexible, provide opportunity to seek clarification where necessary to get in depth understanding and assume reliability of data (Sincaro, 2012). Amin (2005) adds that it allows on spot explanation, adjustments and variation during data

collection process, use of facial and body expression, tone of voice, gestures, feeling and attitude.

### **3.5.2 Questionnaire Survey Method**

Questionnaire survey method is a quantitative method which involves use of many questions at the same time. Questionnaire survey method was important in collection of primary data directly using questionnaires. Structured questions were formulated and put on paper containing close ended questions that were posed to the participants. Nardie (2006) asserts that it is also reliable and dependable for a large sample, gives respondents adequate time free from interview bias and cheap on the other hand (Mugenda & Mugenda (2003). It was selected because it increased chances of getting valid information and could be filled at one's own convenience (Sato, 2003).

### **3.5.3 Documentary Review**

This method is used to collect data from text that with records of events, values, rules and norms. Critical examination of information from Annual reports, Audit reports and minutes of meetings held, and other relevant documents were used in gathering and compiling data. These documents and reports helped to supplement and substantiate data obtained from other instruments.

## **3.6 Data Collection Instruments**

### **3.6.1 Interview Guide**

Interview guide was used to conduct face to face interview with open ended questions. The obtained responses were noted down in order to get data through probing and clarifying the

questions which helped researcher get relevant responses and meet study objectives (Mugenda & Mugenda, 2003) (*See Appendix II*).

### **3.6.2 Self-Administered Questionnaire**

Structured and semi structured questionnaires was used in collecting data from staff members in the sales and marketing department. This was because it reduced subjectivity that results from close contact with the respondents and gives wider coverage of the respondents. Fowler (2008) adds that it collects necessary information over a short period and less expensive (*See Appendix III*).

### **3.6.3 Documentary Review Checklist**

The checklist was used for collecting secondary data from the case study. CBCL annual reports and other relevant documents composed the secondary data. It augmented the primary data collected through survey and interview. As guided by (Amin, 2005). The review of documents provided information that was used to support findings obtained through questionnaires and interview guides. (*See Appendix IV*).

## **3.7 Quality Control of Research Instruments**

Validity and reliability are two important concepts for research purposes (Amin, 2005). He argued that validity refers to appropriateness of the instrument while reliability refers to consistence in measuring whatever it intends to measure.

### **3.7.1 Instrument Validity**

According to Mugenda and Mugenda (2003), validity refers to the degree to which the results obtained from data analysis represent the phenomenon being studied. Validity was ensured

by pre-testing research instruments after which content validity was employed to ascertain whether what is in the instrument corresponds to the notion or concept of the study.

Research experts were used to test the tool and make judgment using the formula below;

$$\text{CVI} = \frac{\text{Number of instruments rate relevant}}{\text{Total number of instruments in the questionnaire}}$$

The CVI above 0.7 revealed that the instrument was valid. This is in agreement with Kathuri and Palls (1994) who argued that for any instrument to be considered valid, the CVI should be 0.7 greater. If the CVI of research instrument is below 0.7, given results the instrument is considered not valid.

**Table 3.2 Results from CVI tests**

Variable	CVI	No. of items
Sales performance	0.8	5
Advertising	0.857	7
Promotion	0.714	7
Personal selling	0.785	7

**Source:** Primary data (2017)

Results in Table 3.2 show that CVI for sales performance was 0.8, advertising was 0.857, and promotion had CVI of 0.714 while personal selling had 0.785 which were all above 0.7. Based on Amin (2005), this shows that the data collection instruments were in position to collect valid data for the study.

### 3.7.2 Reliability Test

Reliability is the consistency of data arising from the use of a particular research (Mugenda & Mugenda, 2003). Simple and straight forward questions were used to all categories of respondents so as to ensure consistence in responses across variables. Trained research

assistants were used in the study so as to eliminate the errors made during administration or scoring of the instruments. Cronbach's coefficient alpha was used to test internal consistency. This coefficient is the internal consistence of a test and it generally increases when the correlation between the variables increases. It ranges from 0 to 1, the more the value is closer to 1, and the more reliable the instrument is at measuring the variables. The coefficient found to be 0.7 and above was used (Amin, 2005).

**Table 2 Reliability Tests**

<b>Reliability Statistics</b>	
Cronbach's Alpha	N of Items
.917	26

**Source:** Primary data (2017)

Results in Table 3.3 show that the Cronbach's Alpha obtained was .917 which was above 0.7 as recommended by Amin (2005). This indicates that the data collection instruments were in position to collect reliable data for the study.

### **3.8 Procedure of Data Collection**

After proposal defense, an introductory letter was sought for permission to conduct field work activities at CBCL and customers in Kampala district. This enabled data collection with ease in the field. The researcher administered questionnaires to staff members at CBCL, Kampala district. The exercise was conducted with support of two research assistants where research instruments were tested and improved upon and each questionnaire was attached with UMI cover letter. The researcher conducted the interviews as well as documentary review. The researcher, as part of the introduction explained the purpose of the study to respondents and adapted to suitable language where necessary. After data was collected, it was processed, analyzed and then the researcher came up with a written report.



### **3.9 Data Analysis**

Data was analyzed quantitatively and qualitatively. SPSS was used to clean, sort and analyze data depending on the questions from the instrument applied for easy interpretation and report presentation of information for easy utilization of research findings.

#### **3.9.1 Qualitative Data Analysis**

In line with Creswell (2003), collected data was prepared for analysis after interview, document review. It was read through to get sense out of it and coded to identify merging issues to develop code. Then themes were developed to advance relationships and how they influence each other and finally interpret the results. Quotations from key informant interviews were used to support responses obtained through the use of questionnaires.

#### **3.9.2 Quantitative Data Analysis**

Descriptive and inferential statistical measures were applied. Descriptive statistics involved inputting data collected from the field, code, enter, clean and edit to ensure free errors. This was supported using SPSS version 19. It was further presented in form of mean, frequencies, standard deviation and percentage and was reflected in graphical and tabular format. The researcher used inferential statistics like Pearson's correlational analysis to determine and show if variables were related or not. In order to understand how the dimensions of marketing communication predict the sales performance, multiple regression analysis was employed. Inferential statistics results were used to answer the hypotheses statement by showing the relationship between the independent and dependent variables.

### **3.10 Measurement of Variables**

A five Likert scale was used to measure the study variables. They were; 1=Strongly Disagree, 2=Disagree, 3=Not Sure, 4=Agree and 5=Strongly Disagree. Respondents selected the

responses that best described their opinion reading the statement or question. Non-categorical data was studied and the narrative made so as to fit in the objectives of the study. The researcher used the ordinal measurement scale composing of discrete variables.

### **3.11 Ethical Considerations**

The researcher emphasized confidentiality of all her research findings and used research assistants where she anticipated bias during data collection. The researcher ensured that information obtained from respondents remained confidential (Creswell, 2003). The researcher sought consent of the respondents before administering the questionnaires. This was aimed at ensuring that respondents participate in the study basing on their own free will. In addition, the researcher proved the authenticity of the research being conducted and acknowledged all sources where information was obtained to ensure that there was no plagiarism. The respondents' names were withheld to ensure anonymity and confidentiality.

## **CHAPTER FOUR**

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

#### **4.0 Introduction**

This chapter presents the response rate, background characteristics of the respondents, and presentation, analysis and interpretation of study findings based on objectives of the study. The study examined the relationship between Marketing Communication Strategies and Sales performance among Beverage Companies in Uganda: A case study of Century Bottling Company Limited. The hypotheses of the study were formulated, after which the researcher conducted basic data analysis including frequency distribution and hypothesis testing. Inferential statistics carried out were correlations and regression analysis which were presented according to objectives of the study.

The statistical methods were used with the hope of discovering the nature of relationship between variables and the extent to which each item affects or contributes to the other. The survey questions were shown in tables. Items were measured using a 5-Likert item scale ranging from the opinion “strongly agree” (5) to the opinion “strongly disagree”. The researcher then provided summaries of the findings from the interviews as backup of the findings generated from the quantitative data analysis.

#### **4.1 Response Rate**

During the study, the researcher prepared questionnaires which were distributed to respondents in order for them to give their opinions on the extent to which they agreed or disagreed with the statements. In addition, the researcher prepared interview guides in order to collect data from key informants through face to face interviews. The Table 4.1 below

presents the number of questionnaires and interview guides that were targeted and the actual number of questionnaires received back as well as the interviews actually carried out.

