

# The Influence of Advertisements in Increasing the Sales in Kosovo

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## Abstract

The advertisement is a form of marketing communication which is used to encourage, convince or manipulate an audience (the viewers, listeners or readers, sometimes a special group) to take or to continue taking some actions. Advertisements have an important role in increasing sales. Successful ads that result with the growth of sales require competent personnel including a number of specialists; therefore it is very necessary to choose the personnel carefully, to ensure firms a stable position in the market. Advertisement costs are quite large, but they have to be in accordance with the growth of sales. From the collected and analyzed data, we can conclude that kosovar businesses pay great attention to advertisements and share their budget for them. In this paper, the importance of advertisements in sales growth is explained, as well as how many ads do they do, how much budget do they share for this, for which kinds of media do they share more budget and what obstacles they encounter during the advertising. The paper consists of two parts: the part of literature review that is connected to the topic and the research part. Primary data was used for the realization of the paper, which was obtained through questionnaires by direct contact with the general managers, marketing managers, directors and owners with a wide knowledge about advertisements in

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enterprises. For the realization of this paper, quantitative methods were used.

**Key Words:** advertisements; sales; budget; impact

## **1. Introduction**

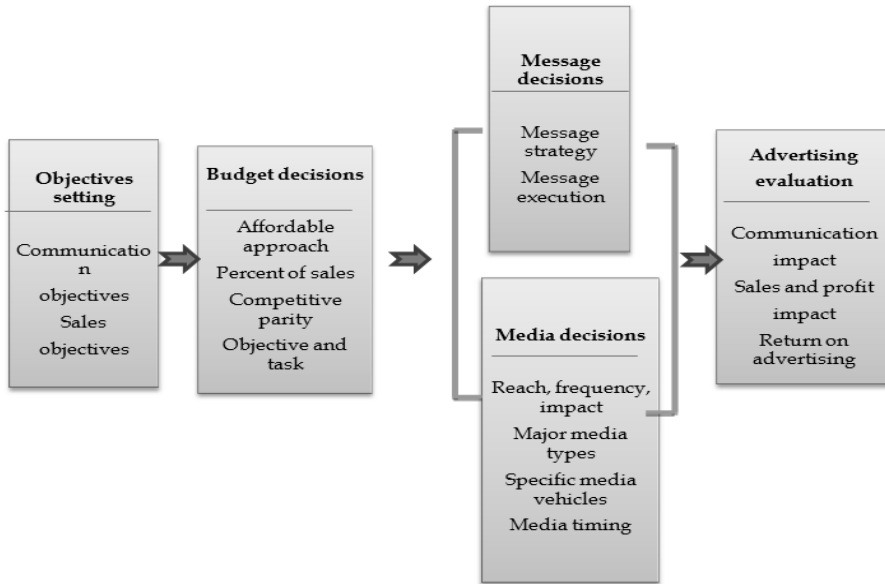
Advertising has become an institution of persuasion to promote social and economic values as security, health, education, freedom, democracy, free enterprise and tolerance. Today, advertising has spread all over the world in different countries. But the tendencies of ads vary from place to place. The blurry environment of 20<sup>th</sup> century, with the rapid changes in technology, products, processes and the new marketing challenges show the important role of advertisements in the business survival (Kejriwal and Chakravorty, 2014). The advertising creators should regularly evaluate two types of advertisement results: the effects of communication and the effects of profit. Measuring the effects of communication of an advertisement shows us if the advertisements and the media are communicating well with the message of the advertisement. Individual advertisements can be tested before or after they go out. However, the effects of sales and profit are often too hard to measure (Kotler and Armstrong, 2011). The primary purpose of advertising is to convince the customer to buy the product. Sometimes, the customers make decisions on whether they should or should not buy the product based on the company's way of advertising that product, the way it is compiled and designed. The advertisement is a place where the business interests, creativity, market needs, society's interest and legal rules link altogether and are presented to a broad public. This paper shows the role and importance of advertisements in increasing sales and the link between businesses and consumers. Advertising is necessary so that the businesses can ensure a competitive position in the market and realize more sales.

