
THE IMPACT OF ADVERTIZING AS A PROMOTIONAL TOOL ON NEW PRODUCT DEVELOPMENT (A CASE STUDY OF UNILEVER NIGERIA PLC, ABUJA)

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ABSTRACT

The aim of this study is to explore the role of advertising as a promotional tool for marketing a new product. A case study of Unilever Nigeria plc. An attempt was made to evaluate the effectiveness or role of advertising as one of the promotional mix element used by Unilever Nigeria Plc Abuja. This study is quantitative in nature as 20 questionnaire were handout to the respondents and non-probability sampling techniques was adopted, Hypotheses was formulated and tested with the use of Chi-square which shows that there exists relationship between the advertising expenditure and the annual turnover, and that advertising has a significant effect on the development. It also revealed that the choice of the right media selection can affect the effectiveness of the message of advertising. It was recommended that for the effective sales of product, appropriate plan and design of the message of advertising should be done before caring out the practice of advertising in an Organization; also the selection of the right media is also very important for the effectiveness of the use of advertising.

Keywords: *Advertising, New product Development.*

INTRODUCTION

Organization do not spend a great amount of money advertising for beauty sake. The knowledge that a

successful brand remain successful only by protecting itself from the road of competitors is the essence of advertising (Shimp, 2000). Advertising is an anti-impotence mechanism, it can be used effectively to build on existing brand strength to protect against declining strength in the market place (Shimp, 2000). The Advertising Association of Ghana defines advertising as a form of communication through the media about products, services or ideas paid for by an identifiable sponsor. Advertising, according to the Advertising Association of America is any paid form of non-personal presentation of ideas, goods and services by an identifiable sponsor. Advertising especially mass media advertising has a huge role for companies to meet their communication and marketing objectives (Poh & Adam, 2007). There must be three components in advertising: Ad content, attention, and persuasion (Teixeira, 2014). In our contemporary world, advertising serves as one of the media vehicles through which any organization or potential buyer of goods and services use to form direct communication systems through whatever means can deliver its message to the recipient or receive and perceive the message. The word advertising is derived from the Latin word 'advertero' and meaning it turns literally, it means to turn people's attention to specific things. It is presumed that the first advertisement was sometime in the form of stenciled.

In the olden days, the advertisements were more persuasive and extremely limited in scope. In the earliest forms where signboards and writing on the walls of prominent buildings. The art of printing further aided in the techniques of advertising through handbills, magazines and newspapers, pamphlets and handbooks.

In a free or capitalist economic system, promotion plays an important role. This is creating awareness but also in estimating demand through a variety of techniques. The

techniques are advertising, personal selling, publicity and sales promotion. Firms can use any of these or combination of one or more to archive their promotional goal depending on the nature of the product, the firm's financial strength etc. there is a need for effective advertising strategy which will only inform and persuade but also remind the customers to maintain the brand. The Unilever Nig. Plc Abuja should find it necessary to design advertising company in such a way that will attract the attention of customers. This research is therefore intended to analyze the extent to which Unilever Nigeria Plc is using advertising strategy to market its new product in the face of its competitors offering the same product. It also intended to highlight any constructive alternative for overcoming any advertising bottle neck that might arise.

BACKGROUND OF THE STUDY

Unilever Nig. Plc is engaged in the manufacturing and marketing of food and food ingredients and home and personal care products. The company's products are food products, home care and personal care product. Its foods product segment includes sales of tea, savory and spreads. The company's home care segment includes sales of fabric care, household cleaning and water purification products. The international brands include Close Up, Toothpaste, Pepsodent, Verseline Lotion and Vaseline Petroleum Jelly in the personal care unit of the business, Blue Band Margarine, Lipton Yellow Label Tea and Knorr bouillon Cubes in The Food Unit and Omo Multi Active Detergent, Sun Light Washing Powder and Sunlight Dish Washing Liquid in The Home Care Unit. Other regional and local jewel include a pear baby products range and Royco bouillon cubes.