**Table 4.1 Response rate**

<b>Research Instrument</b>	<b>Planned/targeted</b>	<b>Actual</b>	<b>Percentage</b>
Questionnaire	121	93	76.8%
Interview guide	15	12	80%
Total	136	105	77.2%

**Source:** Primary data (2017)

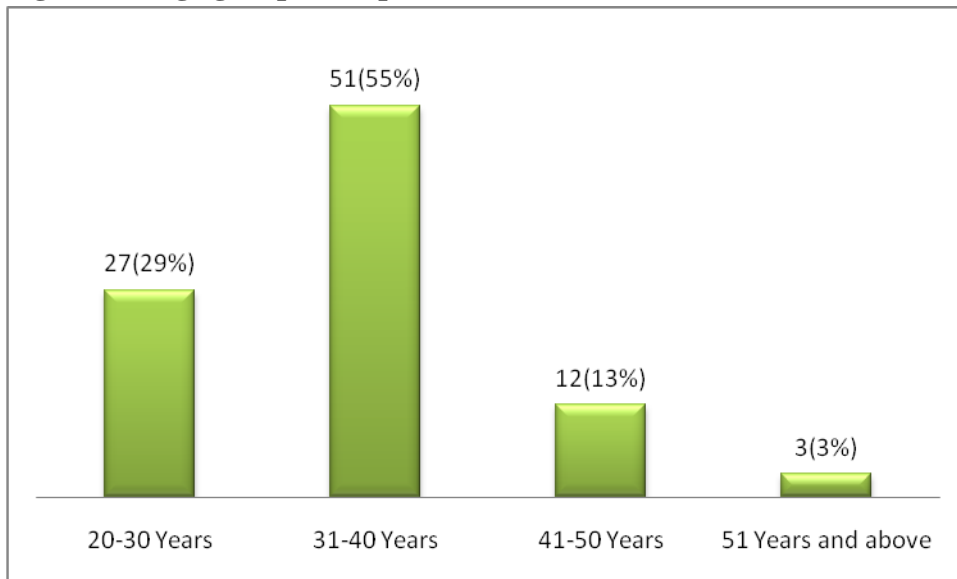
Table 4.1 shows that 121 questionnaires were issued out and 93 returned which gave a response rate of 76.8%. On the other hand, out of fifteen (15) planned interviews, twelve (12) were actually conducted, giving a percentage response rate of 80%. The overall response rate was 77.2% (105) which is above the recommended 67% (Amin, 2005). This gave the researcher adequate information on which to base her findings for a complete report because the majority sampled respondents provided data required.

## **4.2 Background Characteristics**

### **4.2.1 Age Group**

The study established the age group of respondents. This was because the researcher wanted to understand the age of staff members at CBCL and Customers to ensure representativeness of sample across the population. Results are presented in figure 4.1 below;

**Figure 4.1 Age group of respondents**

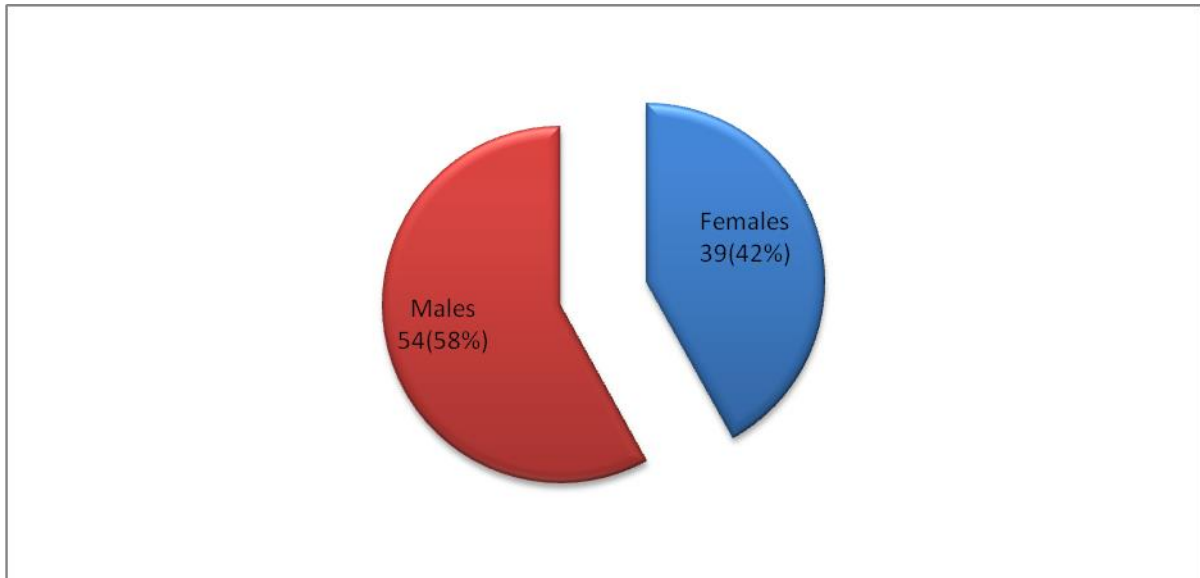


**Source:** Primary data (2017)

Results in Figure 4.1 show that majority 51% (55) of the staff members from Marketing and Sales Department and Managed Outlet (Customers) were aged between 31-40 years. These were followed by 27% (29) who were aged between 20 to 30, 12(13%) were aged between 41-50 years, while those aged 51 years and above were 3 (3%). This shows that the sample size was representative of different age groups. This further implies that data was obtained from mature respondents, hence valid and reliable.

#### **4.2.2 Gender of Respondents**

During the study, the researcher established the gender of respondents. This aimed at establishing the number of males and females that participated in the study and ensure that the study is gender sensitive.



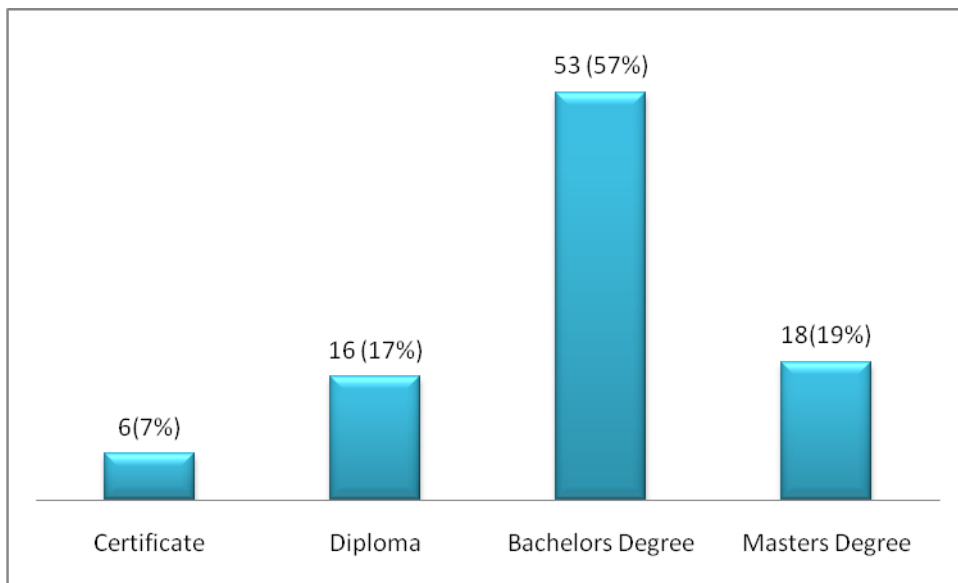
**Source:** Primary data (2017)

#### **Figure 4.2 Gender of Respondents**

Results in Figure 4.2 show that the majority males 54(58%) of the respondents were females compared to 39(42%). This shows that the study considered both sexes and therefore, their views were adequately represented. Therefore, data was obtained from a gender sensitive sample size, hence not gender biased.

#### **4.2.3 Highest Level of Education attained**

During the study, the researcher sought to establish the education level of staff members from marketing and sales department and managed outlet customers. The researcher wanted to know the education qualifications of the respondents since one's education level determines the ability to understand the questions asked in order to give reliable information. The education level of respondents who participated in the study ranged from certificate to Masters' Degree to ensure that respondents represented different education levels. Results are presented in Figure 4.4.



