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Marketing Communication and Financial Education: A Tool for Poverty Alleviation in Nigeria

Agnes Edem Bassey (Ph. D.)[1], Patrick Awok Mbum (Ph.D.)[2] and Prof. Benedict. Ejikeme Odigbo[3]

[1]Department of Marketing, University of Calabar, Calabar, Nigeria
Corresponding Author: agnesbassey15@gmail..com; agnesbassey@unical.edu.ng
+2348052810967; +2347035410510

Abstract

The disconnect between marketing communication and finance is a matter of concern in the 21st century, especially given the intense economic pressure in Nigeria. As a result, this study examined the influence of traditional and digital marketing communication and financial education on poverty alleviation. The specific objectives were to: Investigate the effect of word-of-mouth marketing on financial education in Nigeria; and examine the effect of social media marketing on financial education in Nigeria. The relevance of this study lies in its potential to contribute to poverty alleviation in Nigeria by employing tools such as word-of-mouth, Facebook, Instagram, and WhatsApp to educate Nigerians on various financial products they can invest in to improve their economic well-being. An exploratory research design was adopted. This research method aided in gathering concepts and variables from the fields of marketing, finance, and related disciplines. Two theories guided this study. Financial Intermediation Theory posits that there should be mediation between the providers and users of financial capital (Diamond, 1984). Portfolio Theory emphasizes providing investors and portfolio managers with methods of analysis and selection of securities that allow them to achieve optimal return in line with investor goals (Markowitz, 1952; Lekovic, 2021). Marketing communication comprises both traditional and digital forms. It is a combination of tools used in disseminating information to a target audience. It includes advertising, personal selling, public relations, sales promotion, direct marketing, and word-of-mouth. Digital marketing communication, on the other hand, is the application of digital platforms such as Facebook, Instagram, and WhatsApp to promote products to customers. Thus, it is also the use of mobile devices. Financial education is the combination of awareness, knowledge, skills, attitudes, and behaviors necessary to make sound financial decisions and ultimately achieve individual financial well-being (OECD, 2005). Hence, the application of marketing communication tools in financial education is essential for poverty reduction in Nigeria.

Keywords: Traditional marketing communication, Digital marketing communication, Financial Education, Poverty Alleviation

1. Background to the Study

Marketing communication is a concept that has evolved over several decades, creating impact with each passing day and continuing to do so till date. It has advanced to a point where it aligns with present technological times. We now communicate marketing not only through traditional means, such as word-of-mouth, but also through digital platforms such as email, WhatsApp, Facebook, and others. Marketing communication has proven to be of immense benefit both in the international and local spaces.

Rapid technological adoption and enduring socioeconomic issues interact in a multifaceted way to characterize Nigeria's economic environment in the twenty-first century. Despite being one of Africa's leading economies, Nigeria faces significant hurdles, including high inflation, currency volatility, and a substantial portion of the population living below the poverty line. For more than 20 years, international organizations such as the World Bank and the United Nations have described the percentage of youth unemployment and poverty as extremely high, significantly limiting the country's annual gross domestic product and broader development (Eze et al., 2015).

Poverty is more than just a lack of financial resources; it also means a lack of access to the information and educational systems needed to manage those resources. There is a huge mismatch between marketing communication and financial services. While marketing is typically thought of as a business instrument for increasing sales, its potential as a vehicle for social transformation—specifically, the distribution of financial education—is relatively untapped. Financial education is the combination of awareness, information, skill, attitude, and conduct required for people to make wise financial decisions and attain long-term well-being. Without this literacy, "financially vulnerable" populations are barred from the official financial system, often falling victim to "get-rich-quick" schemes and a culture of inefficiency (Eze et al., 2015; Mogaji et al., 2021).

