“Impact of advertising and sales promotion expenses on the sales performance of Jordanian companies: The moderating role of firm size”

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IMPACT OF ADVERTISING AND SALES PROMOTION EXPENSES ON THE SALES PERFORMANCE OF JORDANIAN COMPANIES: THE MODERATING ROLE OF FIRM SIZE

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Abstract

This study aimed at analyzing the effect of sales promotion and advertising expenses on sales performance, considering firm size as a likely moderating variable.

This research conducted regression analyses on 474 Jordanian companies based on the firm's advertising expenditure, gross margin, firm size, and sales performance. It tested two models: first, direct impact of advertising expenses on sales performance, and, second, firm size affecting the relationship between advertising expenses and sales performance.

The findings show that advertising and sales promotion expenses do not have a significant effect on sales performance. Besides, firm size did not moderate this relationship, as referred by a non-significant t-value of –1.459 and a p-value of 0.145. The models explained only 4.1% and 0.5% of the variance in sales performance, respectively, suggesting that other factors play a more significant role.

These results suggest that Jordanian firms have to reevaluate their advertising strategies and consider alternative approaches to enhance sales. The research contributes to more understanding of the limited role of advertising in sales performance within the Jordanian market.

Keywords Marketing strategies, consumer demand, competitive advantage, economic scale, promotional effectiveness, market influence, Jordan

JEL Classification M37, L25, M31, L11

INTRODUCTION

Given that the business environment today is very competitive, companies must operate in a continuous process of update and strategy adjustment to maintain or improve a strong market position. In this manner, advertisements and sales promotions are considered the most important forms of marketing strategies since through them consumers' demand for goods and services are stirred, which in turn motivates sales performance. Considering that the dynamics in Jordanian markets are equally influenced by both local and global factors, it would be of especial interest to assess the effectiveness of sales promotion and advertising expenditure in increasing an enterprise's competitive advantage.

While advertising and sales promotion are widely used as major tools of marketing, despite everything there is a problem from the scientific point of view in understanding their precise impact on sales performance, which explicitly moderates with firm size. Firm size may affect

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resources devoted to advertising and promotion, strategic nature of approach to such investments, and hence ultimate effectiveness at enhancing sales. Large firms may use the economies of scale in promotional activities, while the small firm is limited but possibly can take advantage of selective promotions for maximum effect.

1. LITERATURE REVIEW AND HYPOTHESES

The relationship between advertising, sales promotion, and sales performance has been one of the focuses of marketing research since the beginning of the century. Marketing academicians' study at great length how firms deploy marketing strategies to enhance sales performance. Very often, effectiveness varies because of contextual factors like firm size, market conditions, and the nature of the industry. It reviews key theoretical and empirical studies underpinning the current understanding of how advertising and sales promotion impinge on sales performance with greater emphasis on firm-size moderation.

This fact has been established in literature (Arif & Hashim, 2014; Chen et al., 2014; Ariffin, 2013; Desai & Dharmapala, 2006; Salihu et al., 2014; Rezaei & Ghanaeenejad, 2014; Slemrod, 2004; Zimmerman, 1983) on the relationship between profitability and sales growth. This relationship was observed in Jordan by Dahmash (2015) who indeed found that there is a significant relationship between profitability and sales growth. It evaluates firms, except for financial ones, which are listed on Jordan. The study finds that higher sales growth results in increased profitability.

The fact that advertising is effective in increasing sales performance is a well-researched fact. In fact, Tellis (2009) provided comprehensive analysis on how advertising to sales growth, whereby advertising effects are usually contingent on the competitive environment and the firm's market position. In a somewhat related argument, Bagwell (2007) emphasized that even as advertising may be very influential in changing consumers' behavior, this still depends on the industries because some firms tend to have higher returns to advertising than others due to differences in the underlying structure of markets and consumer preference.

In exploring the role of sales promotion, Ailawadi et al. (2009) found that promotional activities are particularly effective in short-term sales boosts, although their long-term impact on customer retention and brand loyalty is less clear. Their findings suggested that sales promotions lead to a flush of sales, due to price-sensitive customers, who may or may not become repeat buyers.

