

ASSESSING CONSUMERS' AWARENESS OF PHARMACEUTICAL PRODUCTS LABELING, IN NORTH-EASTERN NIGERIA

¹Lawan A. Lawan

Department of Marketing, Ramat Polytechnic, Maiduguri.
lawanamdan@gmail.com

²Ali Baba Musami

Department of Marketing, Ramat Polytechnic, Maiduguri.

Abstract

Recent concerns with drugs safety have resulted in increased demand for regulatory pressures directed at the labeling of drugs and other related products in order to facilitate consumer choice. Most especially now that there are many important dietary related public health problems and diseases such as obesity high blood pressure, cancers, diabetes osteoporosis and cardiovascular diseases etc, for which consumers need to understand the interactions among various drugs and their related implications. Therefore, this paper examines the effectiveness of label information in influencing consumers' purchase decisions. The study adopted analytical cross-sectional design. Judgmental/purposive sampling technique was used to select three (3) pharmaceutical stores based on their organization, location and turnover in the three North Eastern cities (Maiduguri, Gombe, and Bauchi), from which a total of 120 respondents were randomly selected and interviewed. Chi-square test and correlation were used to assess statistical significance between the demographic characteristics of respondents and awareness and use of products' labeling information in buying decision making. The result indicates that pharmaceutical products' label greatly influences buying decision. It is recommended among others, that government, drug manufacturers and other stakeholders should put in place a strong awareness campaign on the importance of labels and the need for labels to be clear, direct and simple for easy understanding of its users. On the whole, the study linked attitude with the behaviour of studying drugs label before or during purchase, and provided insight as to what consumers are interested in regarding drugs label and for what purpose, thereby demanding more information on the products they consume.

Keywords: Labeling, Pharmaceutical Products, Consumers consciousness

1.0 Introduction

Pharmaceutical products' labels assist consumers with information to better understand the composition, administration, manufacturing, important dates, brand etc. Labels help consumers to compare between brands and make healthy drugs

choices. In addition, labels are particularly useful for people who are on special diets (e.g. people suffering from diabetes or high blood lipid) to select suitable drugs for their health conditions. The labels also act as a signaling mechanism by which drugs companies assure their potential consumers regarding their sound quality control practices. The parts of the label read most frequently were the brand, dates, and dosage; they use attributes such as serving size, composition list, percentage daily values, health and benefit claims, price, and brands when making their drugs purchasing decisions (McLean, 2001; Whitney & Rolfes, 2005). As consumers are becoming increasingly aware of the relationship between diet and disease; their demand for information increases (Kim, Nayga & Capps, 2001).

Globalization, which has its impact on consumers and their countries all over the world, required necessary actions from countries to prove that their manufactured products including food and drugs are able to compete in the open market. Labeling encourages the manufacturers to improve the profile of their products. Recent concerns with drugs safety have resulted in increased demand for regulatory pressures directed at labeling. For instance, the belated recognition by regulators and industry that food/drugs allergy is a major safety issue and can be life threatening; has led to the need for label warnings about the presence of major food/drugs allergies (Blanchfield, 2000). The trend towards health and wellness has also led to consumer demand for more detailed and accurate labeling.

Consequently, nation states across the globe have come up with legal regulations which require mandatory labeling of drugs and other food related products, as the introduction of mandatory labeling could save many lives (Hawkes, 2004). Most of the pharmaceutical products imported and locally packaged or manufactured; are provided with health and related benefits information by way of labels. Most especially now that there are many important dietary related public health problems and diseases such as obesity high blood pressure, cancers, diabetes, osteoporosis and cardiovascular diseases etc, for which consumers need to understand the interactions among various drugs and their related implications. Seeing that labeling statements help reflect new information about attributes that allow consumers to make different choices when buying drugs, this study aims to examine the effectiveness of label information in influencing consumers' purchase decisions.

