

ADVERTISING: A PRODUCTIVE OR WASTEFUL VENTURE?

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Abstract

Even as advertising has occupied a seemingly dominant position in marketing of goods and services, some cynics still doubt its relevance. The paper, therefore, makes an insightful incursion particularly on the stance of the fund conservationists with a view to reading meaning into their accusations. Issues that form the bone of contention are centered on quality, price and availability rather than advertising occupying the central position. The paper, having considered some case studies concludes that much as the price may be affordable or much as the product or service is easily accessible with its acclaimed good quality, without advertising the product or service will assume a negligible place in the market share. It recommends the use of advertising by marketers even during recession.

Key words: Advertising, Marketing, Quality, Brand, Product.

Introduction

There seems to be no better analogy to express the economic impact of advertising than the one advanced by Courtland Bovee and William Arens in their book *Contemporary Advertising*. Here the economic impact of advertising is likened to the opening of a game of pool popularly called snooker in this locality. Played on a board with holes by the corners, the game has small balls that are played with sticks. At the beginning of the game, one ball is struck with a stick to hit a bunch of balls scattering them into various directions – some bump into others and drop in the holes, others hit by the sides of the board while others remain stationary. What is important here is that the opening shot brings about a chain of reactions. In very

ADVANCES IN MANAGEMENT

Vol. 11, No. 1, 2013

(A Journal of Department of Business Administration, University of Ilorin, Ilorin, Nigeria.)

much the same way, an advertising campaign or the practice of advertising has brought a chain of reactions.

While many people including Okpoko (2008:17) see advertising as a vital marketing tool, critics like Smith and Taylor (2007:242) and Dominick (2011:344) see it as a social miscreant. The social critics' quarrel with advertising is that the profession debases our language, promotes stereotypes, presents manners in bad taste, is largely deceptive and also distracts people from pursuing spiritual things with its promotion of materialism.

Another reaction occasioned by advertising is the concern on the economic front. In this angle, it is the contention of some fund managers that advertising is unnecessary (Perreault and McCarthy, 2006:614, Leverhulme cited in Smith and Taylor, 2007:313). To them, one must not necessarily advertise one's products before they will sell. It is the belief of those who subscribe to this school of thought that any product that is of good quality will sell. In this regard, therefore, the fund conservationists see the huge sums of money used in sponsoring advertising messages as a waste.

Placing this controversy into perspective Dyer (1982:78) has this much to say on the effectiveness of advertising:

...it is hard to pin down the social effects of advertising in any precise numerical sense... there is vast amount of market research conducted every year although most of it is devoted to pre-sale research. "Post sell" research is limited by certain methodological weaknesses – much of the research relying on transitory street corner or door-step interviews which are no guarantees of truth.

Perreault and McCarthy (2006:452), Wilmshurst (2005:24) and Schiffman and Kanuk (2008:309) corroborate that when considering effectiveness, it is difficult to prove any short-term and one-to-one effects of advertising. Dyer (1982:78) bases this on the fact that while one can draw some charts corresponding increase in advertising, some products are bought in volume independently of advertising. For example it may be possible that the purchase of washing machines is directly attributable to mass advertising. It may equally be likely that people buy washing machines despite advertising because they prefer them to the alternatives of labourious scrubbing, boiling and wringing. In other words, an alternative causal explanation for a rise in washing machine sales may be that people have come to the rational decision that the machines are useful things to have in the home.

Moving away from the rational thinking or decision generality as an alternative to advertising, William Band is cited in Bovee and Arens (1992) as saying that "quality is king for marketers". He goes on to explain that "increased sales or market share may be due to perceived product quality..." (Bovee and Arens, 1992:268).

While attempting to forge a relationship between advertising and sales and profits it can be conceded that "there will be some sales even if there is no advertising", and that "there are saturation limits imposed by culture and competition above which no amount of advertising can push sales" (Bovee and Arens, 1992:268).

Also, the Harvard Business Review (1983:135 & 6) cites Lambin (1983) who, while giving a perspective on the economic effect of advertising submits that:

In non expandable markets, an increase in advertising competition hurts the consumer. The reason stems from a built-in mechanism: Since competitive brand advertising causes a reciprocal cancellation effect and since corporate advertising policies tend to be interdependent, advertising expenditure escalate. The objection is not so much that competitive advertising is duplicative but that it does not benefit the consumer in the long-run, as price and quality competition do.

