JIMMA UNIVERSITY
FACULTY OF BUSINESS
DEPARTMENT OF MANAGEMENT

A RESEARCH PAPER ON A STUDY
ON THE IMPACT OF MISSION, MESSAGE, MONEY AND
MEDIA ON ADVERTISING EFFECTIVENESS

THE CASE OF COCA COLA

BY
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Abstract

A survey study was conducted in Addis Ababa between February 2002 and March 2002 on the title the impact of mission, message, money and media on advertising effectiveness with special reference to Coca-Cola company. To reveal whether advertising of the product is doing the right thing in relation to the attainment of objectives, transmission of appropriate message, budgeting and media selection, and also to examine the impact of effective advertising in the product preference of consumers. The data were collected by using self-administered questionnaire and unstructured interview. Media viewers were selected using a random sampling technique and the data were analyzed using descriptive analysis specially percentage and tabulation.
Acknowledgment

First and for most I would like to express my deepest gratitude to my advisor Mr. Rojers P. Joseph for his unreserved effort so as to accomplish my paper in time.

Second, I would like to thank W/o Belaynesh Getaneh for her secretarial as well as material assistance in preparing this paper.
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CHAPTER I
INTRODUCTION

1.1 Background of the Study

Nowaday, in this dynamic environment especially with marketing in general, the important of marketing communication has dramatically increased. A growing number of companies are adopting the concept of integrated marketing communication. As defined by the American Association of Advertising Agencies (AAS), Integrated Marketing Communication is:

..... a concept of marketing communications planning that recognizes the added value of comprehensive plan that evaluates the strategic roles of a variety of communications disciplines-for example, general advertising, direct response, sales promotion and public relations- and combines these disciplines to provide clarity, consistency, and Maximum communications impact through the seamless integration of discrete messages (Kotler, 1998).

Advertising is one of the most common tools companies use to direct persuasive communications to target buyers and publics. It is crucial to the successful introduction of real brands and the protection of market share gained by mature brands. Advertisement question should not be whether or not to advertise in the current competitive business environment, rather how to advertise, how effectively make use of it. It is becoming a basic activity that organizations should under take to succeed in the current free market economy.
So this paper mainly focus on the impact of mission, money, message and media of advertising effectiveness in Ethiopia with special reference to Coca-cola company.

Coca-cola private limited company is a global marketing firm which produced three core products Coca-Cola, Fanta, and Sprite. It has a joint venture agreement with Coca-cola South African bottling company (CCS) to bring the professionalism, knowledge and experience. The sharing proportion is 51% and 49% by Ethiopian Coca-cola company and CCS respectively.

Coca-cola company has two plants in Addis Ababa and Dire Dawa with registered capital of Birr 67 million. It's production capacity at present is 24,000 bottles per hour for each line at the Addis Ababa plant and 9,000 bottles per hour at Dire Dawa. The two plants employee a total of 768 people.

Hundreds of billions of dollars are spent annually world wide to advertise products and service. Some American companies spend over $1 billion a year on domestic advertising. In 1993, for example, Procter and Gamble spent $2.4 billion, Philip Morris $1.8 billion; General motors, $1.5 billion; PepsiCo invested $1 billion on domestic advertising (Terence A. shimp, 1997).

Advertisers include not only business firms but also non-profit organizations and government agencies that advertise to various publics.

Advertisement should have its own mission, it should be a cost effective way to disseminate messages, and it should use the most appropriate media, whether to build brand preference for products or to educate nation's people.
In developing an advertising program, marketing managers must always start by identifying the target market and buyer motives (Kotler, 1998: 637). Then they can proceed to make the five major decisions, however, in this study focuses on four of them, that is mission money, message and media.

First advertisers must set advertising objectives; they must decide whether their advertising is to inform, persuade, remind or reinforce. An advertising objective is a specific statement about a planned advertising execution in terms of what that particular advertisement is intended to accomplish. That goal is based on the current, or anticipated, competitive situation in the product category and the problems that the brand must confront or the opportunities that are available for it to seek.

Many business enterprises, ranging from the smallest retailers to the largest manufacturers, as well as non-for-profit organizations, continuously advertise themselves to their customers and clients in an effort to accomplish a variety of missions. Similarly in Ethiopia, advertising products and services helps to make consumers aware about specific brands and educate them about particular product features and benefits.

