

## The Influence of Advertising on Consumer Brand Preference

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**KEYWORDS** Advertisement; consumer loyalty; brand; manufacturer

**ABSTRACT** The proliferation of assorted brands of food drinks in the country has led to cut-throat competition for increased market share being witnessed among the operators in the food drink industry. When competition is keen and the consumers are faced with brand choice in the market, it becomes imperative for the manufacturers to understand the major factors that can attract the attention of buyers to his own brand. These then form the basis for marketing planning and action. This study, which was based on a survey of 315 randomly selected consumers of food drinks in Lagos, Ibadan and Ile-Ife, cities in Southwestern Nigeria, examined the role played by advertising in influencing consumers preference for Bournvita, which is one of the leading food drinks in the Food and Beverage industry in Nigeria. Results revealed that both male and female and different age groups were equally influenced by advertising in their preference for the brand. 38.73% of the consumers showed preference for Bournvita out of the various brands of the food drink studied. The major reasons advanced for the preference are its captivating advertising (42.62%) and rich quality (40.16%). TV advertising was most preferred by 71.43% of the respondents of all the media used in advertising Bournvita. The need for high preference to advertising is therefore highlighted for companies that want to not only retain their market but take positive steps to increase their market share.

### INTRODUCTION

The essence of being in business by any business outfits is to produce for sales and profits. In order to remain in business an organization must generate enough sales from its products to cover operating costs and post reasonable profits. For many organizations, sales estimate is the starting point in budgeting or profit planning. It is so because it must be determined, in most cases, before production units could be arrived at while production units will in turn affect material purchases.

However, taking decision on sales is the most difficult tasks facing many business executives. This is because it is difficult to predict, estimate or determine with accuracy, potential customers' demands as they are uncontrollable factors external to an organization. Considering, therefore, the importance of sales on business survival and the connection between customers and sales, it is expedient for organizations to engage in programmes that can influence consumers' decision to purchase its products. This is where advertising and brand management are relevant. Advertising is a subset of promotion mix which is one of the 4ps in the marketing mix i.e product, price, place and promotion. 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.

### LITERATURE REVIEW

#### Definition of Advertising

Advertising, sales promotion and public relations are mass-communication tools available to marketers. As its name suggests, mass communication uses the same message for everyone in an audience. The mass communication tools trade off the advantage of personal selling, the opportunity to tailor a message to each prospect, for the advantage of reaching many people at a lower cost per person (Etzel et al., 1997).

Today, definitions of advertising abound. We might define it as communication process, a marketing process, an economic and social process, a public relations process or an information and persuasion process (Arens, 1996).

Dunn et al. (1978) viewed advertising from its functional perspectives, hence they define it as a paid, non-personal communication through various media by business firms, non-profit organization, and individuals who are in some way identified in the advertising message and who hope to inform or persuade members of a particular audience.

Morden (1991) is of the opinion that advertising is used to establish a basic awareness of the product or service in the mind of the potential customer and to build up knowledge about it. Kotler (1988) sees advertising as one of the four

major tools companies use to direct persuasive communications to target buyers and public noting that “it consists of non-personal forms of communication conducted through paid media under clear sponsorship”. According to him, the purpose of advertising is to enhance potential buyers’ responses to the organization and its offering, emphasizing that “it seeks to do this providing information, by channeling desire, and by supplying reasons for preferring a particular organization’s offer.

While writing on advertising nature and scope, Etzel et al. (1997) succinctly capture all advertising as having four features:

- (i) A verbal and or visual message
- (ii) A sponsor who is identified
- (iii) Delivery through one or more media
- (iv) Payment by the sponsor to the media carrying the message.

Summarizing the above, they conclude that “advertising then consist of all the activities involved in presenting to an audience a non-personal, sponsor-identified, paid-for message about a product or organization”.

Those views of Etzel et al. (1997) coincide with the simple but all-embracing definitions of Davies (1998) and Arens (1996). For instance, while Davies states that “advertising is any paid form of non-personal media presentation promoting ideas/concepts, goods or services by an identified sponsor. Arens expressing almost the same view describes advertising as “the personal communication of information usually paid for and usually persuasive in nature about products (goods and services) or ideas by identified sponsors through various media”.

From the foregoing, it could be concluded that the purpose of advertising is to create awareness of the advertised product and provide information that will assist the consumer to make purchase decision, the relevance of advertising as a promotional strategy, therefore, depends on its ability to influence consumer not only to purchase but to continue to repurchase and eventually develop-brand loyalty. Consequently, many organizations expend a huge amount of money on advertising and brand management.

