



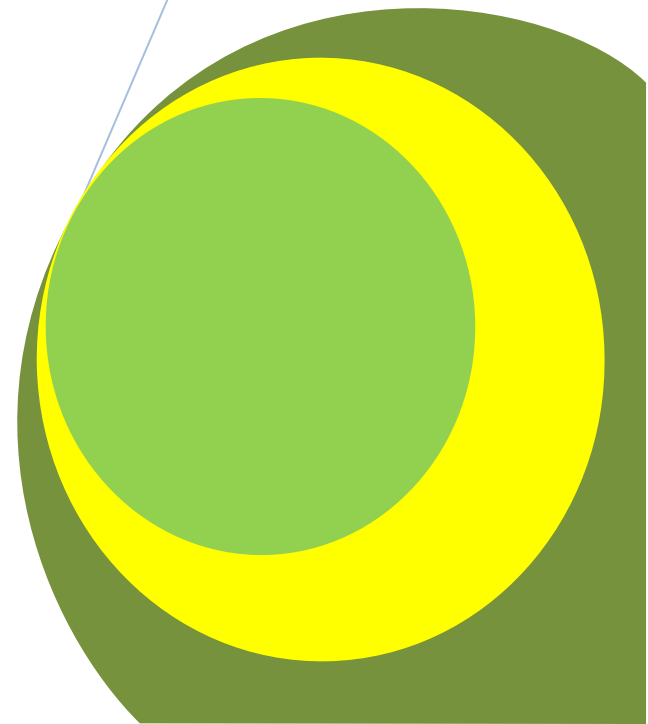
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Influence of Information Communication Technology on the Advertising Industry in Nigeria: A Case Study of Lagos State

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Research Article

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ABSTRACT

The business environment today has been undergoing unprecedented changes and many companies are seeking new ways to stand out from the competition by sustaining their competitive advantage. In today's highly competitive global marketplace, there is pressure on organizations to find new ways to persuade and make their products known to customers and ICT is being applied in many organizations in a wide range. In present study, one hundred questionnaires from five advertising companies, basically medium and large scale companies formed sample of this study based on random sampling technique. The descriptive statistics was adopted and data were analysed using chi-square test at 0.05 significance level to test hypotheses. The study shows that advertising company has shifted to ICT based advertisement which has influenced advertising industry in the area of coverage, time saving, accuracy, patronage of the industry and it has also brought financial benefit to both the advertising company and advertisers.

Keywords: Influence, ICT, Advertising, Media.

1. INTRODUCTION

Advertising was derived from the Latin word 'ad vertere' which means "to turn the mind toward". Advertising is a major tool in the marketing of products, services and ideas. The idea is to sell products, services or ideas to consumers. The companies certainly think it is a good method of selling, and have increased their advertising year after year (Taflinger, 1996).

It is a form of communication use to encourage, persuade, or manipulate an audience (viewers, readers or listeners; sometimes a specific group) to continue or take some new action. Most commonly, the desired result is to drive consumer behaviour with respect to a commercial offering. Advertisement can also be used as a means of reassuring employees or shareholders that a company is viable or successful. Advertisement messages are usually paid for by sponsors and viewed via various transmission media such as newspaper, magazines, television commercial, radio advertisement, outdoor advertisement or direct mail; or new media such as blogs, websites or text messages.

Commercial advertisers often seek to increase consumption of their products or services through "branding" which involves associating a product name or image with certain qualities in the minds of consumers.

Non-commercial advertisers who spend money to advertise items other than a consumer product or service include political parties, interest groups, religious organizations and government agencies. Non-profit organizations may rely on free modes of persuasion, such as a public service advertising (PSA) (Manohar, 2012).

Advertisement can be classified as having six characteristics: it is a paid form of communication, the sponsor is identified, most advertisement persuade or influence consumer, message is conveyed through different types of media, advertisement makes message to reach large audience of potential consumers, advertisement is a form of mass communication (Taflinger, 1996).

According to Bovee and Arens (1992), defined advertisement as personal or non-personal communication of information usually persuasive in nature about products, services or ideas through various media paid for by an identified sponsor.

According to Somuyiwa (2010), advertisement is also promotion of a company's products and services carried out primarily to drive sales of products and services which is usually done to build a brand identity and communicate changes in old products or introduce new product/services to the customers.

