



IMPACT OF DEMOGRAPHIC ELEMENTS ON PURCHASE DECISION OF MADE IN NIGERIA GOODS

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Abstract

The study centered on the impact of demographic elements on purchase decision of made in Nigeria goods. The study took a survey approach and it adopted both descriptive and inferential methods of data analysis. Questionnaires were distributed to investigate the impact of demographic elements toward made in Nigeria goods. The study considers employees of local council development area in Lagos state Nigeria. Stratified technique was adopted to choose ten LCDA for the study, and the random technique was introduced to choose 380 respondents for the administration of questionnaire. Data were computed with Statistical Package for Social Science (SPSS) 25th version and regression technique were used to analyze data. The study investigated a significant relationship between marital status, gender, age, and foreign shoes and bags. With significant value of .004 which is below alpha value 0.05 and an adjusted R. square of .030. Respondents' interests in foreign goods consumption tend to reduce as they grow older in their marital life. This could be a result of increasing family responsibilities and

rising cost of living in Nigeria, due partly to escalating inflation. The study also found no significant relationship between level of education and preference for foreign shoes and bags among workers of selected LCDA in Lagos. Local manufacturers are hereby advised to develop strategies that compete with foreign counterparts based on understanding of the impact of demographic elements. Local manufacturers should consider age, gender and marital status in strategic planning.

Keywords: Demographic Elements, Purchasing Decision, Consumer Behavior, Made in Nigeria goods

INTRODUCTION

The present-day changing business situation made a clear understanding of consumer's behavior, especially in an attempt to satisfy an urgent need imperative to the business world. This understanding includes identifying demographic elements that impact consumer preference and tools for competitive advantage (Lawal, and Raimi, 2020). A clear understanding of consumer's consumption process and patterns of buying has become very germane in recent marketing research as it is important in developing marketing strategy that targets consumer needs, wants, and desires (Chloe & Yazdanifard, 2014). Purchasing decision is a cognitive process of identifying solution to a need and evaluating the best option for satisfying that need, which include decision made prior to the actual purchase once the consumer has declared his intention to buy (Kumar 2016). This process has become very interesting to marketers in Nigeria. Stankevich (2017) stated that consumer's behavior has been a vital marketing problem, due to its seriousness in marketing as success depends on implementing strategies that supports increasing control of the market through clear understanding of consumer behavior. Innovative entrepreneurs always improve on their understanding of the consumer buying decision at the deepest level. It is not a surprise as the consumer procurement behavior has become an indispensable concept in strategic market planning (Nasidi, 2016). Bojkovska, Joshevaska, Jankulovski, and Mihajlovski (2014) emphasized that, it is becoming more essential to research customer's characteristics, needs, life style, and decision-making process for purchases, and on the basis bringing appropriate decision about the marketing mix. This confirms that business has become very conscious of the importance of consumers. Supporting this, Sumi and Kabir (2010) stated that understanding consumer loyalty encompasses a serious thinking stage which includes evaluating several alternatives with sophisticated techniques that align the objectives of the decision maker. Dynamic business condition makes it pertinent for retail managers to seek clearer understanding of consumers behavior thereby developing

brands that are competitive (Shamsher, 2015). It has become very obvious that, understanding the buying behavior of consumers is vital to business success (Leon et al, 2017).

Nigeria consumers and the marketing situation are not different. The knowledge of consumer decision making process is vital to marketing Nigeria local goods. Some of the problems encountered by local consumers in Nigeria emanated from choice between foreign and local goods, which affects decision drastically as Folorunso (2013) stated that the consumption of foreign goods was increasing despite efforts of government in encouraging consumption of local goods. Nigerians produces vast array of goods including consumer goods, textiles, etc. However, these local goods receive little or no patronage by Nigerians especially when foreign ones are available (Isah & Aliyu 2017). Government efforts have not shown the needed progress, as the pattern of development pursued so far has created a series of social and environmental problems (Erhun, 2015).