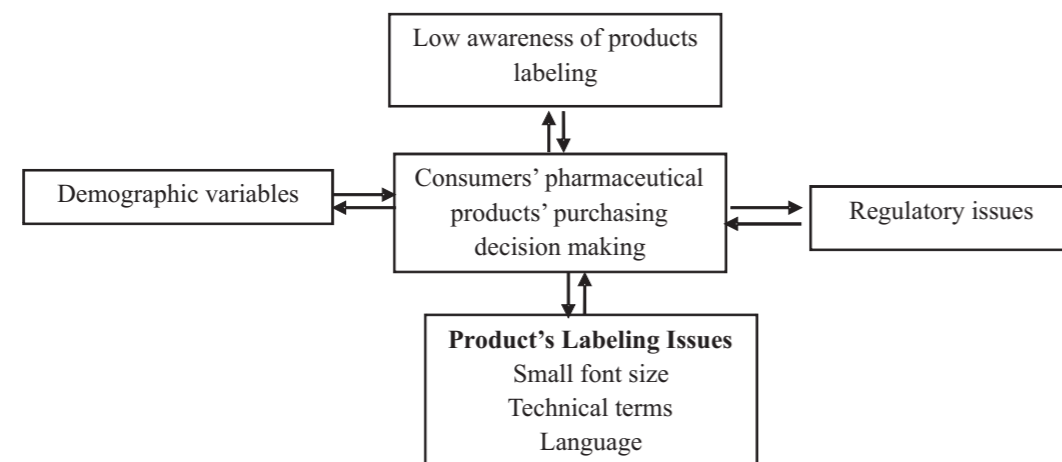
1.1. Conceptual framework

With the improvement in living standards, consumers have become increasingly concerned about their health and general well-being as herbal and conventional pharmaceutical products continue to compete. To make pharmaceutical products unique and distinctive, firms spend more money and time on packaging/labeling more than advertisement because they are mostly the utmost

distinguished marketing element (Dickson, 1994). Marketers, as well as manufacturers of pharmaceutical products, spend considerable time and a substantial amount of money on labeling in a manner that will attract consumer attention and enhance the product consumption. They believe that one aspect of drugs and other pharmaceutical products that can have great influence on consumers' purchase decision is labeling information. Thus, this study conceptualizes that labeling inter-relate with certain other factors in influencing consumers during pharmaceutical products' purchasing decision making.

These factors range from low awareness of drugs labeling to the use of technical terms on the labels. Others include a low level of education, product attributes such as price and taste, drugs labeling format, language used, as well as the use of complicated pictures. This conceptualization is depicted in the framework below.

Figure 1: Conceptual framework of labeling related factors affecting consumers' drugs purchasing decision making.



Source: Adapted from Gwantwa, S. (2012)

This framework is adapted from Gwantwa (2012) who conducted empirical research on a similar topic. Other empirical studies corroborated and found some of these factors to have great influence on consumers' purchasing decision of pharmaceutical products as reviewed below.

2.0 Literature Review

A Label has now become a popular policy tool, it is one of the most important features of product packaging designed to communicate a message (Heroux, Laroche, & McGown, 1988). Consumer behaviour is complex, very often difficult to

understand and they differ across borders and also between and within regions, (DG SANCO, 2005). Consumers behaviour in response to reading food labels depends upon the reference points from which they came and the values that they bring to food purchasing (Hu, Adamowicz, & Veeman, 2006). The decision to purchase a pharmaceutical product is often influenced by a number of factors, for instance, Prathiraja and Ariyawardana (2003) observed that labeling information does affect consumers' purchasing behaviour significantly. Caswell and Padberg (1999) added that consumers' ability to choose among different pharmaceutical products depends partly on the quantity as well as the quality of information provided through labeling. Furthermore, Osei, Lawer, and Aidoo (2012) pointed out that labeling and/or packaging facilitate consumers choice amidst a wide range of similar products and stimulates customers buying behaviour. Packaging was found to act as a tool for differentiation among consumers (Underwood, Klein, & Burke, 2001; Silayoi & Speece, 2004). Thus, the role of drugs label or package in marketing communications can never be over emphasized. It could, in fact, be treated as one of the most important factors influencing consumer's purchasing decision.

