

Marketing Challenges and Opportunities Confronting Small Scale Businesses in Nigeria – A Lesson for Young Entrepreneur

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Abstract

It is commonly believed by many people that an average Nigerian prefer imported to made-in-Nigeria goods. In view of this, attempt is made in this paper to uncover opportunities and challenges to marketing of home made goods in Nigeria. A survey of one hundred and seventy HND (part-time) Accountancy and Marketing students of Yaba College of Technology was used for investigation. Data was obtained by self-administered questionnaire and analysed using descriptive statistics. It was confirmed that most of the respondents buy foreign goods. However, occasionally locally made goods are purchased because of quality, price, government appeal, patriotic zeal, availability and absence of imported ones. Opportunities for marketing local goods include large population, improved economic infrastructure, deregulated policy, incentives to local producers, ban on import, availability of skilled manpower and natural resources, and government patronage of made-in-Nigeria goods. With the ongoing deregulation policy of federal government and privatization of public utilities, local businesses will have control on price of their products. Demand and supply will take over government price fixing and make the private sector businesses more rewarding to the players. In view of these developments, it is recommended that Nigerian entrepreneurs should study and exploit government incentives that affect their businesses and participate in government contract through competitive bidding, undergo marketing workshop to apply marketing techniques in their operations.

Keywords: Marketing, challenges, opportunities, small scale businesses, made-in-Nigeria goods.

INTRODUCTION

Micro, small and medium enterprises (MSMEs) commonly known as small businesses are generally regarded as the engine of growth in many countries. This is due to their employment generation, contributions to export earnings and Gross Domestic Product (GDP). SMEs in advanced countries are major contributors to private sector employment. Empirical studies revealed that small businesses contribute to over 55% of GDP and over 65% of total employment in high income countries, they account for more than 60% of GDP and over 70% of total employment in low income countries while they contribute about 70% of GDP and 95% of total employment in middle income countries (OECD, 2004). Table I presents some more country-specific statistics, which underlined this commonly reported importance of small businesses in many countries.

Table I: Importance of SMEs

Countries	Employment	Export Earnings	GDP
UK	53%	27%	52%
USA	52%	30%	50%
India	79%	38%	40%
Hong Kong	78%	37%	51%
Japan	70%	40%	68%
Nigeria	75%	3%	10%

Source: International Centre for Entrepreneurship and Career Development, India & National Bureau of Statistics – Nigeria

Small businesses tend to use medium-sophistication technology, which is approximately consistent with the factor endowment ratios in most developing countries (Asian Development Bank; 2004). United Nations Industrial Development Organization (UNIDO) shows that integration of developing countries into the global economy through economic liberalization, deregulation, and democratization enables SMEs to make significant contribution in the transition of agriculture-led economies to industrialised ones. It provides opportunities for performing business activities that generate sustainable source of revenue and enhance the development process. Small businesses help in absorbing productive resources at all levels of the economy by providing support services and goods to large firms. They serve as sub-contractors in the downsizing, privatisation and restructuring of large enterprises. Such linkages attract foreign investment since transnational corporations

require sound domestic suppliers for their supply chains.

Qimiao Fan of the World Bank (2003) described SMEs as a major source of technological innovation and new products. Their large number creates competitive market pressure and they are the only source of employment in poor regions and rural areas thereby reducing poverty in most developing countries.

Small businesses are the bedrock of many current large enterprises as they have their origin in SMEs.

OBJECTIVES OF THE PAPER

Upon these vital contributions of small businesses to every country, Nigerian entrepreneurs have not fared better due to many challenges confronting them from internal and external operating environment. In view of these, attempt is made in this paper to expose the challenges and opportunities facing Nigerian small business operators in their effort to market their locally made goods in Nigeria.

This is followed by recommendations.

REVIEW OF LITERATURE ON MARKETING CHALLENGES TO MARKETING OF LOCAL GOODS IN NIGERIA

The barriers to production and marketing of home made goods in Nigeria are multifarious.

Lack of knowledge in the Basic Sciences and Technology: Entrepreneurs contribute to economic development by increasing per capital output and income. They initiate and implement change in the structure of business and society, which result in growth, increased output and wealth creation by the various participants. Innovation develops new products or services for the market and stimulates investment interest in the new ventures being created. However, in spite of this, in Nigeria there is still a lack of understanding of the product-evolution process. This often fails to evolve into marketable innovation. The lack of expertise in this area – matching the technology with the appropriate market and making the needed adjustments – is a fundamental challenge of entrepreneurship in Nigeria (Duru, 2011).