Though some studies have been done on effects and influence of demographic element, such as Lucia and Miroslav (2013); Awan and Abbas (2015); Aloma and Lawan (2013); and Jetawat and Snehalkumar (2017). They centered on demographic Influence on brands and brand buying behavior. The role demographic elements plays in consumers buying decision in Nigeria require it should be given a devoted study. Most importantly in this time that, Nigerian government is showing strong support for local content by closing all land borders to encourage local production and consumption which painfully has not yielded the desired results. Based on critical economic problems facing made in Nigeria goods within the Nigeria economy. Therefore, this study focusing on impact of demographic elements on purchase decision of made in Nigeria goods is aimed at filling the research gap, and we are optimistic that results reported in this paper would help to foster development initiatives to promote made in Nigeria goods. The result of the study would be of great benefit to local manufacturers who find it difficult to market their products. If the findings are implemented, Nigeria manufacturers will gain reputation and stand a chance to compete with global manufacturers.

LITERATURE

Demographic Elements

The study of human population and the changes in age, gender, marriage and education are important source of information about consumers purchase decision. These elements which differentiate consumers are vital marketing information that makes one-person decision different from another. The study of demography is becoming more important considering the importance of its knowledge in marketing. These elements are of considerable interest to marketers because they are information about people which make up the markets (Kotler, Wong.

Saunders, and Armstrong, 2005). In knowing how consumers make their purchase decisions, it is imperative to have a clear knowledge of their different demographic elements. The basis for any market is customer satisfaction, this make a study on demography very significant in marketing (McDaniel, Lamb & Hair, 2006). The analysis of demographic elements involves a critical statistical description of human population's base on known criteria. The knowledge has been used by government agencies, political parties, manufacturers and managers for effective decision making. This implies that decision makers are interested in knowing the age, gender, level of education and other demographic statistics in a given population of interest. On a study conducted to determine the influence of demographic elements and how such elements affects brands using age, gender and education in Slovak, Lucia and Miroslav (2013) observed that age, gender and education are important elements in consumer decision making process, and these elements can lead to a drastic difference from a general accepted consumers pattern. They further advised business operators in understanding these elements and using them as guide in strategy formulation. Awan and Abbas (2015) in a study on impulse buying behavior using descriptive and inferential methods of investigation found, gender, age, income and education as major drivers in buying behavior of consumers.

Marketing requires a good understanding of demographic trends and such understanding enables marketers to direct campaign to the target consumers. The knowledge of demographic elements and social cultural characteristics help to identify the current market trend as shift in age, gender and income of consumers can be identified and addressed (Aloma & Lawan, 2013). Examining the relationship between factors influencing purchase decision using life insurance as dependent variable, Jetawat and Snehalkumar (2017) stated that a good knowledge of the behavior of consumers via a critical study of the market can reveal vital information in forecasting the trend of consumers demand. This information is very important to the decision maker, for proper planning and strategy formulation.

Consumers' Decision-Making Process

The Internet is replete with models of consumer decision-making. Though, the stages vary significantly depending on products. There are similarities in the buying decision stages (Prasad & Jha, 2014). Aggregation of the models, reveal the consumer passing through five major steps in making a purchase decision which Kotler, Wong, Saunders, and Armstrong, (2005) affirmed to be problem identification, solution information search, alternative solution evaluation, decision and outcome.

Problem Identification: It is the recognition of an unsatisfied need that leads to a state of desire (Grewal & Levy, 2011). This is the starting point for consumer's decision-making process.

On observing a need that requires attention, people become restless until such needs are attended to. Grewal et al. (2011) in addition, emphasized that the magnitude of the discrepancies between the consumers present state and his desired state determine the magnitude of need recognition.

Information search: This is an attempt in providing solution to the need. Having recognised the need, the consumer enquires on possible options available to satisfy the need. The stage can be internal, external or both. The internal search is a process of recalling information in one's memory. In contrast the external information search deals with accessing and using information within the environment (McDaniel, et al. 2006). Information search can also be a combination of internal and external search. The decision maker combines internal and external sources of information search to make perfect decision.