Rita (2009) found that impact of package elements on consumers purchasing decisions can be stronger. She added that a package could be treated as one of the most valuable tool in today's marketing communications, necessitating more detailed analysis of its elements. The impact of the package and its elements on consumer's purchase decision can be revealed by analyzing the importance of its separate elements for consumer's choice. The pre-purchase search of drugs composition information could be measured in terms of label use (Nayga, 2003).

Although consumer's preference and decision to purchase could have some appreciable amount of link to the labels and therefore suggest having an impact on the choice behaviour, their purchasing behaviour do not always reflect their stated preferences (Henneberry & Armbruster, 2003). Although price can be a major determinant of purchase especially among low-income earners (Kasapila & Shawa, 2001), it was clear that information provided through labeling such as drugs composition, side effects, important dates was one of the major factors that affects the decision to purchase the brands of drugs they buy.

Therefore, it can be confidently argued that these instances of sale of uncertified, fake and substandard pharmaceutical products and their frequency of occurrence can be considerably alleviated if the needed attention is paid to the label information by consumers, if the regulatory bodies had enforced their constitutionally mandated responsibilities, and had all the manufacturing companies complied with the act of Standards organization of Nigeria (SON) and National Agency for Food and Drugs Administration and Control (NAFDAC) as stated above. In the event that manufacturing firms and regulatory bodies are unable to adequately carry out their

mandate, it is incumbent on consumers to critically examine the products before purchase. An important means of assessing pharmaceutical product is through the labels. Against the backdrop of an alleged frequent sale of expired and uncertified drugs and related products, it can be asserted that consumers either do not refer to drugs labels when buying or they do not understand what the information contained in drugs labels mean. This, according to Osei, Lawer, and Aidoo (2012) might either be due to an attitude of indifference, ignorance, or lack of awareness. An important issue worth addressing is whether consumers refer to pharmaceutical products labels for product information before and during purchase and whether consumers really understand what this information mean. Also, even if they do refer to drugs label information; little is known about the extent to which consumers' pharmaceutical products purchasing decision is affected by label information. Knowing whether or not consumers understand label information, the type of information consumers look out for and whether consumers' choice of pharmaceutical products is affected by label information will help manufacturers make informed decisions in this regard. Improvement on the part of these manufacturing firms, in turn, will help consumers make a well-informed choice, reduce the risk of buying fake, counterfeit or substandard pharmaceutical products.

Consumers have become increasingly concerned about their health and general well-being as herbal and conventional pharmaceutical products continue to compete. To make pharmaceutical products unique and distinctive, firms spend more money and time on packaging/labeling than advertisement because they are mostly the utmost distinguished marketing element (Dickson, 1994). Marketers, as well as manufacturers of pharmaceutical products, spend considerable time and a substantial amount of money on labeling in a manner that will attract consumer attention and enhance the product consumption.

The act of labeling has developed far beyond its initial purpose of product protection. At present, there are many reasons why pharmaceutical products are packaged/labeled, some of which include the regulatory requirement, value addition, improving visual appeal, and convenience. In Nigeria for instance, The National Agency for Food and Drugs Administration and Control (NAFDAC) regulates food and pharmaceutical products manufacturing, importation, exportation, advertisement, and distribution as well as labeling information. One aspect of drugs and other pharmaceutical products that are believed to have great influence on consumers' purchase decision is labeling information. Thus, this study conceptualizes that certain factors inter-relate in influencing consumers during pharmaceutical products' purchasing decision making. These factors range from low awareness of drugs labeling to the use of technical terms on the labels. Others include low health consciousness, low level of education, product attributes such as price and taste, drugs labeling format, language used, as well as the use of complicated pictures.

