

THE IMPACT OF ADVERTISING ON CUSTOMER PATRONAGE IN THE INSURANCE SECTOR

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Abstract

This study examined the impact of advertisement on customer patronage in the Nigerian insurance industry. It was guided by four research questions and one hypothesis. Questionnaire was used for data collection and 400 respondents participated in the study. Descriptive statistics such as frequencies, percentage and tables were used to present the data collected; while the hypothesis was tested using the Chi-square at 0.05 level of significance. The result of the study revealed the following as various advertising options in Nigeria: paid search advertising, social media advertising, outdoor advertising, broadcast advertising, print advertising and native advertising; arranged in the order of frequency of use. The result of this study further revealed that advertisement, to a large extent attracts new clients and aids in the reviving of dormant clients as well as influence demand in the insurance sector. Based on these findings, it was concluded that advertisement has significant impact on customer patronage in the insurance sector and it was recommended, among other things that management of insurance companies must advertise their products benefits to encourage patronage from potential customers as well as existing and dormant customers. This is because advertisement has proven to be a major means by which potential customers learn about the existence of companies and their service offerings; new and existing customers get acquainted with the company and their offerings and dormant customers get re engage to the company.

Keywords: advertising, customer patronage, insurance sector, *Chi-square*

Introduction

The insurance industry, the world over has experienced remarkable growth. Concurrent with the growth has been significant changes within the industry and although the future of insurance industry in Nigeria appears bright, there still exists a myriad of problems resulting in low consumption of insurance products (Enitilo, Ajayi & Famuagun, 2017). This problem seems to be even more pronounced because of the low level of awareness among the populace which is a major reason why insurance has remained one of the least purchased items within the financial market. According to Ackah and Owusu (2012), people have very low access (about 4.1%) to insurance and unfortunately, the insurance industry over the years have not fully employed the tools of advertisement as a measure of deepening penetration and increasing patronage; rather, they have relied on regulators to ensure their survival (Daniel, 2015). This has led to sub-optimal performance and many companies struggle to deliver on customer expectations (Olowokudejo & Adeleke, 2011), especially in view of the generally negative attitude of Nigerians towards insurance (Yusuf, Gbadamosi & Hamadu, 2009). A good promotional programme is therefore needed to reach the customer and also to motivate them for more understanding in order to increase patronage.

The very essence of being in business, by any business entity, including insurance companies is to make profits. In order to remain in business, customer patronage is important for the organization must generate enough sales from her products/services to cover operating costs and realize reasonable profits. Advertising plays a crucial role for any business to boost its performance because it is a powerful promotional tool for attracting customers to the product. Advertising is an attractive way to communicate and convey the message to the audience. It is a dominant and leading weapon in all marketing tools due to its positive impact on customers' patronage (Adeolu,

Taiwo & Matthew, 2005) but advertising today is no longer a mere tool of marketing; it is a business, a creative process, a social phenomenon, and a fundamental ingredient of a free enterprise system.

According to Kotler and Armstrong (2008), advertising can be traced back to the very beginnings of recorded history. It is a part of our everyday life. It is all around us. We cannot escape looking at it or listening to it. Even if we are not consciously looking at it or listening to it, the message of advertising reaches and influences us. It is often recorded somewhere at the back of our minds and is recalled when we are buying something or looking for a particular service (Zhao, Butt, Murad, Mirza & Abdulaziz, 2022) hence the choice of advertising medium, the advert message, and the advert mode are critical ingredients of a successful advertising program in the insurance industry.

The general objective of this study is to examine the impact of advertising on customer patronage in the insurance sector. Specifically, the study seeks to: Determine the various advertising options in Nigeria; Determine the options that are more frequently used in the Insurance sector; Examine the extent to which advertising attract new clients in the insurance sector and examine the impact of the extent to which advertising revive dormant clients in the insurance sector. To achieve these objectives, the following research questions are asked: What are the various advertising options in Nigeria?; Which of these options are more frequently used in the insurance sector?; To what extent does advertising attract new clients in the insurance sector?; To what extent does advertising revive dormant clients in the insurance sector?

