



THE IMPACT OF ADVERTISEMENT ON CONSUMER UTILITY OF RICE COMMODITY IN NIGERIA

Idisi, P.O, Musa, S.A, Maduekwe, I.M, Eboh, K.C, Ohiemi, S.I, Ahmed, A.A

Agbonika D. A. and Nwoba, A.M

Department of Agricultural Economics, University of Abuja, FCT Abuja.

Corresponding Author's Email: park.idisi@uniabuja.edu.ng

ABSTRACT

This study examined the impact of advertisements on the consumer utility of rice commodity in Nigeria. A sample size of 100 respondents was sampled through a random sampling technique using a well-structured questionnaire. Descriptive statistics consisting of frequency and percentage distribution and ordinary least square regression models were used to analyze the primary data. The result of the socio-demographic of the consumers showed that the majority of the female gender (56%) Purchased rice more and advertisements had a significant impact on their preference (70.9%) and a cumulative of 77.7% of consumers were satisfied after purchasing an advertised rice commodity. The findings through the regression model revealed that the value of the multiple R (93.1%) indicates a strong linear relationship between consumer utility and advertisement since it is close to 1. The coefficient of satisfaction level after the advert is statistically significant at 5% since its P-value (0.0000) is less than 0.05 implying that there is a significant impact of advertisement on consumer utility of rice commodity. It is recommended that the nature of approaches taken by an organization to persuade in the advertisement platforms calls for the affirmation of a sense of professionalism in a bid to gain consumers' loyalty, which in turn increases consumer satisfaction.

Keywords: Advertisement, Utility, Rice, Impact, Commodity

INTRODUCTION

In this contemporary world, hardly anybody is free from the vast influence of mass media. (Alexander and Ahmadu, 2023). Consumers are known to be rational about their purchases, wanting to maximize their satisfaction. A consumer will therefore not purchase a commodity whose price is above the additional satisfaction that he derives from the good. How much of a good is demanded, depends on the satisfaction the consumer gains from spending extra money on the good. Hence, Awareness of the goods and services influences consumers to purchase. (Akwasi Ampof, 2014).

The primary purpose of advertisers is to influence the consumer's decisions and

decision-making process based on the advertisement and marketing goals. (Ashraf and Asif, 2019). Advertisement is carried out through magazines, newspapers, radio and television outdoor displays, direct mail, directories etc. whatsoever form advertising takes, the basic principle is to deliver the right message to merit the right audience at the right time and the lowest possible cost, and to achieve positive result. (Kotler, 2012).

In light of the varied influence of different media platforms, Opeodu and Gbadebo (2017) indicated that an advertisement on various media platforms plays a vital role in influencing consumer choice. Hence, wise choice of media platform for advertisements is key for the



promotion of products and services (Singh, 2012). Advertisements are a widely accepted source of information among consumers as compared to other sources, and hence, media mix decisions are crucial for advertisers (Shrivastava, 2014).

In Nigeria, advertising has grown from its earliest beginning of using the town criers to announce the availability of goods and services to become a big industry in Nigeria. Advertising is now very important in the economy of the nation because it serves as a source of information about goods and services and also persuades consumers to patronize the advert. (Bardi and Diakpomrerem, 2019). When consumers are repeatedly reminded about a particular product, they gain interest and decide to see its benefits. (Singh and Bhattacharyya, 2021). This strategy makes consumers trust the company and decide to buy products from the company because of the utility they get from the products.

The Advertising Practitioners Council of Nigeria. (APCON, 2005) defines advertising as “a form of communication through the media about products, services or ideas paid for by an identified sponsor”. A critical assessment of the above definitions exposes the following that advertisement must be paid for by an identified sponsor and that advertising aims to generate information, ideas, etc., about goods or services and to persuade people to take action by patronizing the goods and services advertised. The objective of advertising is to induce immediate action, to create liking and preference for a product or organization, and to create awareness about a product or service. (Daramola, 2003). Some advertisements also seek to build a respected corporate identity for a company, product, or brand name or make it all familiar to the public.

Rice has traditionally been an important basic food commodity for certain populations in Sub-Saharan Africa, and West Africa in particular. Recent important and major changes have led to

a structural increase in rice consumption in the sub-region. The demand for rice has been increasing at a much faster rate in Nigeria than in other West African countries since the mid-1970s. However, Awareness of a product plays a role in influencing the taste and preference of consumers' choice (Ogundele, 2013).

