AN EVALUATION OF THE IMPACT OF ADVERTISING
ON CONSUMER BEHAVIOUR
(A CASE STUDY OF DE-UNITED INDUSTRIES LTD: MAKERS OF INDOMIE NOODLES)

BY

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PG/MBA/2007/DL/1530

Being a Dissertation submitted to the Department of Marketing, Faculty of Business Administration, University of Nigeria, Enugu Campus
In partial fulfillment of the requirements for the award of MBA (Marketing) of the University of Nigeria, Enugu Campus

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CERTIFICATION
I, Uwakwe Vitus Ezeoha of the department of Marketing, University of Nigeria, Enugu Campus hereby certify that this Project work carried out by me is an embodiment of the original work and has not been submitted in part or full to this University or any higher institution of learning.

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APPROVAL

This Project work as carried out by Uwakwe Vitus Ezeoha, Reg. No. PG/MBA/2007/DL/1530 of the Department of Marketing, Faculty of Business Administration, University of Nigeria, Enugu Campus is hereby approved.

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External Examiner's Signature & Date -----------------------------
DEDICATION

To my lovely Daughters, Chetachi, Ezihe and Ebubechukwu
ACKNOWLEDGEMENT

I am most grateful to God Almighty who in His infinite mercies granted me grace to face this great challenge.

Much kudos to my worthy Project Supervisor, Dr. Chukwudi Nwaizugbo for his constructive criticisms and relevant suggestions towards the success of this work.

I am also indebted to Mr. Chuke Nwude of the Department of Banking & Finance, UNEC and Mr. Chuks Ifediora of the Department of Marketing, UNEC, who in their various ways encouraged me in this course.

In my acknowledgement list also is Mrs. Ijedi Iyeoha of APCON, whom I met on several visits to APCON house for materials, Mr. Ashish Checker of De-United, Yinka Adebayo of Media Reach Advertising, Alfred Akhokia of Wetherheads Advertising and Babs Fagade of Afromedia Plc.

Above all, much thanks to my lovely wife, Bright for her support and understanding all the way.
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ABSTRACT

This is a research work carried out to evaluate the impact of advertising on consumer behavior with particular reference to De-united Foods Industries Ltd, makers of Indomie noodles. Data for the research were collected through primary and secondary sources.

The collected data were analyzed in tables and simple percentages, while the hypotheses were tested using the chi square technique.

Given three hypotheses as stated in chapter one, these hypotheses were tested critically in chapter four to reveal the authenticity of responses by the respondents to the research questions.

In the final analysis, attempts were made to bring to summary the tested research hypotheses, which proved that:

1. Advertising has improved consumer preference for Indomie noodles to other noodles
2. There has been significant increase in sales of Indomie noodles as a result of advertising
3. De-united Foods Industries Limited has been able to overcome competitors through advertising
CHAPTER ONE

INTRODUCTION
1.1 BACKGROUND OF THE STUDY

We are in a very dynamic and complex world. The business environment is becoming sophisticated day by day and as such, decision-making is becoming more and more challenging and risky. Business organizations are failing due to poor decisions. Investors are losing their money and are unhappy. They are being discouraged and this is quite unhealthy to the economy. In some other instances, organizations are springing up in great numbers; some are successful in the marketing of their products and services, while others are still akin to the barber’s chair syndrome where all is motion but no movement; struggling to reach their target audience. Consumers are also faced with the challenge of choice making due to indecisiveness, skepticism, indifference and confusion which are among the key sales killers in business world.

However, the consumer perception challenge is the first and greatest hurdle that advertisers must cross. Perception guides all activities of the consumer from the people he associates with to the product he buys. In the business world, it has always been what people say about a product or service and not what the marketer says. How a consumer perceives each of the different brands in a category, determines which brand he chooses. So many companies spend so much money on advertising, sales promotion, point of purchase displays and other marketing communications only to discover that many people don’t even remember the product or the promotion. On the other hand, whether consumers ultimately purchase the marketer’s brand also depends on whether the promotion and marketing communication variables facilitate purchasing.

Today, it is no longer news that we are in a season of economic anomie. All that could go wrong have been going wrong with the global economies and having ripple effects on our local business environment. Reports about the current economic crisis have been terrific and scaring. More companies are recently reported to have shut down operations while some are planning their exit from the Country due to harsh economic conditions. In the face of all these, the few others in operation are engaged in fierce battle for the soul of the consumers.
To succeed, they need to understand what makes potential customers behave the way they do.

This study therefore, seeks to evaluate the impact of advertisement of indomie noodles, a product of De-united Ltd on Consumer behavior. The brand indomie with its varieties of flavours such as Onion flavor, chicken flavor, Suya flavour has become a household name since the late 90s that even a child of 2 years of age could pronounce it so fluent amidst other competing brands like Chikki noodles, ‘O’ noodles, Mimi noodles of May & Baker and now the latest of them all, the Golden Penny noodles of Flour Mills Plc. With these range of competing products, massive advertising budget becomes necessary for the indomie brand, which the researcher tends to evaluate its impact on the behavior and/or perception of the consumers.

1.1.1 BRIEF HISTORY OF DE-UNITED FOOD INDUSTRIES LTD
De-united food Industries limited was commissioned in Nigeria in 1995 as the first instant noodles manufacturing company with head office in Ota, Ogun State. The company is a joint venture between Salim group of Indonesia and Tolaram group of Singapore.

Salim group is the majority shareholder of PT Indofood Sukses Makmur, a listed company in Indonesia which owns the indomie trademark, technology and expertise in instant noodles manufacturing.

Tolaram group is a Singapore based group that has businesses in Nigeria and eleven countries around the world.

According to Mr. Ashish Checker, chief operating officer of De-united, the vision of the company is to become a leading instant noodles manufacturer in Africa, committed to customers’ satisfaction through a variety of products; increase stakeholder’ value and continuously develop its human capital and the community. The company’s mission statement also reads thus “To dominate the instant noodles market by providing a variety of quality products that meet customers’ satisfaction”.

1.2 STATEMENT OF PROBLEMS
Advertising is costly; often its effects are uncertain, and sometimes it takes a while before it makes any impact on consumers’ buying behavior. It is for these reasons that many companies think it appropriate, occasionally to reduce expenditures on advertising or to entirely eliminate it. On the other hand, some companies sometimes consider it unnecessary to advertise when their brands are already enjoying great success without advertisement. Such behavior implicitly fails to consider the fact that advertising is not just a current expense or mere exercise but an investment.

Competition poses another problem area of this study. Prior to year 2004, indomie was the only noodles in the market, which means, absence of competition. Given this situation, the product recorded high sales within the afore-mentioned period. Today, the massive introduction of the noodles earlier mentioned had made way for competition as so many women who used to sell only indomie noodles now share their resources among the different brands in order to maximize profit. Also, identified was in the area of children who are seen as the chief consumers of indomie noodles. Before now, the indomie jingles (indomie, indomie, indomie noodles, delicious and tasty …………..) was sang often among them. Today, it’s amazing how these children now sing the mimi noodles jingles more than the popular indomie jingles. This means that perhaps, these children hear more of the mimi jingles than that of indomie, and as a result, a good percentage of them would no doubt change from consumption of indomie to mimi. All these, have resulted in low sales of indomie noodles.

1.3 OBJECTIVES OF THE STUDY
This study is guided by the following objectives.

1. To determine the role of advertisement in marketing of consumer goods
2. To understand consumers’ views and or opinions towards advertisement of consumer products in general and indomie noodles in particular.
3. To measure the extent to which advertisement influences the behavior of consumers of indomie noodles.
4. To ascertain if a consumer good can overcome competition without advertisement
5. To determine if advertisement increases consumer’s preference of a particular product to others
6. To ascertain which medium of advertisement will make greater impact in advertisement of consumer goods

1.4 RESEARCH QUESTIONS
This study seeks to address the following questions:

- Is advertisement an effective tool in marketing of indomie noodles or just a mere exercise?
- To what extent do other promotional activities undertaken by the company impact positively on the consumers of the product?
- Are there steps taken to ascertain the impact of advertisement of Indomie noodles on consumers?
- Has advertisement improved consumer preference for the product to other noodles?
- Has the company been able to overcome competition through advertisement?
- Did advertisement play any role in defusing the bad publicity that was associated with the poisonous indomie in 2005?

1.5 STATEMENT OF HYPOTHESES
In this work, effort has been geared towards propounding three hypotheses, viz:

- \( \text{HO}_1 \): Advertisement has not improved consumer preference for Indomie noodles to other brands.
- \( \text{HO}_2 \): There has not been significant increase in sales of Indomie noodles as a result of advert.
- \( \text{HO}_3 \): De-united has not been able to overcome its competitors through advertising

1.6 SIGNIFICANCE OF THE STUDY
In this work, attempt has been made to identify its significance to: Business organizations, Academics and the Researcher.
Businesss Organizations:
The need for prudent management of financial resources in an organization is of great concern. It’s amazing however; that at anytime an organization is going through some hard times financially, first thing that runs into the mind of the management staff is a cut-down on advertisement and promotion budget or eliminate them entirely as a step to ameliorate their predicament. This study therefore, has been designed in such a way as to aid organizational managers realize that measurement is very important in advertising. Therefore, before decisions are taken on whether to eliminate advertisement or cut-down the budgets, efforts must be made towards ascertaining the impact of such advertisement, hence; a call for checks and balances.

To Academics:
Before this study, some past studies found that advert had increasing effect on consumer satisfaction; others found that advert had negative impact and led to consumer dissatisfaction. No research has ever found why conflicting results were obtained in this area of research. To academics therefore, this work will provide a basis for further research works. To further achieve this, relevant and authentic references have been cited.

To the Researcher:
The researcher is an advertising practitioner; hence, embarking on this work will increase his knowledge of media planning. Above all, this study is designed in partial fulfillment of the requirements for the award of a master degree of the department of marketing, University of Nigeria, Enugu Campus.

1.7 SCOPE OF THE STUDY
This study was carried out only in Lagos State and the markets within the state apart from few visits made to the company in Ogun State. The study is limited to De-united Industries Ltd and its products indomie noodles. However, efforts were made to identify other competing brands of noodles such as Mimi noodles, Chikki noodles, O’ noodles and the golden penny noodles and at the end, conclusive reports were drawn for the success of this work.

1.8 LIMITATIONS OF THE STUDY
The researcher’s efforts to obtain intensive and conclusive information necessary for a comprehensive work on this study were restrained by the following:

- **Attitude of Respondents:** Most of the responsible officials of De-United were reluctant to divulge some vital information which they claimed might be used in favour of their competitors. The high level of illiteracy amongst the market woman who sell indomie noodles poised another threat, in that some of these woman felt being disturbed in their businesses and were not ready to waste their time in answering questions that would not profit them. On the other hand, other individuals who sell both indomie noodles and other noodles were just indecisive.

