

EFFECT OF ADVERTISING ON SALES PERFORMANCE OF FAST-MOVING CONSUMER GOODS IN AKWA IBOM STATE

¹Joseph Akam MPUON, ²Maurice Efiom EYO, ³Eko Hodo ANNA, ⁴Simpson Emen AKANINYENE, Samuel ⁵Grant EKE

¹⁻³Department of Marketing, University of Calabar – Nigeria, ²Department of Supply chain, Federal University of Technology, Owerri, ⁴Department of Marketing, University of Uyo, Nigeria, Department of Marketing, University of Port-Harcourt, Nigeria.

Emails: mpuonjoseph@gmail.com, ego.maurice@yahoo.com, blessedeko@unical.edu.ng, ememsampson30@gmail.com, Samuelgrant@yahoo.com

Corresponding Author E-mail: mpuonjoseph@gmail.com

ABSTRACT

The study examined the effects of advertising on sales performance of fast moving consumer goods in Akwa Ibom State. The specific objectives were to examine the relationship between radio advertisement and sales performance of FMCG, investigate the relationship between television advertisement and sales performance of FMCG, and determine the relationship between billboard advertisement and sales performance of FMCG. The research design used for this study is the survey method. Primary data were collected from a judgmentally determined sample of 200 respondents from the qualified population of FMCG's consumers in Uyo metropolis. The data treatment techniques adopted correlation coefficient as a statistical tool for analyzing or testing hypothesis level and comparing on dependent and independent variables. Based on the results, it was revealed thus: Radio advertisement has a significant impact on sales performance of FMC, there was a significant impact of television media advertisement on sales performance of FMCG, and there was a significant relationship between billboard advertisement and sales performance of FMCG. The following recommendations were made: Companies should devise effective strategies on how advertising will lead to growth of the organization. The management should monitor the activities of the company's sales force so that marketing objectives could be properly determined. The organization should implement policies on advertising and how it could be well planned.

Keywords: Advertising, radio advertisement, television advertisement, billboard advertisement, sales performance

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Introduction

Due to environmental complexity, globalization, competition and influence of technology and changing consumer needs, wants, and tastes, global and local fast moving consumer goods companies have been compelled to adopt appropriate advertising strategies for effective

positioning, targeting and segmenting markets. Mass media advertising strategy is the direct way an organization tries to reach its publics. Advertising strategy has remained the one best way firms gain competitive edge in the market (Busair,2002, Mpuon et al. 2021a). Purchasers of fast moving consumer goods (FMCG) are exposed to numerous advertising stimuli aimed at either creating or increasing awareness, stimulating purchase intent and generating trial/retrial of the products (Ewola, 2004, Mpuon et al. 2023a).

There exist other attitudinal and/or behavioral objectives that the advertisements may be aimed at accomplishing. Marketing theorists and advertising copywriters consider advertisement as a means of making what may be characterized as complete sales presentations;theyalso visualize advertising as an essential promotion tool in formulating promotional strategies (Giles,2008, Mpuon et al. 2023b). Robert (2004) states that there are three main reasons for advertising: to provide your target audience with information (creating awareness), by promoting products and company benefits;, to persuade them to buy from you (by promoting product and company benefits) and to reinforce your existence (by consistently repeating key messages).

Advertising seems to cut across the entire gamut of consumer products. In Nigeria, the advertising of fast moving consumer goods (FMCG) is so widespread in the category of consumer products, which include,beer, soft drinks, noodles, toothpaste, bathing soaps and body creams, etc.This iswell noticeable and visible in most of the states, particularly in Akwa Ibom State.

Review of Literature

Theoretical Framework

Advertising

Advertising has been defined by various scholars in different forms. The Advertising Practitioners Council of Nigeria (APCON) writing in “The Nigeria Code of Advertising Practice, (2012) and Mpuon et al . (2022) defines advertising as a form of communication through media about products, services, or ideas, paid for by an identified sponsor. Advertising is simply the process of creating awareness about the existence of goods and services to a target audience. It is a strategy that is capable of any type of product because of its persuasiveness. According to Caren, Hayes, Palmer (2019), advertising is any non-personal communication means of idea or products by using mass communication media such as television, newspapers, magazines, cinema, radio, etc, and is implemented through a specific sponsor, for a fee paid to influence consumer behaviour. According to Derrick and Rose(2018).Advertising is a form of non-personal method of communicating information through various media.

Katke (2007) defined advertising as any paid form of non-person communication about an organisation, a good, service or an idea by an identified sponsor. Kumar and Raju (2013), suggests that the objectives of advertising is to induce immediate action, to create liking and preference for a product or organisation, and to create awareness about a product or service. Some advertisements also seek to build a respected corporate identity for a company, product and brand name or make

all familiar to the public (Mcluhan, 2011, Mpuon et al. 2021b). These definitions can tell one that advertising is a persuasive communication, because it tries to persuade the readers, viewers, or listeners to take the sponsor's point of view and also take some appropriate actions towards an object of advertisement (Patterson and Walker, 2018).

