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The Effects of Advertising on Performance of a Small and Medium Enterprise in Uganda: A Case Study of Mutima Best Quality Feeds

This study was undertaken to establish the effects of advertising on performance of a Small and Medium Enterprise (SME) in Uganda. The study was guided by the following objectives; determining the relationship between place advertising and performance of SMEs, establishing the extent to which the interior advertising is helpful in enhancing performance of SMEs and analysing the effect of electronic advertising on the performance of SMEs. In the research design, triangulation of both the qualitative and quantitative approaches was used whereby the researcher undertook a case study at Mutima Best Quality Feeds in Natete in Kampala district. Questionnaires and interview guides were used to collect data and the obtained data were analysed using the qualitative data analysis method (content analysis) and quantitative data analysis approach (statistical data analysis). The number of respondents was 102 which included 5 managers, 14 employees and 83 customers. The findings of this study are that advertisement is a very important aspect for boosting SMEs' performance in Uganda; place advertising is still widely used and has a positive effect on performances of SMEs; interior advertising is helpful in enhancing performance of SMEs since it would reach a cross section of potential customers as it is multi-pronged and electronic advertising was also discovered to have become an inevitable factor in the performance of SMEs in Uganda. The conclusions to the study are: the researcher ascertained that there was a relationship between place advertising and performance, interior advertising to some extent is helpful in enhancing performance of SMEs and that electronic advertising has an effect on the performance of SMEs. The researcher recommended that SMEs should invest more in advertising, more so, in those driven by ICT because it was efficient and effective in boosting performance of SMEs. SMEs needed to explore more the use of indoor advertisement because of its heterogeneous nature, and with higher chances of reaching out to bigger audiences. Since the relationship between advertisement and SME performance is apparent, all SMEs should embrace advertisement.

Key words: Advertising, Enterprise, Performance