Out of Home Advertising and Consumer Buying Behaviour of Selected Fast Moving Consumer Goods in Lagos State, Nigeria

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Abstract

Fast Moving Consumer Goods are products that are required by almost all users in their day today life. The advertisements for these products need more attention in terms of creating responsiveness among the consumers for their purchase decision. However, consumers are bombarded with lots of information through multiple media like newspapers, magazines and internet but remain engaged from time to time hence lack time to update themselves. This has made it difficult for advertisers to trap consumers hence resort to outdoor messages to reach the target people. Extant studies on the out of home advertising have attempted to elucidate on the challenges of advertising and the attendant supposed solutions, conversely, most of the extant research focus more on developed countries than developing countries such as Nigeria. Hence, this study examined the effect of Out-of-Home Advertising on consumer buying behaviour of selected fast moving consumer goods in Lagos State, Nigeria. Survey research design was adopted for the study. The population of the study consists of individuals living in Lagos State with total number of 2,556,300 and with the sample size of 520 derived from Taro Yamane method. Data was collected using self – administered structured questionnaire and validated for a response rate of 93.4%. Cronbach Alpha reliability for major constructs had an average of 0.80. Random sampling technique was used. The data collected was analysed using simple linear regression. Findings revealed that there is a strong positive and significant relationship between Out-of-Home Advertising and consumer buying behaviour ($β = 0.834; R² = 0.695; t = 33.225; p<0.05$). The study concludes that Out-of-Home Advertising has significant and positive effect on consumer buying behaviour and recommends that the study findings led to the recommendations that producers of fast moving consumer goods should focus more on out of home advertising such as use of billboards as opposed to other forms of media like T.V and Radio to help boost consumption and sale of their products. The study also recommends marketers of FMCGs to enhance the knowledge and awareness of consumers with regard to existence and location of billboards.

Keywords: Fast Moving Consumer Goods, Out-of-Home Advertising, Consumer Buying Behaviour, billboards, Purchase decision

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Out-of-Home Advertising is dynamic throughout the world. Even though, consumers in the world have similar needs, there are substantial differences in the way these needs are satisfied (Smith and Taylor, 2011). Out of home Advertising of FMCGs differs from company to company based on the products produced, product packages, radio and television commercials, and billboards which are all bewitching consumers' attention. One has to look at the variety of products offered across national boundaries and within them and how these products are presented to the understanding of the consumer (Divine and Lepisto, 2015).

However, the views of consumers differ regarding marketing messages received about products/services, and these views influence their attitude and ultimately translate into a particular action. Thus, having a favourable attitude may not necessarily lead directly to purchase and a person may have a negative attitude but a positive purchase or use behaviour (Copley, 2014). It is important to understand the effect of marketing messages on consumer attitude and to know if such attitude will translate into a positive purchase or use behaviour. Numerous factors such as consumer perceptions of the value of entertainment, informative,
Consumers are the central point in every FMCGs business (Shaina 2015). Nowadays, attracting and satisfying customer is more difficult than producing goods. Review of past studies suggests that a number of studies have been carried out to study out-of-home advertising on consumer buying behaviour of FMCGs throughout the world which showed positive results (Chakrabarti and Baisya, 2016; Naspetti and Zanoli, 2014; Azam, Lim, Matassan and Ahmed (2019); Chen and Lobo, 2013). Moreover, most of these studies have been mainly undertaken in developed countries. However, other studies that failed to find a significant direct relationship between out-of-home advertising and consumer buying behaviour (Parmenter, 2012; Divine and Lepisto, 2015). Past researches on consumer buying behaviour in FMGGs focused on developed countries where the markets are different. While in African countries, much of the purchases happen in open markets. (Spivey, Dupoux, Niavas and Ermias, 2013, Naivia, Spivey, Von Koschitzky, Kimani and Chan, 2014). Out-of-home advertising is scheduled to be a channel for showcasing product capability in public places but on the contrary, Nwoka, Ezirim and Maclayton (2015). observe that the issue probing the minds of many is whether such channel has actually influenced to a significant extent, the consumer buying behaviour of consumers. Therefore, it is essential that similar research is carried out in a developing economy like Nigeria. Based on the issues and gap identified above, the study examined the effect of Out-of-Home Advertising on consumer buying behaviour of selected fast moving consumer goods in Lagos State, Nigeria.

**Literature Review**

This section provides a detailed review of the variables used in this study, theories and the empirical findings of past studies.