Second, they must establish a budget that takes into account the stage in the product life cycle, market share and consumer base, competition and clutter, advertising frequency and product substitutability. Advertising appropriation or budget is the total amount of money that a marketer allocates for advertising for a particular time period, Pride and Ferrel (1993: 513). He continued saying that on organized plan has to be made out for expenditure of money for advertising.
Many factors affect a firm's decision about how much to appropriate for advertisement. These include, the geographic size of the market, the distribution of buyers within the market, and there is also a time lag uncertainty with regards to the effect of advertising, besides media selection and types of appeals have a great bearing on this decision, Rustom S. Davar (1996: 445). Advertising is costly, often its effects are uncertain, and sometimes it takes a while before it has any impact on consumers' buying behavior. It is for this reason that many companies think it appropriate to reduce expenditures on advertising and redirect spending towards, sales promotions, direct mail marketing, and other forms of marketing communication. Such behavior implicitly fails to consider the fact that advertising is not just a current expense but rather is an investment.

Third, advertisers must choose the advertising message, determining how the message will be generated, evaluating alternative messages for desirability, exclusiveness, and believability, and executing the message with the most appropriate style, tone, words and format and in a socially responsible manner.

Good advertising message is advertising that is created for a specific customer. It is advertising that understands and thinks about the customer's needs. It is advertising that communicates a specific benefit. It is advertising that pinpoints a specific action that the consumer takes. Good advertising understands people do not buy products they buy product benefits…. Above all, it gets noticed and remembered, and gets people to act (Terence A. Shimp, 1997)

According to Cravens Hills Woodruff, (1996: 489,490) a source refers to the person involved in the communication of a message in a direct or indirect manner. Companies must be very conscious in selecting individuals to communicate their selling message. He said that it is important for these
individuals to have the following characteristics that will maximize message influence.

- Source credibility - refers to the extent to which the source is perceived as having knowledge, skill or experience relevant to the communication topic and can be translated to give an unbiased opinion of present objective on the issue.

- Source attractiveness - this characteristic is the mostly used one by advertisers. It has some sub components such as similarity – which is a supposed resemblance between the source and receivers of the message, familiarity which refers to knowledge of the source through exposure, and finally likeability which refers to affection for the source as a result of the source's physical appearance, behavior, or other personal characteristics.

Finally, the most important decision of different profitable or non-for-profit organizations is decision on media they will use. This decision involves choosing the advertisements desired reach, frequency, and impact, then choosing the media that will deliver the desired results in terms of circulation, audience, and effective audience and so on. (Kotler, 1998).

Rustom S. Dakar, (1996: 445) stated that the main yardstick for selecting of media is to select media which searches the maximum number of potential buyers at the minimum cost. Therefore, the first step is to define the prospective customers or the market segments at which the advertising is to be directed. The message or campaign should also be appropriate for the type of media and the nature of the product involved.

Of various promotion activities, advertising is clearly the most visible. Indeed, many consumers tends to equate the terms advertising and marketing. This is partially explained by the large amount of dollars spent on advertising.
example, in 1993, advertising expenditures in the United States were expected to exceed $145 billion (Guiltnan, Paul and Madden, 1997).

Accordingly, the aim of this study is to examine whether the advertisement of the product is doing the right thing in relation to objectives, message transmission, budgeting and media selection.
CHAPTER II

2.0 OBJECTIVES OF THE STUDY

General Objective of the study is to examine the advertising effectiveness of Coca-cola products in terms of the attainment of objective, transmission of appropriate message budgeting and media selection.

Specific Objectives

1. To examine whether the advertisement of the product is executing the message with the most appropriate style, tone, words and in a socially responsible manner and the extent of its believability.
2. To examine whether the advertisement of the product uses the right media.
3. To analyze what impact the advertising is intended to have on target market and how it should persuade, inform or remind the consumer.

2.1 STATEMENT OF THE PROBLEM

The need to explore the impact of mission, message, money and media on advertising effectiveness should not be overlooked. This is because no effective advertising can be done unless the objectives are set properly and the message transmitted to the intended target audience is effectively reached by advertising media. As a result, the target market is aware of the product and is influenced by market communication to buy the product.

Measuring the effectiveness of advertising program is often difficult and expensive. However, the results of advertising research inform companies' whether the advertisement is achieving its goals and if not, what needs to be corrected (Terence A. Shimp, 1997). The underlying reason for conducting this
study is to investigate the role of mission, message, money and media in the creation and execution of effective advertising.

