
The Role of Advertising in Creating Awareness on Sales in Cadbury Nigeria Plc

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Abstract

In an imperfect market situation, an organization has to plan a superior product development, advertise it using all promotional tools and strategies to create awareness. The essence is to uphold the superior strength of such products. This study is aimed at examining the role of advertising in creating awareness on sales in Cadbury Nigeria plc. Data required for this study was gathered from two sources, the first from a field study and the second from text books, journals and past studies. The population for this study was 195 employees in the marketing and sales department of Cadbury Nigeria plc. Lagos, the sample size derived from the population was 131. Questionnaires were administered for elicitation of relevant responses and data gathered were analyzed using simple percentage and frequency tables and finally hypothesis test was carried out using regression with the aid of statistical package for social science (SPSS). Result indicated there is a significant relationship between advertising and awareness of Cadbury Nigeria's products $R = 90.2\%$, $R^2 = 83.8\%$. This study recommends that organizations should invest more resources in advertisement as a means of creating proper awareness of their products/services.

Keywords: *Advertising, Awareness, Sales, Cadbury Nigeria Plc., Creating.*

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Background to the Study

Over the years, advertising has become a regular strategy for positioning products, services and ideas in the market place. Yet, an over dependence on advertising could be counterproductive and disdainful for the targeted audience who often regard excessive advertising as information overload (Kabuoh, 2002). In spite of the growing criticism about the effectiveness or otherwise of advertising, its relevance in contemporary marketing management is not in doubt. Advertising now revolves round the individual's. Scanning through newspapers, magazines, listening to radio, watching television programs or taking a walk, the chances are that the individual will be exposed to some form of advertising message or the other like "Guinness is good for you"; "There are two cars in the world, Benz and others", (Even though Hommer has outdated Benz); "MTN, World leading global network" etc. (Kabuoh & Ogbuanu, 2013).

Advertising is the process of bringing a product or service to the awareness of potential and current customers. Kotler (2003) states that it is a non-personal form of communication paid for by an identified sponsor, relayed through various media with the aim of influencing people's behavior towards the advertiser's product and services at lowest possible cost. Akanbi and Adeyeye (2011) believe that advertising gives the knowledge about the product and creates the idea in mind about it. Advertising has become a powerful communication tool in passing message about the products and services to both customers and potential customers. When there is adequate awareness through advertising, high patronage will be achieved, which will result to an increase in sales volume, productivity and profit level of the organizations. However, poor product communication to the final consumers could give competitors an edge in terms of loyalty to brands, sales volume and high market share. A major consequence of this has been the major setbacks for matured industries.

Statement of the Problem

One of the most pressing challenges faced by any organization is the development of appropriate

Promotional strategy of getting its product/service across and making it known and available to customers through effective communication and customer relationship management (Kabuoh, Egwuonwu & Ogbonna, 2015). Stiff competition in the food and beverage sector has posed challenges to operators of these industries of which Cadbury Nigeria is one. To survive and remain sustained means that both pull and push types of communication strategies must have to be adopted in form of continuous advertising to create awareness to both potential and prospective customers. But despite the importance of these strategies, firms still find it difficult to effectively carry out advertising which is believed to lead to better awareness of products. While some companies attribute the cause of little or inadequate advertising to cost and time consuming, others blame it to waste of time and resources. Hence the need for this study.

Objective of the Study

To determine the role played by advertising on creating awareness of Cadbury Nigeria's products.

Research Question

What is the role played by advertising on creating awareness of Cadbury Nigeria's products?

Hypothesis

H₀: Advertising does not play a significant role on creating awareness on sales of Cadbury Nigeria's products.

Literature Review

Advertising

It is believed that advertising campaign cannot be solely responsible for recorded increase in its sales after campaign, other unrecognizable factors like higher income for potential customers, reduction problems of competitors, improved customer relation of distributors and retailers, and other unnoticeable factors apart from the campaign may be responsible for the company's improved sales (Akanbi & Adeyeye, 2011). Morden (1991) believes that advertising gives the knowledge about the product and create the idea in mind about it.