Lack of Strong Patent Law: Entrepreneurs in Nigeria face competition from foreign producers. The local entrepreneurs are not protected, the situation is worsened by the near lack of faith in the Nigerian Patent Law that seems to offer them little protection against piracy (Duru, 2011).

High Cost of Doing Business in Nigeria: Dilapidated infrastructural facilities and corruption have made entrepreneurs to spend so much money to provide some basic infrastructure and bribe government officials. This hikes the costs of doing business in the country (Duru, 2011). Most small businesses are too weak to provide alternative power source, the epileptic electricity supply situation in Nigeria has drastically reduced capacity utilisation, caused damage/loss of equipments and ultimately total demise of many small businesses. Few that have continued to face this challenge incur high cost of production. Nigeria is known as a high cost origin and this explains why the country is not doing well in the export market – be it of goods or services (Okafor, 2008).

Inappropriate Incentive Structure: Policy instability creates an atmosphere of uncertainty. The incentive favours activities with relatively short transaction cycles and quick returns but discourages innovation and entrepreneurship (Duru, 2011).

Hence small businesses in Nigeria lag behind their counterparts in other countries in terms of productivity and in terms of contributions to aggregate economic growth.

There is predominance of ‘necessity’ entrepreneurs over ‘opportunity’ entrepreneurs. A necessity entrepreneur is that promoter who starts a business because he needs to ‘do something’ rather than stay idle, whereas an opportunity entrepreneur embarks on a business to take advantage of identified market opportunities. A necessity entrepreneur fails at the slightest threat while an opportunity entrepreneur is concerned with how to maintain or expand market share. This is responsible for poor small business performance in Nigeria.

Nigerian business value system has been distorted and corrupted. In a normal business cycle, there will be an initial gestation period, when no income accrues. This will be followed by the commencement of inflow, which may fall below outflow (or expenses) until the break-even point is reached. Then profit will start to grow on an incremental basis until the growing business matures. Many small business operators fail as they tend to run their businesses impatiently because there are other fast, alternative, means of ‘making money’. This corrupt value system and right attitude are major killers of small businesses in Nigeria.

Decay Infrastructures: Most physical infrastructures are in the position of decay. In Nigeria, roads, rail, water and air transport are unsafe and costly to move goods from producers to the market places (Ekeledo and Bewayo, 2009). Electricity is epileptic and in some cases sudden power fluctuation during production of goods in factories damage production machines and equipment (Akwani, 2007). Electricity usage in companies constitutes about 40% in the cost of production (Aluya, 2010). To overcome this challenge companies spend much investible money on installation, maintenance and use of own electric plants. MAN complained that its members 72.6 billion naira to buy diesel to power their generating sets and this constituted more than 40% of local production cost while they still paid N250 million to PHCN for electricity they did not enjoy (Arowolo, 2012).

Dismal state of infrastructure, with particular reference to power supply, transportation and workspace stunt the productivity and growth of many firms. The available power supply is too low, and its transmission and

distribution dismal. Table II brings Nigeria in sharp contrast with other countries.

Table II: Comparative Analysis of Consumption of Electricity in Selected Countries

Country	Population	Power Generation	Per Capita Consumption
United States	250.00 Million	813,000MW	3.20KW
Cuba	10.54 Million	4,000MW	0.38KW
United Kingdom	57.50 Million	76,000MW	1.33KW
Ukraine	49.00 Million	54,000MW	1.33KW
Iraq	23.60 Million	10,000MW	0.42KW
South Korea	47.00 Million	52,000MW	1.09KW
South Africa	44.30 Million	45,000MW	1.015KW
Libya	5.50 Million	4,600MW	1.015KW
Egypt	67.90 Million	18,000MW	0.265KW
Nigeria	140.00 Million	4,000MW	0.03KW

Source: E..E. Okafor (2008)

According to a Manufacturers Association of Nigeria (2005) survey report, the generation of power by its members was responsible for 36 per cent of production cost. As a result of this, 10 per cent of its members was operating at 48.8 per cent, 60 per cent at varying stages of coma while 30 per cent had completely closed down. Apart road, alternative means of transportation such as rail and air are either apparently non-existent or too expensive to small businesses.

There is lack of dedicated industrial parks. Virtually every small business promoter has to secure its location at high costs from shylock landlords, who suddenly increase rent.