Advertising is not undertaken by management just for fun or to keep products or services. It is principally involved in persuasion or advocacy, even apparently just giving us information, using media that are paid for to get through to the mass audience with the identity of the advertisers being clear. Advertising has the mandate to sell the advertiser's goods and help the consumers to shop wisely (Rasheed, Assad and Rugaaja, 2013). Advertising is to communicate information about a good, service or idea and thus stimulate demand. According to Smith (2010) "one function of the mass media which is becoming increasingly important in the modern world is the economic functions of advertising. Again, the world is fast becoming a common market place of ideas. Many multinational companies have come to realize that people have the same basic needs and desires. Consequently, they have heeded to calls for global marketing and can promote their goods and services using advertisements.

Radio Advertising

Radio advertising is a form of advertising via the medium of radio. Its ability to reach a wider population of consumers scattered over a large geographical area makes it very effective and efficacious. It is a good channel for marketing fast moving consumer product brand. Airtime is purchased from the station or network in exchange for airing the commercials. Radio advertising has the limitation of being restricted to sound and this sound is contradictory. Radio is an expanding medium that can be found not only on air but also on line (Takana, 2014). It is the most economical among other media as it is cheap to buy. Even the poorest man in the remotest part of Nigeria can afford to purchase a pocket radio and listen to current news. Its audio characteristics make it a more wide spread media as both the literate and illiterate can appreciate its means of transmitting adverts and news which can be transmitted in many local languages.

Almost all the 36 states and the federal capital territory in Nigeria have a local radio station and FMCG advertisement especially the product brand can be heard at any time of the day. It is a highly portable medium as it can be carried about conveniently and comfortably without being damaged. Immediacy is another advantage of the radio as the audience access the news and other programmes the very moment they are being broadcast. It has no foreground as one must not be around the radio set to understand what is being said or advertised (Udochi, 2013).

Radio has a high believability than the print media in Nigeria (Ugbor, 2013, Mpuon et al. 2022 b). Radio has the disadvantage of being fleeting except for repeated programmes and commercials. It has clutter and listeners will have to identify a particular brand advertisement from

numerous adverts at different time interval. It is known as advertising bombardments. Of course, it is an audio medium unlike the television that is audio-visual.

Television Advertisement

A television advertisement or commercial is a form of advertisement in which goods, services, organisations, ideas etc, are promoted through the medium of television. Television is an audio-visual medium as goods and services being advertised can be seen by the target audience and this earns it more believability than the radio and print media of advertising. Although it is costlier than the radio, it is regarded as a prestige media as those who can afford a television in Nigeria are regarded as wealthy organisations. It has immediacy as one of its characteristics too. It also has clutter and is as well transitory like the radio. It is not as portable as the radio. But this day, technology, android phones have been built with television-enabled features which consume data for transmission.

Most advertisements are produced by an outside advertising agency, (Ugbor, 2013). An infomercial is a long-format television commercial, typically five minutes or longer. The main objective of an infomercial is to create an impulse purchase, so that the consumer sees the presentation and then immediately buys the product through the advertised toll-free telephone number, email or website. Infomercials describe, display, and often demonstrate products and their features, and commonly have testimonials from consumers and industry professionals. According to William and Fitchner (2012), advertisers spread commercials across a number of programmes reaching many more viewers. Networks now own different “spot” commercials for many products in the same show. A spot has to stand out and be remembered and this brought about creativity in television advertising owing to the large number of advertisements, and many products with the same quality and cost. The unique selling proposition and brand awareness became ever more important. Notably, in Akwa Ibom State, two television stations are now available to showcase the offerings of these Fast Consumer Goods for purchasers to take action.

Billboard Advertising

For a billboard to contribute to the success of a product, it has to be designed so that the customer passes through the five phrases of the AIDCA write in full theory, with all being equally important. The AIDCA theory implies that the billboard should inject memorable and believable message that will trigger consumers to act in a certain way. Billboard has a high visual impact as large life size billboards are installed in strategic places and highways all over Nigeria. It has low cost compared with television and radio in terms of production.

It also has high product visibility as large pictures of the advertised FMCG brands can be perceived and understood by anybody without having to ask much questions. Fast Moving

Consumer Good (FMCG) advertisement can be seen in countless billboards across Akwa Ibom State and other parts of Nigeria. Its disadvantages are that it is only effective outdoors. Unless one travels out, it is very difficult to see a billboard, except if one by chance sees it in a television programme or movie. It can distract a driver on the highway and make him lose concentration on the steering, it wears our easily and litters the environment.

Fast Moving Consumer Goods

Fast moving consumer goods (FMCG) in Nigeria is a growing and dynamic sub-sector of the Nigerian manufacturing sector that is experiencing stiff and fierce competition. In an increasingly competitive landscape, fast moving consumer goods firms engaged in strategic orientation are facing more and more challenges both in the global market and African continent. Due to increased globalisation and rapid changes in business environments, organisation's way of transacting business is increasingly becoming turbulent. Under such an environment, business units struggle to align their internal resources with their strategic focus so as to remain competitive and also to achieve a superior organisational performance. This thus creates an avenue for the adoption of mass media advertising in charting the course of action for organisations.

