

The Role of Promotion and Advertising in Entrepreneurship Sustainability

Oboreh, Justina¹ Efeziomor, Patrica Chiedu², Oboreh, Jacob³

^{1,2,3} Department of business administration faculty of science, Delta state, Abraka , Nigeria/330105

ABSTRACT: This study examines the effect of promotion and advertising in relationship to sustainability of entrepreneurship in selected outlets of United Africa Company (UAC), Delta State, Nigeria. The researchers used descriptive survey and data were collected using structured questionnaires distributed to relevant personnel within the scope of the study. The total population was two thousand, three hundred and twenty-two (2,322) staff and a sample size of one hundred (100) were determined through stratified random sampling technique. Questionnaires were distributed to the samples, their response were used for analysis. Two hypotheses were raised and tested using correlation and regression analysis. The major findings of the study were that the amounts of money spent on sales promotion in relation to the amount spent on the other element of the promotion mix in sustaining entrepreneurship is justifiable compared with its benefits, as it brings awareness of product and loyalty of consumers to products brands. Based on this findings, the study recommended that persuasive, informative and reminder advertising as means to entrepreneurship sustainability should be encouraged.

KEYWORDS: entrepreneurship sustainability, promotion, advertising, products, consumers

1. INTRODUCTION

There is need for products to be promoted. The principal method of promotion are advertising, personal selling, sales promotion and publicity (Cole, 1996). It is in these areas that the marketing department play very important role of ensuring that products are not just display for sale but are to be made known to consumers to stimulate purchase.

Kurfi (2007); Kuratho& Hodgetts (1989); Karrutko& Montagno (1986) stated that promotion comprise of short-term incentives to foster purchase or sales of a product or services, whereas advertising offers reasons to buy a product or services, sales promotion offers reasons to buy now. Sales promotion includes a wide variety of promotion tools designed to stimulate earlier or stronger market response, it includes consumer promotion-samples, coupons, trade promotion – buying allowance, free goods merchandise allowance, co-operative advertising, push money and sales force promotion – bonuses contest and sales rallies (Osugawu & Eniola, 2017).

According to Robert and Thomas (1989) advertising is a combination of two mass promotional tools, that is, sales promotion and public relations. Advertising is accepted and recognized as an important part of any organizational system and economic system, and a large majority of the population feels that it creates better awareness of product and services for society. Advertising can be trace back to the very beginning of recorded history. Modern advertising however includes the use of internet and digital media to help sell enterprise services (Egboh, 2015). There is need to sustain enterprise as they contribute significantly to economies and development of nations and such way can be through promotion and advertising (Oboreh, 2022).

In developing countries like Nigeria, the concept entrepreneurship is gaining increasing recognition, with modifications in government and private sector thinking. Schumpeter (1934) in Oboreh (2021) explained entrepreneurship as a force of creativity and innovation of new ideas to better the former ways to get things done. Advertising is a good way an entrepreneur can use to inform and persuade customers or consumers to a particular product.

The objectives of this research are to ascertain the relationship between the amounts of money spent on sales promotion and the amount spent on the other element of the promotion mix and its relevance to sustaining business; and also, to what extent promotional techniques can create more brand loyalty for new brands than existing brands, and thereby sustaining entrepreneurship.

This study will be relevant to the economic society most especially government, business firms, conscious business people and professionals in business as strategic method of marketing products. This has become important in an enterprise where entrepreneurs would desire to achieve the goal of the organization by keeping the product visible and selling in the market. The study is limited to United Africa Company (UAC) outlets in Delta State, Nigeria.

The Role of Promotion and Advertising in Entrepreneurship Sustainability

2. LITERATURE

Concept: Promotion & Advertising

Communication is an important arm of the entrepreneurial system which an entrepreneur needs to promote a product, services or an idea. The sustenance of a product, service or idea is not automatic, no matter how good the product is, how consistent the service is, or how reasonable they created idea, its survival will be unknown unless there is a determined effort to make the required information available (Oboreh, 2022). According to studies, promotion is an art of informing, persuading and educating (Kotler, Bowen & Makens 2018; Cruz & Fill, 2008; Kotler, 2000). As a result, promotion is an information communicated in a manner persuasive enough to induce the kind of acceptance, reaction or response desired. Promotion is seen as marketing activity to improve temporarily the value of the brand of offering to buy, (Ogunlesi, 2016).