Quite a few studies were found to have been conducted on the use of pharmaceutical products labeling in purchase decision making. One of such studies observed that consumers have different motivations in searching for or using information on drug labels according to the perceived risk they associate with the use of a particular product (Sunelle et al, 2010). The study further documented that large proportion of consumers read drugs labels but they do not necessarily have an understanding of how to maximize the benefits of reading labels. Data for the study were collected in supermarkets in South Africa, which were chosen as the appropriate site for data collection since the consumers who buy from such places tend to consult drugs labels during purchase. Although the study provided useful information for pharmaceutical products regulators and manufacturers, caution must be exercised in generalizing its findings due to the nature and size of the sample studied.

A qualitative consumer research by Borra (2006) conducted in Baltimore and Chicago aimed at assessing consumer's attitudes and understanding of composition information on drugs revealed that health conscious consumers read labels particularly composition information as a strategy to help improve their health. Donna, Rhoda, and Anna (2001) conducted a qualitative consumer research on food and drugs labeling issues in Australia and New Zealand. The objective of the study was to explore consumers' awareness, knowledge, and understanding of labels and behaviours towards food and drugs labeling. The study revealed that generally consumers use information available on labels in determining product choice. The study further showed that level of education of an individual to a large extent contributes to information search and use during the purchase of drugs and pre-packaged foods. In a similar study in Sri Lanka, Prathiraja (2003) assessed the impact of pharmaceutical products labeling on consumer buying behaviour. The results showed that labeling information; particularly composition and important dates are regularly assessed when making a purchasing decision.

In a similar study, Mahgoub, Lesoli, and Gobotswang (2007) observed that majority of consumers in Lesotho claimed to use labeling particularly composition and dates information in their choices of specific foods and drugs. In this study, 40.5% of consumers claimed to use nutrition and dates information as the main motivator to purchase food or drugs. Although these studies revealed that several consumers find drugs labeling information useful, particularly in making purchase decisions, others reported that drugs labels are too complicated and not easily understood.

For instance, Consumers in Australia and New Zealand reported a sense of great misunderstanding, confusion, and lack of confidence when it comes to interpretation and use of product label information possibly due to inadequate knowledge (Donna et al, 2001). A similar study on awareness of drugs labeling among consumers in UAE showed that most of them are ignorant of the terms used in describing drugs

composition and called for the use of more common terms and format in drugs label (Washi, 2012). These studies showed that while some consumers use drugs label information in buying decisions, others find difficulties in understanding them; although useful to literature in this field, their generalizability is somewhat questionable due to sample sizes.

The question of what information should be provided to consumers by way of labeling has been examined by early scholars. For instance, Hussar (1975) showed the need for patients to be informed of the purpose of the medication, proper times and methods of administration, and special precautions to be observed while taking medications. Similarly, in a study of consumers' information needs, Joubert and Lasagna (1975) found that consumers are more interested in drugs brand name, purpose, adverse effects and cautions in normal use. It must be observed, however, that these may not appeal to all consumers. Drugs label information requirement may be determined by the nature of drugs and buyers' level of education. Furthermore, Gellynck, Verbeke, and Vermeire (2006) showed that responsiveness of consumers to information about drugs traceability is significantly associated with education. Consumers' product inferences can vary with the amount of detail or preciseness of (label) information; thus, what matters most is the presentation of the right information, in the right format, at the right level of detail. Mori (2010) also added that the label information consumers consider during purchase and extent of information required is often driven by specific needs or underlying health conditions. Base on the literature presented above, the following hypotheses are formulated for this study:

- HO₁:** There is no significant relationship between consumers' awareness and pharmaceutical product labeling
Ho₂: Pharmaceutical products' label does not significantly affect consumers buying decision.
HO₃: There is no significant relationship between consumers' perception and Pharmaceutical product labels

3.0 Methodology

The study adopted analytical cross-sectional design method. Data were collected in three North Eastern cities (Maiduguri, Bauchi, and Gombe) by the researcher, assisted by two trained research assistants. Three pharmaceutical stores; one from each of the states were purposively selected base on their organization, turn over and location. The data collection last for 15 days (September 23th to October 8th, 2016). A total of 120 respondents were randomly selected and interviewed during this period, between 10:30 am and 11:45 am daily for the first eight days and between 4:30 pm and 5:45 pm daily for the last seven days. The timing for data collection was deliberately designed to target the peak periods of sales activity and working and

non-working-class customers patronizing the stores. The major problem encountered during data collection had to do with getting respondents to patiently provide answers to interview questions and lack of sampling frame as any customer found leaving the stores during data collection periods had an equal chance of being a respondent.

