KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY

INSTITUTE OF DISTANCE LEARNING

THE EFFECT OF ADVERTISING ON CONSUMER BEHAVIOUR: A CASE STUDY OF MTN GHANA

BY

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A THESIS PRESENTED TO THE INSTITUTE OF DISTANCE LEARNING,

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY,

KUMASI, IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR

THE AWARD OF THE COMMONWEALTH EXECUTIVE MASTERS IN BUSINESSADMINISTRATION (CEMBA) DEGREE

MAY, 2010

CERTIFICATION

I hereby declare that this submission is my own work towards the Commonwealth Executive Masters of Business Administration (CEMBA) and that, to the best of my knowledge, neither contains materials previously published by another person nor materials which has been accepted for the award of any other degree of the university, except where due acknowledgement has been made in the text.

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HOD   Signature   Date

DEDICATION

This work is dedicated, with love, to the following personalities:My mother, Helena Mormordey Effer Teye Nartey, My father, Mr. John Kweku Nartey And Uncle, Mr. B.K Adipah formally of Ghana Education Service, Curriculum Research Development Division, Accra.

ACKNOWLEDGEMENT

ABSTRACT

The research investigates the effect of advertising on consumer behavior in the sense of how advertising influence consumers to buy or make purchase. The objective of this study was to examine the effect of advertising on consumers in the service industry, to identify factors that motivate consumers to make an offer, and also to find out the type of adverts that influence consumers to make a purchase. The target population of the research involved both male and female client/customers of MTN Ghana, the subscribers and some managers of the company. A sample size of 225 was chosen. Non-probability method of sampling was adopted in selecting a sample size. The main instrument used in collecting data was questionnaire. The study shows that consumers respond effectively to advertisement when it is informative, that is, when it provides useful information to supports consumers to make decision. However, advertisement makes a strong impact when it is appealing, pleasing to the eye and shows creativity in its concept. The frequency of adverts also makes customers create some likeness for the product. The adverts that mostly attract respondents were the innovative adverts. Most of the respondent sought more information on the product before making decision to buy. Advertisement also create awareness among the consumers through advertising. The words, colours, the cultural theme, the sound etc are the essential parameters that go a long way deciding the innovativeness of an advert. It is suggested that the MTN Ghana improved on the net network to satisfy the interest and expectations of customers.

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ABRREVIATIONS/ACRONYMS

VIPS: visibility, identity, promise and single mindness

AIDS: Acquired Immune Deficiency Syndrome

MENA: Middle East and North Africa

SEA: South and East Africa

WECA: West and Central Africa

CSR: Corporate Social Responsibilities

USD: US Dollar

SPSS: Statistical package for Social Science

AAG: Advertising Association of Ghana

MTN: Mobile Telecommunication Network

KNUST: Kwame Nkrumah University of Science and Technology
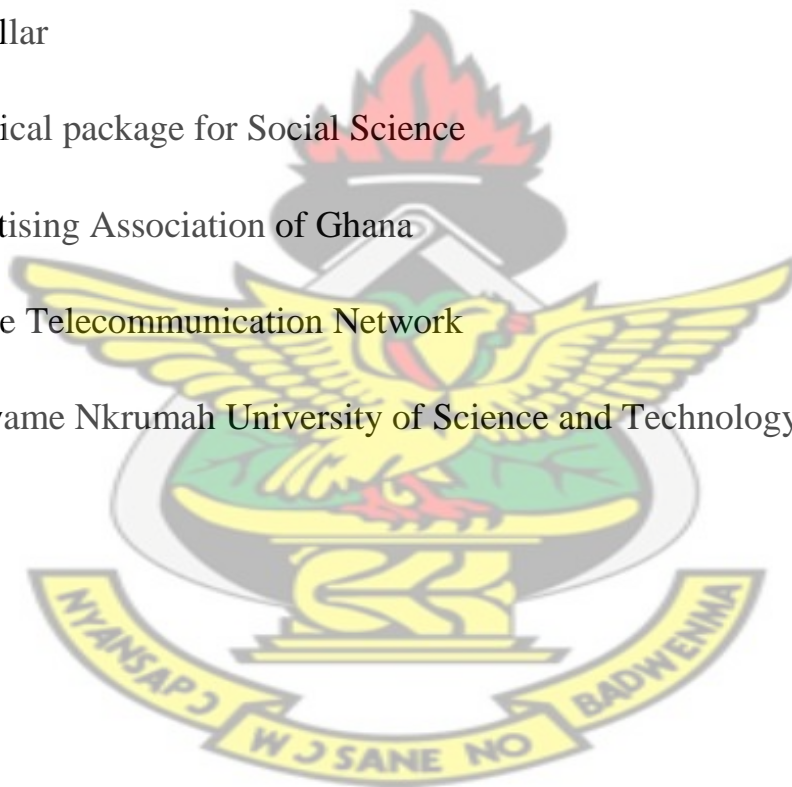
CHAPTER ONE

INTRODUCTION

1.1. Background to the Study

Today, advertising is a multi-billion industry, employing hundreds of thousands of people and affecting billions of people's lives worldwide. Yet, seeing as advertising clutter has increased tremendously and is more intense than ever, it is vital that companies differentiate themselves from competitors by creating even more powerful, entertaining and innovative advertising messages, as well as sponsoring different events. The end point of any production or manufacturing activities is consumption. Therefore, whatever product or service that is produced must satisfy the needs of the consumer adequately. The consumer is said to maximize his satisfaction when his money utility equals the utility of the offer he received in

Exchanged for the money. Contemporary marketing calls for more than just developing a good product/service, Pricing it attractively and making it accessible to consumers. Companies must also communicate with their present and potential customers. Advertising is one of the major tools companies use to direct persuasive communications to target buyers

and publics. The spender includes not only business firms but museums, professionals and social organization that advertised their causes to various target public.

Organizations obtain their advertising in different ways. In small companies advertising Agencies are used. A large companies set up their own advertising department, who develop advertising strategy, approved advertising agency, advert and campaign and handle direct mail advertising, dealer display and other forms of advertising not ordinarily performed by the agency most companies use an outside advertising and to select and purchase media. Advertising objective is a specific communication and achievement level to be accomplished with a specific audience in a specific period of time. If, the desired results are to be achieved, the product must be good and acceptable to the consumer; advertising must be carefully planned in advanced; right appeals/claims must be adopted; the right type of media must be used; the cost must not be excessive; reasonable frequency must be provided; right distribution channel must be selected; and the price of the commodity must be right i.e. acceptable to the consumer (Anthony, 2009).

1.2. Statement of the Problem

For a couple of years since its operation started, MTN Ghana has managed to capture a large percentage of market shares (55%) in the Telecommunication industry by creating a brand image. Surprisingly, Ghanaians have been made to love MTN as they see it as the funky network that everybody is on. Segmentation analysis across MTN markets has been undertaken. This has facilitated improved product offering. MTN phone communication is meant to ease life and add flavour to it. However, it has turned out to be a nuisance to Ghanaians in the past few months, fed-up subscribers of MTN Ghana have continuously and publicly complained of bad network and unsolicited marketing advertising messages from the company (Wafula, 2009). O. Annabel, a subscriber on the network, published her complaint

in one of the daily news paper of August 27, 2008. She said "I am really growing weary of all the unsolicited text adverts messages of all kinds." Despites the intermittent interruption in the network, MTN still keeps intensify their advertisement and campaign to increase market share. MTN Ghana observed that promotional messages have grown in popularity globally and the trend is expected to continue with associated unforeseen problems. It is doubtful, MTN with its bad network still increase its market share and whether any form of advertising, promotional is solely capable of influencing MTN subscribers choice. A number of other factors may influence consumers' decision to buy MTN product. This includes other marketing communication stimuli such as product quality, packaging, price, brand image and so on. The problem is, how much of MTN adverts, (in terms of frequency) can be used to generate the desire level of favourable responses? Due to the afore-mentioned problems, it has therefore become prudent for this study to be conducted to find out the effect of advertising on consumers behaviour.

1.3. Objectives of Study

The study sought to achieve these objectives:

- To identify the factors that motivate consumers to respond to advertising.

- To find out specifically the type of advertising that motivates consumers to respond to an offering.

- To determine the effect of advertising on consumer behavior in the service industry in Ghana.

1.4. Research Questions

This study has these research questions.

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- What are the factors that motivate Ghanaian consumers to respond to advertising?

- What type of advertising motivates Ghanaian consumers to respond to offering?

- How does the advertising affect consumer behaviour of the service industry in Ghana?

1.5. Significance of the Study

The implications of this study will help MTN to take advertising more seriously and so as to give them a better exposure in the fast growing competitive markets. Again, would also serve as a reference material for students and marketing practioners. Furthermore, would help to capture customer's feedback and will served as a guide in drawing up service improvement strategies to meets the subscribers demand.

1.6. Scope and Limitations of the Study

This study was limited to one service firm, MTN in Accra due to time constrain. Only effects of advertising on consumer behaviour are researched in this study since all other components of advertising and consumer behaviour could not be researched due to lack of documented information on those components of advertising that also affect consumer behaviour.

A further limitation of the study was that survey items and independent variables were based on the information given by managers. Another limitation was time dimension. The period within which this research must be completed for submission was less than one academic year.

1.7. Organization of the Study

This study has been organized in five chapters. The first chapter discussed the statement of the problems, the objective of the research, and the significance of the study amongst others. The second chapter dealt with a review of related literature. Chapter three covered mainly the methodology and the company profile. It gave details of how the research was conducted. The fourth chapter covered the details of analysis and presentation of figures of the research. The chapter five also dealt with the summary, conclusion and recommendations of what came out of the study.

CHAPTER TWO

LITERATURE REVIEW

2 Introduction

Cohen (1993) states that advertising campaign involved four main stages: situation analysis, creative strategy, media strategy and evaluation of advertising effectiveness. The situation analysis stage gathers information with particular reference to a firm's market competition and customers. On the creative strategy, the author emphasis the needs for the unique setting proposition which stresses on usual product benefits to distinguish a particular product from others. Again, he states that the firm's marketing requirement, advertising requirement and an evaluation of the different characteristics of specific media are factors to consider in selection of channels to carry the message. In evaluation advertising, the author contends that there is lack of consensus. Concerning the techniques to be adopted, Jenkins (1990) refers to David Bernstein's VIPS formular for advertisement-visibility, identify, promise and single mindness. Advertising must be visible; the product must not be hidden by too clever a presentation or bad design and efforts made to overcome communication barriers whereby listeners or viewers misunderstand the advertising message. According to a author of media advertising, consumers wish to know only so much as they choose to and they pick up only fleeting impression about advertisement. Consumers are generally selective and actively attentive to only those advertising that arouse them.

Kotler and Armstrong (2003) pointed out that marketing management makes 5 main decisions when developed an advertising program (the 5M):

- What are the advertising objectives? (mission)

- How much can be spent (money)

- What message should be used (media)

- How should the result be evaluated (measurement)

They advocate that advertising objectives must be based on past decisions about the target markets position and marketing mix. Advertising is one of the many marketing tools that are used to attract attention of prospective customers to a business or its products or service. The more effective and advertising campaign, more the customers or consumers it draws, and with greater frequency. Advertising is part of the overall marketing strategy of a business which includes public relations, promotional programs, incentives, newsletters and word of mouth, among other strategies. The aim of a marketing strategy is to use advertising along with these other tools, for maximum impact (Anthony, 2007)

Kotler and Armstrong (2003) define advertising as any paid form of non-personal presentation and promotion of ideas, goods or service through mass media such as newspapers, magazine, television or radio by an identified sponsor. Advertising is the best-known and most widely discuss form of promotion. Marketers use advertising for its cost-effectiveness with large audience and it also create brand images and symbolic appeal for a company or brand. It has been established that customers are more likely to consider buying and using certain brand of what they can remember the brand name and something about its attributes or benefits.