2.2 SIGNIFICANCE OF THE STUDY

Since this study is made with a special reference to Coca-Cola company, I hope that the research will help the company to understand the strengths and weakness of its advertising activities. I also hope and expect that Coca-Cola company will consider to take all the necessary measure to overcome problems, if any, regarding their advertisement by looking at the findings and recommendations to be given by this research paper.

This study may also be used as starting point for a detailed further study to be undertaken here after.

2.3 SCOPE OF THE STUDY

Coca-Cola company is selected for conducting the study. It is located in Addis Ababa, in the capital city of Ethiopia. Coca-Cola company is one of the private limited company which have engaged in advertising activities as a response for the competitive business environment during the current free market economy in Ethiopia. Advertisement should have its own mission, it should be a cost effective way to disseminate messages, it should use the most appropriate media, whether to build brand preference for product or educate nation's people. As result, the study focus on the impact of mission, message, budget and media on advertising effectiveness of the Coca-Cola company.
CHAPTER III
METHODOLOGY

This paper was intended to study the impact of mission, message money and media on advertising effectiveness with special reference to Coca-Cola. It was carried out in coca-cola company in the capital city.

The research for the study was based on both qualitative and quantitative data. The primary data were gathered through self-administered questionnaires and it was distributed to target viewers along with product users. In addition, data were collected by unstructured interviews. Interviews were conducted with key informants, particularly top managers, and department supervisors especially in the advertising department with in the company and key persons in the agency. Secondary data was collected from sources such as journals, books published and unpublished materials. Advertising documents of the agency was used. Although different techniques of data collection used self administered questionnaire is the major technique used for this study because the study was relatively wide and direct observation as well as other methods were practically difficult. In addition, the study manly focused on attitudes, ideas and preference of consumers towards the product advertised which cannot be known through direct observation. Also the questionnaire method incurs less costs and time than that of the others.

Viewers of the product on TV and other media were given self administered questionnaires through a random sampling technique. The sample size was 150 randomly selected individuals, So 150 questionnaires were distributed to media viewers in Addis Ababa but 139 of the completed questionnaires were return.
Once the information is collected using the stated data collection techniques, the data were analyzed using descriptive analysis specially percentage and tabulation.

3.1 LIMITATION

This sample size determination was willing to accept the degree of uncertainty in the conclusion drawn, because the appropriate number of subjects to include in a sample was highly subjective or sampling requires specialized knowledge in research activities, therefore, the sample has a draw back of not meeting appropriate sampling standards to draw conclusion about the whole population. Also there was draw back of the questionnaire, that is, it can be used only literate respondents, low rate of return, and some respondents were careless when giving the necessary information. Besides this, there were a problem of time, money and distance.
This section includes the analysis and interpretation of data obtained from the sample response of the questions in the self-administered questionnaires designed for the media viewers concerned the Coca-cola advertisement effectiveness.

Table 1. CHARACTERISTICS OF THE RESPONDENTS
(SAMPLE AUDIENCE)

<table>
<thead>
<tr>
<th>No</th>
<th>ITEM</th>
<th>RESPONDENTS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No</td>
<td>Percent</td>
</tr>
<tr>
<td>1</td>
<td>SEX</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>97</td>
<td>70</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>42</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>139</td>
<td>100</td>
</tr>
<tr>
<td>2</td>
<td>AGE</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0-30</td>
<td>56</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td>31-40</td>
<td>44</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td>41 and above</td>
<td>39</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>139</td>
<td>100</td>
</tr>
<tr>
<td>3</td>
<td>INCOME LEVEL</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Under Birr 250</td>
<td>38</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>250-600</td>
<td>29</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>601-850</td>
<td>32</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td>851-1000</td>
<td>23</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td>Above 1000</td>
<td>17</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>139</td>
<td>100</td>
</tr>
</tbody>
</table>
Table 1 continued