Correlation coefficient was used to test hypothesis I (There is no significant relationship between consumers' awareness and pharmaceutical product labeling) and hypothesis III (There is no significant relationship between consumers' perception and pharmaceutical product labels) while hypothesis II (Pharmaceutical products' label does not significantly affect consumers buying decision) was tested using chi – square test. Correlation and chi – square tests were used because of their suitability in checking relationships and dependency, respectively.

4.0 Results and Discussion

This section presents and discusses the results of data analysis. Five (5) major variables; gender, age, marital status, educational qualification, and occupation were used to evaluate the demographic data. The description shows that most of the respondents are male having 81.7% of the total population while only 18.3% are female. 8.8% fell between 18 – 22 years of age, 59.2% range between 23 – 27 years, 19.2% fell between 28 – 32 years of age, and lastly 13.3% above 32 years. In terms of educational status, the majority of the respondents have attended either college or university. The fact that most of the respondents came from the educated and vibrant section of the population, is assuring that the data collected represent the true opinions of the respondents.

Investigating the research question: how is the awareness of consumers on the importance of pharmaceutical products labels, 51.7% of the total respondents agreed that they are very much informed about pharmaceutical products labeling information, 21.7% said they are moderately informed, 16.6% said they are minimally informed, while only 10.0% of the total respondents said they are not informed about pharmaceutical products labeling information. On respondents' opinion with regards to their familiarity with basic information found on pharmaceutical products labels, 6.7% indicated their familiarity with composition, 7.5% net content, 4.2% said brand name, 1.7% said country of origin, while 3.3%, 25.8%, 25.8%, and 40.0%, indicated their familiarity with batch/lot identification, manufacturing date, and expiry data, respectively.

The study found that most of the respondents (64.2%) read pharmaceutical products labels, while 35.8% don't. 60.5% of those who don't read said they had difficulties reading, 13.9% said they are not interested in the label, while 25.6% said they don't read because it is been prescribed by a Doctor. Generally, these results have revealed

that majority of the respondents are well aware of the importance of pharmaceutical products labels and can also identify some major importance of labeling depending on their level of understanding.

Result also indicated that 44.2% of the total respondents base their pharmaceutical products' buying decisions maximally on information provided through labeling. 26.7% said they are moderately affected by the label in buying decision, 8.3% said they are minimally influenced by the label, and 20.8% believed they are not affected at all by the information on pharmaceutical products' label when making the buying decision. On how important respondents consider pharmaceutical product labeling information, 29.2% of the total respondents consider pharmaceutical product labeling information to be very important, 40.8% said they consider pharmaceutical product labeling information to be somewhat important, 13.3% of the respondents said they consider pharmaceutical product labeling information to be minimally important. There were only 16.7% of the total respondents claim pharmaceutical product labeling information to be not important at all.

Most of the respondents believe that labeling provides them confidence and the opportunity to make informed decisions when buying drugs.

According to the results, 25.0% of the total respondents believed the presence of the label itself motivates them to read labeling information on pharmaceutical products, while fear of abuse and adverse reactions motivate 15.0% and 13.3% of the respondents respectively. 34.2% of the total respondents implied that they read labels to make sure that drugs are not expired, while 12.5% read labels to identify the brand. These results suggest that though not for same reasons, consumers of pharmaceutical products do read labels. Generally, the result revealed that majority of the respondents (67.9%) believes that reading label of pharmaceutical products provides insight on the dosage, adverse reaction, manufacturing and expiry dates of the products.

