



Assessing the effects of consumer purchasing decisions on made in Nigeria products and services: Evidence from the manufacturing sector

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Abstract

The study assesses the effects of consumer purchasing decisions on made in Nigeria products and services with evidence from the manufacturing sector. The study's population constitutes consumers in Lagos, Nigeria. The convenient and purposive sampling technique was adopted to administer questionnaire to 280 respondents. The study made use of field survey to elicit data from these respondents. Questionnaire was the main instruments for the data collection. The data collected was analysed with the use of Statistical Package for Social Sciences (SPSS) version 23. Findings of the study demonstrated a positive relationship between product quality and purchase decision. Also, price was found to have a positive relationship with consumer purchase decision. The study presented the managerial implications and suggestions for future studies.

Keywords: Product quality, price, consumer purchase decision, manufacturing sector, Nigeria

Introduction

The population of Nigeria is recognized as the largest in Africa and the third largest in the world, with numbers estimated to a value of over two hundred and twenty-six million (Sasu, 2023) ^[17]. This highlights the large market available for made-in-Nigeria products. Over the years, this vast market has seemingly preferred consuming products and services from other countries rather than those produced locally. This is because locally made products are often considered inferior and of lower quality and standards (Nwachukwu & Agwu, 2021) ^[12]. Locally made products have historically been labeled with derogatory names that imply inferiority. These names, such as "Aba-made," "fake," or "Igbo-made," have negatively impacted the psychological appeal of these products to consumers (Eze & Nwankwo, 2021) ^[6]. The differential attitudes of Nigerians toward products made in Nigeria are rooted in historical factors. This perception was influenced by the emergence of indigenous companies that imitated imported products. At their inception, these local products were not only cheaper but also of lesser quality compared to the imported ones (Adamu & Suleiman, 2021) ^[2].

According to Okeke and Obiora (2022) ^[13], the historical perspective is linked to colonial economic strategies rather than mere local-to-foreign competition. The colonialists intentionally positioned African markets as hubs for their products, producing in excess to meet their own trade needs. Nigeria's industrial potential was recognized, but its role was limited to serving as a consumer market. A notable example of this strategy was the establishment of the United Africa Company (UAC), which monopolized trade and gained a significant market advantage. These productions were concentrated in specific industries, such as clothing, shoes, and canned foods. The effects of this colonial economic structure have persisted, influencing consumer attitudes. The perceived inferiority of some locally produced goods has been generalized to other unrelated products, affecting the broader market for made-in-Nigeria goods (Okeke & Obiora, 2022) ^[13].

Over the years, the Nigerian government has made conscious efforts to ensure that standards are met and

upheld with the establishment of organisations such as Standard Organisation of Nigeria (SON), Nigeria Industrial Standards (NIS), National Agency for Food and Drugs. This has had its effects on some sectors of the Nigerian market while some markets sections are still greatly influenced by the imported products. Going by the data published on Trading economic website as adapted from the National Bureau of Statistics on importation, the data shows the trend in importation over a period of ten years. Nigeria had its all-time high of exportation running to a value of over 3.8 trillion Naira in September 2023 with a continuous upward trend from previous years (Trading Economics, 2023). This trend is alarming and detriment to Nigeria economy.

Statement of Problem

Over the years it has been observed that there are several factors impacting the adoption of products and sustenance of consumers. These factors vary by products and industry. In addition, the consumption of locally made products in individual countries is usually affected by numerous factors. This study is focused on made-in-Nigeria products. We seek to review the consumption level for made-in-Nigeria products. According to Adebayo and Okeke (2023) ^[1, 14], five key factors significantly influence the level of patronage of Nigerians for locally made products. These factors as stated include economic factors, psychological factors, historical factors, poor government attitude and poor marketing. All of these factors can be said to generally influence the purchase decision of Nigerians to adopt made-in-Nigeria products. In addition, the rule of demand and supply from the economists' point of view dictates that continuous or increase in demand for a product can translate to increased supply and eventual diversification of markets of the products in demand. A continuous increase in demand for a product will ultimately stimulate the expansion of the products or services offered. This is in a bid to identify what attracts consumers and what retains them. After a thorough review of these factors, we then proceed to assess the impact of product quality and price on purchase decisions of made-in-Nigeria products. Outcome of the study should enable managers in the manufacturing sector in Nigeria appreciate

the significant role of quality product/service during purchasing decision. Additionally, managers in the manufacturing sector in Nigeria will be exposed to the significant need to adopt appropriate pricing strategy that commensurate with product/service value to consumers. The study should also add to the existing body of knowledge on the subject

Statement of Hypothesis

Based on the literature reviewed, the study made these hypothetical statements

- H1:** product quality will positively impact purchase decision
H2: Product price will positively impact purchase decisions

Literature Review

Consumer Purchase Decision

The consumer decision-making process portrays the level of consumers' commitment towards purchasing a product or service. Marketers use the five-stage model of consumers buying decision to understand consumers' action in a better way (Keller & Kotler, 2020) ^[8]. According to the authors, the five stages consumers' purchase. decision model starts with need recognition, followed by information research, then evaluation of alternative, purchase decision and finally post purchase decision.