2.1 Concept of advertising

According to Laver (2004) advertising is a device which first arrest the attention of the passer-by and then induces him to accept a mutually advantageous exchange''

Williams (1988) focus on the institutionalization and professionalization of advertising that is its commercial functions and its persuasive force. As a social critic, he locates advertising in a social context. For him, advertising belong to a particular historical moment. It is a part of modern capitalist society, and it distinguishes it from attention- grabbing devices in non-capitalist societies in other times and places. For Williams, advertising cannot be decoupled from the way it come into being and the work it does in society. He drew attention to sponsorship of art in modern times. His definition said advert is the official art of capitalist of society.

Galbraith (1958) examined that advertising as manipulating the public by creating artificial needs and wants. He did much to popularize the understanding of economics and society. Aspects of adverting that received emphasis in other fields is persuasion (psychology) regulation (political science) gender, race and class (sociology, cultural studies, and culture (anthropology)

Richard (1980) defined that "advertising is a paid, mediated form of communication from an identifiable source, designed to persuade the receiver to take some action, now or in the future.

Randazzo (1993) examined advertising as a form of myth making. While myths are more than entertaining little stories about gods, goddesses, and heroic characters, the universality of myths the fact that the same myths recur across time and many cultures, suggest that they originate somewhere inside us. Advertisers sell products by mythologizing them, by

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wrapping them in our dreams and fantasies in advertising is not simply in the business of "selling soap" advertising turns product into brands by mythologizing them by humanizing them and giving them distinct.

According to Diamond, (1962) advertising is a form of communication intended to persuade its viewers, readers or listeners to take some action. It usually includes the name of a product or service and how that product or service could benefit the consumer, persuade potential customers to purchase or consume that particular brand. Commercial advertisers seek to generate increased consumption of their products or services through branding, which involves the repetition of an image or product name in an effort to associate related qualities with the brand in the mind of consumers.

Christ (1998) defined advertising as non-personal form of promotion that is delivered through selected media outlet that, under most circumstances, required the marketer to pay for message placement. Advertising has long been viewed as a method of mass promotion in that a single message can reach a large number of people. But, this mass promotion approach presents problems since many exposed to an advertising message may not be within the marketer's target markets, and thus, may be an inefficient use of promotional funds. However, this is changing as now advertising technologies and the emergence of new media outlets offer more options for targeting advertising campaign.

Anthony (2007) in his article defined advertising as one of the many marketing tools that are used to attract attention of prospective customers to a business or its product or services. The more effective an advertising campaign, the more the customers it draws and with greater frequency. Advertising is part of the overall marketing communication strategy of a business, which includes public relations, promotional programs, signets, incentives, newsletters, and word of mouth, among other strategic.

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2.2 Objectives of Advertising

According to Ryverson, (1976) Advertising is a crucial element in the marketing plan. But, its role in specific marketing programmes varies, from time to time, market to market and from company to company

The objectives include the following: To create awareness of the existence of a product, to persuade potential targets to buy the product, encourage the public to buy more of the product than previously, to convince the public that it product is superior to other product,Create image and goodwill,Building up confidence in a business, Identifies a business with the goods and service it offer

2.3 Importance of Advertising

Lake (2002) stated that advertising promotes a product, service or event to its target audience. A target audience is the portion of the general public that products, services or events were created to fill a desire or need in the market place. The channels advertising is run through to reach its target audience includes internet, print media, broadcast, outdoor and point of purchase.

Root (2004) examined that web adverts can be interactive and allow consumers to react instantly to the message by clicking on the link to visit the sponsor website or by agreeing to fill out an online survey to give their opinion. Web advertising can be traced and tracked to find out exactly where responses are coming from and which kinds of websites are most effective for particular kinds of product or service. Geographically, internet advertisement can be seen by people all over the world for a relatively low cost. Also, one vital aspect is that it can offer international exposure without charging a premium.

Anthony (2007) said advertising is one of the most important things present in a society today, like an old slogan puts it "advertising" your right to choose". Advertising helps to keep the consumers informed about new products or services available in the market.

Hood (2005) argues that advertising images are responsible for part of the pleasure people take in making purchase. Hood asserts that advertising is an essential and valuable element of a free society. Adverts convey crucial information about the price, quality and availability of products. They save consumers time and energy.

Dawson (2004) researched that when you stop advertising you lose sales not again. It will be difficult for people to know about your business and all it benefits if they don't know what

you have to offer. What good is a product if it is not known to the masses? Adverts make sales consistent and competitive. Adverts reveal the key to gaining and retaining customers.

Pinkus (2008) stated that profits are made when product are sold. Advertising is a marketing strategy that helps draw the attention of possible buyers toward the product.

However, if the advertisement is made to add to the sales and therefore the consequent profits of a venture, then regardless of the quality of the advertisement, it fails in its aim. Advertising obviously makes businesses have competitive advantages over others that trim their marketing budgets. Advertising is a way to spread the word about services available to a target customer base long-term value, short term advertising generates new sales, which leads to repeat business from existing customers and create new leads that turn into future sales. The more familiar buyers are with a business or brand, the more likely they are to purchase that brand. If a business is not communicating with customers, then that company will not be considered in the buying decision.

Newcomb (2004) studied that advertising is an important driver of corporate success. In fact, 72% think advertising and marketing can have a substantial influence over the way the market perceives their company; while 62% feel their advertising and marketing programs have substantial impact on sales. But when it comes to effectiveness, the respondents were split- about 42% felt that "the advertising industry seems to have a poor grasp of the business issues confronting organization like mine" while just under 40% think external advertising and marketing services bring a valuable perspective to our advertising and marketing issues.

Brady et al (2004) said the position that intrinsic brand cues are more important for highly intangible service purchases (natural funds) than for purchases that are more tangible (hotels

and computers). The result reveals that extrinsic brand cues are less important in purchase decisions of highly intangible service

Marcedo (2008) examined that advertising is a technique are more sophisticated, thus appealing to people more easily. Adverts, however, make people anxious to get more and more things to buy and may feel they don't need those things. People always want more and consume more than they need. Advertising makes known the existence of a product or service on the market. Therefore, it may stimulate the economy, creating new jobs, this, being a good source of income for companies, families and countries. Moreover, it is a good way of entertaining people and increase people's creativities. A popular culture media (2004) studied that advertising is the promotion of a product or service and is extremely pervasive in contemporary society. Its maximize sales. Advertising helps to spread awareness about products or services that are of some use to consumer and potential buyers. The main aim of advertising is to sell. Advertising on the whole helps business as well as the economy to prosper and makes the consumer aware of the various choices that are available to him. Advertising worldwide, contribute to economic growth. Most organization, small and large uses advertising to help meet marketing objective.

2.4 The Negative Effects of Advertising

According to Mularz (2008) in his article, "Negative Effect of Advertising", advertising may have some good points, as you have just heard, but advertising is really just a necessary evil. Advertising has its own fair share of negative effects. While some are obvious to those with a more scrutinizing eye, most of advertising's potentially harmful facets go undetected.

- Hidden costs

- Lying

- Degradation of art

- Hidden costs

This may come as a shock to some of you, but Advertising costs lots of money! So where does this money come from? From you the consumer. When you purchase a product, you pay for the product itself, that product's packaging, the cost of the development of that product's packaging, the machinery that made that product and its packaging, the facility that machinery is housed in, etc, and you also pay for that product's advertising. I can understand paying for the cost of the machinery and everything else that went into making the product, but I don't really want to pay the company to tell me to buy their product chances are their advertising didn't really sway my decision to buy from them, but I must still pay for their advertising.

- Lying

Advertisers know that they cannot make outright false claims… any claim they make must be, because of current laws, supportable by some kind of statistic. However, advertisers can, and do, bend the truth--by using various techniques of 'puffery'. They can exaggerate certain mundane features of their products or they can make vague and ambiguous claims that sound good. Advertisements can be deceiving; especially for younger people in a world where our kids are left to rot in front of a radon emitting screen for hours at a time, this kind of deception cannot be healthy.

Degradation of art

The most painful negative effect of advertising is the complete and utter degradation of some forms of art. Almost nothing you see on television or hear on the radio is done for the sake of

creativity. Everything you see or hear now is meant to sell you something. All the singers are singing about something you should buy, all the dancers are dancing around a new perfume, all the cartoons are telling you what to get your kids for Christmas. Why is only 40% of the typical newspaper devoted to news? Because the rest is all advertisement. Why are only 20 minutes out of the hour devoted to music and programming on radio? Because the other 40 minutes are sold to other companies. The negative side of adverts is that it is not usually a neutral and objective statement. The adverts are made by the product's manufacturer and that already tells us that it will never be objective. According to the box every product is the best after all. Mularz (2008) in his article, "Negative Effect of Advertising",

2.5 Types of Advertising

According to Manohar (2009) advertising is the promotion of a company's products and services carried out primarily to drive sales of the products and services but also to build a brand identity and communicate changes or new products /services to the customers. Advertising has become an essential element of the corporate world and hence the companies allot a considerable amount of revenues as their advertising budget. There are several reasons for advertising some of which are as follows:

- Increasing the sales of the product/service
- Creating and maintaining a brand identity or brand image.
- Communicating a change in the existing product line.
- Introduction of a new product or service.
- Increasing the buzz-value of the brand or the company.

Thus, several reasons for advertising and similarly there exist various media which can be effectively used for advertising. Based on these criteria there can be several branches of advertising. Mentioned below are the various categories or types of advertising.

PRINT Advertising – Newspaper, Magazine, Brochures, Fliers. The print media have always been a popular advertising medium. Advertising products via newspapers or magazines is a common practice. In addition to this, the print media also offers options like promotional brochures and fliers for advertising purposes. Often the newspapers and the magazines sell the advertising space according to the area occupied by the advertisement, the position of the advertisement (front page/middle page), as well as the readership of the publications. For instance an advertisement in a relatively new and less popular newspaper would cost far less than placing an advertisement in a popular newspaper with a high readership. The price of print ads also depend on the supplement in which they appear, for example an advertisement in the glossy supplement costs way higher than that in the newspaper supplement which uses a mediocre quality paper

Outdoor Advertising: Billboards, kiosks, Tradeshows and events

Outdoor advertising is also a very popular form of advertising, which makes use of several tools and techniques to attract the customers outdoors. The most common examples of outdoor advertising are billboards, kiosks, and also several events and tradeshows organized by the company. The billboard advertising is very popular; it however has to be really terse and catchy in order to grab the attention of the passersby. The kiosks not only provide an easy outlet for the company products but also make for an effective advertising tool to promote the company's products. Organizing several events or sponsoring those makes for an excellent advertising opportunity. The company can organize trade fairs, or even exhibitions for advertising their products. If not this, the company can organize several events that are

closely associated with their field. For instance a company that manufactures sports utilities can sponsor a sports tournament to advertise its products.

Broadcast Advertising – Television, radio and the internet. Broadcast advertising is a very popular advertising medium that constitutes of several branches like television, radio or the Internet. Television advertisements have been very popular ever since they have been introduced. The cost of television advertising often depends on the duration of the advertisement, the time of broadcast (prime time/peak time), and of course the popularity of the television channel on which the advertisement is going to be broadcasted. The radio might have lost its charm owing to the new age media; however the radio remains the choice of small-scale advertisers. The radio jingles have been very popular advertising media and have a large impact on the audience, which is evident in the fact that many people still Remember and enjoy the popular radio jingles.