The result of hypothesis test in Table 1 below shows that there exists a strong positive correlation between awareness of the importance of labeling and the perception held by the respondents regarding these products. (Pearson $r = 0.861$ and $p < 0.037$), which is less than $p < 0.05$ level of significance. Hence, the null hypothesis which states that "there is no significant relationship between consumers' awareness and pharmaceutical product labeling" is being rejected.

Table 1: Relationship between consumers' awareness and pharmaceutical product labeling

Variables	Statistical parameters	Perception of respondents	Respondents' awareness
Perception of respondents	Pearson Correlation	1	.861
	Sig. (2-tailed)		.037
	N	120	120
Respondents' awareness	Pearson Correlation	.861	1
	Sig. (2-tailed)	.037	
	N	120	120

Chi-square test shown in Table 2 revealed a computed value of 13.319 and a table value of 9.488 at 4 degrees of freedom and at 0.05 level of significance. The contingency coefficient $X^2 = 13.319$ is highly significant at $P < .05$, which saw the rejection of null hypothesis "pharmaceutical products' label does not significantly affect consumers buying decision".

Table 2: Chi – Square Table

Response	Frequency	Df	X^2 calculated	X^2 tabulated	Decision
Very important	96	4	13.319	9.488	$p < 0.05$
Not important at all	24				Reject

Result also showed a strong positive correlation between consumers' perception of labels and pharmaceutical products; though not significant. ($r = 0.702$ and $p > 0.401$), which is greater than $p < 0.05$ level of significance as shown in Table 3. Hence, the null hypothesis which states that: there is no significant relationship between consumers' perception of the label and a pharmaceutical product is being retained.

Table 3: Relationship between consumers' perception of label and pharmaceutical product

Variables	Statistical parameters	Product labeling	Perception of respondents
Product labeling	Pearson Correlation	1	.702**
	Sig. (2-tailed)		.401
	N	120	120
Perception of respondents	Pearson Correlation	.702**	1
	Sig. (2-tailed)	.401	
	N	120	120

** Correlation is significant at the 0.01 level (2-tailed).

This study was designed to determine awareness of pharmaceutical products' labeling and use of the information in purchasing decision among consumers. The study found an association between demographic characteristics of the participants (education, age and income) and awareness toward pharmaceutical products. This finding agrees with Mahgoub et al. (2007), who revealed the level of knowledge and use of drugs labeling information increased with age, level of education and family income. The study showed that the level of education affects the participants' awareness toward drugs label. Also concurring this finding, Gwantwa (2012) and Sunelle et al. (2010) found that consumers' reading of drugs' label is determined by different demographic characteristics such as age, sex, education level, health status and situational factors such as income, time and being in the special diet. Contrary to this study, Washi (2012) reported that there was no statistically significant relationship between level of education and level of awareness on drugs labeling among consumers in the UAE.

The present study also found that most respondents paid great attention to expiry dates and composition, which indicates they are concern about dangers associated with consuming expired drugs or drugs with undesired components. This result agrees with Mathew et al. (2012), who revealed during an online survey conducted in the USA that 76% of respondents check expiry date and 51% check drugs composition. A similar result was reported in the UAE by Washi (2012), Sunelle et al. (2010), South Africa. On the contrary, however, Donna et al, (2001) conducted a similar study in Australia and New Zealand and found that most respondents (72%) are concerned with brands followed by price (60%) and then ingredients (49%) and expiry date (33%).

The present study further showed that majority of the respondents use labels to evaluate pharmaceutical products before or during purchase. This finding agrees with Borra (2006), who applied qualitative consumer research to assess attitude and understanding of composition information on drugs in Chicago and Baltimore. Similarly, Donna et al. (2001) also found that consumers in Australia and New Zealand use information available on labels in determining product choice. Results from this study showed variability in the extent of perceived importance that respondents viewed drugs labeling. However, most of the respondents (85.1%) perceived label information as very important; the reason is its ability to provide important information about the drugs, which enabled them to make informed choices.