Clear public support for small businesses to thrive is absent. Small business community does not benefit from the little Research and Development (R&D) efforts of government business incubator/agencies. Therefore, the global acclaim that small businesses are innovative and are constantly adopting modern technology has not materialised to any reasonable extent in Nigeria.

There is lack of special government patronage of small business products as a deliberate market support. In Canada, 43 per cent of government purchases and 66 per cent of government contracts are made to the small business sector (Public Works and Government Services, Canada 2008).

Multiple-taxation is used by government at different levels to bring small businesses under a heavy taxation. In Doing Business in Nigeria (2010), the World Bank Group says an entrepreneur in Nigeria makes 35 tax payments, spending an average of 938 hours per year to prepare them. Similar statistics for OECD and Sub-Saharan Africa are 12.8 payments, 194.1 hours; and 37.7 payments, 306 hours respectively.

Information and communication technologies (ICTs) infrastructures are poor as network failure disrupts business activities of internet- dependent firms.

Government failure to implement anti-smuggling campaign policies. There is observable ineptitude of government in preventing smugglers from carrying out their illegal businesses. All banned goods are still found in the market without much intervention from law enforcement agencies. Thus the national trade policy regime does not to protect Nigerian small businesses from unfair dumping of sub-standard imported products. The policy of liberalised trade is exploited to smuggle unwanted goods to the country.

Government support for trade liberalization encourages importation of foreign goods that compete with local counterpart. Therefore, local products suffer from low patronage due to their high prices and reduced purchasing power of consumers (Akomoledede and Oladele, 2008). Furthermore, government economic policies change too frequently and make viable and legal business illegal overnight (Omobowale, 2010). In spite of government placement of embargo on some imports such as textile, fruit juices and other consumers, they are still very much available in the market courtesy of smuggling. This implies ineffective policy implementation by the executive arm of government.

Financial Constraint: Nigeria is ranked 87 out of 183 countries in terms of business credit access (see Doing Business 2010 Report). This shows credit constraints for small businesses, which are naturally discriminated against and the impact of specialised development finance institutions such as the Bank of Industry (BOI) is yet to be felt.

Poor market-orientation: Many producers think that Nigerian consumers will accept and purchase any product because they have no choice. Thus, they underestimate power of consumers (Ogunnaike, 2010).

Psychological reason: Some consumers purchase uncommon product to show prestige. Thus, they feel imported goods look distinct and boost their image unlike local ones that other people are using.

Truly speaking, level of technology/automation is very low as most production activities are performed manually

and the resultant human errors shown in clearly visible poor products finishing (Omobowale 2010). Hence, many Nigerians perceive locally made goods as inferior or fake and expensive hence their patronage for it is very low (Omobowale, 2010). Ewah and Ekeng (2009) also remark that most Nigerian firms lack the sophisticated machines and equipment to make quality goods that match with the imported ones hence consumers go for the latter with better quality.

Inherited mentality from colonial master: Before and some years after Nigeria regained her independence from the British, locally made goods were relatively absent and most products in the country were imported. Many Nigerians imbibed this legacy to the extent that they have been enslaved into imported goods consumption. The habit of these consumers is difficult to change unless the government totally block imported goods and ensure they are not displayed in Nigerian market (Ogunnaike, 2010).

High prices of local goods: Shobowale (1997) states that although quality of imported textiles is higher than local goods, they are still much cheaper.

Cox and Monroe (2001) assert that many companies wrongly and unilaterally price their products by not considering many determining factors from the viewpoints of consumers. However, this justified the high prices on the premises that costs of production are high in Nigeria, high taxation on producers by government, inefficient distribution system all contribute to higher prices of local goods relative to their foreign counterparts.

So much costs is incurred in production and marketing due to unavailable or poor state of economic infrastructures such as electricity, road, water and high salaries to employees. A lot of the infrastructures are provided by the producers due to failure of the public utilities (Ewah and Ekeng, 2009).

Daily Trust (2010) revealed that federal government agencies hijack price setting from producers by forcing prices on them thus discouraging them and making their businesses unprofitable. Furthermore, exchange rates are more in favour of foreign currency as multiple naira exchanges for little foreign money. This results inflated prices of imported materials, machines, equipment and spare parts used for local production (Omobowale, 2010).

Product availability: Foreign products are more dominant and easily visible than home-made goods; this implies that distribution of the latter is very ineffective. Nigerian products are unavailable in some cases because unfriendly business climate particularly government policies have forced their producers to shut down their factories or relocate to neighbouring countries (Oladele and Arogundade, 2011).

