

Consumerism and Nigeria Economy

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Abstract: *This paper reviewed literature on consumerism and Nigeria Economy. The objectives were to explore the extent of consumerism practice in Nigeria and its effect on the economy. The paper discussed; consumerism, traditional rights of sellers and buyers in exchange and transaction relationship, consumer protection agencies in Nigeria, factors militating against effective and efficient consumerism in Nigeria. Based on the reviewed literature, it was recommended that, the government, the marketers and the entire civil society must become better disposed to the objectives of consumerism by providing the necessary education, infrastructure, finding, enlightenment and legislation to make consumerism in Nigeria what it is in the developed countries of USA and Britain.*

Keywords: *Consumerism and Nigeria Economy*

INTRODUCTION

Business organizations in developed, developing and underdeveloped nations are primary established for operation and stay on in business. This profitable vision is made manifest through consumer's patronage and loyalty accompanied with high level of competition and commercial transaction issues. Agboifoh, Ogwo, Nnolim and Nkamnebe (2007) stated that how to tackle fairness and satisfaction between seller(s) and buyer(s) is a problem. In event of exchange and transaction, parties involved must have the ability, willingness and qualification to enter into relationship and the ability to communicate offer must truly exist.

The emergence of information technology (IT) in the business world has increased consumer awareness and education thereby giving in for consumer(s) agitation for honest information about items offered for sales (Joseph, 2005). The quest for information gives rise to increased satisfaction and protection by consumers. This stems out the concept consumerism.

Agbonifoh *et al.* (2007) stated that consumerism is the consumerist movement, consumer protection or consumer activism but Griffin and Ebert (2002) said that consumerism is a form of social activism meant to protect the rights of consumers in exchange. Consumerism is traceable to a consumer protest against abuse and exploitation by sellers in USA in 1962 and has gain prevalence in the developed countries like Canada, France, Europe etc. where the government, consumer groups and the general public engage in different activities to protect the health and right of their members (Ijewere, 2011; Ozuru, Ogbuji & Amue 2015). The adoption and practice

of consumerism in Nigeria is relatively low owing to the level of consumer awareness (Ijewere, 2009) and Omenazu (2010) asserted that Nigerian consumer is the most exploited in the universe. Edoreh (2007) stated that Nigerian market is poisoned with deceptive activities enhances consumer dissatisfaction in almost every marketing activities in Nigeria. In spite of government agencies policies on consumer protection, Nigerian manufacturers produced and offer injurious and unsafe goods and services to their target market. Halliru (2012) asserted that consumerism in Nigeria is dominated by government agency activities with little or nothing from the organized private sector as individuals or artificial persons.

Onah (1997) as cited on Oko, (2013) stated that consumer in Nigeria is dated 1979. The question is why Nigeria has remained at the primary stage of consumerism development for over 40years of the existence of this course for consumer protection. Thus, this work intends to establish the impact of consumerism on Nigeria economy.

Consumerism and Nigeria Economy

Wright (2002) sees consumerism as the set of activities of independent organizations, government and business designed to protect the consumers. Business exists to satisfy its owners, the management, employees and the consumer (Oko, 2013) but in Nigeria this interest is usually unbalanced and dissatisfactory to the consumer thereby creating disharmony. Consumerism thrives well on the collective activities of government, organizations/associations, journalist exposes and individual consumers (Oko & Linus, 2013) but in Nigeria the government has always played the role of ombudsman supported by little journalistic exposes. Organizations/association and individual consumers activities are relatively non existence. This reasonably account for the poor development of consumerism, organization and associations (Ayozie, 2013). He added that consumerism is on the increase in Nigeria based on the increase in the level of education and standard of living, hence awareness of consumer rights is on the increase as well as fight against exploitation.

