

Place of Consumerism in Nigeria

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Abstract

The study investigates the place of consumerism in Nigerian. The target population of this study consists of randomly selected consumers in Abia state and precisely Aba North Metropolis. The total population of consumers in the aforementioned LGA approximates to over 360,537 (National Population Census, 2006). The population of this study consists of men, women and youth. Consumers below the age of 18 were not being included in this study. This is justified by the fact that children may not be adequately informed to provide satisfactory and meaningful answers to the questionnaires that will be administered to respondents. A total of Fifty (50) respondents from the population of the study which is heterogeneous comprising men, women and youth were selected. Judgmental sampling was employed in this study in order to ensure that the samples drawn are representative of the population. The main research instrument used in this study is the interview. The interview schedule was titled Consumer Rights and Protection (CRP). The interview find out the personal data and educational background of respondents, the factors militating against the advancement of consumerism in Nigeria, the stage of consumerism in the country and the extent to which government and private sector are contributing towards the development of consumerism in the country. It found out that there was high level of illiteracy in the country coupled with the fact that they were not willing to fight for there right. The government should pass a bill that would establish minimum product warranties. The media should focus more on consumerism because, for the most part, Nigerian consumers do not seem to know what is troubling them until the extent of the problem is publicized and they realize that several other consumers share similar worries. This would encourage consumers to be more assertive about their rights and conscious of their responsibilities.

Key Word: *Consumerism, Nigeria, Consumerist Movement.*

Introduction

In the present economic and social scenario, the subject of consumer protection is very important for every citizen of the country, as each one of them is a consumer in one form or the other. Consumers do not constitute a separate class. Everyone is included. Everyone is a consumer, the young and old, the rich and poor, workers and idlers. Although various scientific and technological developments coupled with the heightened completion have brought about perceptible socio- economic changes the consumer's control over the market mechanism has gradually diminished. His choice of goods and services has been greatly eroded by various forms of unfair, and deceptive marketing practices. If the purpose of the business is to create a customer, the aim of consumerism is the protection of consumers.

Consumerism Defined

The term Consumerism is a social movement of concerned citizens and government to

enhance the rights and powers of buyers in relation to sellers (Kotler, 2006).

Consumerism has been defined as "the organized efforts of consumers aimed at promoting, protecting, and enforcing the right of consumers in their exchange relationship with all organization and individual (Agbonoifor, 2008). Consumerism is also seen as effort of consumers seeking redress, restitution and remedy for dissatisfaction they have accumulated in the acquisition of their standard of living (Buskirk and Rothe, 2010)

In developing economies (of which Nigeria is one) consumerism is in the early stages of development. Consumers rely more on government to protect them (Al-Ghamdi, Sohail, and Al Khaldi, 2007). Since, various governments have initiated different forms of consumer protection, but in spite of the existence and commendable efforts of some of these agencies, it would seem that Nigerian consumers are still not adequately protected against producers and marketers.

The need to protect consumers is largely due to discontent, dissonance which they would experience from time to time in the course of buying products and services. Studies conducted by Jones and Gardner (1976) in the USA attributed the causes of consumer discontent in developed countries to two reasons: first, higher expectations of a better lifestyle as a result of increasing incomes and sociological changes; and second, due to negligence on the part of business and government to protect the interest of consumers. Similarly, Andreasen and Best (2007) found that consumer discontent arise for reasons such as: incompetence; reluctance by marketers to resolve complaints; and the government being more pro-business thereby failing to rise up and defend the interest of consumers effectively. It would seem that most of the research on consumerism has been concentrated on the developed countries

Origin of Global Consumer Movement

The consumer movement as a countervailing defensive force to safeguard the interest of the consumers from the abuses of economically powerful sellers originated in the United States in 1900 and it spread gradually to many other places in the world. In some countries it became deep rooted movement and in others highly militant. The nations where the consumer movement has shown much strength are United States of America, Britain, Germany, New Zealand, France and Japan.⁸ Together with that there have been found signs of new efforts in a number of other countries. Developments and methods of coping with it differed from country to country and consumer awareness also varied from one country to another. It was neither exclusive to any specific country, nor was it confined to any particular continent.

