

ONLINE ADVERTISING INFLUENCE FOR PROMOTING PREFERENCE FOR E-SHOPPING IN NIGERIA: A STUDY OF JUMIA

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ABSTRACT

This study examines the influence of online advertising for promoting preference for online shops in Nigeria. The thrust of this study was to find out how online advertising has contributed to the preference for the service delivery of Jumia. Online customers are continually looking for new products, new engaging quality and the most critical thing being value similarity with their financial plan. The survey method was employed in order to elicit the opinions of 306 respondents' residents in Lagos State, Nigeria. Data collected were analyzed using the correlation analysis and Somer D symmetric measure. The result indicated that a significant majority of the respondents were exposed to online adverts of brands on online shops. Also, the study recommends that online advertising should be adopted by advertisers to strengthen brand promotion for goods and services.

Keywords: E-Shopping, Jumia, Nigeria and Online Advertising.

INTRODUCTION

In brand management, online advertising has been regarded as a potent promotional tool for creating, building and managing a brand (Lim, 2015; Yu et al., 2017; Martins et al., 2018). The advent of online advertising was influenced by the rapid rise of the Internet as a medium for global connectivity and interactions that spans all aspects of life (business, entertainment, education, information, etc.). Evans (2009) observed that more advertisers are shifting advertising spending to online technologies. This rise spans almost all communities although not at the same level of penetration. For advertisers, reaching consumers is a priority, making them use any medium available, reliable and effective. The Internet happens to be one of these mediums.

Interestingly, there have been several studies on the nature of online advertising in the business world; for example, Anusa (2016) generalized that online advertising has turned out to be one of the most preferred advertising medium of communication, entertainment for people with extreme potential for growth. Also, Gabriel et al. (2016) stated that online advertising has experienced a rapid growth during the recent years due to its unique advantages for both consumers and retailers, such as shopping at round the clock facilities, decreasing dependence on store visits, saving travel costs, increasing market area, decreasing overhead expenses and access to multiple options which as a result of this aids at promoting global and local brands. However, there are little studies on how online advertising promotes brands in the Nigerian market in the areas of purchase and patronage. Therefore there is a need to generate empirical answers such as; do advertisers engage in online advertising for the promotion of brands in the Nigerian market?

Do online advertising contribute to preference for service delivery of online shops? Thus, this study would determine the effectiveness of online advertising for promoting preference of online shops in Nigeria using Jumia as a study example.

This study has among other objectives the following:

1. To determine the awareness level of online advertising in promoting products for Jumia.
2. To examine how online advertising has contributed to the preference for the service delivery of Jumia.

THEORETICAL FRAMEWORK

This study is anchored on the uses and gratification theory. This theory posits that individuals will seek out specific media outlets to fulfill their needs and wants. It is a crowd of people focused way to deal with understanding the myriad of communication structures and platforms. This theory depends on the socio mental communication tradition, and concentrates on mass media scale. The thrust of this theory is: Why do individuals utilize media and what do these individuals utilize them for? This theory explores how consumers deliberately select media outlets that will satisfy their needs and wants in any modern society.

Unlike other theoretical perspectives, this theory posits that consumers are in control in selecting the media outlets that meets their needs and wants to attain fulfillment. It has a heuristic esteem today since it gives communication scholars a “*point of view through which various thoughts and theories about media decision, utilization, and even effect can be seen*”. (Werner & James, 1997). The way to deal with this theory was first formally sketched out by Katz (1959). He recommended that communication research should invert the customary inquiry of what the media do to individuals, and ask rather what individuals do with the media. This detailing was not by any stretch of the imagination unique, in any case. It was established in an examination stream which developed in the 1940s as an antitoxin to the “*enchantment slug*” approach upheld by the Frankfurt School since the turn of the century. Katz et al. (1973) layout the essential suspicions of Utility & Gratification approach. To begin with, the crowd is dynamic, and along these lines much broad communications utilize is objective coordinated. Second, the activity in connecting need gratification with media decision lies to a great extent with the audience. Third, the media rival different wellsprings of need fulfillment. At last, the gratifications looked for from the media incorporate preoccupation and stimulation and also data, and these will shift as indicated by the social parts and mental demeanor of the audience.

Since the world is a global village, uses and gratification theory has been connected to online advertising as a result of their tendency of versatility, consistent access, and alternatives to access content, this field is growing with new research on the inspirations driving utilizing this kind of advertising. All in all, individuals utilize online advertising for the accompanying uses and satisfactions, for example, love/amiability, stimulation, instrumentality, mental consolation, design, socialization/fondness chasing, coordination for organizations, data chasing and prompt access however these uses contrast in view of area and gathering of people (Grellhesl & Punyanunt, 2012).