Need Recognition

The buying process is initiated when consumers recognizes unsatisfied need. There are two kinds of needs, namely functional needs and psychological needs. Functional needs are related to the performance of the product whereas psychological needs are intrinsically obtained when customers feel contented with shopping or owning a product which they long for (Blackwell *et al.*, 2006).

Information Search

Information search begins when consumers perceive a need that might be satisfied by the purchase and consumption of a product. The recollection of past experiences might provide the consumer with adequate information to make the present choice. On the other hand, when consumers have had no prior experience, they may have to engage in a search for information (Schiffman & Kanuk, 2014) ^[18]. According to the authors, consumers can obtain information from several sources such as; personal sources (family, friends, neighbors etc.), commercial sources (advertising, salespeople, retailers, dealers, packaging, point-of-sale displays), public sources (newspapers, radio, television, consumer organizations; specialist magazines) and experiential sources (handling, examining, using the product)

Evaluation of Alternatives

During the evaluation stage, consumers compare between different products and brands to make a purchasing decision. At this stage, consumers pay particular attention to the attributes which are most relevant to their needs. Attributes like quantity, size, quality and price are commonly used to judge a brand by customers (Blackwell *et al.*, 2011). When evaluating potential alternatives, consumers tend to use two types of information; a list of brands from which they plan to make their selection and the criteria they will use to evaluate each brand. Selecting from

a sample of all possible brands is a human characteristic that helps simplify the decision-making process (Schiffman & Kanuk, 2014) ^[18]

Purchase Decision

Purchase decisions are made by the consumers only after evaluating the offers from different sources. This is made by judging which source to buy after investigating the attributes from the previous stage whereas in-store selection is affected by the selling skills of salesperson, visual displays inside the shops, as well as point-of-purchase advertising (Blackwell *et al.*, 2006). Consumers make three types of purchases: trial purchases, repeat purchases and long-term commitment purchases.

Post-purchase Evaluation

The final stage is the post-purchase evaluation of the decision. It is common for customers to experience concerns after making a purchase decision. This arises from a concept that is known as "cognitive dissonance". The customer, having bought a product, may feel that an alternative would have been preferable. This circumstance does not allow consumers to repurchase immediately

Product Quality and Purchase Decision

Product quality is characteristic of the product in the ability to meet the needs that have been determined and latent. The product is defined as everything that can be offered to the market to gain attention, expertise, usefulness, or consumption that satisfies the wants or needs Product quality is prioritized in business. Regardless, according to (Zhang & Smith, 2022) ^[21], product quality is the ability of a product to demonstrate its function; this includes overall durability, accuracy, ease of operation, and product repair, as well as other product attributes. In improving the quality of its products, Product quality becomes one of the things that are very important in a product purchase decision process, consumers in addition to looking at brand factors, price benefits, product quality is also a consideration, therefore the company must pay attention and continue to maintain the quality of the products it releases. The better the quality of the product, the more motivated consumers will be to buy the product, this is in line with research by Nainggolan *et al.* (2021) who stated that product quality has a positive and significant effect on purchasing decisions. Product quality plays an important role according to the customers' perspective. The product quality and brand are important factors for customer's consideration before they decide to purchase a product (Grace *et al.*, 2021) ^[7]. Therefore, product quality influence positively and significantly on customer satisfaction (Naini, *et al.*, 2022) ^[10], which then lead to significantly impacts on customers' willingness to buy. Consequently, it was hypothesized that