Onah (1979) was the first to extend the idea to Nigeria, a less developed country, by examining the efforts of consumers, government, or independent institutions to protect consumers from unscrupulous business activities driven by the profit motive. Similarly, Darley and Johnson (1993) studied marketing and consumerism issues in multiple countries (both less developed and developing): Singapore, India, Nigeria and Kenya. They posit that there are differences among the nations, but some degree of discontent appeared in all of them and there is support for more government regulation.

Consumer Protection Agencies in Nigeria

Standard Organization of Nigeria (SON): SON was established by an Enabling Act Number 56 of December 1971 – the standard organization of Nigeria Act cap 412 of the laws of Federal Republic of Nigeria, with commencement date of 1st January 1972. The Act has had three amendments: Act Number 20 of 1976, Act Number 32 of 1984 and Act Number 18 of 1990. SON was vested with the mandate of authority for standard elaboration, specifications, and quality assurance system of commodities, manufactured industrial,

commercial and imported products and services generally, including metrology (SON, 2003). They are also responsible for the certification of products, assistance in the production of quality goods and services, improvement of measurement accuracies and circulation of information relating to standards. SON is also vested with the powers of seizure, confiscation and destruction of substandard products, including powers to seal up premises where defective products are manufactured or stored (SON, 2006). Severe penalties for offending manufacturers, importers and sellers of substandard products are also provided for.

Consumer Protection Council (CPC): The CPC was established via the Consumer Protection Council Act of 1992 in order to enforce consumer rights in the country. The council is charged with the following functions among others: provide speedy redress to consumer complaints through negotiations, mediations and conciliations; seek ways and means of removing or eliminating from the market hazardous products and causing offenders to replace such products with safer and more appropriate alternatives; publish from time to time, list of products whose consumption and sale have been banned, withdrawn or not approved by Nigerian government or foreign governments; and cause an offending company or individual to protect, compensate, provide relief and safeguards to injured consumers or communities from adverse effects of technologies that are inherently harmful (Federal Republic of Nigeria, 1992). The CPC was set up to assure the Nigerian consumers the following rights:

- The right to safety and protection from hazardous goods and services.
- The right to be informed and protected against fraudulent, deceitful or misleading practices and to have access to accurate information and facts needed to make informed choices and decisions.
- The right to choose and have access to a variety of products and services at fair and competitive prices.
- The right to be heard and express and represent consumer interests in the making of economic and political decisions.
- The right to consumer education and to become a skilled and informed consumer capable of functioning effectively in the marketplace.
- The right to redress and to be compensated for misrepresentation, shoddy goods or unsatisfactory services (CPC Act, 1992). For the purposes of operational efficiency and easy access to consumers, the Act provides for the establishment of a council at the federal level and a state committee in each of the 36 states in the country

National Agency for Food and Drug Administration and Control (NAFDAC): In the last two decades, the problem of fake, counterfeit and adulterated medication has been a major problem in Nigeria. The establishment of NAFDAC in Nigeria was inspired by a 1988 World Health Assembly requesting countries to assist in combating the global health threat posed by counterfeit pharmaceuticals.

In addition, well over 150 children died in 1989 as a result of medication formulation errors (NAFDAC, 2003) and following this, the agency was established under Decree No. 15 of 1993. Based on its enabling decree, NAFDAC is authorized to carry out the following functions:

- Regulate and control the importation, exportation, manufacture, advertisement, distribution, sale and use of drugs, cosmetics, medical devices, bottled water and chemicals.
- Conduct appropriate investigations, tests and ensure compliance with standard specifications designated and approved by the council for the effective control of quality food, drugs, cosmetics, medical devices, bottled water and chemicals.
- Undertake the certification of production sites and registration of food, drugs, medical

devices, bottled water and chemicals. (The agency has six zonal offices and 36 offices spread across the 36 states in the country for easy accessibility to consumers and making it functions more effectively.