Covert Advertising – Advertising in movies. Covert advertising is a unique kind of advertising in which a product or a particular brand is incorporated in some entertainment and media channels like movies, television shows or even sports. There is no commercial in the entertainment but the brand or the product is subtly (or sometimes evidently) showcased in the entertainment show. Some of the famous examples for this sort of advertising have to be the appearance of brand NOKIA which is displayed on Tom Cruise's phone in the movie Minority Report, or the use of Cadillac cars in the movie *Matrix Reloaded*.

Surrogate Advertising – Advertising indirectly. Surrogate advertising is prominently seen in cases where advertising a particular product is banned by law. Advertisement for products like cigarettes or alcohol which are injurious to heath are prohibited by law in several countries and hence these companies have to come up with several other products that might have the same brand name and indirectly remind people of the cigarettes or beer bottles of the

same brand. Common examples include Fosters and Kingfisher beer brands, which are often seen to promote their brand with the help of surrogate advertising.

PRINT SERVICE ADVERTISING – Advertising for social causes Public service advertising is a technique that makes use of advertising as an effective communication medium to convey socially relevant messaged about important matters and social welfare causes like AIDS, energy conservation, political integrity, deforestation, illiteracy, poverty and so on. David Oglivy who is considered to be one of the pioneers of advertising and marketing concepts had reportedly encouraged the use of advertising field for a social cause. Oglivy once said, *"Advertising justifies its existence when used in the public interest - it is much too powerful a tool to use solely for commercial purposes."* Today public service advertising has been increasingly used in a non-commercial fashion in several countries across the world in order to promote various social causes. In USA, the radio and television stations are granted on the basis of a fixed amount of public service advertisements aired by the channel.

Celebrity Advertising - Although the audience is getting smarter and smarter and the modern day consumer getting immune to the exaggerated claims made in a majority of advertisements, there exist a section of advertisers that still bank upon celebrities and their popularity for advertising their products. Using celebrities for advertising involves signing up celebrities for advertising campaigns, which consist of all sorts of advertising including, television ads or even print advertisements.

2.6 Concept of Consumer Behaviour

Consumer behavior is defined as the acquisition, consumption and disposition of products, service, time and ideas by decision making units. It is the body of knowledge which studied

various aspect of purchase and consumption of products and services by individuals with various social and psychological variable of pay.

Richens (2001) refers to the ways in which people use the product they buy. This includes where the product is consumed and when (in terms of what occasions the product might be used) and how the product is used. In some cases, people use products in ways which were not intended by the manufacture: this is called re-invention. For instance, a biological might buy a turkey-bosting syringe to use for taking water samples from a river or gardener might buy a china serving dish to use as a plant pot. Consumption is necessary for our health and well-being. Obviously some consumption is not good for us. (Over consumption of alcohol, drug abuse, or even using a mobile telephone while driving but most of our consumption is essential for living and relating to other people.

Fazio (1986) identified that the consumer forms an attitude and then acts accordingly. Some consumers are likely to develop positive attitudes and consequently a preference towards a specific tariff. (i.e. positive attitude towards a tariff) are more likely to choose this tariff when confronted with the tariff choice decision.

Haward (1977) said because of consumer strong preference for their attitudes, customers with specific tariff preference will choose their favorite tariff most of the times regardless of price.

Burton (1990) argued with regards to brand choice since consumers with tariff preference are more interested in acquiring the needs satisfying properties of their favourite tariff than in choosing any tariff that offer lower price they will be rather insensitive to the price than their favorites tariff. Consequently, this will be reflected in the lower price elasticity of this tariff. Consumer with no tariff specific preferences, on the other hand, have no reason to choose a

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tariff other than its price will make their purchase decisions based mainly on price. This is reflected in price sensitivities.

Loye (1978) indicate that convergence of attitudes across a number of different polar groupings within the social structure accelerate or hasten acceptance of an emergent consumer behavior pattern while divergence across different polar a consumer pattern.

Diamond (1962) holds that achieving organizational goals depends on knowing the needs and wants of target markets and delivering the desired satisfaction. It proposed that in order to satisfy its organization objective, an organization should anticipate the needs and wants of consumers and satisfy those more effectively than competitors.

The greater centrality of a concept, that is, the more likely that it is to be accepted. In addition, the more important or central that it is to the population, more likely it persists and be durable in the short term. The centrality of a concept has been demonstrated 'Consumer behavior' describes basically two types of consumer entities:

1. **Personal / individual consumers** – who buy goods or service for their own use of household or as gift for a friend.
2. **Organisation / business buyers** – these are not for profit business. These includes agencies (local state & national) and institutions (schools, hospital, prisons) who must by product equipment and service in order to run their organization to be important determine the casual strength of that concept of behavior

Sheth, behavioural marketing and consumer behavior said "consumers are not logically but psychologically driven in their buying behavior. Consumer behavior began to borrow both concepts and methods from clinical social concept of consumer behavior

Belch and belch (2009) define consumer behavior as the process and activities people engage in when searching for, selecting, purchasing using evaluation, and disposing of products and services so as to satisfy their needs and desires

Thompson (2006) examine that the study of consumer behavior involves search, evaluation, purchasing, consumption and post purchase behavior of the consumers and includes the disposal of purchases product keeping environment and personal characteristic in mind.

2.7 Factors that Influence Consumer Behaviour

Consumer purchases are influenced strongly by four factors, Engel (1986)

Cultural Factor:-

- Cultural factor divided into three sub factors (i) Culture (ii) Sub Culture (iii) Social Class

- **Culture**: - The set of basic values perceptions, wants, and behaviours learned by a member of society from family and other important institutions. Culture is the most basic cause of a person's wants and behaviour. Every group or society has a culture, and cultural influences on buying behaviour may vary greatly from country to country.

- **Sub Culture** :-

    A group of people with shared value systems based on common life experiences and situations.

- Each culture contains smaller sub cultures a group of people with shared value system based on common life experiences and situations. Sub culture includes nationalities, religions, racial group and geographic regions.

- **Social Class**: - Almost every society has some form of social structure; social classes are society's relatively permanent and ordered divisions whose members share similar values, interests and behaviour.

Social Factors:-

A consumer's behaviour also is influenced by social factors, such as the (i) Groups (ii) Family (iii) Roles and status

- **Groups**: - Two or more people who interact to accomplish individual or mutual goals. A person's behavious is influenced by many small groups. Groups that have a direct influence and to which a person belongs are called membership groups.

- Some are primary groups includes family, friends, neighbours and coworkers. Some are secondary groups, which are more formal and have less regular interaction. This includes organizations like religious groups, professional association and trade unions.

- *Family*: - Family members can strongly influence buyer behaviour. The family is the most important consumer buying organization society and it has been researched extensively. Marketers are interested in the roles, and influence of the husband, wife and children on the purchase of different products and services.

- *Roles and Status*: - A person belongs to many groups, family, clubs, organizations.
  - The person's position in each group can be defined in terms of both role and status.
  - For example. M & "X" plays the role of father, in his family he plays the role of husband, in his company, he plays the role of manager, etc.

A Role consists of the activities people are expected to perform according to the persons around them.

Personal Factors: -

It includes (i)age and life cycle stage (ii) Occupation (iii) Economic situation (iv) Life Style (v) Personality and self concept.

- *Age and Life cycle Stage*: - People change the goods and services they buy over their lifetimes. Tastes in food, clothes, furniture, and recreation are often age related. Buying is also shaped by the stage of the family life cycle.

- Occupation: - A person's occupation affects the goods and services bought. Blue collar workers tend to buy more rugged work clothes, whereas white-collar workers buy more business suits. A Co. can even specialize in making products needed by a given occupational group. Thus, computer software companies will design different products for brand managers, accountants, engineers, lawyers, and doctors.

- Economic situation :- A person's economic situation will affect product choice
  - Life Style: - Life Style is a person's Pattern of living, understanding these forces involves measuring consumer's major AIO dimensions. i.e. activities (Work, hobbies, shopping, support etc) interest (Food, fashion, family recreation) and opinions (about themselves, Business, Products)
  - Personality and Self concept: - Each person's distinct personality influences his or her buying behaviour. Personality refers to the unique psychological characteristics that lead to relatively consistent and lasting responses to one's own environment.

Psychological Factors: - It includes these Factors.

- i) Motivation (ii) Perception (iii) Learning (iv) Beliefs and attitudes

Motivation: - Motive (drive) a need that is sufficiently pressing to direct the person to seek satisfaction of the need

Perception: - The process by which people select, Organize, and interpret information to form a meaningful picture of the world.

Learning: - Changes in an individuals behaviour arising from experience.

Beliefs and attitudes: - Belief is a descriptive thought that a person holds about something

Attitude, a Person's consistently favourable or unfavourable evaluations, feelings, and tendencies towards an object or idea

2.8 Stages of Consumer Buying Process

Six Stages to the Consumer Buying Decision Process (For complex decisions). According to Engel, (1986): Actual purchasing is only one stage of the process. Not all decision processes lead to a purchase. All consumer decisions do not always include all 6 stages, determined by the degree of complexity...discussed next. The 6 stages are:

1. *Problem Recognition* (awareness of need)--difference between the desired state and the actual condition. Deficit in assortment of products. Hunger--Food. Hunger stimulates your need to eat.

   Can be stimulated by the marketer through product information--did not know you were deficient? I.E., see a commercial for a new pair of shoes, stimulates your recognition that you need a new pair of shoes.

2. *Information search--*

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- o Internal search, memory.

- o External search if you need more information. Friends and relatives (word of mouth). Marketer dominated sources; comparison shopping; public sources etc. A successful information search leaves a buyer with possible alternatives, the *evoked set*.

Hungry, want to go out and eat, evoked set is

- o Chinese food
- o Indian food
- o Burger king
- o Klondike kates etc

3. *Evaluation of Alternatives*--need to establish criteria for evaluation, features the buyer wants or does not want. Rank/weight alternatives or resume search. May decide that you want to eat something spicy, Indian gets highest rank etc. If not satisfied with your choice then returns to the search phase. Can you think of another restaurant? Look in the yellow pages etc. Information from different sources may be treated differently. Marketers try to influence by "framing" alternatives.

4. *Purchase decision*--Choose buying alternative, includes product, package, store, method of purchase etc.

5. *Purchase*--May differ from decision, time lapse between 4 & 5, product availability.

6. *Post-Purchase Evaluation*--outcome: Satisfaction or Dissatisfaction. *Cognitive Dissonance*, have you made the right decision. This can be reduced by warranties, after sales communication etc.

After eating an indian meal, may think that really you wanted a Chinese meal instead.

2.9 Howard-Sheth Model

This model explains the buyer decision process using four major sets of variables *Engel, (1986)* (1) input (2) perceptual and learning constructs (3) outputs and (4) exogenous or external variable

Input: the input to the customer decision process is provided by tree distinct types of stimuli. There two types of stimuli are provided by the marketer in the form of physical tangible product characteristics known as symbolic stimuli

Perceptual And Learning Constructs: These constructs are composed of physiological variable such as motives, attitudes and perceptions that influence the consumer's decision process.

Outputs: the purchase decision is the output after using the product the consumer is satisfied with it, this will reinforce his positive attitude and purchase intent about the product and brand.

Exogenous Or External Variable: These are directly a part of the decision making process and not shown in the model. They are important to the extent that they influence the consumer. Consumer behavior is a process is only one stage in that process. There are many influences ranging from internal motivations and attitudes to social and external influencing of many kinds.

