

# **EFFECT OF ADVERTISEMENT ON CONSUMER BEHAVIOUR**

**(A CASE STUDY OF HONEYWELL FLOUR MILL PLC)**

**BY**

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## **APPROVAL PAGE**

This research work has been carefully read and approved as meeting the requirements of the Department of Business Administration, Usman Danfodiyo University Sokoto for the award of Post-Graduate Diploma in Management (PGDM).

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## **DEDICATION**

This research work is dedicated to my lovely wife Airat Abiola and to my two daughters Faizat and Aishat.

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# **CHAPTER ONE**

## **GENERAL INTRODUCTION**

### **1.1 BACKGROUND TO THE STUDY**

The motive of being in business is to produce for sale and profit. In order to remain in business, an organization must generate enough sales from its products to cover operating cost and post reasonable profits (Ayanwale, Adeolu, Alimi and Mathew, 2005). However, taking decision on sales is the most difficult to predict, estimates, or determine with accuracy, potential customers demands as they are uncontrolled factors external to an organization. Considering the importance of sales on business survival and the connection between it and customers, it is therefore, expedient for organizations to engaged in programme that can influence customers decision to purchase its products. This is where advertising comes into play in an organization that is into manufacturing of products. This is where advertising comes into play in an organization that is into manufacturing of products

Advertising is a planned phenomenon. It has become an essential element of the corporate world and hence companies allot a considerable amount of revenues as their advertising budget. Experts in the field make use of their knowledge of advertising techniques to promote likeness on the part of the consumers and to change their behavior towards a product at any time (Samuel, 1987). Most of the goods in the market that are advertised are cooperative goods that want to gain a large share of the market. Hence, they use loaded language, which deliberately confuses rather than clarifies the experience of the goods to the consumers. Advertising is an act of calling attention to one's product, service, need, etc. especially by paid attention in newspapers and magazines, over radio or television.

The language of advertising differs from our normal speech because of the difference in objectives, its syntactical structure has a psychological effect on consumers as it plays on their mind, creating an artificial want and making use of their ignorance and emotions. This is achieved through the presentation of persuasive images such as social status,

prestigious ambition and love (Samuel, 1987). Faced with the phenomenon of competing brands of products, it is easy to see the value and impact of advertising on the consumers. Consumers have limited financial resources and consequently spend the available money on commodities they value.

Advertising is interested in helping to raise the value attributed to a product, as in the case of competing brand products. There is the usual existence of several brands of the same products (Honeywell Flour for example), all priced competitively. However, before the purchase of competing brands, choice between products must be made first. For example, choice must be made between Honeywell Flour Mills Plc products and Flours Mills of Nigeria before choosing which brand of Honeywell Flour Mills Product and of which price range. The role of advertising in determining consumer behavior has been under studies for several years. However, some of the arguments, assumptions and policy options proposed are not based on an in depth understanding of the

way advertising works with consumers and its influence on markets.

This research work will look into how really advertising manipulate language to suite their purpose and possibly try to make consumers aware of this confused state, which advertisers have put them. It will also be able to look on how advertising of goods using a persuasive language affects the consumers buying behaviour of Honeywell Flour Mills Plc customers.

## **1.2 STATEMENT OF RESEARCH PROBLEM**

A great number of consumers seem not to appreciate the manner producers promote their product, especially the lack of knowledge of the products being promoted. Some consumers expect advertisers to bring in services program for all the categories of consumers.

The role of advertising in determining consumer behaviour and brand preference has been undermined by many firms over the years. Some firms spend huge amount of money advertising

their product and still claim about indifference in their sales volume. This misconception seems to be based on an entirely understandable initiative reaction. How can advertisers claim that advertising does not increase consumption and sales and still spend so much money on it?

According to Ambler (2000), advertising has major influences on consumption volume of consumers, as well as sales volume. Adverts may not necessarily bring about huge volume of sales in the short-run, but will certainly increase sales and profits in the long run if done properly. Even if some marketers believe that accurate knowledge about consumers, how they buy, why they buy and where they buy – is unnecessary as it is possible to manipulate hopeless buyers into parting with their money in return for products that they do not want.

Successful advertisement skillfully engages to mind of the consumer and motivate him to buy the product advertised. Moreover, advertiser sell more than products, it sells brand and if you are a large manufacturer of soap, you will not spend

millions of advertising money to encourage people to buy just any soap. You want them to buy your soap and you want advert that will some how convince the public that your brand of soap is more desirable than any other.

Global companies that use a large number of agencies located in different countries and serving different divisions have suffered from uncoordinated advertising and image diffusion. Some large companies now use only a few agencies or event one that can supply global advertising and the result is integrated and more effective marketing communications and a much lower total communication cost.

In the light of the above statement, this research work will look at how effective advertising works on consumers buying behaviour. It will also assess the impact of advertising towards solving the invading problems faced by companies to maintain their leadership position in the business environment.



### **1.3 OBJECTIVES OF THE RESEARCH**

The objectives of this research work are:

1. To determine the effect of advertisement on consumer buying behavior.
2. Find out if advertising campaign carried out is persuasive to make consumers to buy their product.
3. To find out the relationship between advertisement and the buying behaviour of consumers.
4. To examine whether there is a correlation between advertising and enhanced sales and profit level.

### **1.4 RESEARCH HYPOTHESES**

The following hypotheses will be tested in this research:

1. There is a relationship between advertisement and consumer buying behaviour.
2. There is a correlation between advertising and enhanced sales and profit level of the company.

## **1.5 SCOPE AND LIMITATIONS OF THE STUDY**

The scope of this research work is limited to the effect of advertising on consumer buying behaviour with a case study of Honeywell Mills Nigeria Plc. Honeywell Mills Nigeria Plc was chosen as a case study because it is among the leading wheat milling industry in the country.

Some of the limitations of this research work are: firstly, time and finance constraints affected this research work in one way or the other. Secondly, is the lack of accessibility to relevant data to be used for the research work.

Finally, the attitude of most organisations in term of secrecy was a limitation to the research work. Some employees were not at ease in discussing their views regarding their advertising methods used on consumers due to reasons best known to them.

## **1.6 SIGNIFICANCE OF THE STUDY**

Though people often focus on the negative side when they discuss the effects of advertising, it is important to note that

advertising does have its positive side. Advertising is any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor.

This research work is significant to managers of organization, government and students of higher learning or researchers. It is significant to managers of organization i.e. management at strategic level because it will assist them to verify the economic implication involved with advertisement and compare the cost plus benefit on the enhanced sales and profit level.

This research work is also significant to government because the economic importance of advertisement is its contribution to the growth or expansion of most businesses. As such it contributes to the economic growth and stability to the Nigerian economy due to tax accrued to the government as revenue generated.

Finally, it will serve as a source of literature to students of higher learning or researchers that want to write or improve on it.

## **1.7 SCHEMES OF CHAPTER**

This research work is divided into five (5) chapters.

Chapter one on the research work is the introduction chapter. It consist of background to the study, statement of research problem, objectives of the study, research hypotheses, scope and limitations of the study, significance of the study and finally schemes of chapter.

Chapter two reviews all relevant literature relating to the study as well as the researcher's views concerning previous works carried out on the effect of advertisement on consumer buying behaviour.

Chapter three is on research methodology. It consists of introduction, sample and sampling method, sources and method of data collection, method of data analysis and hypotheses testing method.

Chapter four is on data presentation and analysis. It is the interpretation of the analysed data and also the testing of hypotheses formulated.

Finally, chapter five deals with summary, conclusions and recommendations of the entire research work.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.6 INTRODUCTION**

This chapter is set to review existing literature on advertisement on consumer buying behaviour as seen by scholars of repute or researchers.

