

# **ASSESSMENT OF THE EFFECT OF ADVERTISING CHANNELS ON SALES PERFORMANCE OF SELECTED SMALL AND MEDIUM ENTERPRISES IN LIXLE COUNTY, BURAO SOMALILAND**

## **ABSTRACT**

The small and medium enterprises (SMEs) in Lixle County carry out frequent advertisements of their products, but they still claim indifference in their sales. Therefore, the study sought to find out why the level of sales performance is at a standstill point on these small and medium enterprises (SMEs). In this regard, the main objective of the study was to assess the effect of advertising channels on sales performance of selected SMEs in Lixle County, Burao Somaliland. The specific objectives of the study were: to determine the effect of radio advertisement on sales performance of selected SMEs in Lixle County, to assess the effect of television advertisement on sales performance of selected SMEs in Lixle County, and to examine the effect of newspapers advertisement on sales performance of selected SMEs in Lixle County. This study adopted the Cultivation theory, the Gratification and the Hypodermic Needle Theory. This study was conducted through a descriptive survey design. The study covered 54 selected SMEs operating within Lixle County. The target population of the study comprised 162 employees . A sample of 115 respondents were selected using both stratified and simple random sampling techniques respectively. The study involved primary data which was gathered through questionnaires. The data were analyzed using Statistical Package for Social Sciences (SPSS). Descriptive statistics such as frequency, percentage distribution, mean and standard deviation were employed. Inferential statistics were also used to analyze the data and establish the relationship between the variables. Then the data were presented in the form of tables, pie charts or bar graphs to ease the analysis. The study found that advertisements made by TV, newspaper and radio respectively influenced most of the people in the area and impacted on the sales volume and the business performance of the selected small and medium enterprises in Lixle County.

**Keywords:** Advertisement, Sales performance, small and medium enterprises (SMEs), Lixle County, Burao, Somaliland

## **Introduction**

According to Belch (1998), spreading information about a service, idea or product can be done through different channels ranging from normal traditional methods by using newsprint, radios and televisions. Business groups use advertising as a tool for marketing to sensitize final recipients who will use the items or services that they are the best on market with information on where they can be accessed and at how much. This is aimed at convincing them to buy these items. This advertisement contains all the information that the promoter wishes to be passed over to the consumer that has been paid for to the advertising media, which could belong to a different person who might not be necessarily the owner of the product that is to be advertised. It is for these reasons that this advertisement should contain well thought out information that will capture the desires of the consumer so as to sustain or grow the performance of the organization” (Osogbo, 2014).

All advertisements should be trustworthy and stick to moral requirements so as to avoid suspicion from the end consumer from imagining that they are being dubbed; otherwise, it will put the image of the company at stake. This may negatively impact the growth of company brands (Olusegun, 2006). For an advertisement to win the hearts of the consumer, it should have a language that can convince, pull attention, attract the consumer, and motivate or interest the consumer (Frank, 2005). Likewise, Okeji (2008) stated that, for any advertisement to appeal to the consumer, smart language has to be used so as not to be boring and show how the product will contribute to an improved lifestyle of the consumer. How the product will add value to one's life. He claims that this advertisement should be broadcast in the right media depending on your target group with the most appropriate communication language.

When there seems to be satisfactory awareness created through advertisement, great patronage may be accomplished, which may lead to scaling up of the quantity being sold that will consequently lead to an increase in production. This will directly increase the profit margins to the company. The increase in sales volume will mean increased profits, and they will then have a positive impact into the improved management of the organization. When the products are not advertised well to the consumer, the competitors may take advantage so as they do it better to increase the loyalty of the target population. This may also increase their sales volume after obtaining the larger part of the market share (Sujuyigbe et al. 2013). Performance in sales can be explained as the trend in revenue collection in comparison to revenue collections in different seasons (MC Cathy, 1994). For the company to claim to have made sales, it must be in the form of product sold or services rendered that have been paid for (Kotler and Armstrong, 2010).

Depending on the scale of the economy and its endowments, the size classification differs across and within regions and between nations. Conventionally, each European Union member state has its own definition of what constitutes an SME. For instance, Germany has a cap of 500 employees per business entity, whereas Belgium has a cap of 100 employees per entity. However, the European Union has standardized the idea, and, recently, businesses with fewer than 250 employees within its premises are considered medium-sized, while those with fewer than 50 employees are considered tiny. In the majority of economies throughout the world, SMEs represent a thriving and expanding industry. However, research has revealed that owing to their size and resource limitations, they are unable to create new technologies or to significantly alter those that already exist. This is known as a "liability of smallness." They continue to be an essential link between different economic sectors and a source of employment for the underprivileged in emerging countries. It is interesting to note that the advantages of SMES are not limited to the developing world but are also largely discernible in the industrialized world. The small business community, together with small and medium-sized industries form the backbone of the European economy. More than 23 million SMEs make up the European Union, accounting for 99 percent of all businesses there and 60 percent of the continent's GDP. Since they employ over 100 million people, they are also the largest source of new jobs in Europe (EUROSTAT, 2011).

