CHRISTIAN SERVICE UNIVERSITY COLLEGE

DEPARTMENT OF BUSINESS STUDIES

THE EFFECTS OF ADVERTISING ON CONSUMER BUYING BEHAVIOUR IN THE MOBILE TELECOMMUNICATION INDUSTRY

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JULY, 2011
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DISSERTATION SUBMITTED TO THE DEPARTMENT OF BUSINESS STUDIES, CHRISTIAN SERVICE UNIVERSITY COLLEGE, IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF A BACHELOR OF BUSINESS ADMINISTRATION

JULY, 2011
STATEMENT OF AUTHENTICITY

We have read the University regulation relating to plagiarism and certify that this report is all our own work and do not contain any unacknowledged work from any other source. We also declare that we have been under supervision for this report herein submitted.

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SUPERVISOR’S DECLARATION

I hereby declare that the preparation and presentation of the dissertation were supervised in accordance with the guidelines on supervision of dissertation laid down by Christian Service University College.

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ABSTRACT

Since the mobile telecommunication industry in Ghana was deregulated in 1994, there has been massive growth with six (6) licensed Companies such as MTN, TIGO, VODAFONE, AIRTEL, EXPRESSO and GLO.

Competition for space in the market is at its height and advertising is one of the main tools that the companies are using. Today, the mobile telecom sector is the highest advertising spenders in the economy with 23.5% of the total advertising budget in Ghana in 2009.

The problem is whether this huge investment in advertising is affecting consumer buying behaviour? The objectives that were set to help undertake this research are: identifying what motivates customers in making purchase decisions, determining the extent to which adverts affect consumer buying behaviour and determining how the companies measure advertising effectiveness.

In order to achieve these objectives, a survey was conducted with 104 respondents. The respondents were made up of 100 customers and 4 staffs of MTN, TIGO, VODAFONE and AIRTEL in Kumasi. Qualitative and quantitative data was collected through secondary and primary research. Data from respondents sampled were analysed into graphs and tables.

Among the findings of the research are: the use of television, radio, newspapers and billboards as advertising media in influencing consumer buying behaviour. Real need for communication, advertising message and friends and family are major factors of motivation in purchasing mobile telecom products. All mobile telecom Companies under the study use advertising to stimulate need for products in customers. Another finding is that, all the companies use both pre-test and post-test methods to measure advertising effectiveness.

Our conclusion is that advertising positively affects consumer buying behaviour in the mobile telecom industry in Kumasi based on the research findings.

The recommendation to the mobile telecom operators is for them to continue to harness television, radio, billboards and newspapers as the major advertising media while leveraging on internet in influencing buying behaviour. Creative adverts again should be used more to stimulate need for communication in customers.

Apathy of respondents and lack of access to analytical software such as SPSS and Minitab were the prominent challenges that the researchers faced.
ACKNOWLEDGEMENT

We express our profound gratitude to Mr. Stephen Banahene, Head of Department-BBA and also our research project Supervisor. His support and guidance to us has been invaluable. His patience and ever smiling demeanour inspired us whenever we had a challenge. Sir, we can only pray for God’s countless blessing to you for the guidance.

Our deepest appreciations also go to Salomey D. Bruku, Marketing Controller of MTN northern sector and Mr. Wisdom Atese, Area Manager of VODAFONE, KNUST. Not forgetting Mr. Samuel O. Badu, Corporate Sales and Supervisor of Post-paid – TIGO Ashanti Region and Josephine Mensah Panford, Customer Relations – AIRTÉL Ashanti Region. They warmly welcomed us to their Companies and provided us with the requisite information that has contributed to the successful completion of this research work. God Bless you.

Finally, we want to thank our respondents who shared their precious time with us answering questions on this research work. Without your support, we wouldn’t have this research work. God continue to bless you.
DEDICATION

To GOD be the Glory! We dedicate this work to JEHOVAH ALMIGHTY for granting us Grace to undertake this academic exercise. We also want to dedicate this work to our family members for their prayers and support throughout our years of education.
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CHAPTER 1

INTRODUCTION

1.0. INTRODUCTION

Marketing as a business concept has been largely accepted all over the world, and Ghana is no exception. This recognition has increased competition among businesses in Ghana. Companies are resulting to various strategies and tactics in order to be on top of the markets in which they operate.

Over the years, the prominent tool that businesses have relied on to compete basically has been the marketing communication tools, of which advertising stands tall. Advertising is probably the first option that comes to mind when businesses need to communicate to the market.

Advertising is so pervasive in our business environment that, one begins to wonder whether businesses that use it are achieving their objectives. In Ghana today, the highest advertising spenders are the Mobile Telecommunication Companies. It is reported that in 2009, mobile telecommunication advertising spend recorded 43.5 billion Ghana Cedis out of a total of 184.9 billion Ghana Cedis. That is about 23.5% or close to a quarter of the entire national advertising budget. (www.myjoyonline.com/businessreport, 23rd June 2010.)

This research work seeks to explain the effect of advertising on the buying behaviour of consumers of mobile telecommunication products and services.

This introductory chapter of the research involves: the Background of Study, Problem Statement, Research Objectives, Research Questions, Significance of the Research, Scope of the Research and Research limitations.
1.1. BACKGROUND OF STUDY

In 1994, the Government of Ghana deregulated the telecommunication sector to allow more private companies into the sector. Since the initiation of that policy, there has been tremendous improvement in the business of mobile telecommunication. In Ghana today, there are six (6) licensed mobile telecommunication companies. These are MTN, TIGO, VODAFONE, AIRTEL, EXPRESSO who are fully operational and GLOBACOM which is yet to launch its operations.

Competition is very intense in the industry and none of the companies is leaving any stone untouched in the quest to be seen, heard and patronized. Chief among their marketing communications is advertising. All the companies run huge advertising programmes in an attempt to stay on top of the market. Is it surprising or coincidence for GLOBACOM, operators of GLO Network to invest so much in advertising over the past two (2) years when it hasn’t launched network operations yet?

What then is in advertising that makes these mobile telecommunication companies invest so much?

1.2. PROBLEM STATEMENT

Advertising, irrespective of its form is such a critical element in every business marketing communication strategy. The use of advertising to achieve specific corporate objectives dates back into several decades. Yet it is still relevant to businesses today in achieving set objectives.

Advertising is defined as “any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor” (Kotler and Armstrong, 2008).

Advertising as a communication tool is supposed to affect the buying behaviour of its target audience in a special way. There are several behavioural effects that advertisers seek, and this is informed by the message in the advert. (Kotler and Armstrong, 2008)

The unbridled use of adverts by mobile telecommunication companies over the years calls for concern as to its effects on consumer buying behaviour. The challenge is, whether consumers of mobile telecom products really consider these adverts in their choice of products and services.
To what extend does the incessant of these adverts, influence consumer choice of mobile telecom products.

1.3. RESEARCH OBJECTIVES

The overriding purpose of this research work is to understand and explain the effects of advertising on consumer buying behaviour in the mobile telecommunication industry. Among the specific objectives are:

i. To identify what motivates mobile telecom consumers in making purchase decisions.

ii. To determine the extent to which adverts affect consumer buying behaviour in the mobile telecom sector.

iii. To determine how mobile telecommunication companies in Ghana measure advertising effectiveness.