Advertising, sales promotion, personal selling and public relation are mass-communication tools available to marketers. Advertiser primary mission is to reach prospective consumers and influence their awareness, attitudes and buy behaviour. One of the studies of advertising and consumer buying behaviour was conducted by (Acebron and Dopico 2000) and the aim of the study was to analyze the impact of previous experience on buying behaviour of fresh foods. They used structural equation model in other to identify the relationship between habits and consumer buying decision.

According to Proctor, Moorell, Good and Cupples (1982), the principal aim of consumer behaviour analysis is to explain why consumers act in a particular way under certain

circumstances. Thus, in this chapter an attempt shall be made to give the concepts of advertising. The reasons for advertising, role of advertising, types of advertising, advertising industry and advertising media will be reviewed.

Furthermore, concepts on consumer behaviour, theories of consumer buying behaviour, model of consumer decision making process, advertising and consumer behaviour – a theoretical explanation and effects of advertisement on consumer behaviour will be discussed.

## **2.7 CONCEPTS OF ADVERTISING**

Advertising as a promotional or communicational tool is an aid to trade for driving sales of the company's products and services and also to build a brand identity and communicate changes or new products/services to the customers. It is a subset of promotional mix which is one of the 4p's in the marketing mix. As a promotional strategy, advertising serve as a major tool in creating product awareness and condition the mind of a potential consumer to take eventual purchase decision.

Advertising have been defined in various ways by different scholars. The common and significant thing about all the definitions is that; advertising helps to inform people (Consumers) about the product newly introduced or products in existence.

According to Reynard (1974), “Advertising is a set of techniques and methods having the objective of informing and convincing the client to buy some products or services.” In this definition, advertising has two main objectives; firstly, as information products or source that makes the consumers know that the goods and services are available for them to buy. Secondly, the effort to convince the consumers to buy the goods they have been made aware of.

Another definition of advertising by Bovee and Arens (1992) is that “Advertising is a non-personal communication of information usually paid for and usually persuasive in nature about products, services or ideas by identified sponsors through the various media”.



This definition tries to see advertising as a way of communication to people through various advertising media, using information provided by the owner of the products.

Samuel (1987) also defined advertisement “as a paid announcement published in newspapers, magazines, radio or television.” They could be general notice or information on the arrival of new goods in a store, or persuading customers to buy already existing ones.

In all the definitions given above, four things can be inferred;

- i. Information about a product, either newly introduced arrived or already existing
- ii. The owners of the products been advertised, who provide the information pay for the publication of such information.
- iii. There is need for media, for onward transmission of the information.
- iv. The target audience (i.e consumers) receives and act upon such information

## **2.8 REASONS FOR ADVERTISING**

Advertisers advertise primarily to develop consumer value in their brands. The majority of adverts are for brand, with the obvious exceptions of political, public service and charity advertising.

Brands deliver choice, innovation, confidence and consumer value. The value of most businesses does not reflect their tangible assets, but their brand assets and therefore leads to business success being very largely driven by the ability of a company's brands delivering a higher level of consumer satisfaction than competing brands (ISBA, 2004)

Advertising is also carried out to create and retain awareness of product in the mind of the consumers. This is very necessary especially with products that have short lift span. Consumers being who they are, change their behaviour at anytime. So to retain the market for such products, the product has to be advertised on and on, if not, other producers might bring a new product into the market and win the mind of the consumers. For instance, coca-cola is a widely known

product and is still advertised in other to retain their share of the market. Through advertising, loyalty for certain brands of product can be created. Some consumers are so loyal to some brands that even if the price of the product is higher than others in the market, it doesn't affect their loyalty for this brand (Ayanwale *et al.*, 2005).

Semovita is a type of food and there are other food that are better and even preferable than Semovita because most consumers have developed that loyalty for the Semovita brand, they don't take any other brand but Semovita brand.

Advertising also help create interest and demand for products that would not have been bought if not advertised. Hence, the use of persuasive images is very important in creating interest in the mind of consumers, which in turn affect the consumer's buying behaviour towards that product at any time.

## **2.9 ROLE OF ADVERTISING**

According to Wilkie (1994), advertising fulfils a number of tasks usually in the context of brands. Some of these roles are as follows:

- i. Increasing the sales of the product or service
- ii. Creating and maintaining brand identity or brand image
- iii. Communicating a change in the existing product line
- iv. Informing about new product availability, feature and price.
- v. Creating a reputation for services reliability of research strength.
- vi. Increasing the buzz-value of the brand or the company.
- vii. Increasing the number or quality of retail outlet.

Before any advertisement can be carried out effectively, these objectives must be put into consideration.

## **2.10 TYPES OF ADVERTISING**

Wells, Burnett and Moriarty (2000) said that advertising can be classified under the following heading:

### **2.5.1 Direct Advertising**

This is concerned with advertising of product to those who really need them. Some type of goods appeal to a certain category of people. When such goods are to be advertised, it would be more economical and convenient to identify the target audience and advertise directly to them. For example, if a new drug is brought to the market, it would be preferable to advertise it on medical journals, and the medical practitioners in turn recommend or prescribe the drug to patient. It is advisable to advertise directly to the likely consumers.

### **2.5.2 Indirect Advertising**

Goods that are advertised under indirect advertising are goods that are needed and used by everybody, no matter the group or category. Example of such is toothpaste and whichever way this type of product is advertised, it still captures the attention of consumers.

### **2.5.3 Competitive Advertising**

This type of advertisement is used in advertising competitive products. As the name implies, it is used to win more consumers at the expense of their competitors. To achieve

this, attractive pictures, bright colours and beautiful scenarios are used to present the commodity in desirable form that will attract the consumers. In competitive advertising, care is taken in selecting words to be used in order not to destroy the image of the other competitors' products, such as Flourmill (Semovita) and Honeywell (Semolina).

#### **2.5.4 Informative Advertising**

This is the type of advertising that inform consumers about their brand. This type of advertising usually creates awareness about a product in the market and its benefit.

#### **2.5.5 Mass Advertising**

Mass advertising is carried out to eliminate waste. It occurs when there is co-operation among producers of such products to be advertised. In this case the produce is advertised as one rather than each company advertising its own brand of the product

## **2.6 ADVERTISING INDUSTRY**

Advertising industry is a very important aspect of marketing. It is necessary to critically view what the advertising industry is composed of, i.e the elements which are significant in the industry.

According to Wilkie (1994), Advertising industry is composed of the followings:

- i. Sponsor
- ii. Agency
- iii. Media

### **2.6.1 Sponsor**

In advertising industry, the sponsor or the advertiser is the initiator of the advertisement idea. He is the owner of the product to be advertised. Bearing in mind the objectives of the advertisement, the advertiser organizes the message to the target audience (i.e customers) through a selected medium. The sponsor pays for the advertisement and provides all the information needed for the advert.

Sponsor can be an individual, organization or government. The most important thing is that the sponsor and owner of the product being advertised pays for the cost, unless otherwise as agreed by the advertisement agency.

A sponsor of an advertisement has some objectives he wants to achieve; in order to achieve these objectives, the target market and market positioning must be considered. The sponsor would also want an effective advertisement with less cost, bearing in mind the budget for the advert.

### **2.6.2 Agency**

Advertising is a profession with its specialized code of conduct and etiquette (Ayenuro, 1979). It is better handled by a professional body known as the advertising agencies, with trained personnel that deal with designs and programming. Advertising agencies are team of experts in the field of advertising techniques to perpetuate or promote conformity on the part of the consumer. Advertising agencies link the sponsor or advertiser with the consumer through the advertising media, to bring the advertisement to the target audience.



The agent is responsible for the space and time booking for the advertisement, on behalf of the sponsor. He earns his income from the commission he receives. For an agent to carry out a successful advert, all necessary information about the product must be provided by the sponsor, as well as his support and confidence.

