

**A STUDY OF CONSUMER BEHAVIOUR TOWARDS LOCALLY
MADE SHOES IN BENIN CITY COSMOPOLITAN**

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ABSTRACT

Benin city is a medium sized urban city in Nigeria, a cosmopolitan and an educational center; with a robust population that is exposed to western civilization, which will provide a sample that can be used for the study under review. The study examines the major factors that constitute the fundamentals of successful shoe production; consumer behaviour towards locally ready-made shoes and the major problems involved. Improvement can be found in provision of bank loan; use of promotional strategies in pricing, advertising, shop display, quality control i.e. by the use of specialize raw materials. We are not aware of any published works on local shoes production in Nigeria. The study will be useful to entrepreneurial, students and teacher of entrepreneurship and marketing. This paper would definitely have serious implication for economic development in terms of workers, employment and gross domestic product. It would also help in reorientate existing and prospective entrepreneurs in this business.

INTRODUCTION

The coming of the colonial masters into Nigeria territory contributed immensely to the importation of footwears into this country. At that period in time, the markets for the product were mainly British residents and a few Nigerians could afford the price. As Nigerians got attuned to the western culture, their quest for footwears became strong. In order to satisfy the needs of Nigerians, foreign manufacturers of the imported footwears established their companies in Nigeria, notable among them was Bata shoes established in 1934 which today manufactures and market all kinds of footwears. We also had Lennard Shoes Company. Unlike Bata, others were engaged in selling both imported and locally manufactured footwears.

Presently, many indigenous entrepreneurs are in foot wears business established through either the government micro credit scheme or operating mainly as small scale business ventures and are scattered all over the country. The major ones are located at Onitsha and Aba and cities such as Benin City, Ibadan, Lagos e.t.c. Their products are looked down upon and contemptuously termed “Igbo-made”, Aba-made indicating a mark of inferiority. If this misconception is not nip in the bud, it will in no small measure stifle all effort geared, towards self-reliance, economic growth and development. It is in this light that the federal Government had often urged the citizenry to patronize made in Nigeria product.

Various state Governments including the federal Government of Nigeria have organized trade fairs under the auspices of chamber of commerce to promote made in Nigeria products. The essence of these is to promote and to encourage the demand of locally manufactured footwears, which is yet to achieve the desired results. For instance, at Onitsha main market, a pair of foreign shoe (imported / smuggled) cost upwards of N2, 000 (Two thousand Naira) at the time of this research; while locally manufactured ones of the same quality cost N1500 (One thousand five hundred Naira), but consumers still prefer the purchase of imported shoes. The money spent on the imported footwears ought to have been channeled to other economic venture to revitalize our dwindling economy. If this trend persists unchecked, the local firms may be forced to close down because of lack of patronage. The contemporary marketing concept posited that marketing activities should be directed towards satisfying the consumers need and wants.

This therefore calls for the knowledge of those factors influencing consumers' behaviour and performance of local manufacturers. It is in this light, that this work is considered to investigate the consumer behaviour performance of local entrepreneurs towards local made shoes and also suggest ways of solving them.

The purpose of this study is to identify problems associated with locally manufactured shoes in Nigeria. The research is specifically meant to unravel the following:

- (1) The influence of reference group on the consumer purchase decision.
- (2) Whether Nigerian consumer actually prefers foreign made shoes to locally made one.
- (3) Consumer perception of price and quality in relation to locally manufactured shoes.
- (4) The effect of locally manufactured shoes (footwears) advertisement on consumer.
- (5) The hindrances to the success of local entrepreneurs

The study covers specifically the following cities and towns, Benin City, Ekpoma and Auchi in Edo state. These towns were randomly selected and also because of the presence of local manufacturers of shoes in these areas.