In the presence of perennial problems of under capacity utilization of production machines and irregular power supply (Asaolu, Oladoyin and Oladele, 2005), local production is discouraged. They result in fluctuating product supply and prices, low quality output, product shortages, low corporate reputation and general marketing failure.

Globalization of markets and production: This poses threats to small enterprises by foreign firms exporting their products to African countries to compete with local goods. These inexpensive foreign goods discourage demand for local goods (Ekeledo and Bewayo, 2009).

Poor infrastructure: Other problems of marketing local in Nigeria, according to Ewah and Ekeng (2009), include low marketing education, poverty and unethical marketing practices of the producers among others. It was stated that many Nigerian are poor and hence they lack strong purchasing power to buy expensive goods. More than 70% of Nigerians are living on less than \$1.00 or N150 per day. On low marketing education, many producers lack customer focus judged by the quality of products, price and their relationship with customers. Sharp practices to get rich quick at the expense of customer satisfaction do not encourage patronage of local good producers

REVIEW OF LITERATURE ON SMALL SCALE BUSINESS MARKETING OPPORTUNITIES IN NIGERIA

Ewah and Ekeng (2009) foresee opportunities for small firms in Nigeria from population and government perspectives. As the most populous nation in Africa, Nigeria is a very large market consisting of over 150 million people needing basic and non-basic goods and service. Thus there is a big opportunities for inventors, inventors sand producers of different products. There is increasing attractive government support and incentives to made in Nigeria products through policies and actions. Furthermore, government through privatization and commercialization, liberalisation and deregulation has freed many sectors for private operators. Some foreign products have been banned from importation to boost local products demand.

Increasing affluence is becoming common among some consumers. Some consumers in middle and high income classes have emerged to purchase basic and luxury products. With increase in salaries/benefits to staff, demand for sophisticated products has improved.

Abundance of human and material resources for production: Many unemployed but employable graduates from all levels of education are readily available for business enterprises to engage. Blessed with good climate and vegetation, mineral resources and others, Nigerian producers have vast quantity of inputs for making quality products.

Democratic government in Nigeria has increased competition among states to develop their domains economically. This is culminating in formulation of investment friendly climate to encourage entrepreneurship and economic activities.

Federal Ministry of Information recently launched a public campaign through mass media to promote made-in-Nigeria goods to implement President Jonathan's commitment to encourage demand for local goods. Minister of Information, Labaran Maku made this known in Abuja at the exhibition of local goods organized by the ministry in partnership with some Small and Medium Enterprises (SMEs). He condemned the rich for patronizing foreign goods. According to the minister, the president has instructed all ministries that any contribution contract below five billion naira should be given to Nigerian firms.

President Goodluck Jonathan, after his swearing-in in 2011 urged Nigerians to develop habit of purchasing locally made goods to increase capacity utilization of the real sector. He further stated that by so doing, employment will be generated, the country will be monetized, value of Nigeria will appreciate against foreign currency and his government will create an enabling environment to positively transform Nigerian businesses.

Minister of Industry, Trade and Investment reiterated support of federal government to local producers by directing its officials to buy made-in-Nigeria goods and thereby increasing capacity utilisation of the producers. In addition, he said that the ministry is liaising with Manufacturers' Association of Nigeria (MAN) to identify list of local goods the government should procure and achieve local content policy objectives. The minister revealed that his ministry has put in place Nigerian Industrial Revolution plan and Local Patronage Initiative (Azeez, 2013).

He urged Nigerian producers to label their products with "made in Nigeria" before supplying them into the market place and assures them of government commitment to boosting demand for Nigerian products and support youth entrepreneurial development.

In the President 2012 budget speech, it was stated among other items that government has formulated a policy to facilitate access to credit by agriculturists through sharing of risk with the banking sector by guaranteeing 70% of the principal loans made for the supply of seeds and fertilizers, subsidizing interest rate on agricultural loans to reduce it from 7% to 5%; placing zero import duty on agricultural machinery and for all equipment for high quality cassava flour and composite flour blending and 12% tax incentive was approved for bakeries that fully comply to replacing wheat flour with high quality cassava flour. To encourage demand for local goods, federal government directives included imposition of 65% levy on wheat (Robinson, 2012). Wheat grain levy moved from 5% to 20%, brown rice from 5% to 30%, imported polished rice from 10% to 40% and so on. President directed all federal ministries, departments and agencies to purchase made-in Nigeria products while implementing the 2012 budget. This is to fight unemployment, revamp the economy, boost capacity utilization of local manufacturers and wealth creation.