- **Cost:** Efforts to obtain expensive but very relevant materials were not met due to lack of sufficient fund. This factor also restricted the researcher’s study in only Lagos State, apart from few visits to the company in Ogun State, as he could not afford the high transportation cost of visiting other areas. Most of the visits in some areas were made on motorcycle with its attendant risks.

- **Time:** It was also very difficult for the researcher to combine this work with his official duties in the place of work. Sometimes, the few hours permission he got from his superior officer in the office were not enough to carry out a comprehensive study for this topic. Another time constraint was in the area of some respondents giving attention at their convenience and as a result, the researcher was often asked to come back next time for attention.

### 1.9 DEFINITION OF TERMS

**Advertising:** According to Arens (2004:7), advertising is the structured and composed non-personal communication of information, usually paid for and usually persuasive in nature, about products (goods, services or ideas) by identified sponsors through various media.

**Consumers:** are people who purchase and use goods or services to satisfy particular needs and wants.
**Consumer behavior:** are those acts of individuals directly involved in obtaining and using economic goods and services. (Nwaizugbo 2004:66)

**Perception:** this refers to the personalized way people sense, interpret and comprehend various stimuli.

**Impact:** The Oxford Advanced Learners Dictionary defines impact as the powerful effect that something has on something or somebody.

**Market:** the set of all actual and potential buyers of a product or service. Kotler and Armstrong (2007:7).

**Brand:** This is a name, term, symbol, design, mark or a combination of these that identifies the product of a manufacturer or differentiates it from those of competitors. Nwaizugbo (2004:113)

**Brand Equity:** this refers to the added value endowed to products and services. Kotler & Keller (2006:276)

**Brand promise:** Is the marketer’s vision of what the brand must be and do for consumers. Kotler & Keller (2006:278).

**Brand Interest:** An individual’s openness or curiosity about a brand

**Brand awareness:** Is an issue of whether a brand name comes to mind when consumers think about a particular product category and the ease with which the name is evoked. Shimp (2000:8)

**REFERENCES**

Kotler P. & Armstrong G. (2007) **Principles of Marketing, 12\textsuperscript{th} Ed:** New Delhi: Prentice Hall of India


Shimp T.A. (2000) **Advertising & Promotion, 5\textsuperscript{th} Ed:** South Carolina, USA: the Dryden Press

Chapter two

**REVIEW OF RELATED LITERATURE**

2.1 PREAMBLE
Promotion is one of the most effective tools of marketing. According to Stanton (1978:410), promotion is an exercise in information, persuasion and influence. Its aim is to reinforce positive behavior or change a negative behavior towards a product. Promotional activities include: Advertising, Publicity, Personal selling, Public relations, Sales promotion, Trade fairs and exhibitions etc.

Predominantly, in this chapter, discussions are concentrated on advertising. Here, effort is made at reviewing various authors’ comments in specific areas intended to be covered. Many authors in marketing communications and individuals who have carved a niche in advertising have said many things, which are considered useful in this study.

2.2 ADVERTISING: AN OVERVIEW

“Advertising presents the most persuasive selling message to the right prospects for a product or service at the least possible cost.”
- The UK Institute of Practitioners in Advertising (adapted from Dogudje 2009).

“Advertise or die” were the words of Kankarofi, the APCON Registrar in a paper he recently presented on Options for Corporate Survival: a seminar organized in Lagos by the Nigeria-South Africa Chamber of Commerce. He emphasized on the need for corporate/business organizations to sufficiently appreciate the place of advertisement in the survival of their business.

In the words of Kaufman (1980:3), “advertising is not chemistry, with rules and laws that, if followed with reasonable precision, will lead to predictable results every time. Advertising is not a panacea that can restore a poor product or rejuvenate a declining market; it is not a substitute for sound business judgment nor is advertising merely the words and pictures that appear in newspapers and magazines, on billboards and on television screens. These are the means or the media that advertising uses to communicate its information about products,
services, and ideas to people: information designed to persuade them make buying or action decisions. Advertising is the art and business of persuasive communication”.

Nwaizugbo (2004:181) defines advertising as a process of presenting a product or idea to a person or group of persons, some openly sponsored message (oral or visual) about a product or seller. This message which is being presented is known as advertising.

Jefkins (1985:3) submitted that advertising is the means by which we make known what we have to sell or what we want to buy.

In other words, the British Code of Advertising Practice (as adapted from Dogudge, Aug. 2009 APCON Seminar), defines advertising as a paid-for communication addressed to the public or a section of it, the purpose of which is to influence the opinions or behavior of those to whom it is addressed.

Whereas, Kotler & Armstrong (2007:426) see advertising as any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor.

To Anyacho (2007:6), advertising is a form of communication through the media about products, services, ideas paid for by an identified sponsor.

Wright, Winter & Zeigler (1983:8) see advertising as a powerful communication force and a vital marketing tool, helping to sell goods, services, images and ideas (or ideals) through channels of information and persuasion. By this definition, it’s noteworthy that advertising never sells products but helps to sell products.

Above all, the American Marketing Association (AMA) recommends this definition:- Advertising is any paid form of non-personal presentation and promotion of ideas, goods, and services by an identified sponsor. In this definition, the following phrases were further explained.
**Paid Form:** When products or services are mentioned favorably in the media, the item appears because it is presumed to provide information or entertainment for the audience. This is called publicity, and no payment is made by the benefited organization. Advertising on the other hand is published or broadcast because the advertiser has purchased time or space to tell the story of a certain product or service.

**Non-personal:** Personal selling takes place when a personal face-to-face presentation is made. Although advertising complements or substitutes for personal selling, it is done in a non-personal manner through intermediaries or the media.

**Ideas, Goods and Services:** From this phrase, it’s obvious that advertising is not all about promotion of tangible goods as other service providing organizations such as banks, Insurance companies, Airlines etc also advertise as aggressively as do other manufacturers of tangible goods.

**An Identified Sponsor:** This phrase states that advertising must disclose or identify the source of opinions and ideas it presents.

### 2.2.1 ADVERTISING FUNCTIONS

The massive investment in brand promotion by Coca-Cola and Microsoft to the tune of $67.5billion and $59.9billion respectively in 2005 was an acknowledgement of the potency of advertisement in rendering the following functions as identified by Terence (2000:261).

1. **Information:** the role of advertising here is to communicate to consumers, the existence of goods and services. It tells consumers about what goods and services are available and in what locations they can be purchased and sometimes at what price. In playing the informational role, advertisement highlights the special physical and quality attributes of available goods to satisfy consumer needs.

2. **Reminding:** Advertising is intended to keep a brand’s name in the memory of consumers. When a need arises that is related to the advertised product, past advertising
impact makes it possible for the advertiser’s brand to come to the consumer’s mind as a purchase candidate. An advertisement created to do this is referred to as Reminder Advertisement.

3. **Persuading:** Effective advertising persuades customers to try advertised products or services. Often times, the persuasion may take the form of influencing primary demand i.e. creating demand for an entire product category.

4. **Adding value:** Given that there are three major ways a company can add value to its offerings, viz: Innovation, quality improvement and alteration of consumer perceptions; advertising adds value to brands by influencing consumers’ perceptions. Effective advertising causes brand to be viewed as more elegant, more stylish, more prestigious and probably superior to competitors’ offerings.

5. **Assisting other company efforts:** Advertising can be viewed as one member of the marketing communications tools. Terence (2000:264) puts it this way, “Advertising is at times a scorer that accomplishes goals itself. At other times, advertising’s primary role is as an assister that facilitates other company efforts in the marketing communications process”. While also playing this role, advertising is seen as assisting the effort of sales representative in that it tries to pre-sell the company’s product and provides salespeople with valuable introductions prior to their personal contact with prospective customers.

To complement Terence’s view, Anyachoch (2007:8) adds the following as part of advertising functions:

**Education:** Advertising creates knowledge about a wide range of products usage and the alternatives available and offers the right of choice.

**Economic:** Advertising stimulates commerce and industries. By promoting consumption, demand is created and with more demands, the factory produces more, thus; resulting into high domestic product, creation of wealth and employment.
Social: Advertisements that call people’s attention to good environment, cleanliness, good health, disease prevention etc are performing social functions.

2.2.2 PURPOSE OF ADVERTISING

Nwaizugbo (2004:182) identifies the following as the purposes for which advertising is based.

- It promotes product and organization
- It stimulates primary and secondary demand for the advertised product
- It is used to offset or counter the competitor’s advertising
- It helps to make the work of sales persons more effective
- It is used to increase the uses of a product
- It helps to remind and reinforce customer’s interest in a product or in an institution or idea
- It also can be used to reduce fluctuations in product sales.

Further to the above, Anyacho (2007:9) submitted that commercial oriented companies advertise to achieve the following results:

a. Create awareness in order to espouse the brand and the uniqueness of the product.
b. Sustain interest and alleviate cognitive dissonance by constantly reinforcing the unique qualities of the products and services.
c. Fight competition to secure the desired market share
d. Increase profit thereby ensuring the continued life of the business
e. Increase turnover
f. Induce higher production volume resulting from increase in demand
g. Get more efficient in the utilization of resources as a result of increase in profitability
h. Invest in research and development
i. Expansion of market share.

2.2.3 TYPES OF ADVERTISING

Advertising can be grouped into two large divisions according to Anyacho (2007:9) which include:
a) **Print Advertising:** All forms of copy work including non-audio visuals such as newspapers, magazines, posters, calendars etc. This form of advertising can further be grouped into:

- Display Advertisement: This is the larger and dominant type of advertising having illustrations blended with copy to create attract.
- Classified Advertisement: These are small advertisements usually grouped according to their contents. They are mainly personal announcements paid for by individuals. Examples are; change of names, individual-based offers and bids.

b) **Audio-Visual (Broadcast) Advertising:** this refers to the advertising broadcast in radio and television, as well as emerging media like the internet. This form of advertising appeals to the sense of hearing and sight. Examples are; radio jingles and spot announcements.

### 2.2.4 CLASSIFICATION OF ADVERTISING

The following criteria were adopted by Anyacho (2007:10) in classifying advertising.

1. **Classification by Target Audience:** the originator of this class of advertising is mainly the producer who produces a product or service for profit. This class of advertising can take the following forms:

   a) Consumer advertising: this occurs when the producer tries to reach and influence through the advertising mediums.

   b) Trade advertising: Producers can direct consumer goods towards retailers and wholesalers. In this form, the producer seeks the attention and patronage of supermarkets, hardware stores, specialty stores and small business people. The intent of this form of advertising is for those outlets to stock and promote the sale of a particular brand. Users are expected to make purchase from these outlets. The product could be promoted under the stores brand name.
c) Public Relations Advertising (Institutional advertising): Producers sometimes use advertising to promote their public relations objectives.

