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EDITORIAL

In this second issue of *Ilorin Journal of Management Sciences* there are eighteen papers published. This is a reduction in the number of papers published in the volume compare to the maiden edition, despite the increasing number of papers submitted for publication in this edition of our Journal. There have been considerable factors responsible for this, among which include improved review processes and more emphasis on quality research work. It is our hope that this effort will result to achieving better literature review, improve methodological applications, sound hypotheses formulation and reliable scientific presentation and interpretation of data by researchers. The synopses of the published papers are discussed as follows:

The first paper is on stock splits and stock dividends: implications for bid ask spread components. It is written by Oke *et.al.*, and the thrust of the paper is to examine the effect of stock splits and stock dividends on liquidity using bid ask spread measures. The results show an increase in the absolute and relative spread after the ex-date of stock splits caused by increase in investor transaction cost, degradation of short-term liquidity and fall in market quality. The study recommends that companies should use retained earnings in financing their alternative investments rather than outstanding shares expansion through splits and scripts.

The second paper is written by Aun *et. al.*, and it examines the effects of Advertising on Product Sales volume in Nigerian Bottling Company. The study used both primary and secondary data. The Multiple Regression and T – test statistical tools were used to test the hypotheses formulated at 95% confidence level. The study reveals a significant relationship exist between advertising and sales of coca - cola products. The study recommends that companies should try to avoid wasteful advertising expenditures that may have adverse effects on their returns.

The third paper by Mustapha focuses on SMEs owners' perception on the value of Accounting Information for economic decision making. The study was carried out through a well-designed survey questionnaires administered randomly to selected sample of 100 SMEs owners in Ilorin metropolis, using one sample t – test statistic for data analysis. The result indicates that SMEs owners have strong belief in the value of information in enhancing decision outcome. The study suggests that Policy makers should design a framework that would enhance the SMEs owners' skills in the preparation and usage of accounting information

The fourth paper is a study done by Akanet on Corporate Profitability and Liquidity in selected Listed Nigerian Deposit Money Banks. It examines the cause and effect relationship between liquidity and profitability in 5 listed Nigerian deposit money banks over a period of 7 years (2005 to 2011). Regression analysis and descriptive statistics were statistical techniques used and findings suggest that profitability represented by Return on Equity (ROE) is affected by two liquidity ratios namely current ratio and cash ratio while quick ratio has no significant relationship with profitability.

The study suggests that less attention should be given to quick ratio as a measure of liquidity as it has no impact on profitability due to the non inclusion of total deposit from the banks customers.

The fifth paper by Tukur & Kamba titled: Finance, Education and Innovativeness as Combined SMEs Growth Trajectories using Panel data analysis examined the effects of finance and quality of entrepreneurs on market share growth of SMEs in Sokoto State. Findings show that finance and quality of the entrepreneur influenced by the education attainment and initiatives have significant role to play in facilitating the growth of the SMEs. It is recommended that adequate infrastructures should be provided for SMEs operation.

The Government, Donor agencies and Banks should come up with business support services; such as training and development to enhance the quality of entrepreneurs for SMEs growth.

In the Sixth paper, Gugong & Musa conducted an empirical study on influence of Corporate Shareholdings Structure on Dividend payout ratio of listed Chemical and Paints Companies in Nigeria. Eight firms were considered for the study using Multiple Regression Technique. The findings reveal that managerial shareholding negatively, strongly and significantly impacted on dividend payout while Institutional shareholdings, foreign shareholdings have positive, strong and significant influence on dividend payout ratio of the selected firms. But block shareholding shows no significant contribution to dividend payout of the selected listed firms. The paper recommends that the listed firms should increase the number of shares allotted to institutional shareholders and foreign shareholders where investors are only interested in dividend payment. Also, where the shareholders are interested in capital gain the shares held by management should be increased in order to discourage payment of high dividend in favour of capital gain.