<table>
<thead>
<tr>
<th>No</th>
<th>ITEM</th>
<th>RESPONDENTS</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No</td>
<td>Percent</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>JOB</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Employee</td>
<td>42</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Non-employee</td>
<td>17</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Student</td>
<td>40</td>
<td>29</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Trader</td>
<td>25</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>15</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>139</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>EDUCATION</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Primary</td>
<td>21</td>
<td>15.3</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Secondary</td>
<td>27</td>
<td>19.4</td>
<td></td>
</tr>
<tr>
<td></td>
<td>University/Collage student</td>
<td>45</td>
<td>32.4</td>
<td></td>
</tr>
<tr>
<td></td>
<td>First degree holder</td>
<td>26</td>
<td>18.7</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Above first degree</td>
<td>21</td>
<td>14.2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>139</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>MARITAL STATUS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Married</td>
<td>52</td>
<td>37</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Single</td>
<td>87</td>
<td>63</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>139</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

The demographic characteristics of the sample respondents presented in table 1. As it is indicated in table 1 above most of the respondents, i.e, 70% (97 persons) are male and the rest 30% (42 persons) are Female.
The income level of these respondents, i.e., 38 persons (27%) have under Birr 250, 29 respondents or 21% Birr 250-600, 32 respondents or 23% have Birr 601-850. The other 23 or 17%, the rest 17 or 12% have birr 851 up to 1000 and above 1000 respectively.

Most of these respondents, i.e., 56 (40%) respondents are between age 20 and 30, 44 respondents or 32% are between 31 and 40. The other 39 or 28% are 41 and above.

Job of the participants of this study in table 1 shows that 42 (30%) respondents employee, 17(12%) respondents non-employee, 40(29%) respondents student, 25(18%) respondents trader and 15(11%) respondents are others.

The assessment of their educational background under item # 5 in table 1 indicates that 45 respondents (32.4%) are university or collage students, 27 respondents (19.7%) have first degree, 20 respondents (14.2%) have above first degree and other 21 (15%) respondents are primary level.

About 52 (37%) are married and 87 (63%) respondents are single.
<table>
<thead>
<tr>
<th>No</th>
<th>ITEM</th>
<th>RESPONDENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No</td>
</tr>
<tr>
<td>1</td>
<td>Do you remember seeing/hearing/, reading/the current Coca-cola product advertisement on media?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>120</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>139</td>
</tr>
<tr>
<td>2</td>
<td>If yes, on which media? Please specify (on Q # 2)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tv</td>
<td>75</td>
</tr>
<tr>
<td></td>
<td>Radio</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td>News Paper</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Magazine</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Others</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>120</td>
</tr>
<tr>
<td>3</td>
<td>If Yes, what was the advertisement about? Please specify.....</td>
<td></td>
</tr>
<tr>
<td></td>
<td>. Coca-cola 45 years in Ethiopia</td>
<td>29</td>
</tr>
<tr>
<td></td>
<td>. Enjoy Coca-cola</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td>. Drink Coca-cola for prizes of other rewards</td>
<td>36</td>
</tr>
<tr>
<td></td>
<td>. Do not remember</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>120</td>
</tr>
</tbody>
</table>
Most of the respondents (120 people or 86%) have recalled seeing/reading current Coca-cola advertisements. Item# 2 of table 2 made it clear that 75 persons (63%) recall the advertisement of Coca-cola on Tv, 22 persons (18%) on Radio, 5 persons (4%) on newspapers, 2 persons (1%) on magazine and 16 persons (13%) on other media.

Out of the 120 respondents who recall the Coca-Cola advertisements 36 persons (30%) recall the campaign "Drink coca-cola to prize", 29 persons (24%) recall the campaign "coca-cola has 45 years in Ethiopia", 23 persons (19%) recall the campaign "enjoy coca-cola". The other 32(27%) of them do not specified the campaign of coca-cola advertisement but they are sure that they have seen one. As we can see from item # 2 of the same table, it seems that it is TV that is considered to be the most dominant of coca-cola advertisement.

These findings reveal that Coca-cola has a good standing in its advertisements that 73.3% or 88 respondents recall its different advertisement campaign.
Sample Response of Media Viewers on Advertising Effectiveness of each Medium

<table>
<thead>
<tr>
<th>Type of Media</th>
<th>Number of Audience who Recalled the Advertisements</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV</td>
<td>66</td>
</tr>
<tr>
<td>Radio</td>
<td>13</td>
</tr>
<tr>
<td>Newspaper</td>
<td>2</td>
</tr>
<tr>
<td>Magazine</td>
<td>1</td>
</tr>
<tr>
<td>Others</td>
<td>6</td>
</tr>
</tbody>
</table>
The above bar-chart can briefly shows on the following table.