The Internet gives another and profound field for investigating uses and gratification theory. It was found to have three primary classifications of satisfactions: content delight, process satisfaction, and social satisfaction (Stafford et al., 2004; Yu et al., 2017). Content satisfaction is utilizing the Internet to examine or to discover particular data or material, which are delighted with content. Process satisfaction is picked up from the experience of deliberate exploring or arbitrary perusing of the Internet in its practical procedure. Social delight

incorporates an extensive variety of shaping and extending social ties. Scholars like LaRose et al. (2001).

Uses & Gratification theory was to comprehend Internet use by means of a socio-intellectual structure and to diminish vulnerabilities that emerge from homogenizing an Internet crowd and clarifying media use as far as just positive results (satisfactions). LaRose et al. (2001) made measures for self-viability and self-criticism and related uses and uses and gratification to negative results of online conduct (like Internet habit) too. As respects this investigation, this theory looks to recognize and clarify shopper's inspiration for participating in online advertising and additionally e-commerce (Roy, 2008). Of the different measures used to test purchasers' online inclusion, the most inside and out measurements distinguished are stimulation delight, in development satisfaction and web disturbance (Lim & Ting, 2012). Thusly when shopping online, customers expect a specific level of fulfillment from the whole experience which if gave by the web media fills in as an inspiration for them to return (Gabriel et al., 2016).

LITERATURE REVIEW

Online Advertising and the Nigerian Market

Scholars agree that online advertising is also known as digital advertising, web-based advertising or digital marketing (Evans, 2009; Ha & McCann, 2008; Okoro & Epepe, 2015). Online advertising is currently a buzz word for advertisers who want to take advantage of Big Data and the Internet to promote their goods and services in any modern society. In other words, advertisers are searching for greatest Return on Investment (ROI) from various digital advertising spending. Thus, there is a dire need for advertising experts and advertisers to promote products and services in an excellent light as well as generate sales for the organization in this digital age (Ogbari et al., 2016). Furthermore, advertisers and advertising experts must evaluate the marketing environment to determine the type of online adverts to be adopted to achieve an advertising objective.

Unlike the traditional media, exposure to online advertising does not happen accidentally but it is intentionally wanted by the advertising expert who decides the marketing tactics to be adopted. The use of algorithms and consumer targeting are unique features of online advertising. Nevertheless, the level of consumers' engagement with online advertising is the best measure of the effectiveness of online advertising (Ngowi, 2015; Sobowale et al., 2015). The uniqueness of online advertising is its integration to other modern marketing trends such as mobile marketing, online Public Relations and social media advertising (Tavor, 2011; Aka et al., 2015).

Online advertising has indeed demonstrated exceptional potential for development in Nigeria. For this reason, Nigeria-based independent companies have the chance to use online advertising accessible open doors. Be that as it may, an MMS report (Asato, 2010) uncovers that aggregate advertising spending in Nigeria for 2009 was over \$400 million, with advanced media accumulating under 1% of this spend. This, according to the source, was fundamentally underneath those of nations where online advertising has been essentially received. Expectedly, the development of this type of advertising has presented a torrential slide of online platforms.

Global Overview of Online Shopping

The growing expansion of online shopping has defined a new consumer culture in this digital age. This development has been influenced by the proliferation and demand for multi-media devices among consumers. Online shopping is becoming the best approach to make purchases, regardless of whether you are at home or in the workplace, or in an alternate country. This is particularly valid for developing nations, where each store has its own site that you can purchase on the net (Gabriel et al., 2016; Shobeiri et al., 2018).

Interestingly, Nielsen Company conducted a survey on trends in online shopping across the globe. The study found that more than 80% of Internet users have purchased items on the Internet. The study also indicated that more than 40% of Internet users were regular online consumers for E-shopping outlets. The implication of this finding is that there are regular purchases of products or brands from e-shopping outlets (Nielsen Report, 2010). The Nielsen Report (2010) also reveal that largest number of e-shoppers can be found in South Korea, while the lowest number of e-shoppers can be found in Egypt. The report indicated 99% of South Koreans Internet users engage in E-shopping, while more than 65% of Egyptians Internet users do not engage in e-shopping. These trends and figures therefore show that although online shopping is gaining popularity and growing exponentially across the globe, this growth is not uniform. Some countries are quick to adopt an IT industry to flourish (Ogedenghe et al., 2013; Gabriel et al., 2016).