In some large commercial companies, there is usually an advertising unit or department responsible for the advertising campaign of the company. This is however, cheaper for the organization.

### **2.6.3 Media**

This is the third element in the advertising industry. Media is the means of communicating information to a target population (Bovee and Arens, 1992). It is a channel through which the message given to the agent by the sponsor is delivered to the target audience (consumers).

## **2.7 ADVERTISING MEDIA**

Featherstone (1991) said there exist various media which can be effectively used for advertising, such as mentioned below:

- i. Print advertising
- ii. Outdoor advertising
- iii. Broadcast advertising
- iv. Covert advertising
- v. Surrogate advertising
- vi. Public service advertising
- vii. Celebrity advertising

### **2.7.1 Print Advertising**

The print media have always been a popular advertising medium. Advertising products via newspapers or magazines is a common practice. In addition to this, the print media also offers options like promotional brochures and fliers for advertising purposes. Often the newspapers and the magazines sell the advertising space according to the area occupied by the

advertisement, the position of the advertisement (front page/middle page) as well as the readership of the publications. For instance, an advertisement in a relatively new and less popular newspaper would cost far less than placing an advertisement in a popular newspaper with a high readership. The price of print adverts also depend on the supplement in which they appear, for example an advertisement in the glossy supplement costs way higher than that in the newspaper supplement which uses a mediocre quality paper. Print advertising media include: newspaper, magazines, fliers, brochures. etc

### **2.7.2 Outdoor Advertising**

Outdoor advertising is also a very popular form of advertising, which makes use of several tools and techniques to attract the customers outdoors. The most common examples of outdoor advertising are billboards, kiosks, and also several events and tradeshows organized by the company. The billboard advertising is very popular, however has to be really terse and catchy in order to grab the attention of the passerby.

The kiosk not only provides an easy outlet for the company products but also make for an effective advertising tool to promote the company's product. Organizing several events or sponsoring those events makes for an excellent advertising opportunity. The company can organize trade fairs, or even exhibitions for advertising their products. If not this, the company can organize several events that are closely associated with their field. For instance a company that manufactures sports utilities can sponsor a sports tournament to advertise its products.

Examples of outdoor advertising includes: billboards, tradeshows or events, kiosks, etc

### **2.7.3 Broadcast Advertising**

Broadcast advertising is a very popular advertising medium that constitutes of several branches like television, radio or the internet. Television advertisements have been very popular ever since they have been introduced. The cost of television advertising often depends on the duration of the advertisement, the time of broadcast (prime time/peak time)

and of course the popularity of the television channel on which the advertisement is going to be broadcasted. The radio might have lost its charm owing to the new age media, however the radio remains to be the choice of small-scale advertisers. The radio jingles have been very popular advertising media and have a large impact on the audience, which is evident in the fact that many people still remember and enjoy the popular radio jingles.

Klepper (2001) sees radio as the ubiquitous media that seems to be everywhere. One advantage of radio advertising is that it is able to carry information about goods to both urban and rural areas, where there might not be electricity supply.

#### **2.7.4 Covert Advertising**

Covert advertising is a unique kind of advertising in which a product or a particular brand is incorporated in some entertainment and media channels like movies, television shows or even sports and cinema. There is no commercial in the entertainment but the brand or the product is subtly (or sometimes evidently) showcased in the entertainment show.

Some of the famous examples for this sort of advertising have to be the appearance of brand Nokia which is displayed on Tom Cruise phone in the movie “Minority Report”, or the use of Cadillac cars in the movie “Matrix Reloaded”.

### **2.7.5 Surrogate Advertising**

Surrogate advertising is prominently seen in cases where advertising a particular product is banned by law. Advertisements for products like cigarettes or alcohol which are injurious to health are prohibited by law in several countries. Hence these companies have to come up with several other products that might have the same brand name and indirectly remind people of the cigarettes or beer bottles of the same brand. Common examples include Fosters and Kingfisher beer brands, which are often seen to promote their brand with the help of surrogate advertising.

### **2.7.6 Public Service Advertising**

Public service advertising is a technique that makes use of advertising as an effective communication medium to convey

socially relevant message about important matters and social welfare causes like AIDS, energy conservation, political integrity, deforestation, illiteracy, poverty and so on. David Ogilvy who is considered to be one of the pioneers of advertising and marketing concepts had reportedly encouraged the use of advertising filed for a social cause. Ogilvy once said, “Advertising justifies its existence when used in the public interest – it is much so powerful a tool to use solely for commercial purposes”. Today public service advertising has been increasingly used in non-commercial fashion in several countries across the world in order to promote various social causes.

### **2.7.7 Celebrity Advertising**

Although the audience is getting smarter and smarter and the modern day consumer getting immune to the exaggerated claims made in a majority of advertisements. There exist a section of advertisers that still bank upon celebrities and their popularity for advertising their products. Using celebrities for advertising involves signing up celebrities for advertising

campaigns, which consists of all sorts of advertising including television advertisements or even print advertisement.

## **2.8 CONCEPT ON CONSUMER BEHAVIOUR**

Consumer behavior is one of the massively studied topics by the researchers and marketers in the past and still being studied. Researchers show different reasons as to why consumer behavior has been the topic of many academics and researchers.

One of the common views is the understanding that consumer behavior has become a factor that has a direct impact on the overall performance of the businesses (Kotler and Keller, 2012). Another view suggests that understanding consumer behavior has become crucial especially due to fierce competition in retail industry world wide (Lancaster et al 2002).

It is worth noting that consumer buying behavior is studied as a part of marketing and its main objective is to learn the way how the individuals, groups or organizations choose, buy, use and dispose the goods and the factors such as their previous experience, taste, price and branding on which the



consumers base their purchasing decisions (Kotler and Keller, 2012).

One of such studies of consumer buying behavior has been conducted by Acebron et al (2000). The aim of the study was to analyze the impact of previous experience on buying behavior of fresh foods. In their studies, the authors used structural equation model in order to identify the relationship between the habits and previous experience on the consumer buying decision. Their findings show that personal habits and previous experience on the consumers have a direct impact on the consumer's purchase decision in the example of fresh food. They also found the image of the product has a crucial impact on the purchasing decision of the consumer and further recommended that the product image should continuously be improved in order to encourage the consumers towards purchasing.

## **2.9 THEORIES OF CONSUMER BUYING BEHAVIOUR**

“Buying behavior” refers to all the decisions people and businesses make when they buy products or services. Several different theories have been proposed to explain and predict the

buying behavior of both companies and individuals so that business owners can make the best strategic decisions and address customer wants and needs.

Thompson (1990) identified four (4) theories of consumer behavior, namely:

**a) Rational Actors Theory**

According to classical economic theory, people make their buying decisions based on a rational analysis of their own self-interest in the situation. The buying behaviour of an individual can be predicted by analyzing what cause of action would most benefit that individual. In theory, the same principle applies to the buying decisions of groups of individuals such as businesses. However, the idea that people are rational actors in the first place has been questioned by more recent economic theories.

**b) New Institutional Economics**

According to an economic theory called new institutional economics, the rationality of any buying decisions is limited by different forms of uncertainty. For instance, a person buying a ticket to an outdoor game cannot know whether it will rain or

not, so he cannot know whether he will receive any benefit from his purchase. Thompson (1990) said the decision to buy or not to buy cannot be strictly rational under these circumstances. In many buying decisions, the potential buyer doesn't have access to as much information as the seller.

**c) Process Theory**

Process theory is another economic theory that seeks to explain the difference between what people would theoretically do if they were rational economic actors and what they actually do in practice.