<table>
<thead>
<tr>
<th>Media</th>
<th>Number of audience who watched the advertisement</th>
<th>Number of audience who recalled the adv.</th>
<th>% Recalled</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV</td>
<td>75</td>
<td>66</td>
<td>88</td>
</tr>
<tr>
<td>Radio</td>
<td>22</td>
<td>13</td>
<td>59.1</td>
</tr>
<tr>
<td>Newspaper</td>
<td>5</td>
<td>2</td>
<td>40</td>
</tr>
<tr>
<td>Magazine</td>
<td>2</td>
<td>1</td>
<td>50</td>
</tr>
<tr>
<td>Others</td>
<td>16</td>
<td>6</td>
<td>37.5</td>
</tr>
<tr>
<td>Total</td>
<td>120</td>
<td>88</td>
<td>73.39</td>
</tr>
</tbody>
</table>
So this finding indicates TV is more effective medium to advertise Coca-cola products, i.e. 66(88%) of the total audience who watched on TV recalled the advertisement which is the highest percentage than all the others.

Table 3: Sample response about the effect of advertisement on the buyers' Behavior

<table>
<thead>
<tr>
<th>ITEM</th>
<th>RESPONDENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you think the current Coca-Cola advertisement has influenced your buying behavior towards coca-cola products?</td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>67 55.8</td>
</tr>
<tr>
<td>No</td>
<td>53 44.2</td>
</tr>
<tr>
<td>Total</td>
<td>120 100</td>
</tr>
</tbody>
</table>

According to table 3, 67(55.8%) of the respondents have been agreed that coca-cola advertisements have increased their interest to buy the company's product.

This finding indicates that the company is in a good position to persuade its customers.
Table 4: Views of sample Media Viewers towards strength or weakness of advertisement of Coca-Cola.

<table>
<thead>
<tr>
<th>ITEM</th>
<th>RESPONDENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No</td>
</tr>
<tr>
<td>1 I believe the following are strong points of the current</td>
<td></td>
</tr>
<tr>
<td>coca-cola advertisement campaign.</td>
<td></td>
</tr>
<tr>
<td>1.1 The style of presentation</td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>90</td>
</tr>
<tr>
<td>No</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td>120</td>
</tr>
<tr>
<td>1.2 Media appropriateness</td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>87</td>
</tr>
<tr>
<td>No</td>
<td>33</td>
</tr>
<tr>
<td>Total</td>
<td>120</td>
</tr>
<tr>
<td>1.3 Message understandability</td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>87</td>
</tr>
<tr>
<td>No</td>
<td>33</td>
</tr>
<tr>
<td>Total</td>
<td>120</td>
</tr>
<tr>
<td>1.4 Use of celebrity to advertise the products</td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>53</td>
</tr>
<tr>
<td>No</td>
<td>67</td>
</tr>
<tr>
<td>Total</td>
<td>120</td>
</tr>
</tbody>
</table>

As indicated in the first item of the above table, 90(75%) respondents said that or agreed about the strength of coca-cola advertisement style of presentation. In item #1.2 and 1.3 on table 4, 87 persons (72.5%) believe the co. has good
standing on media appropriateness and also 87(72.5%) of the respondents agree its message understandability but as we can see item # 1.4 of the same table, 53(44.2%) respondents only believe about the use of famous people to advertise the product.

The result indicated that the company is in a good position in advertising effectiveness in terms of the style of presentation, use of the right media that can reach the target customer, and message understandability or clarity. However, the company should increase its efforts to use celebrity to advertise its products in a better way than its competitors because messages delivered by attractive and popular sources achieve higher attention and recall.

Table 5: Views of sample Media viewers about frequency of advertisement

<table>
<thead>
<tr>
<th>No</th>
<th>ITEM</th>
<th>RESPONDENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No</td>
</tr>
<tr>
<td>1</td>
<td>The frequency of current Coca-cola advertisements on the media is more than necessary</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
</tr>
</tbody>
</table>

Table 5 indicates that 70 respondents (58.3%) agree about the idea of the frequency of coca-cola advertisements more than necessary.

This finding reveals the frequency of coca-cola advertisement requires to be less.
Table 6: Shows attitude of respondents toward Coca-Cola Co. products, the awareness creation and persuasion level of the advertisement.