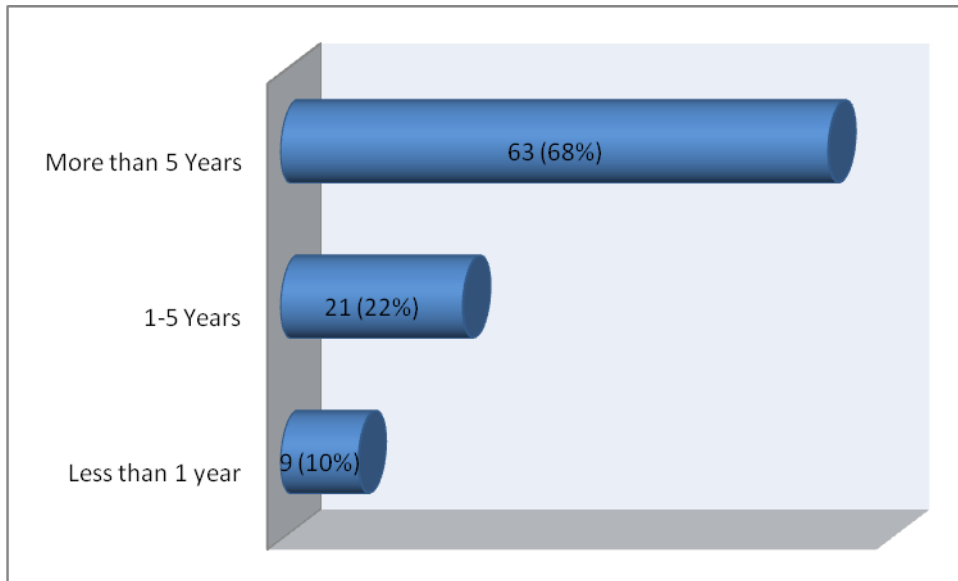
**Source:** Primary data (2017)

#### **Figure 4.3 Highest Level of Education Obtained**

Figure 4.3 indicates that the majority 53% (57) of the staff members from Marketing and Sales Department and Managed Outlet (customers) held Bachelor's Degree while 18(19%) held Master's degree, 16(17%) held diploma and 6(7%) obtained a certificate. This means that most of the participants were educated and highly qualified people for competent of performing to the expectation of the company. In addition, the statistics show that the population was representative of different education levels. The statistics further imply that all the respondents were able to read and understand the questions that were asked and were able to provide relevant data for the study.

#### 4.2.4 Length of Service at Century Bottling Company Limited

This sub section presents results on the length of service at CBCL. The researcher wanted to establish the staff members' and customers' longevity at CBCL and ensure representativeness of the sample across the population basing on longevity at work. Results are presented in Figure 4.4



**Source:** Primary data (2017)

**Figure 4.4 Length of service at Century Bottling Company Limited**

Table 4.4 indicates that the highest number 63 (68%) of the respondents had worked with CBCL for more than 5 years. These were followed by members who had worked to 1-5 years 21 (22%) while those who had worked for less than 1 year constituted 9(10%) which shows that respondents were representative of different durations at CBCL. The above statistics are important for the study because they reflect longevity at the company which contributes to respondents' knowledge on how marketing communication strategies affect sales performance.



### **4.3 Empirical Findings**

This section presents empirical findings from the study. Findings from questionnaires were presented in form of frequencies, percentages, mean and standard deviation after which they were triangulated with key informant interviews and further supported with evidence from documentary review. The mean of 3.0 and above indicated that the majority respondents supported the statement, the mean below 3.0 indicated that the majority respondents did not concur with the statement while the standard deviation represented the number of respondents with varying responses. Inferential statistics carried out were correlations and regression analysis which were presented according to objectives of the study. The statistical methods were used in order to discover the nature of relationship between variables and the extent to which each item affects or contributes to the other.

#### **4.3.1 Sales Performance**

For purposes of the study, various components of sales performance such as revenue, customer base, customer loyalty and sales volume were considered, and a set of questions were developed to elicit their effect on sales performance. The questionnaire was administered to staff members from marketing and sales department at CBCL and managed outlet customers in Kampala District. During data analysis and interpretation, statistical data obtained the questionnaire (Appendix I) was triangulated with findings from key informant interviews (Appendix II) who included Heads of Departments and staff members from Finance and Administration. The findings were further supported with data from documentary reviews which provided more information regarding sales performance at CBCL.

Table 4.2 presents responses on sales performance at CBCL which were got from Marketing and Sales Department and Managed Outlets (customers).

**Table 4.2 Descriptive Statistics for Sales Performance**

Sales Performance	SA	A	NS	D	SD	Mean	Std. Devn.
Century Bottling Company Limited has registered an increase in revenue in the last three years	10 (11%)	37 (40%)	24 (26%)	19 (20%)	3 (3%)	3.34	1.027
Century Bottling Company Limited has registered an increase in customer base in the last three years	9 (10%)	24 (26%)	23 (25%)	34 (37%)	3 (3%)	3.02	1.073
Century Bottling Company Limited has registered an increase in the number of loyal customers	21 (23%)	43 (46%)	15 (16%)	14 (15%)	0	3.76	.971
Century Bottling Company Limited has registered an increase in the number of customers who make repeat purchases	5 (5%)	12 (13%)	26 (28%)	33 (35%)	17 (18%)	2.52	1.100
The company has registered an increase in the number of products sold	9 (10%)	25(27 %)	20 (22%)	29 (31%)	10 (11%)	2.94	1.187

**Source:** Primary data (2017)

Results in Table 4.2 show that 37 (40%) of the respondents agreed that CBCL has registered an increase in revenue in the last three years. On the other hand the minority 3(3%) strongly disagreed while 24(26%) were not sure. The corresponding mean value was 3.34 which is above the average of 3.0 while the standard deviation was 1.027 represented the number of respondents with varying responses. Since the mean value obtained was above the average of 3.0, it implies that the majority respondents held the view that CBCL registered an increase in revenue.

When respondents were asked whether CBCL has registered an increase in customer base in the last three years the majority 34(37%) disagreed while the minority 3(3%) disagreed and 23(25%) were not sure. The findings were further verified with a mean value of 2.92 which is below the average of 3.0 and the standard deviation 1.073, which represented the number of respondents with varying responses. Since the mean value obtained was below average, it implies that few respondents held the opinion that CBCL has registered an increase in customer base in the last year. The inability to register an increase in the number of customers was attributed to increased competition from new beverages as reported by key informant 001:

The customer base for CBCL has declined because of competitors such as Riham Company who have joined the beverage industry. They produce soft drinks which serve the same purpose as Century Bottling Company Limited, yet we all have the same pool of customers.

From the above findings, it can be noted that the customer base for CBCL declined due to new companies with which they share customers, thereby reducing the company's performance. Decline in the company's customer base was further confirmed by the audit report (2016) which revealed that the customer base had reduced by 15%, which shows a decline in sales performance.

On whether CBCL had registered an increase in the number of loyal customers, the majority 43 (46%) of the respondents who agreed with the statement while minority 0% strongly disagreed and 15(16%) were not sure. The findings were further supported by a mean value of 3.76 which is way above average and the standard deviation of .971 which shows that there were slight variations in the responses obtained. According to study findings, the majority 33(35%) of the respondents agreed that CBCL has registered an increase in the number of customers who make repeat purchases. The majority 5(5%) of the respondents

agreed with the statement while 26(28%) were not sure. The findings were further verified with a mean value of 2.52 which is below average and the standard deviation of 1.100 which shows that there were significant variations in the responses obtained. The fact that the mean value obtained was below the average of 3.0 implies that few respondents held the opinion that CBCL has registered an increase in the number of customers who make repeat purchases. The findings were confirmed during face to face interviews when key informant 006 reported that customers who make repeat purchases declined because some customers purchase products from other beverage companies due to a decline in the number of final consumers as reported:

The number of customers who make repeat purchases declined partly because of stiff competition whereby customers purchase soft drinks from our other competitors such as Crown Beverages and Reham Company. They purchase products from our company only when they receive customer orders that specifically require CBCL products.

The above findings show that CBCL registered a decline in the number of customers who make repeat purchases due to competition from other beverage companies which in turn affects the company's sales performance.

Relatedly, the minority 9(10%) of the respondents agreed that the company had registered an increase in the number of products sold. The majority 29(31%) of the respondents disagreed with the statement while 20 (22%) were not sure. The corresponding mean value for the statement was 2.94 which is below the average of 3.0 while the standard deviation was 1.187, representing the number of respondents with varying responses. Since the mean value obtained was below the average of 3.0, it shows that CBCL did not register an increase in the number of products sold. A decline in the number of products sold was further confirmed through documentary review whereby CBCL Annual report (2016) revealed that product

sales performance declined by 17% in 2015 and 21% in 2016. This means that the company experienced a decline in the number of products sold, an indicator of poor sales performance.