To demonstrate government commitment, the president has made a policy that only Nigerian foods should be served in the Presidential Villa in addition to promotion of consumption of cassava bread. Head of Service of the Federation has also directed staff to wear only Nigeria fabrics to offices on Fridays and that prizes would be given on last Friday of every month to staff that consistently do so.

The trade and investment minister affirmed federal government commitment to increase and stabilize power supply for SMEs to grow. He urged Nigerian SMEs operators to improve quality of their goods as the basis of enjoying patronage. Obi (2013) remarks that Information Ministry embarks on Nigerian made products promotion to enhance.

METHODOLOGY

SAMPLE: To achieve the stated objectives, a sample of 170 respondents was taken among HND part time Business Administration, Marketing and Accountancy students of Yaba College of Technology, Yaba, Lagos, Nigeria. These are matured consumers having control on what they need and type of goods to buy with little or no strong influence from any superior authorities.

CODING: To allow quantitative analysis codes were employed. These are female (1) and male (2), age less than 20 years (1), 20-30 years (2), 30-39 years (3) and 40- 49 years (4). For marital status, single was represented by 1, married by 2, others including divorced and widowed by 3. Purchase of locally made goods has 1 and imported goods is 2. Other components of the questionnaire are presented in 6-point Likert scale questionnaire consisting of strongly agree (6 points), agree (5 points), fairly agree (4 points), fairly disagree (3 points), disagree (2 points) and strongly disagree (1point).

INSTRUMENTATION: Data was obtained through administration of self-administered questionnaire among the respondents.

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Gender	170	1	2	1.41	.494
Age	170	1	4	2.48	.546
Marital status	170	1	3	1.31	.477
Type of product purchased regularly	170	1	2	1.33	.471
I buy local goods because of their good quality	169	1	6	4.57	1.276
I buy local goods because of reasonable prices of the goods	170	1	6	4.76	1.163
I buy local goods because of government appeal to Nigerians	170	1	6	3.18	1.714
I buy local goods to be patriotic as a good Nigerian	170	1	6	4.19	1.628
I buy local goods because they are readily available as at when needed	170	1	6	4.54	1.419
I buy local goods when imported goods are not available in the market place	170	1	6	3.21	1.668
Large population of potential consumers in Nigeria	170	1	6	4.86	1.329
Government provision of economic infrastructures such as regular electricity, roads and others	170	1	6	3.68	1.942
Government permission of producers to determine prices of their goods	170	1	6	3.98	1.542
Government provision of incentives to producers to import needed materials, machines and parts at lower prices	170	1	6	3.92	1.718
Favourable policy from government to promote production and purchase of locally made goods	170	1	6	4.59	1.486
Government placement of total ban on imported goods that Nigerian firms can equally or better produce	170	1	66	4.25	5.049
Government provision of security in crisis areas to allow free movement of goods across Nigeria	170	1	6	3.73	1.716
Availability of skilled manpower to produce useful goods	170	1	6	4.81	1.240
Availability of natural resources as a good source of materials for production	170	1	6	4.82	1.400
Government agencies, ministries and parastatals purchasing locally made goods	168	1	6	3.78	1.900
Valid N (listwise)	167				

Reliability Statistics

Cronbach's Alpha	N of Items
.647	20

ANALYSIS

Responses were analysed by descriptive statistics including minimum, maximum, mean and standard deviation. The simple statistic is employed to match the level of understanding of the major beneficiaries, whose educational background and knowledge of statistics have are not yet advanced to more complex level. Cronbach's alpha test of reliability was 0.647 which is approximately 0.7. All computation was done with the aid of SPSS version 17.0.

RESULT

Demographic distribution of respondents shows that most of them were married (mean = 1.31) and male (mean 1.41) and their average age was within 20 -30 years (mean 2.48).

In terms of the main research issues, the respondents generally agreed that they purchase imported goods regularly (mean = 1.33). However, they also buy local goods because of; satisfactory quality, (mean = 4.57), reasonable prices (mean = 4.76), availability in the market place (mean = 4.54), patriotic zeal (mean = 4.19), to some extent as a result of government appeal to Nigerians to consumer made-in-Nigeria products (mean = 3.18) and because imported goods are rare in the market (mean = 3.21).