<table>
<thead>
<tr>
<th>No</th>
<th>ITEM</th>
<th>RESPONDENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No</td>
</tr>
<tr>
<td>1</td>
<td>I like the current advertisement of the coca-cola company because:</td>
<td></td>
</tr>
<tr>
<td>1.1</td>
<td>They let me know more about coca-cola products</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>57</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>63</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>120</td>
</tr>
<tr>
<td>1.2</td>
<td>They create in me strong purchase desire</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>61</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>59</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>120</td>
</tr>
<tr>
<td>1.3</td>
<td>They describe the product well</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>64</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>56</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>120</td>
</tr>
</tbody>
</table>

As it has been made clear the first item of table 6, 57(47.5%) respondents believe that this advertisement has given more knowledge about the products, item #1.2 in the same table 61(50.8) of the respondents agree that the current coca-cola advertisement increase their purchase desire, and the rest 64(53.3%) of the respondents believe that the company's advertisements describe the products well.

This finding reveal that the coca-cola company's advertisements have not given additional knowledge about its product but it increases the purchase desire of the customers and it describes the product features well, as the result of this the company can increase its sales volume and its believability.
The above Pie chart indicates 61(44 %) are using Coca-Cola products occasionally, 34(24 %) regularly, 37(27 %) seldom and the other 7 or 5% never use the product.

This finding reveal that most people have used Coca-cola products although their demand is different because of different income level, the presence of other competitive products like Pepsi Cola and other substitute products like mineral waters.
### Table 1: Attitudes of sample Media Viewers for local advertisements

<table>
<thead>
<tr>
<th>No</th>
<th>ITEM</th>
<th>RESPONDENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No</td>
</tr>
<tr>
<td>1</td>
<td>I prefer local advertisements than standardized about the coca-cola?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>63</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>57</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>120</td>
</tr>
<tr>
<td>1.2</td>
<td>If your answer is yes, why you prefer it?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>. Easy understandability</td>
<td>38</td>
</tr>
<tr>
<td></td>
<td>. Any organization located in Ethiopia should advertise by local ads</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>. Local advertisement is more useful for the development of advertise</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>63</td>
</tr>
</tbody>
</table>

According to item #1 in the table above most of the respondents 63(52.5%) favor local advertisements of the Coca-Cola co. than imported (standardized) once. They tried to give some reasons for their preferences and these are clearly classified and put under item #2 of the same table. Out of 63 people who favored local advertisements of Coca-cola company, 38 people (60.3%) said that they favor local advertisements because they are easily understandable, 12 persons (19.1%) respond that they believe any organizations located in Ethiopia should be advertise its products by local advertisements and 13 persons (20.6%) said the local advertisements are more useful for the development of advertisement practice than the imported ones.

This finding indicates that local advertisement is preferable to transmit the message clearly and understandably in a manner of socially acceptable. However, according to the interview held with the concerned personnel in the organization must advertisement campaigns of the company’s are standardize or imported.
4.1 SUMMARY OF FINDINGS

Coca-Cola company is one of the global marketing firms which have engaged in advertising activities as a response for the competitive business environment in the current free market economy.

According to the interview held with the concerned personnel in the company, all the promotion activities are undertaken under the demand creation division. Demand creation division deals with advertising and promotion activities. It uses promotional materials like free drink, bill boards, T-shirts, News papers, posters, school sampling.... Etc. of these, T-shirts and school sampling have long-term promotional effect.

Coca-Cola company does have permanent local advertising agency, that is, "Cactus Advertising Agency". The company started external agency advertising in 2001. It helps to achieve the desired advertising objectives because the company could do it's advertising activities with professional outside advertising agents that have a good experience of different people's cultures, understandings, appeals.... Etc. This would help the company to take advantages of the agents experience and objectivity. Since they are supposed to deal with numerous clients, with different product lines and advertisement idea, more exposure they have for different types of problems. However, using external advertising agency has disadvantages in advertising and promotion cost saving, difficult to maintaining tight control overall marketing program and it loses the experience and know how that could be gained by in house advertising.