The interaction of advertising with sales promotion has also been of interest. For example, Pauwels et al. (2004) examined the synergies between these two marketing strategies and found that though either of these two can separately make sales, their collective impact is often more than the sum of separate effects, especially when the firm enjoys a better brand equity. Their findings suggest an integrated approach to marketing, wherein advertising builds brand equity and sales promotions stimulate immediate sales.

The strategic placing of advertisements has invariably been considered one of the most vital facilitators in the building of brand equity and consumer awareness (Shubita, 2021). According to Lane Keller (2013), advertising is an important activity that assists in the generation of brand equity through the formulation and perpetuation of brand associations, thereby giving meaning to a brand. Sustained advertising, as portrayed by Lane Keller (2013), could lead to an upsurge in customer-based brand equity, thus driving sales performance. The results from these efforts vary widely; however, depending on the firm size and relative market position of the firm; this is a point that Hepola et al. (2017) go to further elucidate by finding larger firms to be in better positions to capitalize on brand equity due to their ability to sustain higher levels of advertising expenditure over time.

While large firms can afford to spread themselves across a wider marketing platform, small ones narrow down their marketing efforts to more specific advertising strategies. According to Chandy et al.

(2001), small firms narrow down their marketing scope to very small markets, which are effective in advertising because it is done to cater to the needs of a market section. This serves to help small firms with a minute fraction of advertising budgets still hold their own against larger competitors.

The effectiveness of sales promotions also differs by firm size. Srinivasan et al. (2009) argue that large firms have the capability to integrate promotions into a broader marketing campaign that includes adverting, product enhancements, and distribution enhancements. This, in turn, allows them to fully realize the benefit of promotions without compromising brand equity over the long-term. This relationship of advertising, sales promotion, and firm size becomes even more complex in the Jordanian market, given local market conditions and consumer behaviors. Along similar lines of reasoning, Shamma and Hassan (2011) studied the unique challenges Jordanian enterprises must singularly face in their efforts to deploy effective advertising and promotional strategies. They relate that these cultural factors, economic conditions, and consumer skepticism regarding advertising tactics or strategies are highly implored on lessening their effectiveness. Additionally, larger Jordanian firms are better positioned in overcoming such hurdles owing to their market research investment strength and shaping strategies in conformation to its finding.

In fact, firm size can be a moderator for marketing strategy effectiveness as Moorman and Slotegraaf (1999) argue that firm size is one of the factors that influence innovative capability in marketing practices. Firm size, in other words, can provide an opportunity for larger firms to easily experiment with new marketing techniques; this is because large firms usually possess greater resources to try various new marketing methods before working out their strategies in light of the response from the market. The capability for innovation is one of the most critical attributes needed to stay ahead of the competition in fast-moving markets. This argument was supported by Day (2011) when he stated that dynamic capabilities in marketing are increasingly important for continued competitive advantage.

Moreover, the role of digital marketing has become increasingly important in recent years, offering new opportunities and challenges for firms of different sizes. According to Toker-Yildiz et al. (2017), digital marketing channels advertising provide smaller firms with cost-effective alternatives to traditional advertising. These channels allow for more precise targeting and measurement of marketing efforts, potentially leveling the playing field between small and large firms. However, as highlighted by Tiago and Veríssimo (2014), the success of digital marketing strategies still depends on the firm's ability to integrate these efforts within a broader marketing plan, which can be more challenging for smaller firms with limited resources.

A company's willingness to promote its products using the resources at its disposal is referred to as a marketing strategy (Li et al., 2020; Bui et al., 2020; Han et al., 2020; Grossmann & Hottiger, 2020). Gavalas and Syriopoulos (2019) led a request to find out if, when tasks decline identically, deals costs display a more articulated increment than the decrease in benefits. According to Bosch et al. (2017), when sales revenue decreases, changes in a company's current profits and anticipated sales revenue tend to rise. According to Subramaniam and Watson (2016), persistent costs are supported by the fact that marketing and sales expenses rise by 0.9 percent for every one percent increase in sales revenues.