This is in line with Washi (2012), who found that drugs labeling information is very important /useful for people with special diet needs or people with nutritionally related health problems as it helps them to make informed choices of drugs

5.0 Conclusion

The focus of this research has been on the measurement of level awareness about pharmaceutical products' label and its effectiveness on consumers' purchase decisions. Even though the variables used in the study are good enough to provide answers to the research questions, the study cannot claim to have explored all possible factors. Also, the generalizability of the findings is limited to the North-Eastern Nigeria. In spite of these limitations, however, several important conclusions seem inescapable. First, on a descriptive level, several insights have been gained into respondents' awareness and use of drugs label information. Secondly, the study demonstrated effects of drugs label on buying decision, at least for the highly educated respondents and those who are older. It is clear from the study that most frequently referred labeling information was the expiry dates and drugs composition, which may be connected with the fact that most of the respondents in the study had college or university education. Though respondents somehow understand what they read, it is not the main determinant of purchasing decision. This might be connected with consumers' tendencies to rely heavily on doctors' advice, advertisements, and prices. Surprisingly, respondents do not seem to be aware that information provided on drugs is renewed periodically. Therefore, they only refer to labels occasionally during initial purchase. On the whole, this study provided insight as to what consumers are interested in regarding drugs label and for what purpose, thereby demanding more information on the products they consume.

References

- Borra, S., (2006). Consumer perspectives on food/drugs labels (International Council Foundation IFIC) *American Journal of Clinical Nutrition*, 83(5), 12355
- Caswell, J. A. & Padberg D. I. (1999). Toward a more comprehensive theory of food labels, *American Journal of Agricultural Economics*, 74, pp. 460-468.
- Dickson, P. R. (1994). Marketing management, Forth Worth (TX) The Dryden Press
- Donna P. B., Rhoda Z. B., & Anna C. (2001) Food and Drugs Labeling issues-consumer qualitative research: ANZFA – Australia New Zealand Food Authority.
- Gellynck, X., Verbeke, W. & Vermeire, B. (2006). Pathways to increase consumer trust in meat as a safe and wholesome food”, *Meat Science*, 74(1), pp. 161-171.
- Gwantwa S. (2012). Awareness of Food Labeling and Use of the Information in Purchasing Prepackaged Food Products among Consumers
- Joubert, P. & Lasagna, L. (1975). Patient package inserts: Nature, notions and needs, *Clinical Pharmacology and Therapeutics*, No. 5, Pp. 507-513.
- Henneberry, S. R., and Armbruster, W. A. (2003). Emerging roles for food labels:

- Inform, protect, persuade, *Journal of Food Distribution Research*, 34, pp. 62-69.
- Heroux, L., Laroche, M. & McGown, K. L. (1988). Consumer product label information processing: An experiment involving time pressure and distraction, *Journal of Economic Psychology*, 4, pp. 263-272
- Hu, W, Adamowicz, W. L., & Veeman, M. M., (2006). Labeling Context and Reference Point Effects in Models of Food Attribute Demand American Journal of Agricultural Economics, 88, 4, 1034-49.
- Hussar, D. A. (1975). Patients' Non-compliance, *Journal of the American Pharmaceutical Association*, No. 4, Pp. 183-190.
- Kasapila, W., and Shawa, P. (2011) Use and understanding of nutrition labels among consumers in Lilongwe (Malawi), *African Journal Of Food, Agriculture, Nutrition and Development*, 11(5), pp. 5171-5186.
- Mahgoub S. E., Lesoli P. P., & Gobotswang K. (2007). Awareness and use of nutrition information on packages among consumers, *African Journal of Food Agriculture, Nutrition and Development* 7(6) Pp 13-49.
- Mori, (2010). Qualitative research to explore peoples use of food and drugs labeling information. *Executive Summary Social Science Research Unit Food Standards Agency*. Retrieved from <http://www.ipsos-mori.com>.
- Nayga, R. M. (2003). Nutritional labels, health claims and consumers diets, Paper Presented at AAEA Food & Agricultural Marketing Policy Section Conference Emerging Roles For Food Labels: Inform, Protect, Persuade.
- Osei, M. J., Lawer, D. R., & Aidoo, R. (2012). Consumers use and understanding of food label information and effect on their purchasing decision in Ghana; A case study of Kumasi Metropolis, *Asian Journal of Agriculture and Rural Development*, 2(3), 351-365.
- Prathiraja P. H. K. & Ariyawardana A. (2003). Impact of nutritional labeling on consumer buying behaviour. Sri Lanka Journal of Agricultural Economics (5)1. Retrieved from [http:// www.sljol.info/index.php /SJAE/article/viewFile /3475/2842](http://www.sljol.info/index.php/SJAE/article/viewFile/3475/2842).
- Rita K., Aiste D., & Laura N. (2009) Impact of Package Elements on Consumer Purchase, *Economics and Management*, 14, pp. 441-447.
- Silayoi, P., and Speece, M. (2004). Packaging and purchase decisions: An exploratory study on the impact of involvement level and time pressure, *British Food Journal*, 106(8), pp. 607-628.
- Sunelle J. A., Hanli, de B., & Ment, L. (2010). Adult consumers understanding and use of information on food labels. foreignpolicybulletinmonitor.com
- Underwood, R. L., Klein, N. M., & Burke, R. B. (2001). Packaging communication: Attention effects of product imagery, *The Journal of Product and Brand Management*, 10(7), pp. 1-19
- Washi, S. (2012) Awareness of labeling among consumers in groceries in Al-Ain, United Arab Emirates. *International Journal of Marketing Studies*, (4)1. Retrieved from www.ccsenet.org/ijms.

BUSINESS DIVERSIFICATION AND MARKET-BASED PERFORMANCE OF SELECTED CORPORATE ORGANIZATIONS IN NIGERIA

ONIGBINDE Isaac Oladepo (Ph.D.)

Department of Business Administration & Marketing,
College of Social & Management Sciences, McPherson University, Seriki Sotayo, P.M.B. 2094, Abeokuta, Nigeria.
E-mail: deponigbinde@yahoo.com; ionigbinde@mcu.edu.ng

Abstract

Diversification is a means by which a firm expands from its core businesses into other product markets. Diversification was identified as a result-oriented strategy that can be deployed in the business environment to directly create or maintain a competitive advantage. In spite of the successes recorded by many companies operating in the conglomerate and diversified sector, it is observed that the duty to make diversification mechanisms truly strategic and synergic has been found to be inadequate in the sector. This study, therefore, examined the effects of diversification strategy and synergy on the performance of selected corporate organizations in Nigeria. A survey research design was adopted as the study guide. The population of the study comprised of all companies that are listed under the conglomerate and diversified sector of the Nigerian Stock Exchange (NSE). The study adopted multi-stage sampling technique. First, the judgmental sampling technique was used to select five (5) companies that are listed under the conglomerate and diversified sector of the NSE. Second, the process of randomization was used in drawing the working population which consists of the senior staff of Unilever Nigeria Plc, PZ Cussons Nigeria Plc, UAC of Nigeria Plc, AG Leventis Nigeria Plc, and Transactional Corporation of Nigeria Plc. A sample size of 398 respondents was chosen from selected corporate organizations via a stochastic process. The study adopted a structured questionnaire as the research instrument. Cronbach's Alpha reliability coefficients for the research instrument ranged between 0.79 and 0.83. Data generated were analyzed using the parametric statistical tool of stepwise multiple regression. The findings revealed that significant positive relationships exist among the variables; and that business diversification can positively enhance corporate performance in terms of market penetration, market development, and product lines expansion at .05 level of significance. Diversification, therefore, becomes an attractive strategic initiative when a company runs out of profitable growth opportunities in its present business operations. However, going against the core values of the company for the sake of profit maximization need to be avoided in order for diversification to be truly strategic.

Key words: Diversification strategy, Diversification synergy, Market development, Market Penetration, Product line development.