2.10 Summary

The effect of advertising on consumer behaviour: a case study of MTN Ghana is the main issue under consideration. The dimensions reviewed above were based on prior research done by others in the industry. The following issues were reviewed: the concept of advertising, important of advertising, objective of advertising, concept of consumer behavior, factors that

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influence consumer behavior, states of consumer buying process. Both theoretical and empirical literatures were used to help explain the purpose of study.

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CHAPTER THREE

METHODOLOGY

3.0 Introduction

This section presents the methodology that was used in obtaining the data. The purpose of this study was to show the procedure employed in gathering data for the study. It laid emphasis on the following areas: population, sample and sample technique, data collection, instrument for data collection and data analysis.

3.1 Population:

A population is the aggregate of all the elements showing some common set of characteristics that comprises the universe for the purpose of the marketing research problem (Malhotra, 1996) the population for this research was selected from MTN subscribers and staff of MTN. the target population for the study was both subscribers of MTN within the areas of Mamobi, Asylum Down, Ministries, Circle and staff of MTN Ghana. The reason for the selection of this target population was that, they constitute the client/customer of the case study and as such offer the research the opportunity to develop and have an understanding of the consumer's feelings and perception toward advertising.

3.2 Sample and Sampling Technique

A sample is a subset of the elements of the population selected for participation in the study (Malhotra, 1996). Non probability sampling was used in this research where the method of sampling the sampling unit in that population has no equal chance of being selected in the sample. A sample size of 225 respondents was chosen and 10 management staff of MTN. the researcher has chosen this size because of time constraints and funds available for the study.

3.3 Data Collection

The data collection refers to the information the researcher obtained about the sample chosen. The information is used to generalize the findings on the population. The subscribers express their feelings rated the influence of adverts on the consumptions of MTN products.

3.3.1 Primary Source

The data for this research was collected from subscribers and management staff of MTN through questionnaire which were simple and straight forward to answer within a constraint. Questions were structured on the objectives of the study so as to bring out what the researcher needs. The selection criterion of the interviewee was bases on his or her knowledge as well as his or her position in the company. A questionnaire with questions relating to the effect of advertising on consumer behaviour were asked

3.3.2 Secondary Source

The secondary source of data was obtained from a wide variety of source including the archives of the company under study. However, the main source of information was from the internet. As Eloise (2001) stated, the internet provides market researches with a new environment for research. Since the internet provides good opportunities for the research, the internet has been used as an efficient tool to find quite a lot of useful information concerning the research topic. Also, other informations were obtained from books, journal, newsletter, and published articles.

3.4 Instrument of Data Collection

The main instrument used by the researcher for collecting data was questionnaire. The questionnaire was divided according to the objective of the study. Interviews were also conducted of some management of MTN.

3.5 Procedure of Data Collection

The researcher distributed the questionnaire within four selected areas that cut across various areas in Accra. Projected areas included Mamobi, Asylum Down and Ministries Consumers were expected to respond to questionnaire. The actual questionnaire distributed was 235 of which 225 respondents completed the questionnaire and 10 management staff. There were constant of follow-up, since some of the respondent refused to fill the questionnaire on the spot, because they were busy and needed time to go through.

3.6 The Questionnaire

A questionnaire was design to elicit demographic information such as age, gender and professional work experience. Respondent were also required to express the impression about MTN adverts and its effect on consumers. Also, what influence consumers purchase MTN product. The key areas of focus for both questionnaire and interview of the corporate managers were along the following: reasons for MTN marketing growth, does MTN adverts persuade people to buy MTN product, media exposure, the influence of adverts on consumption of MTN product, important of MTN adverts, perception of respondent about MTN network.

3.7 Method of Data Analysis

The researcher statistically analysed and interpreted the data by using tables, graph, frequency distribution and pie chart were used to illustrate and analyse the data. It is believed that such procedure would help readers get a vivid picture of the result from the study.

3.8 History of Advertising in Ghana

It is difficult to know exactly when formal advertising began in Ghana. Formally advertising began in 1927, when UAC formed WAP. WAP evolved into LINTAS and AFROMEDIA,

pioneers of the business. The British agencies follow, AUGER AND TURNER, GRAHAM AND GULLIES etc. By 1960, indigenous companies had entered the market. It brought on-the-job training, in-house agencies, agencies were compensated via commissions, and agencies were largely insulated from foreign input and narrow scope of operations/expertise. From the mid 1980s Ghana embraced the free market economy as directed under the Economic Recovery Programme. This led to an increase in competition due to the increase in local production and influence of foreign goods. In 1991, total revenue derived from television advertising was ¢328 million or GH¢32,800.00. (Nettey 2009).

A further development was the establish of more Ghanaian-owned agencies like Apra service, Target advertising, those who were responsible for influencing the creation of advertising messages were part of the market and this made the message more meaningful and indigenous. Today, advertising attract more certified and qualified talent, advertising not as "agencies" but management partner's, Advertising is regulated by agencies like the AAG and the Media commission.

3.9 The Role of Advertising Agency or Department

Advertising agencies create most advertisements and are the core of the advertising industry. Some companies, however, have their own advertising departments which function much like an agency. The development, production, and placement of single adverts can be a time-consuming process involving a large number of people with a variety of business and creative skills. Advertising agencies not only create the advertisements but also pay for the cost of placing the adverts in a newspaper or magazine or on television or radio. A large advertising agency or department may employ hundreds or thousands of people, including advertising and marketing specialists, designers, writers known as copywriters, artists, economists,

psychologists, researchers, media analysts, product testers, librarians, accountants and bookkeepers, and mathematicians.

A typical advertising agency is made up of the main functional department namely:

- The administrative / management (including accounting)

- Client service

- Creative / production

- Media department

The administrative / Managements

The management department headed by the chief executive who takes care of the day to day managerial and administrative services. It takes care of long range plans of the agency.

Client Service Department

Their responsibility is to formulate advertising strategy in consultation with the client company and translating the strategy into effective advertising. They are constantly in touch with the client, advising on marketing problems in respect of his product / service and communication these ideas, problem and needs of the client book to the agency for translating into effective advertising campaign

Creative / Production Department

They are responsible for the creation and production of the actual advertising for the press, cinema, television, hoarding, posters etc. The creative team begins by familiarizing itself with the product and the research. Often the creative team will "kick around ideas" or "brainstorm," a process in which one idea is allowed to stimulate another without reaching a decision about whether any of the ideas are valid. Such free association often leads to unexpected approaches that might never have resulted from more logical thinking.

Art directors and copywriters create the concepts behind the adverts, but they do not literally make the advertising. Making the ads is the job of the production department. In print advertising, the art director works with the print production manager to hire a photographer or illustrator and then supervises the work. After a client approves a television story, the creative team works with the broadcast producer to hire a director for the commercial. In consultation with the agency and the client, the director selects the actors who will appear in the commercial. The director also hires the crew, including the camera and sound people who

will film and record the commercial. After the commercial has been filmed, the creative team works with an editor to put the commercial's various scenes together.

The Planning (Media Department)

Once the target audience has been identified, an agency's media department determines the most effective way of delivering the message to that target. The *media planner* is the person who decides which media will be used. The media planner must consider three factors: (1) the number of people to be exposed to the message, known as the reach, (2) the number of times each person needs to be exposed to the message in order to remember it, known as the frequency, and (3) the costs. The media planner wants to reach the largest possible percentage of the target audience. To accomplish that goal, the media planner must employ the media that have audiences closely resembling the target audience. If the target is very broad, such as the national market for medium-priced automobiles, the media planner will probably select network television, which has a broad reach.
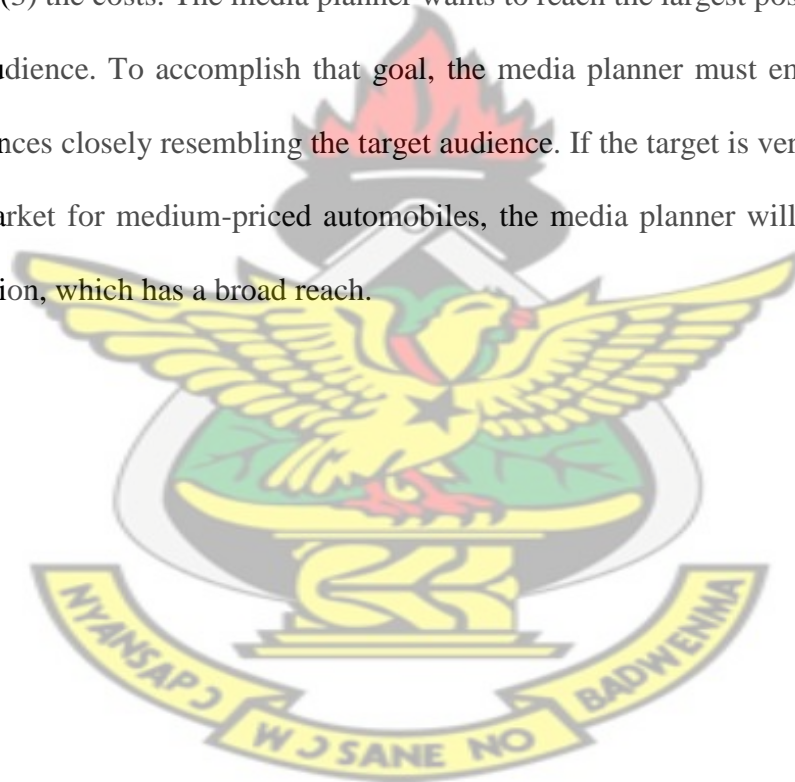
3.10 History of MTN Ghana

Scancom limited operators joined the MTN group through its acquisition of investcom (AREEBA) during 2006 and re-brand to MTN Ghana on august, 2007. The MTN group brings with it's a wealth of experience and innovation in the Telecommunications industry and seeks to further enrich Ghana's telecom market. Launched in 1994, the MTN group, a multinational telecommunication company now has over 50 million subscribers in 21 countries in Africa and Middle East. MTN Group limited is a leading provider of communication services, offering cellular network access and business solutions. The company is listed on the Johannesburg stock exchange in the industries Telecommunication sector. As one of the most enterprising operators to enter the cellular arena in Africa. MTN has duplicated its outstanding success in south Africa in its operations in Rwanda, Uganda, Swaziland, Cameroon and Nigeria. Thus ensuring that those countries have access to leading edge technology which is affordable with out compromise on quality.

The South Africa based MTN Group has since 1998 embarked on an expansion strategy in pursuit of new telecommunication licenses across the rest of Africa and beyond and also provides support to all of its operations outside of South Africa. The group leadership across the African soil has earned it a formidable reputation for operational and service excellence, technological superiority and an ability to adapt and evolve to meet ever-changing needs. MTN has been elevated becoming the leading provider of communication service across the Africa continent. MTN Ghana is the market leader in the interestingly competitive mobile telecommunication industry in Ghana, offering subscribers a range of exciting options under pay monthly and pay as you go services. MTN Ghana is the fourth largest in the MTN Group of 21 operators, trailing behind South Africa, Nigeria and Iran. The company re-branded from Areeba to MTN IN august, 2007. The re-brand of the product has been phenomenal. The

move has received the greatest of support with there being an over 50% increase in the number of new subscribers per month joining the MTN network since the re-brand (MTN Website Feb, 2010)

Vision

To be the leading telecommunication service provider in emerging markets

Mission

Building shareholders' value by ensuring maximum customer satisfaction through providing latest telecommunication services, at the most economical rates while meeting its social responsibilities as a good corporate citizen and providing growth prospects for its employees.

