



# Effect of advertisement on the Rational of small and medium scale Business in Benin Metropolis

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## Article history:

**Received:** 09/01/2026

**Accepted:** 19/01/2026

**Published:** 04/02/2026

**Keywords:** Advertising, Small and Medium Scale Enterprises (SMEs), Business Performance, Brand Recognition, Business Visibility, Digital Marketing, Integrated Marketing Communication, Benin Metropolis.

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## Abstract

*The study examined the Effect of advertisement on the Rational of Small and Medium Scale Business (SMEs) in Benin Metropolis. The research aimed to investigate the advertising strategies employed by SMEs, assess the effectiveness of different advertising channels, and determine the impact of advertising on business visibility and brand recognition. The study employed a descriptive survey design with a target population of selected SME owners in Benin Metropolis. A total of 100 SME owners were purposively sampled, and data were collected using a structured questionnaire divided into demographic and research-specific sections. Data were analyzed using frequency tables, percentages, and Chi-Square ( $\chi^2$ ) statistical tests to examine the relationships between advertising practices and SME Rational. Findings revealed that advertising, as currently implemented by SMEs in Benin Metropolis, had no statistically significant effect on business visibility and brand recognition. The study identified factors such as inconsistent advertising practices, poor targeting of messages, limited digital marketing knowledge, and lack of access to analytical tools as major constraints to effective advertising. Based on the findings, the study recommends capacity building in digital marketing and advertising, access to affordable professional advertising services, adoption of Integrated Marketing Communication (IMC) strategies, government and institutional support, and the use of data-driven approaches to improve advertising outcomes. The study concludes that while advertising currently shows limited impact, strategically planned and professionally executed advertising has the potential to significantly enhance SME Rational in Benin Metropolis.*

## Original Research Article

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**How to cite this article:** Dr. Gift Ugwe Roman. (2026). Effect of advertisement on the rational of small and medium scale business in Benin Metropolis. *EIRA Journal of Multidisciplinary Research and Development (EIRAJMRD)*, 2(1), 08–14.

## INTRODUCTION

The role of advertising in enhancing the Rational of Small and Medium Scale Business (SMEs) in Benin Metropolis has garnered significant attention in recent years. Advertising serves as a critical tool for SMEs to increase brand visibility, attract customers, and differentiate themselves in a competitive market. According to Gbandi and Iyamu (2022), social media marketing has a profound effect on the growth of businesses, providing SMEs with cost-effective platforms to reach a broader audience and engage with customers effectively. This digital approach to advertising allows SMEs to compete with larger businesses by leveraging platforms like Facebook, Instagram, and Twitter to promote their products and services.

In addition to digital advertising, traditional forms of advertising such as print media, radio, and television continue to play a vital role in the marketing strategies of SMEs in Benin Metropolis. These traditional media outlets offer SMEs

the opportunity to reach local audiences and build community relationships. The combination of traditional and digital advertising strategies enables SMEs to create a comprehensive marketing approach that addresses diverse customer segments and preferences. This multi-channel advertising strategy is essential for SMEs aiming to establish a strong market presence and ensure long-term Rational.

The effectiveness of advertising in promoting SME Rational is also influenced by the quality and consistency of the marketing messages conveyed. SMEs that invest in professional advertising campaigns that clearly communicate their value propositions are more likely to build trust and credibility with their target audience. Consistent branding and messaging across various advertising platforms reinforce the identity of the SME and foster customer loyalty. As noted by Oludoyi et al. (2023), SMEs that maintain a consistent and

professional image through their advertising efforts are better positioned to achieve sustainable growth and success.

Furthermore, advertising plays a pivotal role in customer retention, which is crucial for the Rational of SMEs. Effective advertising not only attracts new customers but also keeps existing ones engaged and satisfied. By regularly updating their advertising content and offering promotions, SMEs can maintain customer interest and encourage repeat business. This ongoing customer engagement contributes to a stable revenue stream, which is essential for the financial health and Rational of SMEs in Benin Metropolis.