The connection between important financial statements components and sales expenses has been the subject of numerous studies (Shubita, 2024, 2023). Sales costs show variety and fluctuation, answering changes in seals, and their significance comparative with complete resources of modern organizations has expanded. Compelling deals cost administration is fundamental for business congruity (Lim & Rokhim, 2021). Marketing strategy risk is inversely related to the amount invested in current assets. A company's ability to achieve its goals and meet the needs of its customers is impacted by the investment volumes in current assets that conservative and aggressive policies have. High interest in resources can demonstrate functional shortcomings, including issues connected with deals and obligation assortment (Alareeni & Hamdan, 2020).

Saini and Sharma (2009) distinguished a positive relationship between producing benefits and promoting, stressing the gainful impact of benefit age

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on showcasing system. According to Wang (2002) who looked at the relationship between a company's marketing strategy and its overall value in Japan and Taiwan an assertive marketing strategy boosts the company's performance and value.

In summary, the literature highlights the complex relationship between advertising, sales promotion, and firm size. While larger firms benefit from economies of scale and greater resources, smaller firms can leverage targeted strategies and digital marketing channels to achieve significant impact (Mansour et al., 2024; Mansour et al., 2023). However, these strategies may have different efficiencies due to various factors that influence them, such as market conditions and consumer behaviors, the innovating capabilities of the firm. Despite the wide research into this area, there has still been a gap in understanding how these dynamics play out in the Jordanian market, with particular reference to the firm-size moderating role.

The study aims to ascertain the effects of advertising and sales promotion expenses on sales performance in Jordanian companies, with special emphasis on the role of firm size as a moderator in that relationship. The near lack of literature on this topic means insights from this study will go towards informing both academic understanding and practical business strategies in Jordan. The hypotheses are:

H01: Advertising and sales promotion expenses does not have a statistically significant impact on sales performance.

H02: Firm size does not moderate the impact of advertising and sales promotion expenses on sales performance.

2. METHODOLOGY

This paper has adopted a quantitative research design to explore the combined effect of advertising and sales promotion expenses on sales performance in Jordanian companies, considering firm size as a moderating variable. To achieve this, the research has been designed as a cross-sectional study based on data collected from different publicly listed companies within Jordan's industrial sector. A quantitative approach would be justified, because there is a need for a numerical data analysis, together with an identification of statistical relationships between variables, and this is highly important in understanding dynamics of marketing expenditures and their effect on sales performance.

The research concentrates on firms listed on the Amman Stock Exchange (ASE) in the industrial sector. The sample includes firms that have been consistently listed for at least five years, ensuring that the data reflect stable and mature entities with available financial records. A total of 64 companies are selected for the study period (2014-2022), representing a diverse range of firm sizes, from small enterprises to large corporations. The selection process is based on purposive sampling, targeting firms with available and complete financial data on advertising and sales promotion expenses, as well as sales performance indicators. The study's key variables are defined as follows:

Advertising and promotion expenses (ADV): the total amount spent on advertising activities and promotion within the fiscal year.

Sales performance (SALES): this is the total sales revenue generated by the company during the fiscal year.

SIZE – firm size: determined by the natural logarithm of the total assets employed in testing the moderating effect on the relationship between advertising and sales promotion expenses and sales performance.

Gross margin ratio: control variable; gross profit over sales revenue.

The various steps undertaken for the analysis of data are for the testing of the hypotheses of the study and drawing conclusions on the relationships between the variables.

1. Descriptive statistics: descriptive analyses are conducted in order to summarize sample characteristics into means, medians, standard deviations, and ranges for each variable. These give a general overview of the data and help identify anomalies or outliers.

2. Factor correlation analysis: a correlation matrix is generated to examine the relationships between advertising expenses, sales promotion expenses, sales performance, and firm size. Such analysis will help in understanding the magnitude and direction of the relationships between the chosen variables.