The Seventh Paper by Kadiri is on the Role of Information Technology in the Management of Small and Medium Enterprises in Ilorin Metropolis. Questionnaires were prepared and mailed to one hundred and thirty three (133) SMEs using one form of technology or the other in the course of doing their business in the study area. There are seventy three respondents from these selected SMEs that correctly filled and returned their questionnaires. Binomial logistic regression method was employed to analyse the data for the study. The result reveals that information technology plays the most significant role, out of the factors identified in the study, which contribute to effective management of SMEs. The study recommends that SMEs owners should integrate the use of Information technology in to their business decisions for optimum benefits to be achieved.

The eighth paper is contributed by Kurfi and its title is, Ethics in Research with Human Participants: Issues and Implications. The paper examines some of the ethical issues involving human subjects while conducting social science research, with a view to identifying some of the ways they can be enhanced at both procedural and practice levels. The paper recommends that researchers should give focus on "special populations"- most especially human respondents with special needs, which include children, those in asylums, the sick, the aged, the mentally disabled, those in emotional and psychological crisis, drug addicts, deviants, criminals, and sexual minorities.

The ninth paper is authored by Adewole and it examined the relationship between corporate governance mechanisms of board size, board independence, board gender diversity, CEO duality and financial performance in the banking and food industries in Nigeria. Panel data sets were used for the selected seven firms in the banking and the food industry for ten years period covering 2004 to 2013. The study obtained data from annual reports and accounts of these firms. The result shows that Return on Asset (ROA) and Return on Equity (ROE) are better performance measures in the banking and food industries respectively. Except for gender diversity, board size and board independence were found not to impact on performance in the banking industry. In contrast, both board size and gender diversity were found to be positively related to performance in the food industry, while board independence was also observed not to impact performance.

The next paper was the second one contributed by Oke *et. al.*, and it was on Audit Partner Preferences and Risk assessment: Implications for Auditor Program Plan. The objective of this study is to explore the effects of risk assessments and partner preferences for either effectiveness or efficiency on auditors' program plans for budgeted hours and planned tests.

The study selected 39 auditors to complete a case based on an actual audit client in which they were asked to perform program planning for the revenue cycle. Partner preferences for either efficiency or effectiveness were manipulated in a between-subjects design. Results reveal that auditors budgeted more (fewer) hours in response to a partner preference for effectiveness (efficiency), consistent with expectations. The paper recommends that audit partners and managers should carefully weigh the formal and informal communications they have with seniors regarding audit efficiency. If audit programs become too constrained in response to competitive pressures, auditors may be more likely to engage in behaviours that interfere with the proper conduct of the audit.

The second article of Tukur & kamba is on Entrepreneurial Capital, Personal reputation and Performance of Small firms. Data were collected through questionnaire and structured interview format from a sample of thirty (30) entrepreneurs of small service firms in Sokoto State, Nigeria identified through purposeful sampling. Findings reveal the entangled nature of entrepreneurial capital (human and social) drawing attention to the symbolic capital generated which is significantly necessary for building entrepreneurial reputation that advances firm performance. The paper suggests the need for government to establish a coherent action plan and measurement criteria to evaluate both the quantity and quality of networks by placing greater emphasis on engaging disadvantaged groups (e.g. young business owners) in mainstream business network.

Mahmoud's work is on analysis of conventional concepts of Accounting from an Islamic Perspective. The paper explores the nature of traditional accounting concepts within the context of Islamic jurisprudence. The paper is purely conceptual, using content analysis as a tool of research. The paper reveals that the entity, accrual, realization, dual aspect and money measurement concepts are accepted from the Islamic perspective. While the historical cost concept is outrightly rejected, the going concern concept is accepted but with modification on the issue of conservatism and its support of the historical cost concept. The paper suggests that in place of the Historical cost concept, current assets value on a period by period basis should be constructed because current value accounting is easy to explain and meaningful, but hard to audit.