1.2 SIGNIFICANCE OF TIME STUDY

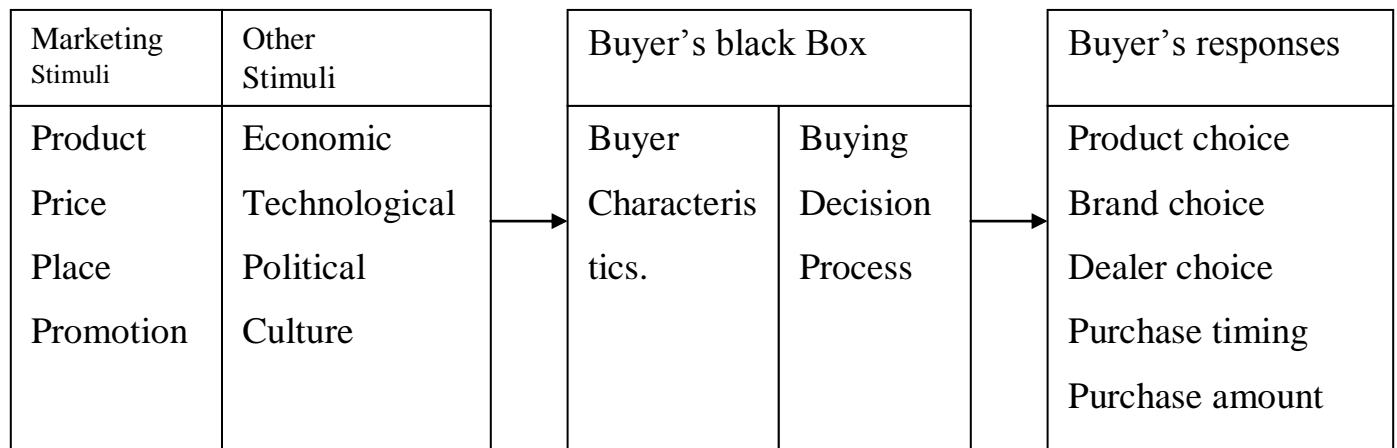
This study will be very helpful to researchers who are willing to conduct further research into other locally made products, now that the country is striving to be self reliance. The researchers are also of the opinion that if the missing gaps identified in consumer behaviour towards locally made shoes are implemented, it would lead to self sufficiency and improvement in our economy (GDP) gross domestic product.

1.3 THEORETICAL AND ANALYTICAL FRAMEWORK

According to Stanton, Walker, Etzel (1997: 129) the buying behaviour of ultimate consumers can be examined using a five part model: the buying decision process, information, social and group forces, psychological forces and situational factors. However, it must be noted that information is very important in decision-making process. Without it, there would be no decisions. The social and group forces consists of culture, subculture, social class, reference groups, family and households while perception could be termed to mean the way we interpret the world around us and is subject to three types of selectivity: attention, distortion and retention.

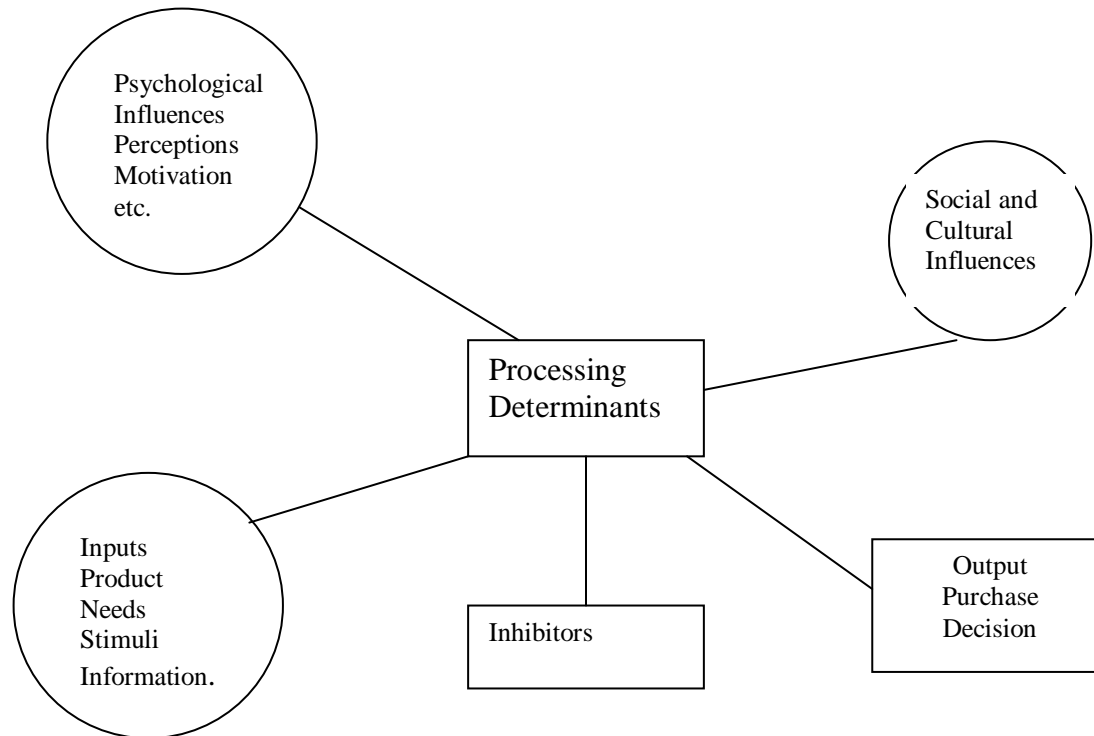
Kotler, Armstrong, Saunder and Wong (1999: 229) opined that marketing stimuli consists of the four P's product, price, place and promotion other stimuli include significant forces and events in the buyer's environment: economic, technological, political and cultural. All these stimuli enter the buyer's black box, where they are turned into a set of observable buyer responses: product choice, brand choice, dealer choice, purchase timing and purchase amount.