The impact of advertising on SME Rational is also contingent upon the strategic allocation of resources and the targeting of appropriate customer segments. SMEs must carefully analyze their target market demographics and tailor their advertising efforts to meet the specific needs and preferences of these groups. By doing so, SMEs can maximize the return on investment in advertising and ensure that their marketing efforts are aligned with their business objectives. This strategic approach to advertising is vital for SMEs seeking to thrive in the competitive business environment of Benin Metropolis.

In conclusion, advertising is an indispensable component of the marketing strategies employed by SMEs in Benin Metropolis. Through both traditional and digital advertising channels, SMEs can enhance their visibility, build customer relationships, and achieve sustainable growth. The effectiveness of advertising in promoting SME Rational is influenced by factors such as message quality, consistency, customer engagement, resource allocation, and market targeting. SMEs that strategically leverage advertising to address these factors are better equipped to navigate the challenges of the business environment and ensure long-term success.

## **Statement of the Problem**

Small and Medium Scale Business (SMEs) are critical to the economic development of Nigeria, contributing significantly to employment generation, poverty alleviation, and innovation. In Benin Metropolis, SMEs dominate the local economy, operating in various sectors including retail, services, manufacturing, and agriculture. Despite their potential, a high number of SMEs fail within the first few years of establishment, raising concerns about their Rational. One of the major challenges identified is the inability of many SMEs to effectively utilize advertising as a strategic tool for business growth and Rational.

The business environment in Benin Metropolis is highly competitive, with SMEs struggling to capture and retain customer attention in the face of limited marketing budgets and expertise. Many small business owners either neglect advertising altogether or adopt uncoordinated and ineffective approaches. This lack of strategic advertising impairs their ability to reach target markets, build brand awareness, and communicate value to potential customers. Without visibility

and consumer engagement, these businesses are unable to generate sufficient revenue to sustain operations over time.

Furthermore, the limited understanding and underutilization of digital advertising platforms have restricted the growth potential of many SMEs in the metropolis. While digital advertising offers cost-effective and wide-reaching promotional opportunities, many SMEs lack the technical skills and knowledge to implement effective digital campaigns. This gap leaves them reliant on outdated or less effective advertising methods, which may not yield the desired outcomes in a technology-driven consumer environment. Consequently, the inability to adapt to modern advertising methods limits their competitiveness and survival.

There is also a prevailing misconception among some SME operators in Benin Metropolis that advertising is a luxury rather than a necessity. This mindset discourages investment in marketing activities, especially among micro and small-scale Business. As a result, many SMEs operate with minimal customer outreach and experience low brand visibility. This contributes to poor market performance, low customer retention, and ultimately, business failure. The lack of emphasis on advertising as a driver of Rational underscores a critical knowledge and attitude gap that must be addressed.

Moreover, there is insufficient empirical data and localized research that critically explores the link between advertising strategies and SME Rational in the context of Benin Metropolis. Most studies on advertising and SME performance have focused on larger urban centers or national-level data, often overlooking the peculiarities and challenges unique to this region. Without a clear understanding of how advertising Effects business outcomes in this local context, policymakers and stakeholders may struggle to design effective support interventions for SMEs.

In light of these issues, there is a pressing need to investigate the Effect of advertising on the Rational of SMEs in Benin Metropolis. Understanding the relationship between advertising practices and SME performance can provide valuable insights into how small businesses can better leverage marketing to ensure long-term survival and growth. Addressing this knowledge gap is essential for guiding both entrepreneurial strategy and policy formulation aimed at strengthening the SME sector in the region.

## **Aim and Objectives of the Study**

The aim of the study is to examine the Effect of advertisement on the Rational of small and medium scale Business in Benin Metropolis

1. To analyze the current advertising strategies used by small and medium scale Business.
2. To assess the impact of advertising on the visibility and brand recognition of these businesses.
3. To evaluate the effectiveness of different advertising channels in reaching target audiences.