**Research question one: What is the relationship between advertising and sales performance at Century Bottling Company Limited?**

#### 4.3.2 Advertising and Sales Performance

**Table 4.3 Descriptive Statistics for Advertising**

Advertising	SA	A	NS	D	SD	Mean	Std. Devn
Century Bottling Company Limited advertisements are always truthful	24 (26%)	46 (49%)	9 (10%)	9 (10%)	5 (5%)	3.81	1.096
Century Bottling Company Limited advertisements always follow ethical standards	30 (32%)	38 (41%)	10 (11%)	10 (11%)	5 (5%)	3.84	1.154
Century Bottling Company Limited advertisements provoke customers' interest	14 (15%)	38 (41%)	27 (29%)	13 (14%)	1 (1%)	3.55	.950
Printed media (newspapers) attracts more customers for Century Bottling Company Limited	19 (20%)	32 (34%)	10 (11%)	27 (29%)	5 (5%)	3.35	1.248
Television advertising is effective in attracting customers for Century Bottling Company Limited	5 (5%)	31 (33%)	24 (26%)	29 (32%)	4 (4%)	3.04	1.021
Radio adverts attract more customers for Century Bottling Company Limited	16 (17%)	51 (55%)	17 (18%)	8 (9%)	1 (1%)	3.78	.870
Internet advertising attracts more customers for Century Bottling Company Limited	5 (5%)	3 (3%)	22 (24%)	26 (28%)	37 (40%)	1.84	1.003

**Source:** Primary data (2017)

Results in Table 4.3 show that 46 (49%) of the respondents agreed that CBCL advertisements are always truthful. On the other hand, the minority 5(5%) disagreed while 9(10%) were not sure. The corresponding mean value was 3.81 which was above the average of 3.0 and the standard deviation of 1.096 which represented the number of respondents with varying responses. Since the obtained mean value was above the average of 3.0, it implies that the

majority respondents held the opinion that CBCL's advertisements are always truthful. The above findings were supported by key informant 007 who noted that the advertisements always point to what the company provides as quoted below:

The advertisements for CBCL are always truthful because they point communicate messages that clearly explain what the company offers in terms of products' taste as well as additional prizes offered particularly during promotions. Our company cannot advertise a product or time that it cannot offer.

The above findings show that the CBCL adverts are truthful since they communicate true messages regarding what the company offers. Providing truthful advertisements is important because it contributes to increase in the number of customers who purchase products because information communicated about them is actually delivered.

Study findings further revealed that Century Bottling Company Limited advertisements always follow ethical standards. This was supported by the majority 38(41%) of the respondents who agreed with the statement while the minority 5(5%) disagreed and 10(11%) were not sure. The corresponding mean value for the statement was 3.84 while the standard deviation was 1.154, implying that there were variations in the responses obtained. Since the mean value obtained was above the average of 3.0, it shows that the majority respondents held the opinion that CBCL's advertisements always follow ethical standards. This means that advertisements by CBCL follow an ethical standard which attracts more customers, hence improved sales performance.

When respondents were asked whether CBCL advertisements provoke customers' interest, the majority 38(41%) agreed while the minority 1(1%) of the respondents disagreed and 27(29%) were not sure. The findings were further verified with a mean value of 3.55 which is above average while the standard deviation was .950, representing the number of respondents

with varying responses. Since the mean value obtained was above average it shows that most respondents held the opinion that CBCL advertisements provoke customers' interests which contributes towards improved sales performance.

It was further established that printed media (newspapers) attracts more customers for CBCL. This was reported by the majority 32(34%) of the respondents who agreed with the statement. However, the minority 5(5%) disagreed while 10(11%) were not sure. The findings were further verified with a mean value of 3.55 which is above average while the standard deviation obtained was 1.248, an indication that there were significant variations in the responses. This implies that if CBCL makes more adverts through newspapers, it will attract more customers, hence improved sales performance.

When respondents were asked whether television advertising is effective in attracting customers for CBCL, the majority 31(33%) of the respondents agreed with the statement while the minority 4(4%) disagreed and 24(26%) were not sure. The findings were verified with a mean value of 3.04 which is slightly above the average of 3.0 and a standard deviation of 1.021 which indicates that there were significant variations in the respondents obtained. It was further established that radio adverts attract more customers for CBCL as reported by the majority 51(55%) of the respondents who agreed with the statement. A minority 1(1%) of the respondents disagreed while 17(18%) were not sure. The findings were verified with a mean value of 3.78 which is way above the average of 3.0 and the standard deviation of .870 which shows that there were slight variations in the responses obtained. Since the mean value obtained was above average, it shows that radio advertisements attract more customers for CBCL.

This was further supported by Key informant 008 who noted that radio advertisements have a far reaching impact because they have a wide listenership as quoted: *“Radio advertisements attract more customers for CBCL because there are very many people who listen to the radio both in urban and rural areas. People prefer to purchase a brand that is common in their ears.”* From the above findings, it can be noted that advertisements through radio attract many customers for CBCL because many people listen to radios. This contributes towards increase in customers as well as sales performance.

When respondents were asked whether internet advertising attracts more customers for CBCL, the majority 37 (40%) disagreed with the statement while the minority 3(3%) agreed and 22(24%) were not sure. The findings were further verified with a mean value of 1.84 and the standard deviation of 1.003 which shows that there were significant variations in the responses obtained. Since the mean value was way below the average of 3.0, it implies that very few respondents held the opinion that internet advertising attracts more customers for CBCL. The findings were further supported by a key informant 010 who noted that there are few people who access internet services in Uganda, therefore, not an effective advertisement mechanism as noted: *“Internet advertising does not attract more customers for CBCL because internet is accessed by few people in urban areas”*.

The above findings show that there are few people who use internet services which limits the ability of internet advertisements to attract more customers for Century Bottling Company Limited.



**Table 4.4 Correlation Matrix for Advertising and Sales Performance**

		<b>Correlations</b>	
		Advertising	Sales performance
Advertising	Pearson	1	.522**
	Correlation		
	Sig. (2-tailed)		.000
	N	93	93
Sales performance	Pearson	.522**	1
	Correlation		
	Sig. (2-tailed)	.000	
	N	93	93

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

**Source:** Primary data (2017)

Table 4.4 shows that there was a strong positive significant relationship between advertising and sales performance at CBCL where Pearson’s correlation coefficient  $r = 0.522^{**}$  and  $p = 0.000$ . It means that when advertising is given more attention, sales performance at CBCL will improve by a big proportion. The positive nature of the correlation implies that CBCL would register improved sales performance if they focused more on advertising by placing more adverts through newspapers, television, radio and the internet. From all the results obtained, the hypothesis that “there is a significant positive relationship between advertising and sales performance” was accepted. The results are in support of Olusegun (2006) who stated that through the platform provided by advertisement, firms and organization are able to inform buyers, customers or consumers about availability and usefulness or importance of a given product, hence leading to improved sales performance.

**Research question two: What is the relationship between sales promotion and sales performance at Century Bottling Company Limited?**

**4.3.3 Promotion and Sales Performance**

**Table 4.5 Descriptive Statistics for Sales Promotion**

Sales promotion	SA	A	NS	D	SD	Mean	Std. Devn.
Trade shows contribute to increased sales at Century Bottling Company Limited	28 (30%)	35 (38%)	19 (20%)	6 (7%)	5 (5%)	3.81	1.106
Trade shows are effective in attracting customers at Century Bottling Company Limited	11 (12%)	44 (47%)	24 (26%)	11 (12%)	3 (3%)	3.53	.962
Trade shows attract more customers for Century Bottling Company Limited.	16 (17%)	39 (42%)	25 (27%)	12 (13%)	1 (1%)	3.61	.956
Product display encourages customers to buy Century Bottling Company Limited Products	10 (11%)	51 (55%)	17 (18%)	14 (15%)	1 (1%)	3.59	.912
Point of purchase displays are effective in attracting customers to Century Bottling Company Limited	22 (24%)	46 (49%)	16 (17%)	7 (8%)	2 (2%)	3.85	.943
Century Bottling Company Limited offers free products to customers in return for buying a specified product	33 (35%)	40 (43%)	14 (15%)	4 (4%)	2 (2%)	4.05	.937
Premiums are effective in attracting customers to Century Bottling Company Limited Products	26 (28%)	44 (47%)	15 (16%)	7 (7%)	1 (1%)	3.94	.918

**Source:** Primary data (2017)

Results in table 4.5 show that trade shows contribute to increased sales at CBCL. This was reported by the majority 35 (38%) of the respondents who agreed with the statement compared to the minority 5(5%) who strongly disagreed with the statement and 19(20%) that were not sure. The findings were further verified with a mean value of 3.81 which is above the average of 3.0 and the standard deviation of 1.106, which shows that there were variations in the responses obtained. Since the obtained mean value was above the average of 3.0, it

shows that the majority respondents held the opinion that tradeshows contribute to increased sales at CBCL. This implies that if CBCL organizes more tradeshows, the company will attract more customers, hence improved sales performance.

