

INFLUENCE OF CONSUMER EDUCATION ON ENTREPRENEURIAL INNOVATIONS IN NIGERIA

DR. JAMILA SHU'ARA

Department of Marketing,
Baze University,
Abuja.

Abstract

Every entrepreneur aims at making profit. While a few of these entrepreneurs constantly strive to maintain quality, others compromise standards and quality to gain maximum profits. The incidence of sharp practices in quality has made Nigerian consumers more vigilant in the identification of genuine products or services. Consumer education is helping consumers develop critical skills to raise awareness and become more pro-active in the increasingly complex markets. Increased knowledge of consumer education is now at a critical stage such that; entrepreneurs must be innovative to meet consumer's expectation if they want to remain in business. It is against this backdrop that this paper investigated the influence of consumer education on entrepreneurial innovations in Nigeria. Two research objectives and two research questions guided the study. The study adopted descriptive survey research design. The population consisted of 70 entrepreneurs operating bakeries, event management services and manufacturing in Gwagwalada Area Council, Abuja. All the population constituted the sample for the study, using census sampling technique. Ten items structured questionnaire titled "Consumer Education and Entrepreneurial Innovation Questionnaire" was used as instrument for data collection. Content validity was used. A pilot study was conducted at Kwali community in Abuja. A total of 10 copies of the questionnaire were administered to selected entrepreneurs. Test-retest method of reliability was used to obtain the internal consistency. The reliability index was obtained through Cornbrash's alpha (0.78). Out of the 70 questionnaires administered, 62 were returned valid, representing 89% success rate. The analyses of data collected were carried out based on the specific objectives and research questions of the study. Data collected was imputed into the SPSS (25) software package where descriptive statistics, in the form of graphs and tables were generated. The study discovered that entrepreneurs strive for quality because of

growing amount of information available to consumers and the knowledge of their rights in increasingly competitive markets that offer many choices. The study recommends among others: need to sustain consumer education by relevant government agencies and non-governmental organizations, continuous motivation to enable teachers teach and students learn about consumer issues at all levels of educational system; and innovation by entrepreneurs to upscale the quality of products and services.

Keywords: Entrepreneur, consumers, consumer education, innovation, business

Entrepreneurship as a cornerstone of development strategies for emerging economies has garnered support among a broad spectrum of scholars, policymakers, and governments. Entrepreneurship means the act of being an entrepreneur or "*one who undertakes innovations, finance and business acumen in an effort to transform innovations into economic goods*" (Shane, 2003). The functions of an entrepreneur include: an inventor, imitator, innovator, or more appropriately, a calculated risk-taker (Olugboyega, 2017). All strong economies around the world are hinged on entrepreneurship. This entrepreneurship is based on small-scale and medium enterprises and it explains why these businesses constitute the bedrock of the national economy of any nation (Chukwumezie and Osapka, 2015).

Entrepreneurial successes are the life blood of all businesses and the reason every entrepreneur aims at making profit. Today, consumers operate in increasingly complex markets, challenged by growing amounts of information and an expanding choice of products. Making good choices and protecting their interests require a wider range of skills and knowledge. Consumers are the end users of all goods and services. They make critical decisions all the time on market choices and in the use of goods and services To make informed choices, the consumer needs to be educated and enlightened (Chatterjee and Sahoo, 2011). This is particularly important considering the fact that many entrepreneurs

compromise standards and quality to gain maximum profits. Consumer education is therefore critical in this regard. According to Ukpore (2006), consumer education is the process of exposing people to the knowledge and skills needed by individuals, families, and corporate bodies to become competent consumers in a world that is constantly changing.

Globally, consumer education has been recognized by scholars, international organizations, and institutions as a tool for the protection of the consumers from the deceptive practices that are widespread in the marketplace. According to Moguluwa, Nwankwo, Anyasor and Agina (2018), consumer education is considered a veritable tool for improving the lives and safety of the consumers and has been an important priority to every nation. Consumer education is helping consumers develop critical skills to raise awareness and become more pro-active in the increasingly complex markets. Increased knowledge of consumer education is now at a critical stage such that; entrepreneurs must be innovative to meet consumer's expectation if they want to remain in business. Every successful entrepreneur needs creative innovation to sustain business success.

Innovation

Henrik (2007) defined innovation as the successful implementation of a creation and this innovation seems to foster growth, profits, and success. Similarly, Olugboyega (2017) defined innovation as the implantation of creative inspiration. Innovation is the process through which the entrepreneur converts market opportunities into workable, profitable, and marketable ideas. Innovation requires a fresh way of looking at things and understanding of people. Innovation is crucial to the continuing success of any business enterprise; innovation is the mental characteristic that allows a person to think outside of the box, which results in innovative or different approaches to a particular task. Entrepreneurial creativity and innovation are tantamount for consumer's loyalty. Innovation distinguishes one entrepreneur from the other.