2. **Classification by media type:** Classification of advertising according to exposure channels may take any of the following forms.

a) **Print Advertising:** these comprise newspapers, magazines, books, pamphlets, leaflets, posters etc.

b) **Broadcast:** include radio, television/satellite/cable and home video

c) **Out-of-home Advertising:** uses signs, billboards, transit (train, buses, sales van), point of sale materials, mobile megaphone messages etc.

3. **Classification by Geographical Area:** this encompasses the following:

a) **International Advertising:** this refers to advertising designed to reach several countries and societies. As the concept of world market is becoming interesting to producers, products made in one country find themselves in other countries and advertising is seen to be serving this purpose. Media used here are cable networks, satellite television, international newspapers and magazines, the internet etc.

b) **National Advertising:** this has the aim of reaching out to the audience all over a country. When a product is designed to be marketed throughout the nation, advertising follows. Media used are national television and radio networks, newspapers, magazines, direct mail, billboards etc.

c) **Regional Advertising:** this is advertising intended for specific zones within a country. It is suitable for marketing products confined to specific parts of the country. A typical example of such product is the Dudu Osun Soap which is sold in the South-western part of the country.
d) **Local Advertising:** this form of advertising is intended for the marketing of products or services within a local environment. It is best suitable for supermarkets, retail shops, food stores etc. Local advertising informs the target audience about where to purchase the goods advertised. This is also called retail advertising. Most common media used are directional signs, signboards, billboards, local newspapers, and local radio stations.

e) **Travel Advertising:** this is tourism-related advertising. It enables organizations to reach out to international audience to sell holiday services available. The essence is to make international travelers patronize the resorts centre anytime they visit the country where they are located.

2.2.5 **ADVERTISING PLANS**

It’s often said that, “failing to plan is planning to fail”. A soccer team which approaches a football competition without a game plan will definitely play in the same spontaneous fashion and may succumb to pressure from its opponent. So it is with advertising. For a firm to enter the advertising game, it must have a clear plan in mind. An advertising plan is that which proposes strategies for targeting the audience presenting the advertising message and implementing media. It matches the right audience to the right message and presents it in the right medium to reach that audience. It also aids in evaluating a brand’s history and as well proposes the level and objectives of an advertisement. To put an advertising plan into action, Terence (2000:305) has identified three necessary steps.


2. Detailed evaluation of the competition

3. A coordinated effort to tie to the proposed advertising program to the brand’s overall marketing strategy
2.2.6 ADVERTISING STRATEGY

This is an action plan that guides the Advertiser towards accomplishing the advertising objectives. An advertising strategy according to Ehikwe (2006:160) is required to determine the specific marketing tasks that advertising will have to perform in the sale of a product. Advertising strategy is what the advertiser says about the brand being advertised.

Advertising strategy however, involves four major activities as identified by Terence (2000:266).

1. Objective setting
2. Budgeting
3. Message strategy and
4. Media Strategy

1. SETTING THE OBJECTIVE: Advertising objectives are the desired goals expected of advertising efforts. These goals are 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. Objectives provide the foundation upon which every advertising decision is channeled. The necessity for setting advertising objectives arises for the following reasons:

a) Advertising objectives are an expression of management consensus. In the course of setting objectives, top management personnel agree on the duration for the advertisement, as well as the task it is to be accomplished for a specific brand.

b) Objectives setting guide the budgeting, message and media aspects of the brand. This means that how much money to be spent, kinds of advertising message and choice of media are all determined by the set objectives.

c) Advertising objectives provide standards against which results can be measured. Good objectives set precise, quantitative yardsticks of what advertising hopes to accomplish. Subsequent results can be compared with these standards to determine whether the advertising accomplished what it was intended to do.

IMPLICATIONS FOR OBJECTIVES SETTING:
Advertising objectives must be set in accordance with the circumstances that characterize the advertiser’s brand and competitive situation. According to Terence (2000:274), the objectives must be geared towards achieving any of the following goals.

1. Making consumers aware of a new brand
2. Influencing consumers expectations and
3. Encouraging them to try the brand.

In other words, Nnabuko (1998:142) expatiates on the above listed goals as follows;

a) To inform:
   • Telling the market about a new product
   • Suggesting new uses for a product
   • Informing the market of a price change

b) To persuade:
   ▪ Building brand preference
   ▪ Encouraging switching to the advertiser’s brand
   ▪ Changing customers perception of product attributes

c) To remind:
   o Reminding customers that the product may be needed in the near future
   o Reminding them where to buy it

**REQUIREMENTS FOR SETTING GOOD ADVERTISING OBJECTIVES**

According to Terence (2000:277), a good advertising objective must satisfy the following:

a) **Precise statement of who, what and when:** this implies that objectives must specify the target audience (who), indicate the specific goal to be accomplished (what) and the relevant time frame in which to achieve the objective (when).

b) **Quantitative and Measurable:** this demands that advert objectives be stated in quantitative terms so as to be measurable.
c) **The amount of change must be specified**: this holds that, in addition to being quantitative and measurable, objectives must specify the amount of change they are intended to accomplish. For example, if company “A” decides to advertise to increase awareness from 40-70%, anything less than this 30% change would be considered unsuitable performance.

d) **Objectives must be realistic**: Unrealistic objectives equal to not having objectives at all. An unrealistic objective is one that cannot be accomplished in the time allotted to the proposed advertising investment.

e) **Internally consistent**: This demands that advertising objectives must be compatible with other objectives set for other components of the marketing communications mix.

f) **Clear and formal**: For objectives to accomplish their purposes of fostering communication and permitting evaluation, they must be stated clearly and in writing so that they can be disseminated among their users and those who will be held responsible for seeing that the objectives are accomplished.

### 2. BUDGETING FOR ADVERTISING

The advertising budget is a simple explanation of the monetary involvements in the accomplishing of advertising plans and objectives. It is a translation of advertising plans into the financial statement of costs – Ehikwe (2006:92). The cost of advertising refers to the how much the company is prepared to spend on advertising in a particular year. This is the budget for advertising, which of course should be a proportion of the total budget for promotion. – Nwaigugbo (2004:190).

In determining the advertising budgets, the following methods may be applicable as adapted from Terrence (2000:287)

1. **Affordable Method**: In this method, what the company can afford is a determinant of the advertising budget. For some companies, after they have budgeted for everything, the
remaining fund is channeled to advertising. At this point, that particular fund available is what they can afford. However, only companies that have less regard for advertising can practice this method. The question may now arise; what will be the place of advertising if after budgeting for everything, nothing is left? The answer becomes the weakness inherent in this method.

2. **Share-of-market/Share-of-voice/Market forces method:** This is an attempt to link advertising budget with sales objectives. It holds that a company’s best chance of maintaining its share of the market is to keep a share of advertising (voice) somewhat ahead of its market share. However, this method is commonly used to introduce new product.

3. **Percentage-of-sales budgeting:** In this method, a company establishes advertising budget as a fixed percentage of its sales revenue. Advertising budget is determined by allocating a percentage of last year’s sales, anticipated sales for next year, or a combination of the two.

4. **The competitive parity:** This method is also called the match-competitors method or budget by comparative analysis. This refers to setting advertising budget by basically following what the competitors are doing. The company tries to match the advert budget of its competitors. This method is criticized in that, a firm using this method will always be a follower in the market with minimum initiative, hence, if the leader firm fails as a result of little or no advertising, the follower firm also fails in the same manner.

5. **Objective and task method:** This method entails setting an advertising budget based on the role advertising is expected to play on a brand and the objective to be achieved. It considers advertising as a marketing tool to aid sales.

3. **MESSAGE STRATEGY**
In planning an advert, the first step is to identify the target audience i.e. who are you trying to reach? Thereafter, the next is, what do you want to say to them? This is called the advertising message. To answer this question, variables such as needs, motives, attitudes, values, demography etc are very relevant.

In the words of Arens (2004:255), what the company plans to say in its ads and how it plans to say it, both verbally and non-verbally, make up the advertising message. It is the formulation of the advertising message that communicates the brand’s primary benefit or how it can solve the consumer’s problem. In formulating an advertising strategy therefore, the advertiser is required to undertake the following five-step program as submitted by Terence (2000:305)

1. **Specify the key fact**: The key fact in an advertising strategy is a single-minded statement from the consumer’s point of view that identifies why consumers are or not purchasing the brand or not giving it proper consideration.

2. **State the primary marketing problem**: this step is from the marketer’s point of view. The primary marketing problem here may be an image problem, a product perception problem or problem of competition.

3. **State the communication objective**: this is a statement of the intended effect of the advertising on the target market and how it should persuade consumers.

4. **Implement the creative message strategy**: this is the most important aspect of the advertising strategy. The creative message also known as the creative platform is summarized in a single statement called a **positioning statement**. A positioning statement is the key idea that encapsulates what the brand is intended to stand for in its target market’s mind and with consideration of how competitors have attempted to position their brands.
5. **Establish Mandatory Requirements:** This is the final stage in formulating a message strategy, which involves the mandatory requirements that must be included in an advert. In this case, the advertiser may be reminded to include her corporate slogan or logo.

**APPROACHES TO MESSAGE STRATEGY**

According to Anyacho (2007:130) message strategy may take the following two approaches.

a) **Product-oriented Approach:** this approach emphasizes on the uniqueness of a product. It may be **future-oriented:** promoting the product on the basis of what it can do for the consumer. In this case, the product future is converted to consumer benefits. E.g. Close-up toothpaste with fluoride gives you fresh breath. It may also be **Use-oriented:** stressing the in-use benefits and advantages of the product. E.g. Panadol Extra, good for strong headache. Finally, product-oriented may take the form of **Product-comparison strategy:** here, the message tends to stress on the difference between a product and its competitors. E.g. MTN, your best network.

b) **Consumer-oriented Approach:**

- **Attitude-related:** In this approach, the strategist applies messages that are consistent with the consumer attitudes.
- **Significant group:** Emphasis is on dominant influence or reference groups. The message must be related to the group behavior.
- **Lifestyle-oriented:** Here, the concept is built around dominant lifestyle e.g. Guilder, brewed for the strong.
- **Image-oriented:** This involves developing a personality that is in congruous with the consumer’s self image.
- **Product Positioning:** Creates a position for the product or service in the consumers mind by relating brand to competitors’ brands and attaching the brand to memory e.g. low prices, high quality etc.
4. MEDIA STRATEGY: In planning media, strategic statement is very important, as it enables the analyzing of the logic and consistency of the overall media schedule that is recommended. A strategic statement should say what types of media will be used, as well as the rationale for the choice. The statement should start with a brief definition of the target market, outlining specific reach, frequency and continuity goals. The statement should also provide a budget breakdown of various types of media to be used over the campaign period.

2.3 OVERVIEW OF ADVERTISING MEDIA:
The media which is the plural of medium, generally, refers to vehicles used to convey information, entertainment, news and advertising messages to an audience. Advertising Media, according to Wright et al. (1982:127) are the means by which advertisers reach their prospective customers with advertising messages.

