



The impact of advertisement on consumer brand preference: A Case of Globacom Nigeria

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Abstract

This study examined the impact of advertisement on consumer brand preference. The total population of the study is 4,000 while the sample size of 400 was chosen using Slovin's formula. The Survey approach research design was adopted for this study. Data were collected with the use of structured questionnaire, presented and analysed with tables and simple percentage method. The Statistical Package for the Social Sciences (SPSS) and Chi-square were analytical tools used. The hypotheses were tested using ANOVA and Chi-Square. The test revealed preliminary findings, that: Advertisement plays a significant role in creating a positive brand preference among the telecommunications consumers in Nigeria: There are significance constraints against the development of advertisement in Nigeria: There is justification for the huge amount being spent on advertisement by telecommunications companies in Nigeria. The study concluded that Advertisement is a formidable tool in building consumer brand preference and loyalty in telecommunications industry. The following recommendations were made in relation to the findings: (i) Telecoms companies should make adequate budget for advertisement planning and campaigns. (ii) Consumer's buying behavior should be continuously observed while preparing the advertisement messages with a view to influencing their choices and well as building a strong and positive brand preference. (iii) Advertisement as a promotional mix should be used to build, retain and maintain consumer brand preference which will lead to long term consumer loyalty to the company.

Keywords: Consumer Brand, Globacom, Chi-square, loyalty

Introduction

Brand preference refers to the degree of attachment a customer has to a specific brand, which fosters brand loyalty and encourages repeat purchases. When a consumer selects one brand over another in the presence of rival brands, that choice is known as brand preference. This is largely influenced by the success of marketing strategies and tactics employed by the company (Kotler & Armstrong, 2017) ^[8]. Given the recent increase in competition and the wide range of goods and services available on the market, producers must use every available strategy to keep, educate, persuade, and delight their customers in order to establish a long-lasting favorable brand preference and loyalty.

Today's world views advertising as a crucial technique for attracting customers and disseminating information about products. Billions of dollars are spent globally on product and brand advertisements. In the year 2008 only, advertisement expenditure of US, UK and China was \$ 158,547 million, \$26,802 million and \$57, 077 million respectively (Warc, 2009) ^[9]. As countries and businesses are spending these huge amounts of money, there must be some main reason behind it. The main reason might be to increase sales or profits. Advertisements have become very useful and have gained the status of an independent discipline and have grown at very fast speed due to this it has become a special field of study (Khan, 2013) ^[11].

As a result, advertising is a crucial tool for businesses to promote their products and services while boosting revenue. It's crucial for firms to assess whether their advertising is successfully promoting their goods. Due to that awareness when consumers have certain problems they recall an advert they have come in contact with. For example, when a consumer requires shaving his hair he recalls an advert on gullet razors he watched or saw on newspaper. Furthermore, advertisement helps in retaining customers to brand as it reminds them of the brand's continuous presence in the market (Cross, 2019)^[6].

Technology plays a significant role in the twenty-first century, and since advertising is a form of communication, researching this essential and timely topic is highly advantageous. Using advertising as a method for mass communication with a marketing focus. Arens (2006)^[2] thinks that it is a communication process, a marketing process, a socio-economic, information and persuasion process at the same time. Philip Kotler views advertising as any paid form of non-personal presentation and promotion of services and products by an identified sponsor (Kaptan, 2002) and the same is the view of American Marketing Association (AMA).

Today definitions of advertisement abound. We can define it as communication process, marketing process, a public relation process, an economic and social process or information and persuasion process (Arens, 2006)^[2]. As a promotional strategy, advertising serve as a major tool in creating product awareness and condition the mind of a potential consumer or customer to take eventual purchase decision. Advertising is also a type of communication. It is actually a very structured form of applied communication, employing both verbal and non-verbal elements that are composed to fill specific space and time determined by sponsor. The receiver is viewed as very active, involved participant in the communication process whose ability and motivation to attend, comprehend and evaluate messages are high. If the consumer or the audience gets the message and understand it as the advertiser has it in mind, it is a great success for the advertiser. That understanding leads the person to prefer and purchase the brand (Clow & Back, 2002)^[5].