And the following Research hypothesis is postulated: Advertising has no significant impact on customer patronage in the Insurance sector.

Against this background, the present study is undertaken to examine the impact of advertising on customer patronage in the insurance sector. This paper is divided into 6 sections, this introduction, the literature review, the methodology, discussion of findings followed by the conclusions, recommendations.

Literature Review

Companies devote a considerable amount of money to achieve the best results from their advertisements as the pressure on companies to advertise as well as the pressure on advertising companies to increase the effectiveness and reach of advertisement is growing every day.

Advertising is very important in our society. According to Robinson, cited in Ashkan (2016), advertising is a prominent feature of modern business operations. It is a viable tool to place a product at the top of the mind of potential customers as 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. This tradition of making advertisements available at every turn is further fueled by the urge of marketers to reach a large number of people so that their product may receive optimum exposure in order to create brand loyalty, deter entry of new companies and consequently increase sales revenue and profits of the organization (Ashkan,2016)

Idris (2018) adopted the Ajzen's theory of planned behavior (TPB) to describe northern Nigerians' acceptance and patronage of insurance services and found that religious values, subjective norms and behavioral control factors do not account for poor acceptability and patronage rather poor marketing strategies plays an important role in the persistence of such negative occurrence, as such the role of advertising cannot be overemphasized. Advertising is an informative or persuasive

message carried by a non-personal medium and paid for by an identified sponsor used to persuade an audience (viewers, readers or listeners) to take some action with respect to products, ideas, or services. Corporate advertising can tell a story about a company as a whole, large organizations may need to use corporate ads to simplify their image in the minds of key constituents and to show what unifies the company, despite the geographical spread and variety of its businesses, to establish the brand, build awareness and give the brand a larger-than life image (Adeneye, 2017).

Throughout the range of modern businesses, advertising can play an essential role in the success or failure of a given enterprise. The ability to reach audiences, convey messages, and create an overall image for an individual or business are powerful tools, and some companies may even spend most of their budgets on advertising efforts in an attempt to use these tools to their fullest advantage.

Customers have become increasingly demanding and competitive activities have increased (Fagbemi & Olowokudejo, 2014) also insurance services are homogenous and the boundaries between the offerings of different service providers are becoming increasingly blurred (Fagbemi & Olowokudejo, 2016) as only a very slight difference exists in the services provided by the major players in the insurance industry. A great deal of an agent or firm's success depends on the skill with which prospects are approached and handled (Olowokudejo & Adeleke, 2011), and the very best insurance agents in operation know that the creation of positive impressions and the establishment of credibility are essential ingredients for success. On their own, agents must use various methods to achieve these goals of making the right impression and maintaining trust throughout the sales and consultation process. But this requires personal attention, and can only be delivered to a limited number of prospects at any given time. Insurance industry advertising, then, addresses the need for creating positive impressions and establishing credibility in the

absence of the actual agent (Shahram, Narges & Ensieh, 2013). Owolabi and Magbagbeola (2011) examined the impact of advertising on the sales of insurance products in sub-Saharan Africa and found that the advertising of insurance products lead to more sales. Based on the results obtained from the correlation coefficient performed on the sales figures and advertising expenditures obtained from the insurance companies, it was inferred that advertising expenditures and sales are positively correlated. This means an increase in advertising expenditure will lead to an increase in sales. It was also discovered that out of the various advertising media employed by the company, posters and bill boards offered the highest degree of exposure for the products. Consumers also attested to the fact that the advertisement of insurance elicits a feeling of warmth and cheerfulness towards the products, hence encouraging them to consume more of the products (Owolabi & Magbagbeola, 2011).