During the study, it was further established that trade shows are effective in attracting customers at CBCL. This was reported by the majority 44 (47%) of the respondents who agreed with the statement while the minority 3(3%) of the respondents disagreed and 24(26%) were not sure. The corresponding mean value for the statement was 3.53 which was above average and the standard deviation of .962, representing the number of respondents with varying responses. Since the mean value obtained was above average, it means that the majority respondents held the opinion that trade shows are effective in attracting CBCL customers.

This was supported by key informant 009 who noted that tradeshows attract many customers who come to attend the show as quoted: *“Tradeshows attract more customers because they draw the attention of many people who come to participate in the show. In addition, tradeshows give the company an opportunity explain to customers the new products the company has in the market.”* From the above findings, it can be noted that tradeshows attract more customers who attend the shows which further contributes towards improved sales performance.

The above findings were further supported by 39(42%) of the respondents who agreed that trade shows attract more customers for CBCL. However, the minority 1(1%) of the respondents disagreed with the statement while 25(27%) were not sure. The findings were verified with a mean vale of 3.61 which is above average and the standard deviation of .956, which shows that there were slight variations in the responses obtained. Since the obtained

mean value was above the average of 3.0, it shows that tradeshows attract more customers for CBCL.

It was further established that product display encourages customers to buy Century Bottling Company Limited Products. This was revealed by the majority 51(55%) of the respondents who agreed with the statement compared to the minority 1(1%) who disagreed and 17(18%) who were not sure. The corresponding mean value for the statement was 3.59 which was above the average of 3.0 and the standard deviation of .912 which shows that there were slight variations in the responses obtained. This implies that product display attracts more customers for company which consequently leads to improved sales performance.

In addition, the majority 46(49%) of the respondents agreed that point of purchase displays are effective in attracting customers to CBCL. The findings were further verified with a mean value of 3.85 which is way above the average of 3.0 and a standard deviation of .943 which shows that there were slight variations in the responses obtained. The fact that the mean value obtained was above average is an indication that the majority respondents held the idea that point of purchase displays are effective in attracting customers for CBCL. In support of the above findings, key informant 002 noted that product display gives a customer an opportunity observe the product before making a decision to purchase it as quoted:

Point of purchase displays enable customers to take note of new products on display and make a decision on whether or not to purchase them. In most cases, customers first buy a product to sample its taste and later purchase more of the product in case they like it.

The above findings show that point of purchase displays give customers the opportunity to observe new products on display which and purchase much of the product when they appreciate its taste.

When respondents were asked whether CBCL offers free products to customers in return for buying a specified product, the majority 40(43%) of the respondents agreed while the minority 2(2%) disagreed with the statement and 14(15%) were not sure. The corresponding mean value for the statement was 4.05, which is way above the average of 3.0 while the standard deviation was .937 an indication that there were slight variations in the responses obtained. Since the mean value obtained was way above the average of 3.0, it implies that the majority respondents consented that CBCL offers free products to customers in return for buying specific products.

The above findings were supported by key informant 008 who noted that free products are given to assist customers cool the drinks they purchase from the company as quoted: *“Century Bottling Company Limited offers free products to its customers in appreciation for the purchases made. For example, many customers are offered free coolers and refrigerators to cool the soft drinks”*

The above findings show that CBCL provides products such as refrigerators and coolers to support customers cool the company’s products. This enhances customer loyalty which in turn leads to improved sales performance.

It was further established that premiums are effective in attracting customers to CBCL Products. This was reported by the majority 44(47%) of the respondents who agreed with the statement compared to the minority 1(1%) who disagreed and 15(16%) were not sure. The findings were verified with a mean value of 3.94 which is above the average of 3.0 and a

standard deviation of .918 which shows that there were slight variations in the responses obtained. Since the mean value obtained is above the average of 3.0, it shows that the majority respondents consented that premiums are effective in attracting customers for CBCL. This implies that offering premiums attracts more customers and consequently results into improved sales performance.

#### 4.3.2.1 Correlation Results Between Promotion and Sales Performance

To test if there was relationship between promotion and sales performance, a correlation analysis was conducted using Pearson’s correlation coefficient(r) and significance (p) at the two tailed levels. Table 4.8 presents results from the correlation analysis between promotion and sales performance

**Table 4.6 Correlation Matrix for Promotion and Sales Performance**

		<b>Correlations</b>	
		Promotion	Sales performance
Promotion	Pearson Correlation	1	.369**
	Sig. (2-tailed)		.000
	N	93	93
Sales performance	Pearson Correlation	.369**	1
	Sig. (2-tailed)	.000	
	N	93	93

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

Table 4.6 shows that there was a moderate positive significant relationship between sales promotion and sales performance at CBCL where Pearson’s correlation coefficient  $r = 0.369^{**}$  and  $p = 0.000$ . It means that when sales promotion is given more attention, sales performance at CBCL will improve by a big proportion. From all the results obtained, the hypothesis that “there is a significant positive relationship between sales promotion and sales performance” was accepted. The results are in support of Ricky (2004) who stated that sales

promotions such as trade shows are less costly and more effective because they create more awareness and entice more customers into buying the product.

**Research question three: What is the relationship between personal selling and sales performance at Century Bottling Company Limited?**

**4.3.4 Personal selling and Sales Performance**

During the study, the researcher presented to respondents a set of items on personal selling.

Results obtained are presented in Table 4.7

**Table 4.7 Descriptive Statistics for Personal Selling**

<b>Personal selling</b>	<b>SA</b>	<b>A</b>	<b>NS</b>	<b>D</b>	<b>SD</b>	<b>Mean</b>	<b>Std. Dvn.</b>
Using face to face technique to sell Century Bottling Limited Company products is effective	25 (27%)	52 (56%)	10 (11%)	2 (2%)	4 (4%)	3.99	.927
Face to face selling technique attracts more customers for Century Bottle Limited Company	29 (31%)	42 (45%)	16 (17%)	6 (6%)	0	4.01	.866
Century Bottling Company Limited controls its personal selling messages.	27 (29%)	45 (48%)	12 (13%)	8 (9%)	1 (1%)	3.96	.932
Century Bottle Company Limited engages in retail selling of its products	25 (27%)	41 (44%)	17 (18%)	7 (8%)	3 (3%)	3.84	1.014
Retail selling is effective in attracting customers for Century Bottling Company Limited	18 (19%)	52 (56%)	15 (16%)	7 (8%)	1 (1%)	3.85	.859
Century Bottling Company Limited uses direct marketing to attract customers.	15 (16%)	44 (47%)	22 (24%)	11 (12%)	1 (1%)	3.66	.927
Direct marketing is effective in attracting customers for Century Bottling Company Limited	15 (16%)	43 (46%)	23 (25%)	10 (11%)	2 (2%)	3.63	.953

**Source:** Primary data (2017)

Results in Table 4.7 show that 52(56%) of the respondents agreed that using face to face technique to sell CBCL products is effective. On the other hand, the minority 2(2%) disagreed while 10(11%) were not sure. The corresponding mean value was 3.99 which is above the average of 3.0 while the standard deviation was .927, representing the number of

respondents with varying responses. Since the obtained mean value was above the average of 3.0, it shows that the majority respondents held the opinion that using face to face technique is effective to sell CBCL products.

According to study findings, face to face selling technique attracts more customers for CBCL. This was reported by the majority 42(45%) of the respondents who agreed with the statement compared to the minority 6(6%) who disagreed and 16(17%) that were not sure. The findings were further verified with a mean value of 4.01 which was way above the average of 3.0 and the standard deviation of .866 which indicates that there were slight variations in the responses obtained. The fact that the obtained mean value was above the average of 3.0, it indicates the majority respondents agreed that face to face selling technique attracts more customers for the company.

The above findings were supported by key informant 003 who noted that face to face selling technique enables the seller to explain and convince the customer into buying products as quoted: *“Face to face selling technique attracts many customers for CBCL because it gives sales agents an opportunity to interface with customers and explain to them benefits of the products, hence convince many customers to purchase company products.”* From the above findings, it can be noted that face to face selling technique attracts more customers for the company since it allows sales agents and customers to interact directly. Direct interaction enables agents to convince customers to make more purchases which contribute towards improved sales performance.