The use of Information Communication Technology (ICT) has become more integrated into most aspects of life including advertising. ICT means all forms of media used to handle and convey messages about a product or service to the consumers. ICT based ads continues to gain an edge over other non-computerized advertising materials such as brochures, posters or billboards because of advantages it has in promotional messaging (Somuyiwa, 2010).

2. MATERIALS

Advertising in Nigeria has evolved from the days of black and white television ads, black and white handbills, fliers and posters to the days of coloured digital ads both in print and media.

In 1977, knowledge and information-based activities contribute almost half of the gross national product and employed 47% of developing countries workforce (Aysar and Recascino, 2006). Advertisement has become an essential element of the corporate world and hence companies allot considerable amount of resources towards advertising budget (Manohar, 2012).

A wide range of new technologies have given the advertising industry access to faster communication and not only that businesses have the old and conventional methods but also the contemporary methods which involves the use of technology including the internet, text messages (SMS), email, blogs etc., all summed up as ICT methods (mamaghani, 2006).

Experts have attributed the steady progress in the sector to factors such as a free market economy, improved educational standards as well as appreciable growth in the standard of living (Adewakun, 2010).

According to Manohar (2012), advertisement can be done through many mediums, such as wall paintings, billboards, street furniture components, printed flyers and rack cards, radio, cinema and television adverts, web banners, mobile telephone screens, shopping carts, web pop-ups, skywriting, bus stop benches, human billboards and forehead advertising, magazines, newspapers, town criers, sides of buses, banners attached to or sides of airplanes, in-flight advertisements; on seatback, tray, tables or overhead storage bins, taxi doors, roof mounts and passenger screens, musical stage shows, subway platforms and trains, elastic bands, on disposable diapers, doors of bathroom, stalls, stickers on apples in supermarkets, shopping cart handles, the opening section of streaming audio and video, posters, and the backs of event tickets and supermarket receipts. Any place an "identified" sponsor pays to deliver their message through a medium is advertising.

ICT has opened door of opportunities for advertising companies and employees willing to explore non-traditional work arrangement. According to Alan (2006), "91% of advertising agencies allow more population of employees to work at home occasionally".

According to research carried out in America, it shows that in the last three quarters of 2009 mobile and internet advertising grew by 18.1% and 9.2% respectively. Older media advertising saw declines: -10.1% (TV), -11.7% (radio), -14.8% (magazines) and -18.7% (Newspaper Association of America, 2012).

According to Gignac (2005), observed that another significant trend regarding future of advertising is the growing importance of the niche market using niche or a targeted ad which is brought about by Internet and theory of The Long Tail. A perfect example of Niche Marketing is Google Ad Sense. Google Calculates the primary purpose of the website and adjusts ads accordingly. Using this method, Google pioneered an ingenious method of putting ads right where it is needed.

According to Yuan et al. (1998), observed that the use of internet for advertisement can be grouped into pure direct, pure indirect and bundling advertising in which their choice depends on their relative costs and benefits to advertisers.

ICT has provided new ways to store, process, distribute and exchange information both within companies, customer and suppliers in the supply chain.

3. METHODS

This research assesses influence of Information communication technology on advertising industry in Nigeria using Lagos State as a case study. Lagos state is one of the commercial centres in Nigeria; nearly all the companies in Nigeria have their head office in the state. The research was done by sampling of hundred (100) staffs of five (5)

different advertising companies, Insight Communication Limited, Bates Cosse Limited, Front Page Advertising Limited, Hunters Advertising Limited and Advertising Place Limited in Lagos state, Nigeria, through a self-administered questionnaire. The data collected from these questionnaires were presented and analyzed using descriptive statistics, and chi-square to test three hypotheses formulated.

$$\chi^2 = \sum_{i=1}^k \left(\frac{o_i - e_i}{e_i} \right)^2$$

Where o_i is the observed value, e_i is the expected value and χ^2 is the chi-square and $v = (\text{row}-1)(\text{column}-1)$ to determine its degree of freedom.

4. RESULTS AND DISCUSSIONS

Hundred questionnaires were distributed to respondents of five selected companies at average of twenty copies per company; all copies of the questionnaires were duly completed, returned and found usable for this study. It was found that, respondents' falls into the 21 to 49 years of age group, which comprises the 70 per cent of respondents who were males and 30 per cent females. This high response was recorded because enough time was given and several visits were made to the selected companies to retrieve the questionnaires.