However, it is discouraging to state that Nigeria has only recorded a case of consumer right abuse in Kano, Kaduna, and Lagos state among those reported in 1986 and 1988. This supports Halliru (2012), consumerism in Nigeria is more in the form of government legislation and enforcement than organized consumer association. He also observed that these agencies except a few perform below expectations as the awareness of their existence among Nigerians is equally low. Today's consumer is better educated than his forebears and thus less unwilling to accept the exaggerated salesmanship and misleading advertisements, inferior goods and even deceit that buyers once considered the natural hazards of commerce is but an over assessment of the Nigerian situations as it contradicts Ayozie (2013). He conversely asserted that today there are more fake drugs than ever before in the country while quacks and opportunists dominate the dispensing and sales of goods and services. Many Nigerians through quantitatively educated are qualitatively ignorant and Etukudo (2008), said marketers as producers and vendors have employed aggressive methods, strategies, and media to influence consumer opinion, attitude and actions thus consumers are mislead into wasteful expenditures.

The media in collaboration with vendors, given the growth in quantitative rather

than qualitative education based on the use of information technology system are guiding consumers into making unintelligent and non-beneficial purchase decisions, thus unsafe as well as low quality market offers whose usages to human and environmental health abuse are patronized even at exorbitant price (Etukudo, 2008). Consumerism is meant to improve consumer's welfare but it breeds negation of standards in Nigeria.

Currently, evidences show that corporate neglect has been extended beyond poor quality of core product; inadequate consumer education and information; poor or absence of after sales service delivery amongst others to the exploitation of the consumers physical environment, as the major and minor streets of urban and sub-urban areas are littered with residues (waste) that result from industrial operations and domestic consumption of the products of firms (Oko & Linus, 2013).

Consequently, the health standard of the general public is under threat. The fight against this environmental mess through withdrawal of patronage by consumers is considered in effective based on the absence of alternative offer resulting from the absence of competition among firms in the industries, excess of demand for market offer over supply and the attendant political economic power which these corporate bodies have always used to enact laws to protect their interest or to thwart existing laws (Okpara, 2002; Akerele, 1980 as cited in Oko & Linus, 2013)

Traditional Rights of Sellers and Buyers in Exchange and Transaction Relationship

1. Right to introduce any product in any size and style, provided it is not hazardous to health or safety.
2. Right to charge any price for the product; provided no discrimination exist among similar kinds of buyers.
3. Right to spend any amount to promote the product provided it is not defined as unfair competition.
4. Right to use any product message, provided it is not misleading, or dishonest in content.
5. Right to use any buying incentive programmes, provided they are not unfair or misleading

Buyers Rights

- (i) Right to buy product offered for sales
- (ii) Right to expect the product to be safe
- (iii) Right to expect the product to perform as claimed
- (iv) Right to be informed
- (v) Right to seek redress (Kotler and Arustrong, 2006).

Consumer Protection Agencies in Nigeria

- 1) Consumer Protection Council (CPC)

Establishment of consumer protection council (CPC): The Federal Government of Nigeria through Decree No. 66 of 1992 Laws of the Federal Republic (under the Federal Military government) established the Consumer Protection Council (CPC) on the 23rd day of November, 1992. The council commenced its operations properly in 1999 when the institutional framework for its take off was put in place. However Decree No. 66 was amended to Act 25 of 2004 by the Nigerian Legislature in 2004 and it became an act of Parliament. The council was established solely because of the ugly marketing environment and situations consumers have been exposed to in terms of what they have suffered and how they have been exploited in the past by producers and suppliers of goods and services.

- 2) Standards Organization Of Nigeria (SON)
- 3) National Drugs Law Enforcement Agency (NDLEA)
- 4) National Agency for Food and Drug Administration and Control (NAFDAC)
- 5) Nigeria Communication Commission (NCC)
- 6) Economic and Financial Crimes Commission (EFCC)
- 7) Independent Corrupt Practices Commission (ICPC)
- 8) The Counterfeit and Fake Drugs Decree No.21 of 1988
- 9) The Food and Drugs Act Cap 150 of 1990
- 10) The Poison and Pharmacy Act Cap 366 of 1990.