Nigerian Communications Commission (NCC): The NCC is the independent National Regulatory Authority for the telecommunications industry in Nigeria. The Commission is responsible for creating an enabling environment for competition among operators in the industry as well as ensuring the provision of qualitative and efficient telecommunications services throughout the country. It was created under Decree number 75 by the Federal Military Government of Nigeria on 24 November 1992. Based on the decree, the NCC is charged with a wide range of functions and some of them include:

The facilitation of investments in and entry into the Nigerian market for provision and supply of communications services, equipment and facilities.

- The protection and promotion of the interests of consumers against unfair practices including but not limited to matters relating to tariffs and charges for and the availability and quality of communications services, equipment and facilities.
- Ensuring that licensees implement and operate at all times the most efficient and accurate billing system.
- The promotion of fair competition in the communications industry and protection of communications services and facilities providers from misuse of market power or anti-competitive and unfair practices by other service or facilities providers or equipment suppliers.
- Granting and renewing communications licenses whether or not the licenses themselves provide for renewal in accordance with the provisions of this Act and monitoring and enforcing compliance with licenses terms and conditions by licensees.
- The development and monitoring of performance standards and indices relating to the quality of telephone and other communications services and facilities supplied to consumers in Nigeria having regard to the best international performance indicators.
- Making and enforcement of such regulations as may be necessary under this Act to give full force and effect to the provisions of this Act.

Appraisal of the Agencies on the Basis of their Statutory Functions The four major agencies have very elaborate mandate and functions (in some cases duplicating and overlapping) such that one would expect the interest of the consumer to be adequately protected. Sadly, of these four agencies, only NAFDAC has made significant impact in terms of the spread, awareness creation and effectiveness. The average Nigerian consumer is fully aware of what NAFDAC represents and advertorials (Television, Radio jingles and billboards) are employed by the agency to sensitize and educate consumers on the significance of NAFDAC registration number among several other issues. In the words of a respondent “With the coming of Dora Akunyili (the immediate past Director General) less privileged Nigerians like us got know about NAFDAC and its activities which has protected us from fake medication”. As a result of public enlightenment, in 2004, fake medication worth 2 billion Naira (about \$17 million) was destroyed (NAFDAC, 2005). This was largely from these sources; repentant traders, those found in secret warehouses on tip off by the public, and those seized by NAFDAC task forces. In the agency’s effort to curtail the fake medication scourge, it designated specific airports and sea ports as the exclusive points of entry for the importation of medication and pharmaceutical raw materials (NAFDAC, 2005).

In the case of SON, the performance has been below par. Given that it was the first consumer protection agency established by the government (in 1971), one would have expected a more

positive impact. One of the major functions of SON is to provide standards and quality assurance system for commodities, including manufactured, industrial and imported products and services. Unfortunately, the presence of counterfeit spares for automobiles and other machineries has become commonplace in Nigeria. McCarthy (2004) defines counterfeit as the act of producing or selling a product containing an intentional and calculated reproduction of a genuine trademark. Nonetheless, names such as knock-off, fake, copy, bogus, copycat, overrun are commonly used (Trott and Hoecht, 2007). However, in Nigeria, such products are popularly tagged as “Taiwan”, or “China”. Paradoxically, these names do not necessarily refer to the country of origin but rather used to imply that they are counterfeits.

Although, in some cases, the actions of the sellers could be defended on the grounds that the consumer knows full well he is buying a sub-standard product because the price would obviously suggest so. Sadly, often times, customers in Nigeria buy “Taiwan” products being fooled about its true quality. This has to do with consumer safety issues like danger arising from poor quality counterfeit aftermarket car parts (Nash, 1989; Wechsler, 2002). With the preponderance of these counterfeit parts and sellers occasionally asking customers “Do you want original or Taiwan?” imply that Nigerian consumers are not protected, but have accepted counterfeiting as part and parcel of their daily lives. In a situation like this, it is difficult to say that SON has done well over the years.