The relevance of this study stems from Nigeria's urgent need to alleviate poverty. It proposes that the most successful strategy to bridge the gap between financial service providers and the underprivileged is to use marketing communication platforms strategically, both traditional (such as word-of-mouth) and digital (such as Facebook, Instagram, and WhatsApp). Marketing communication can help Nigerians move from poverty to financial security by teaching them about accessible financial products and investment techniques. This paper delves into the theoretical foundations, importance of numerous communication channels, and the empirical connections between marketing, financial literacy, and poverty alleviation.

Objectives of the Study

The main objective of this study is to determine effect of Traditional and Digital Marketing Communication and Financial Education as a tool for poverty alleviation in Nigeria. Specific objectives were to :

1. Investigate effect of word-of-mouth marketing on financial education in Nigeria:

2. examine the role of social media marketing on financial education.

Statement of the Problem

Although marketing and the banking profession are synonymous in the sense that the 7Ps — product, price, place, promotion, people, physical evidence, and process — are what both employ to drive their vision and objectives, the application differs greatly.Scholars assert that despite these advantages, a major problem exists: a lack of knowledge and education about core financial products such as the stock exchange, treasury bills, lending, and other financial investments that are relevant to improving the lives of ordinary Nigerians. In ensuring a resilient financial system in Nigeria, there should be an effective flow in the application of both digital and traditional marketing communication tools such as WhatsApp, Facebook, and word-of-mouth between financial institutions and the public at large.

Despite being one of Africa's top economies, Nigeria confronts severe challenges, including high inflation, currency instability, and a large proportion of the population living in poverty. Global organizations, like the World Bank and the United Nations, have described the young unemployment and poverty rate as disturbingly high, significantly limiting the nation's yearly GDP and overall development for more than two decades (Eze et al. 2015).
As a result, the issue statement is: How can marketing communication and financial education be linked to reduce poverty in Nigeria?

2.LITERATURE REVIEW AND THEORITICAL FRAMEWORK

UNDERPINNING THEORIES

Financial Intermediation theory

Financial intermediation theory is not credited to a single proponent, but rather grew out of the fundamental concepts of numerous important economists. Notable contributors include:

Leland and Pyle (1977) proposed the asymmetric information approach, which suggests intermediaries can bridge information gaps by possessing unique knowledge about assets.
In 1984, Douglas Diamond introduced the "delegated monitor" approach, which explains how banks might reduce monitoring expenses to address information asymmetry.

Gurley and Shaw (1960) expanded the traditional framework by focusing on transaction costs in their study of money and finance.

Furthermore, financial intermediation theory is a fundamental pillar of this research. It proposes that mediation between financial capital suppliers and users is required to address transaction costs and information asymmetries (Rauff et al. 2024).

. Banks and Fintech businesses serve as intermediaries between investors and borrowers, lowering communication costs that might otherwise prohibit the poor from receiving financing. Thus, it promotes technological innovation and growth by mobilizing savings, controlling risk, and simplifying transactions (Onwuka, 2019). In Nigeria, where lending to the poor is more expensive due to small loan amounts and a lack of collateral, intermediaries are critical for risk management and facilitating large-scale economic initiatives (Rauff et al. 2024). Marketing communication serves as the "informational bridge" that allows these intermediaries to connect with their target beneficiaries.

Portfolio theory

Portfolio theory is a framework for building an investment portfolio that tries to maximize anticipated return while reducing risk, taking into consideration the linkages and correlations between various assets. It is a two-step process that starts with beliefs about the future performance of assets and ends with the selection of an optimal portfolio. Lekovic (2021) defines portfolio theory as providing investors and portfolio managers with strategies for assessing and selecting assets to obtain optimal returns related to their aims.

For many average Nigerians, applying portfolio theory is challenging due to limited awareness of the range of available financial products. In this context, marketing communication serves as an educational tool by informing individuals about how to diversify their resources. This diversification may take the form of savings, investments in small businesses, or digital assets, all of which contribute to achieving greater financial stability.

MARKETING COMMUNICATIONS

Marketing communication is divided into two types: traditional communication and digital communication. It is a set of techniques and tactics used to communicate information to a target audience in order to impact perceptions and behaviors.

