

## Impact of Product Advertisement on Sales

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### **Abstract:**

*This study set out to examine how advertising affects an organization's sales and profitability. Reading a great deal of material on the subject revealed that, in addition to the fact that advertising has an impact on sales and profit, successful advertising tactics are always evolving as a result of globalization and technology.*

**Keywords:** *Product Advertisement, Sales.*

### **Introduction**

Producing for sales and profits is the foundation of each company enterprise. An organization needs to sell enough of its goods to make up for operational expenses and turn a profit in order to stay in business. Sales estimates serve as the foundation for profit or budgeting for a large number of organizations. This is the case because, in most situations, it needs to be decided upon before production units are identified, and production units will then influence the procurement of materials. Making sales decisions, however, is one of the hardest things that many corporate leaders have to do. This is due to the fact that because they are uncontrollable external elements, potential customers' wants are difficult to foresee, estimate, or assess with accuracy. Given the significance of sales for the survival of a business and the relationship between customers and sales, it makes sense for firms to participate in initiatives that have the power to sway customers' decisions to buy their goods. This is when brand management and advertising come into play. One of the four components of the marketing mix—product, pricing, place, and promotion—is the promotion mix, which includes advertising as a subset. As a marketing tactic, advertising

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plays a vital role in raising customer awareness of a product and preparing them to make a final purchasing choice. "Advertising is a form of communication through mass media about product, services, or ideas paid for by an identified sponsor," according to the Advertising Practitioner Council of Nigeria (APCON). Given that communication is the movement of ideas, attitudes, facts, moods, and other things from one person to another via a medium, it could be accurate to classify advertising as a type of communication. This is due to the fact that advertising uses a channel to spread persuasive messages about the idea, product, or service. This is undoubtedly comparable to the process of communication when a source sends a message to a recipient via a channel in hopes of receiving a response.

### **Literature Review:**

According to Oputa and Ahmad (2018), advertising is defined as the offering of concepts, products, and services in exchange for payment by a third-party service provider who is not connected to the products in any way. This essentially indicates that sponsors bill a set amount for their services of promoting the products, concepts, and offerings on behalf of their customers (Oputa & Ahmad, 2019). Businesses use it as a tool to inform consumers about their products and persuade them to purchase them. Organizations in a market are constantly vying for the largest share of consumers' disposable cash; as a result, they employ advertising to attract more attention from consumers in the hopes that this would raise sales and, ultimately, profits (Utama, et al., 2021). The goal of advertisements is to convince consumers that the items they are seeing are the ideal ones to meet their demands (Soberman & Yi, 2021). In addition, advertisements serve as a means of conveying to the general public the unique qualities and attributes of a company by showcasing its attributes and capabilities (Sama, 2019). Thus, it is possible to argue that the goal of advertising is to alter consumer behavior. The study of consumer behavior focuses on how individuals, communities, and organizations decide whether or not to purchase a certain good. It is the study of choices and behaviors made by individuals or groups of people who make consumption-related purchases of goods and services (Soberman & Yi, 2021).

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That's why, before releasing any form of marketing, a company needs to know exactly what drives consumer behavior. A loss for the advertising company results from unsuccessful commercials that fail to pique viewers' attention or arouse curiosity (Utama et al., 2021). This is due to a lack of understanding of what drives consumers.

Organizations hope to see a larger return on their investment in the end. If an organization's bottom line is negatively impacted by advertising, the money made from its impacts should exceed the initial investment in advertising (Agbeja, Adelajun, & Akinyemi, 2015). Customers are more likely to realize they need a product like this in their lives when they can relate to the advertisement (Utama et al., 2021). For consumers to relate to and feel compelled to purchase a product, it should provide solutions to common concerns (Tang & Chan, 2017).

### **Advertising Media:**

Both physical and internet advertising are possible. Online advertising is defined as those that operate online and are supported by technology (Bayer, Srinivasan, J, & Skiera, 2020). Online platforms offer analytical tools that display the number of individuals the post was able to reach, the number of likes it received, and other information, making it easy to track down online advertising (Agbeja, Adelajun, & Akinyemi, 2015). Targeting offers even more possibilities since it is possible to make online advertising visible to certain audiences, such as those in a particular region. Online advertising has grown dramatically in the last few years. This is a result of people's growing desire for social networking on the internet (Lin et al., 2021). However, creating compelling online ads and making sure they reach the intended demographic or market are vitally important (Utama et al., 2021). The necessity for online social networks is growing along with the importance of technology. People now spend several hours a day on these websites, and the online community has grown to be a significant part of their lives (Maulana, et al., 2019). Email advertisements, search engine advertising, and social media marketing—which makes use of websites like Facebook—are examples of online advertising mediums (Lin, et al., 2021). Thus, businesses can take advantage of this by placing the advertisements in places that

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customers frequent. Because more and more individuals are spending time online, online advertising has become more and more popular. All advertising that is not online is considered offline. produced with assistance from conventional advertising channels (Bayer, J. Srinivasan, & Skiera, 2020).

Newspapers, radio ads, television commercials, billboards, and other offline media periodicals. Organizations are gradually turning to online advertising to reach a wider audience and save costs because it is less expensive than traditional forms of advertising, especially with the growing use of the internet and online platforms (Karaxha, Ramosa, & Abazi, 2016). When there are limitations, like a lockdown, offline media is likewise unable to reach the intended audience (Utama, et al., 2021).

