

An Assessment of Consumer Buying Behaviour: an Issue for “Made in Nigeria Drive”

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Abstract

This study tends to assess consumer buying behavior. The closure of many manufacturing companies in Nigeria is obviously traceable to low patronage of locally made goods. As a result of this, the study identified some perceptual variable affecting the buyers behaviour such as product quality, product package and price; and how they influenced the attitude of consumers. Data were collected from 119 respondents in Kaduna State, Nasarawa State, Plateau State and Abuja the Federal Capital Territory of Nigeria. The analysis of the data was conducted through the use of statistical package for the social science (SPSS) version 20.0. Thus, the hypotheses testing showed that there is positive and significant relationship between purchase decision and other variables such as product quality, and product package. It was found out that, the increase in these variables lead to increase in consumer purchase decision. The relationship between the study price and consumer purchase decision was found to be negative. The decrease in this study price leads to increase in consumer purchaser decision. It was recommended that a well organized campaign should be carried out to convince the public about the quality of locally made goods. Efforts should be made to minimize or ban importation of some foreign goods so as to reduce emphasis on consumers' longing for them, and local manufacturers should improve on the quality of their products by using quality raw materials and modern techniques so as to reduce price.

Keywords: *Consumer, Behaviour, Purchase, Price, Quality, Products, Package*

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Background to the Study

Every human being, whether as an individual or organization spends a considerable portion of his or her daily life in the consumption of one item or another. Consumer buying behavior refers to the buying behavior of final consumers – individuals and households who buy goods and services for personal consumption (Kotler and Armstrong, 2001). Brassington and Pettitt (2003) are of the view that consumer behavior is that process that consumer go through in deciding what to purchase, including problem recognition, information searching, evaluation of alternatives, making the decision and post-purchase evaluation. Since the last quarter of 2015, the Nigerian Naira has fallen by nearly 20 percent against the US Dollars. Additionally, global oil prices have fallen by over 70 percent. What this means is that Nigeria, an oil-rich nation that is “dependent on oil and gas for 95 percent of its export earnings, 35 percent of government revenue” must see this 'made in Nigeria' drive as one of its options to wiggle out from the impending economic downturn caused by the decline in oil prices.

Attitude of Nigerians towards made in Nigeria goods is such that even second hand foreign goods are regarded better off than first class made in Nigerian goods. If this trend continues at this rate, most domestic enterprise will be shut down, hence affecting our economic development as employment will rise, therefore consumer attitude towards made in Nigeria goods has to be given considerable thought.

Some of these foreign products are being smuggled into the country without much difficulties, one can easily inferred that increase in importation of goods is as a result of what it enjoys over the locally made ones. If they are not being bought more than locally made one, there is bound to be a decrease in its trend as years roll by. This situation deserve attention and solution.

Statement of the Problem

From the first quarter of the year 2016, Nigeria has continued to witnessed several economic challenges, such as severe fall in oil revenue, low investment flows, job losses, high cost of living, and increased in importation of goods as a result of what it enjoys over the locally made ones. These problems have not been pleasant for local manufacturers because they witnessed low patronage.

Objectives of the Study

The main objective of this study is to study how to change consumer buying behaviour to favour made in Nigeria goods. The study has the following specific objectives:

1. To identify the relationship between product quality, product package and price with regard to consumer behavior.
2. To identify the perception status of product quality, product package and price with regard to consumer behavior.
3. To proffer appropriate recommendations that will be beneficial to local manufacturers and consumers.

Identification of Variables

The following variables have been identified:-

- a. The dependent variable is consumer purchase decision.
- b. The independent variables are; product quality, product package and price.

Research Hypotheses

Ho₁: There is no positive relationship between product quality and purchase decision

Ho₂: There is no positive relationship between product package and purchase decision

Ho₃: There is no positive relationship between price and purchase decision.