Busari (2002) as cited in Adekoya (2011) says that advertisements can also be seen on the seats of grocery carts, on the wall of airport walkways, on the sides of buses, airplanes and trains. Advertisements are usually placed anywhere an audience can easily and/or frequently have visual and/or video access. Akanbi and Adeyeye, (2011) discover that advertising as a subset of promotion mix has a significant effect on sales turnover. Adekoya (2011) finds that advertising influence consumer buying behavior, which means it, helps to increase sales turnover.

Effect of Advertising on Organizational Sales

Advertising has really played an important role in increasing the sales volume of any company's product at any point; in fact, it has contributed immensely to increasing growth of many companies in various industries. Because it has placed positive image of the company's product in mind of the potential consumers and this can influence buying behavior. Bennett (2006) sees promotion as a process of delivering messages about the products or service from the marketer to the potential buyers. Basically, the main objective of communication is to inform and persuade. There is no gain in saying that consumers must know that a product exists; otherwise, they may not understand how the product can meet their needs. Therefore, the first objective of communication is to disseminate information.

The consumers may want to be assured that the product can satisfy their needs. Hence, some persuasion is required to encourage the consumers to buy the products. Alonge (2001) views it as "means of drawing someone's attention to something or notifying or

informing somebody of something". Courtland (2003) sees advertising as non-personal communication information, usually paid for and usually persuasive in nature, about products, services or ideas by identified sponsors through various media. Akanbi and Adeyeye, (2011) see advertising as a tool of marketing for communicating ideas and information about goods and services to an identified group, which employs paid space or time in the media or uses another communication vehicle to carry its message. Kotler (2003) defines advertising as a non-personal communication paid for by an identified sponsor who is relayed through various media with the aim of influencing people's behavior towards the advertiser's products and services at the lowest possible cost. Frank (2005) as cited in Akanbi and Adeyeye, (2011) defined advertising as the aim to persuade people to buy.

Wanoff (2007) observes that advertising consist of all the activities involved in presenting to a group a non-personal, oral or visual, openly sponsored message regarding a product, service or idea. This message, called an advertisement, is disseminated through one or more media and is paid for by the identified sponsor. The major role of advertising is to inform, to persuade and to remind the potential customers about the available product. Alonge (2001) feels that advertising can be defined as any paid form of non-personal communication which is directed to the consumers or target audiences through various media in order to prevent and promote product, services and idea.

Empirical Review of Advertising

Adeolu, Taiwo and Matthew (2005) seek to examine the influence of advertising on consumers' purchase of Bournvita, one of the products manufactured by Cadbury Nigeria Plc; find out that advertising has a major influence on consumers' preference for Bournvita and it has in no small measure, contributed to its success. In the same view Adekoya (2011) reveals that advertising has helped to position product or service strongly in the mind of the consumer in order to encourage repeat purchase of the product, so that the competitors will not have an edge over them. This also creates brand loyalty and product differentiation. Akanbi and Adeyeye (2011) carried out a research work on the influence of advertising on sales and linear regression using ordinary least square method was used to analyze the data. The result confirmed that a positive and significant relationship existed between advertising and sales.

Sajuyigbe, Amusat and Oloyede (2013) Advertising is the life blood of any organization; its activities cannot be underestimated for a company who wishes to remain in a global competitive environment. This research paper examined the impact of advertising on sales turnover with special reference to Nigerian Breweries Plc. Result showed that there is a strong positive significant relationship between advertising and sales turnover and it was discovered that the importance of advertising cannot be underestimated in achieving organization stated objectives, especially in this global business competitive environment.