Entrepreneur used promotion as a broad selection of devices meant to increase earlier or stronger market reaction, which includes consumer promotion, samples, coupons, rebates, price off, premiums, contest (Sajid, 2016; Kalu, 2008; Kotler & Gray, 2016). This is to say that promotion involves marketing activities that stimulate consumer purchases and dealer effectiveness; it also accelerates the speed at which goods and services flow from the producers, through the trade, to the ultimate or final consumer.

According to Kotler & Gray, (2016) advertising is a vital entrepreneur tools because it is an act of calling something to notice of the people, specifically by swift announcements. It is a notice intended to make known what they have to sell or what the consumer have to buy. Otika, Nwaizugbo & Olise, (2019); Ayozie (2018) said that advertising has turn out to be an essential part of our societal and economic system which has grown over the years in Nigeria. It has affected both business and the society.

Essential of Promotion and Advertising to Entrepreneurship sustenance

Many entrepreneurs and businesses owners are now starting to recognize the valuable effect of advertising as a communication tool that, when properly utilized, may dramatically boost their presence in market. Marketers must have a presence in the place where their customers live in order to be successful as well achieving the set goals.

Fruhling and Digman (2000), cited in Jagongo and Kinyua (2013), that adoption of advertising can assist a business improve its customer ad market base, which contributes to the company's growth plan. Advertising can help an entrepreneur expand his/her business scope and increase its main business by facilitating market penetration and expansion, as well as product development. Porter (2001) goes on to argue that advertising can help increase sales and provide opportunity to introduce new products and services. Mangold and Faulds (2009), argues that advertising allows a company to interact with existing and new customers, engage with them, and build a feeling of community around the company.

The use of sales promotion in achieving market share cannot be over emphasized. Kotler (2006); Srivastava & Lurie (2001); Cole (1996) summed that promotional pricing is used in achieving market share through sales promotion, where companies often reduce their price temporarily, pricing products below the list price and sometimes even below cost price to increase short run sales. Supermarket and departments stores will price a few products as loss leaders to attract customers to the store in the hope that they will buy other items as normal mark ups.

Advertising has become an integral part of our society (Tom, 2010). There is no way someone cannot go through a newspaper, listen to radio, or watch television without reading, hearing or seeing some advertisement. Most companies developed advertising strategy which consists of creating advertising message and selecting advertising media (McCarthy, 2006; Kotler, 2000). Two advertisers can spend the same amount on advertising yet have different results. Studies shows that creative advertising messages can be more important to advertising success than the number of Naira spent, this goes further to show that no matter how big the budget is, advertising succeeds only if commercial gain is achieved through increase patronage (Ayozie, 2018; Kalu, 2008). Creating effective advertising message is the first step in the message strategy (Pride & Farrel, 2016; Kotler, 2006), this is the aim of advertising to draw consumers to think about or respond to the product or the company in a specific way.

Theoretical Framework

This study adopted Signaling theory that was developed through the study of information economics under conditions in where buyers and sellers have distorted information when encountering a market communication (Boulding & Kirmani, 2013). Three elements are involved, there are the signaler, the receiver and the signal itself, the signaler is designed to be the owners of the information about a product, that is, entrepreneur, which is conveyed to receivers in form of promotion or advertising. The main reason why the researcher adopted this theory as a base of this study is because this theory has been used widely in fields such as entrepreneurship sustenance (Zhang & Wiersema, 2009) and marketing (Rao, 1999) as a framework of understanding how consumer and producer address limited information in a pre-purchase context. In act of sellers making search and purchase decisions consumers may use signals decisions that is inspired by this argument. In process of using perception, consumers also make decisions as to which of the strategies attract more to them. Firms or businesses may predict consumer reactions and identify their mix strategies, attempting to affect consumer perceptions and comportment even going as far as sending false signals in desperate situations (Nakamura & Steinsson, 2011).