Interestingly, scholars agree that there are crucial factors that contribute to e-shopping experiences among customers (Moriuchi & Takahashi, 2016; Apiraksattayakul et al., 2017; Shobeiri et al., 2018). In a study conducted by Skordoulis et al. (2018), they identified four major determinants for e-customer satisfaction, which are: (1) the purchasing process, (2) transaction safety on website (3) the brand name of the e-commerce firm, (4) the possibility of interaction and communication with the website and other consumers. In the same vein, Pappas et al., (2017) believed that one of the strategies adopted by online retailers to crease positive online experiences for e-shoppers is web personalization. This strategy persuades online shoppers to select a product or service, which invariably lead to purchase.

METHOD OF STUDY

The research method adopted for this study was the survey method. The choice of this method was that it was considered as social survey that explores social phenomena through arithmetical technique. According to the primary objectives of the study, quantitative method has been chosen for this study to check the variables and their correlations underneath statistical shape. The study population for this research comprised of 80,000 students of the University of Lagos and Lagos State University. The breakdown of the population was 35,000 students of Lagos State University and 45,000 students of Lagos State University. The study was restricted to these tertiary institutions because it is expected that they would most likely have been exposed to online advertising as well as shopping on the net using the various e-commerce businesses. University of Lagos and Lagos State University were chosen in particular, because of the size of the population which makes generalization of the findings acceptable because the size helps in providing various opinions for the research.

This study selected 320 respondents out of the populace of 80,000 students. The choice of this sample was because 320 is considered suitable in consistence with Wimmer and Dominick

(2000)'s determinant of sample size, which indicates a sample length of 50=very negative, 100=negative, 200=fair, 300=good, 500=very good, 1000=outstanding. Out of 320 copies of questionnaire distributed, 306 copies were returned. Thus, the attrition rate from the questionnaire was 4.4% while 95.6% were returned and processed. This method adopted three levels of descriptive statistical analysis, which were univariate, bivariate and multivariate analysis to generate data. The univariate analysis presents data on demographic profile for respondents, while the bivariate analysis featured the investigation on the awareness of online advertising among respondents. The multivariate analysis tested a hypothesis to confirm if there is a significant relationship between awareness of online advertising and preference of service delivery for Jumia as an online shop. Importantly, Spearman correlation test was used to establish the connection that exist between the variables, while Somer D measure was used to establish the strength of relationships between variables. Importantly, Somer D measure is essential to establish the nature, strength and direction of relationship that exist between or among variables.

RESULTS

For the findings of this study, more than 60% of the respondents were females, while 36.4% of the respondents were males. The implication of this result means that there were more females that undertook undergraduate programs in University of Lagos and Lagos State University. These findings therefore support the belief that the Nigerian Population has more than 60% of its citizens as women (NPC, 2006).

| | M | F | 15-25 yrs | >45 yrs | Single | Married | Christians | Muslims |
|----------------|----------|----------|------------------|-------------------|---------------|----------------|-------------------|----------------|
| Sex | 36.4% | 63.4% | | | | | | |
| Age | | | 24.5% | 75.5% | | | | |
| Marital status | | | | | 76.4% | 23.6 % | | |
| Religion | | | | | | | 74.3% | 25.7% |

Table 1 showed that more than 24% of the respondents were between the ages of 15-25, while respondents above the age of 25 were more than 75%. Also, the table indicated that more than 74% of the respondents were Christians while 25.7% of the respondents were Muslims.

| Responses | I have viewed online adverts | I have viewed online adverts on social media platforms | I have viewed online adverts on variant corporate websites |
|-------------------|-------------------------------------|---|---|
| Very large extent | 37.9% | 47.1% | 17.6% |
| Large extent | 39.9% | 39.1% | 22.2% |
| Rarely | 21.5% | 11.8% | 49.0% |
| Never | .7% | 2.0% | 11.2% |
| Total | 100% n=306 | 100% n=306 | 100% n=306 |

Table 2 indicated that more than 70% of the respondents were sufficiently aware of online adverts while almost 30% of the respondents were insufficiently aware of online adverts. Also, the table indicated that more than 80% of the respondents have viewed online adverts on social media platforms while not more than 13.8% have rarely or never viewed online adverts on social media platforms. Furthermore, less than 30% of the respondents have viewed online adverts on variant corporate websites while more than 50% of the respondents have hardly or never viewed online adverts on variant corporate websites. Thus, it can be inferred that there is a significant level of awareness of online advertising.