Globacom Limited (or) Glo is Nigeria Multi Telecommunications Company with Headquarter in Lagos. Glo is a privately owned telecommunications carrier that started operations on August 29th 2002. It currently operates in four (4) countries in West Africa, namely Nigeria, Republic of Benin, Ghana, and Cote d'Ivoire. As of June 2015, the company has employed more than 3,500 people worldwide. Glo has an estimate of over 34 million consumers known as subscribers (April 2016) of which 26 million are internet subscribers or consumers. Being a significant player in the Nigerian telecommunications industry, the company has achieved great success in terms of customer retention, brand preference maintenance, growth, and expansion. Many people credited Globacom Limited's trademark effective and efficient advertising, which is one of the reasons for this success, among other things.

This study aims to determine the effect or degree of influence advertising have on consumers' brand preferences. This study will focus on the topic of consumer behavior, brand preference, and purchasing behavior in relation to the impact of advertising on it. It will aid in gaining in-depth understanding of the subject and be very advantageous from

both an academic and practical standpoint. The volume of advertising for organizational goods and services has a significant impact on consumer brand preference.

Statement of the Problem

Consumer brand preferences should ideally be impacted by a variety of marketing communication strategies. Due to the availability of a wide range of goods and services, as well as the ongoing brand modification, rebranding, and repackaging made available by modern ICT, businesses, most notably telecommunication corporations, are currently at risk of going out of business.

It is noticeable that the successful adoption of advertisement as one of the marketing communication mix is not without Challenges. Also, its effectiveness and sustainability is a matter for discourse. Also, researches have been carried out by some researchers such as (Cross, 2019; Harikaran, Hemalatha, and Vishnu, 2018; Bruktawit, 2017; Ayanwale, Alimi and Ayanbimipe 2005)^[6, 7, 4, 3] on advertisement and its impact on consumer brand preference and have been reported with various conclusions, but these studies have scarcely been conducted using Globacom Nigeria alone as a case study. Hence, this research work tends to bridge these gaps by determining the justification of the huge amount spent on advertisement vis-a-vis its impact on consumer brand loyalty and preference, also the impact of advertisement on consumer's brand preference in telecommunication company in Nigeria.

Therefore, the goal of this study is to carry out a research on the impact of advertisement on consumer brand preference in Globacom Nigeria through their Lokoja office in Kogi State Nigeria.

Research Questions

1. What are the roles played by advertisement in creating a positive consumer brand preference?
2. What are the significant constraints against the development of advertisement among telecommunication companies in Nigeria?
3. Is there any justification for the huge amount being spent on advertisement by telecommunication companies in Nigeria?

Objectives of the Study

1. To ascertain the significant roles played by advertisement in creating a positive consumer brand preference.
2. To identify the significant constraints against the development of advertisement among the telecommunication companies in Nigeria
3. To determine if there is any justification for the huge amount being spent on advertisement by telecommunication companies in Nigeria.

Research Hypotheses

H01: Advertisement does not play any significant role in creating a positive brand consumer preference

H02: There are no significant constraints against the development of advertisement among telecommunication companies in Nigeria.

H03: There is no justification for the huge amount of money being spent on advertisement by telecommunication companies in Nigeria.

Empirical Review

Cross (2019) ^[6] examined effect of advertisement on consumer brand preference. Three major telecoms were used (MTN, GLO AND AIRTEL). Primary data were collected with the use of questionnaire and interview and analysed using descriptive statistics. The study concluded that advertisement remain a major tool for telecom companies to gain market share.

Harikaran, Hemalatha, and Vishnu (2018) ^[7] Examined Influence of Advertisement in Consumer Brand Preference with special reference to Coimbatore city. Primary data were collected with the use of structured questionnaire. Analysis were done with the use of simple percentage and chi-square method. Findings revealed that The study indicates that customers are highly satisfied with the Branded products. The study concluded that Customer satisfaction is a measure of how products and services supplied by an advertisement company meet or surpass customer expectation. It recommended that Branded companies should focus on strong implementation of the marketing mix in ways that serve both the customers and the company

Bruktawit (2017) ^[4] explore the impact of advertisement on consumers brand preference in the case of Anchor milk. It followed a deductive form of research approach and the research design was explanatory. Questionnaires were used to collect primary data by using a self-administered data collection system from 384 respondents, out of which 361 valid questionnaires were collected and analyzed. These respondents were selected by using a non-probability sampling technique, which is Judgment Sampling method. The data were analyzed using descriptive statistics (frequency, percentage) and inferential statistics like correlation and multiple regressions. The finding revealed that there are positive and significant relationships between media used for advertising, source factor, message factor and brand preference of Anchor milk. Eventually, this study recommends appropriate actions for companies in refining their advertising strategies as a means of overcoming the intense competition that exist in the market, therefore, they

can increase their sales volume and market share.