Literature Review

The Concept of Consumer Behavior

Every human being, whether as an individual or organisation spends a considerable portion of his or her daily life in the consumption of one item or another. This is because human needs and wants are very diverse and insatiable. While the aim of marketing is to meet and satisfies specific consumer needs and wants, the field of consumer behaviour studies how individuals, groups, or organisation select, buy, use and dispose of goods, services ideas and experience to satisfy their needs and desires. Consumer behaviour refers to the buying behaviour of final consumer, individuals and households who buy goods and services for personal consumption (Kotler and Armstrong, 2001).

While the marketer is immediately interested in understanding the behaviour of the buyer, he should also be concerned about the satisfaction (or lack of it) of the ultimate consumer or user (Nwokoye, 2004). This means that consumer behaviour involves the psychological process that consumer go through in recognizing needs, finding ways to solve these needs, making purchase decision (e.g whether or not to purchase a product and, if so, which brand and where), interpret information, make plans and implement these plans (e.g by engaging in comparison shopping or actually purchasing a product. It is the action a person takes in purchasing and using products and services, including the mental and social process that precede and follow these actions.

The Concept of Attitudes

Etzel, Walker and Stanton (2001) defined an attitude as a learned predisposition to respond to an object or class of objects in a consistently favourable or unfavourable way. Thus in marketing terms consumers can develop attitudes to any kind of product or service, or indeed to any aspect of the marketing mix, and these attitudes will affect behavior. All of this implies that attitudes play an important part in influencing consumer judgment, whether through perception, evaluation, information processing or decision-making (Brassington and Pettitt, 2003).

It is this last link between attitude and behavior that is of most interest to marketers. Fishbein (1975) developed a model, a further evaluation of his earlier 1967 work, based on the proposition that in order to predict a specific behavior, such as a brand purchase, it is important to measure the individual's attitude towards performing that behavior, rather than just the attitude towards the product in question.

Etzel et al., (2001) observed that changing attitudes can be difficult or impossible. When change is accomplished, it normally takes a long time and a lot of money. When faced with unfavourable attitudes, and recognizing how difficult changing them will be, marketers frequently alter the product to conform to the attitudes. In the same view Brassington and Pettitt (2003) also observed that it is possible, but very difficult to change attitudes, particularly when they are well established and deeply ingrained. They noted that negative feelings about a specific product or brand are more amenable to change through skillful marketing. Therefore, marketers need to understand how individuals think and why they respond in particular ways, if they are going to develop marketing mechanisms and create loyal customers.

The Concept of Quality and Satisfaction

According to Zeithmal, Valarie and Mary (2000), quality in simple terms refers to some attributes of what is offered, provided, produced whereas satisfaction or dissatisfaction refers to a customer's reaction to that offer. In this sense they are separate, quality is something that an organisation is responsible for, whereas satisfaction is in the customer's domain, an experience. However, these two concepts are clearly related in that customer response, satisfaction or dissatisfaction might be used as a means of assessing whether quality has been delivered. They argued that customer satisfaction is a short-term transaction measure, whereas service quality is an attitude formed by long-term, overall evaluation of performance. Hayes (1998) argued that quality lies in the eyes of the beholder. These definitions equate quality with maximum satisfaction. This subjective, demand-oriented perspective recognizes that different customers have different wants and needs. As manufacturing based approach is supply-based, and concerned, primarily with engineering and manufacturing practices. This approach focuses on conformance to internally developed specifications, which are often driven by productivity and cost-containment goals.