During the study, it was established that CBCL controls its personal selling messages. This was reported by the majority 45(48%) of the respondents who agreed with the statement. The findings were verified with a mean value of 3.96 which is above average and the standard deviation of .932 which shows that there were slight variations in the responses obtained.



Since the mean value obtained was way above the average of 3.0, it shows that the majority respondents held the opinion that CBCL controls its personal selling messages.

In addition, findings from this study revealed that CBCL engages in retail selling of its products. This was reported by the majority 41(44%) of the respondents who agreed with the statement compared to the minority 3(3%) who disagreed and 17(18%) that were not sure. The findings were further verified with a mean value of 3.84 which is above the average of 3.0 and the standard deviation of 1.014 which represents the number of respondents with varying responses. The fact that the mean value obtained was above average is an indication that CBCL engages in retail selling of its products.

The above findings were confirmed during face to face interviews when key informant 004 noted that the company has agents who provide retailing services to final consumers as indicated below: *“Century Bottle Company Limited engages in retail selling of its products through managed outlets which purchase products in wholesale and resell to retailers within their designated areas of jurisdiction.”* The above findings show that the company retails its products through managed outlets. Retail selling allows final consumers to purchase products in various quantities which further contributes towards improved sales performance.

According to findings from this study, retail selling is effective in attracting customers for CBCL. This was reported by the majority 52(56%) of the respondents who agreed with the statement. On the other hand, the minority 1(1%) of the respondents strongly disagreed while 15(16%) were not sure. The findings were verified with a mean value of 3.85 which is above average and the standard deviation of .859 which shows that there were slight variations in the responses obtained. The fact that the obtained mean value was above the average of 3.0 is an indication that the majority respondents held the opinion that retail selling is effective in attracting more customers for the company.

The above findings were further confirmed by a key informant 009 who revealed that retail selling enables the company to reach out to many customers as quoted: *“Retail selling attracts more customers for the company because through retailing, our products are delivered to many customers who want to purchase products in both small and big amounts across various parts of the country.”* The above findings show that retail selling allows the company to sell its products to various customers in different measurements across the country which contributes towards improved sales performance.

When respondents were asked whether CBCL uses direct marketing to attract customers, the majority 44(47%) agreed while only the minority 1(1%) of the respondents disagreed with the statement and 22(24%) were not sure. The findings were verified with a mean value of 3.66 which was above the average of 3.0 and the standard deviation of .927 which shows that there were slight variations in the responses obtained. It was further established that direct marketing is effective in attracting customers for CBCL. This was reported by the majority 43(46%) of the customers who agreed with the statement compared to the minority 2(2%) who disagreed and 23(25%) were not sure. The findings were verified with a mean value of 3.63 and standard deviation of .953 which shows that there were slight variations in the responses obtained. Since the mean value obtained was above average, it shows that the majority respondents held the opinion that direct marketing is effective in attracting customers for CBCL.

#### **4.3.2.1 Correlation Results Between Personal selling and Sales Performance**

To test if there was relationship between personal selling and sales performance, a correlation analysis was conducted using Pearson’s correlation coefficient( $r$ ) and significance ( $p$ ) at the two tailed levels. Table 4.8 presents results from the correlation analysis between personal selling and sales performance

**Table 4.8 Correlation matrix for personal selling and sales performance**

		<b>Correlations</b>	
		Personal selling	Sales performance
Personal selling	Pearson	1	.573**
	Correlation		
	Sig. (2-tailed)		.000
	N	93	93
Sales performance	Pearson	.573**	1
	Correlation		
	Sig. (2-tailed)	.000	
	N	93	93

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

Table 4.8 shows that there was a strong positive significant relationship between personal selling and sales performance at CBCL where Pearson’s correlation coefficient  $r = 0.573^{**}$  and  $p = 0.000$ . It means that when personal selling is given more attention, sales performance at CBCL will improve by a big proportion. The positive nature of the correlation implies that CBCL would register improved sales performance if they focused more on personal selling through carrying out face to face contacts with customers, retail and direct selling. From all the results obtained, the hypothesis that “there is a significant positive relationship between personal selling and sales performance” was accepted. The results are in line with Weitz & Castleberry (2014) who contend that personal selling helps sellers to properly understand customers and satisfy their needs accordingly which leads to improved sales performance.

#### **4.4 Multiple Regression Analysis for Marketing Communication strategies and Sales Performance**

In the table 4.9 the researcher presents the magnitude of advertising, promotion and personal selling on sales performance. This was done to determine the better predictor component of sales performance at CBCL.

**Table 4.9 Regression Analysis of the Component Variables**

<b>Model</b>	<b>Un standardized Coefficients</b>		<b>Standardized Coefficients</b>	<b>T</b>	<b>Sig.</b>
	<b>B</b>	<b>Std. Error</b>	<b>Beta</b>		
(Constant)	.916	.321		2.857	.005
Advertising	.357	.118	.393	3.026	.003
Promotion	.251	.119	.287	2.100	.039
Personal selling	.483	.115	.513	4.208	.000
<b>R =0.627 R- square = 0.394 F= 19.264 Sig = 0.000</b>					

**Source: Primary data (2017)**

The table 4.9 above shows the components of marketing communication strategies that is; advertising, promotion and personal selling which significantly predict sales performance as shown by significance level (.000). The regression analysis showed that the study variables had a strong positive relationship with pupil's academic performance ( $r=0.627$ ). The study variables explain 39.4% ( $0.394*100$ ) of the variance in sales performance at Century Bottling Company Limited.

The findings further revealed that personal selling (Beta= .513. Sig. < .000) was a better predictor of sales performance and this was followed by advertising (Beta = .393, Sig. < .003). However, promotions were not a significant predictor of sales performance with (Beta= .287, Sig. < .039). From the results obtained, it can be noted that personal selling has the greatest significance on sales performance. This is supported by who Kotler and Keller (2009) contend that personal selling has a potential to build a lasting relationship with customers which keeps customers around thus it remains favorite in business marketing.

The model summary in Table 4.9 shows adjusted  $R^2$  value of 0.264 between advertising and sales performance which is suggesting that advertising alone predicted 26.4% ( $0.264 * 100$ ) of the variance in sales performance. The adjusted  $R^2 = 0.264$  and standard error of estimate of 0.53501 suggested that advertising was a significant predictor of sales performance. This shows that advertising contributes to sales performance by 26.4%. Therefore, improvement in advertisement leads to improvement in the company's sales performance.

## CHAPTER FIVE

### SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

#### 5.0 Introduction

In this chapter, the researcher presents the discussion, conclusion and recommendations, basing on objectives of the study.

#### 5.1 Summary of Findings

Findings indicated that there is a significant positive relationship between advertising and sales performance ( $r = 0.522^{**}$ ). Findings further revealed that there is a significant positive relationship between promotion and sales performance ( $r = 0.369^{**}$ ). In addition, personal selling has a significant positive relationship with sales performance ( $r = 0.573^{**}$ ). The detailed summary on each objective is presented below.

##### 5.1.1 Advertising and Sales Performance

Findings from the study indicated that advertising had a significant relationship with sales performance because the p-value was less than the significance level (0.01). The Pearson correlation coefficient (0.522<sup>\*\*</sup>) shows a strong positive relationship with advertising and sales performance. Therefore advertising has a statistically significant strong positive relationship with sales performance. Multiple regression analysis revealed that personal selling (Beta= .513. Sig. < .000) was a better predictor of sales performance. This shows that planning personal selling influence sales performance.

##### 5.1.2 Promotion and Sales Performance

Promotion had a significant relationship with sales performance because the p-value was less than the significance level (0.01). The Pearson correlation coefficient (0.369<sup>\*\*</sup>) shows a

moderate positive relationship with promotion and sales performance. Therefore, promotion has a statistically significant moderate positive relationship with sales performance. However, multiple regression analysis revealed that promotion (Beta= .287. Sig. < .039) was not a better predictor of sales performance.

### **5.1.3 Personal Selling and Sales Performance**

Personal had a significant relationship with sales performance because the p-value was less than the significance level (0.01). The Pearson correlation coefficient (0.573\*\*) shows a strong positive relationship with personal selling and sales performance. Therefore personal selling has a statistically significant strong positive relationship with sales performance. Multiple regression analysis revealed that personal selling (Beta= .513. Sig. < .000) was a better predictor of sales performance.