Buying decision model



The features of a buyer's personality influence how he or she perceives and reacts to the stimuli. It also tells us that the buyer's decision process itself affects the buyer behaviour. Even though, we may not be able to know what is inside the "black box" or predict consumer behaviour but to some extent the model helps to understand consumers, ask right questions and also how to influence them. In his own contribution, Palmer (2000:181) stated that Howard and Sheith (1969) is one of the widely acclaimed buyer decision-making model. He identified inputs, psychological and social influences, perceptual reaction, processing determinants, inhibitors and outputs as important processes in buyer's decision-making process.

Haward and Sheith buyer behaviour model



The marketing manager must understand source of inputs of the consumer to enable him source for consumer. The inputs (information) can be obtained from personal or published sources. A customer predisposition determines while he behaves in a particular way and the culture that they live in, family, and personality factor amongst others can influence this. The perceptual interpretation of inputs differs amongst individual. It also is based on their unique personality make-up and conditioning which results from previous purchase experience. The processing determinant, which entails the individual's past experience of a particular product or organization and the weight attached to each of the factors, are used in evaluation. The inhibitors can prevent an individual from taking a decision e.g. its price, terms and conditions for delivery may be obstacles in the buying decision making process. The output (outcome) of the decision making process may either be to go ahead and purchase, or alternatively, not to buy or defer a decision to a later date.

Doyle (1998:163) observed that new challenges facing traditional marketing departments today involve private labels/own –brands, big and increasingly influential retailing groups and a fickle customer, increasingly ready to change brands if not satisfied.

Cartwright (2002:29-35) argued that whatever the typology and function of an organization it has to co-exist with other organizations in a complex, increasingly global external environment. Palmer (1993:106) argued that to establish information about the market for a particular product, marketers could use telephone, questionnaire, personal interview and panel to generate feedback from customers.

Hawkins, Best, Coney (2004:24) opined that the level of customers satisfaction consist of two processes, actual need fulfillment and the perceived need fulfillment. These two processes are closely related and are often identical. Collins, and Rapp, (1988:130) in his finding stated that we are presently in a promotionally oriented marketing mode where a more knowledgeable and more discerning public will wisely, calmly will out a purchase until the marketer puts it on sale or offer a “deal”.

Peck, Clark, Christopher, and Payne, (2000:183) stated that one of the most powerful means of achieving differentiation over competitions is through the quality of customer service.

La Forges, Ingram and Bearden (2004:88) argued that peer influence among adolescents is important determinant of consumer behaviour worldwide. Products are often purchased consistent with the need to identify with other and/or to express desired images.

Ashford, Massingham, and Lancaster,(2002:100) underpinned his argument on the complexity of buyer behaviour which has made the understanding of marketing mix variables of price, product, place and promotion very important in fulfilling customers needs. Patten (1995:47) in his literature pointed that for small firms to grow it is helpful to track down what is happening in the sector of activity.

Daniel, Hair (Jr.), Lamb (2004:105) argued that when people recognize inconsistency between their values or opinions and their behaviour, they tend to feel an inner tension called cognitive dissonance. Dissonance occurs because the persons know the purchased product has some disadvantages as well as some advantages. Thus Macdonald and Harris (2004:105) posited that the necessity to effectively compete in the new global market is driving companies into forming strategic alliances, and the most competitive companies

in the new global market have a network of alliance covering all aspects of their business or conversely, as a bias against imported products.

RESEARCH CONCEPT

Major Assumptions:

1. The research assumes that firms engaged in routine selling foreign shoes have carved a niche for themselves. The assumption is supported by the following sub-assumptions: That the full specialization of boutique foreign shoes which are in vogue, puts manufacturer of locally made shoes at a competitive disadvantage so as to render its effect on ready made foreign shoes insignificant.
 - a. It assumes that the shoes carried by the boutiques are inelastic, that is, a fairly considerable change in their prices makes little difference to the quantity demanded. This does not assume perfect elasticity but assumes that the goods experience inventory turn over rates.

These assumptions imply that there is adequate market for present and potential foreign made shoes.
 - b. The research assumes that there is a shift of population towards Benin City and also movements within Benin City and not from Benin City to suburbs or other cities. And that these shifts of population into and within Benin city and its environ is at such rate as to allow a sample study population which is steady enough to hold research studies valid for a long period of time (holding social economic and political instability constant).