**Out-of-Home Advertising**

Out of home advertising is any advertising that is done outside that publicizes a company's products. There are four primary sources of out of home advertising including bill boards, digital bill boards, transit media and posters (Roberts, 2018). It has become extremely important for brands to maintain a sense of trust with their consumers and at the same time striving to keep their brands top of mind. People are continuously searching for brands with narratives and stories which they can resonate with (Guzman, Iglesias, Hakala, Svensson and Vincze, 2012). The more familiar consumers are with your brand, the more trust they will have on it. Out of Home advertising provides good channel through which companies can continuously expose their brands to the consumers. According to Wilson and Till (2012), Out-of-Home Advertisings are designed to be simple and straightforward so message processing occurs quickly, as consumers often only have a few seconds to notice and subsequently process information contained within billboard Advertising before the ad or the consumer disappears from sight. As such, information processing is arguably different for billboard Advertising than it is for the magazine and banner advertisements.
**Consumer Buying Behaviour**

According to Khaniwale (2015), consumer behaviour involves the study of individuals and the method they employ to choose, utilize, and set out products and services to fulfill their wants and the effect that these methods have on the consumer and the society as a whole. Consumer behaviour refers to all the thought, feelings and actions that an individual has or takes before or while buying any product, service or idea. Buyer behaviour is the concept which answers what, why, how, when, and where an individual makes purchase. As a result, the outcome of buyer behaviour is the buyer's decision. Pinki (2014) argued that buying behaviour is the decision processes and acts of people involved in buying and using products, whereas, consumer buying behaviour refers to the buying behaviour of the ultimate consumer. Also, according to Mehmet (2012), consumer buying behaviour involves purchasing and other consumption related activities of people engaging in the exchange process. It has also been described as the mental, emotional and physical activities that people engage in when selecting, purchasing, using and disposing of products and services so as to satisfy needs and desires. According to Orji (2015), behaviour of consumer is motivated, and this behaviour is directed towards the goal of obtaining products or other resources. He asserted that it is the activities of people engaged in actual and potential use of market items—whether products, services, retail environments or ideas. The better the firm understands its consumers, the more likely it becomes successful in the marketplace. Knowledge of consumer behaviour would render immense help for planning and implementing marketing strategies in a competitive environment like Nigeria.

**Underpinning Theory**

This study is anchored on AIDA Model and the Theory of Hierarchy of Effect. AIDA is an acronym which stands for Attention, Interest, Desire and Action. According to Hackley, (2005), AIDA model was created by Strong in 1925 and is a behavioral model that makes sure that an advertisement raises awareness, stimulates interest, and leads the customer to desire and eventually action. Butterfield (2007) argued that the model is seen as a highly persuasive and is said to often unconsciously affect our thinking. The selection of these two theories is based on the fact that the AIDA theory is concerned with raising awareness as well as stimulating interest of customers which leads to desire and action from them. In other words, it is aimed at manipulating buying behaviour for purchase purpose while Hierarchy of effect theory is concerned with the type of advert, the medium of the advert and the response gotten from this advert by the target audience.

The model may be seen by many as the strongest advertising theory, but has along with the others been criticized by different sections of the advertising community. Brierley (2005), argued that there is no evidence that customers behave in this rational, linear way. This means that mass media advertising in general, fail to stimulate desire or action. The model ignores the role of context, environment and mediation in influencing the effectiveness of the advertisement. The advertising world has because of this lately turned into focus more on the two main behavioral responses: awareness and interest. The Hierarchy of Effects theory was postulated in 1961 by Robert J Lavidge and Gary A. Steiner. The theory was created to show the process, or steps, that an advertiser assumes that customers pass through in the actual purchase process. This is based on the notion that ad audiences respond to the ad through...
Criticisms of the Hierarchy of effects theory are diverse and are as outlined below. The models that are based on the hierarchy of effects theory. According to Mackay (2005), the theory can be very helpful but are not conclusive. There are several factors that these models do not take in consideration. Not all buyers go through all stages. The stages do not necessarily occur in hierarchical sequence. Impulse purchases contract the process (Smith and Taylor, 2011). The hierarchy models help the advertiser to identify the stages that buyers generally pass through, but cannot be used as obvious guidelines (Smith and Taylor, 2011). The criticism on the models and theories are very similar. They have all been met with the criticism that customers do not always follow a straight line of steps when purchasing a product. Not all customers pass through all the steps before buying a product, some may stop at one stage, and some may go back several steps before later on going back for the product. The theory is missing the loop from the top to the end of the steps. A loop like this would show that a purchase is not always the end step, rather the beginning of an ongoing relationship with the customer.