A combination of various factors seems to have triggered the structural increase in rice consumption. Like elsewhere in West Africa, urbanization appears to be the most important cause of the shift in consumer preferences towards rice in Nigeria. Due to this, we have drifted a bit from the word-of-mouth kind of advertisement to the use of different social platforms. (Murtaza *et al*, 2020). However, Nigerian consumers are increasingly becoming uneasily satisfied especially when it comes to deriving utility from the consumption of food commodities, hence the need for marketing managers to craft competitive strategies to win more share in the marketplace. one of the main issues is organizations are unable to identify consumer satisfaction or utility and generate customer attention towards their product. Hence, it is important to assess the impact of advertisement of consumer utility especially on a food commodity like rice. The objective of this study is to analyze the impact of advertisements on the consumer utility of food commodities, especially rice in Nigeria.

METHODOLOGY

The study was carried out in Nigeria, twenty (20) states were selected across the six (6) geopolitical zones in Nigeria which are the North Central (NC), North East (NE), North West (NW), South West (SW), South East (SE) and South (SS). While 5 respondents were randomly selected from each of the 20 states to obtain a total of 100 respondents who consume the rice commodity.

Primary data was collected using a well-structured questionnaire administered to the 100 respondents, where the questionnaire consisted of eighteen (18) items of two (2)



sections in English. The design of the questionnaire allows the understanding of the relationship between the independent variables: advertisement through various means and the dependent variable, consumer utility or satisfaction from rice commodity.

Analytical Techniques:

The data generated through the administration of the questionnaires were analyzed using descriptive and inferential statistics and the ordinary least square regression model for objectives 1 and objectives 2 respectively. Frequency table and percentages is the descriptive statistical tool employed. Regression analysis estimates the impacts of advertisements on respondents' satisfaction or utility.

$$Y = f(X_1, X_2, X_3, X_4) \text{-----(1)}$$

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e \text{-----(2)}$$

Where:

Y = Consumer Satisfaction / Utility;

X₁ = Good strategy of advertisement;

X₂ = Advertisement influence on purchasing decision;

X₃ = Level of satisfaction after purchasing advertised rice commodity;

e = error term;

β₀ = constant term;

and β₁ to β₃ = Regression coefficients to be estimated variables.

RESULTS AND DISCUSSIONS

(I) Socioeconomic characteristics of respondents

The demographic table 1.0 shows that a greater proportion (56%) of rice consumers studied were female. This finding may not be unconnected with high female involvement in household work. According to Lancon *et al* (2003), Gender wise, rice purchasing is dominated by female consumers. It has also been reported by Isife and Emodi (2000), that women are at the centre stage in household food

consumption, It is the women's duty in most African households to decide on the types of food that are made available and the forms in which they are prepared.

About 84.5% of respondents were within the age range of 20-40 years, which is the majority and indicated that consumers are active and to meet their daily energy requirements, food such as rice is needed. Cathy Austin and Nahanga (2017), opined that adults who are in their economically active stage require carbohydrates and protein needs for sustenance

Table 1.0 also indicated that a larger percentage of the respondents completed tertiary institutions which showed (70%) as graduates. This implied that consumers were literate and understood what an advertisement is meant for if they saw one tilting towards them being able to make preference after an advertisement.

Also, the majority of the respondents are employed (58.3%), with 28% of them self-employed. This implied that the consumers were financially stable enough to purchase the rice commodity. This also implied that they could afford to access several advertisement platforms like televisions, radios and social media platforms.

70.9% of the respondent's preferences from Table 1.0 were influenced by advertisements. This implied that most consumers of the commodity could access advertisements one way or the other which informed their decision when they go to purchase rice.

The result in Table 1.0 also revealed that the majority of the consumers preferred advertisement of the rice commodity on social media platforms (47.5%) while another most preferred medium is the television (30.7%). This implied that consumers are mostly on their phones or social media platforms, some work remotely, hence rarely getting the time to watch TV sets, listen to radio or look at billboards. This also implies that television advertisement is preferred for its audio-visual capability and tends to make advertisement more interesting



and satisfying to the point people get to purchase the product.

63.1% of respondents on the table 1.0 which are the majority were moved to purchase the rice commodity after it's being advertised. This implied that new brand of rice commodity in the market can get more traction after being advertised.

The satisfaction level of consumers after purchasing an advertised rice commodity from

the table 1. 0 is laudable as most of the respondents were satisfied (46.6%), followed by those who were very satisfied (31.1%). This means that advertisement has a positive impact on consumers' utility.