2.3.1 THE MEDIA MIX
The choice of media for advertising poses a problem in deciding which medium or media mix that will reach a client’s prospective customers. However, the media mix variables can be categorized into:
   a) The Electronic/Broadcast Media and
   b) The Print Media
   c) Out-of-homes
   d) The new media

THE ELECTRONIC MEDIA
The broadcast media such as radio and television are frequently referred to as electronic media. As channels of communication, television and radio are fundamentally different. While television has the features of sight, sound and motion, the radio depends on sound alone. These differences notwithstanding, the two forms of media have something in common, as both transmit messages through the airwave and are received instantaneously. However, the signals transmitted by the two media are transient in nature, i.e. the messages are lost if not received as the broadcast is being made.
a) The Television:
This, perhaps, is the most popular medium of mass communication. Its strength lies in the ability to transmit video and audio signals simultaneously, thereby appealing to the senses of sight and sound of its audience.

![Image of a television and a person watching]

**Media Usage: Television**
Source: Database Media Selling by Chris Dogudje (APCON Seminar, Aug. 2009)
fig. 2.1

**Types of Television Broadcast:**
A great deal of change has taken place in the technical aspects of television. Owing to this development, several types of television systems are now available to advertisers for delivery of their messages to their target audience. These television broadcast types are discussed briefly below:

1. **Network Televisions:** Whenever a programme originates from a single source and the same programme is broadcast simultaneously by more than one station, such broadcast arrangement is known as network broadcasting. For instance, the Nigeria Television Authority which has many stations spread all over the states of the federation, and these stations can on their own originate programmes and air within their coverage areas. On the other hand, the same Television Authority can hook up with these local stations to broadcast network programmes.
2. **Cable Television:** This is a model of broadcasting whereby signals are delivered to homes through the cable, usually on subscription. In Nigeria today, examples of cable television are DSTV, HITV and most new, the Daarsat.

3. **Local Television:** A local television station originates its own programme and is affiliated to a network whose programme it can broadcast on arrangement. It is an individual station, broadcasting in a limited geographical area. This may be a better medium of use by many advertisers due to its relatively lower rate than national television network especially for brands targeted for specific geographical areas. Examples are the AIT, Silverbird Television, IBC, TVC etc.

**FREQUENCY, REACH AND GROSS RATING POINT (GRP) FOR TELEVISION**

The guiding factor in the use of electronic advertising is the determination of the reach and frequency.

**Frequency** is the average number of exposures to the advertisement by each viewer during the same time period the reach is being considered. It implies to the number of times the advertisement is seen or heard, which invariably determines the factor needed to establish a message in the minds of the audience.

**Reach** is the population of different individuals exposed to the television advertisement within a given period of time.

**Gross rating point** is used in placement of advertising messages on television. According to Kleppner (1979:120), Gross rating point is the rating a programme gets (reach), multiplied by the number of times the programme is played (frequency). Considering a programme with a rating of 15 once a week for 5 weeks, would have a GRP of 75.

Mathematically expressed,

\[
\text{Reach (R) x Frequency (F)} = \text{GRP}
\]
Gross rating point (GRP)  
\[ \text{Frequency (F)} = \text{Reach (R)} \]

\[ \frac{\text{GRP}}{R} = \text{Frequency (F)} \]

**Arguments in favour of Television**

a) It possesses the unique capability to demonstrate the use of a particular product or service.

b) It has the capacity to transmit audio and video signals simultaneously.

c) The television has an intrusive value unrivalled by any other medium. Its use of sight and sound makes audience exposure to advertisement very unavoidable.

d) Television commercials have entertainment value and generate excitement. The product being advertised can be presented dramatically or be made to appear exciting and less mundane than the product actually is. The advertised product also can be brought to life or made to appear even bigger than life.

e) A humour advert copy strategy can best be presented through the television. It is known that most memorable adverts are humour.

f) Television can reach one on one, especially in a testimonial advertisement where a personality endorser espouses the merits of a particular product.

g) Television advertising can be timed and can appear at different localities giving it a variety of presentations to suite the different audience group.
h) Repetition is very possible in TV commercial as cost per thousand is also very efficient.

**Arguments against Television**

Some of the disadvantages of the Television as a medium of advertising are as follows:

a. The absolute lack of control by the Advertiser i.e. the broadcaster and the audience control the television.

b. Television may sometimes be programmed to reach a general audience, in which case, selectivity of audience becomes difficult.

c. Fragmented audience due to programme content’s ability to select its audience.

d. The rapidly escalating cost of television advertisement especially rates for network presentations makes the medium expensive for advertising.

e. Television is very expensive to purchase in Nigeria, and therefore, has limited reach to customers.

**THE RADIO**
The radio is an audio medium of advertising, which appeals to the audience’s sense of sound. It is ubiquitous and the most widely available medium to mass audience. Radio broadcasting can be offered on short wave, medium wave or frequency modulation bands, and the possibilities offered by these bands make radio signals available to a vast audience. Radio signals have a height (amplitude) and width (frequency).

An amplitude modulation station has the flexibility to vary the height of its electromagnetic signal such that during the day, it produces waves known as ground waves which follows the contour of the earth. At night, the station transmits waves into the sky which is called sky waves. The actual strength of an AM signal depends on the power allowed by the National Broadcasting Commission (NBC). A distance of about 100km therefore, will require about 100-250kw, which is to say that the lower the frequency, the farther the signal can travel.

On the other hand, a Frequency modulation station differs from AM in that the band width (frequency) is adjusted rather than the height (amplitude), which remains constant. The distance of the signal put out by FM station depends on the height of the antenna. However, the maximum signal distance is usually 75km.

**FREQUENCY, REACH AND GROSS RATING POINT FOR RADIO**

As submitted by Kleppner (1979:158), if in a community of 10,000 people, reach indicates that 160 are listening to one particular programme on a certain station, that station is given a rating of 1.6 for that period. If a commercial is to be run 5 times per week on that same day, part of the gross rating point would be represented by the formula:
Rating (1.6) x frequency (5) = GRP (8)

Merits of Radio for Advertising

1. There is wider reach by use of radio in Nigeria and the rural population can easily afford them in their varying sizes and costs. Today, even some of the handsets we use have inbuilt FM station. This radio affordability makes it offer cheap cost per thousand audience reach.

2. The different languages used in radio broadcast, encourage patronage of products given different cultures, tradition and values.

Demerits of Radio
The arguments against radio as a medium of advertising are as follows:

1. The visual deficiency of the radio reduces its potency in demonstrating a product usage through advertising.

2. Poor reception of signals due to weather condition and other physical effects may hinder effective message delivery.
The print media comprise Newspapers, Magazines and Journals. They are efficient in delivering messages one topic at a time and one thought at a time. Their strength lies in the continuity of the advertisement messages as long as the copy remains readable. These advertising media are often referred to as the Silent Salesmanship unlike the electronic media which are known as the Vocal Salesmanship. The available media selections here are:

**NEWSPAPER:** This is the oldest medium of advertising. It is the most popularly used medium in print advertising because of its readership strength. The dominance of the newspaper as a medium of advertising remained unchallenged until the advent of commercial broadcast.

Newspapers publication may be daily or weekly. Those published on a daily basis are known as daily newspapers, which comprise the Guardian, the Punch, the Vanguard, Thisday etc, while those published weekly are called weekly newspapers, such as Sunday Guardian, Sunday Punch, Business Times, Financial Standard etc. Newspapers are usually of two dominant sizes. The first is referred to as the tabloid, consisting of five or six columns, (except the Guardian which has seven columns). Most newspapers in Nigeria fall under this category. The second size is called the standard size or broadsheet, which is twice as large as a tabloid, and is usually
eight columns. The Post Express in Lagos and the Triumph in Kano are example of broadsheet in Nigeria.

Newspapers could also be considered for advertising from their national and local outlook, spread, distribution, reach/readership, penetration and circulation. The national papers such as the Guardian, Punch, the Sun, Vanguard, and Daily Times circulate in all states of Nigeria. Those that circulate within particular states could be termed local, some of which are, The PM news in Lagos, the Daily star in Enugu, the Pioneer in Delta etc.

Above all, the most considerable factors for advertising in newspapers are the circulation rate and readership audience. In the words of Wilmhurst (1985:145), circulation is the number of copies of a particular publication that is circulated; that is, how many are bought or given away free. Readership on the other hand implies to the number of people who were able to read the circulated copies on daily basis.

**Types of Newspaper advertisement**

Basically, there are three types of advertisement usually published in newspapers, namely; the Classified, the Display and the Supplement.

1. **Classified Advertisements:** These consist of all types of commercial messages, usually short and personal and often arranged according to their interests. They are usually published a few inches across a newspaper column. Personal messages such as change of name, cars for sale, missing persons or things, Disclaimer etc are examples of classified advertisements.

2. **Display Advertisements:** These are sponsored messages of various sizes, appearing in any part of the newspaper not designated to editorial matters. A display advertisement can have as components of its layout, well formatted text, photographs or visuals and other details relevant to the message.
3. **Supplements:** These are full-colour advertisements that appear throughout the week especially in the Sunday edition of newspapers. Supplements may be syndicated, local or free-standing insert.

   a) **Syndicated supplements** are published by independent publishers and distributed to newspaper houses throughout the country.

   b) **Local supplements** are produced by either one newspaper house or a group of newspaper houses in the same area.

   c) **The free-standing insert** also called **Loose insert** are pre-printed advertisements of different sizes and may or not be colour printed, often printed elsewhere and delivered to newspaper houses to be inserted in the newspapers at a fee including the handling charges. For instance, some of the newspaper houses charges a handling cost of N60,000 per 1000 copies of loose insert and advert fee of N10 per copy. Basically, Advertisers use such advertisement to introduce new products or services into the market.

**Advantages of Newspapers**

1. Newspaper advertising is timely
2. It guarantees good readership because the news is of vital interest
3. Localized circulation permits advertising in certain areas
4. Continuous impressions are possible with continuous advertising

**Disadvantages**

1. Readers may read hastily
2. Problem of clutter, as a reader may be confronted with several advertisements, all of which compete for his attention within his limited reading time.
3. Motivation is low due to little or no product demonstration.
4. Illiteracy poses another disadvantage as newspapers are for literate audience.

MAGAZINES
Magazines are periodicals published weekly, monthly, quarterly, annually or bi-annually. Examples in Nigeria are, Newswatch, Tell, the News, Hints, Advertising News, Marketing Standard, Castles etc. Like the newspaper, magazine is an important print medium of advertising. The tendency of specialization makes it efficient in reaching certain kinds of consumer segments or target groups.

Advantages of Magazine
1. Durability: Magazine is in printed permanent form, which makes it enduring and available for reading long after it was published.

2. Market Segmentation: Target audience selectivity is another credit to the magazine. Its ability to reach specialized audience makes it efficient in advertising.