The Unilever Nig. Plc was established in April 2000 and the chairman was given to Mr. Felix Ohiwere and Mr. R.E Clanke in the vice chairman and the chief executive

Unilever as a whole was found in September 1920-1929 in the United Kingdom and the founder of the Unilever brother are Samuel Vanden Bergh and Antonius Johannes Jurgens. It started its operation as a soap manufacturing company and is today one of the oldest surviving manufacturing organization in Nigeria. Quality is the company's watchword and no effort is spared in ensuring every product that comes of the production line is high quality in accordance with international quality standard.

STATEMENT OF THE PROBLEM

Over the years, many organizations in Nigeria seems to believe that once goods or services are produced, there is ready market for such goods or services as they do not seems to recognized or appreciate the role of advertising towards achievement of their organizational profit sales objectives. The basic problem of advertising research is the lack of the ability to justify the degree of relationship that exist between the advertising expenditure and the annual turnover or profit. Unilever Company fails to examine the rate at which advertising improves the quality of product rendered to the customers and the lack of significance of advertising as it effects the development, introduction and the growth of a new product in the market place.

OBJECTIVES OF THE STUDY

In the kind of adventure, there must be a study to ascertain its success. In view of fact, the study is carried out to achieve the following objectives: -

- 1.** To determine the degree of relationship that exists between the advertising expenditure and the annual turnover or profit.
- 2.** To determine the extent to which advertising message improves the quality of product rendered to the customers.

3. To examine the significance of advertising as it effects the development, introduction and the growth of a new product in the market place.

RESEARCH QUESTIONS

The study seeks to answer the following questions:

1. What is the degree of relation that exist between the advertising expenditure and the annual sales turn over?
2. To what extent has advertising improves the quality of product rendered to the customer?
3. How do we examine the significance of advertising as if effect the development, introduction and growth of a new product in the market place?

STATEMENT OF HYPOTHESES

Ho: relationship does not exist between the advertising expenditure and the annual turnover.

Hi: Relationship exists between the advertising expenditure and the annual turnover.

Ho: advertising does not Improves the quality of product rendered to the customers.

Hi: advertising improves the quality off product rendered to the customers.

Ho: advertising does not examine the significant effect on the development, introduction and growth of a new product in the market place.

Hi: advertising examine the significant effect on the development, introduction and growth of a new product in the market place.

REVIEW OF RELATED LITERATURE

Definition of Advertizing

Many scholars on this field gave their own view on the meaning of advertising as a promotional tool for marketing of goods and service of an organization. The

following are some of the definition of advertizing in identified scholars in the marketing field. Kotler (2012) defined advertizing as any paid form of non- personal communication o or about an organization, goods, service or idea by an identified sponsor. Nor and Koce (2013) views advertizing as a means by which people make known what they want to sell or buy. It is any form of non-personal persuasive presentation and promotion of ideas, goods and services through the mass media that is paid for by an identified sponsor. Advertizing practitioner council of Nigeria (APCON) 2012 defines advertizing as a communication in the media paid for by an identified sponsor and directed towards a target audience with the aim of impacting information about a product, service or idea etc. this means that a part from promoting tangible or physical products. Advertizing is also used extensively to help sell services and wide variety of ideas such as economic, political, religious and social ideas.

Frank (2014) defines advertizing as a printed written oral and illustrated art of selling.

American Marketing Association (AMA) defines advertizing as any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor.

Importance Of Advertizing

1. To create awareness: advertisement alert people about new products and services in the market that could potentially fulfill their needs or solve their problems. A typical advert advertisement will tell you what that service or product is where it can be bought, for how much by whom and why it should be brought.
2. Increasing demand: the target audience o advertizing is typically large whether you are advertizing in social media, print media, and radio television. A well

crated advertisement will convince the public that they should buy the product or service.

3. Increase profit: advertisement is usually displayed to large group of people at the same time. This means that even with a low conversation rate, many people will end up bringing your products eventually thereby increase sales and increase profit.

4. To communicate product information: - message of advertising helps in the effective communication of product information advertising is a single aspect of marketing which involves spreading the word about the organizational product, services or ideas to the general public.