3.10.1 MTN Group Overview

- Currently operates in 21 countries in Africa and the Middle East, serving a population under license, of over 500 million people

- Three major operating regions – MENA, SEA, WECA – Ghana incredibly significant to MTN's overall global portfolio (3rd Largest Contributor to the Group after Nigeria & South Africa)

- MTN Group reported over 100 million subscribers as at March 2009. Revenues in excess of US$10 billion per annum. MTN Website (Feb.,2010)

3.1 Operating Regions of The MTN Group

South and East Africa

MTN South Africa

MTN Swaziland

MTN Zambia

MTN Uganda

MTN Rwanda

MTN mascom Botswana

WEST AND CENTRAL AFRICA

MTN Nigeria

MTN Cameroon

MTN Congo-brazzaville

MTN Cote d' ivoire

- MTN Benin

- MTN Ghana

- MTN Guinea Bissau

- MTN Guines

- MTN Liberia

Middle East and North Africa

- MTN Irancell

- MTN Afghanistan

- MTN Cyprus

- MTN sudan

- MTN Syria

- MTN yemen

- MTN Mednet (MTN Website February 2010).

3.10.2 Products & Services

MTN Loaded: Get into the groove! Bring your 3.5G mobile phone to life with the coolest hits, wallpapers, ringtones and so much more!

MTN Mobile Broadband: Surf the internet on our 3.5G network at superfast speed and experience a world of information at your fingertips.

MTN Video Calling: Enjoy the thrill of face to face conversations in real-time wherever you are.

MTN Voice SMS: There are some special messages that can only be conveyed by voice. Say more in your special way with Voice SMS from MTN.

MTN SIM Swap Kit: Get your own number back with the MTN SIM Swap kit.MTN brings you the new and easy way to replace your lost or faulty SIM with the MTN SIM Swap kit.

Black Berry: Can't leave your desk because you are expecting an important email? MTN is really putting the world in your palm. Now you can check your emails and go shopping on line with Black Berry Phones. Ahead of business plan on market share on growth. On target financially 1st quarter to march 09

- Enhanced value proposition, MTN Zone (70% of subs) Increased distribution footprint by 67%

- Launch of MTN Learning Academy

- Launch of FIFA 2010 campaign

- Introduction of innovative new products and services including 3G & Mobile TV May 09

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- By Far best and fasted data (internet) and SMS service across the country everywhere

- Voice Quality at least on par with best of other networks and improving (MTN Website March, 2010)

Table 1: Showing the Mobile Phone users and Their Respective Percentages

	Jan	Feb	Jan	Feb	May	June
Kasapa	248,604	240,121	1.60%	1.52%		
Millicom (TiGo)	3,469,862	3,512,208	22.26%	22.27%		
Scancom (MTN)	8,202,829	8,351,820	52.63%	52.95%		
Vodafone Mobile	2,080,232	2,064,311	13.35%	13.09%		
Zain	1,316,698	1,336,152	8.45%	8.47%		
Glo Mobile Ltd						
Total Mobile	15,318,225	15,504,612				

Source: *National Communication Authority website, Feb., 2010*

Figure 1: Pie Chart Showing the Market Shares of Mobile Phone Subscribers
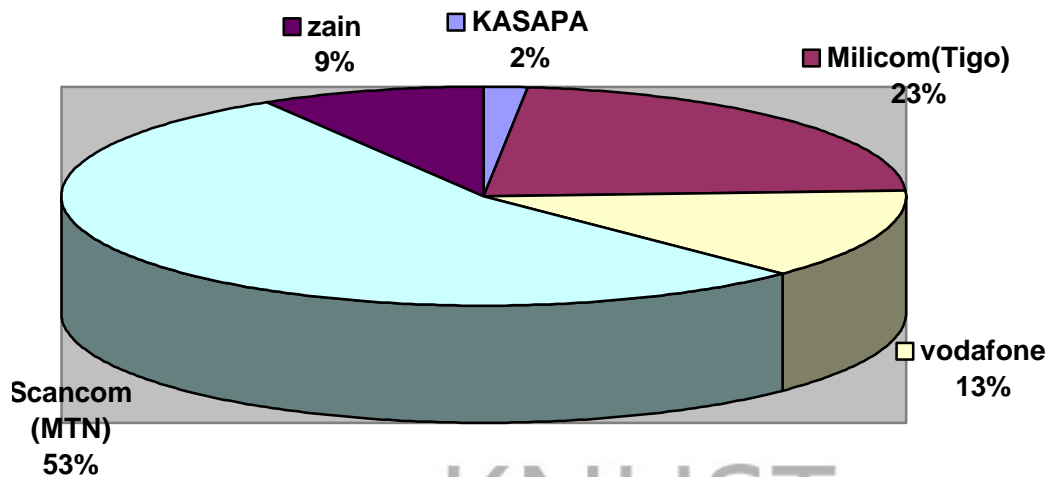
Source: National Communication Authority Website, 2010

3.10.3 MTN Ghana Achievements

MTN Ghana has achieved landmark results in the mobile telecommunication market in Ghana. First of all, it has tremendously and successfully maintained its position as the number one mobile operator in Ghana with about 55% market share in terms of subscribers. This has come about largely as result of its extensive network capacity and coverage. MTN is the first to introduced specific tariffs for specific segments of the market. The innovative, marketing strategies, products as well as the network capacity of the company have been unprecedented. This has propelled the company to the most enviable position in the mobile telecommunication industry in the country. It has won the Ghana club 100 awards as the most company in Ghana. MTN is the market leader in the increase competitive mobile telecommunication market in the country, offering its nearly four million subscribers. Many exciting options under both post-paid and pre-paid services with an extensive network covering all the ten regional capitals and many rural and remotes areas since its establishment in 1994. MTN has been alive to its responsibilities in society. MTN though it wise to invest in the communities that they serve and this has become a major part of our present business

model and corporate social responsibilities (CSR) MTN is the title sponsor of the most-popular foobball fiester on the continent-the Africa cup of nations. It also sponsor of the South Africa where MTN is headquartered, in 2010 Investments in Program Succession Plans Knowledge Transfer – over $ 1m USD, Increased Ghanaian representation at management Individual Development Plans, Talent Management Direct & Indirect Employment generated by MTN Ghana from Sales & Dist – over half a million people Prior to MTN entry no Ghanaian representation at dealer & sub-dealer levels. Currently about 60% of dealers are Ghanaian with moves to increase numbers (MTN Website, 2009).

# CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS OF RESULTS

4. INTRODUCTION

The analysis made aimed at establishing the effect of advertising on consumer's behaviour. The secondary data were obtained from the internet, journal, documents and books, newsletters and articles. The outputs are presented in the form of tables and charts.

4.1. RESPONDENTS

The questionnaire was distributed to four selected areas that cut across the various rating in Accra. A projected four areas namely Mamobi, Asylum Down, Ministries and Circle were expected to respond to questionnaires. Questionnaires that captures effect of advertising on Ghanaian consumers of MTN product and factors that influence respondents purchase MTN product were asked. The respondents were informed by the researcher that the research was conducted as part of university Masters Degree Dissertation requirement. Consistent follow up was made since some of them were busy with their office works and needed time to read through. The actual questionnaire distributed was 235 of which 225 respondents completed the questionnaire and 10 management staff. The key areas of focus for both the questionnaire and interview of the corporate managers were along the following: reasons for MTN market growth, does adverts persuade people to buy MTN product, Media exposure, the influence of advertising on consumption of MTN product, the impact of MTN Advertising, Factors consumers looks for in Advertising, Perception of respondent about MTN Network.

Figure 2: Advertising: Biggest Reason for growth in market Leadership
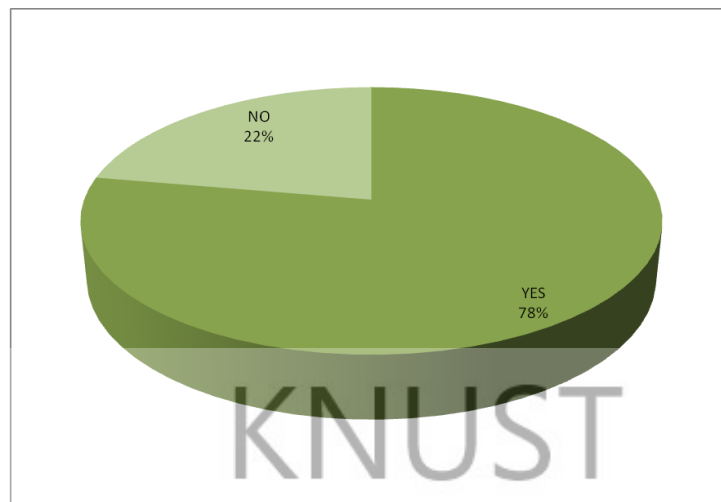
Source: Field Data September 2010

4.2. Reasons for MTN market growth

According to the information received, as indicated above. 78% responded yes while 22% responded recorded No. It can be deduced that advertisement contribute highly in growth of telecom industry. According to Mahohar, (2009) examined that there are several reasons for advertisng: advertising increased the sales of the product/service, advertising introduced a new product or service, also, it communicate a changed in new product or service, it increase demand for product on the market.

Table 1: Length of time watching advertisements

ITEM	FREQUENCY	PERCENTAGES
RARELY	45	20%
LESS THAN AVERAGE	45	20%
QUIT A LOT	45	20%
AVERAGE	90	40%
TOTAL	225	100%

Figure 3: Length of Watching MTN Advertisement

Length of Watching Advertisements
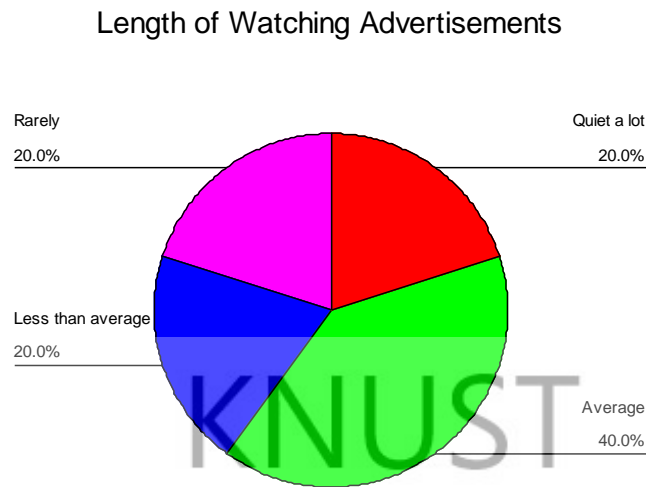
Source: Field Data September, 2010

As to how long the respondent spend on TV adverts. Rarely recorded 20%, quite a lot 20%, less than average 20 while average records 22.2% as indicated in figure above. According to the 2002 van dusseldorf & parther, 2002: there are 19% increase in amount of people watching TV. TV and advertising a very important route to send the latest information or message to very household all over the world. People received knowledge much easier at home. Television gives a very convenient way to connect to the outside, even if people live in remote places. By watching TV we can see many things happening in the surrounding world around us. It helps us to get abreast with what is happening in other part of the word.