According to process theory, some buying decisions are made from a self-defensive perspective and others from an opportunistic perspective, depending on the buyer's perception of possible gains and losses. For instance, a good bulk price on a particular item can convince a consumer to opportunistically buy more than he normally would and sometimes more than he can possibly use. On the other hand, a business owner might pass up a favourable investment simply because he doesn't trust the people trying to sell it to him.

**d) The Bullwhip Effect:**

According to Economic Journal of Sociology (2000) consumer buying behaviour can have a disproportionate effect on the buying behaviour of business. For instance, if consumers demand for a particular product drops by 10%, the company that makes the product may switch to a less-expensive supplier for one of the component parts to make up the loss. The original supplier suffers a 100% loss of orders from the company because of a 10% drop in consumer purchases. This is known as the bull whip effect, because a small change at one end has dramatic effects on the other end. Some businesses that don't sell any products directly to the public still advertise to consumers in an attempt to influence this bull whip effects.

**2.10 MODEL OF CONSUMER DECISION MAKING PROCESS**

Five stages model of consumer decision making process has also been studied by a number of other researchers. Although different researchers offer various tendencies towards the definition of five stages, all of them have common views as they describe the stages in similar ways. One of the common

models of consumer decision making process has been offered by Blackwell (2006). According to him, the five stages of consumer decision making process are the followings: problem/need recognition, information search, evaluation of alternatives, purchase decision made and post-purchase evaluation.

Each stage is then defined by a number of researchers varying slightly but leading to a common view about what each stage involves. For example, according to Bruner (1993), the first stage, need recognition occurs when an individual recognizes the differences between what they have and what they want/need to have. This view is also supported by Neal and Questel (2006) stating that need recognition occurs due to several factors and circumstances such as personal, professional and lifestyle which in turn lead to formation of idea of purchasing.

In the next stage, consumer searches information related to desired product or service (Schiffman and Kanuk, 2007). Information search process can be internal and external. While internal search refers to the process where consumers rely on

their personal experiences and believes, external search involves wide search of information which includes addressing the media and advertising of feedbacks from other people (Rose and Samuel, 2009).

Once the relevant information about the product or service is obtained, the next stage involves analyzing the alternatives. Kotler and Keller (2005) consider this stage as one of the important stages as the consumer considers all the types and alternatives taking into account the factors such as size, quality and also price.

Backhaus et al (2007) suggested that purchase decision is one of the important stages as this stage refers to occurrence of transaction. In other words, once the consumer recognized the need, searched for relevant information and considered the alternatives, he/she makes decision whether or not to make the decision. Purchasing decision can further be divided into planned purchase, partially purchase or impulse purchase as stated by Kacen (2002).

Finally, post-purchase decision involves experience of the consumer about their purchase. Although, the importance of

this stage is not highlighted by many authors. Neal et al (2004) argues that this is perhaps one of the most important stages in the consumers' decision making process as it directly affects the consumer purchase of the same product or service from the same supplier in the future. The most note-worthy writers that serve as academic advocates of the five stage model of consumer decision making include Tyagi (2004), Kahle and Close (2006), Blackwell (2006), and others.

It is important to note that the five stage model is not the only models related to consumer decision-making, and there are also a range of competing model that include Stimulus-Organism-Response Model of decision making developed by Hebb in 1980's, Prescriptive Cognitive Models, the theory of Trying (Bagozzi and Warsaw, 1990), Model of Goal Directed Behaviour (Perugini and Bagozzi, 2001) and others.

## **2.11 ADVERTISING AND CONSUMER BEHAVIOUR – A THEORETICAL EXPLANATION**

Advertiser's primary aim is to reach prospective customers and influence their awareness, attitude and buying behaviour.

They spend a lot of money to keep individuals (consumer) interested in their products. To succeed, they need to understand what makes potential customers behave the way they do (Ayanwale et al 2005)

Proctor et al (1982) noted that the principal aim of consumer behaviour analysis is to explain why consumers act in particular ways under certain circumstances. It tries to determine the factors that influence consumer behaviour, especially the economic, social and psychological aspects which can indicate the most favoured marketing mix that management should select. Economic theory has sought to establish relationships between selling prices, sales achieved and consumer's income; similarly, advertising expenditure is frequently compared with sales.

Ayanwale et al (2005) stated in their research on food drink that advertising and quality are the major factors responsible for the success of a product. This implies that price and other variables seem not to count much to the consumers, as long as the quality of the product is maintained and the



brand is also supported by heavy advertising, reminding and persuading consumers to continue to buy. The results of the study also showed that advertising of various kinds served as the major source of awareness to consumers. Combinations of different media, both electronic and print are employed in advertising. However, television was seen as the most potent and effect medium which most consumers prefer. This implies that television as a medium of advertising a product, has more impact on the consumers when compared with any other media being used for the same purpose (Ayanwale *et al* 2005).

There has been a controversy in determining whether advertising primary role is informative or persuasive. Gaibraith (1969) believes that advertising influences and persuades the consumer to make purchases only when the consumer does not know what they want. He contended that the fact wants could be synthesized by advertising, catalyzed by salesmanship and shaped by discrete manipulations of advertisers, shows that the wants are not very urgent. Nevertheless, there are some advertising themes that are very persuasive and have the power

to manipulate the dispositions in brand loyalty. White (1969) posited that the persuasive element in advertising, which is the major influence of advertising, appears to be felt in the area of consumer perception of the brand. Hence brand image is the major organizing concept through which the consumer is guided towards perceiving unified pattern of stimulation. Birdwell (1968) stated that images are the formalized impressions residing consciously or unconsciously in the minds of the individuals with regard to given subjects.

Loudon and Bitta (1994) said there are broadly two models on the effects of advertising in consumer buying behaviour, namely:

- Advertising as a strong persuasive force,
- Advertising as a tool for competition.

### **2.11.1 Advertising As Strong Persuasive Force:**

This is the intuitive view, ingrained in the collective mind, despite being criticized for the last three decades by other eminent academics (ISBA,2004). Proponents of this view are

invariably critical of advertising. They contend that accurate knowledge about consumers – how they buy, why they buy, where they buy and what they buy is unnecessary since it is possible to manipulate hapless buyers into parting with their money in return for products they do not want.

These types of model have survived despite various empirical studies showing the view of advertising as a strong persuasive force is largely founded. An alternative view of advertising was later proposed by scholars, suggesting a much weaker and less predictable and uneven impact on Consumers (ISBA 2004).

### **2.11.2 Advertising as A Tool of Competition**

For over thirty years, a considerable number of academics have asserted that the strong force theory does not apply in all market sectors. These scholars suggest that when it comes to marketing of frequently purchased goods (such as food or drink in mature markets), volumes of advertising merely reflect an attempt to maintain a market share in competitive, but fragmented markets like in the case of Honeywell flour mills

Plc. The total volume of advertising does not affect the total market size (ISBA 2004)

The simple yet highly complex reality is that advertising works in different ways and to different effects, depending on many intrinsic and extrinsic variables. Advertising takes advantage of the subconscious, mind as it creates its messages. By appealing to elements of the subconscious which is beyond the average person's control, advertising can influence the conscious mind. The effect that advertising is trying to achieve is to influence a person's conscious decision making by appealing to the subconscious. It is trying to get that person to decide to buy (Bovee and Arens, 1992).