Note these implications: that the sample population of this research study is not mobile nor transients neither will population movements invalidate the results. Also, the need to shift location does not arise for the settled boutique firms dealing in foreign made shoes.

STATEMENT AND IDENTIFICATION OF RESEARCH PROBLEMS

The multiplicity of various firms venturing into production of locally made shoes suggest that there are various brands and sizes produced. The quality of these varieties (style, brand and quality) against the backdrop of high cost of imported shoes seemed to have damaged the desire of the average Nigerian consumer preference for imported shoes.

Some marketing oriented companies such as Bata based their marketing programmes on consumers' perception and demand as a barometer for fixing price. Many scholars argued that owing to the exposure to western culture coupled with the present day information technology (internet) that has provided consumer access to latest product; Nigerian consumer generally want the best products and in most cases prefer foreign product to locally made ones. We would like to find out these beliefs and analyze the extent it has affected the demand for locally manufactured shoes. What justification do consumers have for their preference? Different designs and styles of locally made shoes exist in our markets. This paper would attempt to find out whether the designs and styles (shoes) actually meet the consumers expectation while recognizing that consumers obtain information through past experience/ association with reference groups. Related to the above would be an investigation of reference groups on the demand for locally manufactured goods and the effect of promotion on purchase of locally manufactured shoes.

The core problems identified with local manufacturers are inability to meet up with competition, from foreign made shoes, inadequate and unskilled personal, inadequate computer outlay, and inadequate formal education of the entrepreneurs.

Result from customers interviewed during the preliminary research suggested that services offered constitute only one quarter of customers' expectation and the demand for local made shoes is growing. The problem therefore is the general low success outcomes of local manufacturers of shoes in the face of such great and growing market potentials.

A preliminary research into consumer behaviour towards locally made shoes reveals that it has not been successful in Benin City for local manufacturers. About 70% of the local production is concentrated on men's footwear while 30% is left to women's footwear.

HYPOTHESES

(A) Major factors for entry into local manufacturing of shoes.

H₀₁: That not less than 45% of the local manufacturers were influenced by either their relative or friends who are into local shoe manufacturing or in a similar type of business.

- H₀₂:** - That not less than 45% of the local manufacturers of shoes went into this business because they had worked before in or own business (es) or similar business (es).
- H₀₃:** That not less than 45% of the local manufacturers of shoes went into business because of the high profit margin in the trade.
- H₀₄:** - That not less than 45% of the local manufacturers of shoes went into shoe business because of their interest in the trade.
- (b) Interaction between consumer behaviour towards locally made shoes and factors affecting performance (success outcomes).
- H₀₁:** - The degree of success outcomes is associated with the outcomes relating to whether or not interest the local entrepreneurs of shoe. This implies that high success outcomes of local shoes manufacturer is associated with such number of interest-motivated entrepreneur and the reverse for low number of interest.
- H₀₂:** - That the general low success performance outcomes are associated with a show of general lack of experience and skill.
- H₀₃:** - That the adequacy of initial operational capital and the success performance outcomes are not independent. This implies that adequate initial operational capital means a high success performance while inadequacy means low success performance. Therefore, the inadequacy of initial operational capital is a factor in the low success performance outcome of local shoe manufacturers in Benin City.
- H₀₄:** - That promotion of the local manufactured shoe is inadequate, consequently success outcomes are low since they are not independent of promotion adequacy.
- H₀₅:** - That the designs and styles of local manufactured shoes does not influence consumers expectation.
- H₀₆:** - That consumer behaviour towards locally made shoes is not independent of influence from reference group.
- (c) Effects of banning of foreign made shoes. Here assuming the world trade agreement allows open doors between nations does not hold, will the banning of the importation of foreign made shoes have adverse effect on the operational

efficiency of local manufactured shoes and set back its drive to step up supply so as to meet up the customers expectation.

(d) **H₀₁**: - That the banning of the importation of foreign made shoes will reduce present supply substantially.

H₀₂: - That the local made shoes is not adequately developed to meet the demand previously being satisfied by imported foreign made shoes (not to consider the total real and potential demand).

METHODOLOGY

The study covers the whole of Benin City town. The sample is made up of thirty-five local shoe manufacturers and ninety-five customers selected at random. The views of the few foreign made shoes suppliers were also considered and they consisted of two in Benin City, one in Ekpoma and two in Auchi adding to five. Statistical method is used for the analysis. The factors influencing performance of local shoe manufacturer and consumer behaviour towards locally made shoes are believed apriori to be individually very important, hence they were not surveyed as alternative but individually focused. This explains the high chi-square valued for some of the factors in the analysis.