83.5% of respondents on the table 1.0 saw rice advertisement as a good strategy to create awareness of new brands in the market. This implied rice advertisement is a welcome development that is widely accepted.

Table 1: Socio-demographic Profile of Consumers That Are Influenced by Advertisement

	Frequency	Percentage(%)
Gender		
Male	44	44
Female	56	56
Age (Years)		
18-24	87	84.5
25-34	11	10.7
35-44	5	4.9
Satisfaction Level		
Very Satisfied	1	0.97
Satisfied	1	0.97
Somewhat Satisfied	5	4.9
Neutral	69	70
Graduate	26	25.2
Non-graduate	1	0.97
Employment Status		
Employed	60	58.3
Unemployed	15	14.6
Self-employed	28	27.2
Perceived Influence on Preference		
Strongly Influenced	73	70.9
Influenced	19	18.5
Not Influenced	11	10.7
Preferred Media		
Television	31	30.7
Radio	3	3.0
Billboards	1	1.0
Word of mouth	18	17.5
Digital media platforms	48	47.5
Chose rice after seeing the advert		
Yes	65	63.1
No	27	26.2



re (In between)	11	10.7
fraction Level after advert		
satisfied	32	31.1
ried	48	46.6
al	22	21.4
tisfied	1	1.0
Advert a Good Strategy		
	86	83.5
	5	4.9
re (In between)	12	11.7

Source: Field Survey, 2023

(i) *Impacts on consumer utility after purchasing the advertised rice commodity*

Advertised rice impact on consumer utility was estimated by using the regression model in Table 2 below through the Microsoft Excel package. The value of the multiple R (93.1%) indicates a strong linear relationship between consumer utility and advertisement. The coefficient of determination (r^2) indicates that the consumer's utility increased by (85%) after purchasing the advertised rice commodity, the remaining 15% could be attributed to the error term. The coefficient of the advert good strategy

is not statistically significant since its P-value (0.6522) is greater than 0.05 ($P > 0.05$). The coefficient of advert influence on consumer preference is statistically significant at 5% since its P-value (0.0000) is less than 0.05 ($P < 0.05$). The coefficient of satisfaction level after the advert is statistically significant at 5% since its P-value (0.0000) is less than 0.05 ($P < 0.05$). The significance F-value (0.0000) is statistically significant at 5% since its value is less than 0.05 which implies that the impact of advertisement on consumer utility of rice commodity is significant.

Table 2: Impact of Advertised Rice Commodity on Consumer Utility

Variable	Coefficients	t-values	P-values
Intercept	0	0.0000	0.0000
Advert good strategy	-6.5	-0.452098988	0.6522
Influence on preference	-42.5	-5.780179504	0.0000**
Satisfaction level after			
the advert	94.5	13.68242371	0.0000**
Multiple R	0.930626		
R Square	0.86606433		
F-value	153.5739347		
Significance F	0.0000**		



CONCLUSION

The purpose of this research was to investigate the impact advertisement has on consumer utility of rice commodity in Nigeria. A greater proportion of rice consumers studied were female as they are said to be the centre-stage in household food consumption. The consumers were within the active age range and to meet their daily energy requirements, food such as rice was needed. Most of the consumers were satisfied with the purchased rice commodity after it was advertised to them and this means that advertisement has a positive impact on consumers' utility. The coefficient of determination (r^2) indicates that the consumer's utility increased by (85%) after purchasing the advertised rice commodity, the remaining 15% could be attributed to the error term, as other factors make consumers not see an advertisement as a good strategy to enhance their utility.

RECOMMENDATIONS

- I. The Government should create policies that prevent the use of certain types of advertisements that may endanger people's safety which entails scrutinizing the type of information to be shared with consumers, the use of

billboards in some locations to avoid distractions etc.

- II. The Advertising Practitioners Council of Nigeria (APCON) should see that defaulters are sanctioned accordingly without fear or favour if advertisers don't maintain the principle guiding advertising because consumers through advertisement are deceived into buying the wrong product.
- III. Rice industries should periodically organize seminars/workshops for the managers to sensitize and enlighten them on the current best practices in advertising to aid them in flowing with the highly competitive business trend in the food industry.
- IV. The nature of approaches taken by an organization to persuade in the advertisement platforms calls for the affirmation of a sense of professionalism in a bid to gain consumers' loyalty.
- V. Advertising works and affects consumer purchases in the long run. It is required of firms to increase their advertising budget and make advertising lively for consumers to associate with.



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