## **5.2 Discussion of Findings**

In this section, a discussion of study findings was made in reference to extant literature. Russell Colley (1961)'s DAGMAR theory which measures the effect of an advertising campaign is further referred to, in order to explain how marketing communication strategies contribute to sales performance.

### **5.2.1 Advertising and Sales Performance**

According to findings from this study, there is a strong positive relationship between advertising and sales performance ( $r = 0.522^{**}$ ;  $p$  value = 0.000). The study revealed that CBCL advertisements are always truthful because they point communicate messages that clearly explain what the company offers in terms of products' taste as well as additional prizes offered particularly during promotions aimed at increasing the sales performance. This

is in agreement with Olusegun (2006) who opined that all advertisement must be honest and not to be perceived by the target consumer as lie. This is in line with Russell (1961) DAGMAR's theory which sought to communicate specific messages through awareness. The use of honest advertisements makes consumers aware of the existing products and attracts more customers, hence increased sales performance. It was further established that CBCL advertisements always follow ethical standards. This is in line with Frank (2005) who asserted that advertisements must follow ethical standards, inspire conviction and command interest. Similarly, findings from this study revealed that CBCL advertisements provoke customers' interest. This is in agreement with Okeji (2008) who noted that a good advert message should not be boring. To ensure that CBCL advertisements are not boring and provoke customers' interest, they are blended with entertaining messages to attract customers' attention.

During the study, it was established that printed media (Newspapers) attracts more customers for CBCL. This is corroborated by Mumel et al. (2007) who posited that the frequency of using printed advertisements in newspapers as a marketing communication strategy demonstrates the strongest correlations with separate business performance variables. Therefore, frequent use of print media enhances sales performance for CBCL. Additionally, findings from this study revealed that television advertising is effective in attracting customers for CBCL and that radio adverts attract more customers for CBCL because there are very many people who listen to the radio both in urban and rural areas.

This is in agreement with Kotler, (2005) who stated that, television is considered as a popular and powerful medium of information and entertainment to reach the audiences. Huge audiences encompass many potential customers who contribute towards improved sales performance. Similarly, Gary (2008) asserted that television advertising promotes the idea



that buying products equals happiness and nurtures a consumer culture which encourages people to buy new products as a way to conform to the society's goals, values and pleasure.

Study findings revealed that internet advertising does not attract more customers for CBCL because internet is accessed by few people mostly in urban areas. This is contrary to Law et al., (2010) who maintained that, due to rapid expansion and increased internet usage, businesses are diverting their attention towards marketing their products and services via the internet.

### **5.2.2 Sales Promotion and Sales Performance**

According to study findings, there was a moderate positive relationship between promotion and sales performance ( $r = 0.369^{**}$ ;  $p$  value = 0.000). The study further revealed that trade shows contribute to increased sales and that they are effective in attracting customers at Century Bottling Company Limited. This is in agreement with Griffin and Pustay (2007) who asserted that promotion encompasses all efforts by an organization to enhance the desirability of its products among potential buyers.

It was further established that trade shows are effective in attracting CBCL customers. Tradeshows attract more customers because they draw the attention of many people who come to participate in the shows. This is in agreement with Ricky et al. (2015) who noted that trade shows are very effective, since the buyer comes to the seller already interested in a given type of product. The findings are further in line with DAGMAR Theory which opines that promotion communicates specific message through consumer awareness, comprehension, conviction and action. Through promotions, consumers are made aware of new CBCL products on the market whose action to purchase the products of their interests enhances company sales performance.

The study further revealed that product display encourages customers to buy CBCL Products and that point of purchase displays is an effective in attracting customers. Point of purchase displays enable customers to take note of new products on display and make a decision on whether or not to purchase them. This is in line with Ricky et al. (2015) who contends that many business organisations employ the use of “point-of-purchase” (POP) technique in order to draw attention of many customers to a particular product’s brand. Therefore, displaying products of CBCL attracts the attention of customers who are enticed into buying them which consequently leads to improved sales performance.

Study findings revealed that CBCL offers free products to customers in return for buying a specified product in appreciation for the purchases made. This promotes good relations between the company and customers which leads to improved sales performance. It was further established that premiums are effective in attracting customers CBCL. This is supported by Blanchard et al. (2009) who asserted that through premium, items are offered free or at a bargain price to customers in return for buying a specified product thereby enhancing sales performance.

### **5.2.3 Personal Selling and Sales Performance**

During the study, it was established that personal selling has a strong positive relationship with sales performance ( $r = 0.573^{**}$ ;  $p$  value = 0.000). This is in agreement with Weitz & Castleberry (2014) who opines that personal selling involves the building of relationship through communication for the purpose of creating a sales transaction. Results from the study further revealed that using face to face technique to sell CBCL products is effective and attracts more customers for the company. This is in line with Kotler (2013) who noted that personal selling is a useful vehicle for communicating with present and potential buyers.

Similarly, findings from this study revealed that face to face selling technique attracts many customers for CBCL because it gives sales agents an opportunity to interface with customers and explain to them benefits of the products, hence convince many customers to purchase company products. This is further supported by Weitz & Castleberry (2014) who revealed that under personal selling, sellers meet consumers face to face and hold interactions aimed at enhancing the company's sales performance.

Study findings revealed that CBCL controls its personal selling messages. This is in line with Pierrcy et al. (2014) who stated that the messages presented by the sales personnel should be regulated and the time they spend with the prospects limited to avoid jeopardizing the communication process. When personal selling messages are not controlled, they may lead to inconsistency which in turn leads to confusion of the client as Cravens (2012) asserts. In addition, findings from this study revealed that CBCL engages in retail selling of its products through managed outlets which purchase products in wholesale and resell to retailers within their designated areas of jurisdiction which enhances the company's sales performance.

Study findings further revealed that retail selling is effective in attracting customers for CBCL. Retail selling attracts more customers for the company because through retailing, our products are delivered to many customers who want to purchase products in both small and big amounts across various parts of the country. This is in agreement with Fill (2009) who stated that personal selling creates a greater level of participation in the decision process by the vendor especially when combined with tailored messages in response to the feedback provided by the buyer,

During the study, it was further established that CBCL uses direct marketing to attract customers and that direct marketing is effective in attracting customers for CBCL. This is

corroborated by Kotler and Keller (2009) who asserted that through direct marketing, clients are able to receive merchandize catalogs, especially customers' catalogs or business catalogs in print or electronic for which allow them to make purchases from homes using the phones and mails among others. Therefore, the use of direct marketing can have an impact on a company's sales performance although it is mostly concentrated in urban areas. The findings were further in agreement with DAGMAR Theory which reveals that effective marketing communicates specific messages to customers. Through personal selling, sales agents create more awareness about CBCL products who comprehend the benefits of such products. When they are convinced that the products are of good quality and meet the customers' needs, customers take an action to purchase them which leads to improved sales performance.

### **5.3 Conclusions**

Basing on study findings and the discussion made, the researcher drew several conclusions in line with the objectives of the study as indicated below:

#### **5.3.1 Advertising and Sales Performance**

According to study findings, it was concluded that advertising significantly influences sales performance ( $r = 0.522^{**}$ ;  $p \text{ value} = 0.000$ ). Therefore, regular advertisements through newspapers, radio and television improve sales performance. However, it was concluded that advertising through internet does not greatly influence sales performance because internet services are accessed by few people in urban areas.

#### **5.3.2 Promotion and Sales Performance**

It was further concluded that promotion positively influences sales performance ( $r = 0.369^{**}$ ;  $p \text{ value} = 0.000$ ). Therefore, the use of tradeshows, point of purchase displays and premiums

can lead to improved sales performance at CBCL. However, limited use of the above promotional techniques leads to reduced sales performance at CBCL.

### **5.3.3 Personal Selling and Sales Performance**

In addition, it was concluded that personal selling positively influences sales performance ( $r = 0.573^{**}$ ;  $p$  value = 0.000). Therefore, the use of face to face contact with customers, retail and direct selling can improve sales performance at CBCL. On the other hand, limited use of the above personal selling techniques affects sales performance at CBCL.

## **5.4 Recommendations**

Based on study findings and the conclusions drawn, the researcher made the following recommendations:

### **5.4.1 Advertising and Sales Performance**

Basing on findings from the study, the researcher recommends that the marketing and sales department at CBCL should make more advertisements via newspapers, radio and television and use less of internet in marketing. This is because adverts through print and digital media are accessed by many people who constitute potential customers for products at CBCL. The researcher further recommends that adverts for CBCL should always be truthful depicting the true picture of the products the company offers. This way, customers will understand the company as honest, thus attracting more customers and the resultant increase in sales performance.