Business practices ought to aim at optimal satisfaction of the consumer and not profit maximization alone. But the common business practice of most businesses in Nigeria is skewed toward profit maximization. As such, some traders deliberately import, package, and sell fake, substandard or adulterated products to unsuspecting consumers (Nwankwo, 2012, Oko & Osuagwu, 2013). In a competitive business environment, entrepreneurs with history of business sharp practices are bound to lose customers. Social media has expanded the scope of consumer education to the level that information circulates with greater speed. Most consumers have access to internet-enabled phone and get information about a particular brand through various social media platforms and news hobs like Facebook, Instagram, Tweeter, Opera news, Google search engine, among others. To retain customers, entrepreneurs and enterprise must continue to seek out new opportunities and make necessary arrangements to convert these into new goods and services. Innovation should, therefore, impregnate the entire enterprise for the creation and invention of competitive edge and relevancy in the marketplace.

Innovation can take several forms, which according to Olugboyega (2017) include:

- i. Innovation in processes, including changes and improvement to methods: These contribute to increase in productivity, it lowers cost and helps to increase demand.
- ii. Innovation in products or services: While progressive innovation is predominant, radical innovation in products and services opens up new markets and lead to higher demand which in turn increases investment and employment.
- iii. Innovation in management and work organization, and the exploitation of human resources, together with the capacity to anticipate techniques.

It is indisputable fact that in today's global business environment, innovation and creativity are key ingredients in creating and sustaining strategic advantage by any business enterprise (Ojo, Petrescu, Anca and Bîlcan, 2017). Again, the increase level of consumer awareness about company's products and services motivates many businesses to be

innovative. Consumer education is prompting many business enterprises to change their behaviour by creating value for their customers, communicating to them through their customer care representatives, collaborating with other partners to become vibrant in the competitive markets and implementing new ideas to please their customers. Many business organizations therefore are striving to meet standards in order to remain relevant and to increase the efficiency and credibility of their businesses. This is evident from the fact that every activity carried out by the businesses, according to Choi and Hwang (2015) revolve around learning and fulfilling the needs of the customers.

Many companies today are innovative, bringing about new ideas and modifying existing ones into their offerings because of the competitive nature of the market and the increased consumer education. According to Oman (2008), the newness that innovation portrays in the improvement of products, services or process can be described in two ways, technical innovation, and administrative innovation. The technical innovation has to do with technology, products, and services. The administrative innovation deals with improved procedures, policies, and organizational forms. In this regard, consumer education does not only make entrepreneurs to be innovative, but the innovation improves the quality of products or process, and also has a positive economic return on small enterprises especially those in the Gwagwalada Area Council of Abuja.

Gwagwalada Area Council

Historically, Gwagwalada Area Council was created on the 15th October 1984. It has a geographical coordinates of longitude 8.9393°N and latitude 7.0787°E. Gwagwalada has an area of 1069.589km². Before the creation of Federal Capital Territory (FCT), Gwagwalada was under the Kwali District of the former Abuja Emirate now Suleja Emirate. The official population figure of 150,000 people has since becomes obsolete (FCT Area Council Services Secretariat, 2015). The relocation of the seat of government from Lagos to Abuja in 1992 and the recent demolition of illegal structures within the FCT City Center brought a massive influx of people into the Area Council being one of the fastest growing urban

centers in the FCT. The population of the Area Council has grown to over 1,000,000 people (Awowole-Browne, 2007).

Subsistence agriculture is the main economic activity of the rural populace and the major crops grown in the Area Council are sorghum, maize, yam, millet, cassava, rice, Beni seed, etc. It is also favourable for livestock production because of the abundant grazing land. The Area Council also has the presence of important Federal institutions such as the University of Abuja; the Teaching Hospital; Custom, Immigration and Prison Pension Board; Sharia Court of Appeal; FCT School of Nursing; among others. Also, there are over ten branches of commercial banks operating within the Area Council and a host of small and medium scale business enterprises, which include Winco Foam, Oceanic Bakery, Saco Foam, Godiya Bakery, Global com and MTN branch offices, among others. It is on record that Gwagwalada in the FCT master plan is designated as the Industrial zone, making the place conducive for the location of industries (FCT Area Council Services Secretariat, 2015). This paper however investigated the influence of consumer education on entrepreneurial innovations in Nigeria with particular reference to Gwagwalada Area Council of the Federal Capital Territory, Abuja.