1.4. RESEARCH QUESTIONS

For us to be able to achieve our set objectives for this research, we have developed research questions that will guide us. The research questions for this study are specified below:

i. What motivates mobile telecom consumers in making purchase decisions?

ii. What extent does advert affect consumer buying behaviour in the mobile telecom industry?

iii. How do mobile telecom companies measure advertising effectiveness?

1.5. SIGNIFICANCE OF RESEARCH

Advertising and its importance to businesses has never been in doubt. It has also been well researched into by various researchers and on different dimensions. The researchers’ conviction for undertaking this study is the dimension it brings to bear on the topic. That is: how consumer buying behaviour is affected by mobile telecommunication adverts.
This research is significant in the following sense:

i. It will provide useful information to mobile telecommunication companies, industry players, and advertising agencies and media houses on how to design and create advertising messages in order to achieve optimum impact on consumer buying behaviour.

ii. The research work will also provide valuable data on dynamics of consumer buying behaviour for various managerial decisions in the mobile telecommunication sector.

iii. Finally, the study will add knowledge to academia and also form basis for further research endeavours into the topic or other related topics.

1.6. SCOPE OF RESEARCH

The research work covers existing customers of MTN, TIGO, VODAFONE AND AIRTEL, who are 18 years and above and literate in Kumasi Metropolis. The research explains the effects of adverts on consumer buying behaviour in the telecom sector. The period of study is between July 2010 and May 2011.

1.7. LIMITATIONS

In undertaking this research, there were challenges that the researchers faced. Prominent among them are:

i. The apathy of prospective respondents to providing information as was evident. People are unwilling to divulge information especially on personal behaviour.

ii. Another challenge that was faced is access to analytical software such as Statistical Package for Social Science (SPSS) and Minitab which offers better data analysis with cross-tabulation of responses.
CHAPTER TWO

LITERATURE REVIEW

2.0. INTRODUCTION

This chapter of the research work reviewed relevant information relating to the topic of advertising and consumer buying behaviour. It initially explores the wide area of advertising and later concludes with consumer buying behaviour.

2.1. ADVERTISING

Communication or promotion is one arm of the marketing mix used by businesses to strategize their products and services. Within the communication or promotion are several elements that managers can employ to sell their products and services, John Egan (2007).

Advertising is one such elements of the marketing communication mix. It is probably the oldest and widely used marketing communication tool. The other major marketing communication tools are Personal Selling, Public Relations, Sales Promotion and Direct Marketing.

2.1.0. DEFINITION OF ADVERTISING

The Encarta English Dictionary (2008) defines advertising as “the public promotion of something such as a product, service, business, or event in order to attract or increase interest in it”.

Kotler and Armstrong (2008), also defines advertising as “any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor.”

Advertising is further defined as “a paid, non-personal communication transmitted through media such as television, radio, magazines, newspapers, direct mail, outdoor displays, the internet, and mobile devices”. This definition is advocated by Ferrell and Hartline (2008).
According to (John Egan, 2007) advertising is defined as paid-for, non-personal form of mass communication from an identified source, used to communicate information and influence consumer behaviour.

This differentiates advertising from public relations or general publicity as it implies paying to place a message, constructed wholly to promote a product or service, in the media of choice. Advertising is also seen as non-personal as it is directed through the mass media at groups of consumers rather than individuals and from an identified source whose product or service is being selectively promoted.

2.1.1. ROLE OF ADVERTISING

Advertising has specific role in the communication mix. But erroneously, this role has been reduced to persuasion. What advertising seeks to do is discussed by Kotler and Armstrong (2008) as informing, persuading and re-enforcing existing and potential customers.

i. Re-enforce
   An important role of advertising is to re-enforce the proposition that the company has made to the market. This is done by re-informing and re-assuring the consumer of the value the Company offers. Remind consumers of where to buy, maintain customer relationships and keep brand in customer’s mind during off seasons.

ii. Inform
   Advertising is also used to inform consumers about the products and services an organisation offers to the market. This is particularly important when the company is new in the market and also when new products and services are developed. It informs customers of price change, correct wrong impression and explain how a product or service works.

iii. Persuade
   Persuasion role of advertising has been over emphasized to the point that all advertisements are seen to persuade consumers. This role targets consumers to re-
think in a particular way that the advertiser desires. Advertising persuades consumers to purchase more, encourages switching of products and convinces customers to tell others about the brand on offer.

2.1.2. ADVERTISING AND THE COMMUNICATION PROCESS.

Communication is the act of sharing thoughts and ideas between two or more parties in a format that is understood by all parties.

Engel et al., (1994) define communication as “a transactional process between two or more parties whereby meaning is exchanged through the intentional use of symbols”.

This means communication is a deliberate process that should be well thought through if the desired meaning is to be achieved. It is also transactional because it involves parties whose response may be desired or not.

Communication as a process is made up of components. The basic components of a single step model are sender, encoding, message, medium, decoding, receiver, feedback and noise. Kotler and Armstrong (2008)

Fig. 2.1: Single Step Communication Model

Source: Lancaster and Massingham (1993)
i. Sender
Communication starts with the sender, in this case the advertiser who has information to share with the target audience.

ii. Encoding
This stage of the process is where the advertiser puts the information to be shared into words, symbols, pictures and other formats that can be understood by the target audience.

iii. Message
The idea and thoughts that the advertiser wants to communicate to the audience. The message could be emotional, rational or moral appeals, depending on what the advertiser wants to achieve.

iv. Medium
Medium is the communication channel through which the advertiser’s message moves to the audience. It could be television, radio, newspaper, magazine, cinema, billboard, internet or other paid platforms depending on the audience profile.

v. Decoding
This is the stage of the process where meaning is assigned to the advertiser’s message that has been received by the audience.

vi. Receiver
The target audience who receives the advertiser’s message and either acts on it or not.

vii. Response / Feedback
This is the set of reactions shown by the receiver after hearing, seeing and reading the advertiser’s message. The response could be positive or negative depending on how the message was understood.
viii. Noise

Anything within the communication environment that prevents the meaning of the advertiser’s message from materializing.

It is imperative thereof for mobile telecom companies to have a second look at their adverts in relation to the communication model in order to achieve results.

2.1.3. ADVERTISING AS A COMMUNICATION TOOL

Adverts certainly need medium or platform through which they travel from the advertiser to the audience for the communication process to be complete. There are several platforms available to advertisers. These platforms have their advantages and disadvantages in terms of cost, effects, efficiencies and accessibility. Among the major platforms in Ghana are television, radio, newspapers, magazines, billboard, cinema, and internet.

According to Ferrell and Hartline (2008) customers are now fragmented across a wide variety of media such as television, radio, newspapers, magazines and the internet. They argue technology is allowing companies to target customers directly. Ferrell and Hartline (2008) also argue that the internet and other mobile devices are taking over traditional television and radio as the preferred choice of media in advertising.

In a report released by Bob Coen’s Insider Report (2006) on National Advertising Spending in 2006, internet media accounted for over 25% as against television’s 6.5% and radio’s 1% in the United States. The report indicates television, radio, newspapers and other mass communication media are struggling as a result of customer fragmentation.

In an article titled, “End of Television Advert” on Business Week Online (2008), the article suggests that advertisers are shifting from broadcasting media such as television, radio and newspaper to a more narrowcasting media such as cell phones, iPods, and internet. It goes further to say, this shift in consumer behaviour will eventually lead to the collapse of traditional 30-second television and radio adverts.
Kotler and Armstrong (2008) also seem to agree to the prediction of gloom and doom for traditional television and radio as the preferred advertising medium. Their prediction is also based on the increasing fragmentation of customers and the ever growing telecommunications.