## **2.12 EFFECTS OF ADVERTISEMENT ON CONSUMER BEHAVIOUR**

A business irrespective of the size needs to advertise and promote to attract customers. However that doesn't mean you can just put out your messages and start counting the new customer. According to the International Journal of

Management Research and Business Strategy (2013), advertising affects consumers in the following ways:

- i. **Increase Awareness:** Advertising offer a new function to consumers viewers of adverts so as to learn about new products and services available to them. It provides facts about approval or disapproval of a product and consumer behaviour at this stage encompasses expression of curiosity.
- ii. **Analysis of Features:** Consumers have a rational response to advertising when they look at the features of a product or service. This response focuses on a logical listing of all the fractional aspects of the offering. This exhibits an intellectual response, rather than an emotional one.
- iii. **Evaluation of benefits:** Advertising make consumers to emotionally involved in weighing of benefits. When consumers identify the product or service it can make them happier. It improves their lives or gives them pleasure. This part of customers'

responses is irrational and can lead to impulse buying and competition to obtain product.

- iv. **Reminders:** Repeated advertising messages affect consumer behaviour. This repetition serves as a reminder to the consumer that stems from reminders. It includes suddenly thinking a product while shopping and making decision to buy it.
- v. **Promotion of loyalty or Alienation:** Consumer behaviour splits between loyalty and alienation depending on how well the product lives up to its advertised benefits.

Corporate behaviour such as scandals or charity work can also affect alienation and loyalty response.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 INTRODUCTION**

This chapter is focuses on the methodology used in the collection, presentation and analysis of data.

This chapter presents population and sample of the study, sources and methods of data collection, method of data analysis and finally hypotheses testing method.

#### **3.2 POPULATION AND SAMPLE OF THE STUDY**

The population from which the sample is drawn is the whole employees working in the company. The sample drawn from the population is twenty (20) employees that were randomly selected for the research work.

A number of factors were considered before the sample was drawn namely:

- a. That among the elements that makes of the population, there are similarities and therefore, a study of a few elements will give sufficient knowledge of the entire population.

- b. It is also cheaper to study a sample with few elements than one with plenty elements. The selected sample size will enable a thorough job to be done and consequently enables quicker results.

Due to the nature, characteristics and distribution of the population, which is complex and diverse, the stratified sampling technique was adopted, where the population were grouped according to some definite characteristics. These identified groups are called “strata” from which the sample was chosen by applying random sampling procedure on each stratum.

While choosing a particular number of elements for the various strata, care was taken to ensure that the stratums were of the total population.

### **3.3 SOURCES AND METHOD OF DATA COLLECTION**

In order to get the necessary input to write in this research study, the researcher collected both primary and secondary sources.



## **The Primary Source**

This is information obtained from interviews, informal discussion and questionnaire distributed. This information is fresh and originally realized from first hand sources. The various techniques used to obtain this information include:

### **Interviews**

The researcher's ability to get personal contact with some distributors provides an opportunity for the researcher to directly ask sure questions to those that are illiterates.

### **Questionnaires**

These are set of type, structured questions administered for the purpose of getting more light and information related to the study. The questionnaire method is exclusively used in collecting primary data which sought to measure responses from the study population. The responses will be measured in relation to the main research hypotheses and general areas relating to the effect of advertisement on consumer buying behaviour.

### **3.4 METHOD OF DATA ANALYSIS**

In this research study, the data collected is analysed and quantified into simple mathematical and tabular representation based on percentages in order to analyse responses in the questionnaire distributed.

Analysis were finally done for each question separately and the frequency of responses made were found through data analysis. The researcher needs to edit the questionnaire to know the respondent opinion about the effect of advertisement on consumer buying behaviour.

### **3.5 HYPOTHESES TESTING METHOD**

In testing the hypotheses designed for this research work, the statistical techniques which will be employed is Chi-Square ( $X^2$ ) method, which is used to test the relationship between the variables concerned and the reality of the study.

When applying a Chi-Square analysis, it is necessary first to calculate the value of the statistic, which summarizes the differences in the data.

Chi-Square is applied in the following situation:

- a. When there are two variables drawn from independent samples each of which is categories in two ways e.g. Yes and No and scale question
- b. When the data are non-metric, when the data are expressed in frequencies.

In using the Chi-Square, we begin with stating the null hypothesis that there is no relationship between the two variables that is, the two variables are independent of each other.

The following formula is used in computing the Chi-Square value of the data:

$$X^2 = \sum_{i=1}^k \frac{(O_i - E_i)^2}{E_i}$$

Where  $O_i$  = Observed frequency

$E_i$  = Expected frequency

The decision rule is the value of  $X^2$  is less than the critical value of  $X^2$ , the hypothesis is accepted; otherwise the hypothesis is rejected or not accepted. In ascertaining the critical value, the following are required.

**1. Degree of Freedom:** This is the number of groups or classes which the value in the cells can be assigned arbitrarily or at will, without violating the restriction of limitation placed. It is directed by  $(n - 1) (m - 1)$ .

$m$  = members of rows

$n$  = number of columns

**2. Significant Test:** This connotes the maximum probability of committing an error. This is taken arbitrarily after the following has been considered.

a. If from observed data, there is a high degree for null hypothesis ( $H_0$ ) to be corrected, the level of significance should be at the lowest (about 0.01) i.e. 1%.

- b. When an erroneous rejection of the null hypothesis ( $H_0$ ) could be costly, the value of the level of significance should be at lowest and vice versa. For this research study, (0.05) i.e. 5% level of significance is chosen.

## **CHAPTER FOUR**

### **DATA PRESENTATION AND ANALYSIS**

#### **4.1 Introduction**

This chapter intends to focus on data and other information collected in the course of this research work and also it will deal with the presentation and analysis of data collected by the researcher on respondents.

The researcher employed various data collection techniques in this research work i.e. questionnaire administered and personal interview conducted on workers of Honeywell Mills Nig. Plc. The data used for the study were drawn largely from both primary and secondary sources of data. Finally the hypotheses formulated in this research work will also be tested.

#### **4.2 Data Presentation and Analysis**

In this research work, a total number of twenty (20) questionnaires were distributed to workers of Honeywell Mill Nigeria Plc and all of them were completed and returned. The questionnaires were designed and administered on marketing

staff of Honeywell Mill Nigeria Plc to measure issues concerned with the effect of advertisement on consumer buying behaviour.

### **Analysis of Part A**

The first question on the questionnaire tries to find out the educational qualification of the respondents.

**Table 4.1: Educational Qualification of Respondents**

<b>Qualification</b>	<b>Frequency</b>	<b>Percentage</b>
Secondary Education	-	-
OND/NCE	4	20
BSc/HND	12	60
Master's Degree	4	20
<b>Total</b>	<b>20</b>	<b>100</b>

*Source: Questionnaire Administered, 2014*

From table 4.1, it could be seen that four (4) respondents representing 20% had “OND/NCE certificate”, twelve (12) respondents representing 60% had “BSc/HND Certificates,” while the remaining four (4) respondents representing 20% had “Master’s Degree”.

It could be seen from the above table that the organisation employs qualified staff to work for them in the marketing department and we could see that 80% of the total respondents

administered are either graduates or holders of Masters' degree in various field.

The second question on the respondents is to know the working experience of respondents.

**Table 4.2: Working Experience of Respondents**

<b>Year Range</b>	<b>Frequency</b>	<b>Percentage</b>
1-3 years	-	-
3-5 years	3	15
5-7 years	3	15
7-10 years	2	10
Above 10 years	12	60
<b>Total</b>	<b>20</b>	<b>100</b>

*Source: Questionnaire Administered, 2014*

Table 4.2 shows that three (3) employees constituting 15% answered 3-5 years, another three (3) employees constituting 15% answered 5-7 years, two (2) employees constituting 10% answered 7-10 years, while the remaining twelve (12) employees constituting 60% answered they are been working in the organisation above 10 years.

From the above opinion given by the respondents, we could see that 60% of the total employees administered are



indeed experienced staff working in the organisation for more than 10 years.

Question 3 on the questionnaire designed on the respondents is to know the position they hold in the organisation. Their responses are below as in table 4.3.