Insurance industry advertising accomplishes the task of reaching out to those prospective clients who would otherwise be left to approach insurance agents and brokers on their own, unprompted. Able to present solutions to those who may have no other method of arriving at a sound answer for their insurance questions, such advertising serves as the broad public face of a company and is the first point of contact that will be established between a client and the agency from which a policy or package is purchased. insurance industry advertising has its roots in the establishment of a relationship between clients and companies. Far from being a simple gimmick to increase sales, it sets the stage for future interactions and aids the course of contract development (Shahram et al., 2013). This function is not only an essential one; it is also able, in many cases, to help catalyze the process of selling insurance. While agents and firms without extensive advertising, or any advertising at all, must often rely on performing each step of the trust building process manually, truly excellent insurance advertising campaigns can make this process move much more quickly,

allowing for a higher volume of more successful sales. Great insurance industry advertising has a great deal to do with establishing an image and distributing it to prospective clients, but it is also a way to streamline insurance sales itself, providing a compounded benefit that makes working in the modern market without considerable advertising efforts somewhat difficult (Fofie, 2016). Adeneye (2017) posit that there was significant relationship between advertisement and performance of insurance industry in term of sale and investment in the industry. Aduloju, Odugbesan and Oke (2009) found that advertising had effects on sales volume and improved public image. However, the choice of advertising medium, the message, and the format are critical ingredients of a successful advertising program in the insurance industry.

Embracing the necessity of advertising and following through with the creation of high quality, carefully-prepared campaigns is a great way for modern insurance agents and companies to expand their business and take advantage of the powerful possibilities in forming and conveying targeted messages about the benefits and wisdom of retaining insurance. Enitilo, Ajayi and Famuagun (2017) evaluated the influence of promotional activities on consumers' patronage of insurance business in Ado-Ekiti metropolis, Nigeria. The result indicated that though personal selling, sales promotion and direct marketing have significant impact on consumer patronages, there is a strong and positive relationship between advertising and consumer patronages. The research concluded that knowing how to use this information by prospective marketing manager, insurance brokers, insurance agents and other insurance practitioners in the effectiveness of insurance operations depends on the understanding of some key driving force such as culture, trust, information technology, publicity (timing, duration and cost) and customer relationship strategy. Delafrooz, Zendehdel and Fathipoor (2017) found that social media usage has a chain relation in the supply channel of Iran and Asia insurance companies and creation of this chain relation will make

customers loyal to sale representatives of insurance companies and will improve representatives' performance and brand sale of Iran and Asia insurance companies.

Social media landscape is fast changing due to the low cost of innovation. Many social media and online marketing agencies actually are more innovative and ahead of the curve of social media for marketing purposes. Two frameworks are relevant to this study trying to make sense of social media landscape. One is the social graphics framework of Carlene Li and Jeremiah Owyang which argued that instead of studying the demographic, geographic, or psychographic profiles of customers, businesses need to develop social graphics to determine which websites the customers visit, the customers' social behaviors online, the social information and people that customers rely on and the potential customers' social influence. Another is the Social Feedback Loop which links consumer purchase funnel with social media. The purchase funnel concept assume that customers live in a vacuum and after a customer purchases and use the product, he will form opinions and spread 'word of mouth' about the product. Some of the experience after purchase will be materialized and posted online, which will loop back to other customers' purchase decision making process. This social feedback cycle is driven mostly by word-of-mouth; the word-of-mouth is further driven by actual use, trial, or sampling experience (Pan & Crotts,2012). However, all the theories discussed above are hinged on the Nelson's theory of advertising. This theory believes that advertisement among other things confer a level of 'legitimacy' and 'quality' on the product/service being advertised. This is because consumers would rationally infer that companies will only spend significantly on advertising of high-quality products since only high-quality brands can guarantee a significant number of repeat purchases and as such generate the money spent on advertising and the expected profit. As such the clientele base on insurance companies are increased and consequently the market share, sales and profit.

Research Methodology

The study adopted a descriptive survey research design due to the nature of the study and available data as the design permitted the collection of original data from a portion of the population to examine the characteristics and opinions of the population.