3. Regression analysis: the main regression model is specified as follows:

$$SALES_{it} = \beta_0 + \beta_1 Adv_{it} + \beta_2 Gross_{it} + \varepsilon_i, \quad (1)$$

$$SALES_{it} = \beta_0 + \beta_1 Advit + \beta_2 Gross_{it} + \beta_3 \left(ADV_{it} \cdot SIZE_{it} \right) + \varepsilon_i, \quad (2)$$

where $SALES_{it}$ represents the sales performance of firm i, and equal total sales revenue over total assets. Adv_{it} represents advertising and sales promotion expenses for firm i, and equal advertising and sales expenses over total sales, $SIZE_{it}$ represents the firm size, and equal the natural logarithm of total assets. β_0, $\beta_{1,}$ β_2 = coefficients, i – company, t – year, ε – error.

The interaction term, $ADV \cdot SIZE$, is thus added in the regression model to test the interaction effect of firm size on marketing expenses and sales performance. The significance and direction of these interaction terms are analyzed to observe the effects of firm size influencing the effectiveness of advertising and sales promotion strategies.

This provided the general framework in which the impact of advertising and sales promotion expenses on sales performance in Jordanian companies could be analyzed, with firm size as a moderating variable. This general framework will guide the study toward meaningful insight that adds not only to academic knowledge but also to practical marketing strategies in Jordan.

3. RESULTS

Table 1 indicates the descriptive statistics for the study variables: sales, advertising expenses, the interaction term or moderating variable $ADV \cdot SIZE$, gross margin, and logassets. The statistics indicate the central trend and dispersion measures of the distribution of data.

The mean sales value is 0.513262 with a standard deviation of 0.4126435, indicating moderate variability in sales performance among the sampled companies. The median sales value is 0.500700, suggesting that half of the companies have sales figures below this value. Advertising expenditures show a wide range, with a mean of 5.020313 and a standard deviation of 101.7858802. The high standard deviation indicates substantial disparity in advertising spending, which is further evidenced by the minimum value of 0.0000 and a maximum of 2098.4500. This suggests that while some companies invest significantly in advertising, others allocate little to no resources in this area.

The interaction term, representing the moderating effect of firm size on advertising effectiveness, has a mean of 32.728980 and a very high standard deviation of 662.1802092. This indicates substantial variability in how firm size influences the impact of advertising on sales across the sampled firms.

The mean gross margin is low at 0.024811, with a considerable standard deviation of 1.1307684. The minimum value is -17.7250, which suggests

Table 1. Descriptive statistics

Variable		Sales	Advertising	Moderating (ADV×SIZE)	Gross margin	Logassets
N	Valid	474	425	425	429	474
	Missing	0	49	49	45	0
Mean		.513262	5.020313	32.728980	.024811	7.276166
Median		.500700	.030700	.214000	.136000	7.221950
Std. deviation		.4126435	101.7858802	662.1802092	1.1307684	.6602977
Minimum		.0000	.0000	.0000	–17.7250	5.5053
Maximum		3.2154	2098.4500	13651.7820	1.0000	9.3164
Percentiles	25	.212650	.012400	.095350	.032500	6.898425
	75	.711950	.104350	.749650	.276000	7.730350

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that some firms are operating at a significant loss, while the maximum value of 1.0000 indicates some firms are highly profitable. The logarithm of total assets (logassets) has a mean of 7.276166 and a standard deviation of 0.6602977, indicating moderate variability in firm size. The range from 5.5053 to 9.3164 further illustrates the diversity in the size of the firms included in the sample.

Table 2 presents the Pearson correlation matrix, which examines the relationships between sales, advertising expenses, gross margin, logassets, and the moderating variable $\left(ADV \cdot SIZE\right)$.

The Pearson correlation between sales and advertising is negative (–.071) but not statistically significant (p = .146). This suggests that, while there is a slight inverse relationship, it is not strong enough to draw definitive conclusions about the direct impact of advertising on sales based on this correlation alone.