The next paper is that of Mejabi & Ajiboye, it focuses on Students' usage of Technology mediated platforms for communication with particular references to the University of Ilorin students. A questionnaire was administered to the study sample of 208 undergraduate students from the four levels of study in two faculties of the university, each with programmes in arts, science and social sciences. The data collected were analysed using frequency counts and cross-tabulation. The study reveals that 60% of the students preferred to use phone calls for their communication followed by social media (24%), and text messages (16%). On social media: Facebook was the most preferred network site (30%), followed by WhatsApp (26%), then BBM (17%). Furthermore, 64% of the students subscribe to the MTN GSM network, followed by Etisalat (17%), Glo (10%) and Airtel (9.5%). The paper recommends for the provision of tablet computers with dual SIMs and wireless, for Internet, to all students of the University, for them to take advantage of their preference for phone calls and social media.

Iroye *et.al.*, article is on Spatio-temporal pattern of Nitrates Concentration in Rain water in Ilorin, Nigeria. Thirty five rainwater samples were collected from each of the five different land-uses using sterilized 75 centiliters plastic bottles on event basis between the onset and cessation of rainfall (March 4th – October 24th, 2013) in the study area. The collected water samples were subsequently analyzed for nitrate concentration in University of Ilorin Chemistry laboratory using sodium salicylate (colorimetric) method. The result reveals high variability in both spatial and temporal patterns of nitrate concentration in the study area.

The paper suggests that efforts should be directed by concerned government agencies towards

reducing the rate of pollution to biologically safe levels; this can be through legislation aimed at tackling the sources of pollution.

The next article is that of Mustapha *et. al.*, and it examines the impact of competitive environmental factors on the choice of operational strategies of listed manufacturing firms in the FBI of Nigerian economy. The study employed the regression statistical technique for data analysis. The paper established that competitive factor impacted on the manufacturing firms' choice of diversification as operational strategies. The paper recommends that management of manufacturing firms in the Nigerian FBI should be proactive in dealing with the environmental dynamism.

Ijaiya *et. al.*, work is on evaluation of the impact of Universal Banking on Nigerian Economy. Mann-Whitney U was employed as the statistical tool for testing the null hypothesis at 5% level of significance. The result of the test shows that there is no significant difference in the contribution of the universal banking model to GDP during the periods. The study recommends that the regulators in the financial sector should at all times consider the economic environment of the country when formulating reform policies and concludes that the shift to the former commercial banking system would be appropriate.

Mande's contribution was a theoretical review on marketing strategies for deregulation of the upstream and downstream sector of the Nigerian Petroleum Industry. The author argues that deregulation of the petroleum industry will result in reforms that will transform the economy into one that is efficient and market driven. The paper concludes that it makes an economic sense for the country to deregulate its upstream and downstream oil sector because it will eliminate scarcity and queues in the filling stations and the high incidence of smuggling petroleum products across the border to neighbouring countries where the products sell for much higher prices will be automatically stamped out.

The main purpose of Fagbemi & Kasumu's article is to assess the factors influencing students' career choice in accounting. Survey research design was adopted and questionnaire was used to collect the data. The stratified and simple random sampling technique was used to select the sample of 219 students from 100 – 400 level at the department of Accounting University of Ilorin. The study employed the correlation and regression statistical techniques for data analysis. The result reveals that out of the four factors identified in the study, job related factors and referent groups were found to be factors that influence students' career choice in accounting. The study recommends that parents should help their wards choose the best career appropriate to them by considering their interests and abilities.

I wish to commend the efforts of our various anonymous reviewers for doing excellent job and proffering constructive advice on development of the original manuscripts for this edition. I also appreciate the unflinching support from all the Editorial members, *Ilorin Journal of Management Sciences*. I thank the Pioneer Dean of the Faculty of Management Sciences, University of Ilorin, Prof Jackson Olusegun Olujide for been a tremendous motivator and a pillar of success to me in producing this second edition. I look forward to receive useful comments and suggestions from our audiences that will further add value to this Journal. Thank you and happy reading.