Regionally, available data in Kenya has shown that despite the potential roles that SMEs may play being acknowledged, a number of barriers prevent them from reaching their full potential. According to observations, businesses in Kenya have a high turnover to the degree that for every 100 new businesses that open in a year, 60% close down within the same year. Of the businesses that do survive, 40% are older than two years and 66 percent are less than six years (KNBS, 2019). Financial limitations are the main obstacle to their development, followed by a lack of management skills, equipment and technology, regulatory concerns, access to foreign markets, unfair competition, etc. (Anheier et al, 2017).

Lixle is one of the Somaliland counties located in Burao, Togdheer region. It has a population of around 10,000 people. The major practice in the locality is business. They rely so much on imported goods of various varieties spanning from food stuffs, cosmetics and others. Business wise, it is facing quite a number of challenges ranging from advertisement, selling, transportation among others. Sales performance has become a problem to be attended to, the researcher observed that there is a big gap as per the sales and the advertisement done.

Small and medium enterprises (SMEs) in Lixle County put their advertising messages into different forms such as written words, spoken words or pictures. These messages were conveyed to the consumers through different channels of advertisements such as Television, Radio and Newspapers (Independent variable). The management of the small and medium enterprises (SMEs) expected that the use of such channels of advertising will increase the sales performance of their businesses in terms of revenue, sales volume and profit (Dependent variable); even though sales performance can be intervened by government media policies, price changes and other alternative marketing channels.

For the growth of SMEs, the role of finance has been seen as essential. This problem originates from the initial funding, which is almost always obtained from unreliable informal savings and loan groups, as well as from larger financial barriers that prevent efficient and successful marketing. This study will show that SMEs need marketing strategies in order to thrive and survive in the fiercely competitive and expanding business world. More attention will be paid to the issue and importance of advertising as a component of promotion.

Small and medium enterprises (SMEs) of Lixle County advertise their products through visual media which includes billboards and television, audio media, for example radio, as well as print media, which includes newspapers, magazines and brochures. However, the output in terms of sales is at a standstill point. However, the researcher noted that these businesses use the above mentioned advertising channels indifferently. Furthermore, the advertisements are channeled through a dialect that is not understood by many people. The advertisements made by these businesses lack the unique selling proposition that differentiate them from the competing brands; they proceed in a similar manner to their competitors, making it confusing to the consumers.

## **Statement of the Problem**

In fact, advertisement plays a significant role in every business organization. Advertisement is done either to inform the target consumers about a new product in the pioneering stage or to persuade the consumers that the right product is available at the right status and to accept sales calls and purchase. However, the money needed to carry out advertisements is too high for smaller and medium enterprises. Small and medium enterprises (SMEs) within Lixle County spend huge amounts of money advertising their products using various channels available to increase their sales performance such channels include radio, television and newspapers. Despite the fact that small and medium enterprises (SMEs) in Lixle County carry out frequent advertisements of their products they still claim indifference in their sales performance. Research has shown that advertising is an expensive activity for any SME, whether internally or through independent contracting firms outside. Any SMEs advertising is spending accounts for no more than 2% of their quarterly revenue (McKee, 2010). Therefore, how can these businesses, and, in particular, SMEs in Lixle County, embrace these financial restraints and progress towards development? This study aims to identify, clarify, and address comparable issues, including how much the presence or absence of advertising affects the performance and survival of SMEs. Therefore, the researcher developed a desire to undertake this study so as to assess if there could be any correlation between advertising medium and the quantity of sales made by selected small and medium enterprises (SMEs) of Lixle County. Besides, this study's input includes already available information about the effect of advertising channels on sales performance of small and medium enterprises (SMEs), and thereby can become a reference for future studies that will be carried out on the same problem.

## **Specific Objectives**

The following was the objectives to focus on:

1. To examine the effect of radio advertisement on sales performance of selected small and medium enterprises (SMEs) in Lixle County.
2. To assess the effect of television advertisement on sales performance of selected small and medium enterprises (SMEs) in Lixle County.
3. To examine the effect of newspapers advertisement on sales performance of selected small and medium enterprises (SMEs) in Lixle County.
4. **To examine the effect of radio, television and newspaper advertisement on sales performance of selected small and medium enterprises (SMEs) in Lixle County.**

## **Research Questions**

The questions below were used in the study:

1. Does radio advertisement affect sales performance of selected small and medium enterprises (SMEs) in Lixle County?

2. Does television advertisement affect sales performance of selected small and medium enterprises (SMEs) in Lixle County?
3. To what extent does newspapers advertisement affect sales performance of selected small and medium enterprises (SMEs) in Lixle County?
4. To what extent does radio, television and newspaper advertisement affect sales performance of selected small and medium enterprises (SMEs) in Lixle County.