There is a significant positive correlation between sales and gross margin (.187**), with a p-value of .000, indicating that companies with higher gross margins tend to have better sales performance. This relationship highlights the importance of profitability in driving sales outcomes. The correlation between sales and logassets is also positive and significant (.130**, p = .005). This suggests that larger firms, as measured by total assets, generally achieve higher sales, consistent with the earlier findings that firm size positively influences sales performance. The correlation between advertising and the moderating variable $\left(ADV \cdot SIZE\right)$ is perfect (1.000**), as expected, since the moderating variable is a direct product of advertising expenses and firm size. This strong correlation confirms the consistency of the interaction term in the regression analysis.

The correlations between advertising and gross margin (–.001), advertising and logassets (–.065), and the moderating variable with other variables are all relatively weak and not statistically significant. This indicates that advertising expenditures do not have a strong direct relationship with these variables, apart from their interaction with firm size.

Therefore, the Pearson correlation matrix provides valuable insights into the nature of relationships between key variables under consideration in the present study. Strong positive correlations among the three variables, namely sales, gross margin, and logassets, draw on the critical contribution of profitability and the size of a firm towards sales performance. The low and insignificant association between sales and advertising suggests that perhaps the direct effect of advertising on sales may be more complex and interrelated with other factors like firm size, which is evident from the significant interaction effects in the regression analysis.

These findings, therefore, underline that moderating variables must be incorporated into assessing the efficiency of advertising expenditures and its

Table 2. Pearson correlation matrix

Variable		Sales	Advertising	Gross margin	Logassets	Moderating
Sales	Pearson correlation	1	–.071	.187**	.130**	–.071
	Sig. (2–tailed)		.146	.000	.005	.145
	N	474	425	429	474	425
Advertising	Pearson correlation	–.071	1	–.001	–.065	1.000**
	Sig. (2–tailed)	.146		.976	.178	.000
	N	425	425	425	425	425
Gross margin	Pearson correlation	.187**	–.001	1	.195**	–.001
	Sig.	.000	.976		.000	.976
	N	429	425	429	429	425
Logassets	Pearson correlation	.130**	–.065	.195**	1	–.065
	Sig.	.005	.178	.000		.179
	N	474	425	429	474	425
Moderating	Pearson correlation	–.071	1.000**	–.001	–.065	1
	Sig.	.145	.000	.976	.179	
	N	425	425	425	425	425

Note: ** correlation is significant at the 1% (2-tailed).

impact on sales performance. The results corroborate indications within the broader literature that there is differential efficiency of marketing strategies between firms and according to market conditions. The primary hypothesis *H01* tested in this study was examined using regression analysis. The results of the first model are summarized in Table 3.

Table 3. The first model

Item	Factor	Error	t	Sig.
Constant	0.572	0.019	30.374	0.00
Advertising	0.00	0.00	–1.477	0.140
Gross margin	0.066	0.017	0.189	3.959
R^2	0.041	Adj R^2		0.036
F	8.936	Sig.		0.00
VIF	1			

The coefficient for advertising is 0.000, with a t-value of –1.477 and a p-value of 0.140. This indicates that advertising expenses do not have a statistically significant impact on sales performance in this model, as the p-value exceeds the conventional threshold of 0.05. Therefore, the null hypothesis *H01* cannot be rejected based on this evidence, implying that advertising, in isolation, does not significantly drive sales performance. The coefficient for gross margin is 0.066, with a t-value of 3.959 and a p-value of 0.000. This result is statistically significant, indicating that gross margin has a positive and significant impact on sales performance. Firms with higher gross margins are likely to experience better sales outcomes, supporting the idea that profitability plays a crucial role in driving sales.

The F-value of 8.936 is significant ($p = 0.000$), suggesting that the model, as a whole, is statistically significant. However, given the low R^2 and the non-significant coefficient for advertising, the overall impact of advertising expenses on sales performance is weak.

Based on the results from the first model, the null hypothesis *H01* cannot be rejected. The analysis shows that while gross margin positively influences sales performance, advertising expenses, on their own, do not exhibit a statistically significant effect. This suggests that advertising may require the consideration of additional variables or contextual factors, such as firm size or market conditions, to fully understand its impact on sales performance.