Kotler and Armstrong (2008) cites a recent study in the U. S, which says about 84% of the youth spend more time on the internet and mobile devices such as phones and iPods. As a result, advertisers are losing interest in traditional television, radio and other mass communication tools as media that appropriately capture specific audiences.

Other media and advertising experts are quick to dispel the supposed “End of Television Adverts” article and prediction. Television and radio are gradually migrating unto internet platforms. They are still able to reach large audience and for advertisers who move away from radio and television do so at their own peril. Traditional television and radio are still potent in delivering results to advertisers, Kotler and Armstrong (2008).

In the light of these arguments and the rapid technological development in Ghana, are mobile telecom companies using more of the new narrowcasting media such as internet, iPods, cell phones in advertising or sticking more to the traditional platforms such as radio, television, newspaper and billboards in influencing consumer buying behaviour?

Some of the medium used in advertising are:

i. Television

Television is an electronic medium which provides motion picture and sound to viewers. It has a wider reach with regional and national viewership, John Egan (2007). In Ghana today, there is digital and satellite television with coverage outside Ghana like DSTV and MultiTV.

Television viewers cut across all social class in Ghana, and virtually every household owns a television set. This platform is quite expensive for advertising. Choice of advertising spot then has to done tactfully to ensure efficiency.
ii. Radio
This is also an electronic medium which only provides sound effects to listeners. Radio probably has the widest reach in Ghana today. It is portable and can be carried around conveniently.
There are local, regional, and national radio stations with a total of over 150 radio stations in Ghana, National Media Commission (2010). Radio is very popular especially in villages and the countryside. Local radio offers advertisers the opportunity to design their messages in local dialect to meet audience profile. This makes radio relatively less expensive and effective in reaching out to targeted audience, John Egan (2007).

iii. Newspapers
Newspaper is a print medium which provides text and still pictures in readable format. There are daily, bi-weekly and weekly newspapers with local, regional and national circulation in Ghana. Newspapers are even segmented into sports, entertainment, business, politics etc for advertisers to choose in targeting different audiences with messages.

Daily newspapers have a short life span but because the advert is in print, it can be referred to at later times. Newspaper readership is mostly the educated in society.

iv. Billboards
This is also another print medium that offers advertisers with readable text and still pictures. Billboards are positioned in and around towns with high population and at conspicuous places that provide a greater opportunity to see, John Egan (2007). Billboards are designed in various sizes with super-structure billboards now available in Ghana.

Billboards are hired usually three months to year duration. The cost is quite moderate except for super-structures. It is usually a supporting platform for advertisers as billboards alone are not effective in reaching target audience.
v. Online / Internet

The internet is a contemporary electronic platform for advertising. It has a wide reach because of its international nature. It has become a powerful advertising platform because of the ever increasing internet penetration around the world. The uniqueness of the internet platform is its ability to integrate the other media such as television, radio, newspaper and magazine on its platform, Ferrell and Hartline (2008).

Online advertising is relatively less expensive considering its coverage, and can be targeted to a specific audience profile. FACEBOOK, TWITTER, YOUTUBE and other social networking and entertainment sites are examples.

The mobile telecommunication companies use some of these advertising media in their communications. Will the increasing shift in advertising media in the United States and other well developed economies reflect in Ghana’s media landscape?

2.1.4. DEVELOPING EFFECTIVE ADVERTS

Kotler and Armstrong, (2008) suggests that, once the target audience has been defined, the advertiser must decide what response they seek. In many cases, the advertiser will seek purchase response. But the purchase results from a long consumer decision making process. The advertiser needs to know where the target audience now stands and to what stage the audience needs to be moved.

Whenever consumers receive advertising message, they go through a process before they take decision. Advertisers need to be aware of the various stages in the consumer decision making process. E. St Elmo Lewis in 1898 developed the AIDA model for communication. It is an acronym which stands for Attention, Interest, Desire and Action. Lewis, (1898) proposes that advertising message should move consumers through these stages.
The model was further improved in 1961 when Russell Colley put forward his DAGMAR model. That is defining advertising goal to measure advertising results. Colley (1961) suggests that in an attempt to identify the various steps in the consumer decision making process, the model allows advertisers to more precisely define advertising objectives. The model draws attention to the fact that advertisers need to have a clear purpose and understanding of what they seek to achieve.

Colley (1961) indicates that consumers go through the stages of unawareness, awareness, comprehension, conviction before they take action in the form of purchase. If the objective is to generate sales or purchase, then the advert should be designed in that perspective.
2.1.5. EVALUATION OF ADVERTISING OBJECTIVES

Considering the huge expenditure associated with advertising campaigns, it is only appropriate to assess and evaluate its effectiveness. Lord Leverhulme, the founder of Lever Brothers once said “I know that half of my advertising budget is wasted, but I’m not sure which half”, (www.tutor2u.net, 2010). Advertising is a big investment from companies and to be able to justify this investment, proper evaluation need to be done to measure results as against objectives set.

Many of the effects and outcome of advertising take a long time to manifest, especially outcomes like brand image and positive product attitude. Even outcomes on sales are sometimes difficult to measure because the effect is still felt long after the campaign has ended, Ferrell and Hartline (2008).

The peculiar challenges in measuring advertising effectiveness led to the design of DAGMAR model. DAGMAR represents Defining Advertising Goals for Measuring Advertising Results. Colley (1961) suggests advertisers need to set quantifiable goals in an attempt to measure advertising performance.

Advertising evaluation is one of the thorny issues confronting advertisers. The challenge arises because advertising is not isolated from the other marketing activities of the organisation. Despite all the challenges, methods have been developed to measure advertising effectiveness, according to Kotler and Armstrong (2008).

i. Pre-Testing Method
   This is often used prior to the launch of an advert. Usually a sample of the target audience is drawn and the advert is run on them to test how they behave towards it. This help to identify patterns in the consumer behaviour towards the advert in order to direct the main campaign.

ii. Post-Testing
   Post-testing method of evaluating adverting effectiveness involves a research among the target audience to determine the degree to which the objective set was achieved.
The table below shows how advertising objectives are measured.

Table 2.1: Measuring Advertising Effectiveness

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<th>KEY MEASUREMENT INDICATORS</th>
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| Stimulate sales increase | i. Number of consumer enquiry from advert  
                          | ii. Number of enquiries converted to sales                                                 |
| Remind customers         | i. Number of enquiries                                                                     |
                          | ii. Test awareness before and after advertising campaign                                    |
| Inform customers         | i. Amount of additional information requested by customers                                  |
                          | ii. Amount of sales increase during and after advertisement                                 |
| Build brand image        | i. Test awareness of brand recognition                                                      |
                          | ii. Degree of increase in brand equity                                                     |
| Change attitude and behaviour | i. Compare demographic profile of consumers on purchasing behaviour before and after advertisement. |

Source: Ferrell and Hartline (2008)

Do mobile telecom companies measure advertising effectiveness, and what indicators do they use in their measurement?
2.2. CONSUMER BUYING BEHAVIOUR

Consumer buying behaviour constitutes the factors and processes that consumers consider and go through before, during and after purchasing and consuming a product or service. There are levels to which each consumer interacts with the factors and process, Kotler and Armstrong (2008).