Continuing, Lambin (1983:137) cited in the Harvard Business Review (1983:136) makes himself clearer when he said about advertising that, it is doubtful that advertising causes concentration, in the sense of there being more concentration than if firms could not advertise. The main warrant for this conclusion is theoretical, most important is that such a causal process requires increasing returns in advertising, which do not exist in fact.

Theoretical Framework

This paper derives its operational framework from the cultivation theory. According to the theory mass media, particularly television brings about a shared way of viewing the world. In her contribution, McQuail (2005:552) submits:

The underlying process is one of 'acculturation', meaning that people gradually come to accept the view of the world as portrayed on television (in particular) as a true representation of reality and adapt their hopes, fears and understandings accordingly.

This forecloses that symbolic interaction and social construction of reality provide a strong foundation for the theory which assumes that television constructs a reality of the world that, although possibly inaccurate, becomes accepted simply because we as a culture believe it to be true (Baran, 2009:428). This is possible because:

Television is a centralised system of story-telling. It is part and parcel of our daily lives. Its dramas, commercials, news, and other programs bring a relatively coherent world of common images and messages into every home...The repetitive pattern of television's mass-produced messages and images forms the mainstream of a common symbolic environment

(Gerbner et al 1986, cited in Littlejohn & Foss, 2005:288).

Despite the fact that cultivation deals with the totality of pattern communicated placing premium on the total impact of campaigns, subcultures may retain their separate values. That notwithstanding, general overriding images depicted on television will cut across individual social groups and subcultures, affecting them all (Littlejohn & Foss, 2005:288).

From the foregoing, it can be deduced that even though we cannot always see media effects, they do occur and eventually change the culture [attitude and reactions] possibly in profound ways. This position is underscored by Gerbner et al 1980 as cited in Baran (2009:429) that, "Just as an average temperature shift of a few degrees can lead to an ice age...so too can a relatively small but pervasive influence make a crucial difference. The 'size' of an effect is far less critical than the direction of its steady contribution". What advertising does to prospects is not far from this.

Conceptualisation

Advertising is a household word. However, in fulfilment of all righteousness, and perhaps, do justice to those who do not know what it stands for, the following few definitions were considered. Wells, Burnett and Moriarty (2003:10) aver, "Advertising is paid non-personal communication from an identified sponsor using mass media to persuade or influence an audience". Similarly, Arens (2006:7) whose definition is more elaborate notes: Advertising is the structured and composed non-personal communication of information, usually paid for and usually persuasive in nature, about products (goods, services, and ideas) by identified sponsors through various media.

Irrespective of form, types or classification, advertising possesses certain elements that cannot be easily ignored. These, Wells et al (2003: 10) give us insight into them as follow. First, advertising is paid form of communication. Second, not only is the message paid for, but the sponsor is identified clearly. Third, most advertisings try to persuade or influence the consumer to do something, although in some cases the point of the message is simply to make consumers aware of the product or company. Fourth, the message is conveyed through many different kinds of mass media, and fifth, advertising reaches a large audience of potential consumers. Finally, because advertising is a form of mass communication, it is also non-personal.

Literature Review

It is not debatable that advertising is an integral part of our social and economic system. The ability of advertising to deliver messages to various

audiences has given it an important role in the marketing programmes of most business organisations. While writing on the payoffs of advertising, Aren, Weigold and Arens (2008:31) rightly observe that access to all information at all times about what products are available, at what quality, and at what prices leads to greater competition and lower prices for all. This is why attorneys are now allowed to advertise, so that people can know what services are available at what prices.

Evidence of the increasing importance of advertising comes from the growth in expenditures. Attesting to this Coen (2007) is cited in Belch and Belch (2009:6) as saying:

In 1990, advertising expenditures in the United States were \$53 billion...By 2007, nearly \$284 billion was spent on local and international advertising... Advertising expenditures outside the United States increased from \$55 billion in 1980 to nearly \$340 billion in 2007.

Marketers spend this much on advertising due to their firm belief of what advertising offers.