Alternatives evaluation: After extensive information search, the decision maker compares the various alternatives. It is the process of retrieving information in memory and combining with information obtained from promotional sources to take purchase decision (McDaniel *et al.* 2006).

Purchase: Commitment to buy the product or service. After evaluating alternatives, consumers commit themselves to the purchase of the product; they believe to have maximum satisfaction. This stage can serve as putting the product to test by first time consumers. This can lead to either brand loyalty or resentment to the product or service.

Outcome: The outcome determines the consumer repeat purchase. Marketers are particularly interested in this stage of the purchase decision. Satisfied consumers may be interested in a repeat purchase while discontent consumer may require further alternative search in their purchase decision.

RESEARCH METHODOLOGY

The study is survey centric and it adopted both descriptive and inferential methods of data analysis. Questionnaires were used to investigate the impact of demographic elements on made in Nigeria goods. The study considers the local council development areas (LCDA) in Lagos State Nigeria. Lagos state digest of statistics (2017) reveal a total of 9,554 employees which form the population of the study. A multi stage sampling technique was adopted and stratified sampling technique was used to choose ten LCDA for the study. After which the random sampling technique was introduced to administer the self-designed questionnaires as sending questionnaires to the entire population of study would be waste of resources as reliable result can be achieved through simple random sampling technique. The Data were analyzed

using, multiple regression analyses as inferential statistics instrument to establish relationship between the independent variable and dependent variable.

RESULTS

Demographic profile

Table 1: percentage and frequency distribution of respondents' gender, age, marital status, and level of education

Gender	Frequency	Percent
Male	197	65.7
Female	103	34.3
Total	300	100.0
Age of respondents		
20 Years and bellow	50	16.7
21 to 25 years	52	17.3
26 to 30 years	68	22.7
31 to 35 years	51	17.0
36 to 40 year	63	21.0
41 and above	16	5.3
Total	300	100.0
Marital status of respondents		
Single	93	31.0
Married	151	50.3
Divorced	56	18.7
Total	300	100.0
Level of Education		
GCE and Equivalent	32	10.7
OND, NCE and Equivalent	75	25.0
First Degree and HND	114	38.0
Master Degree and Above	79	26.3
Total	300	100.0

Table 1 represents the frequency and percentage of respondent's age, gender, marital status and level of education. Male respondents are 197, and female respondents are 103. This indicates that more of the respondents are males.

Out of 300 respondents, 50 are 20 and below years; 52 are between 21 and 25 years; 68 are between 26 and 30 years; 51 are between 31 and 35 years; 63 are between 36 and 40 years, and 16 are 41 and above years. This indicates the respondents between the age 26 to 30 are more, closely followed by 36 to 40 years. Respondent above 40 years appear to show little interest as they are only 16.

Out of the 300 respondents, 93 respondents are single (not married), 151 are married, and 56 are divorced. This shows that married people are more with a percent figure of 50.3% followed by single and followed by the divorced. This indicates that the respondents are mixed with single married and divorced.

Out of the 300 respondents, 32 are employees with general certificate of education and its equivalent. 75 respondents are holders of ordinary national diploma certificates, national certificate of education and its equivalent certificates. 114 respondents are first degree certificate holders, and a higher national diploma certificate holder. Masters' degree and above are 79. This indicates that respondents with first degree are more, closely followed by masters' degree holders.

Testing hypothesis 1

Demographic elements (age, gender, and marital status) do not have impact on purchase decision of foreign shoes and bags among workers of selected LCDA in Lagos.

Table 2: Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.197 ^a	.039	.030	.33952

Predictors: (Constant), marital status of respondent, gender of respondent, age of respondent.

Table 3: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.579	3	.526	4.566	.004 ^b
	Residual	38.962	338	.115		
Total		40.541	341			

a. Dependent Variable: impact on foreign shoes and bags

b. Predictors: (Constant), marital status of respondent, gender of respondent, age of respondent.