3. Secondary audience: More than one person read a copy of a magazine. Those who subscribe to the publication or purchase it are tagged the primary audience, but are not the only readers of the magazine. The next category of readers is called the Pass-along or the Secondary audience who may by chance come across the same magazine. In some offices for instance, magazines are kept in the waiting rooms for visitors.

4. Audience Perceptibility: Magazine is perceived as a prestige medium. The magazine editorial lends authority and credibility to the advertisement, hence, the claim of some magazines that advertising in their publications gives prestige to a product or service.
**Disadvantages**

1. **High cost:** It’s very expensive to advertise in magazines, especially when colour reproduction is involved.

2. **Limited flexibility:** The deadline for booking and forwarding is inflexible.

3. **Clutter:** Like the newspaper, problem of clutter is inherent with the magazine.

4. **Distribution:** It’s often not possible to circulate copies to as many as may like to have them.

**OUT-OF-HOME/OUTDOOR MEDIA**

According to Jefkins (1976:211), outdoor advertising implies to any word, letter, model, sign, placard, board notice, device or representation, whether illuminated or not, used for the purpose of advertisement, announcement or direction. In the views of Ehikwe (2005:55), outdoor advertising also known as billboards are posters pasted on standard size wooden or metal boards mounted at conspicuous locations on the street of cities or town and on the highways. It is the oldest medium of advertising all over the world.

The table below shows some of the popular outdoor advertising products available in Nigeria today.

**Table 2.1: Popular Outdoor advertising products with rates**

<table>
<thead>
<tr>
<th>Structure/Billboard type</th>
<th>Size</th>
<th>Rate/annum (in N’000) as determined by location (ranges from)</th>
</tr>
</thead>
<tbody>
<tr>
<td>16 sheet</td>
<td>7ft (high) x 10ft</td>
<td>N100 – N150</td>
</tr>
<tr>
<td>40 sheet</td>
<td>7ft x 25ft</td>
<td>N304 – N404</td>
</tr>
<tr>
<td>48 sheet</td>
<td>10ft x 20ft</td>
<td>N500 – N1,500</td>
</tr>
<tr>
<td>Billboard Type</td>
<td>Size/Dimension</td>
<td>Starting Cost</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>-------------------------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>96 sht (non-illuminated)</td>
<td>12ft x 36ft or a little above</td>
<td>N2,000 – N3,200</td>
</tr>
<tr>
<td>Rooftop</td>
<td>No fixed size</td>
<td>N2,500 – N5,000</td>
</tr>
<tr>
<td>Backlit</td>
<td>Minimum of 10ft x 20ft</td>
<td>N2,700 – N6,800</td>
</tr>
<tr>
<td>Portrait</td>
<td>Minimum of 20ft x 10ft</td>
<td>N2,000 – N5,000</td>
</tr>
<tr>
<td>Ultrawave/Trivision</td>
<td>Minimum of 10ft x 20ft</td>
<td>N1,500 – N4,300/face</td>
</tr>
<tr>
<td>Unipole/Spectacular</td>
<td>16ft x 48ft or 20ft x 60ft</td>
<td>N4,700 – N9,500/face</td>
</tr>
<tr>
<td>Wall Drapes</td>
<td>Minimum 20ft x 10ft</td>
<td>N2,500 – above</td>
</tr>
<tr>
<td>Bus Shelter</td>
<td></td>
<td>No information</td>
</tr>
<tr>
<td>Gantries</td>
<td></td>
<td>N3,700 – N7,500/face</td>
</tr>
<tr>
<td>Cross-road Gantries</td>
<td></td>
<td>N12,500– N25,000/face</td>
</tr>
<tr>
<td>Bridge Panel</td>
<td></td>
<td>N3,500 – N7,000/face</td>
</tr>
<tr>
<td>Pedestrian Bridges</td>
<td></td>
<td>N3,500 – N7,000/face</td>
</tr>
<tr>
<td>Street Lamp Poles</td>
<td></td>
<td>N250 – N750/face</td>
</tr>
<tr>
<td>LED Display</td>
<td>Minimum of 15 sec per spot</td>
<td>N0.002 per second</td>
</tr>
<tr>
<td>Scrolling billboard</td>
<td>Minimum of 10ft x 7ft</td>
<td>N2,000 – N4,000/scroll</td>
</tr>
<tr>
<td>Mobile adverts</td>
<td></td>
<td>No information</td>
</tr>
</tbody>
</table>

Source: Outdoor Advertising Association of Nigeria Rate Card 2008

Fig. 2.4: A typical Unipole Billboard with a campaign message

Fig. 2.5: A typical Backlit billboard with a campaign message
Advantages of Outdoor as a medium of advertising

Ehikwe (2005:59) identifies the following as reasons the outdoor medium may gain higher patronage over other media

1. The use of outdoor advertising exposes the adverts to many people who are passers-by. They include literate and illiterate audiences who may read the messages or see the pictures on the board.

2. Outdoor advertising reinforces what is seen on television, heard from the radio and read in the newspapers at no cost to the audience.

3. Outdoor advertising could be located at various points within a sales territory and this helps to serve as repetitive advertising compared to the radio and television.

4. The outdoor advertising serves as a reminder that the advertiser is still in business and could be described as continuous retention of advertiser’s or manufacturer’s name and product in the minds of the public.

5. It’s relatively a low cost, but effective means of reaching the public especially with humorous captions, captivating pictures and sceneries.
Disadvantages

1. It could be susceptible to damages by rain, moving vehicles and even stolen from site. These days, the advert material known as flexi may be stolen and sold to Trailer drivers who use it to cover the goods being conveyed by them.

2. Lack of proper maintenance of the outdoor structure may affect the quality of the advertisement.

3. Government policies also pose a threat to outdoor advertising. For instance, two years ago, the Lagos State government embarked on sanitization of outdoor structures in the State and about 70% of the structures were removed. Now, Abuja, Enugu and Owerri are not left out of this exercise.

4. Non-selectivity feature of outdoor advertising poses another weakness. Outdoor advertising can be geared to general groups of consumers but cannot pinpoint specific market segment. Given this disadvantage, Advertisers may turn to other media for audience selection.

5. Another weakness is in the area of measurement. Outdoor advertising lacks verifiable audience measurement.

THE NEW MEDIUM

The new medium of advertising (also called web advertising) means advertising through the internet. It is the newest medium of advertising and dates back to the year 1994. According to Terrence (2000:396), Internet is a huge worldwide network of interconnected computers that permits the electronic transfer of information. The new medium differs from other media in that it enables consumers with the advertisement. Consumers can click on the advertisement for more information or take the next step to purchase the product in the same online section. The beauty of this medium of advertising is that it gives Advertisers the opportunity to a precise target
audience, enabling them to deliver advertisements that are customized to each user’s particular interest and taste.

However, Internet advertising weakness lies in its inability to enable consumers differentiate advertisements from editorials.

2.4 A BRIEF LOOK INTO THE STRUCTURE AND REGULATORY CONTROLS OF THE ADVERTISING INDUSTRY IN NIGERIA

THE ADVERTISER

(ADVAN)

AGENCY

(AAAN, MIPAN)

MEDIA

(NPAN, BON, OAAN)

Fig. 2.8 (Structure of the Advertising Industry & Sectorial Associations)

2.4.1 THE ADVERTISER: The first party or the key element in the advertising trinity is the Advertiser popularly called the Client. The Advertiser is the primary reason for the existence of the advertising business. In the words of Anyacho (2007:60), the advertiser operates as a person, group or firm offering goods, services or ideas to the market for reasons ultimately beneficial to itself and using advertising as a means of communicating this offer.

As shown in figure 2.8 above, the Advertisers’ Association of Nigeria is a body of corporate organizations that use advertising services as support to their marketing efforts. Simply put, ADVAN is a body of Advertisers. The following reasons brought about the establishment of this body:

- The growing advertising expenditure between 1980 and 1990s called for closer attention, as Clients began to see advertising as an important marketing support.
• The increasing media rates became a thing of concern, hence, a call for collective action by the sponsors of advertising, the clients.

• The assumptions of a commanding position by other arms of the advertising tripod.

Membership of the Association however, is open to corporate organizations, registered companies, government corporations, parastatals and other bodies established by law which make use advertising services in Nigeria. Some of the ADVAN members include, Nigeria Breweries Plc, MTN Nigeria, Zain Nigeria, WAMCO, Unilever Plc, Reckit Beckiser, Glaxo SmithKline (GSK), Globacom Nigeria, Nigeria Bottling Company Plc, 7up Bottling Company etc

2.4.2 THE ADVERTISING AGENCY

Two main options are available for the advertiser in carrying out advertising services. The advertiser may choose to have an in-house advertising department to handle its advertising operations from concept formulation to execution and management of the advertisement. On the other hand, it may decide to use the services of another organization called the Agency.

Jefkins (1976:33) describes an Advertising Agency as making careful study of the advertiser’s business and products, analyzing market potentials and problems that relate to advertising and marketing, evaluating all advertising media, formulating and developing marketing plans and advertising ideas and other promotions.

According to Terence (2000:300), a full-service advertising Agency performs at least four basic functions for the Client it represents:

• Creative services
• Media services
• Research services and
• Account management
By performing the afore-mentioned functions for the client, the Agency earns income through; Commissions from the Media (Electronic, Press and Outdoor) and account management fees from the Client. The Agency commission is usually between 15% and 25% from media, while account management fee from Client falls between 5% and 10% of the advertising cost approved by the Client to the Agency.

The Association of Advertising Agencies of Nigeria (AAAN), therefore, is charged with responsibility of regulating the practice of advertising among the Advertising Agencies. The Association is established to encourage symbiotic relationships among practitioners and other related sectoral bodies in Nigeria, thereby strengthening the contributions of advertising to the nation’s development. The Association has about 105 member companies which include, Insight Communications, Media Reach OMD, DDB Casers, Prima Garnet (a Marther & Ogilvy Company), Initiative Media, Media Perspective, Centrespread FCB, STB McCann etc.

Another important regulatory body to the Advertising Agencies is the Media Independent Practitioners of Nigeria (MIPAN) which basic function is to regulate the media function of the advertising Agencies. The Media Independent practice is a relatively new phenomenon in the Nigeria advertising practice.

2.4.3 THE MEDIA
This has been extensively discussed earlier. However, Jefkins (1976:169) sums it up that, unless there is efficient choice and use of media which, after all, represents the major cost of advertising, the most brilliant copy and most original artwork might just as well never get to the production stage.

As shown in fig. 2.8, the media regulatory bodies are as follows:

- **Newspapers Proprietors Association of Nigeria (NPAN)** is a non-governmental organization established for the purpose of promoting the interests of the Newspaper Press and those connected with the publication of news, magazines or periodicals, and to represent, express and give effect to the opinion of the members of the Association on all questions which affect
the interest of newspapers or magazines published in Nigeria. NPAN was founded on the 6th of December 1962 at the office of the West African Pilot, Yaba, Lagos with Pioneer members such as, Nigeria Tribune, Daily Times, Daily Express, Drum Magazines, West African Pilot, Morning Post, Nigerian Magazines and African Challenge. Today, it has about 55 corporate organizations.