The CPC Act provides for the establishment of a council at the federal level and a state committee in each state of the federation. Although, the Act came into force in 1992, the provision relating to state committees was not implemented until 2000 when two state committees were inaugurated. As at 2005, 13 years after inauguration only nine states out of 36 have inaugurated their committees (Gupta, 2006).

This does not suggest commitment to truly protect consumer rights on the part of the government. The rigidity of the judicial system in Nigeria tends to favour the manufacturers thereby making it near impossible to establish negligence by manufacturers. The defense of “foolproof system of production” convinces the courts of an impeccable system of production incapable of admitting any defects as alleged by the consumer (see Boardman v. Guinness Nig. Ltd [1980] NCLR 109 at 126; Okonkwo v. Guinness Nig. Plc [1980] NCLR at 130) (Gupta, 2006). In essence, a litigation system which is very difficult for the consumer to triumph is what we have in place in Nigeria. Samli (2001) posits that in modern times, a shift from a sellers’ market to a buyer’s one is especially beneficial to consumers. This is so because modern consumers are portrayed as having an unprecedented power to choose, to customize the goods and services that they want, to avoid the undesired ones, and to shop around for the best price-quality combination (Shankar et al, 2006). Unfortunately, much as the Nigerian market is arguably a buyer’s one, the consumers do not seem to have the unprecedented powers as described by Shankar and others.

Methodology

The target population of this study consists of randomly selected consumers in Abia state and precisely Aba North Metropolis. The total population of consumers in the aforementioned LGA approximates to over 360,537 (National Population Census, 2006). The population of this study consists of men, women and youth. Consumers below the age of 18 were not being included in this study. This is justified by the fact that children may not be adequately informed to provide satisfactory and meaningful answers to the questionnaires that will be administered to respondents. A total of Fifty (50) respondents from the population of the study which is heterogeneous comprising men, women and youth were selected. Judgmental sampling was employed in this study in order to ensure that the samples drawn are

representative of the population. The main research instrument used in this study is the interview. The interview schedule was titled Consumer Rights and Protection (CRP). The interview find out the personal data and educational background of respondents, the factors militating against the advancement of consumerism in Nigeria, the stage of consumerism in the country and the extent to which government and private sector are contributing towards the development of consumerism in the country. It found out that there was high level of illiteracy in the country coupled with the fact that they were not willing to fight for there right.

Conclusion and Recommendations

Given that Nigeria is a third-world country, there is greater expectation of government involvement in issues of consumer protection. However, the enforcement of consumer rights in Nigeria has not been very commendable due to a number of reasons which include: the poor commitment on the part of the government as seen in the snail pace formation of state committees 13 years after the CPC Act; the low level of education of the average Nigerian consumer; poor and inexperienced leaders of some of the agencies: and the rigid judicial system which is over protective of the manufacturers and marketers. The move by the government (through the NCC) to protect the rights of GSM subscribers by way of refunds imposed on one of the operators coupled with the planned suit by some subscribers would go a long way in improving consumerism in Nigeria. The government needs to stop paying lip service to the issue of consumer protection and be more focused and committed. This requires ensuring that the remaining 27 states in the country set up their respective CPC's as provided for by the Act. Other agencies should be encouraged to borrow a leaf from NAFDAC and embark on vigorous campaigns to create rapid awareness among the Nigerian consumers and be bold to sanction defaulting organizations. The government should pass a bill that would establish minimum product warranties. The media should focus more on consumerism because, for the most part, Nigerian consumers do not seem to know what is troubling them until the extent of the problem is publicized and they realize that several other consumers share similar worries. This would encourage consumers to be more assertive about their rights and conscious of their responsibilities. Gandhiji said: 'A customer is the most important visitor on our premises. He is not dependent on us. We are dependent on him. He is not an interruption in our work; he is the purpose of it. We are not doing him a favour by serving him; he is doing us a favour by giving us the opportunity to serve him'.

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