Traditional marketing communication

Traditional marketing communication encompasses legacy media and face-to-face interactions. In rural and underserved Nigerian communities, traditional communication systems often hold greater influence than formal advertising. These systems include the use of town criers, indigenous languages, and community leaders to disseminate information (Ogbemudia et al., 2021). A core element of traditional communication is word-of-mouth (WOM), which involves the peer-to-peer exchange of information. In African markets, WOM is highly valued because it is perceived as credible and socially validated (Chikweche et al., 2022).

Word-of-mouth communication remains a powerful influence in the Nigerian marketplace. It is especially effective in reaching young people and rural populations who may distrust formal financial institutions. Empirical evidence suggests that both traditional WOM and its digital form, electronic word-of-mouth (eWOM), are effective in encouraging youths to embrace productive livelihoods such as agriculture, thereby addressing issues of unemployment and poverty (Eze et al., 2015). The strength of WOM lies in its perceived credibility. In many African societies, endorsements from peers or community elders are often viewed as more reliable than formal advertising (Chikweche et al., 2022). Consequently, financial institutions that engage local brand ambassadors who are well-known and trusted within their communities can strengthen brand association and promote the adoption of financial products (Chikweche et al., 2022).

In many rural Nigerian communities, formal education levels are low and access to basic infrastructure such as electricity is limited. In these settings, indigenous communication systems play a critical role in bridging literacy gaps (Ogbemudia et al., 2021). Two key indigenous channels have proven effective: **Town Criers**: Studies indicate that the involvement of town criers in literacy campaigns has a positive and significant effect on the dissemination of financial information to rural farmers (Ogbemudia et al., 2021). **Indigenous Language**s: The use of local languages in financial literacy campaigns is strongly correlated with the effective transmission and understanding of financial information (Ogbemudia et al., 2021). These traditional methods ensure that financial education is not just heard but understood, respecting the cultural and linguistic nuances of the target audience.

Digital Marketing Communication

Digital marketing communication refers to the promotion of products and services through electronic platforms, mobile devices, and the internet. In the 21st century, the widespread adoption of smartphones has positioned digital tools such as Facebook, WhatsApp, and specialized mobile applications as key channels for reaching the unbanked population (Benjamin et al., 2024). Digital technologies are widely regarded as essential for advancing financial inclusion, though their effectiveness relies on access to affordable and reliable internet connectivity (Kouladoum et al., 2022). Amara et al. (2024) further note that despite challenges such as poor internet access, many individuals actively engage with digital financial services once they become aware of them through targeted marketing. Consequently, digital platforms serve as a critical bridge, enabling the unbanked to access savings and credit opportunities that were previously unavailable (Komolafe et al., 2024).

Social media marketing communication

Social media marketing involves communicating with and reaching target audiences through various digital platforms such as WhatsApp, Facebook, TikTok, and others. In the 21st century, it has become a vital tool for the financial sector. The use of advertising on platforms like Facebook and Instagram, alongside content marketing strategies, has been found to exert a significant and positive influence on customer patronage of fintech services (Anyadighibe et al., 2025). Furthermore, these platforms facilitate high levels of visual engagement and enable the dissemination of relatable content that helps to simplify and clarify complex financial products (Nwali & Ntegeeh, 2022).

WhatsApp as a marketing communication platform

WhatsApp serves as a widely used digital marketing communication tool among individual entrepreneurs and organizations. Its popularity stems from its simplicity relative to other platforms such as TikTok and X (formerly Twitter). The platform also offers WhatsApp Business, which includes advanced features tailored for commercial use, making it more practical for business operations. According to Bassey et al. (2025), WhatsApp Business was specifically designed to support corporate communication and transactions. This specialization has contributed to its widespread adoption by various organizations, including SMEs. In the Nigerian context, WhatsApp holds a unique position as the primary communication channel. Financial institutions utilize WhatsApp and other mobile applications to provide real-time customer engagement and support (Benjamin et al., 2024). These platforms enable institutions to: Disseminate educational content directly to users' smartphones; provide personalized assistance through AI-powered chatbots that help users navigate complex financial services (Benjamin et al., 2024); Share account information and facilitate small-scale transactions in an environment that users already trust.