### **Significance of the Study**

The study enlightened the management of the small and medium enterprises (SMEs) in Lixle County to be in a position to assess the problems that led to the decline of sales performance, even though they invested a lot in advertisement and come up with strategies to aim at solving those problems there has never been a solution. Likewise, it helped the management to choose a medium of advertisement such as television, radio, newspapers and magazines that will help in delivering information to various places to different populations who the advertiser wants to be reached wholesomely without many constraints. Moreover, the study helped the business to have information to refer to in future. The recommendations made from this study helped the businesses to improve on their management so as to compete favorably. This also helped them retain or expand their market share. The study contributed to the existing literature on effects of advertising channels on sales performance of small and medium enterprises (SMEs). This benefited the academicians by providing references for future studies that were carried out on the same problem.

### **Scope of the Study**

The study assessed advertising channels as the independent variable to be measured by radio, television and newspapers and sales performance as the dependent variable of the study to be measured by revenue, sales volume and profit. The study was performed in selected small and medium enterprises (SMEs) in Lixle County, situated in the Togdheer region of Somaliland. Somaliland is located in the horn of Africa.

## LITERATURE REVIEW

### Television Advertisement and Sales Performance

Malembo (2015) carried out a study on the role of advertisement media in the consumer buying behaviour in Tanzania, the case being FastJet Tanzania. In this study, the primary data was obtained through observations and focus group discussions. Interviews and questionnaires were employed so as to establish more information about the subject being investigated. The study obtained information from 150 sampled respondents. The study found that advertisements made by TV, radio, then newsprint and finally online media influence most people.

Arshud *et al* (2014) conducted research on 'how advertising impacted on the consumer behavior'. They did their research in Pakistan among seven towns. 300 people were identified through the use of probability sampling techniques. The study established that the use of TV in the advertisement had a greater impact in pulling more buyers for the goods, because they could observe the product and influence perception of the consumers.

Kimaro (2010) did research in communication; when it is done in an integrated way, it could affect industries like telecommunication, the case being Zain Tanzania. To gather information, he sent out the questionnaires to respondents in Dares Salaam. The study established that promotion of goods and services highly influenced more than advertisement and direct marketing. The study also found out that advertisement using television offered special substation rates and good service deals at a low price making; It is the best medium of advertisement. This highly influenced the consumers on their decision making process. This study is mainly done on flight firms focusing on fast moving jets.

### Radio Advertisement and Sales Performance

Farid Erfatani *et al* (2012) empirically tested the relationship between advertisements and purchase of weight losing sports materials among 300 respondents in Iran. The findings indicated that television advertising is more influential in creating awareness and convincing the consumers. People preferred honesty, product display, accuracy and words in the advertisements so as to convince them. Radio advertisements were mostly preferred and influenced by the nature of the job.

Rajagopal (2009) did a study by critically looking at the impact of radio advertisements on consumers living in towns and cities. He wanted to establish their behavior towards buying goods from retail shops. He also attempted to find out the effectiveness of the radio in passing over information and doing promotions on sales. The study established the consumers in towns were highly influenced by advertisements done through the radio.

Jagpal (1981) found out that advertisement through the radio was comparatively not effective in motivating increase in sales for the joint results when he was applying the multi-product sale advertisement model.

## Newspaper Advertisement and Sales Performance

Bansal and Gupta (2014) did research to establish how advertising using newsprint could influence behavior of intended consumers. 1017 samples were picked from different newspapers written in the English language which appeared in the recent 6 weeks. The study established that many newspapers were not written formally and therefore could easily convince the consumers to buy goods from the stores.

Mohamed (2011) conducted research on the newspaper advertisement effects on sales volume in Mogadishu using a case study of Hormuud Telecommunication Company. The study employed a sample of 45 members of the staff of Hormuud Telecommunication Company as respondents to assess the effectiveness of newspaper advertisement on sales volume of the company. The responses were analyzed using SPSS. The results showed that there was a big correlation between the quantity of goods not excluding services sold and advertisement done through the informal newspapers by various companies.

## Theoretical Literature

The study adopted the Cultivation Theory, the Gratification Theory and the Hypodermic Needle Theory as a theoretical framework.