If mobile telecom companies in Ghana will be able to influence consumer buying behaviour with their advertising campaigns, then it is necessary to have a critical look at these factors and processes that consumers go through in choosing a product or service.

By gaining a better understanding of these factors and processes, telecommunication companies can then design effective adverts that will shape consumer buying behaviour.

2.2.0. FACTORS AFFECTING CONSUMER BUYING BEHAVIOUR

According to Lancaster and Massingham (1993), marketers are challenged in the area of ensuring that customers buy more of their goods and services. This is because what drives and motivates customers to behave towards a product or service does not lie in the control of marketers. The consumer buying behaviour is extremely complex and most customers often do not know what or why they behave in a particular way.

Kotler and Armstrong, (2008) advice that, for businesses to effectively attempt to influence customers, then they need to understand the factors that affect customer buying behaviour. Advertising in isolation will not generate positive impact. Knowledge of these factors helps advertising to be shaped around those factors. Kotler and Armstrong, (2008) once again identify four (4) broad categories of factors which are Cultural, Social, Personal and Psychological.
2.2.1. THE CONSUMER BUYING PROCESS

The consumer buying process is the various stages that a consumer goes through in an attempt to purchase and consume a product or service. It is a complex process that is difficult to predict and understand. It is important to identify the various stages in order to know how customers behave, Kotler and Armstrong (2008).

Ferrell and Hartline (2008) also argue that, despite the associated challenges, it is still worth the effort in trying to understand consumers. It provides needed insight on how to design marketing programmes that better meet consumer needs and wants.

The widely adopted consumer buying process has five (5) stages. The stages depict the possible range of activities that may occur in the purchase decision. Consumers however do not always follow these stages in sequence and may even skip some stages en route to making purchase, especially with frequent buyers and less involving products and services, Ferrell and Hartline (2008).
i. Need / Problem Recognition
The process begins with the consumer identifying a need or problem that has to be resolved. This occurs when consumers realize that there is a discrepancy between their existing situation and their desired situation. Consumers recognize need in a variety of situations. Some needs are internally stimulated such as hunger, thirst and fatigue. Some other needs are stimulated externally such as family and friends, sales people and company advertising, Ferrell and Hartline (2008).

ii. Information Search
The next stage of the process is for the consumer to search more and every available information on products and services that can help solve the need or problem. Information can be sourced from families, friends, internet, media, company communications, sales people etc.

iii. Evaluation of Alternatives
From the loads of information received in the searching stage, the consumer will now have to do a proper assessment of each product or service offering from the companies. Here, the customer considers which telecom company has wider coverage, network quality, call charges, convenience and other benefits in order to make a choice.

iv. Purchase Decision
Evaluation of alternatives gives a fair idea to the consumer as to which service to purchase. The purchase decision can however be influenced by the consumer’s economic power, friends and family, time available, esteem and other socio-cultural factors, Ferrell and Hartline (2008).

v. Post Purchase Evaluation
Each of the stage in the buying process requires information to guide the consumer to take appropriate buying decisions and advertising can be designed to provide useful information to influence the buying decision, Ferrell and Hartline, (2008).
The question is, how can mobile telecom companies use advertising to trigger need recognition in their customers and do they use it to influence consumer buying behaviour?
CHAPTER THREE

METHODOLOGY

3.0. INTRODUCTION

The chapter on methodology examines how the research work was done to guarantee validity and credibility. It consists of the method that was employed to collect the data on the research topic. Specifically, this chapter shares light on the research design, population of the study, sampling and sampling procedure, data collection instrument and data analysis techniques.

3.1. RESEARCH DESIGN

In undertaking this research work, we chose explanatory research design. The research explains how customers make purchase decision when they come in contact with mobile telecom adverts, why mobile telecom companies in Ghana choose specific advertising media in an attempt to influence consumer buying behaviour. The study also explains how these mobile telecom companies in Ghana measure the effectiveness of their advertising campaigns.

We conducted a survey to collect data from respondents for analysis. The choice of survey was particularly important because as undergraduate researchers, we do not have the requisite skills and experience, time and resources to utilize observation or experiment in collecting data on the topic.

3.2. POPULATION OF STUDY

The population considered for the study was customers and managers of MTN, TIGO, AIRTEL and VODAFONE who are eighteen (18) years and above, able to read and write in Kumasi. Any person within this population was eligible to be sampled. Customers who are eighteen (18) years and above are considered mature and are able to make decisions on their usage of mobile telecom products and services.
These four (4) mobile telecom networks constitute over 90% of the entire subscribers in Ghana according to figures released by the National Communication Authority in February, 2011. All the four (4) mobile telecom networks also have coverage and operations in Kumasi.

According to the mobile telecom operators and the National Communication Authority, there is no fixed population size for subscribers in the Regions and Districts. This is because of changes due to mobility and migration of subscribers. The estimated total subscribers in Ghana as at December 2010 are about 17.4 million. (www.nca.org.gh Feb. 2011).

We estimated a population size of about 1.2 million subscribers for these four mobile telecom companies in Kumasi. This is based on the 2010 population census estimate of about 1.8 million people in Kumasi.

3.3. SAMPLE SIZE AND SAMPLING PROCEDURE

For obvious resource constraint, we could not undertake a population census of total mobile telecom customers in Kumasi in order to achieve the objectives of the study. In this direction we sampled a portion of the total population.

A sample size of 104, made up of 40 MTN and 20 customers each from TIGO, AIRTEL and VODAFONE was used. A manager each from the four mobile telecom operators was also sampled to bring the total sample size to 104.

To ensure consistency in the course of sampling, a mixture of non-probability sampling tools were used. Customers from the four mobile telecom networks were grouped through a quota sampling procedure. In each group, a convenient sampling was used to select respondents till the quota assigned to that group was reached.

In the case of the managers, we used judgmental sampling procedure to select each manager from the four mobile telecom networks under study. The guideline for selection was based on their role and the amount of data they possess in their respective companies.
3.4. SOURCES OF DATA

The topic of this research work required both secondary and primary data. Secondary data was initially read and accessed from textbooks and journals from Christian Service University College library and on the internet. An extensive reading was done on the concept of advertising and consumer buying behaviour.

The secondary data from these sources helped in shaping and refining our research objectives and questions, and also formed the basis for our primary data collection. Primary data was then collected from customers and managers from the field work in Kumasi.

3.5. DATA COLLECTION INSTRUMENT

In order to ensure uniformity and standardization in the study, a structured questionnaire was used. The primary data collection was done through self-administered questionnaire. The questionnaire consisted of ten (10) structured question for customers and eleven (11) structured questions for managers of the telecom companies. The questionnaire was also made up of open and close-ended questions, multiple options, and rating questions designed to provide convenience to respondents while obtaining the appropriate data.

The questionnaire was answered in the presence of a member of the research team. This helped in clarifying questions to respondents who had challenges and also encouraged recovery of questionnaire.

The questionnaire was also designed to cater for ethical challenges of data protection and confidentiality of respondents.

Data collection was done between 17\textsuperscript{th} and 24\textsuperscript{th} May, 2011 and we had 100\% response rate because of the sampling approach that was chose for data collection.
3.6. DATA ANALYSIS

Quantitative and qualitative requirements of this research called for both qualitative and quantitative analysis techniques. Customers’ responses were analysed separately from that of managers’ responses. Data editing was done both on field and in house by the research team.