A brand is a name given by a manufacturer to one (or a number) of its products or services. Brands are used to differentiate products from their competitors. They facilitate recognition and where customers have built up favorable attitude towards the product, may speed the individual

buyers through the purchase decision process. Individual purchasers will filter out unfavourable or un-known brands and the continued purchase of the branded product will reinforce the brand-loyal behaviour. Without brands, consumer couldn’t tell one product from another and advertising then would be nearly impossible.

### **Advertising and Consumer Behaviour**

Advertiser’s primary mission is to reach prospective customers and influence their awareness, attitudes and buying behaviour. They spend a lot of money to keep individuals (markets) interested in their products. To succeed, they need to understand what makes potential customers behave the way they do. The advertisers goals is to get enough relevant market data to develop accurate profiles of buyers-to-find the common group (and symbols) for communications this involves the study of consumers behaviour: the mental and emotional processes and the physical activities of people who purchase and use goods and services to satisfy particular needs and wants (Arens, 1996).

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. Consumer behaviour analysis helps to determine the direction that consumer behaviour is likely to make and to give preferred trends in product development, attributes of the alternative communication method etc. consumer behaviours analysis views the consumer as another variable in the marketing sequence, a variable that cannot be controlled and that will interpret the product or service not only in terms of the physical characteristics, but in the context of this image according to the social and psychological make-up of that individual consumer (or group of consumers).

Economic theory has sought to establish relationships between selling prices, sales achieved and consumers income, similarly, advertising expenditure is frequently compared with sales. On other occasions financial accounting principles maybe applied to analyse profit and losses. Management ratios, net profit before tax, liquidity and solvency ratios can all be investi-

gated. Under the situations the importance of the consumer's motivations, perceptions, attitudes and beliefs are largely ignored. The consumer is assumed to be "rational" that is, to react in the direction that would be suggested by economic theory and financial principles. However, it is often apparent that consumer behaviours does not fall neatly into these expected patterns. It is for these reason that consumer behaviour analysis is conducted as yet another tool to assess the complexities of marketing operations.

The proliferation of assorted brands of food drinks in the country has led to the cut-throat competition for increased market share being witnessed currently among the operations in the food drink industry. Today, in Nigeria, there exists more than twenty brands of food drink both local and foreign, out of which two, namely Cadbury Nigeria Plc's Bournvita and Nestle Nigeria Plc's Milo keenly compete for market leadership. There are quite a host of up-coming and low-price localized brands in small sachets with "Vita" suffixes springing up in every nook and cranny of the country. Existing and popular brands, therefore, face intense competition with the "affordable" localized "Vitas" with high sugar content targeted at the low-income groups. It is, therefore, imperative for the more established brands like Bournvita to employ brilliant advertising and branding strategies to influence consumers' behaviours in order to continue to enjoy and maintain market leadership.

Given the competitive environment in the food and beverages sub sector of the economy and the high potential of advertising in helping companies realise and retain their position this paper examine the influence of advertising on a leading company in the food and beverages sub sector as a case study.

### **Objectives of the Study**

The purpose of this study is to examine activities of Cadbury Nigeria PLC with respect to branding and advertising of Bournvita which is the flagship of its products. This research work is also designed to achieve the following specific objectives. To:

- (i) examine the influence of advertising on consumer buying behaviours
- (ii) determine the influence of age on advertising
- (iii) make recommendation for further improvement in advertising and brand management so as to assist Cadbury Nigeria PLC in

particular and other firms in the Food and Beverage industry in general in their marketing efforts to increase their market shares.

The paper tested the hypothesis that the age group of consumers does not determine the reception of advertising efforts by Cadbury Nigeria PLC.

### **THE COMPANY –CADBURY NIGERIA PLC**

Cadbury Nigeria Plc, the subject of this study, is the leading company in Nigeria in confectionary, food drinks, and foods whose quality brands and products are available and enjoyed in all 36 states of the nation and Federal Capital Territory as well as in export market around the world. Cadbury Nigeria Plc was incorporated on 9<sup>th</sup> January, 1965 and it has since grown to become a leading manufacturing concern in the Food and Beverage sector maintaining its leadership role in the business community and the society at large.

In 1976, the company went public and this has significantly increased its scope of operations. Listed in the elite First tier securities of the Nigerian Stock Exchange (NSE), Cadbury Nigeria PLC's shares are actively traded in the stock market and it is one of the fast moving stocks and price gainers in the Food/Beverages and Tobacco sector in particular and in the equities market of the NSE in general.