However, consumers can punish entrepreneur for selling these false signals using different ways, which in turn influence brand failure (Srivastava & Lurie, 2001). This theory's strength is the fact that it has been applied in many areas of study over the years

The Role of Promotion and Advertising in Entrepreneurship Sustainability

to the forecast behaviors of buyers, consumers or people. The theory also describes how consumers deduce signals like advertising, sales promotion, personal selling and direct marketing, when they are positioned by businesses. Entrepreneurs use these promotional mixes to sustain their goods and services in the market when positively conveyed.

Conceptual Framework of the study

From the findings of the literature, the following conceptual framework is developed in (figure 1). It shows the relationship between the variables of the study.

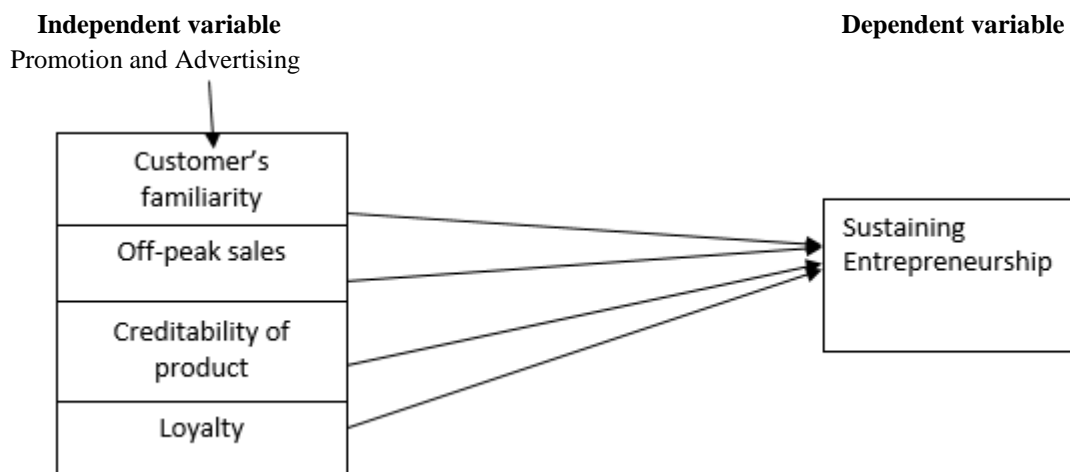


Figure 1

Source: Researchers concept model 2023

3. METHODOLOGY

The study adopted descriptive survey research to examine effect of promotion and advertising on sustaining products of an entrepreneur. The use of descriptive survey design was based on the fact that the researcher used questionnaire to obtain information on the dependent and independent variables under study. out of the population of two thousand, three hundred and twenty-two (2,322) staff in United Africa Company (UAC) in Delta State, Nigeria, stratified and simple random sample were used to select one hundred (100) staff from Ughelli, Warri, Agbor and Asaba branches. The purpose of stratification is to ensure equal representation of the staff while simple random sampling techniques give every staff that is accessible equal opportunity of selection.

The questionnaires contain ten (10) items, which enable the researcher to spread the questions across the variables used to elicit data for this study. the research hypotheses were tested for significant difference at 0.01 (2-tailed) level of significance using correlation and regression analysis.

4. RESULTS AND DISCUSSION OF FINDINGS

Research Question One: To ascertain relationship between the amounts of money spent on sales promotion and the amount spent on the other element of the promotion mix in sustaining entrepreneur?

Table 1.