- H1:** product quality will positively impact purchase decision

Price and Purchase Decision

In addition to product quality, price is also one of the factors that can influence someone to make a purchase decision. In terms of purchasing decisions, consumers not only consider the quality of the product alone, but also influenced by other factors such as service quality and price According to Sinaga (2023) ^[19] said that price is the only element of the

marketing mix that brings income or income for the company. Price is often used as an indicator of value when the price is associated with the perceived benefits of an item or service, at a certain price level, if the benefits perceived by consumers increase, the value will increase as well, considering the quality of the product and the price, of course, it is expected to affect the price. Consumer purchasing decisions, consumer purchasing decisions are the actions of someone deciding to make a purchase. Accordingly, Yusuf & Sunarsi (2020) [20] argue that: purchasing decisions as a consumer decision are influenced by the financial economy, technology, politics, culture, products, prices, locations, promotions, physical evidence, people, and processes to form an attitude on consumers to process everything. Price according to Saputra & Mahaputra (2022) [16] is the value of money exchanged with any product or service. Price is an important factor for the purchasers to decide on whether or not to purchase the referred products. This is because the purchasers have to figure out the balance and the value between the price and product performance (quality of the product) that they have before buying them (Dyatmika & Firdaus., 2021) [5]. Many studies have shown that price influence positively and significantly on the customer’s purchasing- decision (de Fatima Carvalho *et al.*, 2020) [4]. Therefore, it was hypothesized that

H2: price will significantly impact purchase decision

Methodology

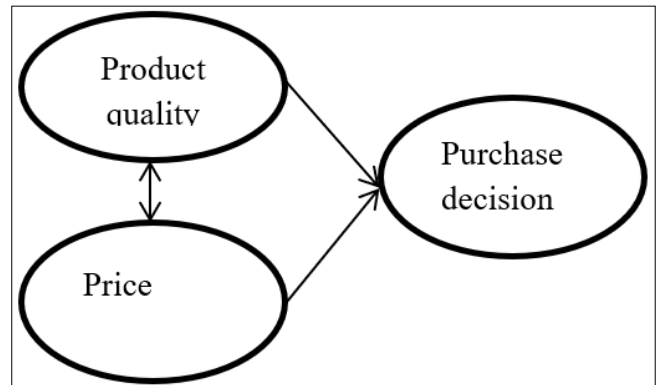
The exploration research design was adopted to help establish the relationship between the study’s variables. The study’s population constitutes consumers in Lagos, Nigeria. The convenient and purposive sampling technique was adopted to administer questionnaire. Out of the 300-questionnaire sent out, 280 were retrieved representing 93.3%. According to Dimarie (2016) a response rate above 90% is acceptable for a survey therefore the study’s sample is considered appropriate since it is above 90%. The study made use of field survey to elicit data from respondents. Questionnaire was the main instruments for the data collection.

The questionnaires administration took approximately 4 weeks and each respondent spent about 15 minutes in responding to the questionnaire.

Data analysis was carried out with use of Statistical Package for Social Sciences (SPSS) version 23 and the findings presented in tables for easy reading and interpretation. This was also accompanied by short commentaries. The questionnaire was pre-tested using 15 respondents of the population who could not form part of the sample size. Reliability on the other hand refers to the stability of the measuring instrument used and its consistency over time. For reliability purposes, a Cronbach Alpha (α) was used. Participants were encouraged to participate at their own will. The purpose of the study was well explained and participants’ anonymity assured.

Conceptual Framework

Figure 1 demonstrates the authors construct showing the association between product quality, product price and purchase decision of consumers



Author’s Construct, 2025

Fig 1: Conceptual Framework

Results

Demographic Characteristics of Respondents

The study showed a preponderance of female respondents 160 (57.10%) as against that of male respondents 120 (42.90%). Obviously, the female respondents were the majority.

The age group 50-59years 75 (26.80%) were the fairly majority followed by the age group 60 and above years were 70 (25.00). The age groups 40-49 recorded 60 (21.40%) while the age group 30-39years were 45 (16.10%) and the least age group were 20-29years 30 (10.70%) respectively. From the study, it is apparent that the older generations are enthused with made in Nigeria products than the young ones.

Findings of the study revealed that customers with other tertiary education were the fairly majority 120 (42.90%) followed by post tertiary education 100 (35.70%). Pre-tertiary education certificate holders were the least 60 (21.40%). From the study, the attainment of education was clear but with varied certificates

H1: product quality will positively impact purchase decisions

Table 1: Product quality and purchase decision

Variables	No	Mean	SD	Df	R	P	Sig.
Purchase decision	1148	39.42	13.1	1146	0.62	0.001	***
Product Quality	1148	52.6	11.7				

Table 1 shows the positive/direct relationship between product quality and purchase decisions based on 1148 respondents. The data suggested the absolute value near of 0.5 which is considered a positive relationship. This means that the two variables have a strong tendency to vary together, which indicates that there is significant relationship product quality and purchase decisions. From the table 4.4.3, $r = 0.62$, and $P < 0.05$, therefore the finding is consistent with the stated null hypothesis. This suggested that product quality influence purchase decisions; hence there is a positive/direct relationship between the product quality and purchase decisions.