Dr. R.A. Gbadeyan

*Editor-in-chief,
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ABOUT THE JOURNAL

Ilorin Journal of Management Sciences is published bi-annually (June and December) by the Faculty of Management Sciences, University of Ilorin, Ilorin, Nigeria. The journal publishes well researched and well articulated papers/articles on all issues in management, social sciences and other related disciplines. It also considers the conduct of research and inquiry in theoretical, empirical and experimental studies. The editors invite submission of manuscripts from contributors for publication. Manuscripts are subjected to rigorous blind peers review, and those that are accepted are published in the following issue of the journal.

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EFFECTS OF ADVERTISING ON PRODUCTS SALES VOLUME IN NIGERIA BOTTLING COMPANY PLC

BY

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ABSTRACT

The importance of advertising cannot be under emphasized for it helps in communicating information to target audience, develop personality for products or brands. However, it is not just enough to advertise products, but to ensure that the advertisement is capable of influencing the purchasing behavior of consumers. This study examined the effect of advertising on products sales volume in the Nigeria Bottling Company (NBC) and the significant relationship advertising has on its sales. Primary and secondary data were used for the study. The secondary data which spans through year 2011-2013 were extracted from the company's annual financial statement, while the primary data were generated through the use of structured questionnaire. Two hypotheses were formulated and tested with the Simple regression and t-test statistical tools used in analyzing the data. The result of the findings reveals that there was significant relationship between advertising and sales of coca-cola product. The study concluded that advertising is important and the measurement of its effect must be a thing of priority for the company. In light of the above, the study recommended that NBC must be careful by not indulging in wasteful advertising spending that will not yield the desire returns.

Keywords: Advertising, Sales, Purchasing behavior, Product, Company.

1.0 Introduction

Advertising is a prominent feature of modern business operations. One can encounter advertising messages, while watching TV, reading magazines, listening to the radio, surfing the internet, or even simply while walking down the street, as advertisement has a stimulating influence on purchasing behavior of the customer. The role of this mass mode of communication in creating brand loyalty, deterring entry and consequently increasing sales revenue and profits of the organisation and causing impact on the business cycle has been emphasized at various points of time by different studies (Sundarsan, 2007). Broadly the role of advertising expenses in an economy can be classified under two heads. According to one school of thought, advertising increases profits and reduces consumer welfare by creating spurious product differentiation and barriers to entry, while the other school of thought focuses on the informative character of advertising. This makes markets more competitive and reduces profits by informing the customers about prices and quality (Greunes, 2000).

Hence, in pursuit of their ultimate objective of increasing sales, marketer should make this mode of sales generation more effective. But advertisement effectiveness conveys different meanings to different groups. To the writer or artist, effective advertising is that which communicates the desired message, while to the media buyer, effective advertising is that which reaches to prospective buyers a sufficient number of times. However to the advertising or marketing manager, effective advertising is that which, together with other marketing forces, sells his brand or product. In fact to be effective the advertising must achieve the goal of delivering messages to the right audience and thereby creating sales at a higher profit.

The subject of advertisement has remained a topic of debate either on one pretext or another for decades. At the beginning of 19th century, though, it was a subject of little interest to the major researchers, but it became a fertile topic for economic research at the turn of 19th century during which, on one side its constructive role in providing information to customers to satisfy their wants at lower cost was recognised and on the other, a wasteful confrontational role by offering little information and doing redistribution of customers from one firm to another was acknowledged.

1.2 Statement of the Problem

Advertising is a very important promotional tool and one of the modes of communication in the marketing communication mix. Without advertising, it will be difficult to communicate a mass consumed product. Therefore, companies that engage in the production of mass products need to advertise. If factory output is to be maintained profitably, advertising must be powerful and continuous because mass production requires mass consumption, which in turn requires mass advertising to the mass market through the mass media.

Advertising, apart from helping to sell products and services, also helps in solving or avoiding some societal problems like several campaign against Aids, Tuberculosis, severe acute respiratory syndrome and several others which could have claimed so many lives if not for the education gained from the campaign on how they could be contacted, treated and even avoided. There are also several political campaigns made to market political candidates, this reveals that person, organisation, places, events, ideas are marketable like product and services. Therefore, advertising does not only involve business firms, but also museums, charitable organizations and government agencies that direct messages to the target audience or public (Beri, 2000).