Figure 4: Does Adverts persuade people to buy
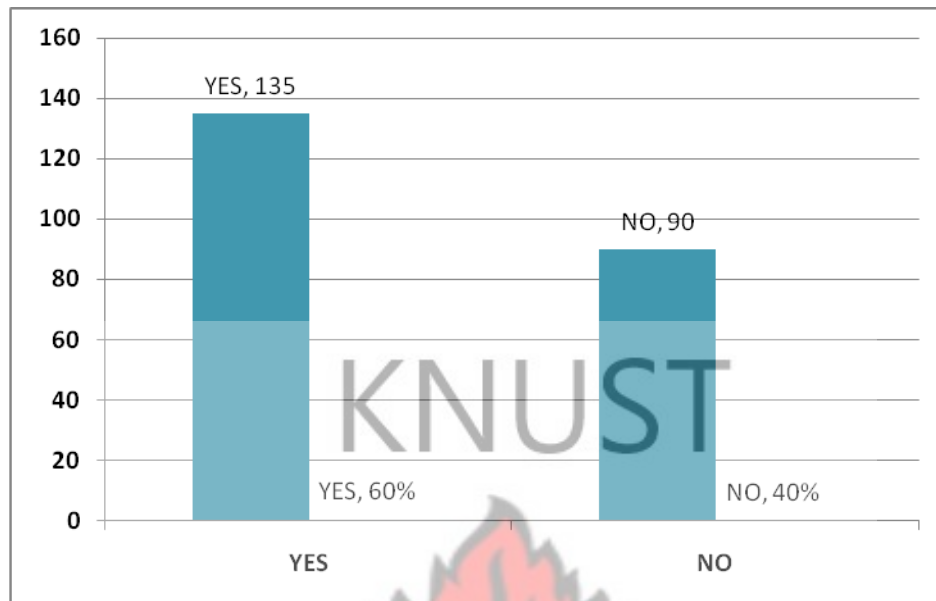
Source: *Field data September, 2010*

To evaluate the effect of adverts the question was asked "does adverts persuade customers to buy MTN Mobile / SIM connection" 60% responded yes whiles 40% recorded No. this means that though there might be other factors that motivates customers to patronized MTN SIM connection like packages, colours schemes, price, quality of product etc but according to this evaluation it means majority are persuaded to used or buy mobile and SIM through Advertisement. Advertising increase product reputation, it persuades customers to buy. Also increase market activities indirectly as indicated in figure above.

Figure 5: Media Channel of Advertising
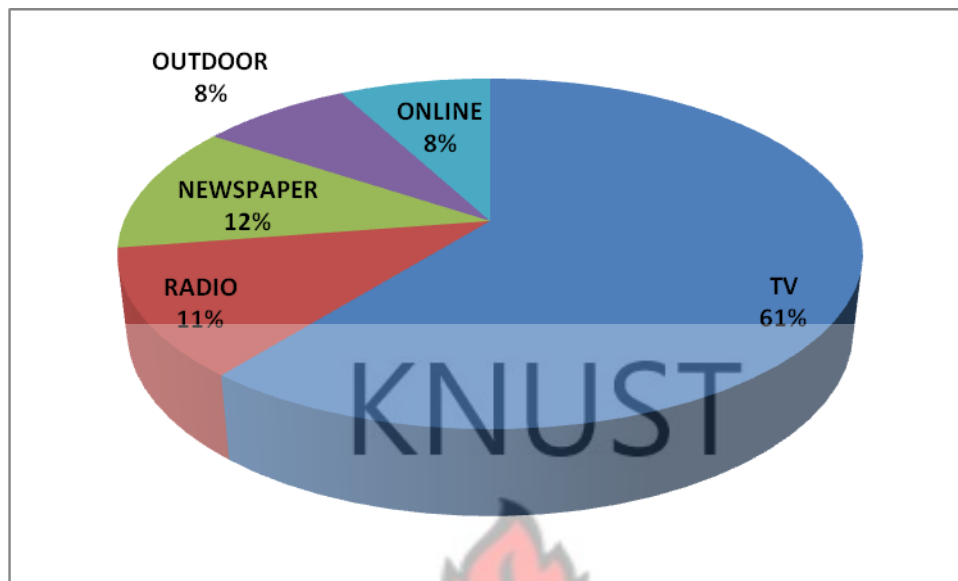
As to which media channel of telecom adverts to the respondent pay more attention to? Television recorded 61%, radio and newspaper (print media) recorded the same percentage of 13.5%, outdoor 2.2%, and online 2.2%. This implies that respondent pay more attention to TV than any other channels. Television gives audio text as well as pictorial representation of information. According to Debra, 2010, successful marketing happens when you achieved your goals by sending right messages and reaching the right market using the communication channel (medium) of choice. Picking the right communication channel for the success of your message reaching the market. Therefore, it is important to understand there various channel available.

 According to a recent study by ball state university, 2010, TV. Advertisement is very effective media of reaching the mass. Television advertisement help to reach large audience than local newspaper and radio station, and it does so during a short period of time. It allows

you to convey your message with sight, sound, and motion, which can give your business. Product or service instant credibility. Also TV adverts gives you an opportunity to be creative and attached a personality to your business, which can be particularly effective for businesses that rely on repeat customers. However, there are disadvantages with it: it is cost intensive; it is difficult to effectively target your core audience with television advertising.

Newspaper Advertising

According to the study 13.5% chose newspaper (print media) although it did not record the highest percentage according to the research. It has a lot of advantages. Newspaper adverts is relatively inexpensive to produce with regard to TV adverts. The study shows that it is easy to switch out, if you have a regular advertise in your local paper and want to change to reflect a seasonal sales or a new product. Moreover, newspaper advertising has different rates and size that is determine which size might work for your message

Radio Advertising

As to which media channel of telecom adverts doe MTN subscribers pay more attention to. Radio adverts recorded 13.5%. This implies that majority does not pay attention to radio advertisement however; radio adverts can target a specific audience. Decide who you are trying to reach. It is relatively less expensive than a 30-second TV adverts and easier to produce. Radio adverts can be produce very quickly, like television and unlike magazine print adverts, the research revealed shows that MTN does not have one media channel of advertisement. Radio adverts has some disadvantages: you need to run your ad more than few times in order for it to make an impact. As compare with print media, readers can cut the print media adverts and save it for later use, radio adverts is very ephemeral, playing over the radio for a minutes or less.

Table 5: Showing Respond To Advertising

ITEM	FREQUENCY	PERCENTAGES
CULTURAL VALUES	20	8.80%
UNIQUE STRONG CONCEPT	25	11.10%
STRONG CONCEPT	40	17.70%
KID INVOLVEMENT	125	55.50%
PERSONAL FACTORS	20	6.60%
TOTAL	225	100%

Source: Field Data Sept., 2010

Advertising concept records 28%, culture values 11.1%, personal factors 28%, social factor 17.8%, perception about brand 13.3% majority of the respondent choose advertising concept which means that though there might be other factors which influence advertising, nevertheless, the main factors are advertising concept and personal factors. According to an article :"how advertising in a down economic comes down to consumer behaviour, august, 2010" the more one understand about a person the better your chances of selling them something they find values. Also, it is essential to observed and becomes informed about changes in consumer buying habits. You will be more able to change marketing efforts to suit their needs

### 4.3. Factors Reflecting On Consumer Behaviour

Cultural influence: according to the research, 11% out 225 respondents was recorded on the factors influence advertising on consumption of MTN product. With reference to the article stated above, cultural background of a consumer will greatly reflect on their spending habits it influence how they act while purchasing products

Personal factors: the research shows that 28% of respondent influence respond to advertising. There are many personal trait that also affect people's spending habits. These are their age, occupation, lifestyle, economic situation and individual personality.

Perception about Brand: according to the study perception recorded 13.3% which implies that perception and motivation are imperative factors when creating a customized marketing message. Things as fear, insecurity or anxiety are often addressed in an effective marketing campaign. Explaining to the benefits them and will move them closer toward motivation them to make purchase.

Figure 6: The impact of MTN Advertising
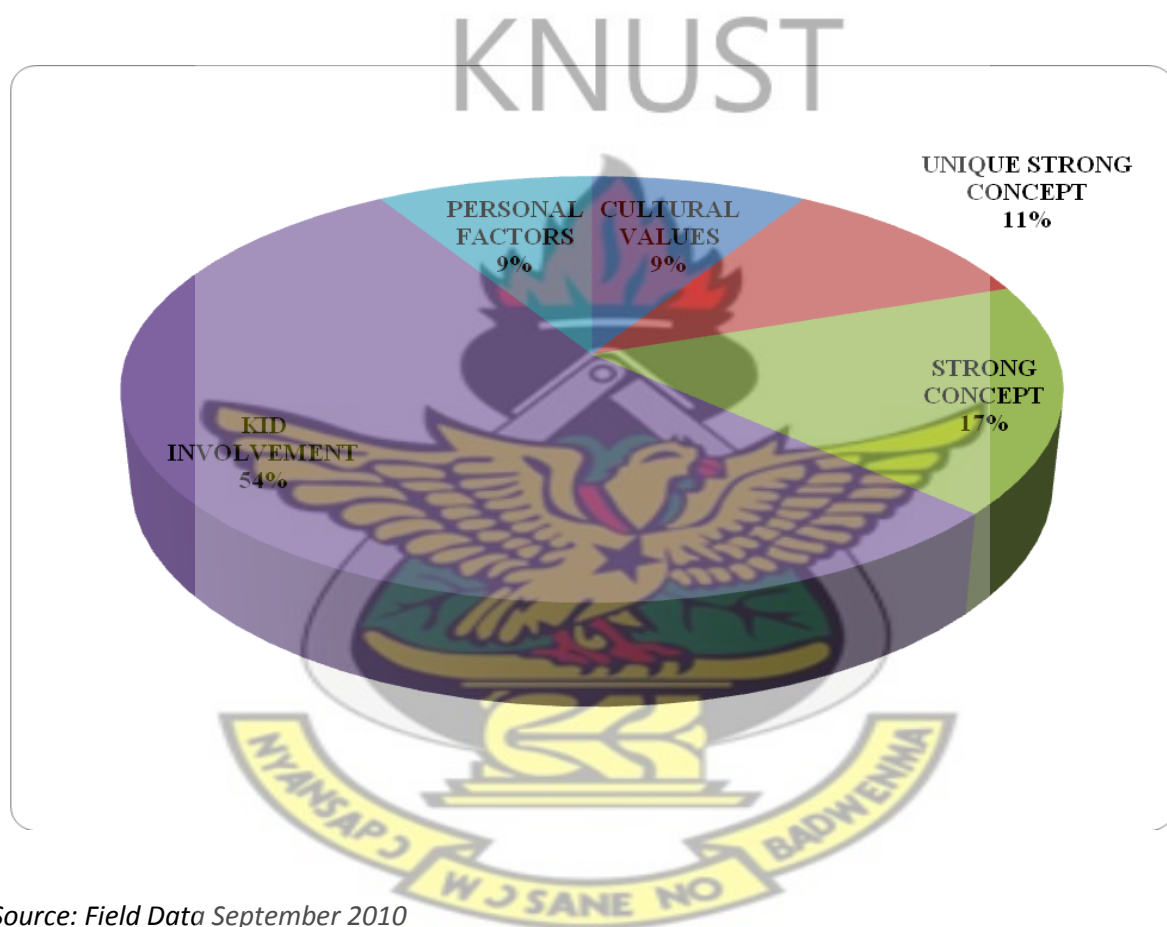
Source: Field Data September 2010

To evaluate the impact of MTN adverts the question was asked "according to you, which of the MTN adverts have strong impact" unique strong concept recorded 11.1%, advertising concept 17.7%, cultural value 8.8%, kids involvement 55.5%, highly emotional 6.7% .there are other element that contribute to the effectiveness of the adverts nevertheless, adverts with

kids involvement are of majority that had strong impact in their advertisement as indicated in figure above. It was also revealed that the impact of children in advertisement message is as result of they want different in presentation and advertisement message. Others of said it makes it interesting and believable. Their innocence makes the adverts interesting and appealing. According to Ryerson, (1976) advertising create awareness of the existence of a product, persuade potential targets to pay the product also, create image and goodwill and increase demand.