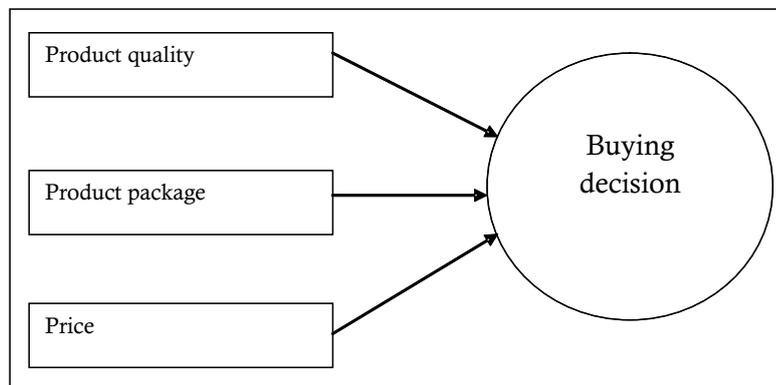
Product Package

Product packaging or design is obviously an important factor that escort the product perceived value. Generally, there are two thoughts about packaging. One is to prepare the product packaging very simply while the other is to prepare a colourful impression which is used for product on sight attraction. Product packaging has strong influence on consumer perceived value, resulting in intention to purchase (Ann, 2008). Accordingly, packaging and communication have in depth relation with consumer goods consumption. Khalid et al (2006) suggest that consumer attraction obtained through emotions is often extracted by product's packaging or design and consumer goods; therefore designers must considers emotions in packaging. Another aspect of changing the packaging design is the display of information such as the nutritional value and health chains. Such information on the packaging design could influence consumers purchasing behaviour. A clear introduction of the nutritional value and health chains on the packaging is a vital factor that could enable consumer to evaluate nutritional content packaged products. (Silayoi and Speece, 2004).

The Price

According to Zeitham (1988) as cited by Brassington and Pettitt (2003) from the buyer perspective, price represents the value they attach to whatever is being exchanged. Up to the point of purchase, the marketer has been making promises to the potential buyer about what the product or service is and what it can do for that customer. The customer is going to weigh up those promises against the price and decide whether it is worth paying. In assessing price the customer is looking specifically at the expected benefits of the products.

Research Model



Baruvi model of product quality, product package and price influence on buying decision.

Source: Authors (2016).

The Baruvi model explained that a quality product can be viewed as exceptional, perfection, consistency, fitness for purpose, value for money and transformative can lead to buying decision. A product package can have a significant impact on perception of the overall quality of the product which in turn affect purchase decision, and perceived price is an important determinant of customer buying decision.

Empirical Studies

Kuo Y. et al., (2009) investigated “the relationships among perceived value, service quality, customer satisfaction and post purchase intention in mobile service”. The variables were tested to check the relationship of above four. Service quality greatly impact on perceived value and customer satisfaction. When a mobile service quality gives an excellent service so the purchasing intention automatically increases. It positively affects the satisfaction level of consumers. As high perceived value higher will be the satisfaction level. The consumer purchase behavior has a direct link with the perceive product quality or service. The service quality is actually the difference between the actual and desired state of the consumer. While the perceived customer value can easily be evaluated from the quality, money, benefits and other social factors.

Chen and Dubinsky (2003) deemed “conceptual model of perceived customer value in e-commerce”. They considered seven variables for their work. It includes purchase intention, perceived customer value, product price, perceived product quality, perceived risk, e-retailer reputation, valence of experience. Regression test was used to check the customer value. Several proposition was given about the customer value and their support regarding the empirical study was been checked. Multi colinearity does not seem to be the major concerns. The customer makes an overall assessment of the utilization of the product that is based on certain perceptions regarding what type of value a customer got and what he had paid to get those values.

Fuchen and Ying Chang (2008) studied “Airline brand equity, brand preference, and purchase intentions the moderating effects of switching costs”. They worked on four variables included brand equity, brand preference, purchase intentions, and switching costs. They found on the brand of equity the moderating effect of the switching cost does not exist. Brand preferences