S/N	Statement/Items	SA	A	D	SD	x	DECISION
1	Organization cannot function effectively without sales promotion techniques.	35	39	18	8	3.01	Agreed
2	Company considers sales promotion more appropriate in promoting products.	38	43	17	2	3.17	Agreed
3	The cost of advertising is not expensive compared to the benefits organization achieves.	32	45	18	5	3.04	Agreed
4	Organization uses promotion tool to create brand awareness	30	42	20	8	3.02	Agreed
5	Products sustenance in the market is one of the reasons why organizations use advertising.	40	34	18	8	3.10	Agreed
6	Advertising do increase customers' familiarity of product.	43	40	15	5	3.20	Agreed

Source: Field survey, 2023

The table above shows the mean scores of respondents' responses to item 1,2,3,4,5 and 6 are 3.01, 3.17, 3.04, 3.02, 3.10 and 3.20 respectively. All the mean scores are above the criterion mean of 3.0 for an item to be acceptable. This therefore implies that sustaining an enterprise include effective sales promotion, cost of promotion should not be compared with its benefits, awareness of product brand, product familiarity and sustenance in the competitive market.

The Role of Promotion and Advertising in Entrepreneurship Sustainability

Research Question Two: To what extent does promotional technique create brand loyalty for new product and sustaining entrepreneurship?

Table 2.

S/N	Statement/Items	SA	A	D	SD	x	DECISION
1	The jingle used in advert entices customers to the product	40	34	18	8	3.10	Agreed
2	Advertising is one of the promotional tools organizations used with sales promotion in the business	43	40	15	5	3.20	Agreed
3	The market share of this organization has grown considerably.	35	39	18	8	3.01	Agreed
4	Customer base of this organization has grown over the years.	30	42	20	8	3.02	Agreed
5	Service delivery performance of this organization is impressive.	38	43	17	2	3.17	Agreed
6	The organization is in position to be a market leader in its industry.	32	45	18	5	3.04	Agreed

Source: Field survey, 2023

From table 2 above, the result shows the mean scores of respondents responses to item 1,2,3,4,5 and 6 are 3.10, 3.20, 3.01, 3.02, 3.17 and 3.04 respectively. All the mean scores are above the criterion mean of 3.0 for an item to be acceptable. The result shows that jingle usage entices customers, one of the promotional growth tools organization use is advertising, there is growth in market share, increased customer loyalty and impressive service delivery.

Test of Hypotheses

Hypothesis One: There is no relationship between the amount of money spent on sales promotion and the amount spent on the other element of the promotion mix and entrepreneurship sustainability.

Table 3. Correlations Result Cost of Promotion and Entrepreneurship sustenance

		Cost of Promotion	Entrepreneurship sustenance
Cost of Promotion	Pearson Correlation	1	.263**
	Sig. (2-tailed)		.000
	N	100	100
Entrepreneurship sustenance	Pearson Correlation	.263**	1
	Sig. (2-tailed)	.000	
	N	100	100

** . Correlation is significant at the 0.01 level (2-tailed).

The above Kendall rank correlation analysis between promotion mix and entrepreneurship sustenance shows that the p-value of 0.026 ($p < 0.05$) which implies that; there is relationship between the amount of money spent on sales promotion and the amount spent on the other element of the promotion mix and entrepreneurship sustainability. Therefore, alternate hypothesis is hereby accepted, and null hypothesis is rejected. This means that, there is relationship between the amount of money spent on sales promotion and the amount on other element of the promotion mix.

Hypothesis Two: There is no relationship between Promotional techniques used in creating brand loyalty and entrepreneurship sustenance

Table 4. Correlations Result Brand Loyalty and Entrepreneurship sustenance

		Brand Loyalty	Entrepreneurship sustenance
Cost of Promotion	Pearson Correlation	1	.363**
	Sig. (2-tailed)		.000
	N	100	100
Entrepreneurship sustenance	Pearson Correlation	.363**	1
	Sig. (2-tailed)	.000	
	N	100	100

** . Correlation is significant at the 0.01 level (2-tailed).

The above Kendall rank correlation analysis between brand loyalty and entrepreneurship sustenance shows that the p-value of 0.036 ($p < 0.05$) which implies that promotional techniques can create more brand loyalty and entrepreneur sustenance. Therefore, alternate hypothesis is hereby accepted and null hypothesis rejected. This means that, there is relationship between the promotional techniques used in creating brand loyalty and entrepreneurship sustenance..