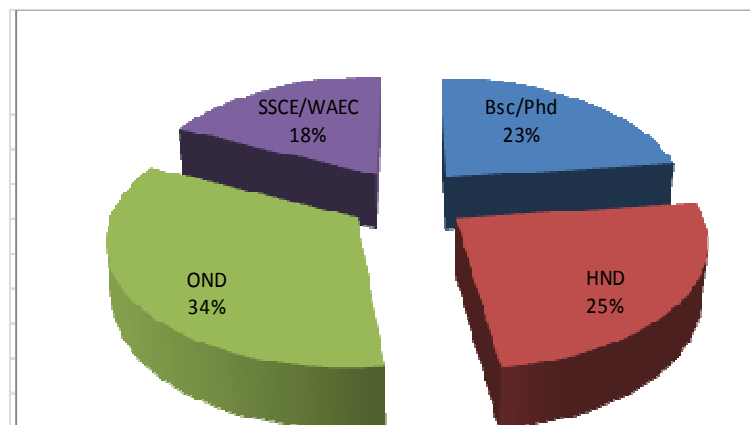


Figure I: Percentage of Educational Qualification of the Respondent

Question: How did you accept the introduction of ICT?

Table 1: Level of Acceptability of ICT

Company	Fully Accepted	Partially Accepted	Not Accepted	Total
Insight Comm. Ltd	17	3	0	20
Bates Cosse Ltd	20	0	0	20
Front Page Advertising Ltd	18	2	0	20
Hunters Advertising Ltd	12	8	0	20
Advertising Place Ltd	16	4	0	20
Total	83	17	0	100

From the table 1, it shows that 83% of the respondents agreed that ICT has been fully accepted by their organizations while 17% agreed on partially accepted.

Question: To what extent would you say the shift in approach from conventional advertising methods to ICT based advertising methods benefit your clients and your company?

Table 2: Shift in Approach Benefit Effect

Company	Very Large Extent	Large Extent	Low Extent	Total
Insight Comm Ltd	17	3	0	20
Bates Cosse Ltd	15	5	0	20
Front Page Advertising Ltd	10	10	0	20
Hunters Advertising Ltd	19	9	0	20
Advertising Place Ltd	13	7	0	20
Total	74	26	0	100

Table2 above shows that 74% of the respondents agreed that shift in approach from conventional advertising methods to ICT based advertising methods benefitted their client and their company to very large extent while 26% respondents agreed to large extent while non-responded to low extent.

Question: How ICT has influenced the activities in your company

Table 3: Influence of ICT on Company Activities

Company	Ease of Use	Time Saving	Accuracy	Wider Coverage	Total
Insight Comm Ltd	2	5	3	10	20
Bates Cosse Ltd	1	7	4	8	20
Front Page Advertising Ltd	3	1	4	12	20
Hunters Advertising Ltd	1	2	1	16	20
Advertising Place Ltd	1	2	3	14	20
Total	8	17	15	60	100

Table 3 above shows that ICT has influenced activities in the advertising industry by notably increasing the area of coverage, also saves time and increase service accuracy (60%, 17%, and 15% respectively) while ease of use has 8%.

Question: To what extent has ICT influenced patronage of advertisement in your company?

Table 4: Influence of ICT on Advertisement Patronage

Company	Very Large Extent	Large Extent	Low Extent	Total
Insight Comm Ltd	11	9	0	20
Bates Cosse Ltd	19	1	0	20
Front Page Advertising Ltd	18	2	0	20
Hunters Advertising Ltd	16	4	0	20
Advertising Place Ltd	20	0	0	20
Total	84	16	0	100

Table 4 shows that ICT has influenced patronage of advertising industry to very large extent, 84% of the respondents agreed to very large extent while 16% agreed to large extent.

Test of Hypotheses

The following research hypotheses were formulated to determine the influence of ICT on the Advertising Industry.

Hypotheses One:

H_0 : ICT based advertisement has not been fully accepted by the advertising industry.

H_1 : ICT based advertisement has been fully accepted by the advertising industry.

To test this hypothesis, Table 1 was used.