**Table 4.3: Position of Respondents**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Management staff	2	10
Senior staff	12	60
Junior staff	6	30
<b>Total</b>	<b>20</b>	<b>100</b>

*Source: Questionnaire Administered, 2014*

From table 4.3, it could be seen that two (2) staff representing 10% are management staff, twelve (12) staff representing 60% are senior staff, while the remaining six (6) staff representing 30% are junior staff.

To confirm the above opinions, the researcher discovered during the research work that the two (2) Management Staff are the regional sales manager and the area sales manager; the Senior Staff consist of sales executives, sales representatives

and their assistants, while the Junior Staff are the sales persons.

### **Analysis of Part B**

The first question on the questionnaire on the respondents is to know the type of promotional mix the organisation uses in marketing its product.

**Table 4.4: Types of Promotional Mix used in Marketing its Product**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Advertising	8	40
Sales Promotion	8	40
Personal Selling	4	20
Publicity	-	-
<b>Total</b>	<b>20</b>	<b>100</b>

*Source: Questionnaire Administered, 2014*

Table 4.4 shows that 8 staff i.e. 40% answered “advertising, another 8 staff i.e. 40% answered “sales promotion,” while the remaining 4 staff i.e. 20% answered “personal selling”,

During an interview with the Area Sales Manager of the company, he told the researcher that advertising is the main

form of mass selling, while sales promotion tries to supplement the efforts of personal selling and mass selling specialists. He said further that advertising involves designing point of purchase materials, store signs, catalogs and circular, while sales promotion assist in the development of displays, sales demonstrations and trade exhibits.

The second question on the questionnaire on respondents is to know who is responsible for advertising plans in the organisation and their responses are below.

**Table 4.5: Views on Advertising Plans in the Company**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Consultant	6	30
Marketing dept.	10	50
Management	4	20
Others	-	-
<b>Total</b>	<b>20</b>	<b>100</b>

*Source: Questionnaire Administered, 2014*

Table 4.5 clearly shows that 6 respondents i.e 30% said “consultants” are responsible for advertising plans in the organisation, 10 respondents i.e. 50% said “marketing department” are responsible for advertising plans in the

organisation. While the remaining 4 respondents said “management” is responsible for advertising plans in the organisation.

In an interview with the Area Sales Manager of the company, he informed the researcher that it is the job of the marketing department to specify on how advertising policies or plans works with the marketing strategies to be used in the company with consultation with both the consultants and the management.

The next question on the questionnaire to respondent is to assess the significant role of advertisement as a promotional mix in the acceptability of their product as in table 4.6 below.

**Table 4.6: Respondents Views on Role of Advertisement as Promotional Mix**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Very effective	10	50
Effective	5	25
Undecided	5	25
Ineffective	-	-
Very ineffective	-	-
<b>Total</b>	<b>20</b>	<b>100</b>

*Source: Questionnaire Administered, 2014*

From table 4.6, it could be deduced that 10 staff i.e. 50% of the total respondents said the role of advertisement as a promotional mix in the acceptability of their product is “very effective.” 5 staff i.e. 25% of the respondents said the role of advertisement as promotional mix is “effective.” While, the remaining 5 staff i.e. 25% said they are “undecided” meaning they do not know how to assess the role of advertisement as a promotional mix in the acceptability of their product?

From the above opinion given by the majority of the respondents administered i.e. 50% of them, we could see that a firm’s promotional mix is the combination of one or more of the promotional elements i.e. advertising, sales promotion and publicity, which are often said to use mass selling because they are used with groups of prospective buyers.

Question 4 on the questionnaire to respondents is how effective is advertising campaign in persuading consumers to patronize their product. Below are their responses.

**Table 4.7: Rating on Effectiveness of Advertising Campaign in persuading consumers to Patronise their product**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Very effective	10	50
Effective	8	40
Undecided	2	10
Ineffective	-	-
Very ineffective	-	-
<b>Total</b>	<b>20</b>	<b>100</b>

*Source: Questionnaire Administered, 2014*

From table 4.7, it could be seen that 10 employees constituting 50% of the total respondents said advertising campaign in persuading consumers to patronise their product is “very effective”, 8 employees constituting 40% said advertising campaign in persuading consumers to patronise the company’s product is “effective. While the remaining 2 employees constituting 10% answered “undecided” meaning they do not know how effective the advertising campaign in persuading consumers to patronize their product.

During the research work, the researcher observed that indeed advertising campaign is used to persuade consumer to

patronize their products. The researcher saw some billboards in various parts of the state and also the distribution of posters and handbills in most markets visited.

Furthermore, advertising yield faster and more measurable responses in sales volume and it appears to be capable of depending brand loyalty.

The next question on the questionnaire is when respondents were asked whether they think the advertising campaign is persuasive to make consumer to buy their product and they responded as follows:

**Table 4.8: Whether Advertising Campaign is Persuasive to Make Consumer to Buy**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	14	70
No	4	20
Undecided	2	10
<b>Total</b>	<b>20</b>	<b>100</b>

*Source: Questionnaire Administered, 2014*

Table 4.8 shows that 14 respondents i.e. 70% which is the majority answered “Yes” they think the company’s advertising campaign is persuasive enough on consumers, 4 respondents

i.e. 20% answered “No” they do not think the company’s advertising campaign is persuasive enough. While the remaining 2 respondent i.e. 10% answered “undecided” meaning they do not know whether the company’s advertising campaign is persuasive enough to consumers or not.

From the opinion given above by the majority of respondents i.e. 70%, it could be seen that the company’s advertising campaign is persuasive enough to make consumers to buy their product. Also, the objective of any organisation at the long run is to develop a favourable set of attitudes in the hope of affecting consumer behaviour.

Question 9 on the questionnaire to respondents is whether advertisement enhances the profit level of the company and their responses are below.

**Table 4.9: Whether Advertisement Enhances the Profit Level**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	20	100
No	-	-
Undecided	-	-
<b>Total</b>	<b>20</b>	<b>100</b>

*Source: Questionnaire Administered, 2014*



Table 4.9 shows that all 20 employees i.e. 100% of the total respondents administered answered “Yes” that advertisement enhances the profit level of the company.

During an interview with all the respondents that answered “Yes” to that question, they informed the researcher that the organisation usually conducts regular survey to measure the effect of advertising on the profit level of the company. It appears that advertising have a positive effect on the profit level due to the purchases by loyal buyers and also the winning of new buyers for the company.

The next question to respondents by the researcher is which type of medium does the company uses to advertise their products? And their responses are below as in table 4.7B

**Table 4.10: Respondents Views on the Medium Used to Advertise Products**

<b>Medium</b>	<b>Frequency</b>	<b>Percentage</b>
Television	4	20
Billboard	8	40
Radio	4	20
Newspaper	4	20
<b>Total</b>	<b>20</b>	<b>100</b>

*Source: Questionnaire Administered, 2014*

From table 4.10, it could be deduced that 4 staff constituting 20% said “Television” is the medium used to advertise product to consumers, 8 staff constituting 40% said “Billboard” is the medium used to advertise product to consumers. Furthermore, 4 staff constituting 20% said “Radio” is the type of medium used to advertise product to consumer, while the remaining 4 staff constituting 20% said “Newspapers” is the type of medium used to advertise products offered to consumers.

The researcher during research work confirmed the above statement with the area sales manager and he informed him that the entire above named medium are been used by the company to advertise their products to consumers i.e. radio, television, billboard and newspapers.

Question 11 on the questionnaire to respondents is to know how they rate their company’s product and their responses are below:

**Table 4.11: Respondents Rating of Products**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Excellent	14	70
Good	6	30
Fair	-	-
Bad	-	-
<b>Total</b>	<b>20</b>	<b>100</b>

*Source: Questionnaire Administered, 2014*

As per table 4.11, it could be seen that 14 employees representing 70% of the total respondents administered rated their company's product as "Excellent", while the remaining 6 employees representing 30% of the respondents rated their company's product as "good".