- **The Broadcasting Organizations of Nigeria (BON):** The need to have a formidable organization that would act as a rallying point for coverage of major national and International events and a forum under which broadcasting media in Nigeria would interact with one another, informed the establishment of this organization. Its basic objective among others is to serve as a meeting point for all radio and television stations including cable and satellite operators in Nigeria.

- **Outdoor Advertising Association of Nigeria (OAAN):** In 1984, sequel to the demolition of a 40 sheet billboard in Kano due to the fact that the model used in Vono Mattress advertisement wore a negligee, which was considered offensive and further demolition of billboards on Ikorodu road, Lagos by the Governor Raji Rasaki administration in the same year, all the outdoor advertising companies came together to form an Association known today as Outdoor Advertising Association of Nigeria (OAAN), which previous was called the Outdoor Advertising Contractors Association of Nigeria (OACAN) before 1984.

The needs to develop and maintain standard for outdoor advertising in Nigeria, regulate and control the practice of outdoor in conformity with industry guidelines, protect the outdoor advertising industry against discrimination or repressive legislation or wanton destruction among others, informed the establishment of the Outdoor Advertising Association of Nigeria (OAAN). The Association boasts of about 140 members. Chiefly
among them are, Afromedia Plc, Railway Advertising (now known as Railad), Optimum Exposures, Invent Media, Global Outdoor, NAS, Abiok Publicity, Lona, Rocana, Adgozo, Grapro, Marketing & Media Ltd, New Crystal etc.

2.4.4 ADVERTISING PRACTITIONERS COUNCIL OF NIGERIA (APCON)

This topic will not be complete if the umbrella body of advertising practice in Nigeria is not mentioned. Likewise, the structure of the advertising industry in Nigeria is never complete without this institution that makes the regulations guiding the advertising practice. It is the umbrella body of all the regulatory bodies mentioned above.

The Advertising Practitioners Council of Nigeria was established by act 55 of 1988 as amended. The council was brought to life in November 14th 1989 with the inauguration of its pioneer governing council under the chairmanship of Mr. Ifeanyichukwu Sylvester Moemeka. In November 1st 1990, following the appointment of the pioneer Registrar Dr. Charles Okigbo, the council commenced full operations. The Council today has Dr. Chris Dogudje and Alhaji Garba Kankarofı as Chairman and Registrar respectively, with its head office situated at APCON House, behind the National Theatre, Iganmu, Lagos.

The council’s responsibilities include:

- Determining who are advertising practitioners
- Setting standards of knowledge required for registration as members of the advertising profession and reviewing them from time to time.
- Compiling and maintaining a register of advertising practitioners.
- Regulating and controlling the practice of advertising in all its aspects and ramifications.
- Conducting examinations in the profession and awarding certificates and diploma to successful candidates to qualify them for the practice of advertising.
2.5 CONSUMER MARKET AND CONSUMER BEHAVIOR: AN OVERVIEW

2.5.1 WHO IS THE CONSUMER

A consumer is the final user of a product. It consists of all individuals, groups or households buying products for personal consumption: Nwaizugbo (2004:63).

Kotler & Armstrong (2008:130) defines consumer market as a combination of all individuals and households who buy or acquire goods and services for personal consumption.

2.5.2 THE IMPORTANCE OF KNOWING THE CONSUMER

Engel, Kollat and Blackwell (1982:3) define consumer behavior as those activities directly involved in obtaining, consuming and disposing of products and services, including the decision processes that precede and determine those acts.

In the entire business world, the consumer is the king, as every marketing effort is geared towards consumer satisfaction. As competition is taking a lead in the business environment, the issue of how best a business organization can satisfactorily meet the needs of the consumers of its product is a very serious matter. This issue is at the heart of business survival. This is not just because consumers represent part of the society but more, because the extent to which a consumer is satisfied with a particular product or service, largely determines the competitive advantage that company has over others. A consumer is likened to the biblical Samaritan woman who after being satisfied with the words of Christ, went into Town announcing that she had found the Messiah because He told her all about herself. So it is with a consumer and a product; once a consumer gains satisfaction in a product, that he would introduce not less than five other consumers within a space of time is very certain.

On the other hand, the perception of a consumer towards a particular product is of great concern to the marketer of the product. As mentioned in chapter one of this
study, purchasing of the marketer’s brand is dependent upon whether the marketing and promotional variables of the marketer facilitate the purchase of such brand.

2.5.3 THE CONSUMER DECISION PROCESS

Consumer behavior is all about the study of when, why, how, where and what people do or do not in the process of buying a product. However, certain factors influence the consumer’s decision to buy or not buy a product. These factors and the various steps undertaken by the consumer in buying a product are summarized in the fig 2.9 below.

Experiences and Acquisition

Fig 2.9 Diagrammatic representation of the Consumer decision process adapted from Arens 2004:146

STEPS IN THE CONSUMER DECISION MAKING

1. Problem Recognition: The problem recognition stage is where the consumer experiences a state of felt deprivation (need) or wants. According to Nwaizugbo (2004:84), a problem stage is when the consumer feels an imbalance between his actual state and desired state.
In this case, a need had arisen to be satisfied, which must be properly identified to avoid wrong decision making.

2. Information Search and evaluation: Once the Consumer has recognized a problem, the next stage is to search for information in order to solve the problem. Here, the consumer seeks information on which brand that can solve the recognized problem. At this stage, he may be faced with various brands which he evaluates for the purpose of selecting the best. In the evaluation process, he considers factors like, prices, qualities etc, as well as the extent to which the product can solve the need.

3. Purchase decision: After evaluating the alternative brands and selecting the best, the Consumer is now ready to make a purchase. It’s however, noteworthy that sometimes, purchase intention does not result in an actual purchase. This is where the role of the organization in facilitating the consumer to act his purchase intention becomes very necessary.

4. Post-purchase evaluation: It is very common for a consumer to experience concerns after making a purchase decision. As submitted by Kotler and Armstrong (2007:149), a purchase behavior is the stage of the buyer decision process in which the consumer takes further action after purchase, based on his satisfaction or dissatisfaction. The consumer, having bought a product may feel that an alternative would have been preferable. Given this situation, the consumer may not re-purchase immediately, but is likely to switch brands in future time.

FACTORS INFLUENCING CONSUMER BEHAVIOUR
As adapted from Nwaizugbo (2004:71), the factors influencing consumer behavior are summarized as follows:

a) **Individual Factors**: which include Demography, Perception, Motivation, Learning, Belief and attitudes, Psychographics and values, personality and Self concept.

b) **Social Factors**: these comprise cultural influences, social class influences, Reference group influences and family influences.
c) **Situational factors:** which could be viewed in the following ways:

I. Intensity of the response behavior: Certain objectives or motives may propel a consumer to buy products. Whereas some consumers buy for immediate use or future consumption, others buy to give out. In any case, these buying decision behaviors may be termed: **Routine response behavior, Limited problem solving or Extensive problem solving.** In the first case, the consumer is very familiar with all it takes to make a decision and quickly does that without wasting time. In the case of limited problem solving, the consumer may require further information before deciding to buy especially a new product. Products that are occasionally purchased such as specialty goods follow this process. Finally, in extensive problem solving, the consumer must follow the entire buying decision process.

II. Some purchases may also be planned, routine, impulse or emergency.

III. Previous experience, interest, perceived risk of negative consequences, situation and social visibility may also influence consumer purchase behavior.
References

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Outdoor Advertising Association of Nigeria (2008)  **AGM Brochure**

Outdoor Advertising Association of Nigeria (2008)  **Rate Card**


CHAPTER THREE

RESEARCH METHODOLOGY

3.0. PREAMBLE

This chapter is aimed at highlighting the method employed by the Researcher in carrying out this study.

Research according to Salau (1998:2) has to do with an inquiry into the unknown. In other words, it is a systematic and objective method of finding solution to a particular problem. The word “problem” here can be something most people do not understand or something that has been causing anxiety or disagreement or something everybody has been talking about or something that is not clear or a gap in existing knowledge.

In any research work therefore, there must be a procedure to follow. This procedure in general is referred to as Research Methodology. Research Methodology according to Onumonu (1985:3) is defined as a controlled investigation of the theoretical and applied aspects of measurement, mathematics and statistics, and the ways of obtaining and analyzing data.

However, this study by its nature requires much information from a real life of practical situation beyond what various authors in Advertising and Consumer behavior have written, which are essentially more of principles and theories.

3.1. SOURCES OF DATA

Two sources of data were employed, namely
a) Primary and
b) Secondary sources of data

3.1.1 PRIMARY SOURCES OF DATA
To achieve this, the researcher undertook personal interviews amongst market women/distributors of Indomie noodles (generally referred to as customers of De-united) and staff of the company in the advert department and top management, all selected at random. Also, questionnaires were used to collect necessary information to avoid bias.

3.1.2 SECONDARY SOURCES OF DATA
The sources of secondary data used by the researcher include, Library research, Journals and Brochures on related subject, opinions and views of various authors in related subject, conference/seminar papers etc

3.2 DESIGN AND ADMINISTRATION OF QUESTIONNAIRE
Taken into cognizance of the difference in assimilation of various respondents, the questionnaire was designed in a very simple way to ensure ease of answers. Also, some of the questions were designed in such a way that gave room for the respondents to answer in the affirmatives, “Yes or No”.

3.3 SAMPLE SIZE DETERMINATION
In determining the sample size, two factors were put into consideration.

a) The larger the sample size, the more adequate, qualitative and precise will be the information given about the population logically.

b) Above a certain size, extra information is given by increasing the size.

Given the above factors, the researcher was of the opinion that a sample size need only be large enough to reasonably represent the population. In view of this, 50 persons were initially used for a pilot study, comprising staff of De-united in the advert & marketing department, Finance dept, top managers, in addition to customers of the company (both distributors and others). The need for pilot programme was to determine the willingness of the respondents in attending to the questionnaire. The effect was that (39) thirty nine out of the 50 were willing to respond while 11 were unwilling, thus given in percentage as follows:
In determining the sample size therefore, the formula as given in Asika (1991:59) will be adapted at 5% confidence level.

Thus,  \[ Ns = \frac{Z^2 \times p \times q}{e^2} \]

Where
- \( Ns \) = Sample size
- \( Z \) = Constant value (1.0462)
- \( p \) = positive response
- \( q \) = negative response
- \( e^2 \) = Tolerable error

Therefore, \[ Ns = \frac{(1.0462)^2 \times 0.78 \times 0.22}{(0.05)^2} = 75 \]

3.3.1 SAMPLE TECHNIQUE
The researcher adopted the random sampling technique in order to avoid bias. The population however, shows that a good number of those who have a stake in the company were virtually present for valid conclusion purpose of this work.