Figure 7: Factors Consumers look for in Advertising

Source: Field data September 2010

"How convincing" an advertisement is recorded 40%, "important to me" 31%, "appealing" 15.6% and "appearance" 13.3%.This implies that majority of respondent look for how convincing the advertisement is before responding to it. However, other respondent also look up for how appealing the adverts, the appearance of this stimuli the product, quality, colors, packaging. These are less important factors consumers look for as indicated in figure above.

Figure 8: Source of information for customers

KNOWLEDGE
OF BRAND
11%

FROM FAMILY
13%

FROM PEER
9%

ADVERTIASING
67%
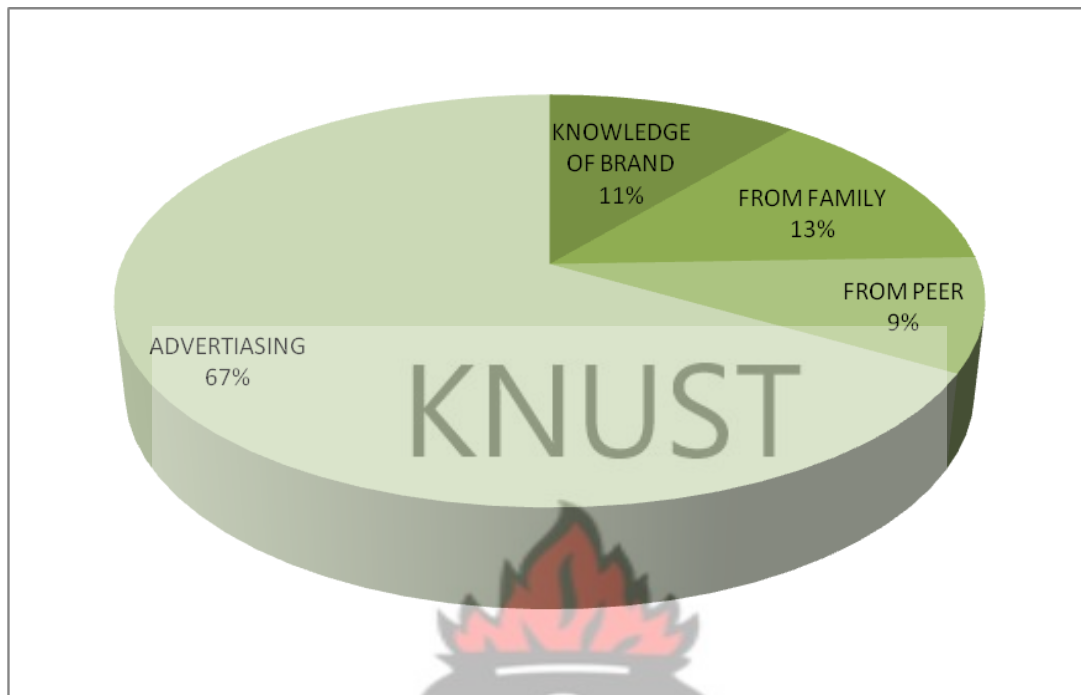
Source: Field Data September, 2010

To determine the source of information, the question was asked "from what source do you get your information" advertisement recorded 66.7%, from peers 8.9%, family relatives 13.3%, knowledge of the brand 11.1%. This implies that majority of the respondent get their information about telecom industries through advertisement. Adverts informed consumers of importance, benefits of the product. Also, informed consumers if there is need of changes. Nevertheless, the next influential source of information is through the knowledge of brand. The less influential source of information for the respondent are through from peers and family relative as indicated in figure above.

Figure 9: Factors that urged consumers
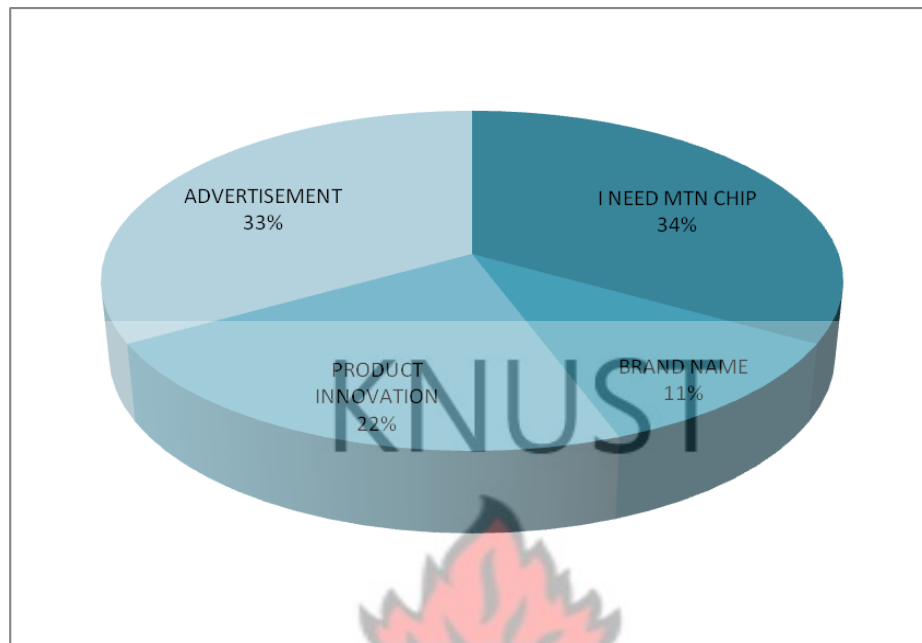
Source: Field Data September, 2010

As indicated on the figure above, a needed MTN chip recorded 34%, the brand name 11.1%, product innovation 22.2% whilst advertising message 33%. This implies that advertisement used by company is most effective means employed to influence purchasing of MTN product which result in increase sales. The other element also a contributing factor however of less important.

4.4. Perception of Respondent about MTN Network

To evaluate the perception of respondent about MTN network the question was asked "what prevent you from switching to different mobile network? These are the views of the respondent: majority said they don't want to switch because most of the relatives and family

members are on MTN network. About 30% responded that high coverage area of network, some also maintain the network because the unit and 99% discount enjoyed from MTN promotional activities, others also responded that the accessibility of credit. However, they all complain of intermittent interaction of network system. They suggested that they need to improve on their network to have a competitive advantage over other companies and satisfies the customers.

4.5. Responses from Corporate Body (Staff)

To examine the effectiveness of adverts in achieving organization objective; the question was asked "in what ways do you think MTN advertising has help in achieving organization goal" it was revealed that adverts had increase their market shares some also said it has made the company enjoys customer retention and loyalty.

To evaluate the effect of adverts in relative to sales, the research revealed that majority of adverts influence sales. About 50% responded that adverts relative to sales is high, some responded that is average, this implies that adverts influence sales which yield higher revenue. The study revealed that there are other communication stimuli like brand image, price, product quality, packaging that also influence consumer choice. Majority responded that product quality influence their decision in purchasing of MTN product, 20% recorded that the packaging influence them.

Some Innovative Adverts which help MTN have Competitive Advantage

- Michael Essien 2010 Football adverts

- Everywhere you go

- From Axim to Paga

- South Africa 2010 / sign for good

- Lets go 2010

4.6. Summary of Findings

The study brought to the fore factors that motivate consumers to respond favorably to advertising. Some of the factors identified were brand image, the product quality, advertising messages.

The frequency of adverts was seen as a determining factor which creates the awareness and draws the attention of consumers of the existence of a product. The frequency of adverts also makes customers creates some likeness for the product. The adverts that mostly attracted respondents were the innovative adverts. Most of the respondents sought more information on the product before making decisions to buy. Even though some thought that the appeal of the advents was important, they sought more information on the product while others were influence by brand name and product quality. Another factor that influences consumers desire to purchase the product is the belief of the consumers about the product.
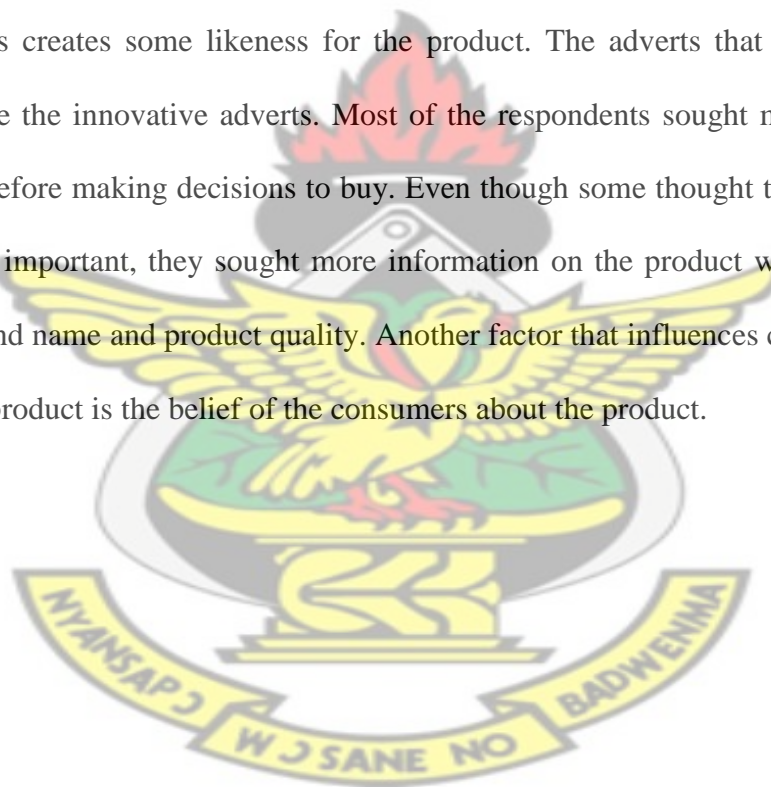
CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

Advertising is one of the major tools companies used to direct persuasive communication with their present and potential customers. Advertising objective is a specific communication and achievement level to be accomplished with a specific audience in a specific period of time. If the desire result is to be achieved, the product must be good and acceptable to the consumer: adverts must be carefully planned in advance; right appeals claimed must be adopted; the right type of media must be provided; right distribution channel must be selected; the price of the product must be right i.e. acceptable to the consumers. This research attempted to examine the effect of advertising on consumer behaviours and questionnaire examines the views of subscribers of MTN and some Top management.

5.1 Summary of Findings

The study brought to the fore factors that motivate consumers to respond favourably to advertising. Some of the factors identified were brand image, the product quality, advertising messages. The frequency of adverts was seen as a determine factors which create the awareness and draws the attention of consumers of the existence of a product. The frequency of adverts also makes customers create some likeness for the product. The adverts that mostly attract respondent were the innovative adverts most of the respondent sought more information on the product before making decision to buy. Also, using different modes of advertisement makes changes of aware of products in a large scale. Modes like online, TV series and show, billboard, standard newspaper, magazine, word of mouth etc. gives desire publicity to a product. More use of modes may increase initial cost but it gives good return to

new products. Innovativeness makes adverts popular among the consumers and motivates them to purchase adverts specific products. The advertising message is received well by the target audience for follow-up action. Naturally, innovative adverts facilitate sales promotion.

For consumers, there are several factors or events relevant to decision making that may be subject to frequency. The research investigated consumers' sensitivity of frequency information of a particular type. The process by which frequency information is acquired may differ significantly from other types of learning.