Therefore, for a company to be able to stand the test of time in this competitive era where there are many producer of the same product serving the same function in the mass market, the company must make advertisement a thing of priority. If the product of a company is not made known to the potential consumers' there is no how it will be able to sell because consumers' even if they see it in the market may perceive it as an inferior product. Advertising therefore, apart from helping to sell a product also, give the company and the product a kind of prestige compared to that of a competitor.

The availability of a variety of products and brands, greater information about products and brands, increase in urbanization, increase in education, increase in per capital income and general changes in social economic environment in the country have led companies to give greater attention to their advertising efforts. This also enabled the use of more sophisticated and improved advertising techniques by companies and concerned about knowing the impact of their advertising effort. However a lot of arguments have been raised by several scholars that the impact of advertising effort can only be felt on sales at the long run (Beri, 2000).

Firms or countries which were unknown before and had hardly any imprint or impact on global market place, now create enormous demand for their products and services through media and information technology. Questions arise whether advertising adds value to firms. The study therefore seeks to measure the impact of advertising on sales volume of the Nigerian Bottling Company's product (coca cola). The specific objectives of the study are to:

- (i) examine the significant relationship of advertising expenditure on sales; and
- (ii) determine whether advertising actually influence consumers' buying behavior.

2.0 Literature Review

2.1 Advertising concept

All advertising neither are designed to lead directly to sales, it is always aim at long-term brand-image building. However, whether it is designed for short-term or long-term purposes, advertising helps to grow or make at least stagnant sales (Beretta, and Bozzon, 2004). Thus advertising is used independently to measure a change in sales (Aaker, 1989).

According to Jain (1990), however, a real and important issue in advertising effectiveness is "the incremental sales of a product over and above those that would have happened without the advertising or promotion." If short-term advertising can result in a sustained high level of sales, the company is "getting the most out of advertising."

Advertising managers have long considered the idea that advertising's impact on sales may persist longer compared to the current period "intuitively attractive" (Borden, 2007), many of them still consider that advertising's effect on sales is for a shorter period. They also hold that, in all cases, more and longer uses of advertising are finer than less and shorter uses of it, whether or not advertising is directly boosting sales (Borden, 2007). Varshney & Bhattacharyya (1998) suggest that, as a result, much advertising is wasted, largely due to the lack of measures that can show the manager the impact of short-term advertising on long-term sales.

The inability to isolate advertising effects from other effects, and to quantify such effects. According to Frank (2005). "There is no more difficult, complex, or controversial problem in marketing than measuring the influence of advertising practices on sales."

In the past, many studies have been carried out, trying to determine the major factor of influence on Sales. Early work on the advertising & Sales relationship tended to regard advertising as a barrier to entry, Jain (1990), operating through its impact on product differentiation. Furthermore, billions of rupees are reported being spent on advertising and it is one of the most powerful forces for good or evil. It is considered good because media and advertising have positive impact on market demand, sales and market share. Jain (1990), found that advertising has impact on the composition of aggregate consumer demand, he considered it evil because billions of rupees are wasted just to sell the same products and services by misleading consumers and misallocating resources. It is even more serious when the burden of such exploitation are borne by the very victims, the consumers and tax payers who have already suffered because of such imposed advertising war on them.

Advertising changes the structure of the economy. Peter & Donnelly (2004) have found that the structure of the economy changes and concentration tends to increase rapidly with high advertising intensities. The findings reveal that advertising is one of the single most powerful tools in shaping consumer demand.

Repetitive advertising creates an appeal and also retention to the consumers and increases sales. Peter & Donnelly (2004) believe that advertising has extraordinary power, and in most time, it is effective. However, such extraordinary power if unleashed to the consumers who are often not well informed about the different features of the product or service, they may easily be gathered.