Even though advertisers acknowledge the advantages of advertising, they are conscious of minimising what would amount to circulation waste (that part of advertising received by people whom the advertiser has no interest in reaching). Their justification for this is that even if prospects get the message about the product or service, their possibility of accessing and affording it is nil. This could be due to financial constraint or prospects may live too far away to visit the advertiser's store. Putting this into perspective Rodman (2009:374) avers:

John Wanamaker, the founder of Wanamaker Department Stores, expressed the feelings of most advertisers about circulation waste. "I know that one-half of the money I spend on advertising is wasted", Wanamaker was fond of saying. "The problem is, I don't know which half".

In the midst of such atmosphere of uncertainty many marketers were and are being sceptical to invest greatly in advertising. Particularly where campaigns fail to yield favourable outcome, the tendency is to explore other advertising agencies so as to remain afloat. This was the experience with Coca-Cola. Aren, Weigold and Arens (2008:30) attest to this thus:

From the millennium to 2006, critics agreed that Coca-Cola advertising was adrift. In five years, the brand had tried on four marketing chiefs, three major advertising campaigns, and several ad agencies, all while watching sales and revenues slide in a shrinking market...Wieden + Kennedy (W+K), the agency signed to the account in 2005, now has \$400 million above the usual Coke annual ad budget and a mandate to return Coca-Cola advertising to its roots.

The presence of Coca-Cola product in different parts of the world is a

demonstration of the fact that Coke, like other products has ceaselessly used advertising to its advantage. Through advertising, marketers are able to learn about new products or services or improvements in existing ones. Also, advertising help marketers sell their products. Its ability to reach a mass audience greatly reduces the cost of distribution contrary to the position taken by critics. Dominick (2011:342) adds that "by vividly displaying the material and cultural opportunities available in a free-enterprise society, advertising helps increase productivity and raises the standard of living."

Some Observable Case Studies

We have earlier established that 'quality is king for marketers'. It is worthwhile at this juncture to consider some instances in our economic environment where quality, as William Band said proved to be king for marketers rather than advertising.

Case One: Hospitals and Clinics

Criss-crossing different parts of the country will reveal that all the urban and even semi-urban centres are home to several hospitals, maternities and clinics. A meticulous census will unearth these medical outfits manned by qualified personnel. For a fairly long time when I have been observing the trend of patronage of some hospitals and clinics in different metropolis in Nigeria, a rush to those places this year, fluctuation the next and a rush to another has never failed to intrigue me. When patients perceived a drop in quality, the likelihood is to switch to another with improved facilities, services rendered and perhaps accessibility.

It will be interesting to note that this fluctuation in patronage from one medical outfit to another as captured above takes place independent of advertising. This is by virtue of their setting. This, tend to show that individuals, in their capacity as customers or patrons are capable of knowing what is good for them or not. Subscribing to this Arens, Weigold and Arens (2008:31) maintains that people and organisations tend to act in their own self-interest.

Case Two: The Fanta Chapman example

Departing from what quality can do without advertising we shall examine a case where advertising grossly failed in promoting a product that was perceived by the public as being of poor quality.

The soft drink market in Nigeria is dominated by the Coca-Cola family. The company with headquarters in Atlanta, Georgia, the United States of America has the reputation of being the most successful company in the world. Thanks to the so-called power of advertising. With an array of creative people, the success of the company is attributed to the ingenuity of the copy writers which has resulted in large

market share for their brands notably Coke, Fanta and Sprite.

Just like the founder of Coca-Cola mixed some roots and fruit juices to invent the now popular soft drink, so did the company attempt to take opportunity of 'Zobo', the local Nigerian drink to make profit. This happened in 1995 when Coca-Cola bottled the drink that was similar to Zobo under more hygienic circumstances than Zobo and tagged it Fanta Chapman. With superior advertising in their favour made possible by available funds and creative hands the company hoped to capture the soft drink market which then seemed to be consuming the ordinary Zobo, in very monumental quantity. The mass media was extensively used for the campaign just as a lot of promotions were staged to forge the acceptability of the Chapman. Tried as advertising did, consumption of Chapman was limited to the few bottles which people drank, probably out of curiosity and discovered the drink to be of poor quality. Today, Zobo is still being taken in its wrapped form while Chapman is nowhere to be found. This is a clear case of quality being mightier than the assumed miracle working powers of advertising.