During the research work, the researcher visited some markets and saw some of the product of Honeywell Mills Nigeria Plc i.e. Semolina, different types of Flour for baking bread and confectionary, macaroni, spaghetti and others.

The last question on the questionnaire to respondents by the researcher is does advertisement have any effect on consumer buying behaviour of your company's product and their responses are below.

**Table 4.12: Whether Advertisement Have any Effect on Consumer Behaviour.**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	18	90
No	-	-
Undecided	2	10
<b>Total</b>	<b>20</b>	<b>100</b>

*Source: Questionnaire Administered, 2014*

From table 4.12, it could be seen that 18 staff i.e. 90% of the total respondents answered “Yes” that advertisement have an effect on consumer buying behaviour of the company’s product, while only 2 staff answered “undecided” meaning they do not know whether advertisement have any effect on consumer behaviour in the purchase of the company’s product.

The researcher found out that the image of the company’s product has an impact on the purchasing decision of consumer because Honeywell Mills Nigeria Plc has been in existence for at least 7 years. The researcher further recommends that the product image should continuously be improved by the company in order to encourage consumer buying behaviour towards purchasing.

### **4.3 Test of Hypotheses**

The most important step in any research work is the testing of hypotheses formulated. This research work has the following two (2) hypotheses

- a) There is a relationship between advertisement and consumer behaviour.
- b) There is a correlation between advertisement and enhance profit level.

The testing of the above two (2) hypotheses will be approached by the use of the chi-square ( $X^2$ ) method at 0.05 (5%) level of significance.

#### **Hypothesis 1**

The first hypothesis to be tested is “There is a relationship between advertisement and consumer behaviour.”

Ho: There is no relationship between advertisement and consumer buying behaviour.

H<sub>1</sub>: There is a relationship between advertisement and consumer buying behaviour.

Where:

$O_i$  = Observed frequency

$E_i$  = Expected frequency

$$X^2 = \frac{(18 - 3)^2}{3} + \frac{(0 - 3)^2}{3} + \frac{(2 - 3)^2}{3}$$

$$= \frac{(15)^2}{3} + \frac{(-3)^2}{3} + \frac{(-1)^2}{3}$$

$$= \frac{225}{3} + \frac{9}{3} + \frac{1}{3}$$

$$= 75 + 3 + 0.33 = 78.33$$

Degree of freedom (df) =  $(k - 1) (3 - 1) = 2$

Critical value  $X^2 = df = 2\alpha = 0.05 = 5.991$

Since the test statistic is calculated to be 78.33, which is greater than the critical value ( $X^2$  table) that is 5.991. Therefore, the null hypothesis ( $H_0$ ) which states “There is no relationship between advertisement and consumer behaviour” is rejected. The alternate hypothesis ( $H_1$ ) which states “There is a relationship between advertisement and consumer behaviour” is accepted.

The researcher will confirm the above decision with question 12 on the questionnaire, when the marketing staff were asked whether advertisement have any effect on consumer

buying behaviour and their responses are shown as in table 4.12.

As observed on that table, it could be seen that 18 staff i.e. 90% of the total respondents answered 'Yes' that advertisement have an effect on consumer buying behaviour of the company's product, while the remaining 2 staff i.e. 10% answered undecided meaning they do not know whether advertisement have any effect on consumer behaviour in the purchase of the company's product.

Therefore, from the analysis of question 12 on the questionnaire, the researcher found out from the opinions of the respondents administered by the researcher that advertisement has an effect on consumer buying behaviour of the company's product.

**Hypothesis 2:**

The second hypothesis to be tested is "There is a correlation between advertisement and enhance sales and profit level of the company."

Ho: There is no correlation between advertisement and enhance sales and profit level of the company.

H<sub>1</sub>: There is a correlation between advertisement and enhance sales and profit level of the company.

$$\begin{aligned} X^2 &= \frac{(20 - 3)^2}{3} + \frac{(0 - 3)^2}{3} + \frac{(0 - 3)^2}{3} \\ &= \frac{(17)^2}{3} + \frac{(-3)^2}{3} + \frac{(-3)^2}{3} \\ &= \frac{289}{3} + \frac{9}{3} + \frac{9}{3} \\ &= 96.33 + 3.00 + 3.00 = 102.33 \end{aligned}$$

Degree of freedom (df) = (k - 1) (3 - 1) = 2

Critical value  $X^2 = df = 2\alpha = 0.05 = 5.991$

In conclusion, since the test statistics  $X^2$  is calculated to be 102.33, which is greater than the critical value ( $X^2$  table) that is 5.991. Therefore, the null hypothesis (H<sub>0</sub>) that states “there is no correlation between advertisement and enhance profit level of the company” is rejected. The alternate hypothesis (H<sub>1</sub>) which states “there is a correlation between advertisement and enhance profit level of the company” is accepted.

The researcher will also confirm the above decision with question 9 on the questionnaire when the respondents were



asked whether advertisement enhances the profit level of the company and their responses are below as in table 4.9.

As observed in that table, it could be seen that all 20 respondents i.e. 100% of the total respondents administered answered “Yes” that advertisement enhances the profit level of the company with increased sales. During an interview with all the respondents they informed him that the organisation usually conducts regular survey to measure the effect of advertisement on the profit level of the company. The conclusion appears that advertisement have a positive effect on the profit level of the company due to purchases by loyal buyers and also winning of new buyers for the company, which help to increase sales and profit level.

Therefore, from the analysis of question 9 on the questionnaire, we could conclude that there is a correlation between advertisement and enhance sales and profit level of the company. The above analysis will validate the second hypothesis which states “there is a correlation between advertisement and enhance sales and profit level of the company”.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 SUMMARY**

This research work is on the effect of advertisement on consumer buying behaviour.

Chapter one introduces the background information about the research work and the statement of research problem gives the various problems that necessitated the research work. The objectives of the study were enumerated showing the objectives to be achieved at the end of the study. In the significance of the study, we would know how important the study will be to management of companies, government and students of higher learning or any interested persons or agencies. The horizon of the study was explained in the scope and limitations of the study, while the research hypotheses consist of two (2) hypotheses formulated for the study. Finally, under chapter scheme, all the chapters were summarized in a nutshell for easy understanding.

Chapter two is on literature review and it deals with the existing literature on the effects of advertisement on consumer

buying behaviour. It includes the definition of advertisement where advertising is defined as any paid form of non-personal presentation and promotion of ideas, goods and services by an identified sponsor.

Nwokoye (2000) explained that advertising has become a major form of selling, if not only supports form of selling but also serve as the only selling tool used to inform target audience about producer product. He said in the ancient times, the most common form of advertisement was by the word of mouth, however commercial messages were found in the runs of Pompeli. In setting advertising objectives, it should be based on past decisions about the target market, positioning and marketing mix. The following are the classification of advertising objectives namely: informative, persuasive, reminder and reinforcement advertising. When setting advertising budget Nwokoye (2000) gave five (5) specific factors to be considered i.e. stage in the product life cycle, market share and consumer base, competition and clutter, advertising frequency and product substitutability.

Gary (1992) observed that when developing advertising strategies four (4) steps are followed to develop a creative strategy: message generation, message evaluation and selection, message execution and social responsibility review. According to Irwing (1997) the major steps in media selection are: decoding on reach, frequency and impact, choosing among major media types, selecting specific media vehicles and deciding on media timing.

Kotler (2004) said the advertising programme should evaluate both the communication effects and the sales effects of advertising regularly. The sales effect of advertising are often harder to measure than communication effects and sales are affected by many factors besides advertising such as products features, price and availability.