The edited data was then coded. Questions with multiple choice options were attached with numbers and letters for easier categorization.

Counting and grouping of same codes in the data was done manually. Responses were tallied for frequencies in the variables and later converted into percentages. Statistical presentation of data was done in pie, bar charts and tables with the help of Microsoft Excel 2007.

Open-ended responses from managers were compared and presented in narrative form as they were. Some comparison of customers and managers responses was also done.
CHAPTER FOUR
DATA ANALYSIS AND DISCUSSION

4.0. INTRODUCTION

This chapter of the research work analyzes the findings that were generated from the respondents sampled. There were two (2) sets of questionnaires. The first set was answered by customers of the four (4) mobile telecom companies and the second set was answered by the managers of the mobile telecom companies. In this direction, customers’ responses were analyzed separately from managers’ responses.

The analysis of the research findings was done with Microsoft Excel for tabulation and graphical representations of the results.

4.1. BACKGROUND OF ANALYSIS

In all, 100 questionnaires with ten (10) structured questions were answered by customers of the four (4) mobile telecom companies. We had 40 respondents from MTN customers and 20 respondents each from AIRTEL, VODAFONE AND TIGO customers.

We also received four (4) responses from each manager of the four telecom companies under consideration in the research work.

4.2. ANALYSIS OF CUSTOMER RESPONSES

Ten (10) questions were asked in the questionnaire, made up of “Yes” and “No”, multiple choice and ranking questions. The one hundred (100) respondents were sampled conveniently after putting them in quota according network subscription.
4.2.1 WHETHER CUSTOMERS HAVE HEARD, READ OR SEEN ANY ADVERT FROM THE COMPANIES IN THE LAST SIX (6) MONTHS?

All the customers that responded to this question answered YES to indicate all respondents have heard, read or seen an advert from the mobile telecom companies under study in the last six (6) months.

Table 4.1 Response of Customers on access to adverts in the last 6 months

<table>
<thead>
<tr>
<th>RESPONSE</th>
<th>NUMBER OF RESPONDENTS</th>
<th>PERCENTAGE OF RESPONSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES</td>
<td>100</td>
<td>100%</td>
</tr>
<tr>
<td>NO</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Researchers’ Fieldwork (2011)
4.2.2 WHERE CUSTOMERS OFTEN HEAR, SEE OR READ MOBILE TELECOM ADVERTS

Respondents were allowed to select more than one advertising media that they have heard, read or seen mobile telecom adverts. The results showed ninety-nine (99) 99% responded to television, ninety-two (92) 92% responded to radio, eighty-three (83) 83% responded to billboard, seventy-five (75) 75% responded to newspapers, thirty-two (32) 32% responded to magazines, twenty-seven (27) 27% responded to internet/website, thirteen (13) 13% responded to cinema/theatre as platforms for accessing mobile telecom adverts.

At least 75% of respondents have heard, read or seen mobile telecom adverts through newspapers, billboards, radio or television. Just about 13% of customers access adverts via the internet/websites.

This is an indication that majority of customers sampled rely on television, radio, newspapers and billboards to access information on telecom products and services in Kumasi, instead of internet and other new interactive media in the Developed World as suggested by Kotler and Armstrong (2008). Below is a graph representing customer responses to access to mobile telecom advertising media.

Figure 4.1: Customer access to mobile telecom advertising media.

Source: Researchers’ Fieldwork (2011)
4.2.3 CUSTOMER RANKING OF TOP THREE MEDIUM ON WHICH MOBILE TELECOM ADVERTS ARE HEARD, SEEN OR READ.

Question three (3) asked respondents to rank the media they often receive mobile telecom adverts from. The ranking is from 1st to 3rd. Television was ranked 1st with seventy-four (74) 74% responses, followed by Billboards with thirty-nine (39) 39% responses. Third on the media ranking was Radio with thirty-seven (37) 37% responses from customers sampled.

This is an indication that television adverts reach out to more customers in Kumasi and will be the most accessible media in influencing consumer buying behaviour.

Figure 4.2: Customer ranking of mobile telecom advertising media

![Customer ranking of mobile telecom advertising media](image)

Source: Researchers’ Fieldwork (2011)

4.2.4 WHAT COMES TO MIND WHEN CUSTOMERS SEE, HEAR OR READ ADVERTS FROM MTN, TIGO, AIRTEL OR VODAFONE?

This question measured customer thinking or cognisance in the decision making process when they come in contact with mobile telecom adverts. Respondents were allowed to select more than one option.

Fifty-five (55) 55% of respondents think mobile telecom adverts are a source of useful information, while forty-six (46) 46% respondents also think adverts are source of fun and entertainment. Fifty-seven (57) 57% of respondents sampled think mobile telecom advert is a
reason to try new product or service being advertised, while fifty-eight (58) 58% responses collected also think it is an opportunity to compare products and services.

Only eight (8) 8% respondents said, they do not give any importance to mobile telecom adverts. One (1) 1% responded to none of the above. These responses are summarized in figure 4.3 below. This finding indicates that majority of respondents, at least 55% consider adverts when making purchasing decision.

Figure 4.3: *Customer perception of telecom adverts*

![Customer perception of telecom adverts](image-url)

Source: *Researcher’s Fieldwork (2011)*
4.2.5. HOW ADVERTISING FROM MTN, TIGO, AIRTEL OR VODAFONE HELP IN CHOICE OF PRODUCTS AND SERVICES

When the respondents were asked how mobile telecom adverts helped in choice of products and services, they were allowed to select more than one option. The following findings were generated.

Seventy-two (72) 72% responded that it helps to compare products and services from other companies, while sixty-one (61) 61% respondents said it provides useful information on products and services.

A further sixty (60) 60% respondents answered that it is important guide to choosing the right product or service, while just eleven (11) 11% customers sampled said they don’t consider adverts when choosing products and services. There was no response for others.

Figure 4.4: How advert helps in product/service choice

Source: Researchers’ Fieldwork (2011)
4.2.6. HOW CUSTOMERS BEHAVE OR REACT TOWARDS MOBILE TELECOM ADVERTS

This question measured customers’ reactions when they are exposed to mobile telecom adverts. Respondents were also allowed to select several options that applied to their situation.

The following responses were recorded. Fifty-nine (59) 59% customers sampled said they consider trying the product or service, while thirty-eight (38) 38% respondents react to adverts as a sense of association to the mobile telecom companies.

Strong believe in the product or service, recorded thirty-five (35) 35% responses, while thirty (30) 30% respondents said they react to mobile telecom adverts as just one of the numerous adverts. Three (3) 3% respondents selected other (specify), with the following specifications. One said adverts are a source of bother, another said none of the options applied and the last said, to know if there are new developments. The chart below shows the breakdown of total responses recorded.

Figure 4.5: Customer reaction towards mobile telecom adverts

Source: Researchers’ Fieldwork (2011)
4.2.7. WHAT USUALLY INFORMS CONSUMER PURCHASE OF MOBILE TELECOM PRODUCT OR SERVICE?

In order to measure the motivation behind consumer purchase decision, this question was asked and respondents were allowed to select more than one option. The following responses were recorded. Seventy-three (73) 73% responded to real need for communication, while fifty-one (51) 51% responses were recorded for message in the adverts.

Forty-three (43) 43% responses were recorded for influence from family and friends, while only fifteen (15) 15% responses were recorded for availability of money and no responses were recorded for other (specify).