3.4 OPERATIONAL MEASURES OF VARIABLES
Recall that in the first chapter of this work, three hypotheses were formulated and stated in null form to guide the researcher in arriving at a conclusive report.

Here, the variables are stated in their null and alternative forms as shown below.

1. \( HO \): Advertisement has not improved consumer preference for Indomie noodles to other brands.

   \( HO_1 \): Advertisement has improved consumer preference for indomie
noodles to other brands

2. **HO**: There has not been significant increase in sales of Indomie noodles as a result of advertising.

   **HO₂**: There has been significant increase in sales of indomie noodles as a result of advertising

3. **HO**: De-united has not been able to overcome its competitors through Advertising

   **HO₃**: De-united has been able to overcome its competitors as a result of Advertising

### 3.5 DATA ANALYSIS TECHNIQUE

The collected data were analyzed in tables and percentages, while the hypotheses were tested using the chi square technique. It’s thus applied as follows:

\[
X^2_c = \frac{(O-E)^2}{E}
\]

Where,

- \(X^2_c\) = Chi square calculated
- \(O\) = Observed frequency
- \(E\) = Expected frequency

Consequently, a significant level of 5% was applied while the degree of freedom was ascertained by:

\[
d.f = (m-1)(n-1)
\]

Where,

- \(d.f\) = degree of freedom
- \(m\) = number of rows
- \(n\) = number of columns
References


CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 INTRODUCTION:
Suffice it to say that this study will be meaningless without this important chapter, which deals with a critical appraisal of the data collected for the purpose of this research work. In this chapter, the data collected are analyzed and interpreted for valid conclusion purpose of this work. Recall also that in the first chapter of this study, three hypotheses were formulated in the null format. However, in this chapter, both the null and alternative hypotheses shall be considered using the Chi-square analysis as earlier stated.

4.2 PRESENTATION AND ANALYSIS OF DATA:
Presentation of data: the responses of the sample surveyed from the questionnaire used, and trust of observation made from this study are summarized in tables as we progress.

Data Analysis: This refers to the segregation of data into parts with relevant comments and best of judgments. In other words, it means breaking down and putting in order, the qualitative information gathered through the research exercise. It also involves comparing and contrasting the events, patterns and relationships. As earlier stated in chapter three, the data collected for this study are carefully analyzed in simple percentage and tables, while chi – square statistical technique was used to test the hypotheses. The following are the questions and responses in the questionnaire.

<table>
<thead>
<tr>
<th>Table 4.1: RESPONSES AS TO THE SEX OF RESPONDENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sex</td>
</tr>
<tr>
<td>------</td>
</tr>
<tr>
<td>Male</td>
</tr>
<tr>
<td>Female</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2009
From table 4.1 above, 26 respondents representing 34.7% were male, while 49 representing 65.3% were female. It’s obvious here that greater percentage of the respondents were female, the core users and distributors of indomie noodles.

Table 4.2: RESPONSES AS TO MARITAL STATUS

<table>
<thead>
<tr>
<th>Marital Status</th>
<th>Responses</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>20</td>
<td>26.7</td>
</tr>
<tr>
<td>Married</td>
<td>55</td>
<td>73.3</td>
</tr>
<tr>
<td>Total</td>
<td>75</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: field survey, 2009

From table 4.2 above, 20 respondents representing 26.7% were single, while 55 representing 73.3% were married.

Table 4.3: RESPONDENTS’ ANSWERS ON WHETHER THEY HAVE SEEN/HEARD ANY INDOMIE NOODLES ADVERT.

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>DISTRIBUTION</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>75</td>
<td>100</td>
</tr>
<tr>
<td>No</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>75</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field study, 2009

From the above question, all the respondents indicated that they have seen or heard indomie noodles adverts.

Table 4.4: RESPONDENTS’ ANSWERS ON THE MEDIUM THROUGH WHICH THEY SAW/HEARD THE INDOMIE ADVERT.

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>DISTRIBUTION</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>T.V</td>
<td>35</td>
<td>46.7</td>
</tr>
<tr>
<td>Radio</td>
<td>13</td>
<td>17.3</td>
</tr>
<tr>
<td>Newspaper</td>
<td>8</td>
<td>10.7</td>
</tr>
<tr>
<td>Billboard</td>
<td>17</td>
<td>22.7</td>
</tr>
</tbody>
</table>
From the above responses, 46.7% of the respondents saw indomie advert through television, 17.3% heard it on radio, 10.7% read it on newspapers, 22.7% spotted it on billboards, while 2.6% through other media.

**Table 4.5: Respondents’ Answers on Whether Advertising Has Improved Their Consumption Preference for Indomie Noodles**

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>DISTRIBUTION</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>62</td>
<td>82.7</td>
</tr>
<tr>
<td>No</td>
<td>13</td>
<td>17.3</td>
</tr>
<tr>
<td>Total</td>
<td>75</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field survey, 2009

Based on the information above, 62 of the respondents representing 82.7% were of the opinion that indomie advertisement has improved their preference for indomie consumption while 13 (17.3%) of the respondents hold contrary view.

**Table 4.6: Respondents’ Answers as to Whether They Believe that Advertising Has Helped to Differentiate Indomie Noodles from Other Noodles in the Market.**

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>DISTRIBUTION</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>44</td>
<td>58.7</td>
</tr>
<tr>
<td>No</td>
<td>31</td>
<td>41.3</td>
</tr>
<tr>
<td>Total</td>
<td>75</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field survey, 2009

From the above data, 44 (58.7%) of the respondents believed that advertising of indomie noodles has differentiated it from other brands of noodles in the market while 31 representing 41.3% responded on the contrary.
Table 4.7: RESPONDENTS’ ANSWERS ON WHICH MEDIUM OF ADVERT AFFECT THEIR CONSUMER PREFERENCE FOR INDOMIE NOODLES MOSTLY.

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>DISTRIBUTION</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV</td>
<td>44</td>
<td>58.6</td>
</tr>
<tr>
<td>Radio</td>
<td>17</td>
<td>22.6</td>
</tr>
<tr>
<td>Newspaper</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Billboard</td>
<td>14</td>
<td>18.6</td>
</tr>
<tr>
<td>Others</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>75</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field survey, 2009

Based on the above 58.6% of the respondents said that TV commercials of indomie noodles influence positively their purchase decisions, while 22.6% opted for radio jingles as 18.6% went for billboard.

Table 4.8: RESPONSES ON WHETHER THE CONTINUED INDOMIE NOODLES ADVERT FACILITATES THEIR CONTINUED PATRONAGE OF THE PRODUCT.

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>DISTRIBUTION</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>50</td>
<td>66.7</td>
</tr>
<tr>
<td>No</td>
<td>25</td>
<td>33.3</td>
</tr>
<tr>
<td>Total</td>
<td>75</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field survey, 2009

From the above data, 50 (66.7%) of the respondents were of the opinion that the continued advertisement of indomie noodles facilitates their patronage of the product, while 25 (33.3%) declined.

Table 4.9: RESPONDENTS’ ANSWERS ON WHETHER THE PRODUCER OF INDOMIE NOODLES HAS BEEN ABLE TO OVERCOME ITS COMPETITORS THROUGH ADVERTISING.

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>DISTRIBUTION</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>45</td>
<td>60</td>
</tr>
</tbody>
</table>
From the above information, 60% of the respondents were of the view that De-united has been able to overcome its competitors through advert, 26.7% of the respondents maintained that the company has not overcome competitors through advertising, while 13.3% of the respondents had no idea.

Table 4.10: RESPONDENTS’ ANSWERS ON THEIR OPINION THAT THE INCREASE IN SALES ENJOYED BY INDOMIE WAS AS A RESULT OF ADVERTISING.

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>DISTRIBUTION</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>70</td>
<td>93.3</td>
</tr>
<tr>
<td>No</td>
<td>5</td>
<td>6.7</td>
</tr>
<tr>
<td>Total</td>
<td>75</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field survey, 2009

The table above reveals that 93.3% of the respondents were of the opinion that increase in sales enjoyed by indomie was as a result of advertising while 6.7% had a different view.

Table 4.11: RESPONDENTS’ ANSWERS ON THEIR PERCEPTION OF THE ADVERTISING MESSAGES OF INDOMIE NOODLES.

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>DISTRIBUTION</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very satisfactory</td>
<td>10</td>
<td>13.3</td>
</tr>
<tr>
<td>Satisfactory</td>
<td>20</td>
<td>26.7</td>
</tr>
<tr>
<td>Very good</td>
<td>27</td>
<td>36</td>
</tr>
<tr>
<td>Good</td>
<td>15</td>
<td>20</td>
</tr>
<tr>
<td>Indifferent</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>75</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field survey, 2009

From the above information, 10 (13.3%) of the respondents believed that the advertising messages of Indomie are very satisfactory, 20 (26.7%) said they are satisfactory, 27 (36%),
maintained that they are very good, while 15 (20%) were of the opinion that they are good. However, 3 representing 4% were indifferent.

**Table 4.12: RESPONDENTS’ ANSWERS ON THEIR OPINION IF ADVERTISEMENT OF INDOMIE SHOULD BE STOPPED SINCE IT’S ALREADY ENJOYING HIGH SALES**

<table>
<thead>
<tr>
<th>VARIABLE</th>
<th>DISTRIBUTION</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>52</td>
<td>69.3</td>
</tr>
<tr>
<td>No</td>
<td>23</td>
<td>30.7</td>
</tr>
<tr>
<td>Total</td>
<td>75</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field survey, 2009

Table 4-12 above, reveals that 52 (69.3%) of the respondents were of the view that adverts on indomie noodles should not be stopped even if it’s enjoying high sales, while 23 (30.7%) hold that advertising budget of indomie should be channeled into other overheads since the product is already enjoying increase in sales.

**Table 4.13: RESPONSES ON THE ROLE OF ADVERTISEMENT IN DEFUSING THE BAD PUBLICITY ASSOCIATED WITH THE POISONOUS INDOMIE IN 2005**

<table>
<thead>
<tr>
<th>VARIABLE</th>
<th>DISTRIBUTION</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very satisfactory</td>
<td>18</td>
<td>24</td>
</tr>
<tr>
<td>Satisfactory</td>
<td>15</td>
<td>20</td>
</tr>
<tr>
<td>Very good</td>
<td>36</td>
<td>48</td>
</tr>
<tr>
<td>Indifferent</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Total</td>
<td>75</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field survey, 2009

From the above information, 24% of the respondents believed that the role advertising played was very satisfactory, 20% said it was satisfactory, 48% maintained it was very good while 8% were indifferent.
Table 4.14: RESPONSES ON WHETHER ADVERTISING GENERALLY INFLUENCES THEIR BUYING BEHAVIOR.