5. To differentiate the product from those of its competitors.

Objectives of Advertizing

Pereault and McCauley (1999) stated the following advertising objectives: - they are as follows: -

1. Advertising helps to position the firm's brand or marketing mix by informing and persuading the target customer or middle men about its benefits.

2. To help introduce new product to a specific target market.

3. Assist obtain the desirable outlets and tell customers where they can purchase a product.

4. Provide an ongoing contact with target customers even when the sales person is not available.

5. Help maintain relationship with satisfied customers and to confirm their purchase decision.

6. To get an immediate buying action.

Classification of Advertizing

According to Richard (2010), advertising is majorly classified into two: -

1. Product advertising: - this promotes the benefits of a specific product or service with the aim of selling the

product or services. The manufacturing informs the target market and stimulates primary demand for a new product or product category, it offers consumer in-depth information about what a product is what it can do where it can be found.

2. Institutional advertising: - this is used to build goodwill or a good image of the company rather than promote a specific product or services.

Advantages of Advertising

According to the street dictionary.com (2014)' advertising has the following advantages: -

1. Advertising plays significant role in the introduction of a new product in the market. It stimulates the people to purchase the product.

2. Expansion of the market: it enables the manufacturers to expand his market. It helps in exploring new markets or the product and retaining the existing markets. It plays a sheet anchor role in widening the marketing for the manufacture's products even by conveying the customers living at their, are flung and remote areas.

3. Increase sales: - advertising facilitates mass production of goods and services and increase the volume of sales. In other words, sales can be increased with additional expenditure on advertising with every increase in sale, selling expenses will decrease.

4. Fight competition: - advertising is grateful helpful in meeting the force of competition prevalent in the market. Continuous advertising is very essential in order to save the product from the clutches of the competitors.

5. Enhance goodwill: - advertising is instrumental in increasing goodwill of the concern. It introduces the manufacturers and its product to the people.

6. Educates the consumers: - advertising is educational and dynamic in nature. It familiarizes the customers with the new products and their diverse uses

and also educates them about the new uses of existing products.

Definition of New Product

The term new product can mean many things. Sometimes, it is a major innovation other times, it may refer to a small modification in the feature or packaging of an existing product.

Kotler (2012) stated that new product embraces the original product major modification of existing product, duplication of competitor's product and addition of something well into the product mix.

Onyebuagu (2011) observed that for most organizations, the ideas of a new product development would become necessary after examining the progress of old ones or after a market survey that provided: -

- 1.** Proof of demand for new product development.
- 2.** When changes in consumers tastes and preferences show noticeable desire for new product development.
- 3.** Wherever the decline in the life cycle of the old product has reached obsolesces state.
- 4.** Where company is diversifying its scope of old product to its line.
- 5.** Where there is specific demand for specific demand for specific new product preference.

Why Companies Develop and Market New Products

Many reasons have been given why producers develop new product. Adirika (2001) points out that new product do not emerge by accident. Rather firm design and develop new products for the certain reasons which may include: -

- 1.** The need to remain in business; products and services are subjects to changes as consumer's lifestyle does. Moreover, products and services of a firm of firm of through some stages like

introduction, growth, maturity and decline. State of its, develop a new one or modify the existing one to meet the changing taste and life style of the consumers.

2. As a solution to a perceived problem: - consumer's satisfaction function entails that the producers should monitor result of sales from the market, percentage of its market share cost and profit.
3. Need to maintain a desired level: - the concept of profit level implies that changes in the project margin of company is necessary so that as given product moves from introduction to decline stage, the profit volume will be fluctuating therefore, if the company wants to stabilize its profits, there is the need for it to either develop a new product or improve on the existing one.

Reasons Why New Product Fails

Kotler (2010) state the following reason.