Table 3 shows, significant value of .004 which is below alpha value 0.05. Since the significant value is lower than the .05 degree of freedom, it clearly depicts a significant impact.

Gender, age, and marital status have impact on purchase decision of foreign shoes / bag among workers of selected LCDA in Lagos. With these results we reject the null hypothesis and accept the alternative hypothesis.

Table 4: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.297	.088		14.806	.000
	Age	-.033	.019	-.102	-1.689	.092
	Gender	.037	.038	.052	.976	.330
	Marital Status	-.059	.029	-.121	-2.006	.046

a. Dependent Variable: Impact on foreign shoes and bags

The coefficient of dependent variable (preference for foreign shoes and bags) against independent variable (Age, gender and marital status) shows a constant unstandardized coefficient of 1.297 and age of respondents -.033, gender .037 and marital status -.059. Age and marital status have negative relationships with preference for foreign shoes and bags. This indicates that as people grow older in life, they tend to give up preference for these consumptions, hence the negative trend of impact.

Testing hypothesis 2

Level of education does not have impact on purchase decision of foreign shoes and bags among workers of selected LCDA in Lagos.

Table 5: Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.010 ^a	.000	-.003	.34529

a. Predictor: (constant), respondent level of education

Table 6: ANOVA^b

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.004	1	.004	.037	.847 ^b
	Residual	40.536	340	.119		
	Total	40.541	341			

a. Dependent Variable: impact on foreign shoes and bags

b. Predictor: (Constant), respondent level of education

Table 6 shows a significant value of .847 which is above 0.05 alpha values. This clearly depicts no impact on purchase decision. Education do not impact on the decision to buy foreign shoes and bags, or there are no enough evidences to infer that level of education has impact on the purchase decision of foreign shoes and bags among workers of selected LCDA in Lagos.

Table 7: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig
(Constant)	1.146	.048		23.893	.000
Level of Education	-.003	.017	-.010	-.193	.847

a. Dependent Variable: impact for foreign shoes and bags

The coefficient of dependent variable (impact for foreign shoes and bags) against independent variable (level of education) shows a constant unstandardized coefficient of 1.146 and response level of education of -.003 and standard error of .017.

CONCLUSION AND RECOMMENDATIONS

Demographic elements such as age of consumers, level of income, gender and marital status are very important factors impacting consumers' purchase decision. In this study, it was observed that consumer's age, income and marital status tend to impact on the purchase decision of foreign goods in their early adult life. In addition, results show consumers interests in foreign goods consumption tend to reduce as respondents grow older in their marital life. This could be as a result of increasing family responsibilities or increasing sense of patriotism in local goods. The findings of the study are in close agreement with that of Shahid and Syed (2011) on consumer behavior of the Swedish consumers, which concluded that demographic characteristics (gender, age, income, and area of residence) are influencer of consumers purchase decision.

On this backdrop we advise local producers to use this information for competitive advantage over foreign producers. Local manufacturers should direct strategy more on young people and young couples. Though, Nigerian consumers are dispersed over different ages and level of income, the results revealed age, income and marital status as having impact on purchase decision of foreign goods. The study has shown demographic elements (age, marital status and gender) as having impact on consumer's decision to buy foreign shoes / bags.

Therefore, we recommend that local manufacturers of shoes and bags in Nigeria to include demographic elements in strategy formulation. They should not manufacture goods for the general market. Local producers should segment their products according to age, marital status, gender, and income level. When all these are put into consideration in the production and marketing of local products, consumers could look inward towards consuming local products. Though, this work has found that demographic elements are significant factors impacting purchase decision of foreign shoes and bags among workers of LCDA in Lagos metropolis. Similar research work needs to be done in other parts of the country at this point in time for the purpose of generalization. Other parts of the state i.e. Badagry, Ajah and Ikorodu were not covered in the study. We recommend that further study should be done to include all the LCDA in Lagos that are not covered by the study and other parts of the country, to allow for a possible contrast or confirmation of the validity of our findings which will be helpful in reversing the trend of unnecessary preference for foreign goods at the detriment of local goods.

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