## Conceptual Framework

**Independent variable**

**Dependent variable**

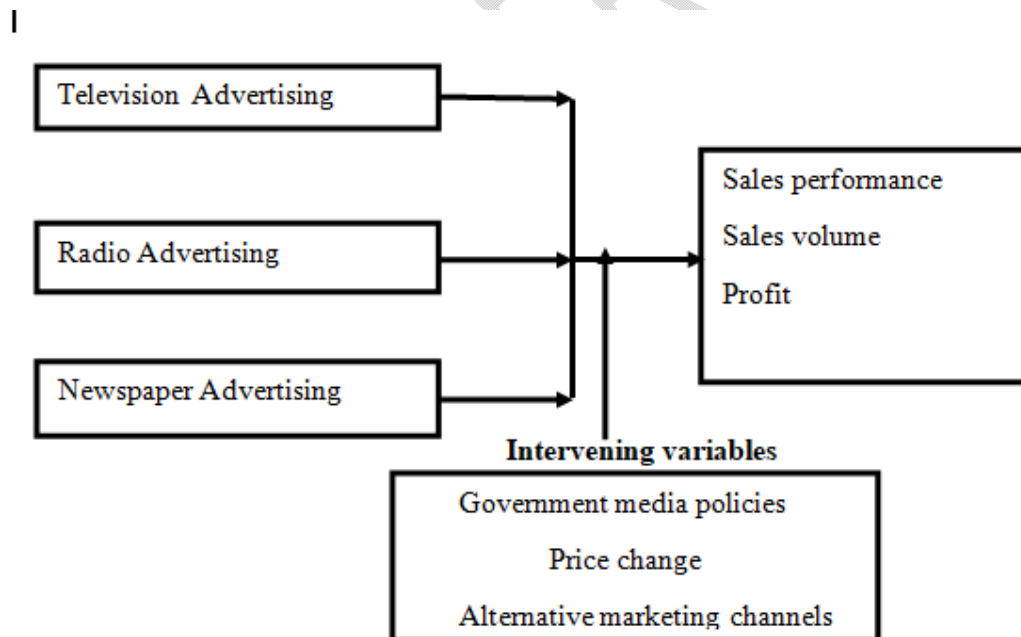


Figure 1: Conceptual Framework, Source: Researcher (2022)

## Research Design

This study was conducted through descriptive survey design to explore and describe the data or characteristics about the advertising channels and sales performance of selected small and medium enterprises (SMEs) in Lixle County. The researcher used descriptive survey design because it is easier to start the research with it since it is used to describe and not to make any conclusions. Moreover, it collects large amounts of data which can provide a knowledge base that can act as a springboard for other types of research methods.

## Target Population

This study covered 54 selected small and medium enterprises (SMEs) operating within Lixle County of Burao City. The target population of this study consisted of 162 employees of whom 108 were supporting staff (non-managerial staff), while the remaining 54 employees were top and middle administrators (managerial staff).

## Sampling Procedure

In order to identify a small statistical group from the target population, a procedure is followed (Ogula, 2005). This will help identify the representative population that is used in the study process. In order to achieve this objective, the study employed a sampling method called stratified to ensure that each subgroup characteristics are presented in the sample and thereafter applied a simple random method of sampling technique to select the sample.

In this study, the target population of 162 employees is divided into two stratum. 108 of these target populations are supporting staff and 54 are managerial staff. The stratified sample was proportional to the stratum size: the sample size from each stratum is proportional to the size of the stratum. Thus, the sampling fraction =  $n/N = 115/162 = 0.710$ . Therefore, of the 115 employees:  $108 \times 0.710 = 77$  (Supporting staff) and  $54 \times 0.710 = 38$  (Managerial staff).

The simple random sampling method was used to select independently a sample from each subpopulation, which was representative to the target population.

**Table 1: Sample size**

Category	Target population	Sample Size	Percentage
Supporting staff	108	77	67
Managerial staff	54	38	33
Total	162	115	100

Source: Researcher (2022)

### **Data Collection Instrument**

The study used questionnaires to collect the data in order to assess the effect of advertising channels on sales performance of the selected small business in Lixle County. The researcher found out that questionnaire was the most appropriate research tool in getting information because of the following reasons: it has the capacity to collect information from a bigger representative sample within a relatively short period of time, since the respondent fills it him/herself maybe with the help of the research assistant or researcher, they feel more comfortable and normally the questionnaire is very objective not collecting malicious information that has hidden agenda. It is not biased, since it cannot be influenced by the person carrying out the interview (Owens, 2002). This instrument addressed the research questions. It was divided into two sections. The first section asked for demographic data about the respondents, while the next section enquired questions related to the effect of advertising channels on sales performance of small and medium enterprises (SMEs) in Lixle County. The questionnaire consisted of close-ended questions and the respondents were required to show their response by marking or writing their preferred choice from the information availed in statements.

### **Rate of Response of Respondents**

Based on the set target population and sample size, 115 questionnaires were issued to 115 respondents and taken through the guidelines. However, upon collection, 5 turned down the returning of the questionnaires and 110 obliged. This demonstrates that 95.6% of the questionnaires were returning showing a good positive indication of the involvement of persons in this research, since its output was to increase the sales performance of their products and services within the region. 4.4% of the respondents rejected, returning them with the attitude that they might influence more taxes on their businesses.