1. Inadequate market analysis: - over estimating potential sales of the new product, inability to determine buying motives and inhabitants of the consumer and misjudgments as to what products the market wanted.
2. Product deficiencies: - products that did not offer significant advantage over competing items already in the market.
3. Lack of efficient marketing effort: - failure to provide sufficient follow-up effort after introducing the product and failure to train marketing personnel for new products and new marketers.
4. High costs than anticipated: - this leads to high prices which in turn leads to lower sales volume than expected.
5. Poor timing of introduction: - the usual mistakes companies making here is to introduce their new

products late, although in a few case the problem may be premature market entry.

METHODOLOGY

This research was carried out employing data collected from both primary and secondary sources. The primary data were collected through the administration of questionnaires to twenty (20) staff and management of Unilever Nigeria PLC, Abuja, using non-probability sampling method. Tabulation was used to analyze the data and Chi-Square was used to test hypotheses formulated.

RESULTS AND ANALYSIS

Twenty (20) questionnaires were distributed and all were completed and returned giving a 100% response rate. Please respond to each question by ticking the appropriate column on right hand side of this page. **SA** = Strongly Agree; **A** = Agree; **U** = Undecided; **D** = Disagree; **SD** = Strongly Disagree.

		SA	A	U	D	SD
1	Advertising affects customer’s choice of product.					
2	Through advertising the company has succeeded in differentiating its product.					
3	Advertising improves the quality of product rendered by consumers.					
4	Advertising medium influence customers to buy new product.					
5	Unilever product are more preferable.					
6	Unilever products advert motivate your buying decision.					
7	Advertising is an essential tool for promoting product.					
8	Customers are aware of the advertising type adopted by the company.					
9	Advertising has helped the company to maintain quality products rendered to customers.					
10	Advertising message persuade the customer to use the company’s product.					
11	Advertising helps in the introduction of a new product in the market place					

SOURCE: FIELD SURVEY, 2018

Table 4.11 Advertising has a significant effect on the development, introduction and growth of a new market product

	Frequency	Percentage	Valid Percent	Cumulative Percent
Valid strongly disagree	1	5.0	5.0	5.0
Disagree	3	15.0	15.0	20.0
Agree	8	40.0	40.0	60.0
strongly agree	8	40.0	40.0	100.0
Total	20	100.0	100.0	

Form the table above, we can rightly conclude that based on our percentage, that advertising has significant effect on the development, introduction and growth of a new market product.

H_0 : Advertising does not have significant effect on the quality on development, introduction and growth of a new product in the market.

H_1 : Advertising has significant effect on the quality on development, introduction and growth of a new product in the market.

DECISION RULE: reject H_0 if p-value is less than 0.05, otherwise do not reject.

RESULT:

Test Statistics

	Advertising play a significant role growth of the new product in the market place
Chi-Square	9.700 ^a
Df	2
Asymp. Sig.	.008

SOURCE: FIELD SURVEY, 2018.

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 6.7.

Conclusion: from our result we reject our H_0 and conclude that advertising has a significant effect on the development, introduction and growth of a new product in the market since our p-value is less than 0.05 i.e. $0.008 < 0.05$.

CONCLUSION

From the foregoing decision, it is deduced that or an organization must have a detailed plan of its promotional device to be used.

Advertising due to its flexibility, is the suitable promotional device that can be used for an organizational product throughout the product life circle.

Also, selection of the right media to be used can ensure the effectiveness of the message of advertising to its targeted audience or customers.

RECOMMENDATION

Based on the findings, the following recommendations were made to ensure the effective planning, design and the practice of the used of advertizing as a promotional tool for marketing a new product in an organization.

- ❖ Appropriate plan and design of the message of advertising should be done before carrying out the practice of advertising in an organization.
- ❖ The selection of the right media is also very important for the effectiveness of the use advertising for the sales of new product.
- ❖ Adequate policy objective and goal of advertising should be established before embarking on the use of advertising for the sales of its organizational product.
- ❖ The use of other promotional devices such as personal selling, direct marketing, sales promotion, publicity and public relations should be employed to back up the advertising programme.
- ❖ Finally, the maintenance of a cordial relationship between the organization and the customers as it plays an important role in the industry.

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