The Role of Promotion and Advertising in Entrepreneurship Sustainability

Table 5. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.156 ^a	.064	.055	1.01472	1.049

a. Predictors: (Constant), Promotion and Advertising

b. Dependent Variable: Entrepreneurship Sustenance.

From the table 5 above indicates the fitness of the model. This is in line with Zygmunt& Smith, (2014) which stated that the standard adjusted R-square should be more than or equal to 60% (Zygmunt& Smith, 2014). Therefore, the model is considered a good fit as the adjusted R-square is 0.64 (64%) fit. Thus, it means that the variables promotion and advertising represent 64.0% variance in entrepreneurship sustenance. The model Durbin Watson is 1.049 which indicates that there is no auto-correlation. Thus, multi collinearity among the variables doesn't exist.

Table 6: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	4.803	.443		10.843	.000
	Entrepreneurship Sustenance.	.356	.298	.256	1.591	.003

a. Dependent Variable: Entrepreneurship sustenance.

Referring to the above table, shows a positive and significant influence promotion and entrepreneurship sustenance. As Beta coefficient is 0.256 with a p value of 0.003 which ($< .05$) which indicate to a moderate and significant influence of promotion and advertising on entrepreneurship sustenance. Therefore, if promotion increases, entrepreneurs can market the organization and products as well, hence sustain the business.

Findings

Results obtained from research question one and hypothesis one reveals that the amount of money spent on sales promotion and the amount spent on other element of the promotion mix has relationship with the entrepreneurship existence which include effective promotion, sales promotion. It was revealed that when the benefits that an organization derives from promotion and advertising is compared with the cost of promotion and advertising the benefits outweigh the cost. This is in line with Otika, Nwaizugbo, & Olise (2019) which revealed that promotion have an impact on the integration of sustainability in start-up business.

The second research question and hypothesis two assess the relationship between promotional techniques used by organization in creating brand loyalty and entrepreneurship sustainability. The study revealed that jingle usage entices customers to products, and in turns increases growth in market share and customers desire to request for the product which in turns helps entrepreneurial sustenance. This finding corroborates previous studies by Odinokova, Bozhinova & Petrova (2018) which highlighted that promotion create awareness and build up a long-term image for products and also stimulate quick sales.

5. CONCLUSION AND RECOMMENDATIONS

Conclusion

For the performance of all business organizations and sustainability to improve, there must be a well-designed programme on promotion and advertising. There is need for organization to embrace promotion and advertising to enable them to compete favourably and increase their market share. There is the need for the entrepreneur to scan the environment for opportunities that are available for exploitation using promotional tools, it must also scan the business environment for resources that needs to be tap for the business.

With the present economic situation in Nigeria, there is the need for every organization to have good promotion and advertising section in order to be able to remain in business. It is to important note that when entrepreneurship fails in promotion and advertising, organization product and service, it means that the organization has planned to go out of existence in the market place. Sales promotions attract consumer attention and provide information that may lead the consumer to buy the product.

Recommendations

Advertising objectives is topmost in advertising program. Many times, objectives are established on information concerning the target market, positioning and marketing mix. Marketing positioning and mix strategies define the role that advertising must perform in the total marketing program hence the following recommendations:

- for the purpose of effective performance and sustainability of the enterprise, informative advertising should be utilized optimally in introducing a new product.
- There is need to introduce persuasive advertising as competition increases which compares one brand directly or indirectly with one or more other brands.

The Role of Promotion and Advertising in Entrepreneurship Sustainability

c) The sustainability of product is utmost important, to this and therefore reminder advertising is important for mature products. Company/organization/business/entrepreneur should be sending “thank you” messages to customers for their patronage; the personalized thank you card can creates goodwill and reminds the customer about the product.

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