The failure of Fanta Chapman could be as a result of management and their agency's inability to appropriately define customer and competitor focus and produce to satisfy their need. Such failure in market outcome and ultimately, closures is attributed to inability of marketers or advertisers to recognize the need for products and campaigns to be market oriented. This inform Pulendran, Speed and Widing (2003:477) who, aver that research conducted has generally supported the proposition that market-orientated organisations achieve better outcomes than less market-oriented ones.

In view of the above discussed cases, can one then dismiss advertising as a wasteful venture? Are the isolated cases enough grounds to condemn advertising as a waste? Probably, not.

Quality can speak volumes. While other qualities are hidden, others can be noted immediately. We can see gold and know it for what it is. But sometimes we can see diamond and mistake it for bronze. In a case like this, an explanation from a jewellery expert cannot be considered as a wasteful exercise. The need for advertising is further strengthened by what McCarthy (1978:289) says as thus:

I don't know who you are. I don't know your company. I don't know your company's product. I don't know what your company stands for. I don't know your company's customers. I don't know your company's reputation. Now what was it you wanted to sell to me?

This is to serve as an eye opener to companies that may be wallowing in the false safety of qualitative products. Such companies will be surprised that their products are not known beyond the walls of the factories. For people to know about you, you need to explore the avenues of making yourself known.

Lafayette (1972), while stating the need for advertising to create awareness gives a historical background that in the 1850s, most products were consistent with the second assumption of perfect competition that products are standard with no appreciable differences. Today however, what influences patronage is:

The brand name, the prestige of the seller, the appearance of the product package, the persuasiveness of the advertisement and the friendliness of the salesman more than the consumer's ability to judge the products himself...(Lafayette, 1972:83 & 84).

We can only appreciate advertising best and consider it as an important tool, if we see it as an information provider rather than a direct sales pusher. When we understand advertising in the light of a pyramid as Bovee and Arens (1992) present, we will realise that advertising message first seeks to create awareness out of which comprehension is derived. From there emphasis is on convincing the public to desire what is contained in the message. If the message is actually understood, conviction takes place, and desire is evoked, then action is likely to be taken towards patronage (Bovee and Arens, 1992:254&255).

These roles of advertising in our economy are more vividly advanced to include the identification and differentiation of products from others, communication of information about the products, inducement for trial of new products by existing users and suggestion of repurchasing by existing users, stimulation of product's distribution, increment of product use, cultivation of brand preference and loyalty as well as the lowering of overall cost of sales (Bovee and Arens, 1992:41).

Putting this role of advertising in identifying and differentiating products, Kohls and Uhl (1988:300) assert that, "considering that the consumer is already faced with an array of various brands, any new product must be introduced into the consumer's mind. Advertising and other forms of promotion are effective ways of accomplishing this". The following instance about automobiles further expatiate the point I am making.

Case Three: Automobiles

The desire to provide mobility for the large number of people that populate the world has led to a proliferation of automobiles under different makes. Cars come in Peugeot, Mercedes, Honda, Toyota, Mitsubishi, Citroen, Nissan, Ford, BMW and so on. Even within the stables of these car makers, distinct models still manifest. That is where we have the Carina I & II, Corolla, Starlet, Land Cruiser and Tercel under the Toyota family; Beetle, Passat, Jetta, Golf, Skoda and Bora among the Volkswagen brand, while the BMW family yields models like the First Series to the latest series with as much as a thousand kinds of cars requiring customer attention in a market.

The producers or marketers need to position their products well so that, would-be customers will be able to distinguish one product from another. On this note Arens, Weigold and Arens (2008:44) elaborate that positioning proves to be an effective way to separate a particular brand from its competitors by associating that brand with a particular set of customer needs that rank high on the consumer's priority list. Continuing, Arens, Weigold and Arens (2008:44) recall that in the past "The most famous American ads of the positioning era were Volkswagen ('Think small'), Avis ('We're only no. 2'), and 7UP ('The uncola')".

This desire to be known can be achieved with advertising which uses the media of mass communication to bring to public knowledge and in a persuasive manner too, information on products and services. This is why, as Arens, Weigold and Arens (2008:31) posit, attorneys are now allowed to advertise, so that people can know what services are available at what prices.