also don't exist. While on the path of equity there is involvement of the moderating effect and it exist strongly. Brand equity is important for every industry. It is the primary capital as it's built in the long span of time. Customer can be attracted or strong attachment can be built only with the help or presence of strong brand having strong equity. As the brand name of a product appears on the package it enables the customer to see beyond the horizon. To visualize what type of benefits the brand is offering them. Bukenya and Wright (2007) studied “the determinants of consumer attitudes and purchase intentions with Regard to Genetically modified Tomatoes”. They discussed fifteen variables included Race, Female, Young Age, Middle age, medium education, high education, medium income, high income, primary shopper, knowledge, attitude, Risk, label, perception, price. The analysis is drawn on the consumer held at different grocery stores in Alabama. The result showed up expanded preferences towards the tomatoes. They investigated that the price was being showed by the variable of price differences between the mutant and non-mutant tomatoes. People will prefer to buy mutant tomatoes if the prices between mutant and non-mutant tomatoes will increase. Now the person having high income and good or selective at shopping will consider the expensive. Many factors have been neglected like consumer behavior and belief among others, because of the larger effect of the socio-economic criteria.

However, there is no available record of a study indicating the perceptual variables of product quality, product package and product price and how they influenced the attitude of Nigerians consumers. This study hope to see how to change the attitude of Nigerians toward locally made goods using the identified variables.

Research Methodology

The research was based on quantitative approach. Questionnaire were administered. Statistical Package for Social Sciences (SPSS) version 20.0, was used to analyze the data of the research. Descriptive analysis was used to present the background information of respondents and the perception status of the scales. Cronbach Alpha was used to measure the internal consistency of the items in the questionnaire. While Pearson Correlation was used to test the hypotheses.

Three states in Nigeria including FCT were chosen (Kaduna State, Nasarawa State, Plateau State and Abuja the FCT) to be the target population of this study. However, due to time and cost constraints, snowball non-probability sampling technique was adopted. The distribution of the questionnaire was on the bases of respondents willing to participate in the study. The researchers asked the respondents if they are willing to answer the questionnaire before the distribution. 119 valid questionnaire administered were collected for the purpose of this research.

Data Analysis

The analysis of the data was conducted through the use of statistical package for the social science (SPSS) version 20.0. Descriptive analysis was used to present characteristics of the respondents. Reliability analysis was used to find the internal consistency between the items of the scales based on Cronbach's Alpha. Pearson correlation was used to test the hypotheses of the research and to identify the direction of the relationship between the variable and the significance of the relationship.

Testing of Hypotheses

Relationship Test

In order to measure the internal consistency of the items of the scales, the researchers conducted reliability test to find the suitability of the measurement. Cronbach's Alpha was used as a benchmark for the test. The more Cronbach's Alpha close to 1, the more reliable was the measurements. The value of Cronbach's Alpha was greater than 0.6, the internal consistency is weak. 0.7 or greater was considered. 0.8 or greater was considered good. Table 1 shows the reliability test of the measurements:-

Table 1 Reliability Test

Scale	Number of items	Cronbach's Alpha	Status
Purchase decision	9	0.939	Good
Product quality	7	0.910	Good
Product package	8	0.851	Good
Price	5	0.898	Good

All the scales are having good internal consistency.

Hypotheses Testing

Three research questions were meant to find the relationship between purchase decision (dependent variable) and product quality, product package and price (independent variables). The following subsections tested the hypotheses by using pearson correlation.

Pearson Correlation

The value of pearson correlation is range – 1 and + 1. + 1 represents perfect positive relationship between the variables. -1 represents perfect negative relationship.

Table 2 shows the correlation between the variables

Variables		Purchase decision
Product Quality	Pearson correlation	.312**
	Sig. (2-tailed)	.000
	N	119
Product package	Sig. (2-tailed)	.001
	N	119
	Pearson Correlation	.290**
Price	Sig. (2-tailed)	.000
	N	119
	Pearson Correlation	-.093
	Sig. (2-tailed)	.319
	N	119

** Correlation is significant at the 0.01 level (2-tailed)

Table 2: Correlation between Variables

The relationship between product quality and purchase decision is positive at correlation of 0.312. The relationship between product package and purchase decision is positive at correlation of 0.290. The relationship between price and purchase decision is negative at correlation of -0.093.