Ayanwale, Alimi and Ayanbimipe (2005) ^[3] studied the effects of Advertisement on consumer brand preference for Bournvita (which is a leading Food drink in the food and beverage industry). His Results showed that both male and female from different age groups and regions were influenced by advertising done by the brand. Highest reason for the adoption of the brand by consumers was due to its very informative and lively advertisement (42%) and its rich quality in taste (40%).

Methodology

This study adopted exploratory and survey design. Data were collected through primary source with use of questionnaire. The population of this study comprises 4,000 customers of GLOBAL NIGERIA, in Lokoja. The questionnaire was constructed using a five- point Likert scale. A sample size of Fifty-two (400) respondents was selected for the study. Copies (400) of Questionnaire were distributed and returned. The sample size was derived using the Slovin's formula. Data were collected, presented and analyzed with the use of descriptive statistics such as frequency tables and simple percentage and hypotheses were tested with the use of ANOVA and Chi-square statistical method.

The calculation formula of Slovin's is presented as $n = \frac{N}{1 + N e^2}$

Where:

n= minimum sample size required

N = number of people in the population

e = allowable error

$4,000 / (1 + 4000 * 0.05^2) = 399.90$

Since fraction cannot be applicable in human figure, the sample size is approximated to the nearest whole number which is 400.

Results

Research Question 1: What are the roles played by advertisement in creative a positive consumer brand preference?

Table 1: Analysis of responses to the roles played by advertisement in creative a positive consumer brand preference

S/No		SA	A	UD	D	SD	Remark
1.	Advertisement plays a significant role in creating a positive brand preference among the telecommunications consumers in Nigeria.	173 43%	225 57%	0	0	0	Agree
2.	Loyalty to Globacom depends on the volume of advertising	112 28%	115 29%	61 15%	7 2%	105 26%	Agree
3.	Consumer's preference of Globacom products is related to exposure to advertisement of the product	244 61%	135 34%	21 6%	0	0	Agree
4.	Advertisement convince you to buy the same brands	151 38%	110 28%	4 1%	55 14%	80 20%	Agree
5.	Advertisement motivate you to shift from one brand to another brand	130 33%	123 31%	34 9%	3 1%	110 26%	Agree
6.	Advertisement helps in consumer brand preference formation and sustenance	226 57%	174 44%	0	0	0	Agree

The results of the analysis presented in Table 1 revealed that, majority of the respondents agreed that advertisement played a significant role in creating a positive consumer brand

preference. **Research question 2:** To identify the significant constraints against the development of advertisement among the telecommunication companies in Nigeria?

Table 2: Response to constraints against the development of advertisement in Nigeria

S/No	Item	SA	A	UD	D	SD	Remark
7.	There are significance constraints against the development of advertisement in Nigeria.	141 35%	218 55%	41 10%	0	0	Agree
8.	The cost of running advertisement in Nigeria is very high	215 54%	176 44%	9 2%	0	0	Agree
9.	Literacy level of target audience determines the success rate of advertisement	213 53%	187 47%	0	0	0	Agree
10.	Cultural difference is a factor in advertisement campaign	162 40%	215 54%	15 4%	8 2%	0	Agree

The result in table 2 showed that majority of the respondents agreed that all the statements in the in the table are the significant constraints against the development of advertisement among the telecommunication companies in

Nigeria.

Research question 3: Is there any justification for the huge amount being spent on advertisement by telecommunications companies in Nigeria?