In Nigeria today, the cars in use are mostly Peugeot, Honda, Mercedes Benz, Nissan, Toyota and Volkswagen products. That, they are in popular demand and use is a result of sustained information about them. Others are Kia which is a popular one for that matter particularly in Asia where it is produced. Many semi-urban and uneducated Nigerians only know Suzuki as a motorcycle only, nevertheless, Suzuki even comes in Jeep form as a car. That some of these cars are not known in Nigeria or are not very popular does not mean they are not qualitative. The gap is created by non-information which advertising can always bridge.

Apart from just distinguishing one product from another, advertising does the role of providing information about a new product or even ones in current use. In a bid to let people know about the quality of the Honda Accord, a copy writer remarked in his advertisement that the Accord is so revered a car that it was the only car our Lord Jesus Christ used during his time on earth. His reason for saying so was that a portion of the Bible said, "...and they were in one accord" referring to Jesus Christ and his disciples of old. His joke was hinged on the mention of the *Accord* but he succeeded in holding attention and unveiling his plan – presenting the features of the car. To me and perhaps many others, the features were so appealing that with money, one would not hesitate to buy the Sedan with her appealing "safety accomplishments of omnidirectional collision shielding impact absorption, responsive acceleration as well as anti-theft reinforcements for door locks and windows, and an optimal immobilizer" (Vanguard, Tuesday, January 15, 2002:20).

This in-built quality cannot communicate itself. Providing the information that such a car can be found throughout major sales points in Nigeria does the public a lot of good. This is what advertising can do towards moving an economy.

Case Four: Beverage

In another place, advertising encourages increased use or trial of products and services. A case in point is the beverage, Nestle Milo, which advertising over the years has associated with victory. The same may apply to the comparatively launched Peak milk, for example.

The slogan "Milo the food drink of future champions" has tremendously put the product in good standing especially children who desire to be great. The favour in turn has transformed into the dominant position the product enjoyed in its category in Nigeria. You can argue with me how I arrived at the so-called dominance of the product in the tea category. I cannot conclusively back this scientifically, but I always see Nestle Milo in varying sizes displayed at many super stores which as defective as they may remain unsold. I also watch and listen to their advertisements on television. And talking about the possibility of memorability, resulting into favourability and consequently ultimate buying decision, I always hear teenagers or even grown-ups sing the popular Milo advertisement songs.

In the same vein, Coca-Cola has become a renowned brand in its right among families. Through advertising, packaging, effective distribution and sustained quality, Coke has carved a niche not only in Nigeria but in the global market share. As a matter of fact, sales of Coca-Cola which has become a household name:

...represents 41 percent of the company's US volume...Through 120 years...the Coca-Cola Company's careful stewardship of tradition and the brands historic value has made Coke not only the world's best-selling carbonated beverage but also the world's most venerable brand (Arens, Weigold and Arens, 2008:30).

Similar strategies are being used by other producers of brands like indomie, noodles; detergents like Ariel, Klin, etc. This portends that advertisers have reckoned with the benefits advertising offers.

Conclusion

We have discussed different perceptions people hold on advertising. While some are of the opinion that marketers can sell independent of advertising, others believe advertising is key to all marketers as it provides prospects valuable information about the existence of goods and services and where these goods and services can be found. Without this information therefore, prospects would be at a lost. Worst still without advertising, producers or service providers wallowing in the euphoria of producing and rendering qualitative products and services respectively would discover that not many buyers know about what they do after all. That notwithstanding, good quality, availability and use of other promotion mix like sales

promotion, personal or direct selling, public relations activities serve as complements to advertising for marketers.

Recommendations

In spite of reservations some fund conservationists have on advertising, marketers should continue to advertise even during recession. This is firmly predicated against the backdrop of the fact that advertising locates prospects, motivates inquiries and stimulates demand.

Advertisers or rather advertising agencies contracted to plan, prepare and execute advertising messages for clients should be creative to achieve the desired objective of marketing. They should be mindful that we are living in a highly competitive business environment and only persuasive messages that are distinctly persuasive have the potentials of arresting and sustaining the attention of customers.

Marketers or advertisers should resist the temptation of relying on quality, effective distribution and packaging independent of advertising. The reason is that their product may be of high quality and well packaged but just a few scores around may know about its existence. Advertising, with its roles of information, persuasion and reminder can help them in promoting their well packaged and qualitative product or service better.

Marketers should use other promotion activities like direct or personal selling, public relations activities like publicity, exhibitions, seminars and conferences rather depend wholly on advertising for heightened sales.

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