ANALYSIS OF DATA

(A) **MAJOR FACTORS FOR ENTRY INTO LOCAL MANUFACTURING OF SHOES.**

H₀₁: That not less than 45% present of the local manufacturers were influenced by either their relative or friends who are into local shoe manufacturing or in a similar type of business. Using the sample of 35 local shoe manufacturing firms and four of them indicating relatives and friends.

NH: P = 0.45 and A H: P < 0.45

$$Z = \frac{P - P_0}{\sqrt{\frac{P_0 q_0}{n}}}$$

$$= \frac{[4/35 - 45/100]}{\sqrt{\frac{0.45 \times 0.55}{45}}}$$

$$= \frac{0.1143 - 0.45}{0.07416} = \frac{-0.3357}{0.07416}$$

$$= -4.5270 < -1.645 \text{ (0.05 level – one tail test)}$$

NH is rejected (Note: one tail test is used because we are only interested if it equals or more than the 45 percent indicated by the preliminary research).

The implication of this is that most entrepreneurs who ventures into this business were influence other than either relatives or friends being in local shoe manufacturing or in similar business (es) despite the aprior position indicated by the popular apprenticeship practice.

H₀₂: - That not less than 45% of the local manufacturers of shoes went into this business because they had worked before in or own business (es) or similar business (es).

Using the sample size of thirty-five (35) and eight positive responses.

$$\text{NH: } P > 0.45 \text{ and AH: } P < 0.45$$

$$Z = -2.9858 < -1.645 \text{ (0.05 level – one tail test)}$$

NH is rejected. The implication of this outcome is that most indigenous shoes manufacturers are not influenced to enter the business by other reason other than they had worked before in or own such business.

H₀₃: That not less than 45% of the local manufacturers of shoes went into the business because of high profit margin in the trade

Using the three positive responses

$$\text{NH: } P > 0.45 \text{ and AH: } P < 0.45$$

$$Z = -4.9122 < -1.645 \text{ (0.05 level-one tail test). NH is rejected.}$$

The implication of the outcome is that most indigenous shoe manufacturers are not influenced to enter the business for profit motive.

H₀₄: That not less than 45% of the local manufacturers of shoes went into the business because of their interest in the trade.

Using 20 positive responses

$$\text{NH: } P > 0.45 \text{ and AH: } P < 0.45$$

$$Z = 1.6374 > -1.6445 \text{ (0.05 level – one tail test)}$$

NH is accepted.

This result implies that most indigenous shoes manufacturers are influenced by interest in their decision to enter the business. But there might be a significant difference between

1.6374 and 1.645. This is shown wrong by the fact that checking with less rounding off, i.e. at more than the four places of decimal, it shows a nearer increase. To prove this, a percentage table is set below.

Table 1 Motivation for venturing into local shoe manufacturing

What motivated you to enter		Percentages
Local shoe manufacturing		
Relatives or friends in similar business	4	11.429
Employees or owner of similar business	8	22.857
High profit margin in the business	3	8.571
Interest solely	20	57.143
Total	35	100.000

From table 1 above, it is obvious that interest plays a great role in deciding to enter local manufacturing of shoes. When people do things with interest, there is the possibility of a favourable result. Therefore this outcome suggests that the degree of success outcomes will be associated with the outcomes relating to whether or not interest influences the local entrepreneur to shoe manufacturing.

(b) INTERACTION BETWEEN CONSUMER BEHAVIOUR TOWARDS LOCALLY MADE SHOES AND FACTORS AFFECTING PERFORMANCE {SUCCESS OUTCOME} nteraction between Consumer behaviour towards locally made shoes and factors affecting performance [success outcomes]!

To test any hypothesis that involves success implies defining a benchmark for measuring outcome and how it is used. All local entrepreneurs interviewed refused to give neither figures of annual turnover nor that of profits. Some do not even keep accounting records. In the absence of these objective alternatives, the research will assume the number of effective customers as an indicative measure of success outcomes. Out of a sample of 95 customers any of the 35 local entrepreneurs of shoes with a figure less than about the average 3 is described as having low success outcome and the reverse is the case if number of customers equals or more than three. The average 3 is assumed indicative by our preliminary research; proclivity towards 3 clearly evolves. In the survey, 26 local manuf88acturers were found to have poor success outcomes out of the thirty-five

sampled (74%). There was the need to identify the factors associated this common low success outcomes.

H₀₁:- That the general low success outcome is associated with the outcomes of whether or not interest is a criteria that propel individuals to ventures into local shoe manufacturing.