## **2. The review of literature**

### **2.1. The meaning of advertisements**

An advertisement is every form of paid presentation or promotion of impersonal ideas, goods or services from an identified sponsor (Kotler & Armstrong, 2011). Advertising has a vital role in marketing's decisions,

where products are promoted to the customers (Sajuyigbe & Amusat & Oluwayemi, 2013). Advertising is one of the mixed promotion instruments. It has become very popular and useful and it achieved the status of an independent discipline. It has increased at a rapid pace and now it is a special area of studies. The advertisement is a form of impersonal and paid presentation of ideas, goods or services from an identified sponsor. The advertiser tries to spread the message and ideas for the future customers. With this method, the advertiser tries to popularize the product / service, and this is the main goal of the activity (Khan, 2006). The advertising is a communication form, which tries to convince an audience (the viewers, readers or listeners) to buy or be informed about the products or services (Abideen & Saleem). The advertisements are one of the current strategies of a lot of brands to promote their products. The purpose of advertisements is gaining the attention of the customers for the product, so that the customers will have their product in mind for a long time (Rai, 2013). Advertising is a tool of modern businesses operations. Each time we encounter ads, while watching TV, reading newspapers, listening to the radio, exploring the internet or just by walking on the street, which means that advertisements have stimulating influence on buying the product (Sharma & Sharma, 2009). Advertising is very important for every organization: its activities cannot be underestimated for the company that wants to stay in a global competitive environment (Sajuyigbe & Amusat & Oluwayemi, 2013).

**Figure 1:** Major Advertising Decisions

**Source:** Kotler & Armstrong (2011).

## 2.2. Advertisement objectives

The first step is to set the advertisement objectives. The objectives should rely on the past decisions for the target market, in positioning and the marketing mix that defines the work that should be done by the ad in the full program of marketing. So, we have to highlight that the general objective of the advertisement is to build up relationships with clients, by communicating value for them (Kotler & Armstrong, 2011).

Possible Advertising Objectives:

- a) Informative Advertising
- b) Persuasive Advertising
- c) Reminder Advertising (Kotler & Armstrong, 2011).

## 2.3. The selection of media for advertising

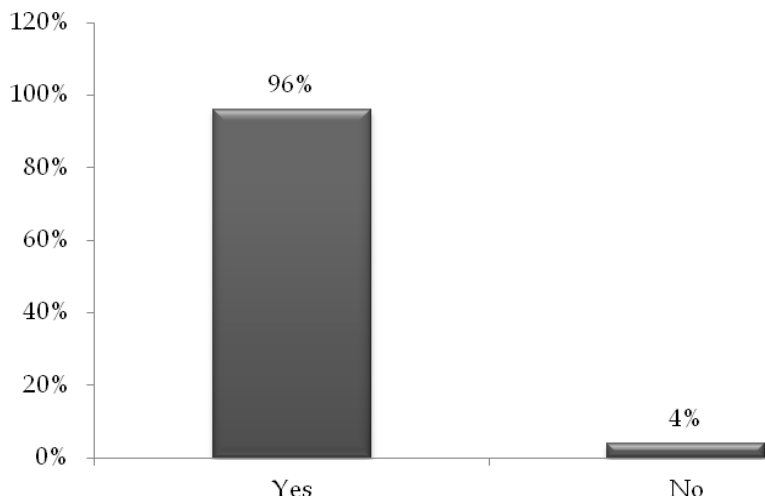
There are a lot of media choices for advertisements. The selection of media is an important part in designing qualitative advertisements. To make an adequate selection, we have to understand the advantages and disadvantages of each media (Clow and Baack, 2007). The main steps to select the media for the advertisement are: a) determining the extent,

frequency and influence; b) choosing between the main types of media; c) choosing the specific accompanying media tools and d) setting the timing of that media (Kotler & Armstrong, 2011). Media planning is the series of decisions included in sending the promotional message to the future buyers. Media planning is a process where a number of steps are included (Khan, 2006).