Financial Education

Financial education is a multidimensional concept that plays a crucial role in connecting digital financial usage with effective financial management (Hasan et al., 2021). Across Sub-Saharan Africa, limited technological and financial literacy are key drivers of financial exclusion (Kouladoum et al., 2022). Financial literacy encompasses both an individual's level of education and their capacity to understand and use complex digital financial products (Hasan et al., 2021). Simply having access to a mobile banking application is insufficient; individuals must also have the knowledge and skills to use it in ways that promote financial stability (Hasan et al., 2021). Examples of financial products include fixed-income securities such as bonds and treasury bills, equities such as stocks, commodities, and digital assets including gold and cryptocurrencies.

Poverty Alleviation

Reducing poverty remains a central macroeconomic objective in Nigeria. Despite the country's vast natural and human resources, poverty levels continue to be extremely high (Dabwor et al., 2016). Studies indicate that financial deepening, measured as broad money supply relative to GDP, contributes to poverty reduction. However, credit allocation to the private sector is often inefficient (Dabwor et al., 2016). For meaningful poverty reduction to occur, financial sector growth must allow financial intermediaries to cover the costs of small-scale lending while also delivering financial education to disadvantaged and low-income groups (Rauff et al., 2024; Saidu & Marafa, 2020).

Problems of Marketing Communications

Despite marketing communication's potential, a number of obstacles prevent it from being effective in Nigeria:

1. Technological Illiteracy: Many Nigerians are unable to take advantage of opportunities in digital finance due to high rates of general illiteracy and poor digital capabilities (Kouladoum et al., 2022).

2. Infrastructure Gaps: In rural regions, inconsistent energy supply and poor internet access continue to be significant obstacles to digital financial inclusion (Kouladoum et al., 2022; Ogbemudia et al., 2021).

3. Deficit in Trust: Many Nigerians are hesitant to embrace new financial products due to a long-standing lack of trust in traditional financial institutions. Communication that is reliable, clear, and consistent is necessary to overcome this (Komolafe et al., 2024).

4. Economic Volatility: The same economic forces that make financial literacy crucial also restrict people's capacity to invest or preserve excess money.