Statement of the Problem

There is a growing inequality between producers and consumers of goods and services (Bello, Suleiman and Danjuma, 2012). In the business circle, most often, morality, and virtuous conducts such as honesty and integrity are not so important (McKecnie & Akinbami, 2011). Profit at all cost is the driving motive (Zubizarreta & Lang, 2015). In deregulated markets, private firms commit a lot of malpractices in pursuit of greater profits at the expense of the consumer. In fact, evidence of market manipulations by private firms at the consumers' expense abounds (Evans, 2015; Jansson, 2010). Nigerian consumers are faced with incidences of fake, adulterated, and substandard products due to the quality of goods and services made available to them (Ekenem, 2011). Deceptive adverts encourage the growth of fake, substandard, adulterated, and defective products (Umenyi, 2007). As a consequence of this ugly trend, consumers

have at different times expressed one form of discontent or the other about the activities of producers. These problems thus necessitated this study on the influence of consumer education on entrepreneurial innovations.

Objectives of the Study

The specific objectives of the investigation were to:

- a. Ascertain the influence of consumer education on entrepreneurial innovations in Gwagwalada Area Council
- b. Determine the strategies for promoting consumer education and entrepreneurial innovations in Gwagwalada Area Council

Research Questions

The following research questions were raised to guide the investigation:

1. What is the influence of consumer education on entrepreneurial innovations in the Gwagwalada Area Council?
2. What are the strategies for promoting consumer education and entrepreneurial innovations in the Gwagwalada Area Council?

Hypothesis

The following null hypothesis was tested in the study:

Ho There is no significant relationship between male and female entrepreneurs on the influence of consumer education on entrepreneurial innovations

Research Method

The study adopted descriptive survey research design. The population consisted of 70 entrepreneurs operating bakeries, event management services and manufacturing in Gwagwalada Area Council, Abuja. All the population constituted the sample for the study, using census sampling technique. Ten items structured questionnaire titled "Consumer Education and Entrepreneurial Innovation Questionnaire" was used as instrument for data collection. Content validity was used. A pilot study was conducted at Kwali community in Abuja. A total of 10 copies of the questionnaire were administered to selected entrepreneurs. Test-retest method of reliability was used to obtain the internal consistency. The reliability index was obtained through Cornbrash's alpha (0.78). Out

of the 70 questionnaires administered, 62 were returned valid, representing 89% success rate. The analyses of data collected were carried out based on the specific objectives, research questions and hypothesis of the study. Data collected was imputed into the SPSS (25) software package where descriptive statistics, in the form of tables was generated. Inferential statistics like t-test was used to compare means. P-value of < 0.05 was considered to be statistically significant. Discussions of findings were done immediately after data analysis.

Results

Research Question One: What is the influence of consumer education on entrepreneurial innovations in Gwagwalada Area Council?

Table 1: Influence of Consumer Education on Entrepreneurial Innovations

Variables	*N	Agree	Percent	Disagree	Percent	Total Percent
Consumer education prompts your business enterprise to create value for its customers.	62	57	91.9	5	8.1	100.0
Consumer education makes your business organization to update its customers on her new products	62	61	98.4	1	1.6	100.0
Your organization strives to meet standards in order to remain relevant and increase her credibility	62	54	87.1	8	12.9	100.0
Increased level of consumers' awareness makes your organization to be innovative	62	50	80.6	12	19.4	100.0
Your organization implements new ideas with the aim of pleasing her customers	62	61	98.4	1	1.6	100.0
Entrepreneurial creativity and innovation are tantamount for consumer's loyalty	62	57	91.9	5	8.1	100.0

Source: SPSS version, 25

*N= Numbers of respondents

Table 1 reveals that a large number of the respondents (91.9%) agreed that consumer education prompts their business enterprises to create value for their customers against 8.1% that disagreed. Large numbers of the respondents (98.4%) agreed that consumer education makes their business organizations to update their customers on their new products, against 1.6% that disagreed. Majority of the respondents (87.1%) agreed that their organization strives to meet standards in order to remain relevant and increase their credibility as against 12.9% that disagreed. Majority of the respondents (80.6%) agreed that increased level of consumers' awareness makes their organization to be innovative as against 19.4% that disagreed. Also, large numbers of respondents (98.4%) agreed that their organization implements new ideas with the aim of pleasing their customers as against 1.6% that disagreed. 91.9% of the respondents agreed that entrepreneurial creativity and innovation are tantamount for consumer's loyalty as against 8.1% that disagreed. Based on these findings, conclusion reached here is that consumer education has greater influence on entrepreneurial innovations in Gwagwalada Area Council. These findings corroborate Ukpore (2006) who stated that consumer education is the process of exposing people to the knowledge and skills needed by individuals, families, and corporate bodies to become competent consumers in a world that is constantly changing. It also supports Choi and Hwang (2015) who stated that every activity carried out by the businesses revolve around learning and fulfilling the needs of the customers. Innovation and creativity are key ingredients in creating and sustaining strategic advantage by any business enterprise (Ojo, Petrescu, Anca and Bilcan, 2017). Most consumers have access to internet-enabled phone and get information about a particular brand through various social media platforms and news hobs. Consumer education helps consumers develop critical skills to raise awareness and become more pro-active in the increasingly complex markets.