### 3. Research results

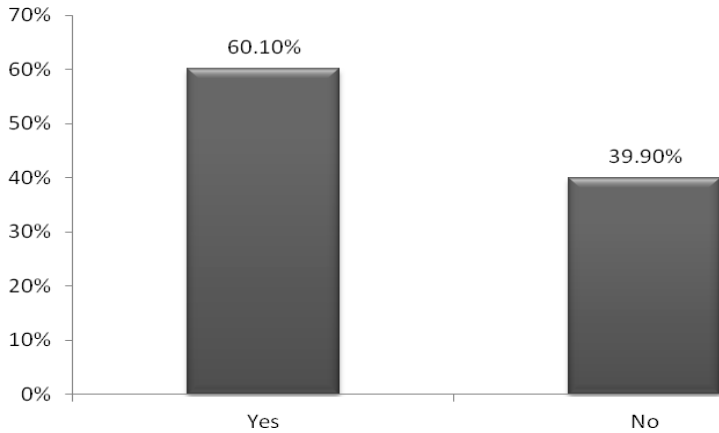
To realize this paper primary data was used, collected through questionnaires by questioning directly the managers, directors and owners that have a wide knowledge about their organizations.

**Figure 2:** Do you make advertisements for your business



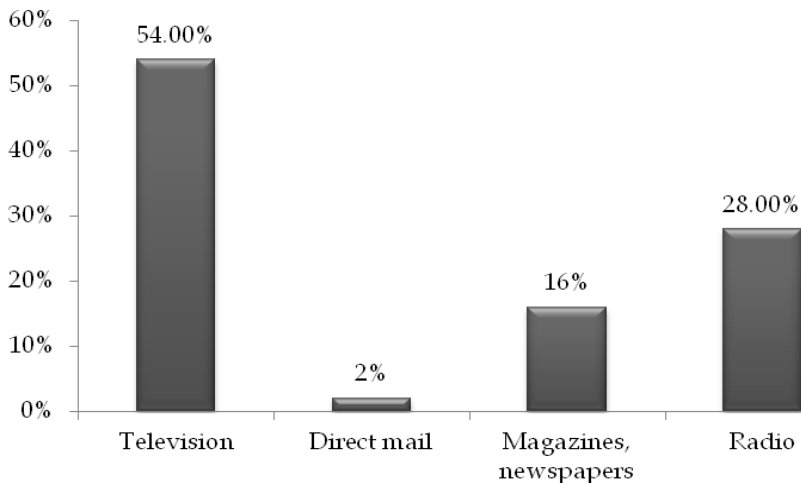
**Source:** Authors' own calculations

Based on the results, 96% of businesses make advertisements about their business and only a small number of 4% said that they don't make advertisements about their businesses, mostly micro businesses.

**Figure 3:** Do you have an annual budget for advertising your business

**Source:** Authors' own calculations

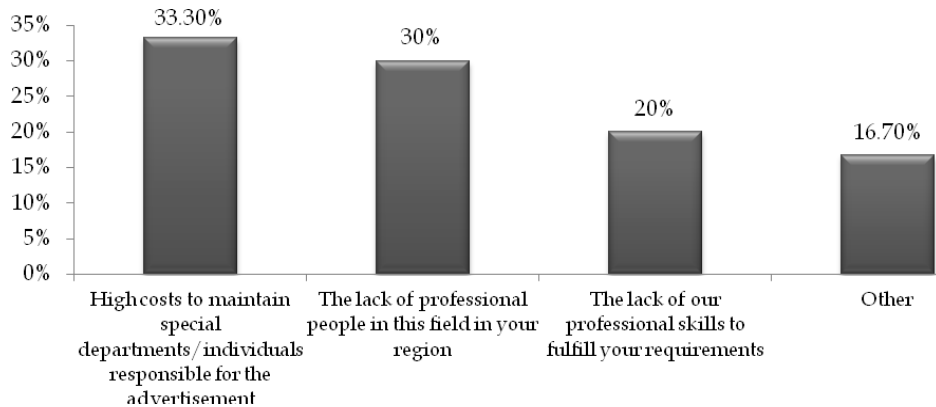
As we can see, 60.1% of the enterprises share an annual budget for advertisements and this takes them closer to the customers by having larger profits, but it is worth mentioning that a large number of businesses with 39.9% don't share an annual budget for advertising so they are not close to the customers.