**Table 2. Showing the Rate of Response of Respondents**

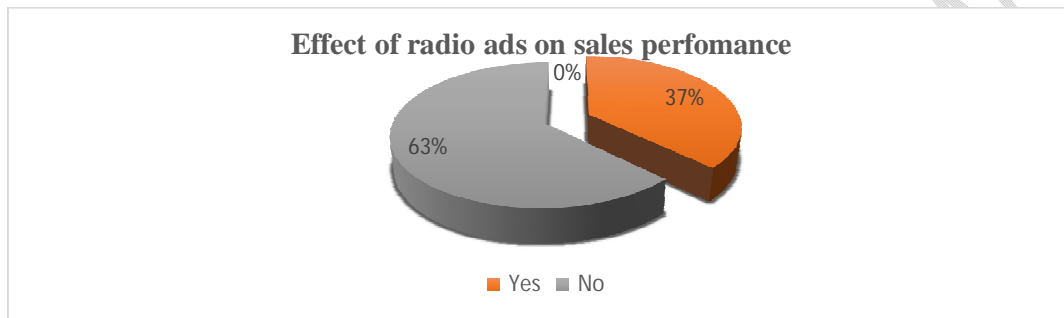
Details	Frequency	Percentage (%)
Issued and returned	110	95.6
Issued and turned down	5	4.4

Source: Researcher (2022)

### Objective 1 Findings : Effect of Radio Ads on Sales Performance

Findings from the data below in figure 2 demonstrates that even though radio has a great listenership and coverage with high accessibility, 37% have been positively impacted by it in line with sales volume performance and sales growth within their business, while 63% have the assertion that radio advertisement has less impact on their sales volumes and business performance. This data can be seen from figure 2 below.

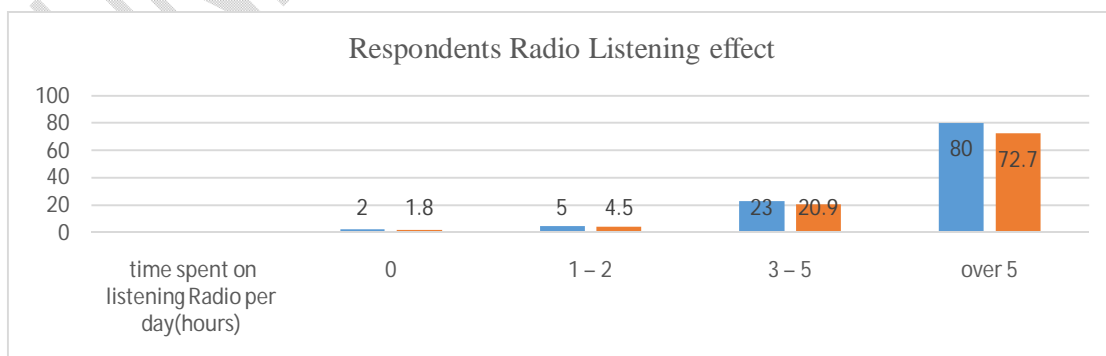
**Figure 2. Effect of Radio Ads on Sales Performance**



Source: Primary data, Researcher (2022)

The study was also interested in investigating the listening effect of radios on respondents. According to figure 3 below, it was established that 72.7% of the respondents spends over 5 hours per day listening to the radio, 20.9% also accepted that they spend over 3 to 5 hours per day listening to the different radio programmes and advertisement, 4.5% spend about 1-2 hours per day listening to radio and only 1.8% spend less than 1 hour on radio. This can be realized as shown in table 3 below.

**Figure 3. Listening effect of radios on respondents**



Source: Primary data, Researcher (2022)

## Objective 2 Findings : Effect of Television Advertisements on Sales Performance

For the television advertisement to create awareness and impact, one must pay close attention to watching and listening to it, findings revealed that 32.7% of the respondents spend at least a few hours daily to watch to it for some hours a day, 28.2% spend about one day daily watching to television, 17.3% acknowledge spending about a week listening to television per day for 7 days, 12.7% also obliged to watch and listen to television per day for more than a month and 9.1% also spend at least a month watching and listening to television daily respectively. This is shown in table 3 below. This is in agreement from the findings in table 3 below.

**Table 3. Data showing respondents impact on television advertisements**

Effect of television advertisements	Frequency	Percentage (%)
Few hours	36	32.7
One day	31	28.2
One week	19	17.3
One month	10	9.1
More than one month	14	12.7
Total	110	100

Source: Primary data, Researcher (2022)

## Objective 2 Findings: Impact of Newspaper Advertisements

The study findings were thought to investigate the impact created by the usage of print media like newspapers, and the advertisements printed therein. Findings from table 4 revealed that 27.3% of the respondents both remained thinking about the advertisement one for month and one week respectively, followed by 24.5% who kept thinking about them for only one days, while 13.6% thought about them for few hours and 7.3% thought about them for more than one month respectively. This indication demonstrates that advertisements using newspapers can act as a reference for what was not previously recognized, keeping respondents at bay of revisiting it again creating a positive impression in the end.