The population of this study consists of 51 insurance companies operating in Nigeria as at December, 2020. Using purposive sampling technique, ten (10) insurance companies with their head offices in Lagos state, Nigeria were selected. The companies selected are AIICO Insurance Plc.; Leadway Assurance Company; Custodian and allied insurance; Cornerstone Insurance Plc.; AXA Mansard Insurance; African Alliance Insurance Plc.; Lasaco Assurance Plc.; FBN Insurance; NEM Insurance; Sovereign Trust Insurance Plc. The choice of these companies was as a result of their gross premium and market share capabilities as documented by the Nigeria Insurers Association (2020); as well as the availability and accessibility to the company's data. The sample population was drawn from Lagos metropolis because Lagos state houses the largest number of insurance companies within the West-African region. From this sampling frame, the purposive sampling technique was used to select 20 members of staff as well as 20 customers from each company, thereby selecting a total number of two hundred (200) staff and two hundred (200) customers that make up the sample size of 400 respondents used in the study.

The data collection instrument for this research work is the questionnaire. Different questionnaires were developed for staff and customers of the selected insurance companies. The questionnaires comprised two sections: the first section sought information on the demographic data of the respondents. The second section comprised items that are meant to elicit responses regarding the variables that constitute the research questions formulated to guide the study. Given that most of the item in the questionnaire are targeted at examining respondents' perceptions of the study

variables, the five-point Likert scale was used ranging from ‘strongly agree’, ‘agree’, ‘undecided’, ‘disagree’ and ‘strongly disagree’.

Chi-square analysis was used to test the validity of the stated hypotheses at 0.05 levels of significance. Collected raw data were analyzed with the aid of Statistical Package for Social Sciences (SPSS) using frequency table and percentage. Chi-square was used to test the study hypothesis.

Data Presentation and Analysis

A total of 458 questionnaires were distributed to both customers and employees of insurance companies and 400 were retrieved and thus constituted the actual sample of the study. The data was collated, analyzed and presented below:

Table 1: Respondents Age classified by gender

| Age \ Gender | Male | | Female | | Total | |
|---------------|------------|-------------|------------|-------------|------------|------------|
| | F | % | F | % | F | % |
| ≤ 30 years | 41 | 10.3 | 93 | 23.3 | 134 | 33.5 |
| 30 ≥ 40 years | 56 | 14.1 | 82 | 20.6 | 138 | 34.5 |
| 40 ≥ 50 years | 39 | 9.8 | 49 | 12.3 | 88 | 22 |
| >50 years | 23 | 5.8 | 19 | 4.8 | 42 | 10.5 |
| Total | 159 | 39.8 | 241 | 60.3 | 400 | 100 |

Source: Field survey, 2021 (f=frequency; %=percentage)

Table 1 above presents the age group of the respondents according to their gender. There are 159 (39.8%) male and 241 (60.3%) female out of which, 134 (33.5%) are less than 30 years of age, 138 (34.5%) are within the age range of 30 but less than 40 years, 88 (22%) were within the age group 40 but less than 50 years and 42 (10.5%) are above 50 years and above. The sample is representatives in terms of gender and age.

Table 2: Respondents Educational qualification classified by Years of experience

| Year of experience Educational Qualification | ≤5 years | | >5 ≤10 years | | >10 ≤20 years | | >20 years | | Total | |
|--|------------|-------------|-----------------|-------------|------------------|-------------|-----------|------------|------------|-------------|
| | F | % | F | % | F | % | F | % | F | % |
| OND/NCE | 41 | 10.3 | 33 | 8.3 | 12 | 3.0 | 7 | 1.8 | 93 | 23.3 |
| B.Sc./HND | 77 | 19.3 | 92 | 23.0 | 39 | 9.8 | 11 | 2.8 | 219 | 54.8 |
| MBA/MSC | 26 | 6.5 | 14 | 3.5 | 23 | 5.8 | 1 | 0.3 | 64 | 16.0 |
| Others | 11 | 2.8 | 5 | 1.3 | 4 | 1.0 | 3 | 0.8 | 23 | 5.8 |
| Total | 156 | 39.0 | 144 | 36.0 | 78 | 19.5 | 22 | 5.5 | 400 | 100 |

Source: Field survey, 2021 (f=frequency; %=percentage)

Table 2 presents the respondents' educational qualification which by the year of working experience. As shown in the table above, 93 (23.3%) of the respondents had OND/NCE has the highest educational qualification. Of this group, 42(10.3%) had worked in their respective organizations for less than 5 years; 33(8.3%) had worked for 5 years but less than 10 years. In the table 12 (3.0) had been working in their respective institutions for 10 years but less than 20 years while 7(1.8%) had 20 years and above years of working experience. A total of 219 respondents (54.8%) had B.Sc./HND which is the group with the highest number of participants while 77 (19.3%) with B.Sc./HND had less than 5 years; 92 (23.0%) with B.Sc./HND and its equivalent has 5 years but less than 10 years, etc. This shows that the data studied comprises individual with different working experience and academic attainment.