### **5.4.2 Promotion and Sales Performance**

The researcher recommends that management and the marketing and sales department at CBCL should carry out more trade shows across the country. This is because tradeshow

attract more customers which contributes to improved sales performance. In addition, the company should identify more areas in market places and supermarket entry points where to display products especially those newly introduced on the market. This will give more customers an opportunity take not of such products which eventually improves the company's sales performance.

#### **5.4.3 Personal Selling and Sales Performance**

The researcher further recommends that management, the marketing and sales department at CBCL should encourage the company's sales agents to carry out more face to face selling techniques and reach out to many customers. This is because the technique gives sales agents an opportunity to interact with customers and understand issues arising from final consumers in regard to the products sold. Eventually, the company will have a clear understanding of how to improve the quality of its products which leads to improved sales performance.

It was also recommended that CBCL increases the number of managed outlets to ensure increased retailing selling. This is because, retail settling enables the company to access many final consumers in different parts of the country which leads to improved sales performance.

#### **5.5 Areas for Further Study**

This study focused at marketing communication strategies, specifically advertising, promotion, personal selling and the effect it has on sales performance at CBCL. Therefore, the study gave minimal attention to E-marketing which has emerged as a modern marketing technique. Against this background, the researcher recommends that further study may be carried out on the effect of E-marketing on performance at CBCL

Since this study was confined to CBCL, further study on marketing communication strategies and sales performance may be carried out in other beverage companies.

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## **Appendix I. Questionnaire for staff members at Century Bottling Company Limited**

I am Suzan Lamwaka a Masters Student at Uganda Management Institute Kampala, currently carrying out a research study in partial fulfillment of the requirement for the award of Master's Degree in Business Administration. My research study is focusing on marketing communication and sales performance of business companies in Uganda: a case study of Century Bottling Company Limited. You have been specifically identified as one of the core and resourceful informants on this study. Accordingly, I am kindly requesting you to spare your precious time and participate in this exercise by attending to this questionnaire.

The information given will be kept and treated with utmost confidentiality and will be used for academic purposes in addition to adding to the body of knowledge on marketing communication and sales performance.

**Please, tick the most relevant box**

### **Section A: Background Information:**

#### **1. Age (Years)**

- 1) 20-30
- 2) 31-40
- 3) 41-50
- 4) 51 and above

#### **2. Sex**

- 1) Female
- 2) Male

**3. Highest Level of Education attained**

- 1) Certificate
- 2) Diploma
- 3) Degree
- 4) Masters and others

**4. Length of Service at Century Bottling Company Limited**

- i. Less than 1 year
- ii. 1-5 years
- iii. More than 5 Years

In the next section, please indicate your level of agreement or disagreement by selecting the most suitable response to the following statements that cover advertising, sales promotion personal selling and sales performance

5	4	3	2	1
Strongly Agree (SA)	Agree (A)	Not Sure (NS)	Disagree (D)	Strongly Disagree (SD)

Sl.	Advertising	SA	A	NS	D	SD
1	Century Bottling Company Limited advertisements are always truthful	5	4	3	2	1
2	Century Bottling Company Limited advertisements always follow ethical standards	5	4	3	2	1
3	Century Bottling Company Limited advertisements provoke customers' interest	5	4	3	2	1
4	Printed media (newspapers) attracts more customers for Century Bottling Company Limited	5	4	3	2	1
5	Television advertising is effective in attracting customers for Century Bottling Company Limited	5	4	3	2	1

6	Radio adverts attract more customers for Century Bottling Company Limited	5	4	3	2	1
7	Internet advertising attracts more customers for Century Bottling Company Limited	5	4	3	2	1

Sl.	Sales promotion	SA	A	NS	D	SD
1	Trade shows contribute to increased sales at Century Bottling Company Limited	5	4	3	2	1
2	Trade shows are effective in attracting Century Bottling Company Limited customers	5	4	3	2	1
3	Trade shows attract more customers for Century Bottling Company Limited.	5	4	3	2	1
4	Product display encourages customers to buy Century Bottling Company Limited Products	5	4	3	2	1
5	Point of purchase displays are effective in attracting customers to Century Bottling Company Limited	5	4	3	2	1
6	Century Bottling Company Limited offers free products to customers in return for buying a specified product	5	4	3	2	1
7	Premiums are effective in attracting customers to Century Bottling Company Limited Products	5	4	3	2	1

Sl.	Personal selling	SA	A	NS	D	SD
1	Using face to face technique to sell Century Bottling Limited Company products is effective	5	4	3	2	1
2	Face to face selling technique attracts more customers for Century Bottle Limited Company	5	4	3	2	1
3	Century Bottling Company Limited controls its personal selling messages.	5	4	3	2	1
4	Century Bottle Company Limited engages in retail selling of its products	5	4	3	2	1

5	Retail selling is effective in attracting customers for Century Bottling Company Limited	5	4	3	2	1
6	Century Bottling Company Limited uses direct marketing to attract customers.	5	4	3	2	1
7	Direct marketing is effective in attracting customers for Century Bottling Company Limited	5	4	3	2	1

Sl.	Sales Performance	SA	A	NS	D	SD
1	Century Bottling Company Limited has registered an increase in revenue in the last three years	5	4	3	2	1
2	Century Bottling Company Limited has registered an increase in customer base in the last three years	5	4	3	2	1
3	Century Bottling Company Limited has registered an increase in the number of loyal customers	5	4	3	2	1
4	Century Bottling Company Limited has registered an increase in the number of customers who make repeat purchases	5	4	3	2	1
5	The company has registered an increase in the number of products sold	5	4	3	2	1

## **Appendix II Interview guide for Top Management at Century Bottling Company Limited**

- i. Which adverts does Century Bottling Company Limited use to attract customers?
- ii. How do printed media adverts contribute towards sales performance of CBCL products?
- iii. How do Television adverts contribute to sales performance at CBCL?
- iv. What is the effect of radio adverts on sales performance at CBCL?
- v. What kind of sales promotion does CBCL carry out to attract customers?
- vi. How do trade shows contribute to sales performance at CBCL?
- vii. How does product display contribute to sales performance at CBCL?
- viii. What is the effect of premiums on sales performance at CBCL?
- ix. How does face to face selling technique contribute towards sales performance at CBCL?
- x. What is the effect of retail selling on sales performance at CBCL?
- xi. Has CBCL registered an increase or decline in revenue during the last three years?  
Please explain your answer.
- xii. Has CBCL registered an increase or decline in customer base during the last three years? Please explain your answer.
- xiii. Has CBCL registered an increase or a decline in the number of products sold?  
Please explain your answer



**Appendix III: Semi structured questionnaire for customers**

1. For how long have you consumed products from Century Bottling Company Limited?

.....  
.....  
.....  
.....

2. What attracts you to products offered by CBCL?

.....  
.....  
.....  
.....

3. Would you recommend another customer to purchase CBCL products? a)Yes  
b)No

4. Explain your answer.

.....  
.....  
.....  
.....

5. How has advertising contributed to your loyalty towards CBCL?

.....  
.....  
.....  
.....

6. How has sales promotion contributed to your continued purchase of CBCL products?

.....  
.....  
.....  
.....

7. How has personal selling contributed towards your continued purchase of CBCL products?

.....  
.....

## **Appendix IV: Documentary review checklist**

CBCL Annual reports (2014-2016)

CBCL Sales performance reports (2014-2016)

**Appendix V: Table for determining sample size from a given population**

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	256	300	341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	354
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	191	1200	291	6000	361
45	40	170	118	400	196	1300	297	7000	364
50	44	180	123	420	201	1400	302	8000	367
55	48	190	127	440	205	1500	306	9000	368
60	52	200	132	460	210	1600	310	10000	370
65	56	210	136	480	214	1700	313	15000	375
70	59	220	140	500	217	1800	317	20000	377
75	63	230	144	550	226	1900	320	30000	379
80	66	240	148	600	234	2000	322	40000	380
85	70	250	152	650	242	2200	327	50000	381
90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	254	2600	335	100000	384

Note: “N” is population size

“S” is sample size.

Krejcie, Robert V., Morgan, Daryle W., “Determining Sample Size for Research Activities”,  
Educational and Psychological Measurement, 1970.

## **Appendix VI: Introductory Letter**

## **Appendix VII: Field Research Letter**

## **Appendix VIII: Anti-Plagiarism Report**