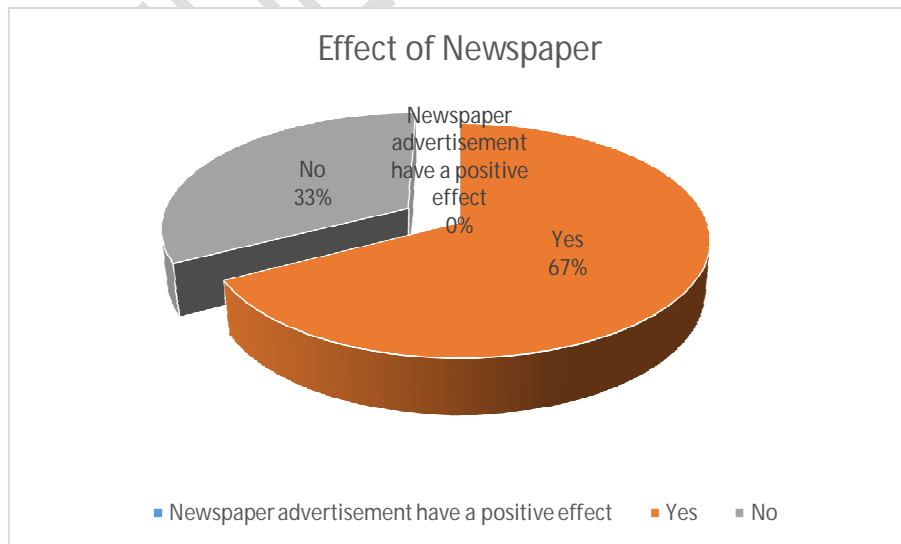
**Table 4. Showing the impact of newspaper advertisements**

Impact of newspaper advertisements	Frequency	Percentage (%)
Few hours	15	13.6
One day	27	24.5
One week	30	27.3
One month	30	27.3
More than one month	8	7.3
Total	110	100

Source: Primary data, Researcher (2022)

According to the findings from the figure 4 below, 67% of the respondents accepted that the usage of print media especially newspapers was of great importance and improve the rate at which products that were advertised in newspaper were either sold or bought from different suppliers at different times, thereby improving their sales performance and business growth and expansion in the region, while 33% felt that however much they use the newspapers for advertisement, their impact is not yet realized and therefore hopes that in the future they expect the returns to improve.

**Figure 4. Showing the Effect of Newspaper Usage**



Source: Primary data, Researcher (2022)

The findings about newspapers usage were investigated and the rate at which newspapers are used and accessed by different respondents in the SME sector and their clientele based. The findings revealed that 75.7% of those who used newspapers at least used them every day, while 11.8% used them only while traveling on their journeys either home or business site since they have limited time to read everything, 8.2% said they read them occasionally and 4.5% rarely read newspapers at all as can be seen in table 5.

**Table 5. Showing the rate of usage of newspaper**

Newspaper usage	Frequency	Percentage (%)
Everyday	83	75.5
Only while on journeys	13	11.8
Occasionally	9	8.2
Rarely	5	4.5
Total	110	100

Source: Primary data, Researcher (2022)

### **The Relationship between Radio Advertisement and Sales Performance**

The study was carried out to seek the effect of running radio advertisements on radio against the sales performance of different products offered on my market. The findings were collected after asking and raising questions that were through one level of agreement and rated using a Likert scale of 1 to 4 from strongly disagree, disagree, agree and strongly agree on the scale of 1-4. The findings are summarized below.

The influence of radio advertisement on the sales performance of Lixle county SMEs was found to have a mean value of 4.54 and SD of 0.822. The number of customers who were in support of being influenced by radio adverts had a positive significance towards the levels of attitude on turning up for the particular products hence influencing the product sales volume and returns on investment. Advertisements improved and raised sales by 4.01 and the level of persuasion of people to buy products and services offered also improved by 4.38 as can be seen from table 6 below. The levels of disagreement were very low though many accepted the analogy that advertising is of great need to boost one's revenues and after sales products and services, especially new business ventures that have just penetrated the supply chain industry.