Results of Hypotheses Testing:-

The hypotheses testing are based on the finding of table 2. Table 2 shows the correlation between the variables. Therefore, the hypotheses testing can be presented as follows:-

Hypotheses 1:

The first hypotheses of this research was:-

Ho₁: There is no positive relationship between product quality and purchase decision. Based on table 2, the relationship between product quality and purchase decision is positive and it is significant. The relationship is positive due to the positive sign in front of the coefficient and it is significant at correlation of 0.312 and this correlation is significant at the level 0.01 while the 2 tailed value of the relationship is 0.000.

Therefore, the first hypothesis of this research is rejected. The positive correlation indicates that any increase in product quality will lead to increase in customer purchase decision.

Hypotheses 2

The second hypotheses of this research was meant to find the relationship between product package and purchase decision. It was stated as follows:-

Ho₂: There is no positive relationship between product package and purchase decision. Based on table 2, the relationship is positive due to the positive sign in front of the coefficient. The relationship is also significant because the correlation is significant at the level of 0.01 and the 2 tailed value of this relationship is 0.000. Therefore, the second hypothesis is rejected. The correlation of 0.290 implies that any improvement in product package will influenced or leads to increase in purchase decision.

Hypotheses 3

The third hypothesis of this research was meant to find the relationship between price and purchase decision.

Ho₃: There is no positive relationship between price and purchase decision and is negative due to the negative sign in front of the coefficient. The relationship is insignificant because the correlation of -0.093 is significant at the 0.01 level. However, the 2 tailed value of the relationship is 0.319. Therefore, the third hypothesis is accepted. The correlation of -0.093 indicate that the decrease of price lead to increase in purchase decision.

Price is big issue for customers and they associate high price with superior services. Monroe (1989) found that the price has great influence on customer it has the capability of attracting or repelling them.

Research Finding

The overall mean score value of consumer purchase decision was 3.39 with moderate agreement of almost all the items of statement. The overall mean score value of product quality by the respondents was found to be 3.53 with agreement of all the items of statement. The overall mean score value of product package was found to be 3.22 with moderate agreement on items of statement. The overall mean score value of study price by respondent was 3.08 with moderate agreement on all items of statement.

The hypotheses testing showed that there is positive and significant relationship between purchase decision and other variable such as product quality, and product package with correlation of 0.312 and 0.290 respectively. The increase in this variables lead to increase in consumer purchase decision. The relationship between study price and consumer purchase decision was found to be negative and insignificant with correlation of 0.093. The decrease in study price leads to increase in consumer purchase decision.

The Results

The results of this research have practical implication for manufacturers. The results suggest that a focus on designing and managing optimal products can create positive emotions thereby lead to purchase decision. To effectively react to the needs, wants and values of purchases is vital, especially in an increasingly competitive global market place. Positioning and segmentation decisions have to be made. On a global level, companies should inform consumers about the high quality and hand crafting of locally made products and emphasize a unique, quality product. Consumer education can transpire in the form of advertising that stresses quality and or labels, packaging and supplementary facts that offer comprehensive information on genuine local made products. From a market positioning perspective, monitoring the evaluative criteria of consumers can help marketers to recognize and focus on the specific locally made products dimensions, with special reference to product quality, product package and price.

Conclusion

In conclusion, the major driver of the economic reform Agenda should be the availability of credit in monetary and trade terms to fuel export of made-in-Nigeria goods. It is funny how most goods or product used today in Nigeria are imported from foreign lands, including African countries. The sad part is that most of these goods are substandard. In fact, even foreign manufacturing companies are aware that Nigeria is actually a dumping ground for substandard goods. This is so because the country's manufacturing sector has not been developed to be able to adequately meet the demand of the enormous Nigeria populace. Hence, some marketers, driven purely by insatiable greed, are cashing on this lacuna to specially ask foreign manufacturers, especially those in China to produce substandard goods at a cheaper cost price and export some to Nigeria to make double the profit. While some high quality made in Nigeria goods are not even patronized by some foreign companies and multinationals operating in the country. Rather they prefer to patronize the foreign ones.

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