Opportunity for marketing locally made goods includes large population of Nigerian (mean 4.86), government provision of physical infrastructures (mean = 3.68), allowing market forces to determine price (mean = 3.98), government support for local producers through incentives (mean = 3.98), government promotion of homemade goods (mean = 4.59), placement of embargo on imported goods having local equivalent (mean = 4.25), government patronage of domestic goods (mean = 3.78) and provision of security (mean = 3.73) encourage production and consumption of made-in-Nigeria products.

Furthermore, Nigeria is blessed with skilled manpower (mean = 4.81) and natural resources (mean = 4.82) required for increasing production of quality goods.

DISCUSSION

From the data analysis, it was discovered that most of the respondents purchase imported goods. However, local goods are sometimes purchased due to attractive quality, prices, patriotism, government appeal, availability and absence of imported equivalent. These findings confirm the result of past researches cited in the literature review that an average Nigerian most often prefer imported to home-made goods.

The implication of these findings is that Nigerians do not value their own products but rather prefer foreign goods. They fail to support local producers through patronage and suggestion for improvement in their product quality. All these are traceable to the fact that imported goods are available in Nigerian market else they will be forced to do with home-made goods.

Some much damage is done to the economy as a result of import-syndrome. Many producers have closed down their factories and turned to traders in consumer goods due to low demand for the products. By so doing they disengage their employees thereby aggravating unemployment situation and its associated social vices. The income level is low and poverty is increasing just because of joblessness. Creativity and entrepreneurship are stifled among young Nigerians aiming to become producers for fear of lack of patronage. Thus, most people are orientated into wage employment rather than self-employment.

Nevertheless there are plenty of opportunities for Nigerians going into self-employment particularly production. These include large population of Nigerians consisting of 150 million people as target market for product; government recent spending on improvement of infrastructures such as electricity, road and rail; government provision of tax and non-tax incentives; government provision of security; promotion and patronage of made-in-Nigeria products. In addition, many tertiary institutions and government agencies are training students and unemployed Nigerian youths in entrepreneurial skill to empower them thereby increasing the number of skilled manpower. There are abundant natural resources for local producers to use as product inputs. This opportunity can be exploited by using local materials instead of imported ones as input to reduce costs of production.

CONCLUSION AND RECOMMENDATION

The result of this paper replicates findings of Ladipo, Bakare and Olufayo (2012), Oladele and Arogundade (2011) and (Ogunnaike, 2010) that Nigerians prefer foreign textiles to made-in Nigeria goods based on their quality, durability, texture and washability, colour, price, past experience and product package. Thus small scale manufacturers producing for local consumption in Nigeria face serious challenges that threaten successful marketing of their output. However, many opportunities unlike in the past are presently being created by the government for local businesses to survive and grow. In view of this, it is recommended that local business operators should improve on quality of their goods by carefully inspecting and correcting defectiveness in products they push to Nigerian market.

If government investment in physical infrastructures such as electricity, road, rail and others start functioning properly, most of private business investments in these facilities will fall and so also their costs of production. In turn, the product prices will decline and become competitive with the foreign counterparts.

In addition to the large population, the current government patronage of local products and appeal to Nigerians to do the same will boost demand at the expense of import.

With the ongoing deregulation policy of federal government and privatization of public utilities, local businesses will have control on price of their products. Demand and supply will take over government price fixing and make the private sector businesses more rewarding to the players.

Many incentives are made available for small scale businesses. Nigerian entrepreneurs should assess and exploit these incentives. This requires meeting government agencies and officials assigned to implement this policy to understand how to benefit from it.

Local producers should partake in competitive bidding for government contracts. One major problem of Nigerian contractors is poor quality job they do. To solve this, local contractors that win government contract should

perform well to boost government confidence in them and increase their patronage.

Availability of local goods in the market should be improved. This implies that entrepreneurs require marketing education and orientation to understand how to identify needs and consumers, method of promotion and distribution. This will make the products visible and more appealing to consumers than imported ones.

LIMITATION TO THE PAPER

The paper does not use any specific local product as the basis for determining how well it is patronized by Nigerians. Future researchers should establish and state to the target respondents a named local good such as textile product for them to show their level usage at the expense of the imported version.

Different types of respondents should be involved to identify true opinions of Nigerians to home made goods rather than using only students. This implies that workers, students of different institutions, unemployed, young, old, single and married people should form the target population from which sample is drawn.

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