Methodology

Data required for this study was gathered from two sources, the first from a field study and the second from text books, journals and past studies. The population for this study was 195 employees in the marketing and sales department of Cadbury Nigeria plc. Lagos, the sample size derived from the population was 131 through Taro Yamane formula and 127 were returned and used for the study. This study employed questionnaires for both respondents biodata and for the study topic applying the modified Likert scale where 6= strongly agree, 5= agree, 4=fairly agree, 3= fairly disagree, 2= Disagree and 1= strongly disagree and this will contain questions relating to the study variables: What is the role played by adverting on creating awareness of Cadbury Nigeria's products?

Information gathered was converted into data using simple percentage and frequency tables and finally hypotheses test was carried out using regression with the aid of Statistical Package for Social Science (SPSS).

The sample size is gotten through the **TaroYamane Formula**: $n = \frac{N}{1+Ne^2}$

Where n = desired sample size

N = population size

e = maximum acceptance margin of error for the study

The desired sample size is calculated below:

$$n = \frac{195}{1+195(0.05)^2}$$

$$1+195(0.05)^2$$

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$$1+195(0.05)^2$$

$$n = \frac{195}{1+195(0.0025)}$$

$$1+195(0.0025)$$

$$n = \frac{195}{1+0.4875}$$

$$1+0.4875$$

$$n = \frac{195}{1.4875}$$

$$1.4875$$

$$n = 131 \text{ respondents as sample size}$$

Table 1 Questions on Advertising

S/N	Advertising	SA (%)	A (%)	FA (%)	FD (%)	D (%)	SD (%)	T (%)
1	Advertising tells consumer about the entrant of a new product	47 (38%)	39 (31%)	21 (17%)	10 (8%)	5 (3%)	5 (3%)	127 (100%)
2	Advertising tells consumer about the existence of an old product	31 (25%)	47 (38%)	22 (17%)	12 (9%)	9 (7%)	6 (4%)	127 (100%)
3	Advertising persuade consumers to buy	46 (37%)	45 (36%)	31 (24%)	3 (2%)	1 (0%)	1 (0%)	127 (100%)
4	Advertising influence consumer purchase intention	43 (34%)	41 (33%)	38 (29%)	6 (4%)	0 (0%)	0 (0%)	127 (100%)
5	Advertising is a strategic tool for increase sales	51 (41%)	42 (34%)	23 (18%)	6 (4%)	3 (2%)	2 (1%)	127 (100%)

Source: Survey Field 2016

From the above table shown, it could be depicted that under advertising 38% strongly agree, 31% agree, 17% fairly agree, 8% fairly disagree, 3% disagree, while 3% also strongly disagree that Advertising tells consumer about the entrant of a new product., 25% strongly agree, 38% agree, 17% fairly agree, 9% fairly disagree, 7% disagree, while 4% also strongly disagree that Advertising tells consumer about the existence of an old product., 37% strongly agree, 36% agree, 24% fairly agree, 2% fairly disagree, 0% disagree, while 0% also strongly disagree that Advertising persuade consumers to buy., 34% strongly agree, 33% agree, 29% fairly agree, 4% fairly disagree, 0% disagree, while 0% also strongly disagree that Advertising influence consumer purchase intention., lastly, 41% strongly agree, 34% agree, 18% fairly agree, 4% fairly disagree, 2% disagree, while 1% also strongly disagree that Advertising is a strategic tool for increase sales.

Table 2 Questions on Awareness

S/N	Awareness	SA (%)	A (%)	FA (%)	FD (%)	D (%)	SD (%)	T (%)
1	Awareness of product can be made via advertising	45 (36%)	37 (30%)	25 (20%)	11 (8%)	4 (3%)	5 (3%)	127 (100%)
2	Awareness of a product leads to increase sales	47 (38%)	21 (17%)	29 (23%)	28 (22%)	1 (0%)	1 (0%)	127 (100%)
3	Awareness of a product leads to increase profit	49 (38%)	44 (34%)	30 (23%)	2 (1%)	1 (0%)	1 (0%)	127 (100%)
4	Awareness of a product leads to increase market share	41 (32%)	45 (36%)	37 (29%)	4 (3%)	0 (0%)	0 (0%)	127 (100%)
5	Awareness of a product gives customers insight on where to buy them	39 (30%)	40 (31%)	29 (22%)	10 (7%)	9 (7%)	0 (0%)	127 (100%)