Kotler and Keller (2012) said one of the common views in understanding consumer behaviour is it has become a factor that has a direct impact on the overall performance of businesses. Thompson (1990) identified four (4) theories of consumer behaviour namely: rational actor's theory, new institutional economics, process theory and the bullwhip effect.

Five stages model of consumer decision making has been studied by a number of other researchers, but Blackwell (2006) identified the five (5) stages of consumer decision making process as: problem/need recognition, information search, evaluation of alternatives, purchase decision made and post-purchase evaluation. Furthermore, a number of researchers have been carried out by scholars on the factors affecting the consumer buying behaviour. Wiedermann (2007) classified them into internal and external factor, while Wiver (2009) divided them into social, personal and psychological factors.

Chapter three which is on research methodology includes the introduction to the chapter. In the research design, we would know that it's a survey research which purpose is to examine the effect of advertisement on consumer buying behaviour with a study of Honeywell Mill Nigeria Plc. Under sources of data collection, the researcher collected both primary and secondary data. For the population and sample, the population of the study covers all the workers of Honeywell Mills Nigeria Plc, where a selected sample of twenty (20) employees working in the marketing department were taken

from the entire population. For the data collection methods, the researcher used both the questionnaire schedule and personal interview in collecting information from the respondents.

In the method of data analysis, the researcher presented data in tabular presentation based on percentages in analyzing responses. In testing of hypotheses, the statistical technique employed is the chi-square ( $X^2$ ) method, which is used to test the relationship between the variables concerned.

Chapter four involves data presentation and analysis, it is where data collected were tabulated using percentages to analyse each table. The research hypotheses raised in the opening chapter were tested and all two (2) hypothesis formulated were accepted as true.

Chapter five is on summary, findings and conclusions and recommendations of the whole research work. For the summary, all the chapters were summarized chapter by chapter, while the findings and conclusions consist of the findings observed by the researcher during the study. The recommendations were based on the findings observed before useful suggestions will be given as recommendations to

management of blue chips companies, government and students of higher learning or any interested persons.

## **5.2 Findings and Conclusion**

From the research work, the following findings were observed:

- i. It was discovered that the management of the company gives advertising the importance it deserves as a promotional mix in the marketing of its product.
- ii. Advertising as a promotional mix is a huge task because of the characteristic involved; the researcher found out that though the company promotes its products using advertisement, most consumers in the rural areas are not usually targeted.
- iii. The researcher was able to find out that there exists a high dissatisfaction among their customers in the rural areas because products are usually not available.
- iv. During the research work, it was discovered that the company takes advertisement with much importance because it helps to communicate their products to the targeted consumers.

- v. By conducting market research regularly to gather information about sales and profit level, it will help them to develop new ways to meet their annual projected sales.
- vi. The researcher discovered that there is no constant meeting between management and her customers so as to answer some of the customers complains on their products.
- vii. The sales and marketing department should put much emphasis in employing competent personnel and giving them the required training needed so as to excel.
- viii. Finally, though the company gives good packages to her staff as motivation, it was discovered that total emoluments given is not satisfactorily to the staff.

Generally, businesses say that advertising provides a public service because it gives them information about their products and in its broadest sense; it is the vital conduct for information between producers and consumers. Of course, we all know that advertising does more than merely inform, its job is to sell. It is not objective or neutral and successful adverts skillfully engage



the mind of the consumer and motivate them to buy the product advertised.

Furthermore, communication does not only enhance mutual understanding and social integration of communities. It fosters a harmonious relationship that contributes immensely to the overall-social economic, political and well as the cultural development of the human society.

Finally, advertisement campaigns worldwide influence the behaviours and attitude formation of consumers not only in Nigeria but also worldwide. The consumers of products have their motivational sources which are advertisement and it's motivating them to materialize the purchase of durables. The consumers are induced significantly by advertisements when the target is on quality and price. Purchase attitude and behaviour is influenced by variety of advertisements which cover product evaluation and brand recognition.

### **5.3 Recommendations**

Based on the findings and conclusion, the following recommendations are made:

- i. The management of the organisation should evolve a strategy that would fully embrace advertisement as a promotional mix in the marketing of their products.
- ii. The efficiency in carryout advertisement in the company depends on the experience and mental alertness of the personnel involved in the advertising campaign for the organisation.
- iii. The organisation should intensively monitored customers satisfaction through client complaints and suggestions, because their customers are very vital to the growth and survival of the company.
- iv. The company should conduct quarterly marketing research, so as to gather information as regard the ways to meet projected sales and profit level set by them.
- v. There is need for a constant meeting between the management and its customers, so as to establish a good relationship in order to find answers to most of the customers complains.
- vi. The management of the organisation should try its possible best to use the promotional mix i.e. advertising,

sales promotion, personal selling to pursue its objectives in the target market.

- vii. The staff employed in the sales and marketing department should be given adequate training on consumer behaviour, which will help to boost their effectiveness when dealing with customers.
- viii. Finally, good improved package should be given to their employees as motivation so as not to be carried away by other organisations with good salary package.

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**APPENDIX I**  
**QUESTIONNAIRE FOR STAFF OF**  
**HONEYWELL FLOUR MILLS NIG. PLC.**

**Dear Respondents,**

I am a student of the Department of Business Administration, Faculty of Management Sciences, Usmanu Danfodiyo University, Sokoto. I am carrying out a research work titled “The effect of Advertisement on Consumer Buying Behaviour with a case study of Honeywell Mills Nigeria Plc, which is in partial fulfillment of the requirements for the award of Postgraduate Diploma in Management (PGDM).

Please kindly answer these questions to the best of your knowledge. The objective is purely academic and you are assured of confidentiality for all the information provided.

Yours faithfully,

**Moshood Omojarabi**

**Part A**

1. Educational Qualification
  - a. Secondary education ( )      b. OND/NCE ( )
  - c. BSc/HND ( )      d. Master’s degree ( )
2. How long have you been working in the organization?
  - a. 1-3 years ( )      b. 3-5 years ( )      c. 5-7 years ( )
  - d. 7-10 years ( )      e. Above 10 years ( )
3. Position held
  - a. Management staff ( )      b. senior staff ( )      c. Junior staff ( )

## Part B

4. What type of promotional mix does the company use in marketing its product?
  - a. Advertising ( )
  - b. Sales promotion ( )
  - c. Personal selling ( )
  - d. Publicity ( )
5. Who is responsible for advertising plan in your organization?
  - a. Consultant ( )
  - b. Marketing Department ( )
  - c. Management ( )
  - d. Others ( )
6. How would you assess the significant role of advertisement as promotional mix on consumer buying behaviour?
  - a. Very Effective ( )
  - b. Effective ( )
  - c. Undecided ( )
  - d. Ineffective ( )
  - e. Very Ineffective ( )
7. How effective is advertising campaign in your company in persuading consumers to buy your product?
  - a. Very Effective ( )
  - b. Effective ( )
  - c. Undecided ( )
  - d. Ineffective ( )
  - e. Very Ineffective ( )
8. Do you think the company's advertising campaign is persuasive to make consumer buy your product?
  - a. Yes ( )
  - b. No ( )
  - c. Undecided
9. Does advertisement enhance the profit level of a company?
  - a. Yes ( )
  - b. No ( )
  - c. Undecided



10. Which type of medium does the company use to advertise their product?
- a. Television ( )      b. Bill Board ( )      c. Radio ( )
- d. Newspapers
11. How do you rate your company's product?
- a. Excellent ( )    b. Good ( )    c. Fair ( )    d. Bad ( )
12. Does advertisement has any effect on consumer buying behaviour of your company's product?
- a. Yes ( )      b. No ( )      c. Undecided ( )