More than half of respondents selected real need for communication and message in adverts as what motivates them in purchasing mobile telecom products. Availability of money was not a strong motivating factor for customers in making purchase decision.

Figure 4.6: What motivates purchasing of mobile telecom products and services

<table>
<thead>
<tr>
<th></th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>real need for communication</td>
<td>73%</td>
</tr>
<tr>
<td>message in the adverts</td>
<td>51%</td>
</tr>
<tr>
<td>influence from friends and family</td>
<td>43%</td>
</tr>
<tr>
<td>availability of money</td>
<td>15%</td>
</tr>
<tr>
<td>others</td>
<td>0%</td>
</tr>
</tbody>
</table>

Source: Researchers’ Fieldwork (2011)
4.2.8. SOURCES OF INFORMATION WHEN MAKING A PURCHASE DECISION ON MOBILE TELECOM PRODUCT OR SERVICE

This question measured sources of information in making purchase decision on mobile telecom products. Respondents were allowed to select more than one option.

Previous knowledge and experience of product recorded highest responses of sixty (60), followed by company advertising message with fifty-one (51) responses, followed by friends and family with fifty (50) responses. There wasn’t any response for other (specify).

This shows nearly equal strength in family and friends, advertising message and previous knowledge and experience in providing information to customers in order to make purchasing decision.

Figure 4.7: Sources of information to make purchase decision

Source: Researchers’ Fieldwork (2011)
4.2.9. HOW MOBILE TELECOM ADVERTS AFFECT CONSUMER PURCHASING BEHAVIOUR

Question nine (9) sought answers to how adverts affect purchasing behaviour in customers. Customers sampled were free to select several options that applied. Help to find best products or services recorded sixty-two (62) responses as against thirty-seven (37) responses recorded for correcting wrong impression about products or services. Thirty-five (35) responses were recorded for spending more, while twenty-one (21) responses recorded indicate adverts do not affect their purchasing behaviour. There was no response for other (specify). The total responses are summarized in the figure below.

More than half of respondents indicated that adverts help them to best products and services, while about 21 respondents indicated that adverts do not affect their purchasing behaviour. Again this shows that adverts are not good for Companies alone but beneficial to customers as well.

Figure 4.8: How adverts affect purchasing behaviour in the telecom industry

Source: Researchers’ Fieldwork (2011)
4.2.10. GENERAL CUSTOMER ASSESSMENT OF ADVERTS ON THEIR PURCHASING BEHAVIOUR.

This final question measured respondents general assessment of mobile telecom adverts on their purchasing behaviour.

The following responses were recorded. Mobile telecom adverts positively affect my purchasing behaviour, recorded the highest responses with sixty-one (61), followed by I am not sure of the effects on my purchasing behaviour with twenty-six (26) responses. Twenty-one (21) respondents said, mobile telecom adverts does not affect their purchasing behaviour, while twelve (12) respondents said, mobile telecom adverts negatively affect their purchasing behaviour. There was no response on other (specify).

More than half 61% of respondents indicated that adverts positively affect their purchasing behaviour compared to 12% indicating that adverts negatively affect their purchasing behaviour.

Figure 4.9: General assessment of mobile telecom adverts on purchasing behaviour

Source: Researchers’ Fieldwork (2011)
4.3. ANALYSIS OF MOBILE TELECOM COMPANIES’ RESPONSES

The questionnaire submitted to the four (4) mobile telecom companies were made up of eleven (11) questions. The questions were structured with “Yes”, “No” and “Not sure”, multiple choices, ratings and open ended questions. Responses were received from managers of AIRTEL, VODAFONE, TIGO and MTN in Ashanti Region.

4.3.1. ADVERTISING MEDIA USED BY THE MOBILE TELECOM COMPANIES TO COMMUNICATE TO CUSTOMERS

The first question sought to know which medium the mobile telecom companies use to advertise. Respondents were allowed to select several media that applied. Their responses are summarized in the table below.

Table 4.2: Types of Advertising media used by the mobile telecom companies

<table>
<thead>
<tr>
<th>NAME OF COMPANY</th>
<th>ADVERTISING MEDIUM USAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>MTN</td>
<td>Television, Radio, Newspapers, Magazines, Billboards, Cinema/Theatre, Internet/Website</td>
</tr>
<tr>
<td>VODAFONE</td>
<td>Television, Radio, Newspapers, Magazines, Billboards, Internet/Website</td>
</tr>
<tr>
<td>AIRTEL</td>
<td>Television, Radio, Newspapers, Billboards, Internet/Website</td>
</tr>
<tr>
<td>TIGO</td>
<td>Television, Radio, Newspapers, Magazines, Billboards, Internet/Website</td>
</tr>
</tbody>
</table>

Source: Researchers’ Fieldwork (2011)
4.3.2. RANKING OF TOP THREE MEDIA USED BY THE MOBILE TELECOM COMPANIES.

The second question measured the three (3) most widely used medium in advertising by the mobile telecom companies. The respondents were asked to rank their 1st three advertising medium. All four (4) companies ranked Television as first (1st), followed by Radio. MTN ranked Newspapers as their third (3rd), while VODAFONE, TIGO and AIRTEL ranked Billboards as their third (3rd).

This finding presented a slight difference between customer ranking and that of the Companies. While all the Companies under study selected radio as the second ranked media, customers on the other hand ranked billboards as the second medium through which adverts are accessed.

Figure 4.10: Ranking of top three Advertising media used by the Mobile Telecom Companies

Source: Researchers’ Fieldwork (2011)
4.3.3. WHY COMPANIES USE THESE THREE (3) MEDIA MORE OFTEN THAN THE OTHERS

The reason behind the choice of these advertising media mentioned earlier was what the question sought. It was an open ended question and the responses are below.

The respondent from TIGO said “it is because majority of target markets are reached easily through these medium”, while VODAFONE’s respondent said “audience accessibility”.

The respondent from MTN said “because they are more accessible to the public than the others”, while the respondent from AIRTEL said “because it is the best media we can use to get to our target customers”.

This finding is quite different from Kotler and Armstrong (2008) suggestion that internet and new interactive media has taking over the place of the traditional media like radio, television and newspapers. The difference is as a result of perhaps the countries and the economies under consideration. Our research was in a developing economy while Kotler and Armstrong (2008) was in a developed economy.

4.3.4. WHETHER THE COMPANIES USE ADVERTISING TO STIMULATE NEED FOR PRODUCTS OR SERVICES IN CUSTOMERS?

This question measured whether mobile telecom companies use advertising to generate need recognition in the consumer buying process. All the four (4) mobile telecom companies under study answered “YES” to the question. This is in line with Ferrell and Hartline (2008) suggestion that adverts can be used to externally influence need recognition in the consumer decision making process.
4.3.5. SOME OF THE PRODUCTS OR SERVICES THAT THE COMPANIES USED ADVERTS TO STIMULATE NEED IN CUSTOMERS

Question five (5) sought to know some of the products or services that companies used adverts to stimulate need recognition in customers. The Companies were asked to list at least three (3) of products and services.