The second hypothesis *H02* was tested in this study. To evaluate this hypothesis, a regression analysis incorporating the moderating variable (firm size) was conducted. The results of this second model are summarized in Table 4.

Table 4. The second model

Item	Factor	Error	t	Sig.
Constant	0.574	0.019	29.954	0.00
Size (Moderating)	–0.412	0.00	–1.459	0.145
R^2	0.005	Adj R^2		0.003
F	2.127	Sig.		0.145
VIF	1			

The coefficient for the moderating variable (firm size) is -0.412 with a t-value of -1.459 and a p-value of 0.145. This indicates that firm size does not have a statistically significant moderating effect on the relationship between advertising expenses and sales performance, as the p-value is greater than 0.05. Thus, the null hypothesis *H02* cannot be rejected, suggesting that firm size does not significantly alter the impact of advertising on sales.

The R^2 value of 0.005 shows that only 0.5% of the variance in sales performance is explained by the inclusion of the moderating variable in this model. The adjusted R^2 value of 0.003 further reflects the minimal contribution of firm size as a moderator, indicating that the model does not significantly improve with the inclusion of this variable. The F-value of 2.13, with a p-value of 0.145, is not statistically significant. This implies that the overall model, including the moderating effect of firm size, does not provide a better explanation of the variance in sales performance compared to the first model.

Results from the first model indicate that the null hypothesis cannot be rejected; so, advertising and sales promotion expenses do not have a statistically significant impact on sales performance. According to the analysis, although gross margin has a positive effect on sales performance, advertising expenses alone do not show a statistically significant effect. This might suggest that in order for the real effect of advertising on sales performance to be comprehended, other variables or contextual elements must be considered, like firm size or market conditions.

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The second model result has led to the failure to reject *H02*. The firm size moderating variable had an insignificant effect on the preceding relationship between advertising expenses and sales performance. This hints that the effect of advertising on sales is not dependent on the size of the firm. Therefore, it revitalizes the complexity around advertising impact and thus hints at the need to explore other variables or contexts in future research.

4. DISCUSSION

The findings of this study provide several useful insights into the relationship among advertising expenses, firm size, and sales performances in Jordanian firms. On the one hand, the findings supported some expectations, yet, on the other hand, they ran somewhat against conventional wisdom and suggested that the relations among these factors could be more complex. The regression analysis revealed that advertising expenditures, in isolation, do not significantly influence sales performance. This result might initially seem counterintuitive, given the well-established belief in marketing literature that advertising is a key driver of sales. However, this finding may reflect the reality that the effectiveness of advertising is highly context-dependent. Factors such as the quality of the advertising, the market environment, consumer preferences, and competitive dynamics likely play crucial roles in determining the actual impact of advertising on sales. Moreover, the minimal contribution of advertising expenses to sales could suggest that Jordanian companies might not be investing enough in high-quality, targeted advertising, or that the ads themselves are not effectively reaching or resonating with the target audience.

The second hypothesis result implies that, regardless of whether a company is large or small, the direct influence of advertising on sales remains consistently weak. This challenges the common assumption that larger firms, with more resources, can leverage advertising more effectively to boost sales. Instead, it might indicate that other factors, such as product differentiation, brand loyalty, or customer engagement strategies, could be more critical in driving sales across different firm sizes.

When compared with previous research, these findings present both consistencies and divergences. Past studies have often highlighted the significant role of advertising in enhancing sales, particularly in industries where consumer decisions are heavily influenced by brand visibility and awareness. However, there have also been studies that emphasize the diminishing returns of advertising, particularly in saturated markets or where consumers are overwhelmed by ad clutter. The results of this study contribute to the latter perspective, suggesting that in the Jordanian market, advertising may not be the most effective lever for increasing sales, at least in its current form.

The finding that firm size does not moderate the advertising-sales relationship is somewhat at odds with earlier research, which often posits that larger firms benefit more from advertising due to economies of scale and greater brand recognition. However, the results align with a growing body of literature that argues for a more nuanced view, where firm size alone does not guarantee advertising success. This could indicate a shift in the dynamics of how advertising works in modern, increasingly digital marketplaces, where even small firms can compete effectively with larger ones if they employ smart, targeted, and innovative advertising strategies.