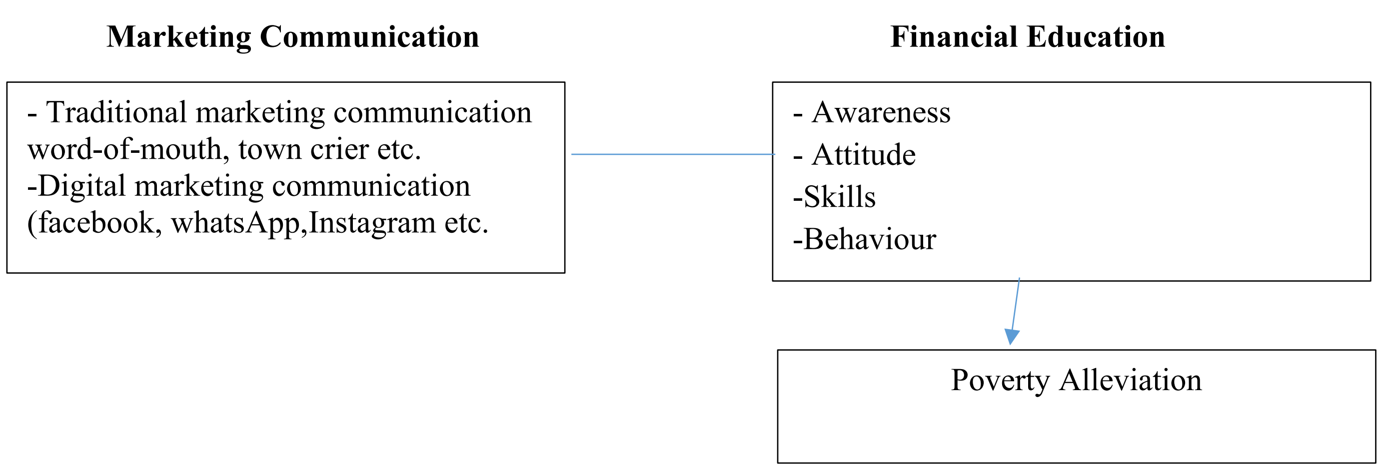
REVIEW OF EMPIRICAL STUDIES

Ogbemudia et al.(2021) investigated the role of indigenous communication systems in enhancing financial literacy among Nigerian farmers. The findings revealed that traditional communication methods were significantly more effective than standardized mass media in reaching rural populations.

Onwuka et al. (2024) examined the Orba Modern Market in Enugu State to assess the potential and limitations of digital marketing among the urban poor. The study found that although traders faced barriers including poor internet connectivity and technological illiteracy, they were receptive to adopting digital financial tools when positioned as practical "saving and transaction solutions.

Mogaji et al. (2021) argue that marketing bank services to the "financially vulnerable" necessitates a tailored, relationship-based approach. Drawing on evidence from emerging economies, the authors further contend that financial institutions must design "inclusive technologies" that are accessible to populations with low literacy levels.

FIG I: Conceptual model of the study



Bassey et al. (2026)

The model explains the effect of marketing communication strategies on financial education for poverty alleviation. It posits that both traditional and digital marketing communication tools are effective in creating awareness, developing skills, and shaping the behavior and attitudes of individuals toward financial products. Traditional tools such as word-of-mouth, radio, and community engagement build trust, while digital platforms like WhatsApp, Facebook, and Instagram provide wider reach and faster information dissemination. By sensitizing the public, these tools enable individuals to understand diverse financial products and make informed decisions. According to Belch et al. 2021; OECD, (2005), this will ultimately, lead to improved financial literacy, better money management, and contributes significantly to poverty reduction in Nigeria.

3. METHODOLOGY

An exploratory research design was adopted for this study. This method facilitated the identification of key concepts and variables within the fields of Marketing, Finance, and related disciplines. The justification for using this approach is that exploratory research primarily focuses on clarifying concepts that explain a phenomenon. In the process, only relevant information and literature are selected and reviewed (Bhat, 2025). Thus, a conceptual research methodology involves developing a visual or written framework that outlines the key concepts, variables, and their relationships to guide the research process. It is based on the analysis of existing information and theories rather than on conducting new experiments.

4. CONCLUSION

For Nigeria in the 21st century, merging marketing communication with financial education goes beyond business interests; it is a crucial societal need. Financial institutions can tap into the credibility of traditional word-of-mouth and the extensive reach of digital platforms such as Facebook and WhatsApp to provide essential financial knowledge aimed at reducing poverty. Although issues like inadequate infrastructure and low literacy persist, the deliberate use of these communication channels presents a viable route to a more inclusive and thriving economy. The overarching aim is to ensure that every Nigerian becomes financially literate and capable of making choices that promote personal prosperity and national economic growth.

5. RECOMMENDATION

1. In ensuring a resilient financial system in Nigeria there should be an effective flow of the application of both digital and traditional marketing communication tools such as WhatsApp, Facebook and word of mouth between Financial Institutions and the public at large.
2. Banks in Nigeria should increasingly recognize the need to market financial products/ investments to "financially vulnerable" customers.
3. They should check customer savings intermitently and send them cold email about investment opportunities.
4. Intermittent literacy campaign/ sensitization programme should be carried out, targeted at both the literate and illiterate.
5. Empower Indigenous Systems: Literacy programs should officially partner with local town-criers and community leaders, providing them with the training and materials to serve as "financial education ambassadors" (Ogbemudia et al., 2021).

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