**Figure 4:** What percentage of the budget is shared for the following media

**Source:** Authors' own calculations

We can see that the television has the largest number with 54% of the budget, followed by the radio with 28%, magazines and newspapers with 16% and the direct mail with only 2%.

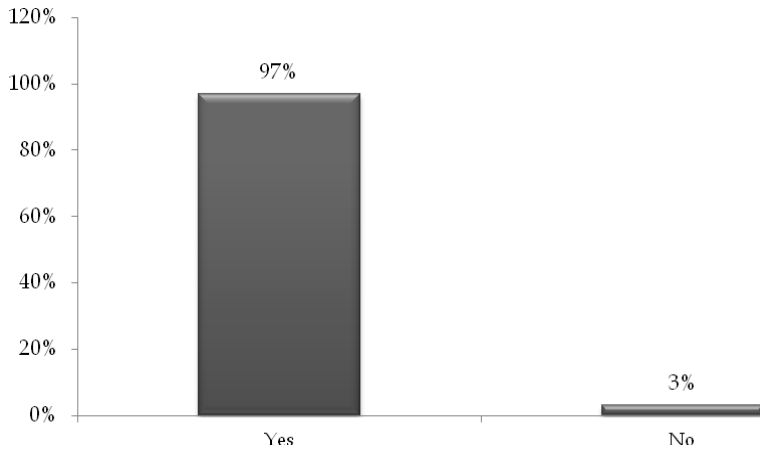
**Figure 5:** What are the obstacles you encounter while advertising your products/ services



**Source:** Authors' own calculations

From the results we can see that the main obstacle in advertising the product with 50.4% is the high cost to maintain marketing departments, then we have 29.6% who said that the main obstacle is the lack of our professional skills to fulfil their requirements, and 20% said that the main obstacle is the lack of professional people in this field in their region.

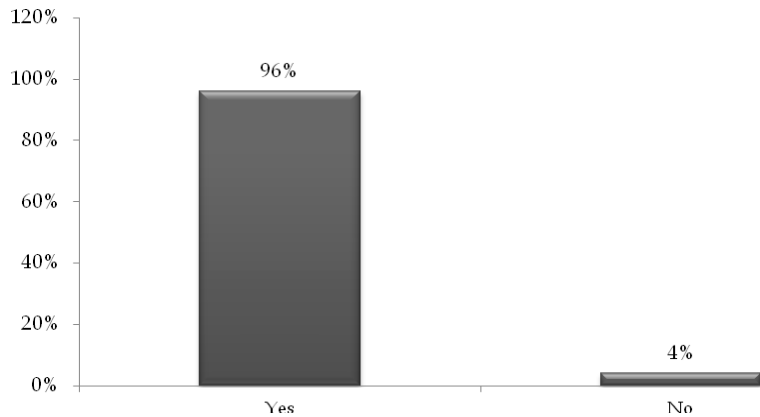
**Figure 6:** Has your business performance increased by using advertisements



**Source:** Authors' own calculations

Advertising has had a positive impact in the performance of most enterprises.

**Figure 7:** Will you increase your advertising budget next year



**Source:** Authors' own calculations

Seeing from the previous experiences, enterprises that used advertising increased their performance, so most of the businesses think that next year they will increase their advertising budget.



#### **4. Conclusions and recommendations**

As we can see from the results, most of the interviewed enterprises said that they use advertising for their products and pay attention to advertisements. The budget's share for advertising has a particular significance as well, and there should be used advertisements with lower costs and bigger impact in increasing sales and communicating with the customers. The importance of advertising budgeting as the toughest and most important stage for the companies, definitely presents the need for an efficient concentration from its implementers. Based on the results we can see that the largest part of the advertising budget goes to the television, and in this aspect kosovar enterprises should use other advertising media as well so that the ads will have a larger dimension. We can also see that the main obstacle to advertise the products is the high cost of marketing departments, or the lack of professional people in this field. These main factors should not be ignored, but instead we should form adequate policies so that the enterprises can realize sustainable sales in the market. Advertisements have had a big impact in increasing the sales and the entrepreneurs plan to increase their sales in the future. So, as the end, advertisements are vital so that the sales can be stable in relation to competition.

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