By continuously seeking out new opportunities and ensuring strategic alignment, Busair (2002) noted that a firm's strategic orientation posture should take into account its market, competitor strategies, networking and entrepreneurial capacity. Nigeria's Fast Consumer Moving Goods sector has faced a lot of challenges in the last few years due to Covid-19 pandemic. The decline in consumers' purchasing power due to the inaccessibility of the dollars in the economy and delayed policy response resulted in weak macroeconomic conditions, which led to weak labour market dynamics (high unemployment and under employment), reduced disposal income and poor corporate performance.

Sales Performance

Profitability

Profitability is the ratio to measure the marketing performance of the company. It is a main aspect in a company's financial reporting. In addition, the profitability of a company shows a company's ability to generate earnings for a certain period at a rate of sales, assets and certain of capital stock. Understanding the determinant profitability is the key factor that helps managers in developing an effective marketing performance strategy for the company. Without good level of profitability, the business will not survive in the long run.

Profitability is critical to a company's survival in the long-term and it measures a firm's past ability to generate returns. The ultimate long-term goal for a business should be growth in the bottom line. Profitability is a key issue for every profit-oriented firm and maximizing, it is the goal of the firm, so, to achieve higher profitability, it is imperative for every firm to have its own strategy that will fit into the current rapidly changing business environment. A company generates

profits by operating the business it has capability for by conducting its operational activity, the company needs funding to run properly. There must be adequately available fund enough to be used when needed and not too much where it would be idle and considered lost potential.

Material and Methods

The research design used for this study is the survey method. This involves the use of a descriptive, single cross-sectional design, using a non-probability sampling method. Primary data were collected from a judgmentally determined sample of 200 respondents from the qualified population of FMCG's consumers in Uyo metropolis. The statistical techniques adopted were correlation coefficient.

Include hypothesis in your method. Explain the method of data analysis, the symbols and abbreviations.

Results and Discussion

Hypothesis 1

H₁: Radio advertisement does not have significant impact on the marketing performance of FMCG.

Table 1:

Radio advertisement does not have significant impact on the marketing performance of FMCG

Correlations

		RA	Performance
RA	Pearson Correlation	1	.826**
	Sig. (2-tailed)		.000
	N	153	153
Performance	Pearson Correlation	.826**	1
	Sig. (2-tailed)	.000	
	N	153	153

** . Correlation is significant at the 0.01 level (2-tailed).

The result in Table 1 shows that the Pearson Product Moment Correlation of the relationship between Radio advertisement and marketing performance of FMCG, with r-value of .826 and a

probability value (0.000) less than 0.05 significance level, it reveals that there is a significant relationship between Radio advertisement and marketing performance of FMCG.

Hypothesis 2

H₂: There is no significant impact of television media advertisement on FMCG

Table 2:

There is no significant impact of television media advertisement on FMCG

Correlations		TM	Performance
TM	Pearson Correlation	1	.765*
	Sig. (2-tailed)		.112
	N	153	153
Performance	Pearson Correlation	.765*	1
	Sig. (2-tailed)	.000	
	N	153	153

*. Correlation is significant at the 0.05 level (2-tailed).

The result in Table 2 shows the Pearson Product Moment Correlation of the relationship between television media advertisement and performance. With r-value of .765 and a probability value (0.000) less than 0.05 significance level, it reveals that there is a significant impact of television media advertisement on performance

Hypothesis 3

H₂: There is no significant relationship between billboard advertisement and the marketing performance.

Table 3

There is no significant relationship between billboard advertisement and the marketing performance

Correlations		BA	performance
BA	Pearson Correlation	1	.772**
	Sig. (2-tailed)		.028
	N	153	172
performance	Pearson Correlation	.772**	1
	Sig. (2-tailed)	.000	
	N	153	153

*. Correlation is significant at the 0.05 level (2-tailed).

The result in Table 3 shows the Pearson Product Moment Correlation of the relationship between billboard advertisement and the marketing performance. With r-value of .772 and a probability value (.000) less than 0.05 significance level, it reveals that billboard advertisement has a significant relationship with the marketing performance. The major findings of this study include;

1. Radio advertisement has a significant relationship with sales performance of FMCG.
2. There is a significant impact of television advertisement on sales performance of FMCG.
3. There is a significant relationship between billboard advertisement and the sales performance of FMCG.

Conclusion and Recommendations

The study examined the effect of advertising on sales performance of fast moving consumer goods in Akwa Ibom State. The study revealed that Radio advertisement has a significant impact on the marketing performance of FMCG; there is a significant impact of television media advertisement on performance of FMCG; and there is a significant relationship between billboard advertisement and the marketing performance of FMCG. Advertising strategy has remained the one best way firms gain competitive edge in the market. Advertising seems to cut across the entire gamut of consumer products. In Nigeria, the advertising of fast moving consumer goods (FMCG) is so widespread in the category of consumer products, which include: beer, soft drinks, noodles, toothpaste, bathing soaps and body creams. The following recommendations are made;

1. Companies should devise effective strategy on how advertising will lead to growth of the

organization.

2. The management should monitor the activities of the sales force so that marketing objectives could be properly determined.
3. The organization should implement policies on advertising and how it could be well planned.

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