| Table 3 | | | | |
|--|---------------------|--------------------------------|------------------------|---|
| CORRELATION ANALYSIS SHOWING ONLINE ADVERTISING INFLUENCE ON PREFERENCE FOR SERVICE DELIVERY FOR JUMIA | | | | |
| Response | | I watch online adverts | | Preference for service delivery of Jumia |
| I watch online adverts | Pearson Correlation | 1 | | 0.186** |
| | Sig. (2-tailed) | | | 0.001 |
| | N | 306 | | 306 |
| Preference for service delivery of Jumia | Pearson Correlation | 0.186** | | 1 |
| | Sig. (2-tailed) | 0.001 | | |
| | N | 306 | | 306 |
| Symmetric Measures | | | | |
| Categories | Value | Asymp. Std. Error ^a | Approx. T ^b | Approx. Sig. |
| Pearson's R | 0.160 | 0.046 | 3.431 | 0.001* |
| Spearman Correlation | 0.149 | 0.043 | 3.431 | 0.003* |
| N of Valid Cases | 306 | | | |
| Note: *P<0.05; **P<0.01. | | | | |
| Std. Error ^a : The estimated asymptotic standard errors for parameter estimates in a research hypothesis. | | | | |
| Approximately T ^b : The level of agreement between the paired ordinal values as well as the significance. | | | | |

Table 3 shows a correlation test that establishes a relationship between two variables. The table indicates that there is a relationship that exists between two variables at 0.001 and 0.003, which is less than 0.05. Asymp. Std. Error^a means the estimated asymptotic standard errors for parameter estimates in a research hypothesis. Asymptotic standard error (not assuming null hypothesis) must be always zero to indicate a relationship. Also, the table shows the Somer D' symmetric measurement shows an agreement between the paired ordinal values. The table shows the relationship is significant and positive at 0.001. Approx. T^b shows the level of agreement between the paired ordinal values as well as the significance, which is defined by the concordance of 3.431. Thus, online advertising has a significant influence for preference of service delivery of Jumia. This result supports the findings of Nicholas & Riondino (2001), who maintained that online advertising has revolutionized global business. The study clarified that the web promotions can be utilized by adopting online advertising for e-commerce purpose. These researchers expounded on the way that the web is both a conveyance and a correspondence channel that encourages communication group building, receptiveness and similarity. Therefore, The implications of this result is that the explosive use of online advertising for e-commerce purpose will lead to more consumer engagement on e-shopping platforms in the Nigerian market space. In essence, online advertising serve as a veritable platform for promoting e-commerce

operation in any modern society. It is this type of thinking that made Evans (2009) to assert that e-commerce operators make use of online advertising to attract customers to their websites so that these customers search through goods and make purchases online. In the same vein, the results of this study corroborates with the positions of (Asato, 2010), who believed that online advertising has the potential influence to e-commerce in an excellent light in the Nigerian market.

Importantly, this result supports the findings of Lim (2015), who believed that online advertising has a significant influence on consumer perceptions and intention in Asian countries such as Japan and South Korea. Lim (2015) asserted that online advertising is interlinked with word of mouth marketing, which influences consumers to engage in e-shopping activities. In the same vein, Tavor (2011) observed that online advertising has contributed to the development and their economic effectiveness of many brands in Israel. This study identified banners and pop-up online adverts as the major adverts used by most firms.

A major contribution of this study is that online advertising has a unique influence on the cognitive and affective levels on the consumer. In other words, advertising is a major promotional tool that can create awareness and purchase for a product. Furthermore, online advertising contributes significantly on the involvement process of a consumer to purchase goods on e-shopping platforms in any modern society.

CONCLUSION AND RECOMMENDATIONS

Popular online vendors like Jumia and Konga have introduced the pay on delivery option where customers make their orders online without having to pay online; payments are made when the customer receives their goods. This has gone a long way with addressing the trust and security issues associated with buying products online. Also, in a bid to increase trust and encourage online shopping, future trend may experience reduction in and more accurate lead time. Presently, most Nigerian online retailers take about 7 working days to deliver goods purchased online. Importantly, online advertising can influence consumers to be motivated to engage in online shopping. Research has shown that online advertising is effective in providing higher reach and creation of awareness of products or brands on Jumia. The study concluded that online advertising has significant influence on preference for service delivery of online shops in Nigeria. Also, the study recommends that online advertising should be adopted by advertisers to strengthen brand promotion for goods and services.

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