Regarding message and media selection in Coca-Cola Co., the message selection is made outside depending on the type and nature of advertisement they want to undertake at a point of time and it is designed to fit the media selected.
Both message and media selection seems to be an easy task but these are the part of advertisement for which we need careful analysis of the environment, knowledge about the customers patterns of life and so on. Besides we need to know the advantages and draw back of the available media we are going to use. For instance, radio could be better media than TV to reach rural customers. In the case of coca-cola advertisement, TV is the most effective medium to advertise as it indicate on graph 1 out of the total who watched the advertisement 88% recalled. This also indicate on table 4, 72.5% of the respondents agree the company use the appropriate media to advertise its products.

Since Coca-Cola product is globally marketed its advertising message is designed in a way that gives similar meaning for different countries even if it is difficult to make an advertisement that sent a message with the same meaning to different people who have different culture, believe, preference and so on. The organization mostly focus on reminding customers to purchase coca-cola products. For instance, they recently launched an advertising campaign about "Coca-Cola's 45 years in Ethiopia". It indicates that the product exists in the market for long-time, in other word it reminds people to purchase.

Companies must be very conscious in selecting individuals to communicate their selling message Cravens Hills, Woodruff (1996: 489, 490). In the case of coca-cola company advertisements as we have seen on table 4 item # 1.4 only 44.2% of the respondents who watched the advertisement agree the use of local famous people or celebrities to advertise its products so it must do much to increase or to use celebrities.
As it is indicated on table 5 about the frequency of Coca-Cola advertisements 58.3% of who watched the advertisement believed that it is more than necessary so the company better to take some action.

The finding in table 4 item # 1.3 shows 72.5% of who watched the advertisement of Coca-Cola company agree about the message understandability of the current advertisement campaign. However, 52.5% of respondents prefer local advertisements than the ones made abroad because local advertisements can avoid communication barriers and is presented in a socially acceptable way.

Coca-Cola company sets a budget for the overall promotional activities for the demand creation division for one year. There is no tentative separate budget for advertisement or any of the promotional elements. But most of the literatures about advertisement supports that it is important to set a separate and tentative budget only for advertisement unlike the others though it is also necessary to appropriate other elements too.

The determination of a tentative separate budget for advertisement gives an ample chance to deal with unexpected advertisement applications with sponsorship requests and to effectively undertake the regular advertising plan throughout the budget. In this company the method of budget allocation on the bases of the percentage of sales method.

In the well developed countries most companies set individual objectives and determine the separate budget for each promotional elements so each could be responsible for the achievement of promotional & Co. objectives.
CHAPTER V
RECOMMENDATION AND CONCLUSION

The purpose of this study was to overview the advertising effectiveness of Coca-Cola company in terms of the attainment of objective, transmission of the appropriate message, budgeting and media selection. To conduct this study the sample media viewers were drawn by simple random sampling. The data necessary for the study-recall or recognition study were obtained through a questionnaire prepared for this purpose. There is no doubt that advertisement has been a growing force in Ethiopia over the past few years specially due to the current free market economy.

5.1 Recommendation

In light of the findings made the following recommendations are put forward:

- Coca-Cola company in order to achieve its advertising objective, should be able to have a separate budget at least for its advertisement
- Since Coca-Cola Co. advertisements mainly emphasis on reminding customers of its products, it is better to decrease the frequency of advertisements.
- It will be more advantageous for the company if it uses local advertisements than those imported once because they will avoid semantic barriers that can be possibly created. They will also play a role in boosting or increasing the sales volume.
- Coca-Cola company should emphasis the use of local famous people or celebrities to transmit its message in socially responsible and acceptable manner.
- An out side advertisement agency helps in developing, preparing and executing coca-cola promotional programs and enables it to get the services of highly skilled specialists but it might be excellent to use in house advertisement which helps to cost saving and to make tight control over advertising activities.
5.2 Conclusion

According to the result of this study, the overall performance of the coca-cola company advertisements is good and the advantages of the advertisements out-weigh the disadvantages. The advantages which the company has to maintain or improve include: media effectiveness, persuading its customers, style of message presentation, media appropriateness and understandability of the messages. The weaknesses which are reflected in the advertisements of the company are it does not use local celebrity to advertise products, over frequency of the advertisement campaigns, usage of imported advertisements which do not meet local customer interests, and the company's failure to allocate an appropriate and separate budget for advertisement or for any of the promotional tools.
BIBLIOGRAPHY


9. Terence A. Shimp (1997). Advertisement, promotion, and supplemented aspect of integrated marketing communication,

Appendix

Dear respondent, the researcher would like to thank for genuine cooperation of filling the questionnaire of Jimma University undergraduate student research. The following questions are prepared to assess the impact of mission, message, money and media on the advertising effectiveness of coca-cola company.