The results of this study might be explained by several factors unique to the Jordanian context. With relatively small market size coupled with high competition, it would therefore dilute the effect of traditional methods of advertising (Shubita, 2022). The cultural factor and buyer behavior in Jordan may be so different when compared to some markets where advertising works wonders. The rapid adoption of digital media may also indicate that the traditional channels of advertising are relatively less powerful, or that companies need to rapidly adapt to newer platforms and ways of consumer engagement. It is also possible that the quality and execution of advertising campaigns are not meeting the standards necessary to drive significant sales growth. Companies might be investing in advertising, but without a clear strategy or understanding of their target market, these investments may not yield the desired returns.

It is contradictory to the results of Salahaldin and Atua (2022), Srayyih, and Al-Rawi (2021), and Salahaldin and Hussein (2022), regarding various works on marketing's role in higher education and brand value maximization, where the results showed that advertising and sales promotion expenditures do not significantly influence sales performance at Jordanian companies. Salahaldin and Atua (2022) reported that marketing efforts significantly improve the world ranking of universities in Iraq and underline the efficiency of strategic marketing in higher education. In a similar vein, Salahaldin and Hussein (2022) indicated that nostalgia marketing significantly influences increasing brand value for the stores; thus, this type of specific emotional marketing mechanism can be relevant for consumer behavior and brand perception. On the other hand, this might contrast with the results of this study, in which sales growth through the use of traditional advertising methods in Jordanian companies may be negligible due to market conditions, advertising strategies, and even the nature of the products and services being marketed. Such a comparison perhaps insinuates that marketing, while highly effective in other contexts, has its success determined greatly by industry, target audience, and marketing approach.

The findings from this study open up several avenues for future research. First, there is a need to explore the role of social media and digital advertising in the Jordanian market, as these platforms may offer different results compared to traditional advertising. Additionally, examining the impact of advertising in specific industries within Jordan could reveal more about how sector-specific dynamics influence the effectiveness of advertising.

These might be complemented as moderators by market orientation, customer relationship management, and product innovation-which interact with advertising, for example, in driving sales. Longitudinal studies that follow advertising and sales performance over time may provide deeper insight into how such relationships evolve in response to shifting market conditions and consumer preferences. The conclusion is that advertising, though an essential part of marketing strategy, needs to be further adapted to the unique nature of the market and the individual firm. If the limitations and potential of advertising in the Jordanian setting are understood, companies can be more judicious in resource allocation and better plan strategies for sales increases.

CONCLUSION

This research was mainly done to see the impact of advertising and sales promotion expenses on Jordanian companies' sales performance, and more precisely, whether firm size moderates this relationship. Several key findings that contribute to the literature on these dynamics were realized through these analyses.

First, the investigation established that advertising and sales promotion expenses singly do not have a significant statistical relationship with sales performance with respect to Jordanian companies. That is, perhaps the effect of advertising itself has a very minute effect on sales, or simply that the current advertising strategies being employed by these firms are not adequately translating into the growth of sales. Second, the study revealed that firm size does not moderate the relationship between advertising expenses and sales performance. This indicates that, regardless of whether a company is large or small, the influence of advertising on sales remains consistently weak. The implication here is that firm size alone is not a determinant of advertising effectiveness.

These findings suggest that companies operating in Jordan may need to reconsider their promotional policy by shifting greater emphasis to quality and effective targeting of promotional campaigns rather than relying on the traditional approach or aggressive advertising. Finally, regardless of business size, all companies are recommended to develop other factors such as product innovation, interaction with customers through service, and online marketing while developing their sales strategy in order to achieve better performance results.

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Therefore, these findings bring out the importance of realizing peculiar market conditions in Jordan and the need to adapt marketing strategies. Further research in this direction may theoretically advance the role of digital platforms, industry-specific factors, and other moderating variables that can affect advertisement effectiveness in driving sales performance.

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