Chi-Square calculation table 1

Serial Nos	Observed	Expected	O - E	(O - E) ²	(O - E) ² /E
1	17	16.6	0.4	0.16	0.0096
2	3	3.4	-0.4	0.16	0.0471
3	20	16.6	3.4	11.56	0.6964
4	0	3.4	-3.4	11.56	3.4
5	18	16.6	1.4	1.96	0.1181
6	2	3.4	-1.4	1.96	0.5765
7	12	16.6	-4.6	21.16	1.2747
8	8	3.4	4.6	21.16	6.2235
9	16	16.6	-0.6	0.36	0.0217
10	4	3.4	0.6	0.36	0.1059
Total	100	100	0	70.4	12.4735

Degrees of Freedom = (Rows - 1) (Columns - 1) = (5 - 1)(3 - 1) = 8

The table value of chi-square at 0.05 significance level with 8 degrees of freedom is 2.733. The calculated value of 12.473 is greater than the table value of 2.733, therefore; null hypothesis (H_0) was rejected and alternative hypothesis (H_1) was accepted which means that ICT based advertisement has been fully accepted by the advertising industry.

Hypotheses Two:

H_0 : The shift in approach from conventional advertisements to ICT based advertisements has not benefitted advertiser and advertising company.

H_1 : The shift in approach from conventional advertisements to ICT based advertisements has benefitted advertiser and advertising company.

To test this hypothesis, Table 2 was used.

Chi-Square calculation table 2

Serial Nos	Observed	Expected	(O - E)	(O - E) ²	(O - E) ² /E
1	17	14.8	2.2	4.84	0.327
2	3	5.2	-2.2	4.84	0.931
3	15	14.8	0.2	0.04	0.003
4	5	5.2	-0.2	0.04	0.008
5	10	14.8	-4.8	23.04	1.557
6	10	5.2	4.8	23.04	4.431
7	19	14.8	4.2	17.64	1.192
8	1	5.2	-4.2	17.64	3.392
9	13	14.8	-1.8	3.24	0.219
10	7	5.2	1.8	3.24	0.623
Total	100	100	0	97.6	12.683

Degrees of Freedom = (Rows - 1) (Columns - 1) = (5 - 1) (3 - 1) = 8

Using chi-square at 0.05 significance level with 8 degrees of freedom is 2.733 and the calculated value is 12.683, which is greater than the table value of 2.733; therefore, the null hypothesis was rejected (H_0) and alternative Hypothesis (H_1) was accepted which means that migration from conventional advertisement to ICT based advertisement has benefitted the advertiser and advertising industry.

Hypothesis 3:

H_o : The ICT has not influenced patronage of advertising industry.

H_i : The ICT has influenced patronage of advertising industry.

To test this hypothesis, Table 4 was used.

Chi-Square calculation table 3

Serial Nos	Observed	Expected	(O - E)	(O - E) ²	(O - E) ² /E
1	11	16.8	-5.8	33.64	2.002
2	9	3.2	5.8	33.64	10.513
3	19	16.8	2.2	4.84	0.288
4	1	3.2	-2.2	4.84	1.513
5	18	16.8	1.2	1.44	0.086
6	2	3.2	-1.2	1.44	0.45
7	16	16.8	-0.8	0.64	0.038
8	4	3.2	0.8	0.64	0.2
9	20	16.8	3.2	10.24	0.61
10	0	3.2	-3.2	10.24	3.2
Total	100	100	0	101.6	18.9

Degrees of Freedom = (Rows - 1) (Columns - 1) = (5 - 1) (3 - 1) = 8

Using chi-square at significance level of 0.05 with 8 degrees of freedom is 2.733, the calculated value is 18.9 which is greater than the table value of 2.733; therefore, the null hypothesis (H_o) was rejected while the alternative hypothesis (H_i) was accepted which means that ICT has influenced patronage of advertising industry.

5. CONCLUSION

This research was conducted to assess the influence of Information communication technology on advertising industry in Nigeria using Lagos State as a case study.

The study shows that advertising companies have accepted ICT based advertisement which has influenced their efficiency in all aspects especially in the area of coverage, time saving and accuracy, it was also noted that it has brought increase in patronage of the industry, which led to benefit in terms of profits and returns on investment for both the advertiser and the advertising industry.

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