Table 2 INTEREST MOTIVATED FACTOR

Success outcome Interest ↓ →	High success outcome	Low success Outcome <3	Total
Entered because of interest	[4.57] 5	[15.43] 15	20
Not because of interest	[3.43] 3	[11.57] 12	15
Total	8	27	35

Note that all [E's] are in bracket while the [O'S] are not

NH: Degree of success outcomes and the number of interest motivated local entrepreneurs of shoe manufacturer are independent.

$$X_2 = \sum (O_1 - E_1)^2 \text{ and } E = \frac{\text{Total observations in class}}{\text{Total observation in sample}}$$

Total observation in sample

e.g. = $20/35 \times 8 = 4.57$; $26/35 \times 27 = 20.06$ = $X_2 = \sum (O_1 - E_1)^2 / E_1 = 0.1270$

X^2 (2-1)(2-1) d.f at 5 percent level from table is 3.841. Since $0.1270 < 3.841$ NH is accepted at 0.05 level. It appears therefore that success outcomes are not significantly affected by the number of initial interest motivated local entrepreneurs. That is why poor performance is common despite the high incidence of influenced entry.

H₀₂: The degree of success outcomes of local entrepreneurs tends to associate with the degree of formal education acquired.

NH: Degree of success outcomes and educational standard of the local entrepreneurs are independent

Table 3 Educational Qualification of local shoe manufacturers

Success outcome	High	Low	Total
Educational standard	?3	<3	
Primary school	3[6.43]	27 18.57	2.5
Post primary	6[2.57]	4 2.43	10
Total	9	26	35

$$X^2 = 8.6244$$

$$X^2 (2-1)(2-1) \text{ d.f at 1 percent level} = 6.635$$

Since $8.6244 > 6.635$, NH is rejected at 0.01 level. It appears therefore, that degree of success outcomes is significantly affected by the degree of education of the indigenous entrepreneurs. The implication is that the general low success outcomes in shoe manufacturing and retailing, in Benin City is associated with low degree of formal education. Note that the high X^2 [8.6244] is due to the focus on a single factor and indicates the high degree of influence.

H₀₃: - That the general low success performance outcomes are associated with a show of general lack of experience in shoe manufacturing.

Table 4 Experience of indigenous Manufacturers

Success outcomes ↓ Degree of experience	High ?3	Low <3	Total
Experienced	7[2.57]	3[7.43]	10
Inexperienced	2[6.43]	23[18.57]	25
	9	26	35

Note that all [Es] are in brackets while [Os] are not.

NH: Lack of experience of local shoe manufacturers and the degree of success performance outcomes are independent.

$$X^2 = 14.3863$$

X^2 (2-1) (2 – 1) d.f at 1 percent level = 6.635 since 14.3863 > 6.635 then NH is rejected at 0.01 level is significance. The implication of this result is that experience adequacy is a factor in shoe manufacturing success outcomes and since that industry in Benin City is experiencing a general lack of experience hands, success outcomes are also generally low.

Note that the high X^2 [14.3863] is due to the focus on a single factor and indicates the high degree of influence.

H₀₄: The adequacy of initial operational capital and the success performance outcomes are not independent.

Table 5 Adequacy of Capital.

Initial Capital ↓	Success outcome →	High ≥3	Low <3	Total
Those who had adequate capital		5 _[5.91]	18 _[17.09]	23
Those who had no adequate initial capital		4 _[3.09]	8 _[8.91]	12
Total		9	26	35

Note that all [Es] are in brackets while [Os] are not

NH: That adequacy of initial operational capital and success performance outcomes are independent.

$$X^2 = 0.5495$$

X^2 (2-1) (2-1) d.f at 5 percent level = 3.841 since 0.5495 < 3.841 NH is accepted. This implies that adequacy of initial operational capital is not a factor in determining success performance outcomes, contradicting H₀₄.

H₀₅: The inadequacy of promotion in local shoe manufacturing in Benin City is low

Table 6: Promotion Performance.

Promotion outcome	success → ↓	High ≥3	Low <3	Total
Positive Attributes Good	Excellent and	9[3.77]	3[8.23]	12
Negative Attributes Poor	not so Good and	2[7.23]	21[15.77]	23
Total		11	24	35

Note that all [Es] are in bracket while [Os] are not.

NH: Inadequacy of promotion in shoe manufacturing and low success outcomes tend to be independent.

$$X^2 = 16.0968$$

X^2 (2-1)(2-1) df at one percent = 6.635. Since 16.0968 > 6.635, NH is rejected at 0.01 level of significance. This implies that promotion affects success outcomes significantly. Note that the high X^2 [16.0968] is due to the focus on a single factor and indicates the high degree of influence.

(C) EFFECTS OF BANNING OF READY MADE FOREIGN SHOES

H₀₁: that the banning of foreign made shoe will reduce present supply substantially. The table below shows the result of the customers, sellers’ wholesalers’ interviews.