Table 4.3: Products/services that stimulated need in customers through advertisement

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>PRODUCTS /SERVICES</th>
</tr>
</thead>
</table>
| MTN     | 1. Phone book back-up service  
          | 2. Pay-for-me service  
          | 3. MTN Zone |
| AIRTEL  | 1. AIRTEL freedom to dream  
          | 2. AIRTEL money transfer  
          | 3. AIRTEL Blackberry solution |
| TIGO    | 1. TIGO cash  
          | 2. TIGO insurance  
          | 3. Double balance |
| VODAFONE| 1. VODAFONE phone book back-up  
          | 2. VODAFONE talk and talk  
          | 3. VODAFONE business solution |

Source: Researchers’ Fieldwork (2011)

4.3.6. THE EFFECTS TELECOM COMPANIES SEEK ON CONSUMER PURCHASING BEHAVIOUR WITH ADVERTISEMENT.

This question measured effects the companies seek with their adverts on consumer purchasing behaviour. Respondents were allowed to select more than one option. All the companies expect customers to switch to their respective network. At least three (3) of the companies seek change in perception about products and services, and also stimulate product or service interest among customers with their advertisements. The responses are shown in the chart below.
4.3.7(a) WHETHER THE COMPANIES MEASURE ADVERTISING EFFECTIVENESS?

The first part of question seven (7) asks whether the companies measure advertising effectiveness. All four (4) of the mobile telecom companies answered in the affirmative to indicate that they measure advertising effectiveness.

4.3.7(b) IF “YES”, WHAT METHOD OF MEASUREMENT DOES THE COMPANIES USE

The second part of question seven (7) sought for the type of measurement tool mobile telecom companies used to measure advertising effectiveness. All of the four (4) respondents answered that they use both pre-test and post-test methods in their measurement. This finding from the
respondents is in line with Kotler and Armstrong (2008) theory of measuring advertising effectiveness.

4.3.8 HOW DOES THE MOBILE TELECOM COMPANIES MEASURE ADVERTISING EFFECTIVENESS?

This was an open-ended question that seeks how the mobile telecom companies measure advertising effectiveness. The following responses were recorded.

VODAFONE measures advertising effectiveness “based on the objectives of the advertising campaign”, while TIGO measures “based on responses from test methods used”.

On the other hand, AIRTEL measures advertising effectiveness by “comparing results with the objectives of the adverts”, while MTN measures by “comparing it to the increase or decrease in sales”.

4.3.9 HOW DOES THE MOBILE TELECOM COMPANIES RATE THE EFFECTIVENESS OF THEIR LAST ADVERTISING CAMPAIGN?

Question nine (9) measured the effectiveness of the last advertising campaign undertaken by the mobile telecom companies. This was a rating question. VODAFONE, AIRTEL and MTN rated their last advertising campaign as “very effective”, while TIGO rated their last advertising campaign as “effective”.

40
4.3.10 SOME OF THE INDICATORS THAT MOBILE TELECOM COMPANIES LOOK FOR WHEN MEASURING ADVERTISING EFFECTIVENESS

The last question to the mobile telecom companies sought to know some of the indicators that the companies look for when measuring advertising effectiveness. Options were provided and respondents were free to select several options that applied to their company.

All four (4) companies selected the following as a common indicator. Number of enquiries converted to sales, amount of increase in sales, level of awareness and level of brand recognition. The full responses are presented in the chart below.

Figure 4.12: Indicators for measuring advertising effectiveness

Source: Researchers’ Fieldwork (2011)
CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

5.0. INTRODUCTION

The last chapter of the research work shares light on the summary of findings, the conclusion that was drawn from the findings, some recommendations made and finally, suggestion for further study.

The general purpose of the research work was to find whether consumer buying behaviour is affected by mobile telecom adverts. The specific objectives for the study are;

i. To identify what motivates mobile telecom consumers in making purchase decisions.

ii. To determine the extent to which adverts affect consumer buying behaviour in the mobile telecom sector.

iii. To determine how mobile telecommunication companies in Ghana measure advertising effectiveness.

5.1. SUMMARY OF FINDINGS

The data received from respondents have been analysed into findings in the previous chapter. The summary of the survey findings on customers and managers of the mobile telecom companies are shared below.

Television, radio, newspapers and billboards are the major advertising media that is used to influence consumer buying behaviour in Kumasi, as against internet and other new interactive media such as iPods and handheld devices in the Developed World, as suggested by Kotler and Armstrong (2008). This is supported by over 75% respondents who selected the traditional media, together with the Companies. This is illustrated in Figures 4.1 and 4.10.
More than 85% of customers sampled indicated that adverts help in their choice of mobile telecom products, either by guiding them to choose right products, comparing products from competitor or giving useful product information. This is contrary to less than 15% of respondents who said they don’t consider adverts in their choice of products as shown in figure 4.4.

Another finding of the survey is the motivation of consumers in purchasing mobile telecom products. The research reveals that, real need for communication, messages in adverts and influences from family and friends are the major motivating factors for purchase decision rather than availability of money. This is represented in figure 4.6.

The analysis of the survey also revealed that adverts affect consumer buying behaviour in diverse ways. Over 75% of customers sampled said adverts affect their purchasing behaviour, in ways such as finding the best mobile telecom products and services, correcting wrong impression about products and spending more. Just about 21% of customers sampled said adverts don’t affect their purchasing behaviour. Figure 4.8 illustrates this finding.

About 61% of customers sampled indicated that adverts positively affect their purchasing behaviour of mobile telecom products and services, as against 21% of customers sampled who said mobile telecom adverts negatively affects their purchasing behaviour as represented in figure 4.9.

Another finding of the study is that all the four (4) mobile telecom companies use advertising to stimulate need for products and services in customers, supporting Ferrell and Hartline (2008) point that need recognition in the consumer buying process can be stimulated externally by company’s adverts. Some of the products and services are MTN Zone, MTN Pay-for-me service, AIRTEL money, AIRTEL Blackberry solutions, TIGO Cash, TIGO double balance, VODAFONE talk and talk and VODAFONE business solution. This can be seen in table 4.2.

All the mobile telecom companies sampled in the study indicated that they measure advertising effectiveness. All the companies also use both pre test and post test methods to measure the effectiveness of their advertising. This is the best method of measuring advert effectiveness according to Ferrell and Hartline (2008).
The data analysis of the research also revealed that, the mobile telecom companies look for the following indicators when measuring advertising effectiveness. Degree of change in attitude and buying behaviour, level of brand recognition, level of awareness, amount of increase in sales. Also included are number of enquiry converted to sales, number of customer enquiries and degree of increase in brand equity. This is found in figure 4.12. Most of these indicators are shared by Ferrell and Hartline (2008) theory of measuring advertising effectiveness.

5.2 CONCLUSION

As stated earlier, the main purpose of the research is whether advertising affects consumer buying behaviour in the mobile telecom sector. In order to realize this purpose, the researchers set out to collect data and analyse them to reach a conclusion.

Even though a few of the answers to the questions were contradictory, some degree of conclusion can be drawn for the research. We can conveniently make the following conclusions based on the research findings.

Real need for communication, advertising messages and influence from family and friends are the major motivating factors that drive customers when deciding to purchase mobile telecommunication products and services in Kumasi.

Secondly, we can also conclude that mobile telecom adverts positively affect consumer buying behaviour in Kumasi. Among the effects are providing useful information on products and services, helping to find best products and services, correcting wrong impression about products and services and comparing products and services from competing companies.