Research question 1: What are the various advertising options available to insurance companies in Nigeria?

Table 3: Table showing respondents' opinion of the various advertising options

| STATEMENTS | | SA | A | D | SD | Total | Percentage in agreement (%) |
|--------------------------|---|------|------|-----|-----|-------|-----------------------------|
| Paid search advertising | F | 195 | 190 | 8 | 7 | 400 | 96.3 |
| | % | 48.8 | 47.5 | 2.0 | 1.8 | 100 | |
| Outdoor advertising | F | 177 | 211 | 9 | 3 | 400 | 97.1 |
| | % | 44.3 | 52.8 | 2.3 | 0.8 | 100 | |
| Broadcast advertising | F | 199 | 178 | 20 | 3 | 400 | 94.3 |
| | % | 49.8 | 44.5 | 5.0 | 0.8 | 100 | |
| Print advertising | F | 179 | 201 | 12 | 8 | 400 | 95.1 |
| | % | 47.8 | 50.3 | 3.0 | 2.0 | 100 | |
| Display advertising | F | 212 | 178 | 7 | 3 | 400 | 97.5 |
| | % | 53.0 | 44.5 | 1.8 | 0.8 | 100 | |
| Native advertising | F | 199 | 178 | 20 | 3 | 400 | 93.3 |
| | % | 49.8 | 44.5 | 5.0 | 0.8 | 100 | |
| Social media advertising | F | 178 | 201 | 1 | 20 | 400 | 94.8 |
| | % | 44.5 | 50.3 | 0.3 | 5.0 | 100 | |

Source: Field survey, 2021 (F=frequency; %=percentage)

Table 3 above presents the respondents' opinion of the various advertising options in Nigeria. All the items in the table receive a high rate of agreement with an average of more than 94%. The table shows that the respondents identified the following as options used for advertisement: Paid search advertising (96.3%); Outdoor advertising (97.1%); Broadcast advertising (94.3%); Print advertising (95.1%); Display advertising (97.5%); Native advertising (93.3); Social media advertising (94.8%). This result concludes that insurance companies in Nigeria use different medium for advertisement.

Research question 2: Which of these options are more frequently used in the insurance sector?

Table 4: Respondents opinion about the frequency of use of the various advertisement options available to the insurance sector

| Statements | | SA | A | D | SD | Total | Percentage agreement (%) | Rank |
|--------------------------|---|------|------|-----|-----|-------|--------------------------|-----------------|
| Paid search advertising | F | 275 | 111 | 13 | 1 | 400 | 96.6 | 1 st |
| | % | 68.8 | 27.8 | 3.3 | 0.3 | 100 | | |
| Outdoor advertising | F | 170 | 216 | 5 | 9 | 400 | 96.5 | 2 nd |
| | % | 42.5 | 54.0 | 1.3 | 2.4 | 100 | | |
| Broadcast advertising | F | 117 | 267 | 4 | 12 | 400 | 96.0 | 4 th |
| | % | 29.3 | 66.8 | 1.0 | 3.0 | 100 | | |
| Print advertising | F | 262 | 121 | 7 | 10 | 400 | 95.8 | 5 th |
| | % | 65.5 | 30.3 | 1.8 | 2.5 | 100 | | |
| Social media advertising | F | 170 | 216 | 5 | 9 | 400 | 96.5 | 2 nd |
| | % | 42.5 | 54.0 | 1.3 | 2.4 | 100 | | |
| Native advertising | F | 162 | 216 | 13 | 9 | 400 | 94.5 | 6 th |
| | % | 40.5 | 54.0 | 3.3 | 2.4 | 100 | | |

Source: Field survey, 2021 (F=frequency; %=percentage)

Table 4 above presents the ranking of the various advertisement options based on frequency of use. As indicated in the table, insurance companies use paid search advertising more than every other option (96.6%). Social media advertising and Outdoor advertising (96.5%) ranked second. Broadcast advertising ranked third; print advertising ranked fourth with 95.4%.