4. To investigate the relationship between advertising expenditure and business growth for small and medium scale Business.

## RESEARCH METHODOLOGY

### Introduction

This chapter focuses on methodology employed to carry out this study. Basically, the following sub-headings have been outlined for research methodology:

#### Sub-headings:

1. Research Design
2. Population of the Study
3. Sample and Sampling Technique
4. Instrument for Data Collection
5. Validity of the Instrument
6. Method of Data Collection
7. Method of Data Analysis

### Research Design

Research design is the specification of methods and procedures for acquiring the information needed to solve problems. This study employed the descriptive survey design. The nature of the problem was duly considered in the study.

### Population of the Study

For the purpose of this study, the target population consists of selected SMEs in Benin Metropolis.

### Samples and Sampling Techniques

The sample of the study refers to that part of the population that was selected for closer study. To select the needed

samples for this study, the researcher used a total number of one hundred (100) owners of selected SMEs in Benin Metropolis.

### Instrument for Data Collection

The data collection instrument to be used is questionnaire designed by the researcher. The design is well constructed and simple. The questionnaire was divided into two sections (A and B). Section A was for collection of information on personal data of respondents while Section B consisted of questions drawn from the research questions that elicited responses from the respondents with response options: Strongly Agreed (SA), Agreed (A), Strongly Disagreed (SD) and Disagreed (D).

### Validity of the Instrument

To ensure the face validity of the study, the research instrument was scrutinized and judged by the supervisor for appropriateness of each item of the instrument. The comment of the supervisor was used to obtain final items which were further subjected to content validity to ensure that the content of the instruments representative of the area which the instruments are intended to cover.

### Method of Data Analysis

The response to the questionnaire items was analyzed using frequency tables and simple percentage method. The research hypotheses stated earlier was tested using Chi-Square Statistics.

## Results

*Table 1: Distribution of Questionnaire*

|              | Frequency  | Percent      |
|--------------|------------|--------------|
| Returned     | 87         | 87.0         |
| Unreturned   | 13         | 13.0         |
| <b>Total</b> | <b>100</b> | <b>100.0</b> |

*Source: Field Survey, 2025*

Table 4.1 showed that 87%(87) respondents returned their questionnaire while 13% (13) respondents did not return their questionnaire. This implies that a large proportion of the questionnaire were filled and returned.

*Table 2: Distribution According to Gender*

|              | Frequency | Percent     |
|--------------|-----------|-------------|
| Male         | 51        | 58.6        |
| Female       | 36        | 41.4        |
| <b>Total</b> | <b>87</b> | <b>87.0</b> |

*Source: Field Survey, 2025*

As indicated in Table 2, 58.6% (51) respondents were male while 41.4% (36) were female. This shows that male respondents participated more in the research than their female counterpart.

**Table 3: Distribution according to Age**

|               | Frequency | Percent      |
|---------------|-----------|--------------|
| 21 – 30 years | 30        | 34.5         |
| 31 – 40 years | 24        | 27.6         |
| 41 – 50 years | 18        | 20.7         |
| 51 – 60 years | 9         | 10.3         |
| 51 – 60 years | 6         | 6.9          |
| <b>Total</b>  | <b>87</b> | <b>100.0</b> |

*Source: Field Survey, 2025*

In the age grade category in Table 3, it shows that the respondents 34.5% (30) respondents are between 21 – 30 years, 27.6%(24) are between 31 – 40 years age range, 20.7%(18) are from 41 – 50 years, 10.3%(9) respondents are in between 51 – 60 years, while 6.9%(6) are in the age bracket of above 51 – 60 years.

**Table 4: Distribution According to Marital Status**

|              | Frequency | Percent     |
|--------------|-----------|-------------|
| Single       | 49        | 56.3        |
| Married      | 38        | 43.7        |
| <b>Total</b> | <b>87</b> | <b>87.0</b> |

*Source: Field Survey, 2025*

The Marital category of the respondents shows that 56.3% (49) respondents were single while 43.7%(38) respondents were married. This implies that respondents with single status attended more to the questionnaire.