**Table 6. Showing the respondents' opinion on the effect of radio advertisement and sales performance.**

<b>Effect of radio advertisement on sales performance</b>	<b>Mean</b>	<b>SD</b>
Radio advertising affects sales performance of selected small and medium enterprises (SMEs) of Lixle County.	4.54	0.822
Radio advertising helps raise sales performance.	4.01	0.503
Radio advertising persuades people to buy things that they should not buy.	4.38	0.672

Source: Primary data, Researcher (2022)

### **The Relationship between Television Advertisement and Sales Performance**

On the assessment of how television has impacted revenues and sales performance of SMEs in Lixle County, it was established that there was little variation among respondents on aspects of effects of television sales performance. Many respondents agreed that television advisement is of great importance to the growth of SMEs with mean agreements of 4.66 for TV ads improving sales performance, 4.53 supports that TV ads helps raise sales performance and 4.58 are being influenced by TV to buy and consume SME product and services due to their interaction with it hence improving sales revenue and sales performance in the long run as demonstrated in table 7 below.

**Table 7 . Showing the respondents' opinion on the effect of TV advertisements and sales performance.**

<b>Effect of TV advertisement on sales performance</b>	<b>Mean</b>	<b>SD</b>
TV advertising affects sales performance of selected small and medium enterprises (SMEs) of Lixle County.	4.66	0.474
TV advertising helps raise sales performance.	4.53	.505

TV advertising persuades people to buy things that they should not buy.	4.58	0.501
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Source: Primary data, Researcher (2022)

### **Relationship between Newspaper Advertisement and Sales Performance**

The study analyzed the impact of newspaper advertising on the sales performance of SMEs in Lixle County, as seen in table 8 below. It was noted that the mean value of those in support or agreement of the newspaper was of 4.57, and the standard deviation of 0.498, which is very low, and 4.71 strongly support the idea that many people have been persuaded into buying different items to have a taste and feel of how they should buy and not to buy based on the table 8 below. Even though newspapers have an impact, it might be rated both positive and negative on the consumers and the suppliers. The demand depends on the supply chain and availability of who can access the television, since many clients seem not to be stable in all aspects.

**Table 8. Showing the respondents' opinion on the effect of newspaper advertisement and sales performance.**

<b>Effect of newspaper advertisement on sales performance</b>	<b>Mean</b>	<b>SD</b>
Newspaper advertising affects sales performance of selected small and medium enterprises (SMEs) of Lixle County.	4.57	0.498
Newspaper advertising helps raise sales performance.	4.02	0.877
Newspaper advertising persuades people to buy things that they should not buy.	4.71	0.808

Source: Primary data, Researcher (2022)

## Relationship between Advertising Channels and Sales Performance

**Table 9: The correlation model showing the relationship between sales performance and media channels**

	Newspapers	Radio	Television
News papers	1		
Radio	-0.318	1	
Television	-0.261	-0.543	1
Sales performance	-0.257	-0.520	0.9993

Source: Researcher, Primary Data (2022)

**Table 10: Showing the regression statistics of media channels against sales performance**

Regression Statistics				
Multiple R	0.9993			
R Square	0.9986			
Adjusted R Square	0.9980			
	Coefficients	Standard Error	t Stat	P-value
Intercept	5.0225	0.8956	5.6075	0.030
Media channels	0.8173	0.02106	38.797	0.0006

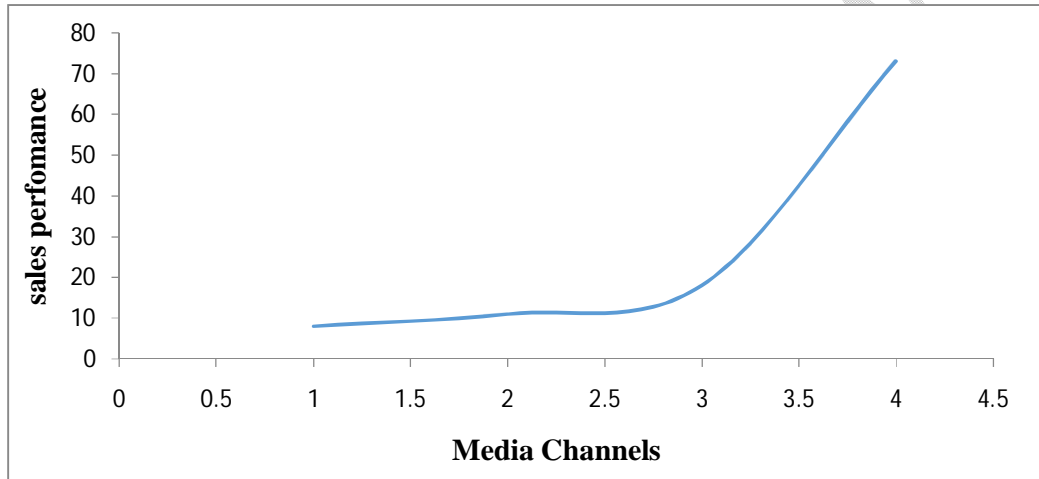
Source: Primary data, Researcher (2022)

The relationship between advertising channels and sales performance was analyzed and it was established that advertising channels and sales performance showed the value of  $R^2$  of 0.9986, hence 99.86% of the significant level of respondents agreed that products being promoted and brought into the market through the media as advertisement using television were on high demand and attracted high revenue turnover as compared to other medium of advertisement. Since the  $P < 0.05$ , television advertisement has a significant impact on the sales revenue and performance of small and medium enterprises of Lixle county.