Table 7: Effect of banning ready made foreign Shoes

Types of respondents	Will the banning of foreign made shoes reduce present supply greatly	Frequency	Percentage
Customer	Yes	60	63
	No	35	37
100% sellers	Yes	20	57
	No	15	43

From these outcomes, it is clearly and scientifically obvious that banning of foreign shoes will reduce present supply substantially.

H₀: That the local readymade shoes are not developed adequately to meet even the demand previously been satisfied by imported ready-made shoes [not to consider the total real and potential demand.

Out of the customers sample of 95, 60 reported that local ready made production is not developed adequately to meet even the demand previously been satisfied by imported ready made shoes while seller's sample of 35; 20 reported positively. Is there any significant difference between these two proportions at the 0.05 level?

Using Z test for comparing two samples proportions

$$Z = \frac{X_1/n_1 - X_2/n_2}{\sqrt{P(1-P)(1/n_1 + 1/n_2)}}$$

H₀ :P₁ =P₂ Versus Ha: P₁> P₂

X₁= 60, n₁ =95, X₂ =20 and n₂ =35

X₁/n₁ =60/95=0.632; X₂/n₂ =20/35 =0.571

n₁ + n₂ =130

P =80/130 =0.625; α=0.01; Zα =Z.01= 2.33

Hence Z = $\frac{0.6320 - 0.571}{\sqrt{0.625 (.38) (1/95 + 1/35)}}$

$$= \frac{0.061}{\sqrt{0.2356 (1/95 + 1/35)}} = 0.6360$$

H₀ = P₁ =P₂ Versus P₁ > P₂ Reject H₀ for if Z > Zα /2.since 0.6360 < 2.33, the NH is accepted because there is no significant difference. The implication is that local ready-made production is not developed adequately to meet even the demand previously been satisfied by imported shoes [not to consider the total real and potential demand for foreign made shoes].

Note: all E_s are in brackets while 0_s are not

(d) CONSUMER BEHAVIOUR TOWARDS LOCALLY MADE SHOES

- H₀₁** That Nigerian buyer does not prefer imported ready made shoes to locally made one.
- H₀₂** That the quality of local ready-made shoes is not commensurate with the price.
- H₀₃** That reference group does not influence buyers purchase decisions towards locally manufactured shoes.
- H₀₄** That promotion does not change the buyers' perception towards local ready-made shoes

H₀₁: That Nigerian buyers do not prefer imported ready made shoes to locally made ones.

Table 8 Consumers' preference for local ready-made shoes.

Consumer Preference ↓	Success outcome →	High ? 3	Low <3	Total
	Positive Attributes Excellent and Good	3[5.14]	7 [4.86]	10
	Negative Attributes not so Good and Poor	15[12.86]	10 [12.14]	25
Total		18	17	35

Note that all [E_s] are in brackets while [O_s] are not.

$$X^2 = 2.5669$$

X² (2-1)(2-1) d.f at 1 percent level is 6.635. Since 2.5699 < 6.635, the NH is accepted at 0.01 level of significance. The implication is that there is a sense of patriotism towards Nigerian ready-made shoes by buyers.

- H₀₂** That the quality of local ready-made shoes is not commensurate with the price.

Table 9 Quality of ready-made shoes

	High	Low	Total
Price reflects the positive and quality attributes	6 (6.86)	10 (7.14)	16
Price does not reflects the positive and quality attributes	9 (8.14)	10 (10.86)	19
Total	15	20	35

Note that all [E_s] are in brackets while [O_s] are not.

$$X^2 = 0.3477$$

X^2 (2-1)(2-1) d.f at one percent level 6.635. Since 0.3477 is less than 6.635, NH is accepted at 0.01 level of significance. This implies that quality of Nigerian made shoes is not commensurate with the price tag. Thus the quality vis-à-vis the price affects the success outcomes significantly.

Ho₃ That reference group does not influence buyers purchase decision towards locally ready-made shoes.

Table 10 Reference Group does not influence Consumer.

	High	Low	Total
Reference group influence Consumers	16 [16.43]	7 [6.57]	13
Reverence group does not influence Consumers	9 [8.57]	3 [3.43]	12
Total	25	10	35

Note that all [E_s] are in brackets while [O_s] are not.

$$X^2 = 0.1150$$

X^2 (2-1)(2-1) d.f at one percent level is 6.635 we accept the NH. This implies that reference group does not affect success outcome significantly.

Ho₄ That promotion does not change the buyers perception towards local ready-made shoes.

Table 11 Promotion does not change consumers perception

	High	Low	Total
Promotion has positive impact on consumers perception	7 [7.14]	3 [2.86]	10
Promotion does not influence impact on consumers perception	18 [17.86]	7 [7.14]	25
Total	25	10	35

Note that all $[E_s]$ are in brackets while $[O_s]$ are not.