Empirical Review
This section examines some previous empirical studies and findings of various researchers on the variables and sub-variables related to this study.

Out-of-Home Advertising and Consumer Buying Behaviour
Jenyo and Soyoye (2015) in their study titled: “Online Marketing and Consumer Purchase Behaviour”, a study of Nigerian firms shows that online marketing has impacted consumer purchase decisions in Nigeria firms. There is a significant relationship between consumer purchase decisions and infrastructure of the internet in Nigeria. There also exists relationship between internet security and consumer purchase behaviour. Evans (2016) showed that billboard location is significantly related to advertisement out of which advertising can be seen as an external motivator that through its attractiveness and stimulation forces is able to influence the customers’ attitudes towards the product or service, and encourages the consumer-producer relationships: purchase and post-purchase interactions. Mzena (2019), findings also concurred with study on understanding the consumer’s perception of advertising in Tanzania. The study examined the underlying beliefs that accounted for perceptions of advertising among the Tanzanian consumers as a result of the country's trade liberalization policy adopted in the late 80s, which shows positive significance to billboard advertising. The research findings concluded that there was a positive perception of and favourable attitudes towards advertising in general. It was also established that advertising is useful in product knowledge, availability and a factor in decision making.

Rani (2014) in the study factors affecting consumer buying behaviour revealed that many factors, specificities and characteristics influence the individual in what he is and the consumer in his decision-making process, shopping habits, purchasing behaviour, the brands he buys or the retailers he goes. Rani (2014) stated that purchase decision is the result of each and every one of these factors. An individual and a consumer is led by his culture, his subculture, his
social class, his membership groups, his family, his personality, his psychological factors and is influenced by cultural trends as well as his social and societal environment. By identifying and understanding the factors that influence their customers, brands have the opportunity to develop a strategy, a marketing message (Unique Value Proposition) and advertising campaigns more efficient and more in line with the needs and ways of thinking of their target consumers, a real asset to meeting the needs of its customers and increase sales.

**Methodology**

Descriptive survey research design was used for the study and the sample size of the study consists of five hundred and twenty (520) respondents in Lagos State. Taro Yamane sampling method was employed and a structured questionnaire was used to obtain relevant data for the study. Simple regression analysis was employed to test the study's hypothesis at 5% significance level, with the aid of IBM SPSS version 21.0. For the purpose of this study, primary data was employed. The data was collected with the aid of a questionnaire that was properly drafted using the 6 point Likert-type scale for questionnaire. A 6-point rating scale was used to measure the response. The scale ranged from 6 (Very High) to 1 (Very Low).

**Hypothesis:** Out-of-home advertising does not significantly affect consumer buying behaviour of fast moving consumer goods in Lagos State, Nigeria.

**Model Specification**

\[ CBB = \beta_0 + \beta_1 OHA + \mu \]

Where \( CBB \) = Consumer Buying Behaviour, \( OHA \) = Out-Of-Home Advertising

Analysis and Findings The results of the analysis are presented in the following table 1 showing the effect of out-of-home advertising on consumer buying behaviour of fast moving consumer goods in Lagos State, Nigeria.
Table 1: Summary of regression results for the effect of out-of-home advertising on consumer buying behaviour of fast moving consumer goods in Lagos State, Nigeria.

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<td>a. Predictors: (Constant), Out-Of-Home Advertising</td>
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<td>a. Dependent Variable: Consumer Buying Behaviour</td>
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<td>b. Predictors: (Constant), Out-Of-Home Advertising</td>
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Source: Researcher's Result (2020)

Table 1, displays regression result of the effect of out-of-home advertising on consumer buying behaviour of fast moving consumer goods in Lagos State, Nigeria. From the results reported in Table 1(c) out-of-home advertising significantly affects consumer buying behaviour of fast moving consumer goods in Lagos State, Nigeria at 5% significance level ($\beta = 0.845$, $t = 33.225$, $p < 0.05$). Further, the goodness of fit model presented in Table 1(a) shows that there is strong positive and significant relationship between out-of-home advertising and consumer buying behaviour ($R = 0.845$, $p < 0.05$). This is further confirmed by coefficient of determination ($R^2$) of 0.695, which implies that out-of-home advertising accounts for 69.8% of the variations in consumer buying behaviour whereas 31.2% of the variations remaining unexplained. This implies that there are other factors (Out-of-Home Advertising variables) associated with consumer buying behaviour which were not included in the model. Table 1(b) provides the results of the F-statistics which indicate that the overall model was statistically significant with F statistic of 1103.880 and the p-value was 0.001 which was less than the conventional probability of 0.05 significance level. The estimated model regression generated from the results presented in Table 1(c) is expressed as follows:

$$CBB = 3.521 + 0.845AA \qquad \text{............................................ eq. (1)}$$
Where:

\[ CBB = \text{Consumer Buying Behaviour} \]
\[ OHA = \text{Out-of-Home Advertising} \]