The competition among firms is growing, their main goal is to define their strategies in order to achieve maximum performance, resulting in greater accelerative sales. In the past, many studies have been performed, trying to determine the major factor of influence on industry sales. Early work on the advertising, sales relationship tended to regard advertising as a barrier to entry (Kotler, 2003), operating through its impact on product differentiation. In Jetkins & Yadin (2000), advertisement has been studied through its role as investment in excess capacity.

The relationship between advertising practices and Sales is perhaps the most-studied single phenomenon in business policy and for some decades since the first published studies report a positive market share profitability association (Varshney, & Bhattacharyya, 1998). The nature of this relationship continues to receive a great deal of attention. Guo (2003), observes that many practitioners hold the view that higher market share leads to higher profits, research findings indicate that the market share-profitability association is dependent upon strategic and competitive settings, and spurious effects account for at least a sizable component of the measured association. Studies indicate that low share businesses can be quite profitable (Peter, & Donnelly, 2004).

2.2 Empirical Review

The economic effects of advertisement expenses has been a much debated topic and studied widely at different points of time. Verdon (1999) while studying the relationship between advertising and aggregate demand found that advertising have a positive relation with aggregate demand. However, Ekelund and Gramm (2000) analysed the relationship between advertising expenditure and aggregate consumption but could not establish any positive relationship between these two.

Similarly, Taylor and Weiserbs (1997) studied the relationship between advertising expenditure and aggregate consumption on the basis of Houtakker-Taylor model and showed that advertising affects aggregate consumption and the relationship between advertising and consumption is not found to be unidirectional but simultaneous. Jagpal (1981) while applying the multiproduct advertising sales model to a commercial bank found that radio advertising was relatively ineffective in stimulating sales of the joint outputs (number of savings and checking accounts). Sachdeva (1988) studying the trends in advertisement expenditure of India's large corporate bodies stated that foreign controlled companies single-handedly accounted for a dominant share in advertisement expenditure.

Consumer goods producing organisations controlled by foreign companies have emerged as one of the most important contributors to advertisement budgets of the corporate world. Another study by Leong (1996) using co-integration technique found a strong positive relationship between advertising expenditure and sales. Similarly, Lee (1996) found that the variables of advertising and sales are not only integrated of same order but also co-integrated. The results explicated that causal relationship between advertising expenses and sales works in both directions.

Leach and Reekie (1996) analysed the effect of advertising on the market share of a brand using variants of the Koyack Distributed Lag model. Further, the results of the Granger causality test showed that advertising expenses caused sales but sales do not simultaneously cause advertising.

Elliot (2001) revealed that advertising has a significant positive effect on food industry sales and this relationship between advertising expenditure and sales appears to be stable. Pagan (2001) studied the effectiveness of advertising on sales using bivariate Vector Auto Regression model and showed that one time increase in advertising expenditure leads to increase in the sales of orange with a one month lag.

It was also found that the impact of advertising expenditure on grape fruit sales is more immediate and relatively large. While analysing the relationship between a company's advertising expenditure and its sales during the recession. Kamber (2002) found a measurable relationship between advertising expenditure and sales, even after controlling other factors, such as, company size and past sales growth, etc. Guo (2003) examined the relationship between advertising and consumption at macro level using the US data on advertising expenditure, personal consumption and disposable income. The study with the use of unit root tests and co-integration analysis substantiated the existence of co-integration among variables, which reveals the presence of long-term equilibrium relationship among them. Sundarsan (2007) evaluated the effectiveness of advertising on sales of small and large firms, and for multinational corporations. The results showed that advertising has influenced sales, though its relative effectiveness was not the same for all the categories of firms.

3.0 Methodology

The study adopted both primary and secondary data. The Primary data were collected through the use of a structured questionnaire. The structured questionnaires were made up of questions that reflect the perception of consumers about coca- cola products and advertisement. However, the secondary data were extracted from the annual financial statement of the company over a period of 2011-2013. The annual reports were chosen for the study because they provide the most comprehensive report available to the public (Beretta and Bozzolan, 2004). Annual reports are also significantly more important than other source of information (Deegan and Rankin, 1996), because they have a high degree of credibility compared to other sources of information such as brochures (Neu, Warsame, and Pedwell, 1998).