The researchers also concluded that the mobile telecom companies operating in Kumasi measure advertising effectiveness. The companies use pre-test and post-test methods of measurement. Largely, the companies measure advertising effectiveness by comparing objectives with the results according to the research findings.
5.3. RECOMMENDATION

With respect to the findings and conclusions of the research work, the following recommendations are offered to the mobile telecom operators and other industry players such as advertising agencies.

i. Continuous attention should be given to the traditional advertising medium such as television, radio, newspapers, and billboards in influencing consumer buying behaviour. This is because they are the most accessible medium to reach target audience. Internet and other interactive media shouldn’t be neglected entirely but should be strategically utilised especially the social networking sites like FACEBOOK and YOUTUBE in influencing buying behaviour.

ii. It is also recommended that the mobile telecom companies focus advertising messages on stimulating more need for communication in customers in order to influence their buying behaviour. This is supported by the finding that most customers sampled indicated that real need for communication is what motivates them in making purchasing decision.

5.4. SUGGESTION FOR FUTURE RESEARCH

The research has been based on a sample size of one hundred (100) customers of MTN, TIGO, VODAFONE and AIRTEL in Kumasi which is quite a small sample of the population. It is suggested that the sample size should be increased to give a far better representation of the population.

Another suggestion for future research is to widen the scope of the research to include customers who can hardly read and write. Looking at the illiteracy level in Ghana, it will be worthwhile researching into how adverts affect their buying behaviour in the mobile telecom sector.
BIBLIOGRAPHY

APPENDIX I

CUSTOMER QUESTIONNAIRE

We will be glad if you could spare some few minutes to answer this questionnaire which is for purely academic exercise. We are final year marketing students undertaking our research project on the topic; “Effects of Advertising on Consumer Buying Behaviour in the Mobile Telecommunication Industry”.

The purpose of the research is to determine how consumer buying behaviour is affected by advertisement in the mobile telecom industry.

Please provide answer by ticking appropriately.

1. Have you heard, read or seen any advert from MTN, TIGO, AIRTEL or VODAFONE in the last six (6) months? □ YES □ NO

2. Where do you often hear, see or read mobile telecom adverts? Tick as many as apply

   Television □   Radio □   Newspapers □   Magazines □
   Billboard □   Cinema/Theatre □   Internet/Website □

   Other (specify)…………………………………………………………………….

3. Which three (3) media do you often hear, see or read MTN, TIGO, AIRTEL or VODAFONE adverts? Rank by indicating 1\textsuperscript{st}, 2\textsuperscript{nd} and 3\textsuperscript{rd} against the appropriate media.

   Television……. Radio……. Newspapers….. Magazines…….
   Billboard……. Cinema/Theatre……. Internet/Website…….

   Other (specify)…………………………………………………………………….
4. What comes to mind when you see, hear or read adverts from MTN, TIGO, AIRTEL or VODAFONE? Tick as many as apply.

☐ A source of useful information
☐ A source of fun and entertainment
☐ A reason to try the product or service being advertised
☐ Opportunity to compare products and services
☐ Don’t give any importance to the advert
☐ Other (specify)...........................................................................................................

5. How does advertising from MTN, TIGO, AIRTEL or VODAFONE help in your choice of products and services? Tick as many as apply.

☐ Provides useful information on products and services
☐ Compare service and product offering from other companies
☐ Important guide to choose right product and service
☐ I don’t consider adverts when choosing products and services.
☐ Other (specify)...........................................................................................................

6. How do you behave or react towards mobile telecom adverts? Tick as many as apply

☐ Consider trying the product or service
☐ Strong believe in the product or service
☐ A sense of association to the company
☐ Just one of the numerous adverts
☐ Other (specify)...........................................................................................................
7. *What usually informs your purchase of mobile telecom product or service? Tick as many as apply*

- [ ] Message in the adverts
- [ ] Real need for communication
- [ ] Influence from friends and family
- [ ] Availability of money
- [ ] Other (specify) ………………………………………………………………………………………………………………………

8. *When making a purchase decision of mobile telecom product or service, where do you search for information? Tick as many as apply*

- [ ] Company advertising message
- [ ] Previous knowledge and experience of product or service
- [ ] Friends and family
- [ ] Other (specify) ………………………………………………………………………………………………………………………

9. *How does mobile telecom adverts affect your purchasing behaviour? Tick as many as apply*

- [ ] Spend more
- [ ] Correct wrong impression about products or services
- [ ] Help me to find best products or services
- [ ] Adverts do not affect my purchasing behaviour
- [ ] Other (specify) ………………………………………………………………………………………………………………………

10. *Generally what is your assessment of adverts on your purchasing behaviour?*

- [ ] Mobile telecom adverts positively affects my purchasing behaviour
- [ ] Mobile telecom adverts negatively affects my purchasing behaviour
- [ ] I am not sure of the effects on my purchasing behaviour
- [ ] Mobile telecom adverts does not affect my purchase behaviour
- [ ] Other (specify) ………………………………………………………………………………………………………………………

THANK YOU FOR YOUR CO-OPERATION.
APPENDIX II

STAFF QUESTIONNAIRE

We will be glad if you could spare some few minutes to answer this questionnaire which is for purely academic exercise. We are final year marketing students undertaking our research project on the topic; “Effects of Advertising on Consumer Buying Behaviour in the Mobile Telecommunication Industry”.

The purpose of the research is to determine how consumer buying behaviour is affected by advertisement in the mobile telecom industry.

Please provide answer by ticking appropriately.

1. **What advertising media does your company use to communicate to customers?** *Tick as many as apply.*

   - Television
   - Radio
   - Newspapers
   - Magazines
   - Billboards
   - Cinema/theatre
   - Internet/websites
   - Other (specify) …………………………………………………………………..

2. **Which of these media does your company highly use in advertising? Kindly rank by indicating 1st, 2nd and 3rd against your first three choices.**

   - Television……
   - Radio……
   - Newspapers…..
   - Magazines…..
   - Billboard……
   - Cinema/Theatre……
   - Internet/Website……
   - Other (specify)………………………………………………………………
3. **What makes your company use these three (3) media more often than the others?**

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4. **Does your company use advertising to stimulate need for products or services in customers?**

YES  [ ]  NO  [ ]  NOT SURE  [ ]

5. **What are some of the product(s) or service(s) that your company used adverts to stimulate need in customers? List at least three (3)**

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6. **What effects on consumer purchasing behaviour do you seek with your advertisement?**
   *(tick as many as apply)*

- [ ] Increase in spending
- [ ] Change in perception about products and services
- [ ] Switch from other mobile networks
- [ ] Strong product or service recall
- [ ] Inquire more about the product or service being advertised
- [ ] Stimulate product or service interest among customers
- [ ] Other (please specify)........................................................................................................
7(a). Does your company measure advertising effectiveness?

YES ☐ NO ☐ NOT SURE ☐

7(b). If “YES”, what method of measurement does your company use? Tick as it applies.

Pre Test Method ☐ Post Test Method ☐

Both ☐ other (specify)..........................................

8. How does your company measure advertising effectiveness?

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9. How do you rate the effectiveness of your last advertising campaign?

Very Effective ☐ Slightly Effective ☐ Effective ☐ Not Effective ☐
10. What are some of the indicators that your company looks for when measuring advertising effectiveness? Tick as many as apply.

- Number of customer enquiries
- Number of enquiries converted to sales
- Amount of increase in sales
- Level of awareness
- Level of brand recognition
- Degree of increase in brand equity
- Degree of change in attitude and buying behaviour
- Other (specify) ……………………………………………………………………………………

THANK YOU FOR YOUR CO-OPERATION