H2: Product price will positively impact purchase decisions

Table 2: Product price and purchase decisions

Variables	No	Mean	SD	Df	R	P	Sig.
Purchase decision	1148	47.42	14.8	1146	0.38	0.01	***
Product Price	1148	36.76	10.3				

Table 2 shows the positive/direct relationship between product price and purchase decisions based on 1148 respondents. The data suggested the absolute value near of 0.5 which is considered a positive relationship. This means that the two variables have a strong tendency to vary together, which indicates that there is significant relationship purchase decisions and product price. From the table 4.4.4, $r = 0.38$, and $P < 0.05$, therefore the finding is consistent with the stated null hypothesis. This suggested that product price influence purchase decisions; hence there is a positive relationship between the product price and purchase decisions.

Discussions

H1: product quality will positively impact purchase decisions

The study's results demonstrated that product quality positively influence purchase decisions.

Product quality as stated is the ability of a product to demonstrate its function; it includes overall durability, reliability, accuracy, ease of operation and product reparation as well as another attribute. Based on the study's findings, it can be said that product quality is the assessment of consumers about product attributes in products that will meet the needs and provide benefits to consumers. The study findings are in tandem with Nainggolan *et al.* (2022)^[11] whose study found that product quality partially has a positive and significant influence on purchase decisions at PT. Indonesian Kao. Similarly, in the study result of Rosanti & Salam (2021)^[15] it was revealed that product quality had positive and significant influences on purchasing decision. Consistently, Aeni (2020)^[3] who determined the effect of product quality, price and place on the purchase decision of Meatballs Ikhtiar demonstrated that there is a significant influence on product quality on purchasing decisions. The study finding indicates that Nigerian firms have to improve the quality of the products offered to enhance consumers' purchase decision

H2: Product price will positively impact purchase decisions

The study revealed a positive relationship between product price and purchase decisions. Price is said to be the amount of money that the customer must pay to obtain the product. More importantly, price is the amount of value that consumers redeem for the number of benefits by owning or using a good or service. For organizations, the price is an essential factor in determining marketing success. The price is very influential on revenue and a net profit of the company. Also, the price can be set to compete with other products. Price of the product tends to have a positive effect on the purchasing decision if the price rationally and commensurate with the benefit of the given product can influence the consumer in making the purchase.

The results of the study corroborate the study of Maemunah, Karyatun & Digidowiseiso (2020). In their study, Maemunah *et al.* (2020) aimed to analyze the effect of product quality, price perception, and brand image on purchasing decisions for bimoli cooking oil at Alfamart minimarkets in the Pasar Minggu area of South Jakarta. Their study indicated that price perception has a positive and significant effect on purchasing decisions for Bimoli cooking oil at Alfamart minimarkets in the Pasar Minggu area of South Jakarta.

However, the study results of Sinaga (2023)^[19] showed that price has no significant effect on purchasing decisions

Implications for Managers

From the result of study, product quality positively influences purchase decisions. The implication is that, for consumers in Nigeria to continue patronizing locally made goods/service, there is the need for firms in the manufacturing sector in Lagos to maintain product/service quality. Purchase decision is an effort made to determine the choice of a product by considering product suitability factors with needs, therefore, it behoves managers in the manufacturing sector in Lagos to churn out quality product/service to engender consumers purchasing decisions. Sincerely, if the quality of the product/service is getting better, the consumers are increasingly sure to make a purchase decision and vice versa. Once consumers make purchasing decisions, of course, this will go a long way to increase not only the company's income but employment as well. Also, the study found a positive relationship between product price and purchase decisions

Price perception greatly affects a consumer's decision to purchase a product. This implies that in determining the price, the firms in the manufacturing sector in Lagos should adopt the appropriate pricing strategy to enhance purchase decision. As consumers want value for product/service before a purchase decision is made, managers in the manufacturing sector in Lagos should ensure that the price offered gives value which can influence a purchase decision. Managers should realize that price is an indispensable factor in the purchasing decision, especially for products that are frequently purchased, and in turn, influences a purchase decision and so they must not toy with it

Suggestions for Future Research

The study assesses the effects of consumer purchasing decisions on made in Nigeria products and services with evidence from the manufacturing sector. Data was collected from 289 consumers in Lagos. Future studies could increase the sample size to enhance generalization of findings. Also, a qualitative aspect of the study could be explored

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