Factors Militating Against Effective and Efficient Consumerism in Nigeria

1. **Low level of literacy:** The high level of illiteracy in Nigeria is a major factor for the failure of consumerism. According to Abubakar (2010), "Nigeria is among the nine most illiterate countries in the world." What do you expect a consumer that cannot read, write or understand the components of a product to do when given an adulterated version of the same product? How does he know that although two products share similar packaging but they are not the same in composition? How does he know about his rights as a consumer if he is not told?
2. **Ignorance:** Ignorance, they say, is a disease. Major fallout of illiteracy is ignorance. Majority of the consumers in Nigeria are ignorant of their rights as consumers; hence they seem helpless in the face of exploitation by producers and marketers. Fellow Nigerians in a bid to get-rich-quick. Who will then save Nigerians from themselves?
 - **Government ownership business:** Government ownership of such parastatals as Power Holding Company of Nigeria (PHCN), Telecommunication Company, Water Corporation, Railway Companies, etc., poses a great hindrance to the ability of the civil society to successfully prosecute these companies when they exploit consumers or perform below expectation. Will Government prosecute itself and find itself guilty in Nigeria?
 - **Low level of import substitution:** Nigeria is a Seller Country and not a Producer country; hence most of the products sold in the market are imported, thus making the country to have less control over their production and little or no

choice for the Nigerian consumer. The situation will obviously be different if Nigerians produce these products in Nigeria for Nigerians.

- **Corruption:** Corruption has been said to be the bane of Nigeria development. High level of corruption even among the same people that should be in the forefront of consumerism militates against the success of consumerism in Nigeria. A lot of consumer activists easily succumb to material and financial inducement to abandon the fight against the exploitation of the consumer.
- **Unpatriotic activities:** It is ironical to know that most of the fake products in the Nigerian markets are imported into the country by Nigerian consumers, according to Omenazu (2010), "... are among the most exploited in the world." There are rampant cases of fake and adulterated products, shoddy services being rendered by many establishments, malpractices in several institutions, etc. What all these reveal is that the practice and essence of consumerism in Nigeria are yet to be firmly rooted and felt by the Nigerian consumers.
- **Poverty:** Nigeria is rated among the poorest countries in the world, with a majority of Nigerian consumers in the poverty brackets. Who will help the poor consumer in a typical Nigerian village to prosecute a multinational food company which has sold to him a sub standard milk powder?
- **Dormancy of press:** Is the Nigerian Press doing enough in promoting consumerism? The answer is NO. This can be attributed to the fact that majority of business owners in Nigeria are in one way or the other linked to the ownership of the Press, in addition to having journalists that are not brave enough to take the lid off the bad practices of some companies.
- **Weak consumer associations:** There is no gainsaying the fact that majority of the Consumers' Associations in Nigeria are not strong enough to fight the powerful and wealthy business owners whose products or services have been found to be of very low quality.
- **High cost of seeking legal redress:** The high cost and technicalities of seeking legal redress have prevented a lot of poor consumers from taking up legal action against erring but richer manufacturers or marketers.
- **Unresponsive government:** The success of consumerism in any country depends greatly on the support and infrastructure provided by the government. The Nigerian government has not shown enough enthusiasm in practice for the success of consumerism in the country.

Conclusion

Consumerism in Nigeria can be made to deliver the desired dividends to the society by addressing all the factors militating against its growth and effectiveness as outlined above. Consumers' organizations in Nigeria can step up their activities by imitating USA and Britain where consumer organizations conduct independent product tests, carry out independent consumer surveys, issue out product alerts, inform and educate consumers and draw the attention of the government to the need for the full implementation of consumer protection laws and prompt prosecution of offenders to

serve as deterrent to others. To achieve this milestone, the government, the marketers and the civil society must become better disposed to the objectives of consumerism by providing the necessary education, infrastructure, finding, enlightenment and legislation to make consumerism in Nigeria what it is in the developed countries of USA and Britain.

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