Cadbury Nigeria PLC engages in the food processing business, its major product lines consist of food drinks, sugar confectionery chocolate and seasoning cubes. The company is presently partly owned by the Nigeria Public and the foreign technical partner the Cadbury Schweppes Group of United Kingdom, which provides the company with technical services under a Technical services Agreement approved by National Office for Technology Acquisition and Promotion (NOTAP), and holds 40% of the issued share capital while the balance is held by the Nigeria Public (Cadbury Nigeria Plc Annual Report, 1999).

Apart from Bournvita, brands such as Pronto, Richoco, among others, are also found in the company's product Portfolio (Fact File, 1998/99). However, Cadbury's flagship brand, Bournvita is, no doubt, in a competitive environment with other brands such as Milo, Vitalo, Ovaltine, Nescafe, Toptea, Lipton and other cheaper local brands all of them striving to increase their market

share through varying marketing strategies such as sales promotion, personal selling and provision of point-of-sale materials such as T-shirts, Cups, Posters, Shelf strips etc to stir, attract and retain more consumers of their products. (Oladosu, 1993). In view of this, effective communication between the firm and the market place through advertising stressing product benefits and brilliant brand management are sure ways of increasing market share, maintaining market leadership and creating band-loyal behaviour in their consumers.

### Data Source

The data used for this study were obtained from basically two sources. Primary and Secondary. However, the major data for the work were collected by means of structured questionnaire. Three hundred and fifty (350) copies of questionnaire were administered on the members of the public through trained personnel in three major cities namely: Lagos, Ibadan and Ile-Ife at 150,100, and 100 copies, respectively. The respondents were selected randomly at each of the locations while the distribution was aimed at reflecting the population of each of these cities.

However, three hundred and fifteen (315) of the questionnaire representing 90% of the total was responded to. In 138 representing 92% from Lagos, 77(77%) from Ibadan while all the 100 questionnaire were responded to in Ile-Ife. Of the total of 315 respondents, 158(50.165) were male 157(49.84%) were female.

The secondary data that were also of great assistance were extracted from the company's annual reports and other in-house publications for the period under study.

### Analysis of Data

Both descriptive and inferential statistics were used in analyzing the data collected. The responses by the consumers to some items of the questionnaire were compiled into tables according to the main variables being examined. Percentage analysis was used in examining variables such as consumer brand preference, media preference awareness sources, etc while inferential statistical model,  $\chi^2$  (Chi-Square) was used in testing the hypothesis generated from the study. The  $\chi^2$  values calculated was compared with the tabulated values of  $\chi^2$  using 5% significance level and 2 degrees of freedom.

## RESULTS

Vital socioeconomic parameters of interest were investigated to bring to the fore salient characteristics of the respondents.

**Table 1: Distribution of consumers by sex**

<i>Sex</i>	<i>Frequency</i>	<i>Percentage</i>
Male	158	50.16
Female	157	49.84
Total	315	100

Source: Analysis of Field Survey (2000)

Table 1 above revealed that consumers of the products are almost evenly distributed among both sexes, with the number of males marginally higher than that of female. This may suggest gender neutrality in the consumption of the products.

**Table 2: Consumer's age distribution**

<i>Age in Years</i>	<i>Frequency</i>	<i>Percentage</i>
<10	21	6.67
11-15	27	8.57
16-20	29	9.21
21-25	42	13.33
26-30	35	11.11
31-35	49	15.56
36-40	46	14.6
41-45	24	7.62
46-50	10	6.03
51-55	12	3.81
56-60	11	3.49
Total	315	100.00

Source: Analysis of Field Survey (2000)

As presented above, the Table 2 showed the consumers' age range between 10 and 60 years. It could be seen from the distribution that the modal age group is between 31-35 with about 15 percent of the total sample. Over 30 percent of the respondents are within the age range of between 31-40 years. The obvious implication of this finding is the dominance of youths in the market for the products of this company. Elderly people may not be too eager to consumer the product for reasons ranging from health to finance.

Table 3 shows that the three brands (Bournvita, Milo and Richocco) made up more than 75% of the brand preference of consumers. The large number of brands highlights the high competitiveness of the industry and the need for concerted efforts by the various companies not only to maintain their market but to increase their market share.