Table 3: Response on the justification for the huge amount being spent on advertisement by telecommunications companies in Nigeria

S/No	Item	SA	A	UD	D	SD	Remark
11.	There is a justification for the huge amount being spent on advertisement by telecommunications companies in Nigeria.	160 40%	216 54%	18 5%	6 1%	0	Agree
12.	Despite the expensive nature of advertisement, it is important in the marketing of a product	197 49%	177 44%	10 2%	16 4%	0	Agree
13.	Advertisement is inevitable due to high level of competition in the telecom sector	145 36%	200 50%	35 9%	6 2%	14	Agree
14.	Advertisement appeals to people in all age brackets	190 48%	175 44%	5 1%	25 6%	5 1%	Agree

The results in Table 3 revealed that majority of the respondents agreed with all the statements put in place to inferred response the justification for the huge amount being spent on advertisement by telecommunications companies in Nigeria.

Test of Hypotheses

H0₁: Advertisement does not play any significant role in creating a positive brand preference among the telecommunications consumers in Nigeria.

Table 4: Analysis of Variance ANOVA showing significant role in creating a positive brand preference among the telecommunications consumers in Nigeria

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	29.831	7	4.262	11.279	.000*
Within Groups	148.107	392	.378		
Total	177.938	399			

The results presented in Table 4 revealed $f=11.279$, $df= 7$, 392 , $p=0.000$. Since P value is lesser than 0.05 level of significance. The null hypothesis 1 is rejected. Therefore, advertisement play a significant role in creating a positive brand preference among the telecommunications consumers

in Nigeria

H0₂: There are no significant constraints against the development of advertisement among telecommunications companies in Nigeria.

Table 5: Chi-Square test showing significant constraints against the development of advertisement among telecommunications companies in Nigeria

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	120.778 ^a	21	.000*
Likelihood Ratio	155.299	21	.000
Linear-by-Linear Association	38.414	1	.000
N of Valid Cases	400		

The result of chi-square in Table 5 shows that chi-square value 120.778· P value 0.000 lesser than 005 level of significance. Thin implies that there is a significant constraint against the development of advertisement among

telecommunications companies in Nigeria

H0₃: There is no justification for the huge amount of money being spent on advertisement by telecommunications companies in Nigeria.

Table 6: Chi-square showing justification for the huge amount of money being spent on advertisement by telecommunications companies in Nigeria

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	53.946 ^a	15	.000*
Likelihood Ratio	73.286	15	.000
Linear-by-Linear Association	.257	1	.612
N of Valid Cases	400		

The result of chi-square in Table 6 revealed that chi-square value 53.946. *P value* 0.000 lesser than 005 level of significance. This indicates that there is justification for the huge amount of money being spent on advertisement by telecommunications companies in Nigeria.

Discussion of Findings

Findings of the study revealed that advertisement plays a significant role in consumer brand preference among telecommunications consumers in Nigeria. This means that advertisement influences customers' brand buy decision in telecommunications in Nigeria. The findings support the study of Cross (2019) [6] who found that advertisement remains a major tool for telecom companies to gain market share.

Also, the study revealed that there are constraints against successful advertisement among telecommunications companies in Nigeria. These include high cost of running advertisement, level of target audience and cultural difference as a factor in advertisement campaign.

Finally, the study revealed that there is justification for the huge amount of money being spent on advertisement by telecommunications companies in Nigeria. This is because advertisement is inevitable due to the high level of competition in the telecom sector. The findings support the research outcome of Bruktawit (2017) [4] who revealed that there are positive and significant relationships between media used for advertising, source factor, message factor and brand preference of Anchor milk.

Conclusion and Recommendations

In the light of the above findings and other previously discussed in the study, it could be concluded that the impacts of advertisement in building a very strong brand preference cannot be over-emphasized. Advertisement is a formidable tool in building consumer brand preference and loyalty in telecommunications industry and a means of educating, informing and persuading various consumers of their products as well as a sustainable means of influencing consumer brand preference.

Based on our findings, after a thorough analysis of data collected in the course of this research work, the following recommendations are put forward:

1. Telecoms companies should make adequate budget for advertisement planning and campaigns. This will allow proper planning in building an effective advertisement.
2. Advertisement as a promotional mix should be used to build, retain and maintain consumer brand preference which will lead to long-term consumer loyalty to the company.
3. Consumer's buying behavior should be continuously observed while preparing the advertisement messages with a view to influencing their choices and well as building a strong and positive brand preference.

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