The regression model above shows that when the value of ambient advertising is constant at zero, consumer buying behaviour takes value of 3.521 meaning that without transit advertising, consumer buying behaviour of fast moving consumer goods in Lagos State, Nigeria was 3.521. The coefficient of out-of-home advertising was 0.845, implying that a change in out-of-home advertising leads to an increase in consumer buying behaviour of fast moving consumer goods in Lagos State by 0.845 level. Thus, out-of-home advertising significantly affects consumer buying behaviour which was 0.845, implying that a change in out-of-home advertising leads to an increase in consumer buying behaviour of fast moving consumer goods in Lagos State. This effect is high and positive as shown by the regression coefficient (\(B = 0.845\)). Therefore, since the significant value (p-value) of the t-statistic is less than 0.05 level of significance, the null hypothesis one (\(H_0\)) which states out-of-home advertising does not significantly affect consumer buying behaviour of fast moving consumer goods in Lagos State, Nigeria is hereby rejected.

The result of hypothesis above reveals that out-of-home advertising significantly affects consumer buying behaviour of fast moving consumer goods in Lagos State, Nigeria. The findings of this study is in line with the findings of Kali and Kumkum (2019), opining that advertising plays an important role in today's scenario. Without the successful implementation of advertising strategy we cannot imagine a successful marketing strategy. Proper implementation of advertising strategy always leads to success of marketing strategy. Advertising helps to attract customer and to retain customers. Also the study of Fatima and Lodhi (2015), corroborates with the findings by stating that advertisements are very useful in creating the awareness among the people but fails to build strong perceptions in the mind of consumers. Variables such as consumer awareness and consumer perceptions will motivate the consumer to buy a certain product, as there is a positive relationship present in between them.

Deshpande, Rokade and Darda (2019) also validates the above findings by stating that the role of advertisements is important and influences the buying behavior of consumers. This research was a study on impact of advertisements on consumer buying behavior with respect to consumer electronic Based on the analysis it can be concluded that advertisements have a significant impact on the consumer buying behavior. The findings of this study is also consistent with the study of Szmigin, Carrigan and McEachern (2015) that display sizes, placement of products in sighting and using the point of sales materials and they have significant effect in increasing the sales of both new and mature products. They also revealed that display sizes and placement of products activities have remained as most crucial factor in the selling of Fast Moving Consumer Goods, as consumers most of the time pick the product from the shelf which was not planned for purchase. This results in response to in-store displays which attract consumers and make them to take purchase decisions.
Conclusion and Recommendations
The study analysed the effect of Out–Of–Home Advertising and consumer buying behaviour of selected fast moving consumer goods in Lagos State, Nigeria. The results of the study provide both empirical and statistical evidences. The anchoring of this study on AIDA (Awareness, Interest, Desire and Action) Model Theory and The Hierarchy of Effects Theory provides a better framework for understanding buying behaviour, medium of the advert and the response gotten from these advert by the target audience. Therefore, this serves as a good contribution to knowledge as both models are predominant and shows clear steps of how advertising works. Based on the findings, the study recommends that Out-of-Home advertising should be given proper attention with concerted efforts made to integrate it with other forms of advertisement of fast moving consumer goods as a significant relationship exists between consumers buying behaviour and Out-of-Home advertising. Also, appropriate government agencies that are saddled with the responsibility of regulating outdoor advertisement, should create better policies and regulation that will enable development and growth within the country’s economy. It will help to generate revenue and beautification of the city. Based on the findings and recommendations, future research should lead to a better theoretical understanding of how the unique characteristics of out of home advertising affect the factors related to advertising success. The current study summarizes available evidence from public opinion polls, but much remains to be learned about out of home advertising. Also, future study should also focus more on different types of Out-of-Home advertising and investigate what particular forms of it contributes more to sales growth and consumer patronage.
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