**Table 3: Consumers' brand preference**

<i>Brands</i>	<i>Frequency</i>	<i>Percentage</i>
Bournvita	122	38.83
Milo	70	22.22
Richoco	59	18.73
Vitalo	16	5.08
Ovaltine	10	3.18
Lipton	8	2.54
Nescao	7	2.22
Pronto	5	1.59
Others	18	5.71
Total	315	100

Source: Analysis of Field Survey (2000)

**Table 4: Consumers reasons for brand preference**

<i>Reasons</i>	<i>Frequency</i>	<i>Percentage</i>
Advertisement	159	50.48
Quality	124	39.37
Availability	19	6.03
Price	6	1.9
Packaging	3	0.95
No Response	4	1.27
Total	315	100.00

Source: Analysis of Field Survey (2000).

The reasons for brand preference by the consumers depicted by the Table 4 above range from Advertising (50.48%) to Packaging (0.95%). The importance role of advertising in retaining and increasing the company's market is obvious from the result and instructive to the management of the company. Advertising and Quality difference made up about 90% of the reason for the observed brand preference.

Table 5 shows Bournvita topped the preference table of Cadburys product with 65.59% of the consumers expressing their preference.

**Table 5: Consumers' preference for Cadbury's brands**

<i>Brand</i>	<i>Frequency</i>	<i>Percentage</i>
Bournvita	122	65.69
Richocco	59	31.59
Pronto	5	2.69
Total	186	100

Source: Analysis of Field Survey (2000)

The Table 6 highlights the reasons advanced for preferring Bournvita by the respondents. Most 42.62% of the consumers gave advertising as the reason for their preference, while 2.46% of the consumers gave the packaging of the brand as their reasons for preference. Tables 6 and 7 shows the prevailing role of advertising in promotion of Bournvita. Obviously Bournvita is the most advertised product of the company, no

wonder that it is the most preferred of the company's products.

**Table 6: Consumers' reasons for preferring Bournvita**

<i>Reasons</i>	<i>Frequency</i>	<i>Percentage</i>
Advertisement	52	42.62
Quality	49	40.16
Availability	13	10.66
Price	5	4.1
Packaging	3	2.46
Total	122	100

Source: Analysis of Field Survey (2000)

Table 7 shows that the most (59.05%) consumers were aware of Bournvita through advertising. However, 2.86% could not remember how they came about the brand.

**Table 7: Consumers' sources of awareness of Bournvita**

<i>Sources</i>	<i>Frequency</i>	<i>Percentage</i>
Advertising	186	59.05
Word-of-Mouth	97	30.79
Sales Promotion	23	7.30
Can't Remember	9	2.86
Total	315	100

Source: Analysis of Field Survey (2000)

Table 8 shows the number of years consumers have been aware of Bournvita. Analysis from the Table showed that 47.94% of the consumers have known the brand for over 20 years while 14.92% of them have known it over 5 years. This product does not seem to follow the product lifecycle model going by the experience and increased demand for it inspite of long years of its introduction into the market. The assertion that some products may not follow the product lifecycle model may be true in this case.

**Table 8: How long consumers have known Bournvita**

<i>No of Years</i>	<i>Frequency</i>	<i>Percentage</i>
Over 20 years	151	47.94
Over 15 years	75	23.81
Over 10 years	42	13.33
Over 5 years	47	14.92
Total	315	100

Source: Analysis of Field Survey (2000)

Table 9 reveals five different media used in advertising Bournvita and how consumers viewed them in order of preference. The results showed that most consumers (71.43%) expressed their preference for TV advertising of Bournvita while Newspaper and Magazine advertising shared 4.44% consumers each. The powerful combination of sound and vision in the TV

advertisements might be reason behind the expressed preference for this media.

**Table 9: Consumers perception of media use in advertising bournvita**

Media	Frequency	Percentage
Television	225	71.43
Radio	45	14.29
Out door display	17	5.4
Newspaper	14	4.44
Magazine	14	4.44
Total	315	100

Source: Analysis of Field Survey (2000)

Table 10 presented the perception by age group of the influence of advertising on Cadburys product in an attempt to test the formulated hypothesis. From the results in the Table 10, 54.17% children and 51.61% youths agreed to the fact that advertising had influence on the sales of Bournvita. The results was used to draw up a contingency  $\chi^2$  table to obtain the  $\chi^2$  calculated. At 2 df and 5% significance level, the  $\chi^2$  tabulated is 5.991 while the calculated  $\chi^2$  value was 0.559 which is lower. We therefore do not reject the null hypothesis and conclude that age group of consumers does not determine the reception of advertising efforts of Cadbury Nigeria Plc.