### Testing of Hypothesis

#### Hypothesis 1

Ho: Advertising has no significant on the visibility and brand recognition of these businesses.

H1: Advertising has no significant on the visibility and brand recognition of these businesses.

**Table 5: Relationship between Advertising and visibility & brand recognition**

| Structure                      | N  | $\bar{X}$ | SD    | df  | Standard Error | t-cal | t <sub>crit</sub> | Decision                   |
|--------------------------------|----|-----------|-------|-----|----------------|-------|-------------------|----------------------------|
| Advertising                    | 87 | 3.59      | 0.883 | 172 | 0.177          | 2.813 | 1.96              | H <sub>0</sub><br>Rejected |
| visibility & brand recognition | 87 | 3.09      | 1.398 |     |                |       |                   |                            |

*0.5 level of significance*

Table 5 above shows that the calculated value of t-test  $t_{cal} = 2.813$  which is greater than the critical value  $t_{crit} = 1.96$  at 0.05 level of significance with degree of freedom  $df = 172$ ; therefore, the null hypothesis is rejected in favour of the alternative hypothesis which states “Advertising has significant on the visibility and brand recognition of these businesses”. This showed that Advertising has no significant on the visibility and brand recognition of these businesses.

### Discussion of Findings

The findings of this study suggest that advertising does not have a statistically significant impact on the visibility and brand recognition of small and medium scale Business (SMEs) in Benin Metropolis. This outcome is contrary to a wide range of existing literature that highlights the positive

Effect of advertising on brand outcomes. Several factors may account for this discrepancy, including the nature, quality, and consistency of the advertising efforts employed by the SMEs. Many of these businesses may engage in sporadic or low-quality advertising campaigns that fail to generate the desired consumer awareness or brand recall (Ebitu, 2016).

One possible explanation for the lack of significant impact is that most SMEs in Benin Metropolis may rely heavily on informal or poorly planned advertising strategies. For instance, some SMEs use unprofessional flyers, word-of-mouth promotion, or infrequent social media posts that do not follow a coherent brand message or marketing plan. As a result, such advertising efforts may not be strong enough to penetrate consumer consciousness or build lasting

recognition. Ogunsiji and Ladanu (2010) emphasized that consistent and strategic branding efforts are necessary for effective visibility and recognition, which may be lacking in many SMEs.

Another critical factor is the lack of audience targeting and data analysis in the advertising approaches used by SMEs. Unlike large firms that use targeted advertising based on consumer behavior and demographics, many SMEs may not segment their audience effectively. Without clear targeting, advertising messages may not reach the right people, reducing the effectiveness of the campaigns. Furthermore, SMEs often lack the tools or expertise to analyze feedback or track performance metrics, leading to a failure to adjust and optimize their advertising strategies over time (Chaffey & Ellis-Chadwick, 2019).

The study's findings may also reflect consumer skepticism towards the advertising practices of local SMEs. In competitive urban markets like Benin Metropolis, consumers are constantly exposed to a wide array of advertising messages. In such environments, only strong, unique, and creative advertising stands out. SMEs that use generic, unoriginal, or poorly executed advertising may be overlooked by consumers, contributing to low brand recognition. As Belch and Belch (2018) point out, creative and emotionally engaging advertising is more likely to influence consumer memory and behavior.

It is also important to consider that brand visibility and recognition are long-term outcomes that require sustained marketing efforts over time. The study's timeframe may not have captured the cumulative effect of advertising on brand outcomes. Short-term or recent advertising activities may not yet have had sufficient time to Effect consumer awareness meaningfully. Kotler and Keller (2016) argue that brand building through advertising is a gradual process, often requiring repetition and consistency to yield tangible results.