X^2 (2-1)(2-1) d.f at one percent level is 6.635. Since $0.00133 < 6.635$. H_0 is accepted at 0.01 level of significance. This implies that promotion does not affect success outcomes significantly.

IMPLICATIONS AND RECOMMENDATIONS.

From the study, it was identified that source of funds include family friends, personal savings, banks and the other lending institutions. From the research personal savings funding about 44% of the 35% local shoe firms sampled and family funded was next with 31%. Though initial capital outlay adequacy is not associated with the degree of success outcomes in local shoe production by our test, it is a fact that inadequacy of finance can stall entrance into this business. Therefore, we are recommending that the firm in this sector should avail themselves of lending institution, debt leverage should be judiciously used such that profit from it can cover the pay back and interest; and ensuring optimal expected returns to the investor. The ratio is about two-thirds owner capital supplied mix, which is critical for small business such as local shoe production in Benin City.

Statistical test also deduced that experience; educational level and promotion are significantly associated with the degree of success in local shoe production. Therefore, local shoe entrepreneur should be experienced and educated adequately to enable them initiate and perpetuate aggressive buying, aggressive marketing, aggressive growth strategies and also to aggressively remain competitive in the business. Aggressive marketing means an aggressive and creative promotion but several firms in Nigeria are only engaged only in advertising. Entrepreneurs in Benin City should do more on

promotional strategies in pricing, advertising, quality control. Data collected from customers indicate that shop display was hot favorite and advertising one percent. This distribution might be attributable to inadequate fund. Therefore, we recommend that if entrepreneurs of local shoe production in Benin City want to acquire an adequate flow of income such as most entrepreneur of local shoe production in Lagos, they have to spend more money on mass persuasion methods because shop display can only have effect if the customers are persuaded to visit the store. Considering the low income per capital of Nigeria which is less \$100, local entrepreneur should employ price reduction tactics as a promotional tool because demand inelasticity of shoes is less than true when changes of prices are along the negative part of the number line as shown by high increases in turn over rate during festival sales period. This will enable customers to be attracted and returns will still be adequate for two reasons: the profit margin will be high enough to manipulate as more customers are attracted.

About 50% and 42% and 8% indicated that prices of local shoes high low are moderate respectively. Though the result does not provide a clear path for decision, however, the fact that prices are high as shown by the sellers themselves accepted it by 62% rejecting by accepting low by 31% and moderate by 7% further buttresses the earlier inference. If the government should ban the importation of ready-made shoes there shall be demand and supply disequilibrium. The available ready-made local shoe production firms are not equipped to provide the needed supply. Where the existing and prospective local entrepreneurs of Shoes stores can scan their environment and avail themselves of this business opportunities they will generate more revenue only if they invest in the production of quality ready made shoes. The researchers emphasize quality because the test revealed that quality of the local Shoes is not commensurate with the price. Besides, reference group does influence purchase decision. This becomes imperative because quality is very important to Nigerians when considering that local ready made Shoes so that smugglers do not profiteer. The customers of local shoe manufacturers products see the entrepreneurs as one who has as his objective, production only for specific job order (mainly individual) and in specifications while they see the selling of imported ready made shoes as a business mainly for boutique retailers. This implies as already assumed in the research conception that boutique retailers involve in selling imported shoes will

have a competitive disadvantage in the retailing of ready made shoes, making their adverse effects on entrepreneurs of local Shoe. Insignificant notwithstanding the ban (if boutiques can efficiently and effectively stimulate and catalyze the production of local ready-made materials and effectively utilize them as well.

The boutique retailers of imported shoes can achieve their objective wholly or in partnership with local entrepreneurs in Shoe production. This downward vertical integration to sources of supply will increase profit margin and allow the reduction of price generally as a promotional strategy due to advantages of elimination of import duties and wholesalers importers profit margin, and the use of cheap materials and labour. Another advantage will be that accruing from the control of quality and style in line with local demand requirements and specifications and the possible removal of delay due to shipment, which carries local consumption of obsolete materials.

Another alternative that can enable these advantages to accrue will be a creation parallelism between boutique retailers and local manufacturers to engender increased quantity and quality of production in the correct specifications and at a time when needed.

This study is useful to entrepreneurs in Benin city and similar medium towns in Nigeria as well as provides case study for entrepreneurial and marketing courses. There is no doubt that local entrepreneurial drive into shoe production will foster economic development in terms of employment generation, income growth and redistribution, backward linkages of ready made shoe production and poverty reduction. Finally, it will raise the tax base of the relevant tax authorities.

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