Research Question Two: What are the strategies for promoting consumer education and entrepreneurial innovations in Gwagwalada Area Council?

Table 2: Strategies for promoting consumer education and entrepreneurial innovations

Variables	*N	Agree	Percent	Disagree	Percent	Total
Every entrepreneur should be creative innovator to sustain business success	62	62	100.0	-	-	100.0
Business practices should aim at optimal satisfaction of the consumer and not profit maximization alone	62	61	98.4	1	1.6	100.0
Entrepreneurs should not compromise standards and quality to gain maximum profits	62	61	98.4	1	1.6	100.0
Consumer education should be taught at all levels of educational system in the country beginning from the Lower Basic Secondary School	62	61	98.4	1	1.6	100.0

Source: SPSS version, 25

*N= Numbers of respondents

Table 2 reveals that all the respondents agreed to the identified strategies for promoting consumer education and entrepreneurial innovations in Gwagwalada Area Council and Nigeria at large. All the respondents (100%) agreed that every entrepreneur should be creative innovator to sustain business success. 98.4% each agreed that business practices should aim at optimal satisfaction of the consumer and not profit maximization alone, that entrepreneurs should not compromise standards and quality to gain maximum profits and that, consumer education should be taught at all levels of educational system in the country beginning from the Lower Basic School as against 1.6% that disagreed with each of the identified strategies. These findings corroborate Olugboyega (2017) who affirmed that the functions of an entrepreneur include: an inventor, imitator, innovator, or more appropriately, a calculated risk taker. Increased knowledge of consumer education is now at a critical stage such that;

entrepreneurs must be innovative to meet consumer's expectation if they want to remain in business. It is also in line with Nwankwo (2012) and Oko & Osuagwu (2013) who suggested that agreed business practices ought to aim at optimal satisfaction of the consumer and not profit maximization.

Test of Hypothesis

Ho There is no significant relationship between male and female entrepreneurs on the influence of consumer education on entrepreneurial innovations

Table 3: Independent t-test of Relationship between Male and Female Entrepreneurs on the Influence of Consumer Education on Entrepreneurial Innovations

Gender	N	Mean	Std. Dev	Std. Err	Mean Diff.	Df	Tval .	P val.
Male	46	1.0000	.00001	.06947				
					-.31250	60	-2.611	0.020
Female	16	1.3125	.47871	.11968				

Source: SPSS version 25

$p = 0.020 < \alpha = 0.05$

Table 3 presents an independent t-test of relationship between male and female entrepreneurs on the influence of consumer education on entrepreneurial innovations. The table reveals that $t_{(60 \text{ df})} = -2.611$ at $p = 0.020$. This implies that $p = 0.020 < \alpha = 0.05$. Since the p value for male and female entrepreneurs is $< \alpha = 0.05$, this shows that both male and female entrepreneur have the same perception concerning the influence of consumer education on entrepreneurial innovations. Therefore, the null hypothesis which states that there is no significant relationship between male and female entrepreneurs on the influence of consumer education on entrepreneurial innovations is hereby rejected.

Conclusion

Based on the findings of the study it can be concluded that, consumer education is now at a critical stage such that; entrepreneurs must be innovative to meet consumer's expectation if they want to remain in business. Innovation requires a fresh way of looking at things. Innovation is a mental characteristic that allows a person to think outside of the box. To retain customers, entrepreneurs and enterprises should continue to seek out new opportunities and make the necessary arrangements to convert them into new goods and services. Innovation should, therefore, impregnate the entire enterprise for the creation and invention of competitive edge and relevancy in the marketplace.

Recommendations

In view of the findings of the study, the following recommendations were suggested:

1. Every entrepreneur should be a creative innovator to sustain business success;
2. Business practices should aim at optimal satisfaction of the consumer and not profit maximization alone;
3. Entrepreneurs should not compromise standards and quality to gain maximum profits;
4. Consumer education should be taught at all levels of educational system in the country beginning from the Lower Basic (Primary) School.
5. Government consumer protection agencies and non-governmental organization must step up advocacy and protection initiatives

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