A total of 400 copies of questionnaire were randomly distributed among the consumers of coca-cola product. However, on return only 326 copies of the questionnaire were retrieved from the respondents. The data were analyzed using simple regression and t-test statistical tools. The least square regression model was developed and applied in testing the research hypotheses. The mathematical model for the least square regression analysis is stated as: $Y = a + bx$

Where: Y = Sales

a = intercept

b=the coefficient of variation

x=advertising expenditure

The coefficient of correlation which shows the relationship between two variables is calculated as follows:

$$R = \sqrt{\frac{n \sum XY - (\sum X)(\sum Y)}{(n \sum X^2 - (\sum X)^2)(n \sum Y^2 - (\sum Y)^2)}}$$

Where: n= number of years

X= independent variable

Y= dependent variable

The t-test was used to test hypothesis (i) while chi-square was used to test hypothesis (ii).

3.1 Research Hypothesis

The following hypotheses were formulated and tested for the study :

- H₁: There is no significant relationship between advertising expenditure and sales.
H₂: There is no significant relationship between advertising and consumer purchase behavior.

4.0 Result and Discussion

The result reveals that there is a strong significant relationship between advertising and sales ($r = 0.88$, $p < 0.05$) from table 1 and 2 in the appendix. This implies that the company had grown her turnover on the product (coca cola) through a great concentration on advertising. Also, coefficient of variation showed that 78.9% of variations in the sales of Coca cola can be explained by advertising. In other words, advertising led to 78.9% of coca cola sales.

It was also observed that the calculated t-value(6.706) is higher than the table value (2.16), meaning that there is a significant correlation between advertising and sales; again the calculated chi-square from table 7 in the appendix was 84.87 which is greater than the table value of 12.59, which indicates that advertising truly influences consumers' buying behavior.

The above result shows that advertising expenditure and sales are strongly and positively correlated. This means an increase in advertising expenditure will cause an increase in sales of coca cola product. The coefficient of correlation from the result which is 78.8% shows the degree or the rate, at which advertising causes sales; that is 78.8% of sales of coca cola are caused or explained by advertising while the rest less than 26% could be explained by other factors.

The result of t-test helps to corroborate the fact that advertising have a significant relationship with sales by giving us a computed value of 6.706 from the regression model compared to the lower table value of 2.16 from the t-test statistical table. This result agrees with the findings of Duncan, Jeferry, Eric and Eric (2005) and Akanbi and Adeyeye (2011) which shows that there is a strong significant relationship between advertising and sales.

5.0 Conclusions

Based on the results of the findings, it can be concluded that there is strong relationship between advertising and sales volume, the study further reveals that there is a strong and significant relationship between advertising and consumers' purchase behavior. Again, measuring the effect of advertising has posed a problem, and various scholars came up with their own views on how advertising effect could be measured, whichever way it is being done, it must be able to give a precise result. Most companies only keep record of their advertising expenditure and promotional expenditure on sales without considering other factors which also influences consumers' attitude towards the purchase of a product.

However, since attitude is the pillar of a company because it leads to a purchase action from the information gathered through the questionnaire, therefore, all factors that influence consumers' attitude towards the decision of making a trial and a repeat purchase should always be considered in the advertisement of company's products and records of this should be taken so as to be able to measure advertising effectiveness on sales not in isolation but in conjunction with all these variables.

5.1 Policy Recommendations

The study suggests the following measures to be considered for company who is interested in using advertising as a marketing strategy in their competitive environment.

- The company is advised to take due cognizance to advertising so that the product will remain more viable through improvement in their advertising planning and all the processes involved.
- NBC should try to create advertisement in such a way that it will build a very strong preference for her product.
- NBC should increase the varieties and quality of their products' taste and flavor to attract more product usage or consumption.
- NBC should not relent in their marketing activities for example (promotional activities) that encourages immediate sales, so as to gain more demand for the product and even prestige for the corporate organization.