The findings from the figure also indicate that there is a significant improvement ranging from newspapers with a coefficient of 0.027, radio ads with coefficient of 0.044 and television with a coefficient of 0.847. This demonstrates that television leaves an upward trend and promotes goods and services better as compared to other media channels in promoting goods among different prospective clients. The graph's statistics in figure 5 show that advertising improved brand recognition, provided a clear path to growing a client base, served as a tool to counteract rivals' advertising, and increased revenue for businesses.

Based on the model, R2 is 0.9986. This is a sign that regression analysis, the empirical model, and the research data match each other well. The R2 result indicates that variation in the enterprises use of newspapers, radio and television method of advertising for SMEs accounts for the 99.856% of the variability of all the businesses sales performance within Lixle county.

**Figure 5: Relationship between ads and sales performance**



Source: Primary data, Researcher (2022)

**Table11: Showing regression coefficients**

	<i>Coefficients</i>
<b>Intercept</b>	2.113
News papers	0.0270
Radio	0.0443
TV	0.8472

The table 11 above showing the regression coefficient analysis demonstrates that each regression coefficient had a favorable effect on the sales performance of SMEs. All independent factors were also significant. Therefore, the equation can be rewritten as:

$$y = \varphi + \alpha x_1 + \beta x_2 + \gamma x_3, \text{ where}$$

$$\varphi = 2.113 \text{ is the intercept,}$$

$$\alpha = 0.027 \text{ coefficient of newspapers for } x_1$$

$$\beta = 0.0443 \text{ coefficient of radio for } x_2$$

$$\gamma = 0.8472 \text{ coefficient of television for } x_3$$

## **CONCLUSIONS OF THE FINDINGS**

### **Conclusion on objective 1:**

It was established that, from the findings of the study, radio advertisement contributed greatly to the growth of the small and medium enterprises. This was revealed from the data that sales volumes increased alongside sales returns causing a boost in revenue. It was discovered that advertisements improved and raised sales by a great margin, and the level of persuasion of people to buy products and services offered also improved. Members' levels of demand toward products advertised over radios showed a significant increase in demand over the counter and also optimized both personal selling and improved direct marketing within the supply chain. Deployment of sales teams and sales trucks to the field also improved and the number of selling assistants were added on due to high demand for the products over the counters on products advertised in the region.

### **Conclusion on objective 2:**

Based on the research findings, it was established that the level of engagement by the persons demanding for products advertised on television was of high frequency and as compared to other channels, though it was a small percentage. The greatest percentage of respondents supported the idea that television advisement is of countless reputation to the growth of SMEs with high significant mean values of TV ads improving sales performance, and all customers engaged in the study demonstrated that they were influenced by TV to buy and consume the product and services due to constant messages portrayed, hence improving sales revenue and sales performance on the side of suppliers. The relationship between television advertisement and sales performance are interlinked and identical to each even though the cost of running them seem to be high. Many people are always eager to try every product they see on television.

### **Conclusion on objective 3:**

Sales promotion and advertising initiatives are subset of each other even though print media are of significant advantage to the growth and development of sales within the region there was drop in access to newspapers caused by lack of supply and cost. There was persuasion of newspapers toward access to products provided by the SME sector but the degree of engagement by consumers was low since newspapers were taken to be a thing of the people living in towns as compared to those in the villages. Even though newspapers have an impact, it might be rated both positive and negative on the consumers and the suppliers. The demand

for products run in newspapers is taken as for those in town and urban centers as opposed to village centers even though it is dependent on the supply chain and availability of products from the suppliers and the elite who have access to the print media, since many suppliers who are engaged in supply have taken their products and services to be served to no peri-urban as opposed to the rural areas tagging them with high costs though there is a significant influence of newspapers to sales performance.

### **Recommendation**

1. Although there was an increase in sales revenue among the SME suppliers, the marketing channels need to improve in the way they relay information to different customers in the region. Internet marketing and social media marketing with the aid of smartphones was seen to be on the increase among the youths who are the lead consumers of the products and services mostly on the market. Tapping them would help improve sales revenues.
2. People who have direct access to television as compared to the radio were largely spread in urban centers as opposed to villages, therefore if brochures could be substituted in villages to replace television ads, this would be ideal. Television access is low in homes with no access to electricity. Solar television marketing can be used to leverage hydro power television whose supply was low.
3. Even though advertisement were seen as expensive, in terms of running radio, television and newspapers ads, they could be substituted with giving field product samples and involvement of consumers in determining which products are of interest and capitalize on running specific ads with a particular focus group.

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