## DISCUSSION

The study on consumer purchase in the food drink industry was based on a survey of 315 consumers and sought to examine the influence of advertising on consumers' purchase of Bournvita, one of the products manufactured by Cadbury Nigeria Plc. It was also designed, among other things, to investigate the relationship between age group and advertising influence seeking to know specifically whether reception of advertising efforts of Cadbury Nigeria Plc is dependent on consumers' age bracket.

The obtained data from the survey supported the motion that brand preference exists in the food drink industry and that advertising efforts can affect product preferences. Of more than 12

different food drinks brands which featured in this study, Bournvita topped the brand preference table both in the food drink industry in general and in Cadbury's food drink brands in particular implying that it still remains the favorite food drink consumers and enjoys undisputed loyalty among the largest percentage of the respondents.

According to the respondents, advertising and quality are the major factors responsible for the success of Bournvita. Very few subjects cited other reasons such as price, packaging and availability for their choice of the brand. The implication of this is that price and other variables seem not to count much to the consumers as long as the quality of a product is maintained and the brand is also supported by heavy advertising reminding and persuading consumers to continue to buy.

Considering the number of years this product has been in existence vis-à-vis the time it has been known by the respondents, majority of the consumers claimed to have known Bournvita for between 10 and 20 years. And for Bournvita to have been in existence for more than 20 years and still remain the delight of many consumers of food drinks, it is evident that the brand has enjoyed a relatively prolonged life cycle.

The results of the study also showed that advertising of various kinds served as the respondents' major source of awareness of Bournvita. A combination of different media, both electronic and print, are employed in advertising Bournvita. Of these, however, Television is seen as the most potent and effective medium which most consumers (71.43%) cited. This implies that Television, as a medium of advertising a product, has more impact on the respondents when compared with any other media being used for the same purpose.

In the final analysis, the null hypothesis stated for the study was not rejected as the chi-square test revealed that age group of consumers does not determine the reception of advertising efforts

**Table 10: Advertising influence on age group**

Response	Children (6-15 years)	%	Youths (16-35 years)	%	Adults (36-60 years)	%	Total
Yes	26	54.17	80	51.61	54	48.21	166
No	22	45.83	75	48.39	58	51.79	155
Total	48	100	155	100	112	100	315

Source: Analysis of Field Survey (2000)

of Cadbury Nigeria Plc. The implication of this is that whether male or female, the advertising impact affects the respondents alike. The purpose of advertising in creating awareness and influencing purchasing decision in consumers can be achieved through effective campaign aimed at a well-selected target market irrespective of the age group in the chosen market segment.

### CONCLUSION AND IMPLICATIONS

Quite a number of important conclusions can be drawn from the findings of this study which have policy implications for the company under study and others in the industry.

Brand preference does exist in the food drink industry. Many consumers do not buy whatever is available or affordable if a product is good value for its price, it will command brand loyalty. However, advertising helps in projecting product quality and value before the consumers. This is what is applicable to Bournvita presently.

Advertising has a major influence on consumers' preference for Bournvita and it has, in no small measure, contributed to its success. The same thing goes for its quality. Having been known for more than between 10 and 20 years by majority of the respondents and still remain their favorite food drink, the brand has definitely enjoyed a prolonged life cycle apparently being regenerated by advertising. The stage a product is in its life cycle is very important to a marketer as it help in determining the type of marketing strategies to be embarked upon in respect of the said product. From this study, Bournvita is apparently a mature product and the company's management must ensure that it does not slip to decline stage as this may mark the beginning of its demise. Towards this end, the management is advised to carry out the following:

- (i) research continuously into quality improvement that will make consumers enjoy good value for money paid to purchase the brand.
- (ii) Develop more effective advertising campaign that attracts consumer's attention and capture their interest. At this stage the company's advertising messages should both be persuasive and reminder-oriented. The messages must be strong and appealing enough to persuade and build brand preferences, encourage switching to the company's brand by changing the perception of the consumers of rival brands the product.

Comparative advertising, a variant of persuasive advertising, could be useful in this regard as it seeks to establish the superiority of one brand through specific comparison with one or more other brands in their product class.

With regards to the advertising media, this study revealed that Television is currently the most potent of all media used in advertising a product. In view of this, more consideration should be given to television as a medium of advertising. This may be because Television combines motion, sound, and special visual effects. The product can be demonstrated and described on T.V. it also offers wide geographic coverage and flexibility as to when the message can be presented (Arens, 1996). However, this is not saying that other media should be used. In fact, the company should continue to employ integrated advertising of their product. More budget could be devoted to TV adverts in view of the consumers' preference on it. Moreover, advertising campaign should not be selective or age-oriented, as it has been shown from the study that advertising does not varying impact on age group.

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