### **Relationship Between Advertising, Sales, And Profitability**

The connection between advertising, sales, and profitability has long been the subject of research (Bayer, Srinivasan, J, & Skiera, 2020). Since generating a profit is the primary goal of private organizations, profitability is crucial. A corporation needs this earnings in order to stay in business for the foreseeable future. Companies currently have intense competition from both domestic and foreign rivals as a result of growing globalization (Fraccastoro, Gabrielsson, & Pullins, 2021). A business can differentiate itself and its goods by using innovative advertising. As a result, businesses invest enormous sums of money in advertising each year in an effort to reach a wider audience and promote their goods in the hopes of boosting sales and profits (Raham, Rodriguez-Serrano, & Lambkin, 2019).

The best way to depict the relationship between advertising, sales, and profitability is using a concave downward graph. The relationship between these three factors follows the law of decreasing returns, as this graph demonstrates. This implies that while advertising expenditures rise, sales and earnings will only rise to a certain extent. There is a limit to how much a corporation may gain gradually; after this point, spending more on advertising will provide lesser

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returns (Karaxha, Ramosa, & Abazi, 2016). For an advertisement to be successful, a significant return on investment is anticipated. Accordingly, sales that are greater than the amount spent on advertising should offset the cost of advertising (Utama et al., 2021). The idea of advertising efficiency quantifies the ratio of advertising inputs to outputs (Agbeja, Adelajun, & Akinyemi, 2015). It says that in order for advertising to be considered effective, it must minimize the costs associated with advertising while maximizing its outputs, which include exposing consumers to your brand, swaying their opinion, and coercing them into actually buying your product (Bayer, Srinivasan, J, & Skiera, 2020).

Product advertisement plays a crucial role in influencing consumer behavior and can have a significant impact on sales. Here are several ways in which product advertisement affects sales:

**Increased Awareness:** Advertisement helps create awareness about a product among potential customers. When people become aware of a product and its features, they are more likely to consider it when making purchasing decisions.

**Brand Recognition:** Consistent advertising helps build and reinforce brand recognition. Customers are often more inclined to choose products from brands they recognize and trust. This can lead to repeat purchases and brand loyalty.

**Influence on Consumer Perception:** Advertisement shapes how consumers perceive a product. The way a product is presented in ads, including its benefits and unique selling points, can influence the perception of its value, quality, and relevance to the consumer's needs.

**Creating Desire:** Effective advertising can create a sense of desire or aspiration for a product. By highlighting its benefits and demonstrating how it can meet consumers' needs, ads can stimulate interest and drive potential customers towards making a purchase.

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**Educating Consumers:** Advertisements serve as a platform to educate consumers about the features, uses, and advantages of a product. Informed consumers are more likely to make confident purchasing decisions, contributing to increased sales.

**Emotional Connection:** Emotional appeal in advertisements can establish a connection between the product and the consumer's emotions. When consumers feel a personal connection to a product, they are more likely to make a purchase based on emotions rather than just rational considerations.

**Call to Action:** Advertisements often include a call to action, encouraging consumers to take immediate steps such as making a purchase, visiting a store, or trying a free sample. This sense of urgency can lead to an immediate boost in sales.

Advertising plays a pivotal role in the success of businesses across industries. Its ability to influence consumer behavior and shape perceptions makes it a formidable tool for increasing sales volume. In this essay, we will explore the various ways in which advertising contributes to boosting sales volume, examining its impact on consumer decision-making, brand recognition, and market expansion. Advertising serves as a powerful medium for creating awareness about products and services. Through various channels such as television, radio, print media, and digital platforms, companies can reach a vast audience and inform them about their offerings. By highlighting the unique features, benefits, and value propositions of their products, advertisers can capture the attention of potential customers and stimulate their interest. Moreover, advertising fosters consumer engagement by facilitating interactions between brands and their target audience. Social media platforms, in particular, have revolutionized the way companies connect with consumers, enabling direct communication and feedback. Engaging content, interactive campaigns, and personalized messaging help establish meaningful relationships with customers, driving loyalty and repeat purchases.

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Consistent and strategic advertising efforts contribute to building brand recognition and trust. By repeatedly exposing consumers to their brand messages, companies reinforce their presence in the market and establish a distinctive identity. Over time, this familiarity breeds trust, as consumers associate the brand with quality, reliability, and credibility.

Furthermore, advertising allows companies to differentiate themselves from competitors and position their products as superior choices. Through persuasive storytelling, testimonials, and endorsements, advertisers can shape perceptions and influence purchasing decisions in their favor. As consumers develop positive associations with the brand, they are more likely to choose it over alternatives, driving up sales volume.

Advertising plays a crucial role in driving market expansion and revenue growth. By targeting new demographics, segments, or geographical areas, companies can tap into previously untapped markets and expand their customer base. Through targeted advertising campaigns tailored to specific audience preferences and needs, businesses can penetrate new territories and gain a competitive edge.

Moreover, advertising helps generate demand for products and stimulate consumer spending. By creating a sense of urgency, highlighting promotions, and offering incentives, advertisers encourage consumers to make purchases they might not have otherwise considered. This increased demand translates into higher sales volume and revenue streams for businesses, driving overall growth and profitability.

### **Conclusion:**

In conclusion, advertising is a potent force in increasing sales volume for businesses of all sizes and industries. By raising consumer awareness, building brand recognition, fostering trust, and driving market expansion, advertising contributes significantly to revenue generation and business success. In today's competitive marketplace, companies that harness the power of advertising effectively are poised to thrive and achieve their sales objectives. An organization's

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ability to increase sales and profits is greatly influenced by its advertising. Increased advertising directly impacts higher sales and profits since it causes them to rise. But, it's crucial for businesses to refrain from advertising merely for the sake of advertising, as this will not work and will only cost them money. Businesses should take their time to create carefully considered advertisements that can draw in viewers and compel them to purchase the goods.

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