5.2 Conclusion

Following the findings of the study, several conclusions could be made. Effective and continuous advertising is one of the most important functions of any successful business. It is imperative that the products or service of any business received the proper exposure, and the way to achieve exposure is through advertising. Whether it is on the national or local level, advertising campaigns are necessary to let people know about a business and its products. The goal of marketing is to target the segments of a population who have specific needs for a particular products or service in the most effective means available.

Innovative adverts plays adverts significant role of business by creating great advantage, which in turn brings huge returns in the form of profits, its influence the customers by providing true and updated information about the latest products and services available to them. Advertisement also create awareness among the consumers through advertising. The words, colours, the cultural theme, the sound etc are the essential parameters that go a long way deciding the innovativeness of an advert.

The use of correct form of media also indicates the creativity of advertising. Where products are small in size are allocated toward the advertisement then the use of vocal through radio

can be use if the target is large. Consumers adjust purchasing behaviour based on their individual needs and interpersonal factors. Personal factors are also important to establish how consumers meet their needs. Pragmatist will buy what is practical or useful, and they make purchases based more on quality and durability than on physical beauty.The aesthetically inclined consumer. Cultural and social values also play large roles in determining what product will be successful in a given market. If great values is placed on characteristics such us activity, hard work, and materialism, then companies who suggest their products represent those values are likely to be successful. Social values are equally important if a manufacturer suggests their product will make the consumer appear more competitive in a place where those values are highly regarded, it is more likely consumers will respond.

Consumers also make decision based on an overall evaluation of their impressions, intuition, and knowledge based on past experience, when market research begin evaluating the behaviour of consumers, it is a mistake to rely on conventional wisdom, especially when it is possible to study the actual activities in which consumers are engaged when using a product or service. Where are they when they buy certain items? When do they use it? Who is with them when they make the purchase? Addition, sensory stimuli are important to marketing. When food packages are appealing or associated with other positive qualities, people often find that they 'taste' better. It is hope that the major findings and recommendation of this research will make some significant contribution to knowledge in this area of advertising.

5.3 Recommendations

In view of preceding findings and conclusion, in order to create the desire for purchasing, it is important for marketers to intensify their adverts in order to yield positive result. The

intensity could be in the form of its coverage. It is suggested that the study be adopted by corporate bodies as it will boost sales.

It also helps to capture customer's feedback and this will served as a guide in drawing up service improvement strategies to meets the increasing consumer demands and expectation. Since most of the subscribers complain of poor networks service and intermittent breaks in network during calls.

It is suggested that the MTN Ghana improved on the net network to satisfy the interest and expectations of customers.

Marketing research is very important in marketing; I suggest that management need to study their markets formally. They must undertake situation analysis, pre-advertisement and post advertisement studies to evaluate their performance and to determine the actual needs and wants of their target markets.

The management should develop an attention-getting theme and jungles for its various products to raise the image of the company and effectiveness of their promotional campaign. The adverts theme should be more persuasive since there are more competitors on the ground more efforts should be made to make sure the network works effectively.

The promotion should be both consumer and trade-oriented and the packages must be more attractive. The company should do more radio and television adverts as well as used Telecom journal. MTN need more billboard in highly populated area.

 Also, suggest that MTN uses different modes of advertising, makes changes of aware of products in a large scale. Modes like online, TV series adverts shows, and billboard etc gives

desire publicity to a product. More use of modes may increase initial cost but it gives good return to new product. Also will create a quick demand for a newly introduced product.

Suggest that the company use these types of advertising appeals in their advertising campaign: card stacking; this advertising appeal involves the display of a comparative study between two competing products. The fact in favour of the product to be advertised are selected. They are put forth in comparison with those of a competing product to make the product appear better than its competitors.

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KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY

KUMASI

INSTITUTE OF DISTANCE LEARNING

COMMONWEALTH EXECUTIVE MASTERS IN BUSINESS ADMINISTRATION

THE EFFECT OF ADVERTISING ON CONSUMER BEHAVIOUR(A CASE STUDY OF MTN GHANA)

QUESTIONNAIRE FOR GENERAL SUBCRIBERS OF MTN GHANA

Dear Responder,

This Questionnaire is meant to collect data on the above subject matter for Academic Project (CEMBA Long Essay) Your views would be used for academic purposes only; you are assured that your views would be handled with utmost confidentiality.

BIODATA

- Name (optional) …………………………………………………………………
- Occupation …………………………………………………………
- Age

Q1. How old are you?

a. 15-22
b. 23-30
c. 31-38
d. 39 & above

MEDIA EXPOSURE

Q2. Which medium of advertisement is the best?

    a. TV

    b. Radio

    c. Newspaper

    d. Outdoor

e. online

Q3. How long do you like watching TV ads during break?

    a. Excess
    b. quite a lot
    c. Average
    d. Less than average
    e. Rarely

Q4. Which media channel for telecom ad you pay more attention to?

    a. TV
    b. Radio
    c. Newspaper
    d. Outdoor
    e. Online

RESPOND TO ADVERTISING

Q5. Did Ad persuade you to buy MTN mobile/SIM connection?

    a. YES
    b. No

Q6. Do you think MTN advertising is one of the biggest reason for its growth in Telecom industry?

    a. Yes
    b. NO

Q7. Usually do you remember MTN Radio Ad?

    a. YES
    b. No

Q8. According to you, which of the MTN advertising does have strong impact?

    a. Unique strong concept
    b. Strong concept
    c. highly emotional
    d. Kids involvement
    e. Cultural values

Q9. A part of Advertisement which other factor influence you consume MTN product?

    a. Cultural value
    b. Advertising concept
    c. Personal factors

Q10. Please rank your exposure to the following media (1 to 5) 5=highly exposed

	Less exposed			Strong exposed	
	1	2		3	4 5

a. Radio
b. Television
c. Print
d. Internet
e. Billboard

Q11 Does MTN advertising influence you to use their product?

Yes

No

Q12. Which of these factors do you look for in advertising?

a. How convincing
b. Important to me
c. Appealing
d. Appearance

Q13. From what source do you get your information?

- Advertisement
- From peers
- From family / relatives
- Knowledge of brand

Q14. How did you get to know of the current MTN product?

a. From an advertisement
b. From peers
c. Knowledge of brand

Q15. . Which of the following factors urged you most to buy your MTN product?

a. I needed MTN chip
b. The brand name
c. Product innovation
d. Advertisement message

(i) Did you take time to search for information about other brand in the telecom industry

☐. yes
☐ No

Q16. Which of the following influence your purchase of MTN product?

a. Information about other telecom product
b. Belief about MTN
c. Advertising appeal

Q17. How did you know about the MTN Brand?

- Advertisement
- Conversation with peers
- MTN promotional activities
- Sponsorship programs

Q18. Which of the following did urge you to buy a MTN product?

a. Prestige
b. Performance
c. Price relative
d. New features

Q19. Did you immediately wish to own a MTN chip or buy any of their products when you first saw advertisement?

- Yes
- No, there was no need
- No, I was not convince

Q20. What prevent you from switching to different mobile network?

a)………………………………………………………………………………………………………
………

b)………………………………………………………………………………………………………
………

c)………………………………………………………………………………………………………
…………

THANK YOU.

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THE EFFECT OF ADVERTISING ON CONSUMER BEHAVIOUR

(A CASE STUDY OF MTN GHANA)

QUESTIONNAIRE FOR CORPORATE STAFF OF MTN GHANA

Dear Responder,

This Questionnaire is meant to collect data on the above subject matter for Academic Project (CEMBA Long Essay) your views will be used for academic purpose only; you are assured that your views will be handled with utmost confidentiality.

Position: …………………………………………..

1. Which of the advertising medium do you think mostly influence customers patronized MTN product?

a) TV

B) Newspaper

C) Outdoor

d) Online

e) Radio

2. Do you think MTN being the market leader in telecom industry because of frequent advertisement?

Yes

No

Why?

……….

………

……..

………

………

3. How many Adverts do you advertised a week in the following newspaper.

a) Daily graphics

b) Daily guide

c) The crusading guide

d) New Ghanaian times

4. Do you think the frequency of advert influence the consumption of your product?

Yes

No

5. Has there been any negative impact on brand as a result of advertisement?

……

……

……

6. Why do you often used children in your advertisement message?

……

……

………..

………..

7. Apart from adverts, what other tools do you think influence consumers? (Please tick the following 1 to 5) 5=highly exposed

- Brand image

- Price
- Product quality
- Packaging

8. Does the following communication stimuli also influence consumer behavior?

- Brand image
- Price
- Product quality
- Packaging

9. In what ways do you think MTN advertising has help in achieving organizational goals?

………

………

………

………..

10. How much does your company spend averagely on the following advertising medium in a week?

TV……………………………………………………

Newspaper ……………………………………

Outdoor…………………………………………….

Online………………………………………………

Radio……………………………………………….

11. What are some of your innovative adverts which has help you have competitive advantage over other mobile networks

……………………………………………………………………………………………….

……………………………………………………………………………………………..

………………………………………………………………………………………………..

……………………………………………………………………………………………………

………

12. Which adv. Medium do you pay more attention to?

TV

Radio

Outdoor

Online

Newspaper

ii) Why

……………………………………………………………………………………………..

……………………………………………………………………………………………

………………………………………………………………………………………………

………………………………………………………………………………………………

EFFECT OF ADVERTISING

i) Adverts relative to sales
   - ☐ High
   - ☐ above average
   - ☐ average
   - ☐ below
   - ☐ lowest

ii) Adverts to consumer behavior
   - ☐ superior
   - ☐ above average
   - ☐ standard
   - ☐ below average
   - ☐ poor
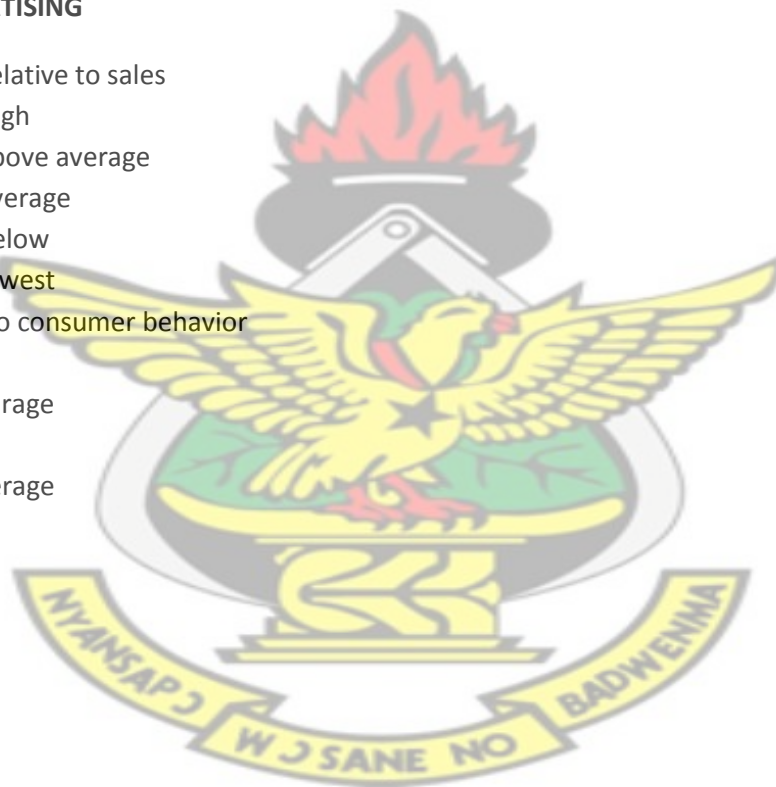
Thank you

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