Source: Field Survey 2016

From the above table shown, shows that under awareness 36% strongly agree, 30% agree, 20% fairly agree, 8% fairly disagree, 3% disagree, while 3% also strongly disagree that Awareness of product can be made via advertising., 38% strongly agree, 17% agree, 23% fairly agree, 22% fairly disagree, 0% disagree, while 0% also strongly disagree that Awareness of a product leads to increase sales., 38% strongly agree, 34% agree, 23% fairly agree, 1% fairly disagree, 0% disagree, while 0% also strongly disagree that Awareness of a product leads to increase profit., 32% strongly agree, 36% agree, 29% fairly agree, 3% fairly disagree, 0% disagree, while 0% also strongly disagree that Awareness of a product leads to increase market share., lastly, 30% strongly agree, 31% agree, 22% fairly agree, 7% fairly disagree, 7% disagree, while 0% also strongly disagree that Awareness of a product gives customers insight on where to buy them.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.902(a)	.838	.791	.10121

a. Predictors: (Constant), advertising

ANOVA (b)

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	18.987	1	8.654	213.765	.000(a)
	Residual	6.091	125	.056		
	Total	13.765	126			

a. Predictors: (Constant), advertising

b. Dependent Variable: awareness

Coefficients (a)

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta	B	Std. Error
1	(Constant)	2.012	.054		36.786	.000
	Advertising	.453	.041	.902	10.987	.000

a. Dependent Variable: awareness

Result for regression analysis on the effect of advertising on awareness

N	Df	Correlation ®	Co-efficient (R ²)	Sig Level	t-cal	t-tab	F-cal	Remark
131	127	0.902	0.838	0.000	10.987	1.984	213.765	Sig

Source: Field Survey, 2016

Interpretation

Since the result gotten shows that the $R = 90.2\%$, $R^2 = 83.8\%$ which is high and moderate, and t-calculated value is 10.987 which is greater than t-tabulated of 1.984 under 126 degrees of freedom at 0.000 significant level less than the generally 0.05 level of significance. Consequently the null hypothesis was rejected and the alternative accepted owing to the fact that there is a significant relationship between advertising and awareness of Cadbury Nigeria's products.

Discussion of Findings

From the findings above, it can be deduced that Advertising plays a significant role on creating awareness of Cadbury Nigeria's products. These findings are in agreement with that of Akanbi and Adeyeye (2011) who believe that advertising campaign cannot solely responsible for recorded increase in its sales after campaign. Other unrecognizable factors like higher income for potential customers, reduction problems of competitors, improved customer relation of distributors and retailers and other unnoticeable factors apart from the campaign may be responsible for the company's improved sales.

Conclusion and Recommendations

From the research findings, advertising has a significant role to play in the creation of proper awareness in the sales of Cadbury Nigeria products. Other unrecognizable factors like higher income for potential customers, reduction problems of competitors, improved customer relation of distributors and retailers, and other unnoticeable factors apart from the campaign may be responsible for the company's improved sales. Advertising gives the knowledge about the product and create the idea in minds of consumers about it.

It was found that some companies despite the importance of advertising as a strategic tool, do not give adequate attention as a result of cost and time constraints. We therefore, make the following recommendations;

1. Cadbury Nigeria should imbibe advertising as a strategic tool for promotional sales. This will enhance among other identified variables sales and organizational sustainability.
2. Operators of food and beverage companies are encouraged to benchmark competitors and do environmental scanning to outwit competitors and stand as market leader.
3. There is need to disregard the cost of advertising and time associated with advertising campaign. For at the short run, it might be tough but at the long run, it pays off by achieving its objective of increased sales and profitability.

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