Research Question 3: To what extent does advertising attract new clients in the insurance sector?

Table 5: Respondents opinion on the extent to which advertising attract new clients in the insurance sector

| Statements | | SA | A | D | SD | Total | Percentage agreement (%) |
|---|---|------|------|-----|-----|-------|--------------------------|
| Advertising helps generate brand awareness and increase new client engagement | F | 169 | 211 | 17 | 3 | 400 | 95.0 |
| | % | 42.3 | 52.8 | 4.3 | 0.8 | 100 | |
| Positive advertising techniques allow new clients to trust the company more easily. | F | 266 | 118 | 5 | 11 | 400 | 96.0 |
| | % | 66.5 | 29.5 | 5.3 | 2.8 | 100 | |
| Advertising accelerates the regular acceptance of new products and lifts the level of acceptability of established products | F | 192 | 179 | 21 | 8 | 400 | 92.8 |
| | % | 48.0 | 44.8 | 5.3 | 2.0 | 100 | |
| Advertising motivates new clients to spend more by conveying useful information, about product and service choices | F | 124 | 270 | 2 | 4 | 400 | 98.5 |
| | % | 31.0 | 67.5 | 0.5 | 1.0 | 100 | |

Source: Field survey, 2021 (F=frequency; %=percentage)

Table 5 presents the respondents' opinion on the extent to which advertising attracts new clients in the insurance sector. Respondents' claim are as follows: Advertising helps generate brand awareness and increase new client engagement (96%); Positive advertising techniques allow new clients to trust the company more easily (95.0%); Advertising accelerates the regular acceptance of new products and lift the level of acceptability of established products (92.8%); Advertising motivates new clients to spend more by conveying useful information about product and service choices (98%).

Research Question 4: To what extent does advertising revive dormant clients in the insurance sector?

Table 6: Table showing the respondents opinions on the extent to which advertising revive dormant clients in the insurance sector

| Statements | | SA | A | D | SD | Total | Percentage agreement (%) |
|--|---|------|------|-----|-----|-------|--------------------------|
| Advertising encourages dormant customers to come back for a repurchase | F | 162 | 216 | 13 | 9 | 400 | 94.5 |
| | % | 40.5 | 54.0 | 3.3 | 2.4 | 100 | |
| Advertising re-engages dormant clients and drives additional sales and site traffic. | F | 117 | 267 | 4 | 12 | 400 | 96.0 |
| | % | 29.3 | 66.8 | 1.0 | 3.0 | 100 | |
| Advertising establishes emotional connections with dormant clients | F | 262 | 111 | 7 | 20 | 400 | 93.3 |
| | % | 65.5 | 27.8 | 1.8 | 5.0 | 100 | |
| Advertising influences client needs and demand for a product | F | 162 | 216 | 13 | 9 | 400 | 94.5 |
| | % | 40.5 | 54.0 | 3.3 | 2.4 | 100 | |

Source: Field survey, 2021 (F=frequency; %=percentage)

Table 6 shows the respondents opinions on the extent to which advertising revives dormant clients in the insurance sector. Advertising encourages dormant customers to make an initial purchase and come back for a repurchase (94;5%) Advertising re-engages dormant clients with a company’s program and also help drive additional sales and site traffic (96.0%); Advertising establishes emotional connections with dormant clients (93.3%); Advertising influences prediction of client needs and demand for a product (94.5%).

Test of hypothesis

Table 7: The Result of X² on the impact of advertising and customer patronage

| | Value | Df | Asymp. Sig. (2-sided) |
|------------------------------|---------------------|----|-----------------------|
| Pearson Chi-Square | 17.331 ^a | 15 | .0218 |
| Likelihood Ratio | 16.670 | 15 | .0304 |
| Linear-by-Linear Association | .321 | 1 | .0271 |
| N of Valid Cases | 400 | | |

a. 18 cells (75.0%) have expected count less than 5. The minimum expected count is 1.03.