<table>
<thead>
<tr>
<th>VARIABLE</th>
<th>DISTRIBUTION</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>65</td>
<td>86.7</td>
</tr>
<tr>
<td>No</td>
<td>7</td>
<td>9.3</td>
</tr>
<tr>
<td>Indifferent</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>75</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field survey, 2009

From the above data, 86.7% of the respondents were of the opinion that advertising influences their buying behavior, 9.3% were of the opinion that advertising does not affect their buying behavior while 4% were indifferent on the matter.

Table 4.15: RESPONSES ON WHETHER ADVERTISEMENT CAN AID RESUSCITATION OF A DYING PRODUCT.

<table>
<thead>
<tr>
<th>VARIABLE</th>
<th>DISTRIBUTION</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>69</td>
<td>92</td>
</tr>
<tr>
<td>No</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>No idea</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>75</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field survey, 2009

From the information above, 69 (92%) of the respondents believed that advertisement could aid resuscitation of a dying product, 3 (4%) of the respondent hold a contrary opinion while others (4%) were indifferent.

4.3 TEST OF HYPOTHESES

Predominantly, before testing these hypotheses, it’s very important to note that:

a) The greater the value of the calculated chi-square, the lower the chance of its occurrence.

b) The probability of chi-square of any given figure depends upon the number of degrees of freedom.
In consideration of the above, the chi-square computation method is thus shown below.

Expected frequency (E) = \( \frac{R \times C}{G} \)

Where:

\( R \) = Total on each row
\( C \) = Total on each column
\( G \) = Grand total

In other words,

Expected value = \( \frac{\text{Row total} \times \text{Column total}}{\text{Grand total}} \)

While, \( X^2 = \sum \frac{(0 - E)^2}{E} \)

Degree of freedom (d.f) = \((m-1)(n-1)\)

Where,

\( m \) = number of columns
\( n \) = number of rows

Decision Rule

If \( X^2 > X^2_t \), reject \( H_0 \) and accept \( H_1 \)
If \( X^2 < X^2_t \), accept \( H_0 \) and reject \( H_1 \)

Where,

\( X^2 \Rightarrow \text{Chi-square calculated} \)
\( X^2_t \Rightarrow \text{Critical value or Chi-square tabulated} \)
TEST OF HYPOTHESIS ONE

HO₁: Advertising has not improved consumer preference for indomie noodles to other brands.

H₁: Advertisement has improved consumer preference for indomie noodles to other brands.

Table 4.15: Observed frequency table

<table>
<thead>
<tr>
<th>VARIABLE</th>
<th>DISTRIBUTION</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>62</td>
<td>62.67</td>
</tr>
<tr>
<td>No</td>
<td>13</td>
<td>17.33</td>
</tr>
<tr>
<td>Total</td>
<td>75</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Extracted from table 4.5

Table 4.16: Contingency table

<table>
<thead>
<tr>
<th>Variable</th>
<th>Oi</th>
<th>Ei</th>
<th>Oi – Ei</th>
<th>(Oi – Ei)²</th>
<th>(Oi – Ei)² / Ei</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>62</td>
<td>37.5</td>
<td>24.5</td>
<td>600.25</td>
<td>16.0067</td>
</tr>
<tr>
<td>No</td>
<td>13</td>
<td>37.5</td>
<td>-24.5</td>
<td>600.25</td>
<td>16.0067</td>
</tr>
<tr>
<td>Total = 2</td>
<td>75</td>
<td></td>
<td></td>
<td></td>
<td>32.0134</td>
</tr>
</tbody>
</table>

\[ X_2^c = 32.0134 \text{, while Critical value} = 3.841 \]

Decision:
From the chi-square computed above, it is observed that the computed value of \( X^2 \) is greater than the critical or table value at d.f = 1, thus, we accept the alternative hypothesis, which says that advertisement has improved consumer preference for Indomie noodles.

TEST OF HYPOTHESIS TWO
HO$_2$: There has not been significant increase in sales of Indomie noodles as a result of advertising.

H1: There has been significant increase in sales of Indomie as a result of advertising.

**Table 4.17 Observed Frequency**

<table>
<thead>
<tr>
<th>VARIABLE</th>
<th>DISTRIBUTION</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>70</td>
<td>93.3%</td>
</tr>
<tr>
<td>No</td>
<td>5</td>
<td>6.7</td>
</tr>
<tr>
<td>Total</td>
<td>75</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Extracted from, 4.10

**Table 4.18: Contingency table**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Oi</th>
<th>Ei</th>
<th>Oi – Ei</th>
<th>(Oi – Ei)$^2$</th>
<th>(Oi – Ei)$^2$ / Ei</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>70</td>
<td>37.5</td>
<td>32.5</td>
<td>1056.25</td>
<td>28.1667</td>
</tr>
<tr>
<td>No</td>
<td>5</td>
<td>37.5</td>
<td>-32.5</td>
<td>1056.25</td>
<td>26.16667</td>
</tr>
<tr>
<td>Total = 2</td>
<td>75</td>
<td></td>
<td></td>
<td></td>
<td>56.3334</td>
</tr>
</tbody>
</table>

$X^*_2 = 3.841$

**Decision**

Based on the computed value of $X^*_2 = 56.3334$ and the table value of 3.841 at d.f = 1, we reject the null hypothesis and accept the alternative hypothesis and therefore conclude that significant increase in sales of Indomie was as a result of advertising.

**TEST OF HYPOTHESIS 3**

Ho$_3$: De-united has not been able to overcome its competitors through advertising.

H1: De –united has been able to overcome its competitors as a result of advertising.
Table 4.19: Observed frequency

<table>
<thead>
<tr>
<th>VARIABLE</th>
<th>DISTRIBUTION</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>45</td>
<td>60</td>
</tr>
<tr>
<td>No</td>
<td>20</td>
<td>26.7</td>
</tr>
<tr>
<td>No idea</td>
<td>10</td>
<td>13.3</td>
</tr>
<tr>
<td>Total</td>
<td>75</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Extracted from Table 4.9

Table 4.20: Contingency table

<table>
<thead>
<tr>
<th>Variable</th>
<th>Oi</th>
<th>Ei</th>
<th>Oi – Ei</th>
<th>(Oi – Ei)^2</th>
<th>(Oi – Ei)^2 / Ei</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>45</td>
<td>25</td>
<td>20</td>
<td>400</td>
<td>16</td>
</tr>
<tr>
<td>No</td>
<td>20</td>
<td>25</td>
<td>-5</td>
<td>25</td>
<td>0</td>
</tr>
<tr>
<td>No idea</td>
<td>10</td>
<td>25</td>
<td>-15</td>
<td>225</td>
<td>9</td>
</tr>
<tr>
<td>Total = 3</td>
<td>75</td>
<td></td>
<td></td>
<td>25</td>
<td></td>
</tr>
</tbody>
</table>

Decision

At d.f = 2, the tabulated chi-square = 5.991 with a computed value of 25. Given the decision rule we reject the null hypothesis and accept the alternative, and conclude that De-united has been able to overcome its competitors through advertising.
CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION FROM THE STUDY AND RECOMMENDATIONS

5.1 SUMMARY OF FINDINGS.

The study has tried to focus on examining the impact of advertising on consumer behavior with particular reference to De-united Industries limited, makers of Indomie noodles.

For valid conclusion purpose of this study, therefore, the following findings were noted.

1. Given the first hypothesis, it is noted that advertising of Indomie noodles has in no small measure helped to improve consumer preference for the product to other noodles.
2. The second hypothesis indicated that advertising was paramount to the significant increase in sales of Indomie noodles, therefore, should be encouraged.
3. The third hypothesis on the other hand, proved that De-united Industries ltd has been able to overcome its competitors as a result of continued advertising.

In spite of the findings from the formulated hypotheses, the following observations were also noted.

1. That advertising helps to differentiate one brand/products from others

2. It was also discovered from data analysis that T.V advertising influences consumer behavior more than any other medium of advertisement.

3. From data analysis, it is advisable that advertisement of the product (Indomie noodles) should not be stopped even as it currently enjoys high sales.
4. It was equally found that advertising generally influences a consumer’s buying behavior to a large extent.

5. Another observation was made that advertising can aid resuscitate a dying product, though not a panacea of restoring poor product

6. It was also found from data analysis that advertising contributed to in correcting the publicity associated with the poisonous Indomie in 2005, though further discoveries revealed that public relations played a vital role in this case.

5.2 CONCLUSION FROM THE STUDY

It’s obvious that this study has revealed advertising as a primary tool in the marketing decision variables of a firm and effective in the marketing of consumer products, Indomie noodles in particular. Therefore, the answer to the question, “can advertising be evaluated” is unreservedly yes. Every marketing variable of any business concern must be evaluated in terms of the contribution it makes to the growth of the business.

By virtue of this study, it has been discovered that advertising shapes a consumer’s perception about a product. As the business environment is becoming more challenging and risky, business organizations are failing as a result of poor decisions and low patronage, it’s no doubt therefore, to say that advertising could help increase the demand for a product by making it popular in the minds of the consumers.

5.3 RECOMMENDATIONS

The following are some of the recommendations from this study.
1. Advertising should be seen as an investment into the future of products and not to be evaluated by its immediate returns.

2. It is not advisable for Firms to entirely eliminate advertising budgets in the event of challenges as advertising may go a long way to restoring their pride. Let’s recall products like Phensic, Cafenol and bongo tea that are virtually out of the market today owing to organizational challenges with little or no advertisement. However, there should be a system of checks and balances as regards the impact of advertisement.

3. Compromise must be discarded for advert to be successful, hence, the need to employ the services of core professionals for the purpose of proper planning and execution of the advert rather than use quacks in order to cut cost.

4. It’s also advisable to identify a target market before advertising, so as to know the particular medium that will be more useful and cost effective in reaching them. For instance, advertising an expensive car on a billboard will not make much impact as 80% of the target market read newspapers and view cable network.

5. Before advertising, an analysis of the advertising environment must be made. This will focus on understanding:
   a) Physical attributes of various media options
   b) Strengths and weaknesses of various media options
   c) Audience reach capability and
   d) Cost effectiveness

6. There is need to assess how far campaign objectives were met, e.g. if it was to build awareness, what is the awareness level now?

7. Visuals, words and sounds to be used in the advertisement must be decent and of good public taste.
8. Advertisers should endeavor there is a media monitoring team/department distinct from its media department or Advertising Agency as the case may be. The main responsibility of this team shall be to ensure that adverts are produced at the agreed time with the media houses. For instance, there could be cases where an advertiser may pay for TV commercials in Sokoto and this may be omitted by the Television house intentionally or otherwise; it may be practically difficult for the advertiser whose operating office is in Lagos to find out without a good media monitoring team. It may also be difficult to evaluate the impact of such TV commercial given this situation.

9. Above all, the researcher recommends this topic for further research.