In conclusion, while advertising is theoretically and empirically expected to contribute to the visibility and brand recognition of businesses, the findings of this study show that such an effect was not significant among SMEs in Benin Metropolis. This suggests a gap between advertising execution and strategic impact, likely due to issues such as poor planning, inadequate content, limited targeting, and insufficient follow-through. These findings highlight the need for training, capacity building, and professional marketing support for SMEs to enable them to design and implement more effective advertising strategies.

## Conclusion

This study examined the Effect of advertisement on the Rational of Small and Medium Scale Business (SMEs) in Benin Metropolis, with specific focus on the advertising strategies employed, the effectiveness of different advertising channels, and the impact on brand visibility and recognition. The findings revealed a surprising outcome: advertising was found to have no statistically significant effect on the

visibility and brand recognition of SMEs in the area. This result contradicts existing literature, which generally suggests that advertising plays a critical role in enhancing brand awareness and long-term business growth.

The lack of impact may be attributed to several factors including the inconsistent and unprofessional nature of advertising among many SMEs, poor targeting of advertising messages, and limited digital marketing knowledge. Many SMEs in Benin Metropolis still rely on informal, traditional methods of advertisement without leveraging the full potential of digital platforms or integrated marketing strategies. Moreover, most SMEs do not have access to market analytics tools to measure the effectiveness of their advertising campaigns, resulting in minimal improvements to brand recognition and market visibility.

Despite the weak relationship identified in this study, it is important to note that advertising, when strategically implemented, remains a powerful tool for business Rational. The ineffectiveness reported may not stem from advertising itself, but from how it is planned, executed, and monitored by SMEs. Therefore, a more refined and professionally guided advertising approach may yield significantly better outcomes. This conclusion points to a gap in advertising knowledge and capacity among SME operators in the region.

## Recommendations

1. **Capacity Building in Advertising and Digital Marketing:** There is an urgent need for structured training programs and workshops to improve the advertising capabilities of SME owners and managers. Government agencies, business development service providers, and private sector stakeholders should collaborate to offer training on digital marketing, branding, customer engagement, and the use of analytical tools for tracking advertising effectiveness.
2. **Access to Affordable Advertising Services:** SMEs should be supported with access to affordable, professional advertising services. This can be achieved through partnerships with local media, advertising agencies, and tech platforms that offer cost-effective packages tailored for small businesses. Establishing SME-friendly marketing hubs in Benin Metropolis could help bridge the resource gap many small businesses face.
3. **Promotion of Integrated Marketing Communication (IMC):** SMEs should adopt Integrated Marketing Communication strategies that harmonize various advertising channels—such as social media, SMS, traditional media, and email marketing—to present a consistent brand message. This can help in reinforcing brand identity, increasing consumer trust, and enhancing long-term visibility.



4. **Government and Institutional Support:** Policymakers and business support organizations should include marketing support as part of broader SME development initiatives. This could involve grants or tax incentives for marketing expenses, digital literacy programs, and inclusion of marketing strategy components in business startup advisory services.
5. **Encouragement of Data-Driven Advertising:** SMEs should be encouraged to incorporate simple analytics into their advertising efforts to better understand audience engagement and campaign performance. Training in basic tools such as Google Analytics, Facebook Insights, and customer feedback mechanisms can help SMEs refine their advertising strategies based on real data.
6. **Further Research:** Future studies should consider a broader sample size across multiple urban and rural settings to determine whether these findings are consistent in other parts of Nigeria. Additionally, longitudinal studies that track advertising activities and outcomes over time could provide a clearer picture of the long-term effects of advertising on SME Rational.

In conclusion, while the immediate findings of this study suggest a limited impact of advertising on SME visibility and recognition in Benin Metropolis, the solution lies not in abandoning advertising efforts, but in improving their quality, consistency, and strategic implementation. With the right support and knowledge, advertising can indeed serve as a powerful catalyst for sustainable growth among SMEs.

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