Please put a check mark (✔) to the items in the box provided and give information in the space provided as requested.

1. Background information (demographic)
   1.1 Gender:
       - Male
       - Female
   1.2 Income level:
       - under Birr 250
       - Birr 250-600
       - 851-1000
       - birr 601-651
       - above 1000
   1.3 Age of the respondent
   1.4 Job of the respondent
   1.5 Education:
       - Primary
       - Secondary
       - University/college student
       - First degree holder
       - Above first degree
   1.6 Marital status:
       - Married
       - single

2. Do you remember seeing (hearing/reading) the current coca-cola product advertisement on media?
   - Yes
   - No
   - No sure

2.1 If yes, on which media? Please specify

2.2 If yes, What was advertisement about? Please specify

3. Do you think the current coca-cola advertisement has influenced your buying behavior towards coca-cola products?
   - Yes
   - No
   - No sure

4. Do you think the style of message presentation of the coca-cola company's product advertisement is attractive?
   - Yes
   - No
5. I believe the following are strong points of the current coca-cola advertisement campaign:

5.1 The style of presentation.     Yes    No
5.2 Media appropriateness        Yes    No
5.3 Message understandability    Yes    No
5.4 Use of celebrity to advertise the products     Yes    No

6. Advertisement of the coca-cola company describe the product and its quality accurately. Do you agree?    Yes    No

7. I am very interested in what the current coca-cola advertisement is trying to tell or show me about the product.    Yes    No

8. I like the current advertisement of the coca-cola company because:

8.1 They let me know more about coca-cola products     Yes    No
8.2 They create in me strong purchase desire     Yes    No
8.3 They describe the products well     Yes    No

9. The frequency of current coca-cola advertisements on the media is more than necessary     Yes    No    No sure

10. Has the frequency of current coca-cola advertisements influenced your decision to buy the products?    Yes    No

11. I feel good about coca-cola     Yes    No    No sure

12. I drink Coca-Cola products (Put "✓" on the space)

Regularly     
Occasionally     
Seldom     
Never

13. I prefer local advertisements than standardized about the Coca-Cola.     Yes    No

13.1 If your answer is yes, why you prefer it?
1. **История установки**. Итак, ветер идёт с юга. И сегодня ветер юго-восточный. 

2. **Текущая ситуация**. Ветер с юга, идёт с юго-востока. 

3. **Метеорологическая информация**. Ветер юго-восточный, с юга. 

4. **Влияние ветра на окружающую среду**. Ветер юго-восточный, с юга.

<table>
<thead>
<tr>
<th>Варианты</th>
<th>Примечание</th>
</tr>
</thead>
<tbody>
<tr>
<td>Юго-восточный</td>
<td>с юга</td>
</tr>
<tr>
<td>Южный</td>
<td>с юга</td>
</tr>
<tr>
<td>Юго-западный</td>
<td>с юга</td>
</tr>
</tbody>
</table>

5. **Метеорологические наблюдения**. Ветер юго-восточный, с юга.

6. **Оценка ветровых условий**. Ветер юго-восточный, с юга.

7. **Влияние ветра на окружающую среду**. Ветер юго-восточный, с юга.
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9.3 የርወ ያለ ብርሄም ያስፈርድ

10. ከክ ከ ይልስ ከሆኔ ይታ ያሇ ያለ ያስፈርድ

11. የክ ከ ይረከብ የሆኔ ያስፈርድ ያስፈርድ እንደ ላብር ያስፈርድ እንደ ላብር ያስፈርድ

11.1 ከክ ከ ያለ ያስፈርድ

11.2 ከክ ከ ያለ ያስፈርድ

11.3 ከክ ከ ያለ ያስፈርድ

11.4 ከክ ከ ያለ ያስፈርድ

12. ከክ ከ ያለ ያስፈርድ ዋወ ያስፈርድ ያስፈርድ እንደ ያስፈርድ

12.1 ከክ ከ ያለ ያስፈርድ ያስፈርድ እንደ ያስፈርድ እንደ ያስፈርድ እንደ ያስፈርድ እንደ ያስፈርድ