The hypothesis seeks to test whether advertisement has any impact on customer patronage of insurance company in Nigeria. Using SPSS version 21, the analysis indicates that the P-value (0.0218) is less than the level of significance ($\alpha = 0.05$) as proposed in this study. Following the rule, we reject the null hypothesis and concluded that advertising has significant impact on customer patronage in the Insurance sector.

Discussion of Findings

Findings show that advertisement creates awareness which helps in reducing the obscurity of insurance products. This implies that, awareness plays a significant role in influencing patronage of insurance policy considering its stimulating influence on the purchasing behavior of the customer. This result supports that of previous empirical studies such as Amaefula, Okezie and Mejeha (2012); Yakubu, Buadu, Joy and Yeboah (2016); Daniel (2015) and Daninga and Qiao (2014), who in their respective studies also found awareness as a driver of patronage of insurance policy. People need to be aware of the different policies, its affordability, its benefits, etc. to encourage and influence their buying decision. Social media has proven to be very useful in terms of the reach, the spread and the low cost of reaching a large number of people thereby supporting the finding of Yong and Zainal (2021).

This mammoth surge of advertisements is basically to fulfill the urge of marketers to reach out to a large number of people so that their product may receive optimum exposure. In agreement with Ashkan (2016); Ozga, (1999) and Sundarsan, (2007), advertisement creates a mass mode of communication, creates brand loyalty, deters entry and consequently increases sales revenue and profits of the organization thereby causing impact on the business cycle. Likewise, in agreement with Bies, Bronnenberg and Gijsbrechts, (2021), findings also show that it also influences the

perception of quality by creating an illusion of the product quality thereby encouraging potential customers to shift loyalty from the brands they normally patronize to the brands that advertise.

Conclusion

Based on the results above, this study concluded that advertisement has significant impact on consumer patronage of insurance sector. Result of the study revealed the following as various advertising options in Nigeria: paid search advertising, social media advertising and outdoor advertising, broadcast advertising, print advertising, and native advertising; arranged in the order of frequency of use. Advertising motivates new clients to spend more by conveying useful information about the product which helps in service choices; Advertising encourages dormant customers to come back for a repurchase by re-engaging them. This drives additional sales and site traffic.

Advertising helps generate brand awareness and increase new client engagement. Advertising accelerates the regular acceptance of new products and lifts the level of acceptability of established products. New clients also tend to trust the company more easily when exposed to good advertisement. of the company

Advertising which adopts digital tools are unlocking new opportunities for insurers, since consumers now use one or more digital channel at least once throughout their shopping journey. The creation of value increases as companies restructure their processes and organization around social engagement. Raising awareness of social tools and media is now giving way to engagement, empowerment and accountability by once again putting individuals at the heart of the system. Thus, organizations seek new ways to engage customers efficiently and effectively with

personalized messages, and improve speed, service and consistency to raise satisfaction, using digital tools to improve journeys. The result of this study has clearly shown that creating awareness through various advertising media attract customers to the insurance sector.

Recommendations

Based on the objectives and outcomes of the study, management of insurance companies must advertise their products benefits to encourage new patronage, encourage existing customers as well as re engage dormant customers in the sector as this is a major means by which new customers get acquainted with the company and their products and new products gets introduced to new and existing clients of the company. Insurance companies should reel out messages that can put them in the minds of the people so that they can have a good share of their pockets while increasing the volume of transaction for higher profits as well as increasing their market share within the industry.

The study also recommends that companies in the insurance sector should take advantage of the increased digital awareness of existing and potential customers and adopt diverse digital and online media to advertise, as the findings of this study shows that the two most preferred advertising options in Nigeria are paid search advertising and social media advertising thus it is obvious that online adverts are better appreciated and higher rated than the traditional medium of advertisement. This will help improve customer knowledge, improve customer satisfaction and attract more customers to the insurance market.

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