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APPENDIX

Table 1: Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.888(a)	.789	.772	29649756.8 3618	.276

a Predictors: (Constant), Advert

b Dependent Variable: Sales

Source: Researchers' computer printout (2014).

Table 2 :Coefficients(a) (REGRESSION COEFFICIENT)

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
1 (constant)	201019858.301	45909707.759		-4.379	.001	301048518.572	100991198.030
Advert	384.915	57.397	.888	6.706	.000	259.858	509.972

a Dependent Variable: Sale

Source: Researcher's computer printout (2014).

Table 3: Do you agree with the claim being made by the advertisement of coca cola which portrays coca cola as cool and refreshing drink? (Deception in Advertisement).

Responses	Number of Respondents	Percentage (%)
Strongly agree	113	34.9
Agree	188	58
Disagree	20	6.2
Strongly disagree	3	0.9
Total	324	100

Source: Researcher's field survey, (2014)

Table 4: Do you agree that the advertisement of coca cola boost the image of the product?(Advertising Effect on Product Image).

Responses	Number of Respondents	Percentage (%)
Strongly agree	161	49.7
Agree	145	44.8
Disagree	12	3.7
Strongly disagree	6	1.8
Total	324	100

Source: Researcher's field survey, (2014)

Table 5: Do you agree that the advertisement of a product you have bought for a long time can remind you of making a repeat purchase? (Extent of advertising influence on consumer's attitude towards a repeat purchase).

Responses	Number of Respondents	Percentage (%)
Strongly agree	102	31.5
Agree	181	55.9
Disagree	36	11.1
Strongly disagree	5	1.5
Total	324	100

Detailed working on hypothesis $E = \frac{RT \times CT}{GT}$

Where E = The expected values of the responses

RT = Row Total

CT = GT

Expected frequency for Row 1, 2 & 3

RT = 418

CT = 324

and GT = 972

$$E = \frac{418 \times 324}{972} = \frac{135432}{972} = 139.33$$

Expected frequency for row 2 column 1

$$\text{From } E = \frac{RT \times CT}{GT}$$

RT = 464, CT = 324 and GT = 972

$$E = \frac{464 \times 324}{972} = \frac{150336}{972} = 154.67$$

For Row 3 column 1

$$E = \frac{RT \times CT}{GT}$$

$$E = \frac{75 \times 324}{972} = \frac{24300}{972} = 25$$

For Row 4 column 1

$$E = \frac{15 \times 324}{972} = \frac{4860}{972} = 5$$

Table 6: Observed frequencies of the sample

Respondents	Q ₁₁	Q ₁₂	Q ₁₅	Total
Strongly agree	139.3 ^a	139.3 ^b	139.3 ^c	418
Agree	154.7 ^d	154.7 ^e	154.7 ^e	464
Disagree	25 ^g	25 ^h	25 ⁱ	75
Strongly disagree	5 ^j	5 ^k	5 ^l	15
Total	324	324	324	972

Source: Researchers' field survey, (2014)

Table 7: Chi- square Workings

Cells	O	E	O - E	(O - E) ²	(O - E) ² /E
A	113	139.3	-26.3	691.7	0.97
B	102	139.3	-37.3	1391.3	10.00
C	203	139.3	63.7	4057.7	29.13
D	169	154.7	14.3	204.5	1.32
E	181	154.7	26.3	691.7	4.50
F	114	25	-40.7	1656.5	10.71
G	33	25	8	64	2.56
H	36	25	11	121	4.84
I	6	25	-19	361	14.44
J	9	5	4	16	3.20
K	5	5	0	0	0
L	1	5	-4	16	3.20
Chi-square					$\chi^2=84.87$

Source: Researchers' field survey (2014).

$$\text{Calculated } \chi^2 = \frac{(O - E)^2}{E} = 84.87$$

The degree of freedom which is computed with the formula:

$$Df = (r - 1)(C - 1)$$

Where df = degree of freedom

r = row

C = column

$$df = (4 - 1)(3 - 1)$$

$$df = (3)(2) = 6$$